

UNIVERSITY OF KWAZULU-NATAL

**Creating resilient state-owned enterprise using Enterprise Performance
Framework and high-value knowledge employees – The case of Dube
TradePort Corporation in KwaZulu-Natal**

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DECLARATION

I, Zamafuthi Dlamini declare that:

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- (ii) This dissertation has not been submitted for any degree or examination at any other university.
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ABSTRACT

The changing and dynamic nature of contemporary business is inspired and dictated by knowledge employees as a pre-requisite for knowledge economy. These types of employees and their search for career capital using their unique competencies, personal attributes and knowledge, have become the hall marks of modern day business. They use these characters to leverage and differentiate themselves within the organization for their benefit and that of the organization. Against this background, the literature reviewed for the dissertation delved into the importance of nurturing career capitalists using the Enterprise Performance Management Framework as a way of creating a sustainable contract between the company and the employee. This is premised by the fact that using Enterprise Performance Management Framework also enables knowledge workers to flourish and grow within the organization and different industries.

For the purpose of this study, the aim was to assess and evaluate the value of enterprise performance management framework in assisting the knowledge-workers in achieving their self-development and thereby creating a sustainable organization. This is premised by the fact that the highest reward for a person's work is not what they get from it, but what they become by it. Due to the expert input required in a study of this nature, a qualitative study was adopted which focused on data collection from individuals within the company that are experts and are responsible for their company's performance management reviews, which distinguished them as ideal sources of data that could be collected via interviews.

Data collected and analysis resulted to a conclusion that alignment between enterprise performance framework and high-value knowledge employees as well as their quest to become career capitalists are not only beneficial to the organization performance but achievement of performance targets for both the company and individuals. These key findings culminated into several recommendations that aligning the enterprise performance management framework with available skills as well as employees' aspirations is fundamental for building a resilient organization that competes equally within a knowledge economy.

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LIST OF ACRONYMS AND ABBREVIATIONS

| | |
|-------|---|
| APP | Annual Performance Plan |
| DTP | Dube TradePort |
| DTPC | Dube TradePort Corporation |
| EPMF | Enterprise Performance Management Framework |
| EXCO | Executive Committee |
| EDTEA | Economic Development, Tourism and Environmental Affairs |
| KZN | KwaZulu-Natal |

CHAPTER ONE

OVERVIEW OF THE STUDY

1.1 Introduction

The changing and dynamic nature of contemporary business is inspired and dictated by knowledge employees as a pre-requisite for knowledge economy. De Fillippi, Arthur and Lindsay (2006) state that these type of employees, and their search for career capital using their unique competencies, personal attributes and knowledge, have become the hallmarks of modern-day business. They use these characters to leverage and differentiate themselves, within the organization, for their benefit and that of the organization. Bourne (2010) states that an appropriate performance management framework is required, to help organizations to review and develop their performance management frameworks at a number of different levels, as the situation changes.

Initially introduced by Kaplan and Norton in 1992 as a Balanced Scorecard for pure performance management, the performance management tool has evolved in response to complex and integrated approaches to business. The tool has since become a strategic management system for linking organizations' long-term strategy and short term actions, that take into account both tangible and intangible assets' performance.

This Chapter, therefore, presents an overview of the research project where the motivation for the study will be contextualized and will highlight the current reality. The focus of the study is also detailed, and the problem statement identified. Eventually, the chapter provides an outline that will develop the research process undertaken to confirm the theoretical framework of the study.

1.2 Research Problem

The key question for this dissertation (based on the theory of a firm) is why a particular group of people gather under one corporate umbrella to perform a set of activities, and not by themselves. Pearce and Robinson (2010) note that companies only exist as an institution so people can come to work in the hope that companies will create conditions under which they can work more effectively than they could on their own, and if this is not the case, a company will cease to exist or be sold.

The literature reviewed in Chapter Two highlights that the key to any organization's sustained performance is not confined to any one of the organization processes but in their alignment, and how this alignment is constantly measured, taking employees' roles into account. This view is supported by Kew (2013), who asserts that knowledge is an important characteristic in today's business where skills, experience and creativity by employees are the key differentiators for organizations.

This raises the question: How can Dube TradePort Corporation (DTPC) increase value for its shareholders (provincial government of KwaZulu-Natal), using an Enterprise Performance Framework, and the knowledge workers to achieve its strategy?

1.3 Motivation for the Research

Various theoretical frameworks exist on the value of an enterprise performance management framework, in assisting knowledge employees in reaching their career capitalism, and thereby creating a resilient state-owned organization. Portion of such literature is reviewed as part of this research study. McAlindon (2015) states that the quality of an organization can never exceed the quality of the minds that make it up. This holds true for modern business environment whereby the need for Enterprise Performance Management Framework (EPMF), to provide information support for unstructured decision making and strategic planning, has become paramount. Hough, Thompson, Strickland and Gamble (2011) assert that organizations that use an appropriate basic strategic performance management model, are able to move on to measuring performance, and therefore use performance indicators to analyse performance, in order to extract insights and make better informed decisions which lead to actions and performance improvements. Performance management is both strategic and an integrated approach to delivering successful results in organizations by improving the performance, and developing the capabilities of teams and individuals. According to McAlindon (2015), the objectives of the EPMF, including the following, are relevant to demonstrate the business case for the research study:

- To help employees and employers in identifying the knowledge and skills required for performing the job efficiently;
- Encourage employee empowerment, motivation and implementation of an effective reward mechanism;

- Identify the barriers to effective performance and resolving those barriers through constant monitoring, coaching and development intervention.

1.4 The Business Problem

As indicated in the introductory part of this Chapter, traditionally, businesses have relied upon old-fashioned financial and accounting systems to understand and evaluate the resilience and value of the organization. This is despite the long-held view that environmental uncertainty and business volatility are central problems facing any organization (Hough *et al*, 2011). This view is further supported by Kew (2013), who asserts that certain organizations treat certain business units as discretionary expense centers, whereby decisions are made each financial year on how much budget is allocated to each unit for skills development, and this is continuously monitored and reported upon as expenses versus budget, without any deep understanding of the relationship between career capital and enterprise performance framework.

Colquitt (2009) found that companies that achieved extra-ordinary results (on average cumulative stock of nine (9) times the general market over a fifteen year period), possessed characteristics of strategies and performance management systems rooted in skills, know-how and capabilities. In addition to these characteristics, Culbert (2008) established that these companies have a propensity to face brutal facts using candor and straight talk derived from confident and skilled workforce.

1.5 Benefits of the Study

The knowledge economy places great value on education and creativity as critical knowledge resources. Peng (2014) notes that knowledge is a key element in a contemporary working environment where competencies, skills, experience, innovation and creativity in workers are a key differentiator and competitive advantage for most companies. According to Mohan (2004: p.176), intellectual capital or organizational learning as critical parts of knowledge-based economy phenomenon, provides means of offering entities and firms with the ability to not only achieve sustainable competitive advantage, but also ways to adapt to an ever-changing operating environment.

In addition, literature and evidence indicates that organizations operate in business environments that are constantly changing, largely due to the peaks and troughs encountered in the business

cycle. In order to strategically respond to these circumstances and remain relevant, an organization needs to ensure that its performance management system, and the type of internal processes (including employees), are appropriate and suited to the business strategy.

These circumstances are exceedingly true of state-owned entities like Dube TradePort Corporation, which is a dynamic yet young organization that has been established to act as a catalyst for economic development in a bigger region. While the role of state-owned entities has remained relatively unchanged, it is crucial for these organizations to strategically position themselves in industry so as to reinforce their influence, and the contribution they make to the development of the economies they operate in, as well as increasing the shareholder (government) value.

In addition, the changing and dynamic nature of contemporary business is inspired and dictated by knowledge employees as a pre-requisite for knowledge economy (Mbo, 2009). These types of employees and their search for career capital using unique competencies, personal attributes and knowledge, have become the hallmarks of modern day business. They use these characters to leverage and differentiate themselves within the organization for their benefit, and that of the organization. Against this background, the following sections will delve into the importance of nurturing knowledge workers as career capitalists, using the Enterprise Performance Management Framework as a way of creating a sustainable contract between the company and the employee. Using Enterprise Performance Management Framework will enable knowledge workers to flourish and grow within the organization and different industries. Literature indicates that knowledge economy demands that companies attract, advance and retain employees by providing an environment and culture that develops them, enables them to thrive, and provides the opportunity to experience change.

This study has therefore been undertaken using the Dube TradePort Corporation (DTPC), not only because the researcher is employed by the same organization - hence the direct benefit to the organization from the study - but because of the huge impact of state-owned entities in the province of KwaZulu-Natal. The research will therefore provide significant insight into how the Enterprise Performance Management Framework used by DTPC could help employees reach their career capitalism, and will therefore help state-owned entities reposition themselves to become the most agile organizations, using the recommendations of the study.

The employees and management of DTPC will also benefit, as the recommendations for impact of Enterprise Performance Framework and value of knowledge employees will arise from their direct participation and contribution into the research process. Their participation will ensure that the Enterprise Performance Management Framework of DTPC is driven by what the employees of the organization expect in terms of alignment with the strategy, and will therefore ensure that the organization is relevant, utilizing performance management matrix that employees desire.

1.6 Objectives of the Study

The study will investigate the following objectives:

- To identify and describe the core elements of an Enterprise Performance Framework and its role in mobility of knowledge workers within the organization;
- To assess the effectiveness of the Enterprise Performance Management Framework used by Dube TradePort Corporation in using, recognizing and retaining knowledge workers;
- To determine whether there is a relationship between the role of an Enterprise Performance Framework and high-value knowledge employees to creating a sustainable and resilient state-owned enterprise;
- Understand the value of Enterprise Performance Framework as the means of both creating career capitalists, individual and organizational accountability and organization resilience; and
- Describe synergies between Enterprise Performance Framework and behaviour of high-value knowledge workers in a knowledge economy.

1.7 Method of Data Collection

Lind, Marchal and Wathen (2010) state that data collection strategies allow for the systematic collection of data about people, objects and phenomena. It provides information about the environment in which the data is located. This view is further supported by Gauri and Grauhaug (2010) who assert that data collection takes a form of qualitative or quantitative, depending on the nature of research topic and its objectives.

In addition, Sekaran and Bougie (2013: p. 93) suggest that there are two basic sources of data and this includes primary data (sample) and secondary data.

1.7.1 Secondary Data Collection

Sources of secondary data used in the study include referenced textbooks, academic journals and the World Wide Web.

The three most popular methods of data collection include interviews (face-to-face and telephonic), questionnaires and observation (Sekaran and Bougie, 2013: p. 96).

1.7.2 Primary Data Collection

The interview schedule took a form of semi-structured and unstructured questions that was divided into two parts, namely; demographic data and qualitative data.

A loosely structured interview schedule (Appendix 3) was utilized to guide the data collection process. This afforded flexibility during data collection, as the interviewer was able to probe with follow-up questions in order to gain insight and clarity of the participants' thoughts and ideas.

1.8 Research Method

The research methodology is specifically designed to critically analyse the elements of the Enterprise Performance Management Framework and how it affects (positively and negatively) high-value knowledge workers in their quest to become career capitalists within South African knowledge economy context, with specific reference to Dube TradePort Corporation.

1.8.1 Qualitative Research

A qualitative research approach is grounded in the positivist social sciences paradigm, which primarily reflects the scientific method of the social sciences, hence the qualitative approach that is used to reach the target population in a more reliable manner. The research instrument used is interview schedules, because the researcher is familiar with the study area and the latter is not widely spread.

1.8.2 The Sample Size

Saunders, Lewis and Thornhill (2009) state that while it is possible to collect data from an entire population (if it is of manageable size) using research questions, most research studies require a

sample of the population to be selected in order for research to be conducted. This view is further supported by Kothari (2008), who argues that sampling techniques provide a method that enables the researcher to reduce the amount of data that is needed to be collected, by considering the data derived from a sub-group rather than from all possible elements. For this reason, in order to ensure confidence level of all possible samples that can be expected to include the true population parameter, fourteen (14) employees, with expert knowledge of strategic human resources (including executive managers, senior managers and middle managers) from various Divisions at Dube TradePort Corporation, are included.

1.8.3 The Sampling Technique/Instrument

Sampling methods can be classified into those that yield probability samples and those that yield no probability samples. For the purpose of this study, sampling was used that included a simple random sampling method because each individual has an equal, non-zero chance of being included and all possible combinations can occur.

1.9 Limitations of the Study

The results of an exploratory study cannot be generalized to the population (Sekaran & Bougie, 2013: p. 97). Furthermore, purposive sampling resulted in only twelve of the fourteen individual employees (with expert knowledge of strategic human resource management) within the organization being interviewed, and therefore represented in the study. This is particularly so because the prime purpose of the study was to gather and analyse expert opinions from those actively involved in the performance assessment of employees, at all different levels, across various divisions of the organization.

The additional limitation encountered in this study was the dearth of academic literature and research relating to resilient organizations that use high-value knowledge employees to influence their enterprise performance framework and strategic alignment. While some international studies have determined the impact of high-value knowledge employees as career capitalists, not enough academic research has been undertaken to highlight how career capitalism augment enterprise performance framework, especially for state-owned enterprises. These limitations are fully documented in Chapter Five.

1.9 Outline of the Research Study

The research process undertaken was conducted in a systematic and structured manner and followed a logical flow from start to end. The study is documented and presented in five chapters as illustrated in Table 1.1.

Table 1.1 Structure of the Study

| CHAPTER | CONTENT |
|----------------------|---|
| Chapter One | This chapter provides an overview of the research study and an introduction into the research process, where the motivation for the study is contextualised and the focus of the study is detailed. The problem statement and the research question are presented together with the specific research objectives that will be studied so as to answer the research question. The limitations of the study are also documented. |
| Chapter Two | Chapter Two presents a literature review which introduces the concept of enterprise performance framework and high-value knowledge employees and how the latter can be used as a tool to propel knowledge employees into becoming successful career capitalists. The importance of knowledge worker career capital and its role in sustaining an individual employee and the company is also highlighted. |
| Chapter Three | This chapter presents a detailed and holistic analysis of the entire research process, and the steps involved in the research methodology are presented. By defining what research and research methodology is, the aims and objectives of the study are developed. After documenting the various research options available to the researcher, in the context of the aims and objectives of this study, justification is provided for the specific research methods employed in this study. Sampling decisions and a data collection strategy are also documented. |
| Chapter Four | The data collected is presented and analysed in Chapter Four. The interpretation of the results is presented in two sections, the first of which analyses the demographic profile of the population sample who participated in |

| | |
|---------------------|--|
| | the research process and the second of which highlights the findings in relation to the objectives of the study. The discussion of the findings is placed in the context of relevant prior research. |
| Chapter Five | This chapter is the recommendations and concluding chapter of this study and highlights specific conclusions that may be drawn, and focuses on recommendations based on the findings. The limitations of the study are also highlighted. The chapter concludes with theoretical and business contribution of the research as well as recommendations for further research. |

1.10 Summary or Conclusion

This chapter introduced the concept of enterprise performance management framework, knowledge economy, career capital, knowledge-worker, resilient organization and herringbone model, and emphasized the importance of developing a flexible performance management framework for a performance-driven organization. Throughout the chapter, the inter-relationship between enterprise performance framework, knowledge economy and knowledge workers, in building a resilient organization using a herringbone model, was introduced and highlighted. It was noted that using state-owned organizations' capabilities such as creativity, agility, learnability innovation and tolerance of ambiguity, enables these organizations to be buoyant. The relative contribution and ability of these capabilities and attributes depend on the type of resources (including human resources and information capital) that the organization has and how knowledgeable they are.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

The literature review is based on specific themes and processes embedded in an Enterprise Performance Framework and high-value knowledge worker relationship in a knowledge economy, and how these contribute to creating a resilient organization (with specific reference to state owned enterprises), that is able to create value for shareholders, stakeholders, regulatory agencies and employees. The second part of the literature review will explore the knowledge economy in an unbounded global environment and how this influences business in modern day society. The balance of the literature review describes the value of balancing performance management goals of a firm, and those of the employees as career capitalists to create a resilient company.

The changing and dynamic nature of contemporary business is inspired and dictated by knowledge employees as a pre-requisite for knowledge economy (Mbo, 2009). These types of employees and their search for career capital using their unique competencies, personal attributes and knowledge, have become the hall marks of modern day business. They use these characters to leverage and differentiate themselves within the organization for their benefit and that of the organization. Against this background, the following sections will delve into the importance of nurturing career capitalists using the Enterprise Performance Management Framework as a way of creating a sustainable contract between the company and the employee. Using Enterprise Performance Management Framework will also enable knowledge workers to flourish and grow within the organization and different industries. Literature indicates that knowledge economy commands that companies need to attract, advance and retain employees by providing an environment and culture that helps them to develop, enables them to thrive and provides the opportunity to experience change.

Each section of the literature review chapter has been researched with an idea to give the researcher some in-depth understanding to formulate the necessary knowledge and theory for formulating qualitative interviews. In addition, each theme has been researched in order to answer all the research questions and the objections of the study. This is done in order to bring the entire study within a proper context of strategic human resource management.

The remainder of the section explains the objectives and key elements of Enterprise Performance Management Framework, its evolution, and relevance to contemporary business, career capitalism within the context of unbounded global environment as well as business management within the South African context using both international and local examples.

Whilst common business thinking indicates that strategy is great, literature shows that deliberately not following the crowd, and not being complacent are cornerstones of establishing a leadership position for better times ahead. This is the dilemma most organizations (including state-owned companies) are faced with today, including but not limited to, how to both maintain a long-term leadership position while managing day-to-day operations. In addition, understanding the core business, taking action to protect and nurture it, retaining the best talent during tough times and constantly looking for hidden opportunities are not only strategies for survival but almost always the very foundation of continuous improvement. Enterprise performance management therefore aims to reconcile this dilemma by streamlining management processes, creating the smart, agile and aligned organization for a win-win situation for both the employer and the employee. It allows the close monitoring of performance and helps in re-establishing trust with stakeholders and shareholder. These are all items at the top of the executive agenda, for management attention, which are to be explored in the following section.

2.1.1 Evolution of Balanced Scorecard and the Enterprise Performance Management Framework

Initially introduced by Kaplan and Norton in 1992 as a Balanced Scorecard for pure performance management, the tool has evolved in response to complex and integrated approaches to business. The tool has since become a strategic management system for linking organisations' long-term strategy and short term actions. Figure 2.1 depicts a Balanced Scorecard as comprising outcome measures and the performance drivers of financial outcomes that are linked together in cause-and-effect relationships and therefore aimed to be a feed-forward control system. Some critics of the Balanced Scorecard argue that it assumes that organisations are only interested in financial performance as indicated by the arrows in the figure. Lim and Lee (2012: p 247) describe the Balanced Scorecard as “a system of linked objectives, measures, targets and initiatives which collectively describe the strategy of an organization and how the strategy can be achieved. It can

take something as complicated and frequently nebulous as strategy and translate it into something that is specific and can be understood.”

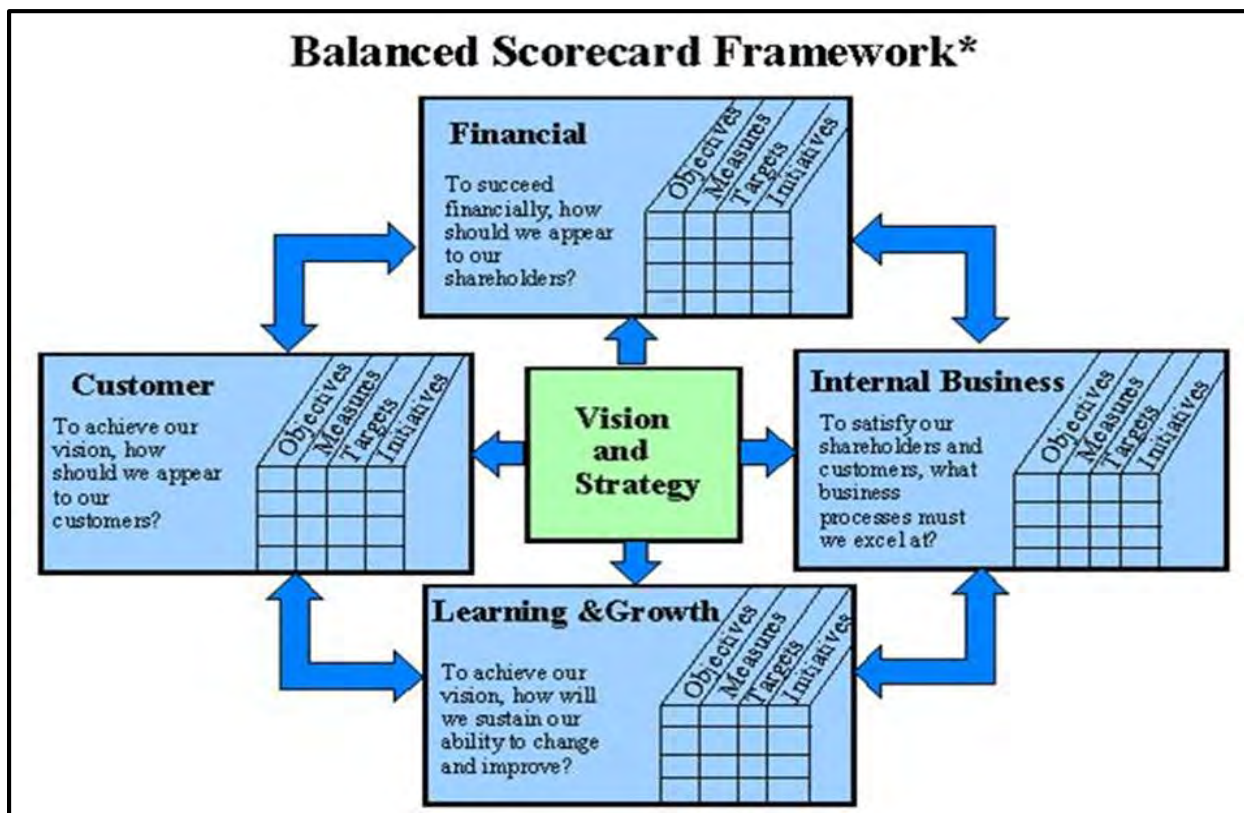


Figure 2.1 Balanced Scorecard

Source: Adapted from Kaplan and Norton, 2009. *Mastering the Management System*, Harvard Business Review: p. 62-57

Performance by its own definition denotes efficiency and effectiveness of an action. For this reason, enterprise performance management framework is concerned with the use of specific metrics to measure the likelihood of an organization to achieve its goals and objectives collectively set by the management, shareholders and its employees (Thomson, Strickland and Gamble, 2010). The Enterprise Performance Framework therefore uses this information and results to gain insights into the business operation activities. Once gathered, the EPMF therefore uses this information to effect desirable and positive change and results in terms of financial, social and environmental performance. Simply put, the EPMF combines the technical structure and business strategy to direct the entire organization to achievement of the common business objectives.

Both current and future trends with respect to globalization and economic development have led to increased focus on productivity and enterprise competitiveness. Against this backdrop, Enterprise Performance Management has been receiving a lot of attention within the business intelligence and strategy arena. It is also equally important to note that different situations require different approaches to application of the Enterprise Performance Management Framework, hence it's no one size fit all. According Hough, Strickland, Thompson and Gamble (2011, p 225), sustainable organisations today measure performance against the entities vision, mission and strategic intent in order to build resilience against business volatility, uncertainty, complexity and ambiguity. Whilst in agreement with Kaplan and Norton (2008), Bloomfield (2012) also noted that many organizations are like an uncoordinated shell with wonderful business units each with highly trained, experienced and motivated executives, but more often each business unit's efforts are not coordinated. Simply put, performance management should equal the sum of the individual unit's performance minus the cost of the organization headquarters, to create synergies. According to Mbo and Adjasi (2014: p. 23), state-owned enterprises and private organisations with strong and dynamic capabilities which are normally intensely entrepreneurial, do not only adapt to business ecosystems but also shape them through innovation and collaboration with other entities and institutions.

The work undertaken around core elements of Enterprise Performance Management Framework (EPMF) includes aspects that are responsible for enabling optimal performance on different levels within an organization. This is particularly so because a balanced Enterprise Performance Framework is responsible for improved performance and accountability for individuals and the organization (Hough, Arthur, Thompson, Strickland and Gamble, 2010). The key logic behind the EPF is about how an organisation equips workers with the necessary knowledge, skills and tools for building internal capabilities and processes for delivering the company's core functions and realizes its vision.

2.1.2 Objectives and Key Elements of the Enterprise Performance Framework

“The quality of an organisation can never exceed the quality of the minds that make it up” (McAlindon, 2015: p. 117). This quote holds true for modern business environment whereby the need for Enterprise Performance Management Framework to provide information support for unstructured decision making and strategic planning can no longer be ignored. Using the basic

strategic performance management model, organisations start with defining their strategy, then move on to measuring performance, then use these indicators to analyse performance in order to extract insights and make better informed decisions which lead to actions and performance improvements (Hough, Strickland, Thompson and Gamble, 2011). According to Armstrong (1998), performance management is both a strategic and integrated approach to delivering successful results in organisations, by improving the performance and developing the capabilities of teams and individuals. Amongst several objectives of the EPMF, the following are relevant to demonstrating the business case for the study:

- To help employees in identifying the knowledge and skills required for performing the job efficiently;
- Encourage employee empowerment, motivation and implementation of an effective reward mechanism; and
- Identify the barriers to effective performance and resolving those barriers through constant monitoring, coaching and development intervention.

Mbo (2009) postulates that enterprise performance management components such as knowledge and ability are tacitly residing within the firm's human resources and constitute part of a firm's intangible resources.

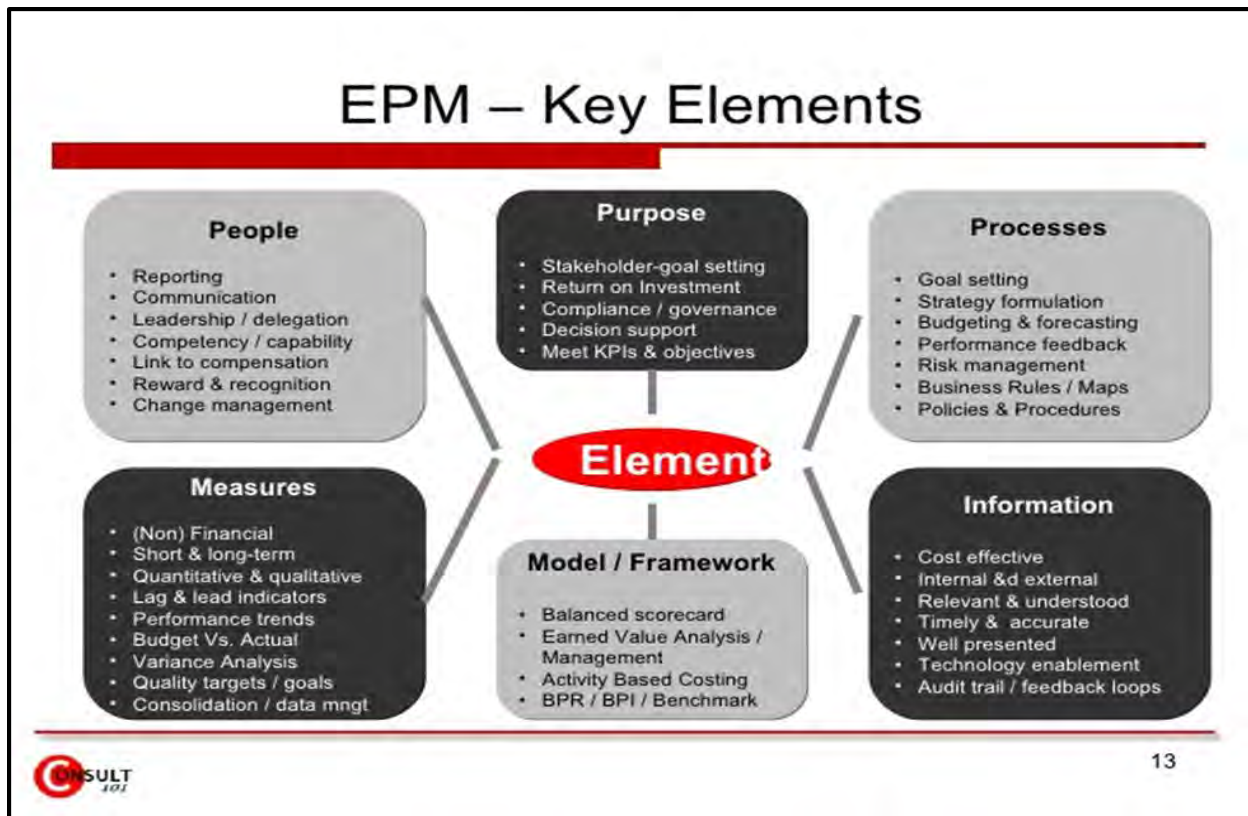


Figure 2.2 Key Elements of the Enterprise Performance Management Framework

Source: Adapted from Heggde, G.S. and Panikar, S., 2011. Causes of Sickness and Turnaround Strategies in Public and Private Sector Organizations. *Journal of Management*, Vol X.

Heggde and Panikar (2011) show that the interplay and interdependence of the different elements of an enterprise performance management as noted in Figure 2.2 assist in building strong and sustainable businesses either in private or public sector. The research finding by Suez-Martinez and Gonzalez-Manero (2013) reaffirms this position in that changes in operating environments immediately require organisations to respond to new competitive pressures, or else these pressures will blunt the strategic initiatives of the firm. This view is further supported by Beer (2011) who asserts that competition dictates that organisations approaches to performance management need to adapt to changing business environment.

More advanced performance management approaches integrate with other key management processes. Below are some of the processes in turn and explore the need for alignment.

- **Financial Planning, Consolidation & Budgeting** – By integrating your budgeting and financial planning with your corporate objectives and priorities, you ensure that the financial

resources are spent on the things that actually matter the most. Some of the leading organisations are now able to update their budgets and forecasts on the fly, based on a continuous inflow of both financial and non-financial data.

- **Project and Programme Management** – The delivery of projects and programmes need to be aligned with the corporate objectives and priorities in order to ensure efforts are focused on what matters the most. The activities (projects and programmes) need to be prioritised based on strategic needs, and therefore have to be aligned with the strategic performance framework of an organisation.
- **People Performance, Rewards and Recognition** – For most organisations, the people/employees are the most valuable and most expensive assets. In the end, it is people who deliver the projects and implement the strategic plans. By aligning budgets and projects with the strategic performance framework, you have made major steps towards alignment. However, by further aligning reward and recognition systems as well as personal performance management processes to the performance framework, you can create a tight integration between what matters the most and what people perceive as important.
- **Risk Management** – The management of risk is too often narrowly focused just on financial risks, or the disaster risks to buildings and infrastructure. According to Hough, Strickland, Thompson and Gamble (2011), while these are important, they are not enough. The performance framework has identified the key drivers of future performance (e.g. staff with the right competencies, corporate reputation or key partnerships) and it is therefore important to assess and monitor any risks in relation to all your performance drivers in order to achieve alignment between your risk management and what matters the most for future performance.
- **Performance Reporting, Dashboards and Scorecards** – Relevant performance information is not only crucial for better decision making and performance improvement, it is also a requirement for most organisations to demonstrate to external stakeholders and regulators that they have delivered desired levels of performance and that rules and regulations have been complied.
- **Business Intelligence and full analytical integration** – By aligning and integrating the above processes with the performance framework, organisations create an invaluable set of data which can be used, in an integrated way, to inform decision making. For example, the

information on value driver analysis, customer relationship management, financial forecasting, and risk logs can be used to challenge, test and revise corporate strategies.

More recently Hough, Thompson, Strickland and Gamble (2011, p. 219) have identified and described the core elements for enterprise performance management framework as the means for individual and team accountability and growth. Figure 2.3 highlights the key elements identified by Hough *et al* (2011) which form the basis for enterprise performance management framework.



Figure 2.3 Enterprise Performance Management Framework

Source: Adapted from Hough, J. Thompson, J.R. Strickland, A.J, and Gamble, J.E., 2011. *Crafting and Executing Strategy*: p. 218.

- Vision and strategy;
- Balanced performance measures; and
- People management.

As noted in Figure 2.3, vision and strategy, balanced performance measures and people management are the driving forces behind the organizational success and are a blueprint of an optimal performance measurement model. Mbo (2009) concurs with this view by recognizing that for any organization to be successful and robust in its strategic intent, performance management on the individual, team and organisational level equals strategic alignment and employee-goal setting with regular reviews and recognition.

According to Becker and Huselid (1998), a performance management framework requires that organizations review and develop teams and individual employees. Their study identified a number of elements critical and appropriate to specific levels and these include:

- An effective mechanism for reviewing and revising targets and standards;
- Incorporating a process for periodically reviewing and revising the complete set of measures in use. These should coincide with the changes in either the competitive environment or strategic direction of the company;
- Must include a process for developing individual measures as performance and circumstances change; and
- The performance measurement should be used to challenge the strategic assumptions.

This is further supported by Hechroodt (2013) that the company must therefore develop an enterprise performance framework that does not hinder individuals and divisions but assist them in developing and achieving the strategic objectives and intention of the organization.

2.1.3 The Value Proposition for Enterprise-Driven Organisation and High-Value Knowledge Employees

As indicated in the introductory part of this Chapter, traditionally, businesses have relied upon old-fashioned financial and accounting systems to understand and evaluate the resilience and value of the organization. This is despite the long held view that environmental uncertainty and business volatility are central problems facing any organization (Hough *et al*, 2011: p. 178). Kew (2013) further asserts that certain organizations treat certain business units as discretionary expense centers, whereby decisions are made each financial year on how much budget is allocated to each unit for skills development, and this is continuously monitored and reported upon as expenses versus budget, without any deep understanding of the relationship between career capital and enterprise performance framework. Against this background, a paradigm shift towards an organization performance framework that intertwines the strategic vision and the latter allows the organization to perform the following key functions:

- Track, measure and execute the corporate strategy,
- Simplify communication company-wide in order to enable the firm to be agile,

- Tap the collective knowledge of employees and unleash each employee's potential, and
- Receive and analyze critical information from stakeholders, shareholders, customers, human capital management and government agencies, in order to deliver an integrated Strategic Performance Management solution.

Of importance here is also the 'group memory' for building a sustainable high performance and resilient organization. According to Drucker (2009), strategy focused organizations understand that employees are tasked with implementing strategy and are therefore the ones who come up with innovative and creative ideas that make the organizations succeed. This view is further supported by Burfitt and Ferrari (2009) who note that the key to any organization's sustained performance is not confined to any one of the organization processes but in their alignment and how this alignment is constantly measured taking employees roles into account. Kew (2013) notes that knowledge is an important characteristic in today's business where skills, experience and creativity by employees are the key differentiators for organizations. This position further links this section to the next section about knowledge-based economy, and the requirement for knowledge workers to sustain any organization within such a context.

A study by Collins (2011) found that companies that achieved extra ordinary results (on average cumulative stock of nine (9) times the general market over a fifteen year period possessed characteristics of strategies and performance management systems rooted in skills, know-how and capabilities. In addition to these characteristics, Culbert (2008, p. 51) found that these companies have a propensity to face brutal facts using candor and straight talk.

2.2 Knowledge-based economy

The knowledge economy places great value on education and creativity as critical knowledge resources (Acton and Golden, 2014). Peng (2014) notes that knowledge is a key element in contemporary working environment where competencies, skills, experience, innovation and creativity in workers are a key differentiator and competitive advantage for most companies. According to Mohan (2004), intellectual capital or organizational learning both view the knowledge-based economy phenomenon as a means of offering entities and firms with the ability to not only achieve sustainable competitive advantage but also ways to adapt to ever-changing economic globalisation. Simply put, apart from good corporate policies and market regularities,

literature indicates that there is no other sustainable competitive advantage other than what the entity (through its unique human capital) knows, how it can use what it knows and how fast it can learn something new (Lim and Lee, 2012).

According to Simeon (2013), the vast majority of people within modern organisations and entities are employed to create ideas, solve problems or market or sell services rather than produce any tangible goods. Similar to nations today, most economists and management scientists agree that the knowledge-based economy has characteristics that are different from those that are found in traditional economic models whereby the combination of assets such as land, labour and capital give companies a competitive edge. To date, a firm's competitive advantage and ability to adapt to changing global economic trends depends on its ability to collectively leverage what its employees know. For example, due to innovation, companies such as Apple computers and SAMSUNG have increased their value for shareholders and employees as a result of technical skills and creativity of their employees. This denotes that traditional factors of economic growth such as land seem less relevant (if not obsolete) when looked at within the context of knowledge-based economy.

2.2.1 The Value of Intangible Strategic Intelligence

According to the theory of the firm, strategic assets are the critical determinants of an organization's ability to maintain a sustainable competitive advantage (Drucker, 2009. Neef, Siesfeld and Cefola (2014) further note that people use their capacity to act in order to create value in mainly two directions; by transferring and converting knowledge externally and internally to the organisation. The value grows each time a knowledge transfer or conversion takes place. In an uncertain and highly competitive business environment, the value of intangible strategic intelligence such as emotional intelligence and tacit knowledge from employees cannot be over emphasised. This is particularly so for state owned enterprises that has become fundamental catalysts and drivers for economic development.

Smale and Suutari (2008) both assert that emotional intelligence including emotional maturity and intelligence includes self-awareness, self-confidence, self-management and exhibition of social skills as critical features. According to Hansen (2013), the ability to understand self-confidence, strengths, weaknesses and self-efficacy assist high value knowledge employees in terms of their performance and working relationships in teams.

2.2.2 The Knowledge-Worker

Knowledge as a strategic resource and competence for successful organisations is defined as awareness, consciousness or familiarity gained by experience or learning. This includes knowledge of what customers value as important, both their threshold requirements and the things they specially value. The term knowledge worker generally refers to individuals who rely on knowledge as their true resource and means of performing their daily job (Jaffe and Trajtenberg, 2002). Smale and Suutari (2008) also describe the knowledge worker as an employee with high level of experience and education. It is therefore prudent to conclude that knowledge workers possess the qualities and competitive advantage to the organization as well as to themselves. Knowledge workers possess a high level of job specific knowledge and skills, including general business acumen (Brown, Hesketh and Williams, 2013). Their willingness to learn, and their ability to continually reinvent themselves to their business context is characteristic of the knowledge worker (Brown, Hesketh and Williams, 2013). These are the qualities needed to enable the organization achieve its vision, mission and objectives. According to Jones and George (2011), the 20th and 21st centuries have been centuries of transformation both in business and social paradigms whereby education determines social position. It is the period where the essence of management is to make knowledge productive. Jones and George (2011: p. 177) further asserts that the basic economic resource, the fundamental investment and the cost center of the modern economy is the knowledge worker who give to work what they have learned through systematic education in a form of ideas, concepts and theories.

The knowledge worker with a particular skills set is requirement for organisations that need employees capable of flourishing in the unbounded global world of knowledge with improved returns. According to Brown, Hesketh and Williams (2013), knowledge, skill and experience of employees are the major basis by which organisations compete today and the very same competition leads to constant need by the employees to strive and raise the skills bar. Colquitt, and Lepine (2009) note that when seasoned employees walk out the door for the last time, valuable experience and knowledge leave with them. The intangible qualities of the knowledge worker are further highlighted by Staden and du Toit (2011), who assert that the knowledge worker is much more comfortable with complexity and ambiguity of work environment whilst at the same time thriving on teamwork and relationship building as compared to traditional work contexts.

This view is further supported by Smale *et al* (2008) by asserting that knowledge worker is of importance as an individual wanting to understand his or her own personal values, confidence, strengths and weaknesses as well as job-related motives and interests including the overall self-awareness about what is critical to be a master of their own career paths. It is through this mastering of career determination that enables knowledge workers to achieve the career capital needed for the 21st century business. Both unbounded globalization and knowledge-driven economy allow the knowledgeable employee to move between organization Business Units and even countries (Smale *et al*, 2013).

There is also compelling evidence in literature that high-value knowledge workers would most likely be attracted and manageable within an organization. They are likely to be kept engaged much longer and their value can be measured as their contribution to the organization's objectives is quite visible. Research conducted by Leonard-Burton (2010) further concluded that application of knowledge in a more successful way by the knowledge workers is what gives organisations a competitive advantage. Using Sheaffer and Mano-Negrin concept of organisational unlearning as '*...the prevention of organisational inertia and potential crises by systematically rethinking and overhauling prescribed procedure*'. This emphasises the importance of questioning organisational assumptions, and sometimes throwing them out, in favour of new paradigms or ways of working (Drucker, 2005). In doing this, organisations need to acknowledge the role of knowledge workers as the source of innovation and creativity.

High-value knowledge employees are only dependent on their managers for direction because their skills and competencies frequently equip them to know more than their line managers. Drucker (2009) asserts that although they are highly specialized in their areas of work, the knowledge workers are equally mobile in their field of specialization, hence are not very loyal to any specific organization. This is critical factor for consideration in terms of management and appraisal of knowledge workers. This is further supported by Harman and Välikangas (2011) who note that the means of production for knowledge workers is their knowledge, skills and creative minds which effects medium to high levels of career mobility.

2.3 Knowledge Worker Career Capital and its Role in Sustaining Self and the Firm

Lamb and Sutherland (2010) describe career capital amongst other things as a process of development that takes place within a growing context from the individual and then the

organisational and then the global context or knowledge economy. According to Lamb and Sutherland (2010), the purpose and direction of a knowledge worker's career is no longer confined to a single employer boundary and is seen to be the responsibility of the employee. This is seen as providing an opportunity for managers and employees alike to understand manage and leverage this dynamic context for career progression and growth through the accumulation and implementation of relevant and valued career capital. Lamb and Sutherland (2010) describe seven critical zones of career capital including:

- The individual;
- The organisation;
- The career;
- The external labour market;
- Industry and global context; and
- Knowledge economy.

According to Lamb *et al* (2010), the six components of career capital are reliant on the maturity and development level of the knowledge worker. This is further supported by Simeon (2013) who likens activity of building career capital to an investment activity where positive investments create return on investment for the employer and self-reinforcement for the employee. This paradigm necessitates the need to move beyond key elements such as education and flexibility that reflects law of diminishing returns for the firm with knowledge workers trading their career capital for both employee benefit and the organisation success. Lamb and Sutherland (2010) describe career capital as the capital that is of value to the field of the career, where an individual would possess a particular set of competencies or skill and knowledge unique to that specific individual.

Inkson and Arthur (2001) argue that in today's knowledge society both individual and organization are primarily engaged in the negotiation of capital based on each party's knowledge. The notions of career capital (Inkson and Arthur, 2001) and organizational knowledge capital potentially integrate individual and organizational interests, based on the latency of such capital as a key resource in which both individuals and organizations can invest, and from which both can generate added value (Inkson and Arthur, 2001).

This view is based on three specific areas of an organization's competencies from which its knowledge is derived (DeFillippi, Arthur and Lindsay, 2006). One is its culture which can attract individual contributions, a second is its capabilities (or know-how), based on skills or knowledge lodged within it; a third is its connections (or networks) and the access they provide to resources (Inkson *et al*, 2001). These competencies are grounded in the collective and integrated talents of its people. Each area of organizational knowledge mirrors an area of individual knowledge (Inkson *et al*, 2001).

- *Knowing-why* stems from an individual's motivation and values, into which an organizational culture seeks to tap;
- *Knowing-how* refers to the skills and knowledge developed through both formal and experiential learning; and
- *Knowing-whom* refers to the interpersonal relationships an individual may contribute to a firm's networks through his or her own links (DeFillippi *et al*, 2006).

2.3.1 Relationship between career mobility and the organisation configuration of constraints and prospects

According to Somers (2007), in the conceptual model, the movement capital and structure of risks and opportunities are concurrently responsible for shaping careers. Somers (2007) asserts that the right-hand side of the framework clarifies how and why people make or do not make a transition from a particular work-role to another given their capital to move within the context of structural risks and opportunities. A wide range of activities are responsible for boosting the employee movement including but not limited to task enrichment, coaching and mentoring, training, outplacement and network development (Staden and du Toit, 2011). For instance, coaching and mentoring are more valuable to clarify career expectations for both the employer and the employee, helping to improve insight into one's available skills and competencies and therefore stimulating to become more adaptive and focused. It is further noted that participation in a variety of activities can be initiated by either the employee or the organization to effect holistic performance management and career management. According to Staden and du Toit (2011), three critical elements are key to stimulating and maintaining career capital and adaptive employees.

2.3.1.1 Personal Growth

The vital stimulus for any employee can only be described as both the ability to realize their potential through intellectual, career and personal development provided for by the opportunities the job offers. According to Lim and Lee (2012), acquisition of knowledge forms the critical part of that career and personal development of an employee. It is therefore important that the job itself provides challenges and excitement for knowledge workers. This is further supported by du Hansen (2013: p. 11) who asserts that the inspiration that employees derive from exhilarating job characteristics is enough to give impetus and creativity for knowledge workers.

2.3.1.2 Operational Independence

Robbins, Judge, Odendaal and Roodt (2009: p. 153) note that knowledge workers have higher levels of confidence (self-efficacy) which normally leads them to set higher goals for their own performance and that of the organization. Operational independence is another key factor in providing a working environment that allows knowledge workers to have self-control over any task assignments within any limits of the organizational performance management system and structure. It is therefore incumbent on managers to provide enough levels of autonomy and flexibility for knowledge workers to flourish.

2.3.1.3 Task Achievement and Monetary Rewards

Achievement and fulfillment associated with satisfactory completion of a task by knowledge-workers is achieved from producing and completing work of high standard and quality such that the employee feels proud of his or herself (Staden and du Toit, 2011). In addition, reward for meaningful contribution made by knowledge workers to the success and competitive strength of the organization is always measured in monetary terms.

Literature and observations indicate that knowledge workers make up a large percentage of most modern day workforce in knowledge economy. For this reason, in order to ensure that these workers experience a sense of achievement and fulfillment from their careers, a combination of tasks they are involved with needs to be complex and challenging in order to afford them with a sense of achievement. Only organisations that acknowledge this fact will be able to leverage their knowledge, creativity and innovation to build resilience.

Resilience is seen as a key organisational capability for sustainability in the current turbulent environment. At the same time, for organisations to be more sustainable and resilient, the

delivery of innovative responses to the market through continuous change and improvement is necessary. The following section will therefore describe and discuss the key elements and relevant models for building a resilient organisation.

2.4 Organisational Resilience

Somers (2007) stated that the majority of research into organizational resilience has been qualitative and descriptive. By its own definition and composition, resilience is made up of four distinct components such as robustness, redundancy, resourcefulness and rapidity as well as four critical domains including technical, organizational, social and economic (Nonaka and Takeuchi, 2014).

The term ‘resilience’ originated in the 1970s in the field of ecology from the research of C.S. Holling, who defines resilience as *‘a measure of the persistence of systems and of their ability to absorb change and disturbance and still maintain the same relationships between populations or state variables’* (Holling, 1996: p. 14). Hamel and Välikangas *et al* (2011) describe strategic resilience as being about continuously anticipating and adjusting to deep, secular trends that can permanently impair the earning power of a core business. “It’s about having the capacity to change before the case for change becomes desperately obvious”. In short, resilience is best defined as “the ability of a system to absorb disturbances and still retain its basic function and structure” (Hamel and Välikangas, 2011: p. 34). In other words, resilience is the capacity to change in order to maintain the same identity.

Reinmoeller and Baardwijk (2009) indicate that the concept of resilience or resilient organization originates in research from child behaviour, which intimates that some children prove to be positive, focused, flexible, proactive and resilient despite exposure to extremely challenging and stressful environments. In the case of the subject dissertation, the resilient company is looked at within the strategic management, hence its definition as denoting the company’s capabilities that enable the business to always reinvent itself, overcome any barriers to change by building multitude of competitive advantages. According to Reinmoeller and Baardwijk (2009), a plethora of tools for building resilience includes, but not limited to:

- Knowledge management and increased commitment to exploiting knowledge;

Literature indicates that the use and leveraging of the existing knowledge in any organization is critical (Beer, 2011). This view is further supported by Teece (2014) by intimating that the most important internal resource for building a resilient company includes employees' intellectual capital, their knowledge and skills sets. In addition, resilient companies focus on the efficient use and reuse of existing knowledge. For example international companies like Royal Philips Electronics, Samsung, Unilever, Procter and Gamble put more emphasis on optimal use of collective know-how and collaboration amongst their knowledgeable and skilled workers (Burnard and Bhamra, 2011). Literature and evidence indicate that these companies chronicled their innovation strategies in terms of new products over the last two decades including the recession period in 2008 and discovered that the mixture of knowledge and their performance management systems respectively enabled them to maintain a dynamic and resilient balance (Leonard-Barton, 2012).

Leonard-Barton (2012) argues that knowledge within an organization accumulated over time by nudging through management decisions and actions is vital. This view is further supported by Nonaka and Takeuchi (2013) that capacity and knowledge within a company constitutes an overflowing source of corporate renewal, identity and resilient element. According to Nonaka and Takeuchi (2013), the five basic characteristics of a resilient company include:

- Self-organisation with a corresponding intention, objective, directive and mission;
- Shared sense of purpose;
- Diversity in knowledge;
- Open boundaries; and
- Commitment of all participants.

According to Gibson and Tarrant (2010), a resilient and forward looking and self-correcting organization is the one that can adapt to external market shifts quickly but remain steadfastly focused on and aligned behind coherent business strategy. The capabilities, skills sets and expertise are all in line with the organization mission, vision and strategic intent in order to ensure delivery of constant results. Gibson and Tarrant (2010) note that resilient organisations empower teams and individuals to take actions when necessary, without delays associated with approvals. For example, Toyota assembly line workers can halt production by pulling a special

alarm cord when something goes amiss. In this way, the entire team of engineers and technicians descend on the work station in question to fix whatever the problem is that cause disruption, instead of continuing with the production of a defective product. This is only possible because of continuous communication among knowledge employees. Using Gibson and Tarrant herringbone resilience model as shown in Figure 2.3, this model suggests that resilience of an organization is enhanced by a combination of its attributes and characteristics, as well as its activities and capabilities (Gibson and Tarrant, 2010).

In addition, literature indicates that because the resilient organization is performance-driven, the business process is flexible allowing the entire organization to adapt and absorb changes as and when they do occur. As shown in Figure 2.3, the key complementary components that bind performance and adaptation sides of resilient organisations are architecture, skills/knowledge and culture. The rationale for using the herringbone model is based on the maturity stage of the case study in question, and the fact that, compared to the other resilience models, the latter does encapsulate certain elements of the other organisational resilience models. Simply put, all the models acknowledge that any organisation resilience result from business complexity, volatility, ambiguity and uncertainty (VUCA).

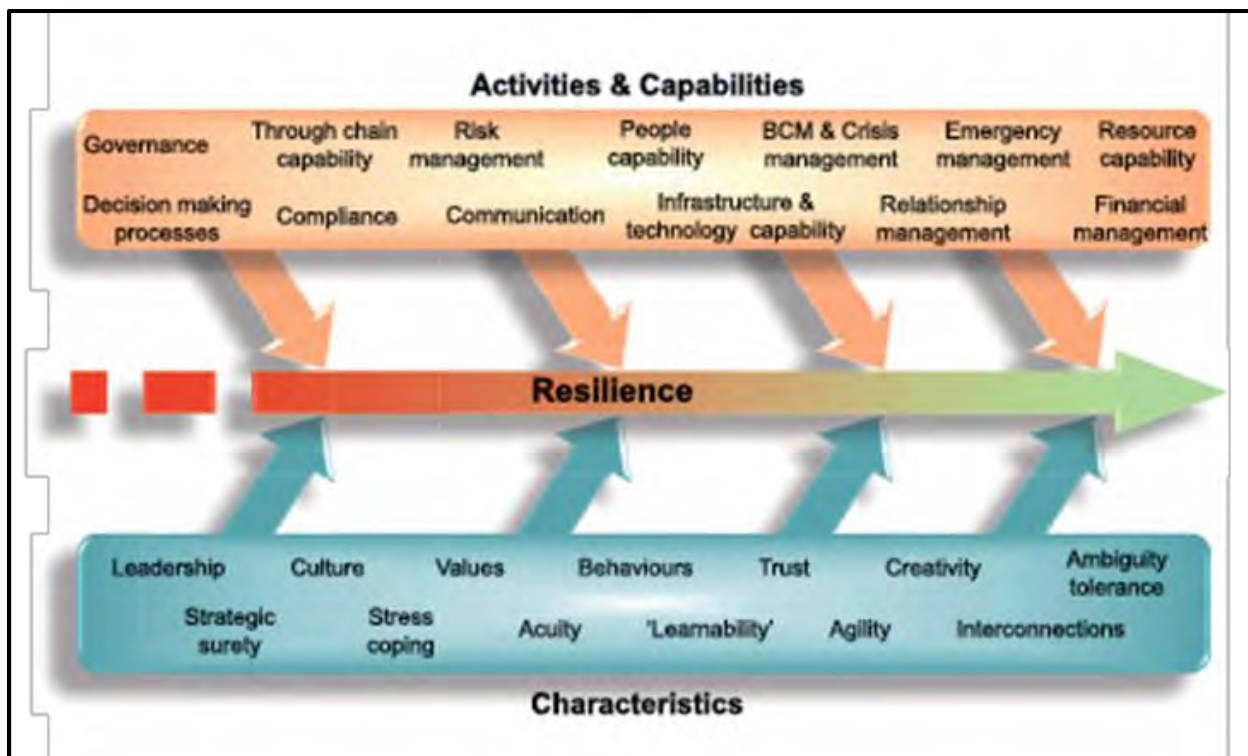


Figure 2.4 Herringbone Resilience Model

Source: Adapted from Gibson C. A., and Tarrant, M., 2010. A Conceptual Models' Approach to Organisation Resilience. Vol 25(2), p. 6-12

As can be seen in Figure 2.4 and the fact that progress and business development occurs very hurriedly, it is difficult to foresee the changes that may occur in the business environments, and the herringbone model argues that in order to build robustness and resilience of an organization, its performance management framework needs to be vigorous, and be able to co-ordinate activities and acknowledge individual and team input.

Based on the herringbone model, the different activities, capabilities and attributes of an organization are critical for the optimal functioning and manner that the organisation adapt to the non-routine environment. Some of these capabilities include creativity, agility, learnability and tolerance of ambiguity. The relative contribution and ability of these capabilities and attributes will depend on the type of resources (including human resources) that the organization has and how knowledgeable they are.

Similar to the herringbone resilience model, Beer (2011) advocates for the Professional Model which contends that people are attracted to becoming part of an organization that is at the forefront of professional achievement through knowledge and skills. Concurring with this view, Nonaka and Takeuchi (2013) assert that performance is evaluated using professional skills, knowledge as well as accomplishments, promotion and progression therefore are only guaranteed if skills and know-how inside the firm are available. This means that only if the skills and know-how is not available inside the firm that the organization will look outside for promoting individuals.

2.4.1 The Role of Leadership and Emotional Intelligence in Building Resilient Organisation

Research conducted by Burnard and Bhamra (2011) in determining the role of intangible assets such as information capital, employees and organisation culture in building a resilient organisation concluded that knowledge and information capital was the most significant dimension and a critical success factor for any organisation. Confirming this notion, research by Robinson *et al* (2011), note that the organisational resilience depends heavily on leadership and its knowledge and emotional intelligence.

In addition, research conducted by Nonaka and Takeuchi (2013) support the view that applying the model in Figure 2.5 and using the phronetic leadership concept, requires that management and leadership must be flexible and possess practical wisdom that is context sensitive. This means that the management and leadership typology for building and sustaining a resilient firm must possess knowledge and analytical capability that supports innovation and creativity (Suez-Martinez and Gonzalez-Manero, 2013: p. 89).

Leadership assimilates the strategy with vision to enrich the capability of the firm to perform well or according to the need (Martinez and Gonzalez-Manero, 2013). In their study for resilient and high-performance firms, Hamel and Välikangas (2007: p. 56) noted that performance evaluation as the role of the organization leader is the most important task of strategic management process, and to execute this task, the leader performs the role of an evaluator. Generally evaluation describes that how well the strategies are formulated and executed and define the remaining gaps that need the concentration of the leader to be fulfill. Basically evaluation provides the basis for continued improvement in the strategic management, because of its ability to facilitate and revise strategies according to need of the situation. It not only evaluates the organization's strategic process, but also the performance of people, to ensure effectiveness of rewards and punishment systems.

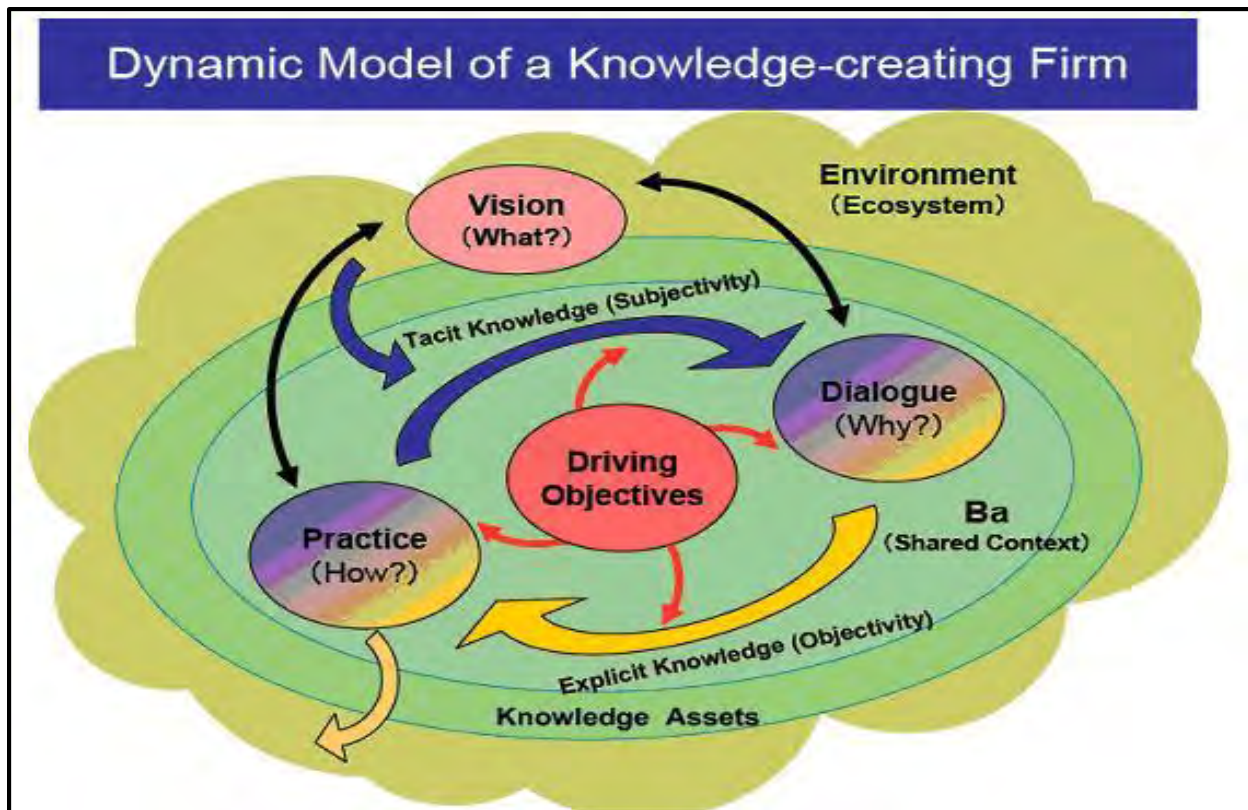


Figure 2.5 The Knowledge-Creating Organization & Leadership Model

Source: Adopted from Suez-Martinez F.J. and Gonzalez-Manero A., 2013. Strategic Renewal, Cooperation and Performance, Vol 02, p 34-56

As illustrated by Figure 2.5, using the phronetic leadership concept requires that management and leadership must be flexible and possess practical wisdom that is context sensitive. This means that the management and leadership typology, for building and sustaining a resilient firm must possess knowledge and analytical capability that supports innovation and creativity

Phronesis is a concept that synthesizes “knowing why” as in scientific theory, with “knowing how” as in practical skill, and “knowing what” as a goal to be realized. Unlike episteme, it emphasizes practices in particular contexts. However, phronesis is not just knowledge within a certain, particular context per se. Since it is knowledge to serve the “common good”, it implies an affinity with universal principles.

According to the model, the phronesis concept constitutes six abilities that help build a resilient organisation and these are;

- Ability to make a judgment on goodness;

- Ability to share contexts with others to create shared sense;
- Ability to grasp the essence of particular situations/things;
- Ability to reconstruct the particulars into universals using language/concepts/narratives;
- Ability to use any necessary means well to realize concepts for common goodness; and
- Ability to foster phronesis in others to build resilient organization.

2.5 Conclusion of Literature Review

This chapter introduced the concept of enterprise performance management framework, knowledge economy, career capital, knowledge-worker, resilient organisation, herringbone model and emphasized the importance of developing a flexible performance management framework for a performance-driven organisation. Throughout the chapter, the interrelationship between enterprise performance framework, knowledge economy and knowledge workers for building a resilient organisation using leadership, professional model or herringbone model was highlighted. When the concept of herringbone model was introduced, it was also noted that using state-owned organisations' capabilities such as creativity, agility, learnability innovation and tolerance of ambiguity enables these organisations to be buoyant. The relative contribution and ability of these capabilities and attributes depend on the type of resources (including human resources and information capital) that the organization has and how knowledgeable they are.

Literature reviewed indicates that knowledge economy dictates that, using an effective enterprise performance management framework assist rather than retard knowledge-workers in their quest to spur their careers, either within the organisation or within different industries. It is also apparent that an inter-dependent relationship between the employer and the knowledge-employee should exist in order to create a tight integration between what matters the most for the organisation bottom line and what employees perceive as important.

The key components and elements of enterprise performance management framework such as processes, leadership and information can in turn be used to build career capital and a resilient organisation. This is precisely because knowledge-workers are self-driven and motivated and are therefore suited to competitive working environment because of their career capital. Lastly, the different activities, capabilities and attributes of an organisation are critical for the optimal

functioning and manner that the organisation and knowledge-workers adapt to the non-routine environment. These capabilities include creativity, agility, learnability and tolerance of ambiguous characteristics of knowledge economy.

While it is evident from the literature review presented that organisations need to develop and adapt their enterprise performance management framework in such a way that it recognizes the role and aspiration of knowledge workers and career capitalism in order to build resilience and robustness. There is not enough evidence showing how government-owned state enterprises craft their enterprise performance frameworks, which highlight the role and value of high-value knowledge workers, in order to build their resilience against volatile, uncertain, ambiguous and complex environment. It is for this reason that a more meaningful and detailed research is undertaken to close this academic and management gap using a specific and appropriate methodology. Such methodology will be described and discussed in the next chapter.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The literature review presented in the previous chapter highlighted the academic requirement for further research to be conducted on the value of Enterprise Performance Management Framework, in assisting the knowledge workers to achieve their career capitalism within state-owned companies. This chapter provides a holistic and detailed analysis involved in research methodology that is adopted for this study. Research methodology requires careful planning; hence the execution of this study is based on sound research methodology. Gauri and Grauhaug (2010) stated that this depends on the nature of a research problem and its objectives. The design requires literature review, careful choice of study design, recording of observations and collection of data. Leedy and Ormrod (2013: p. 39) noted that once the researcher has decided to collect primary data, he/she should make a decision on what type of data collection techniques to use.

In addition, this chapter seeks to discuss the theoretical research methodology issues that include the qualitative method that is used for this study. It also touches based on the evolution, basic concepts of research and their respective definitions. The chapter further provides justification for the techniques used for data collection and methods of ensuring the consistence of responses from respondents. Qualitative method (interview schedule) was used to collect data for this dissertation and the qualitative questions are such that their sum will answer the research question and each research question will address all five (5) research objectives.

3.2 The Theory of Research

According to Webster (1985), to research is to investigate exhaustively in order to find answers to a particular phenomenon. Saunders (2009: p 21) defines research as “something that people undertake in order to find things in a systematic way, thereby increasing their knowledge or generating new knowledge”. In addition, Kothari (2011) defined research methodology as “a way to solve a research problem”. The two critical phrases in this definition are systematic research and to find out things”. Systematic advocate that research is based on logical relationships and not just beliefs and to find things out denotes a multiplicity of possible

purposes of research. Gauri and Grauhaug (2010) expand further that research is a process of planning, executing and investigating in order to find answers to our specific questions.

Research is a common term used to describe the process whereby solutions are sought to a problem being experienced. This process generally results in the researcher gaining a deeper understanding of the various factors and situations identified in relation to the problem (Sekaran and Bougie, 2013). Leedy and Ormrod (2013) concurred by noting that the trigger to a research process being undertaken, is often linked to researchers either trying to increase their knowledge or understanding of a specific phenomenon, impacting on a problem they are facing, or to the curiosity of researchers in identifying areas in which they are concerned or interested. According to Saunders, Lewis and Thornhill (2009), the main purpose of conducting research is to improve one's knowledge of a particular business or management problem. Many authors define research in different ways and their definitions vary in complexity and duration. Leedy and Ormrod (2013) note the following seven general distinct characteristics of all types of research as illustrated in Figure 3.1 below.



Figure 3.1 Seven Characteristics of Research

Source: Adapted from Leedy, P.D. and Ormrod, J.E., 2013. *Practical research planning and design*, 10th Ed. USA: Pearson Education Inc.

Based on Figure 3.1 and the characteristics of research, Leedy and Ormrod (2013) note that different academic disciplines may use different formats, and ultimately, most research studies

don't bring total closure to a research problem. In discussing the principles of research Kothari (2008) notes that its main purpose is to discover answers to questions through the application of various scientific procedures.

Theory on the other hand is defined as a “formulation regarding the cause and effect relationship between two or more variables” (Saunders, Lewis and Thornhill, 2009: p 26). In addition, Kothari (2011: p. 32) described theory as “a set of interrelated constructs, definitions and proportions that present a systematic view of phenomena by specifying relations among the variables, with the purpose of explaining and predicting the phenomena”.

3.3 Overview and Location of the Company or Organization

The unit of analysis refers to the manner in which the data collected is grouped together for analysis (Sekaran and Bougie, 2013). During the research design phase of the research process noted in Figure 3.1, the unit of analysis must be specified. The unit of analysis refers to the level of aggregation of the data collected during the subsequent data analysis stage (Sekaran and Bougie, 2013). It is necessary to decide on the unit of analysis at the time the research question is formulated, as the steps in the research process that follows will be guided by the unit of analysis. Leedy and Ormrod (2013) defined a participant as the person or entity who answers the questions in an interview, questionnaire, survey or other data collection method.

The location of the study is determined by the nature of the organization. Dube TradePort Corporation is a Schedule 3C state-owned organisation under the Department of Economic Development, Tourism and Environmental Affairs in KwaZulu-Natal. It is located north of Durban Central Business District (CBD) within the jurisdiction of eThekweni Municipality in the province of KwaZulu-Natal, as illustrated in Figure 3.2.



Figure 3.2 Dube TradePort within Durban Metropolitan

Source: Adapted from Dube TradePort Corporation, 2015) [Online]. Available at: <http://www.dubetradeport.co.za/downloads2015> [Accessed 24/06/2015].

3.3.1 Aim and Objectives

A useful starting point in any research undertaking, Saunders, Lewis and Thornhill (2009) asserted is for the researcher to understand and document what the aim of the study is, in order to guide the entire research process. The aim is generally embodied in the research question, which flows from the research idea or problem, and this may then lead to several more detailed questions or the definition of research objectives.

For the purpose of this study, the aim is to assess and evaluate the value of enterprise performance management framework in assisting the knowledge-workers in achieving their self-development and thereby creating a sustainable organization. This is premised by the fact that “the highest reward for a person’s work is not what they get from it, but what they become by it.” The key objectives of the study are as follows:

- To identify and describe the core elements of an Enterprise Performance Framework and its role in mobility of knowledge workers within the organization;

- To assess the effectiveness of the Enterprise Performance Management Framework used by Dube TradePort Corporation in using, recognizing and retaining knowledge workers;
- To determine whether there is a relationship between the role of an Enterprise Performance Framework and high-value knowledge employees to creating a sustainable and resilient state-owned enterprise;
- Understand the value of Enterprise Performance Framework as the means of both creating career capitalists, individual and organizational accountability and organisation resilience; and
- Describe synergies between Enterprise Performance Framework and behaviour of high-value knowledge workers in a knowledge economy.

A summary of the explanation of the four types of research and the purpose of each type as noted by Saunders, Lewis and Thornhill (2009) and Sekaran and Bougie, (2013) is provided in Figure 3.3.

| Exploratory | Descriptive | Hypothesis Testing | Case Studies |
|--|--|--|--|
| Undertaken where the researcher is unsure of the precise nature of the problem | Undertaken in order to describe the characteristics of the variables. The researcher must have some knowledge of the variables | Undertaken to explain the nature of certain relationships or to predict outcomes | Undertaken where contextual analysis is needed to understand matters relating to similar situations in other organizations |
| | | | |

Figure 3.3 Types of Research

Source: Adapted from Sekaran, U. and Bougie, R., 2013. *Research methods for business*, 6th Ed. West Sussex: Wiley and Sons Ltd

As shown in Figure 3.3, the purpose of each type of study is dependent on the nature of the research. The foundation for this study was established on the grounds of the literature review presented in Chapter Two.

3.3.2 Approach (Quantitative/Qualitative)

According to Galliers (1993), the distinction between quantitative and qualitative research is important to be able to identify and understand the research approach underlying any given study, because the selection of the research approach influences the questions asked, the methods used, the statistical analysis used, inferences made, as well as the ultimate goal of the research. For this reason, after considering all the relevant aspects of this study and in order to achieve the research objectives described above, a formal, cross-sectional, investigative and qualitative analysis was undertaken for the study.

The data collection technique and the approach used to analyse the results can either be a quantitative or qualitative approach. (Saunders, Lewis and Thornhill, 2009). This view is further supported by Sekaran and Bougie (2013), who stated that the determinant of adopting a qualitative or quantitative approach depends on whether the study is descriptive or exploratory in nature.

3.4 Definition and Need for Population and Sample

The most logical thing to do before deciding on the size of the sample is defining the population of the study. However, it is not always possible to study the entire population so a study of subset or sample of the population is used where results and findings are inferred to the entire population. Although the population size of the Dube TradePort Corporation employees is less than 200, it was not possible to study the entire population.

Guthrie (2010) stated that the main reasons for sampling are that it is both efficient and effective. However, provided the sample is carefully chosen, generalising the outcome from the sample to the population is also possible. Saunders, Lewis and Thornhill (2009) justified sampling for the following reasons:

- Impracticality of surveying the entire population;
- Budget constraints;
- Time constraints; and

- Turnaround times.

Sekaran and Bougie (2013) argued that there is a wide range of possible options to consider when sampling. The purpose of the study needs to be ruminated and the practicality of various sampling methods needs to be weighted. Sampling involves selecting individual units which the research question seeks to find out about and test. A sample is a representative that allows the results of the sample to be generalized to the population. The two main types of sampling depend on whether or not the selection involves randomization (Peil, 1995).

3.5 Sampling Design and Methods (probability/non-probability)

Sampling design and methods can be classified into those that yield probability samples and non-probability samples. In a random sample, each respondent in the entire population has an equal probability of being chosen for the sample and every collection of persons has the same chance of becoming the actual sample. Peil (1995) remarked that the basis for all probability samples is the simple random sample in which each individual has an equal, non-zero chance of being included and that all possible combination could occur. A random sample may be chosen in a number of ways, depending on the size of the population. Simple random sampling is usually considered adequate if the changes or selection are equal at any given stage to the sampling process.

Convenience sampling was determined to be the most appropriate method as it would allow for the collection of data from members of the population who were most conveniently, willing and able to provide it. Sekaran and Bougie (2013) advocated that this type of study is most often used in the exploratory phase of a research study, and is probably the best method to gain information from a population that would otherwise be difficult to get an adequate response from.

3.6 Description of the Population

3.6.1 Participants in Study and Sample Size

The study participants were recruited with the sole purpose of completing the interview questions. All the data recorded was then used for data analysis and inference making. Dube TradePort Corporation as a five year old provincial owned enterprise under the auspices of Department of Economic Development, Tourism and Environmental Affairs only has

approximately 200 employees including executive managers. This is the population size of this study and only twelve (12) employees were interviewed, based on a confidence interval of 95% and a margin of error of 5% (Keller, 2011).

3.6.2 Sampling Frame

Saunders, Lewis and Thornhill (2009) define the sampling frame for any sample as the complete list of all the elements in the population from which the sample will be drawn. In many instances, the sampling frame is an existing database, but Kothari (2011) cautions that the following possible problems must be avoided when using existing databases:

- Individual databases are often incomplete;
- The information held about organizations in databases is sometimes inaccurate; and
- The information held within organisation databases is often outdated.

The interview schedule with 16 questions that covered all five stated objectives was used. The questions are arranged into themes to ensure adequate coverage of literature reviewed, as well as the research question. To ensure validity, all questions had to be answered by all the respondents during the interview. Respondents were provided guidelines on how to answer the interview questions.

To adequately represent certain critical features of the population, the sample chosen from Dube TradePort Corporation Divisions is shown below.

Table 3.1 The Characteristics of the population

| DTPC DIVISIONS | TOTAL NUMBER OF EMPLOYEES | SELECTED EMPLOYEES |
|------------------------|----------------------------------|---------------------------|
| CEO Office | 8 | 2 |
| Finance Division | 18 | 2 |
| Property and ITC | 21 | 2 |
| Corporate Affairs | 18 | 1 |
| Cargo and Air Services | 56 | 2 |

| | | |
|---------------------------------------|----|---|
| AgriZone | 51 | 3 |
| Development Planning & Infrastructure | 12 | 1 |

As indicated in Chapter One, purposive sampling was used because the researcher has prior knowledge of the study area, challenges and opportunities associated with the EPMF, a total of 12 employees (out of a sample target of 14 employees) participated during the interview sessions based on their signed consent letters. Each element represents specific divisions within the organization. Although Cargo and Air Services as well as AgriZone both have the highest number of employees, majority of their employees are at shop floor, hence were not target sample for the study. The details and analysis of the interview sessions will be dealt with in Chapter Four.

3.7 Data Collection Method

Research strategies include experiments, surveys, observations, case studies, grounded theory, action research and mixed methods (Sekaran and Bougie, 2013). According to Lind, Marchal and Wathen (2010), data collection strategies allow for the systematic collection of data about people, objects and phenomena. It provides information about the environment in which the data is located. This view is further supported by Gauri and Grauhaug (2010) who asserted that data collection takes a form of qualitative or quantitative data, depending on the nature of research problem and its objectives.

Render (2009) argues that qualitative data is obtained from objects, pictures and words that involve detailed descriptions of observations. On the contrary, quantitative data involves numbers, and it comprises a collection of data before analysis (usually done statistically). Sekaran and Bougie (2013) suggested that there are two basic sources of data and this includes primary data (sample) and secondary data. In addition, Kothari (2011) stated that primary data collection is best achieved through observation or direct communication with respondents. These strategies include but are not limited to, observation methods, interview methods, questionnaires and through schedules. Because this study was an exploratory qualitative study, interviews were the instrument of choice for data collection.

3.7.1 Primary Data Collection

Primary data is the data that is collected for a specific purpose. Although primary data is more reliable, it is costly and time consuming to obtain. In order to meet and address the research objectives, primary data acquired in the form of interview is regarded as the appropriate tool. Although this could result in high respondent initiated errors where respondents are pressed for time, especially the executive managers of the organization, effort was made to ensure that bias is limited in order to maintain high validity of research.

In addition, use of an interview schedule, with different questions covering the various themes, was also used to allow the respondent time to think about questions and to respond to the interview questions appropriately. The interview schedule took the form of semi-structured and unstructured questions that was divided into two parts, namely demographic data and qualitative data. The content and scope of the questions assumes presumed knowledge of the employees, because the majority of the respondents are in either managerial or senior managerial professional positions. According to Jankwicz (2005: p. 209), interviews are quick and useful when a particular issue needs to be explored in depth. The interviews give the researcher an opportunity to ask follow-up questions. During the interviews, the researcher took notes, and non-verbal behavior of the respondents was also noted and became part of the data. The researcher also relied on the recording of the interviews.

A covering letter was sent to respondents prior to the interview, which was meant to inform the respondents of the upcoming interview and to encourage a better response rate. The interview questions, found in Annexure 3, contained standard semi-structured questions that were used to collect comparable information from the participating individuals. The interviews were undertaken in exactly the same order and format. This was done to ensure that participants respond to exactly the same format with the same content and set of questions (Corbetta, 2003: p. 269).

3.7.2 Interviews

Interviews provide a good platform to generate qualitative data through question and answer sessions in a conversational form (Guthrie, 2010). Furthermore, although it is time consuming, its flexibility and the ability to gain immediate clarity and in-depth understanding of ideas and concepts, via follow-up questions, make it especially useful for data collection. The three main

types of interviews are unstructured, structured, and semi-structured interviews. Unstructured interviews, also known as informal interviews, take the form of a general conversation (Guthrie, 2010). Sekaran and Bougie (2013) state that unstructured interviews are geared towards obtaining preliminary information to unearth underlying issues that may need further investigation. There is also no planned sequence of questions, and impromptu follow-up questions are allowed. Structured interviews are made up of a list of predetermined questions that must be comprehensive and include probe and follow-up questions (Guthrie, 2010). As the questions are predetermined, a structured interviewing technique does not lend itself to gaining in-depth information. Hence it is used when the information to be obtained is known at the outset (Sekaran and Bougie, 2013). Semi-structured interviews, also known as guided interviews, are a combination of both structured and unstructured questions. An interview guide or schedule is used so that different interviews for the study are comparable (Guthrie, 2010). The interviewer is allowed some flexibility to omit certain questions, or probe for more information, should the need arise (Saunders, Lewis and Thornhill, 2009).

The data collection instrument used for this study was a personal, semi-structured interview in the form of an interview schedule (Annexure 3). Semi-structured interviews were chosen as they allow flexibility to probe for more clarity on certain issues should the need arise.

3.7.3 Interview Design and Preparation

The funneling technique was used to design the questions in the interview schedule (Annexure 3). Initial questions were open-ended to gain a broad understanding of the respondents' familiarity with enterprise performance framework used by the company. This was followed with more focused questions on the elements and salient issues associated with the enterprise performance framework, and its ability to recognize individual employee contribution. Finally, open-ended questions relating to individual experience and recommendations in terms of high-value knowledge employees, and their ability to move within the organization were asked. In order to promote unbiased responses, the questions were designed such that loaded questions were limited.

3.7.4 Secondary Data Collection

According to Saunders, Lewis and Thornhill (2009), it is important that sources of data are evaluated and validated. Sources of secondary data used in the study include referenced textbooks, academic journals and the World Wide Web.

Table 3.72 Advantages and disadvantages of various data collection methods

| Data Collection Method | Advantages | Disadvantages |
|---|--|--|
| Interviews (face to face and telephonic) | <ul style="list-style-type: none">• Provides rich data.• Offers the opportunity to establish rapport with the interviewees.• Helps to explore and understand complex issues. | <ul style="list-style-type: none">• Potential to include interviewer bias.• Can be expensive and time consuming if sample is large. |
| Questionnaires | <ul style="list-style-type: none">• Inexpensive method.• Can be used when sample is geographically dispersed.• Instant feedback obtained. | <ul style="list-style-type: none">• Emailed questionnaires have a low response rate.• Excludes respondents who do not have email. |
| Observation | <ul style="list-style-type: none">• Can comprehend complex issues.• Rich data is obtained. | <ul style="list-style-type: none">• Expensive method.• Observer bias may be present. |

Source: Adapted from Sekaran, U. and Bougie, R., 2013. *Research methods for business*, 6th Ed. West Sussex: Wiley and Sons Ltd

3.7.5 Description of Instrument and Purpose

Saunders, Lewis and Thornhill (2009) note that within business and management research, the greatest use is made of questionnaires and interviews as data collection instruments. When the non-standardized (qualitative) research interview is used, each respondent is requested to

respond to the same set of questions. Figure 3.4 provides the different types of interviews that may be used to collect data from respondents.

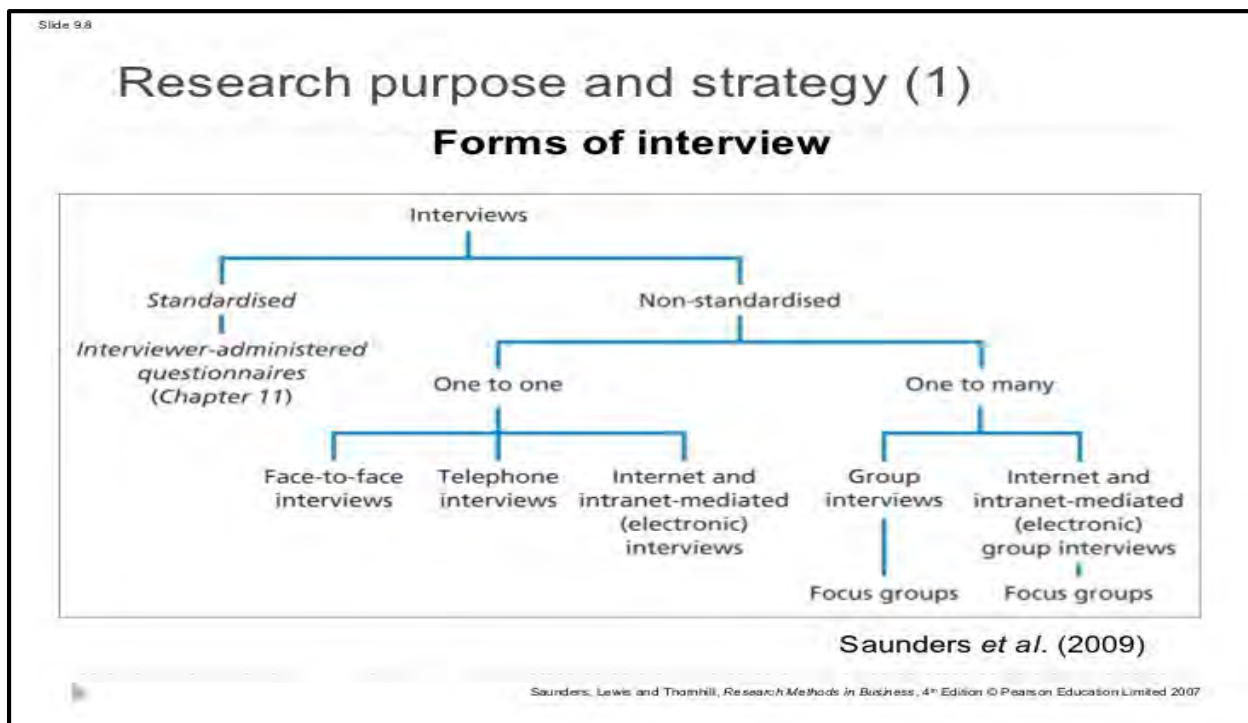


Figure 3.4 Types of Interviews

Source: Adapted from Saunders, M. Lewis, P. and Thornhill, A., 2009. *Research methods for business students*, 5th Ed. UK: Pearson Education Ltd.

3.7.6 Construction of Instrument

Sound principles of interview design should be embodied in the interview questions being developed. The three key areas in the construction of the interview schedule are the knowledge of the interviewer, the planning of issues with regard to how the variables are categorised, scaled and coded, and the general appearance of the questions (Sekaran and Bougie, 2013). The design of the interview schedule for this study was based on the purpose, which was to gather data from different employees from various levels within Dube TradePort Corporation which would answer the research question and address the objectives identified in the literature review. The interview schedule followed a logical flow (a copy of the interview schedule has been provided in Annexure 3). Table 3.3 describes how the various questions were linked to the specific research objectives formulated.

Table 3.3 Link between research questions and objectives of the study

| SECTION | OBJECTIVE | QUESTION NUMBER |
|---------|-------------|--|
| 1 | Objective 1 | 3.2.3, 3.2.4, 3.2.5, 3.2.11, 3.2.12 and 3.3.3 |
| 2 | Objective 2 | 3.2.4, 3.2.5, 3.2.6, 3.2.7, 3.2.12, and 3.3.13 |
| 2 | Objective 3 | 3.2.5, 3.2.6, 3.2.7, 3.2.12, 3.2.13, 3.2.14, 3.3.13 and 3.3.14 |
| 3 | Objective 4 | 3.2.4, 3.2.7, 3.2.10, 3.3.13 and 3.3.14 |
| 3 | Objective 5 | 3.2.10, 3.2.9, 3.2.11, 3.3.14, 3.3.15 and 3.3.16 |

3.7.7 Research Ethics

The University of KwaZulu-Natal requires that students obtain ethical clearance before conducting any type of research; therefore the researcher fulfilled this requirement and obtained relevant ethical clearance from the research office prior to conducting the research. All the participants were informed of the nature of the study and their consent was sought to participate in the research study. In order to ensure compliance, ethical clearance for this study was obtained from the University of KwaZulu-Natal (Annexure 4). Gatekeeper's letters were obtained from the Company. Furthermore, the individual participants were provided with all the information relating to the study. Participants signed a letter of consent prior to the commencement of the interviews (Annexure 2). The consent letter also advised the participants of their right to withdraw from the study at any point during the interview or questionnaire. Assurance was also given that their names would not be disclosed.

3.8 Validity/Reliability

It is important to ensure that the results of the study are valid. The results need to be relevant and significant to the study (Mackey and Gass, 2005). Triangulation of data collection and analytical methods are also used by researchers to address credibility and validity concerns in research (Kothari, 2011). Gill (2010) defined validity as the extent to which the questionnaire generates consistent results. This view is further supported by Sekaran and Bougie (2013) who added that

adequate coverage of research questions ensures content validity. It is for this reason that a panel of professional co-students who are familiar with strategic human resource management were used to test the appropriateness of the questions in terms of content. In addition, Schindler and Cooper (2006) describe validation as the extent to which data instrument measures what the study set out to test. In the case of this study, validity would look at the extent to which the interview questions are able to measure the ability of the enterprise performance management framework to spur the knowledge workers within a knowledge economy.

Sekaran and Bougie (2013) list three widely accepted forms of validity testing. These are also listed by Schindler and Cooper (2006).

i) Content validity refers to the extent to which the questionnaire provides adequate coverage of the investigative questions. This can be achieved by careful research through the literature reviewed and prior discussion with individuals knowledgeable about the subject matter (Saunders, Lewis and Thornhill, 2009).

ii) Criterion-related validity is concerned with the ability of the questions to make accurate predictions. In assessing this aspect of validity, the researcher will in some way be comparing the data from the questionnaire developed with that specified in the criterion (Saunders, Lewis and Thornhill, 2009).

iii) Construct validity refers to the extent to which the researcher's questions actually measure the presence of those constructs the researcher intends them to measure.

Reliability refers to the robustness of the questionnaire and whether or not it would produce consistent findings at different times and under different conditions (Saunders *et al*, 2009). The two common approaches to assessing reliability are test, re-test and internal consistency tests.

i) Test re-test estimates of reliability are obtained by correlating the data collected with those from the same interview question collected under as near equivalent conditions as possible. It hence requires the interview to be administered twice to respondents. It could be difficult to persuade respondents to undergo the same interview twice.

ii) Internal consistency involves correlating the responses to each question with those to other questions in the questionnaire. The most frequently used method to calculate the internal consistency of a questionnaire is Cronbach's alpha.

3.9 Pretest/Pilot Study/Test

According to Sekaran and Bougie (2013: p. 99), pre-testing and validation are very important requirement for the questionnaires and the interview questions. For the purpose of this study, pretesting and validation was required to see if:

- Candidates/respondents understood the questions;
- The questions were ambiguous;
- The questions were confusing; and
- The questions generated answers or data that was incorrect or not required (Sekaran and Bougie, 2013).

Pretest was only undertaken to selected participants based on their availability prior to the main interviews confirmed with acceptance to participate. The participants selected as part of the pilot study represented all six different divisions. The feedback from the candidate respondents was therefore used to make adjustments and any coding and editing to be corrected to improve and tighten the interview questions.

3.9.1 Administration of Interview/Survey

During the interview, the researcher took notes, recorded some of the interviews and subsequent transcription. Non-verbal behaviour was noted and used as part of the data analysis.

3.10 Data Analysis

According to Schindler and Cooper (2006), descriptive statistics are measures that are used to depict the center, spread and shape of distribution. Sekaran and Bougie (2013) asserted that by obtaining a visual summary or checking the central tendency and dispersion, the researcher can gain a good understanding of the data. The mode, median, mean, standard deviation and variance all give the researcher a good understanding of the participants' reaction to the interview questions. A scale that does not have proper categories and that is showing very little variance in the results could be reflective of an interview question that was worded incorrectly (Sekaran and Bougie, 2013). The data analysed was presented in the form of cross tabulations and appropriate charts summarizing and highlighting the important area of consideration for the study.

In order to ensure proper transformation of the qualitative data collected into proper and meaningful findings, large chunks of data including interview recordings and notes; the data was coded to eliminate all unnecessary data rearranging the data and integrating it to form theory (Sekaran and Bougie, 2013). A software tool (NVIVO), whereby each topic discussed during interviews was assigned its own unique node within the software before being categorised into coding units. This was undertaken to analyse any obvious patterns and relationships. The information obtained from the above process was analysed for patterns and relationships. In order to refine the findings, an iterative approach to coding and categorising was used with categories and coding variables modified through each iteration. This was necessary as new categories were identified during the analysis process.

This view is further supported by Kothari (2008), proclaiming that the essence of data analysis is the transformation of collected data into meaningful results. Saunders, Lewis and Thornhill (2009: p. 244) further assert that descriptive analysis is “the type of conclusive research that has, as its major objective the description of something, usually market characteristics or functions”. They further proposed that descriptive research assumes that the researcher has some prior knowledge about the problem situation.

3.10.1 Data Editing and Coding

Kothari (2008: p. 255) describes editing as a review of the questionnaire with the aim of increasing accuracy and precision. Depending on the importance of the question, the entire question may be ignored or the researcher will assign missing values to unsatisfactory responses. Only after editing will the interview schedule questions be coded.

Coding refers to assigning a code, usually a number to each possible response to each question. For example the age or level of education of the respondent will be coded as 2 for tertiary qualification and 3 for over 35 years old. Code is only assigned to unstructured or open-ended questions after the questionnaire or interview has been returned or recorded. The answers to the open-ended questions will be coded according to the type of response given. All similar types of answers will be coded under one category.

3.11 Summary and Conclusion

This chapter provided a brief outline of the research process incorporated in the research methodology adopted by this study. The aim and objectives of the study were followed by a comprehensive design of the qualitative approach used. The research introduced the concept of business research by illustrating that the aim and objectives of the research could be determined by collection and analysis of data. The data is needed to solve the research problem. The location and participation of the study identified the employees who would take part in the research at Dube TradePort Corporation. The data collection strategies focused on interview schedule.

Presentation, validation and administration of the interview provided the process for quality data collection. The analysis of data, by means of exploratory and descriptive statistics was adopted for the research study. Whilst the research conducted is viewed as exploratory in nature, the researcher is confident that subsequent data and results will provide insight into the research problem. The following section (Chapter 4) will present the qualitative data and analysis of results that have been extracted from the phenomenological interviews.

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION OF RESULTS

4.1 Introduction

The decisions regarding the selection of appropriate research methods expressed in Chapter Three provided the course for the collection of primary data from the respondents who are all employees of Dube TradePort Corporation (DTPC). The discussion of the findings of the study is placed in the context of relevant prior research in relation to the theory of a firm and objectives set out in Chapter One and Three.

Fourteen (14) participants agreed to participate in the interview but only twelve (12) actually did so for the scheduled two-week period. On average, each interview lasted approximately thirty five (35) minutes, which was in line with the estimated time. All data from interviews was recorded except for three participants who, prior to analysis declined to be recorded. In addition, all the themes that were evident in the responses to the questions are described. This is followed by the interpretation, conclusion and theorisation brought about from the extraction of the themes and literature reviewed prior to primary data collection.

4.2 Handling and Treatment of Data

An initial screening of the data collected was conducted so as to verify all the recordings and from which to sieve out any inaccurate data. Any recordings that were not fully audible were set aside and followed up by telephone interviews with the relevant respondents prior to analysis. The data is presented graphically and in table format so as to ensure that the interpretation of the results is easily understood.

4.3 Description and Demographic Profile of Respondents

A description of the participants is relevant in a qualitative study as it induces quality and credibility of the participants as either experts in the field or individuals who understand a particular subject. In addition, the demographic profile of the respondents included the position, level of education and years of experience within their respective field and division they manage as well as the number of employees within their divisions.

The participants included two executive managers, a company secretary, three senior managers, four middle managers and two junior managers. Although their roles were diverse, all maintained a common thread as they are currently involved in the development and execution of the organization annual performance plan (APP), corporate and functional strategy, enterprise performance management framework, employee performance assessments and recruitment activities for their respective divisions. This equipped them with first-hand experience about the elements of the company's enterprise performance framework, upskilling and management of high-value knowledge employees as career capitalists, as well as the retention and recognition of star performers. One of the participants has more than fifteen years' experience as change management agent within both government and state-owned enterprises. Some of the participants also provided coaching and mentoring to young professionals within and outside the current employer. Six of the participants had Strategic Human Resource background and this provided a good combination for them to participate in this study.

It is therefore evident from the above demographic data that the participants were proficient and well positioned to provide rich, relevant and insightful data for the research study.

4.4 Data Analysis

The data collected was analysed through an iterative process initiated by the identification of themes from the data. This data was then categorised within the themes with the resultant structured data forming the platform for the presentation of results. Direct quotations of participants were used to provide clarity and evidence to support the findings of the data reduction and analysis process. A description of the data for each objective is provided followed by the interpretation and conclusions that resulted from the data collected. It must be noted that the totals column of all relevant tables in this chapter reflects the number of participants that have referred to the theme followed by the number of references made to the theme by those participants. The number of references to the themes provides insight into the participants' reinforcement of the theme.

4.5 Objectives of the Study

A useful starting point in any research undertaking, as noted by Saunders, Lewis and Thornhill (2009), is for the researcher to understand and document what the aim of the study is so that the

entire research process may be guided. Each of the objectives set for this study were linked to the various questions in the research instrument so as to ensure that sufficient data was collected in order to sufficiently and completely answer the research question. The presentation and discussion of results are set out below for each objective of the study.

4.5.1 Objective One: To assess the effectiveness of the Enterprise Performance Management Framework used by Dube TradePort Corporation in using, recognizing and retaining knowledge workers.

4.5.1.1 Question 4: Do you think that Dube TradePort Corporation (DTPC) Enterprise Performance Management Framework does recognize individual contribution to the success of the organization?

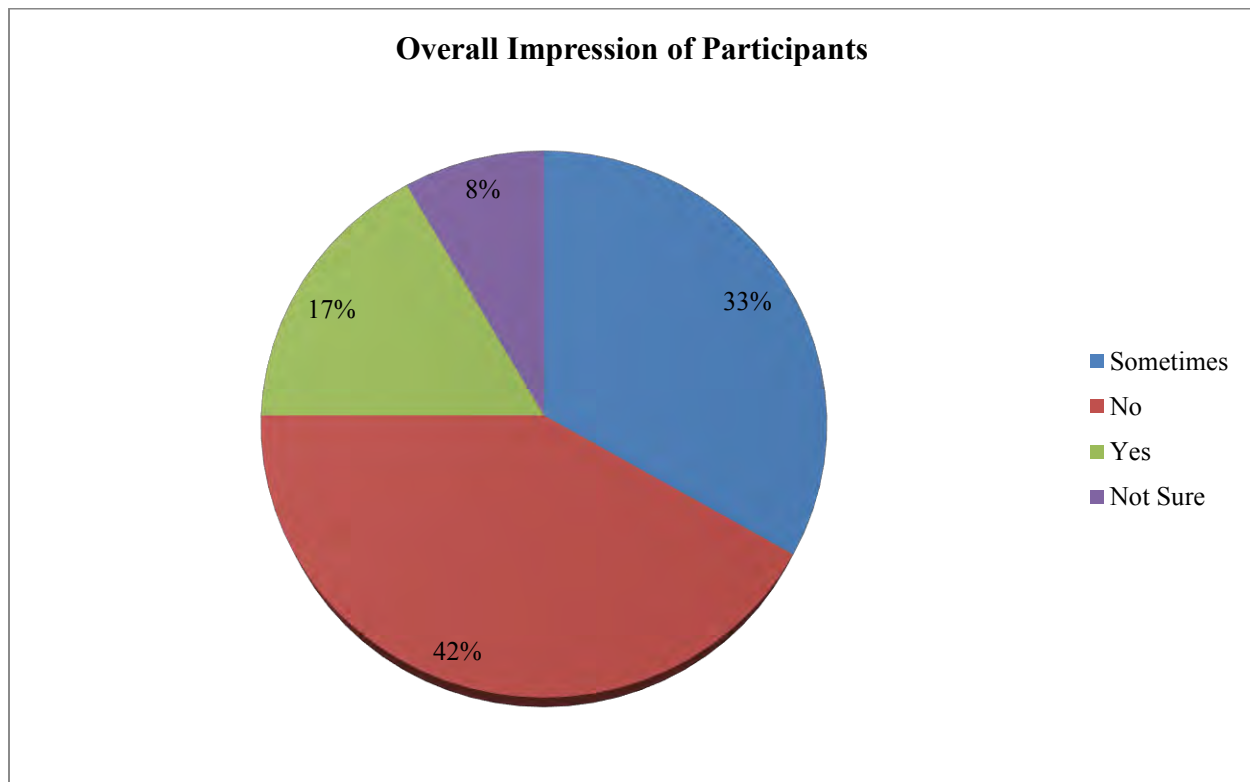


Figure 4.1 Overall Impression of whether the EPMF Recognized Individual Contribution to the Success of the Organization?

Figure 4.1 depicts sentiments of the twelve (12) interviewees to the question relating to whether DTPC's Performance Management Framework recognized individual contribution to the success of the organization. As can be seen from the above graph, three (3) respondents each felt that the EPMF either does or it sometimes does, recognize individual contribution. The reasons given by individuals who felt that the EPMF does recognize individual performance were that it guides

employee targets because some of their targets are derived from the Annual Performance Plan (APP), and that “it motivates employees to strive for higher performance” (Amy). Only two participants were not sure if the EPMF does recognize individual employee contribution. This assertion can be attributed the fact that one of these two participants had just less than two years with the organization. The remaining seven (7) participants felt that the EPMF does not. Their responses will be discussed within the misalignment theme. Misalignment was the dominant theme that emerged from responses.

Misalignment

(Bergeron, Raymond and Rivard, 2015) define misalignment as a firm’s inability to deploy its resources in a meaningful pattern to allow achievement of desired goals and targets. For instance, Clint noted that misalignment in Dube TradePort Corporation EPMF and assessment of employees came in the form of achievements on paper sometimes not translating into the recognition of an individual. This view was further supported by Betty and Digby that the inconsistent treatment of quarterly and annual assessments and the silo effects of divisions are not working in sync. In addition, Clint also felt that a consequence of misalignment of recognition between what is on paper and reality was that there was no tangible recognition within the organization emanating from the positive performance management assessment.

Another form of misalignment that existed in the organization with regards to recognition was between evolving job specifications, assessments and career progression, either vertical or horizontal. In addition, Dana raised a concern of how additional roles and responsibilities, for which employees could be recognized and scored could be assigned to higher achievers. Moderation was thought not to be effective in addressing individual employee contribution because the ‘instruction given is that scores should be the same’ (Dana).

4.5.2 Objective Two: To Identify and Describe the Core Elements of an Enterprise Performance Framework and its Role in Mobility of Knowledge Workers within the Organization.

4.5.2.1 Question 3: How would you describe the elements of DTPCs Enterprise Performance Management System and their ability to motivate and inspire employees to perform their jobs?

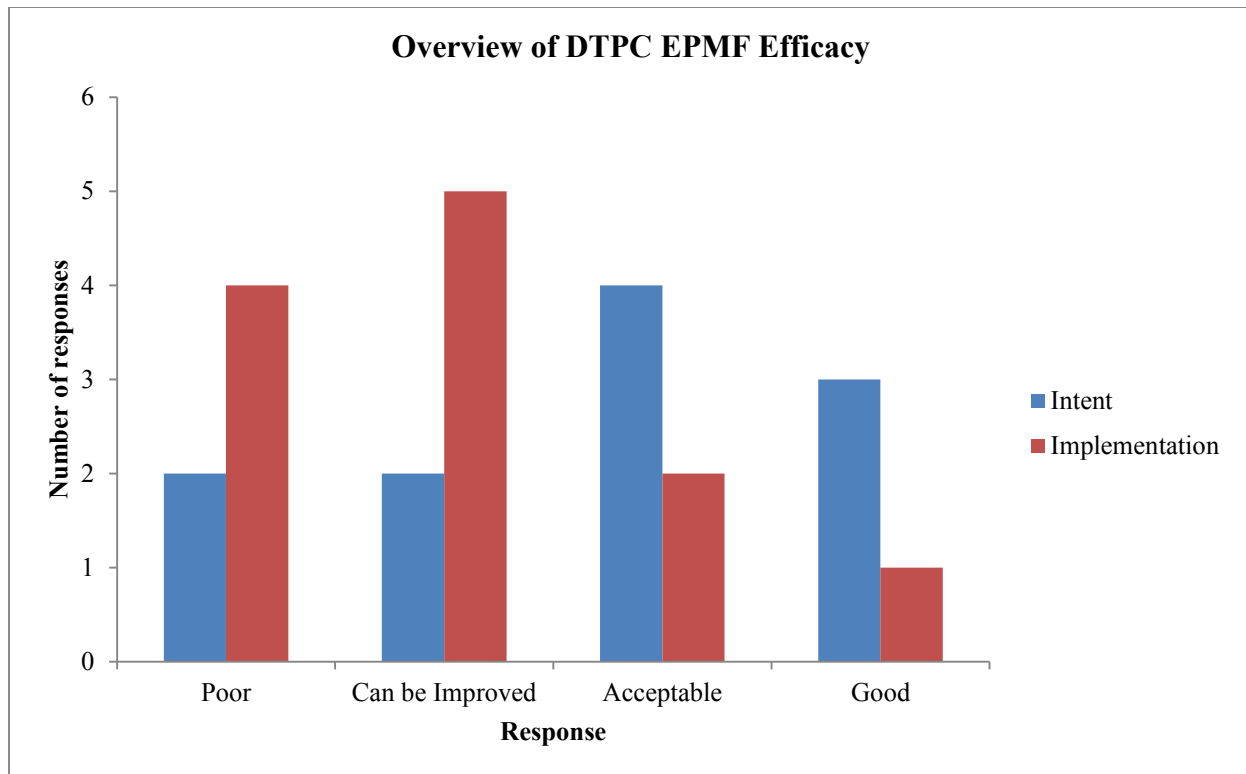


Figure 4.2 Overview of participant view of DTPC’s Performance Management Framework

Figure 4.2 depicts the overall categorization of responses to the question relating to the elements of the DTPC’s Performance Management System, and its ability to motivate and inspire employees to perform their jobs. Respondents generally treated this question in two parts. Firstly they commented about its theoretical intent, and secondly about its implementation. In some instances participants openly expressed how they felt about these two elements. In other instances, it was inferred from their responses and the tone with which they responded. From their responses, it was possible to group their overall thoughts into ‘poor’, ‘can be improved’, ‘acceptable’ and ‘good’ on DTPC Performance Management Framework. Responses were gathered from a total of twelve (12) interviewees.

Part 1: Theoretical Part

As can be seen in Figure 4.2, the theoretical intent (including structure) of DTPC’s Enterprise Performance Management Framework was thought to be good by only three (3) participants. Amy for example, indicated that “in theory it’s a good system and it motivates employees to strive for higher performance”. The second participant, Faye, mentioned that it “enables the organization to take organizational goals and objectives and map them down to the employees so

that the employees' efforts are able to contribute towards the organizational targets and strategy. The third participant, Gary said that he believed the framework sets a good baseline with broad yet measurable parameters which assist the organization and employees improve their performance.

The responses from two (2) participants gave the impression they thought that the intent of the enterprise performance management framework was at an acceptable level. One participant (Betty) mentioned that it was a standard system (like a textbook) that could be used in any organization. Nonetheless, she alluded that "the structure is okay but the interpretation of the EPMF seems to differ from its intended purpose". It could therefore be inferred from the two (2) participants that the EPMF structure fell short and could be improved upon if the organization intends to acknowledge the meaningful role of knowledge workers. For instance, Dana supported this view by noting that "the elements seem to be changing every now and then and the open-ended nature of the performance targets makes it difficult to measure individual performance and contribution to the bigger operational and functional strategy".

The remainder of the participants gave the impression they thought that the EPMF was poorly put together. A more detailed account of reasons why the EPMF fell short and areas of improvement will be discussed within the themes that emerged from Part two (Implementation) in the next section.

Part 2: Implementation

This section contains most of the feedback received from the interviews. Much of part one flows over into this section. As such, issues such as 'intent' and 'structure' will also be included and covered in the thematic discussion that follows. The prominent themes that emerged are tabulated in Table 4.1. However, before assessing thematic responses, an overview of the sentiment felt by interviewees will be briefly discussed in Figure 4.2.

As shown in Figure 4.2, only one participant thought that the implementation of the EPMF was good. Only two participants out of twelve found the implementation of the performance management framework to be acceptable. Half the participants felt that it could be improved and the remaining five participants felt that the performance management framework execution was poor. Insights shared by interviewees will be discussed in the following section under the themes presented in Table 4.1.

Table 4.1 Description of the Themes

| THEME | EXPLANATION | ELEMENTS |
|-------------------------------------|---|--|
| Attitude | How the EPMF is actually received and acted upon by the employees and managers | |
| Purpose | Contains elements pertaining to what the purpose of the EPMF is/ should be and where the EPMF falls short | <ul style="list-style-type: none"> • Identify gaps • Motivate • development |
| Timing and Feedback | The frequency of assessments and feedback | |
| Adaptability / Comprehensiveness | Addressing issues pertaining to the rigidity of the EPMF as well as its comprehensiveness | <ul style="list-style-type: none"> • Scope • Flexibility • Alignment |

- Attitude

Interviewees indicated that the EPMF was not taken seriously by individual employees and was often a rushed exercise to meet quarterly and annual performance targets. One respondent indicated that once individuals had completed the ‘exercise’, they tended to relax knowing that they had achieved the deliverable. Two participants for example, stated that the EPMF “is not taken seriously and serves as a tool to ensure that individuals get their bonuses with no medium to long-term benefit to employee growth”. These participants also questioned whether it was used appropriately by employees to set about targets and ascertain whether they are achievable as well as assess what is in their control and what they need their colleagues to help them with in order to achieve both individual and organizational goals.

Management was also cited as having a proper attitude towards the assessments, especially with regards to quarterly assessments. The management was said (by one participant) to not read and not to take them seriously with intentions of improving performance by helping employees overcome their shortcomings through proper feedback process.

- Purpose

Interviewees felt that the EPMF used by the organization was meant to motivate and inspire people, to serve as means for mapping the organisation's strategic intent from the top to the employees in every division. Instead, they felt it was more of a tool for establishing bonus rewards for employees. One participant alluded to the fact that the EPMF in its current form is not able to identify gaps in both individual employees and teams. . Gary alluded that 'if implemented correctly, it would set clear parameters on how expectations of performance, or non-performance, will be measured quarterly, and rewarded accordingly. An ideal EPMF was also described as a 'perfect opportunity to improve skills, ability and capability of an individual employee as well as of teams. Betty also added that, if used effectively and strategically, individuals can prepare themselves for succession and growth which is something that the organization lacked.

Although the EPMF was described as having part of its intent to motivate employees, some respondents felt that it fell short on delivery. Amy, for instance mentioned that "it can sometimes be a demotivating factor because some levels of attainment such as 5s are said to be impossible and people feel demotivated to try and achieve that highest point. It is meant to motivate people, but it does the opposite and people do not feel justly rewarded for their performance".

Although Gary concurred with the majority of the participants that the EPMF was "insufficient to address motivation" for such a diverse organization both in areas of operations and people, he however, felt strongly that inspiring and motivating employees did not just reside with the EPMF. He reasoned that perhaps it's justifiable that the EPMF is not as effective in acknowledging and motivating knowledge workers because the organization is still young and still learning to find its niche strength, and thereby still identifying and adjusting its performance management tools.

- Timing and Feedback

At this point, three participants felt that it was important to mention the timing and frequency of assessments (and associated feedback). Betty felt that quarterly assessments were not taken seriously enough by executive management, especially with the intent and rigor that is required. She was convinced that executive management did not even read these assessments nor sit down with employees and give meaningful feedback, with the idea to improve performance. The

quarterly assessments were also reported as a challenge because of lack of correlation between those and the end of the financial year assessments. This raised concern of how true a reflection of performance is the end of the year assessments. This also seems to negate or even make redundant, quarterly assessments.

Errol for instance suggested that assessments should not be a quarterly event, depending on the area being measured. It was, however, unclear as to what this recommendation would mean for end of the year assessments, in terms of work load for managers.

- Adaptability

Issues raised included the open-endedness of the assessments, moving targets, misalignment and scope. One respondent for example stated that “the open ended nature of the targets makes it difficult to measure the individual performance and contribution to the bigger organizational strategy”. Dana commented more on the limited scope of the EPMF, intimating that there should be enough room to allow scoring of employees for innovation and unforeseen changes that are an addition to employee job description.

Clint highlighted what seemed to be a glaring shortcoming of the Dube TradePort Corporation EPMF in terms of alignment between what an individual employee does and what is actually being assessed in the EPMF. He found that the EPMF lacked flexibility and was very limited in scope. This, in turn affected employees as “it becomes intimidating and sometimes one does not find what is written on paper” to be relevant to both organizational and individual employee goals. Faye also raised concerns on whether the individuals drafting the EPMF during the annual strategic planning session, have the relevant expertise in various fields being assessed, or even have knowledge of technical aspects of employees being assessed and the work they do. In Faye’s words, “as a technical person doing a job, you become intimidated while being subjected to the limited confines of the performance assessment forms”. In essence this defies the very same logic that the scope of work for individual employees goes beyond what is tabulated in the assessment form and this deprives both the employer and employee from truly getting the value of the employee and vice versa.

4.5.3 Objective Three: To determine whether there is a relationship between the role of an Enterprise Performance Framework and high-value knowledge employees to creating a sustainable and resilient state-owned enterprise.

4.5.3.1 Question 6: Are you satisfied with the organization ability to recruit and retain graduates and professionals of suitable quality to fulfil the organization strategy and performance plan? If you not, what actions could be taken by the organization to rectify the problem?

In responding to the above question, participants generally went onto discussing the strengths and shortcomings that they observed and seldom expressed their satisfaction or dissatisfaction outright. The themes that emerged are tabulated in Table 4.2 below.

Table 4.2 Staff Recruitment and Retention

| THEME | EXPLANATION | ELEMENTS |
|---------------------|---|---|
| Recruitment Process | This describes how ideal candidates are recruited | <ul style="list-style-type: none"> • Qualifications, experience and ability • Interview Panel; • Expert knowledge; and • The role of HR Department. |
| Organizational fit | The dynamics of new and existing employee fitting into the organisation | <ul style="list-style-type: none"> • Organisational culture; and • Abilities and capabilities. |
| Staff Retention | The challenges of staff retention | <ul style="list-style-type: none"> • Retention strategy |

- Recruitment Process

The general sentiment among the participants was that the recruitment process had a few flaws. Betty for example, expressed that she thought that the process was not too clearly thought out and that recruitment agents are not providing the company with very suitable people in terms of attributes. Amy concurred that the recruitment agents are not selecting applicants based on relevant skills sets, experience, qualification and job specification but based on applicants'

previous positions. Defining relevant skills sets seemed to be somewhat of a challenge as well. Errol reasoned that a possible approach to use would be having a department-specific skill set guided by management and department needs. A balance between technical and soft skills was also considered to be important in recruiting individuals, especially for senior positions.

The composition of interview panels was also discussed by participants as playing a crucial role in selecting candidates for employment. One respondent mentioned that the selection of interview panelists was sometimes subjective, and that its composition is sometimes not suited to job specifications. A similar comment was made by Dana stating that the panelists should consist of people who have knowledge of what the position entails. She further alluded that having previously sat in an interview panel she found that the panelists are merely given an interview pack and expected to make recommendations based on the contents of the pack.

Despite a few challenges mentioned, Amy however, felt that the first interview panelists were effective in the recruitment process. She however, recommended that the second interview panelists should consist of a combination of high level executives and technical personnel.

- Organizational Fit

Here it was observed that work colleagues were usually suitably qualified and that seemed to be a good fit between graduate recruits and the department or role to which these recruits were assigned to. Organisational culture was also mentioned to be an important antecedent in selecting the best fit employees. Faye, for example said that the organization has not yet defined its organizational culture, which makes it difficult to define a best-fit employee for the company.

- Staff Retention

Two respondents were of the view that sometimes qualified and talented individuals were not being efficiently utilized. In such instances, they added that employers should strive to retain and find creative ways to keep them in the company. One participant was quite adamant that the organisation should not allow talented individuals to leave the organisation, especially where such employees are team players. Drawing from experience within the company, Errol stated that work across divisions was very limited and came mainly in the form of support with little collaboration. This creates a form of despondency as this limits room for growth and progress either vertical or horizontal across the organisation.

In addition, Dizo felt that the organisation's lack of a retention strategy had a negative impact on the organisation as a brand, especially in the time where competition is high within the state owned company space. It was also believed that use of counter offers cannot be the only strategy to retain and attempt to retain talented employees intending to leave the organisation. This, according to Betty, was not good enough because money is not the only motivating and deciding factor for high-value knowledge employees.

Errol and Gary also raised concerns about staff turnover and the absence of retention strategy across the organisation. Gary cited one possible reason and that was said to be a fluidic company culture whereby new people have been joining the company for the past five years. In addition, Errol noted that remuneration in certain levels and divisions is also an area of concern when dealing with retaining talented and good employees. This sentiment was further supported by Dana who also questioned the role of affording employees acting roles from across all levels and not only limited to executive level.

4.5.4 Objective Four: Understand the value of Enterprise Performance Framework as the means of both creating career capitalists, individual and organizational accountability as well as organisation resilience.

4.5.4.1 Questions 8: What sort of specific skills are important in your division and how important is education, training, technical skills and experience in your division?

In your view, do you think the organization Enterprise Performance Management Framework provide any additional skills training and feedback in order to plug any gaps in employees knowledge and skills?

Participants were generally of the view that education, knowledge, training and technical skills were important to critically important to their respective departments. However, it was also felt that departments need to be reconfigured such that specific skills sets could be identified and individuals trained and recruited for fit roles requiring those skills sets. Participants also identified some skills which they thought were critical in their divisions. These are collectively presented in Figure 4.3 below.

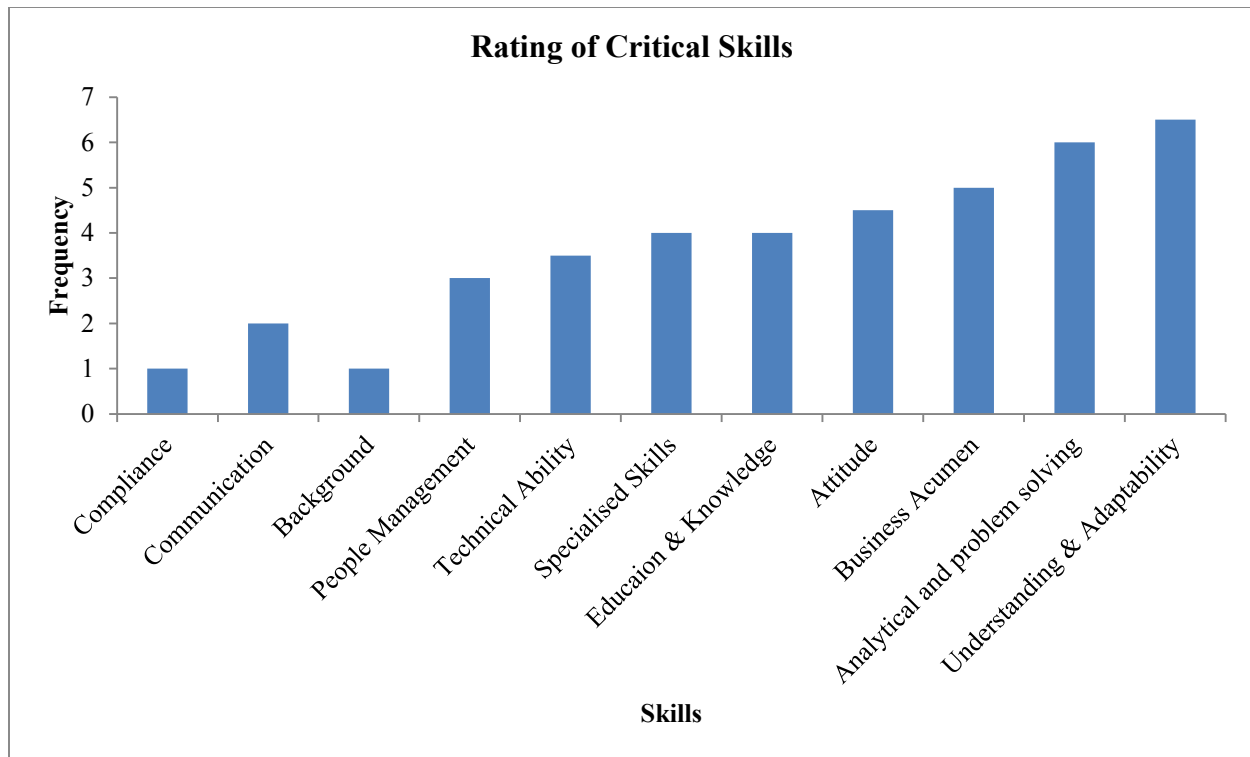


Figure 4.3 Critical and Important Skills for various DTPC Departments/Divisions

Figure 4.3 depicts the most frequently selected skill set identified by participants was ‘understanding and adaptability’. This meant that participants thought it was very important that employees understand what is required of them and what they were doing. Equally important was employees’ ability to be flexible and to be able to learn on the job. Business knowledge, analytical skills, problem solving in a knowledge economy are very critical in addition to comprehension and adaptability. An interesting observation was attitude (even though it is not a technical skill) being ranked equally with skills such as specialized skills, education and technical ability.

4.5.4.2 Question 10: in your view, do you think the organisation’s Enterprise Performance Management Framework provides any additional skills training and feedback in order to plug any gaps in employees’ knowledge and skills?

In response to the above question, respondents initially indicated their state of agreement with the question. They therefore shared some insights with regards to their position. The initial responses are depicted in Figure 4.4.

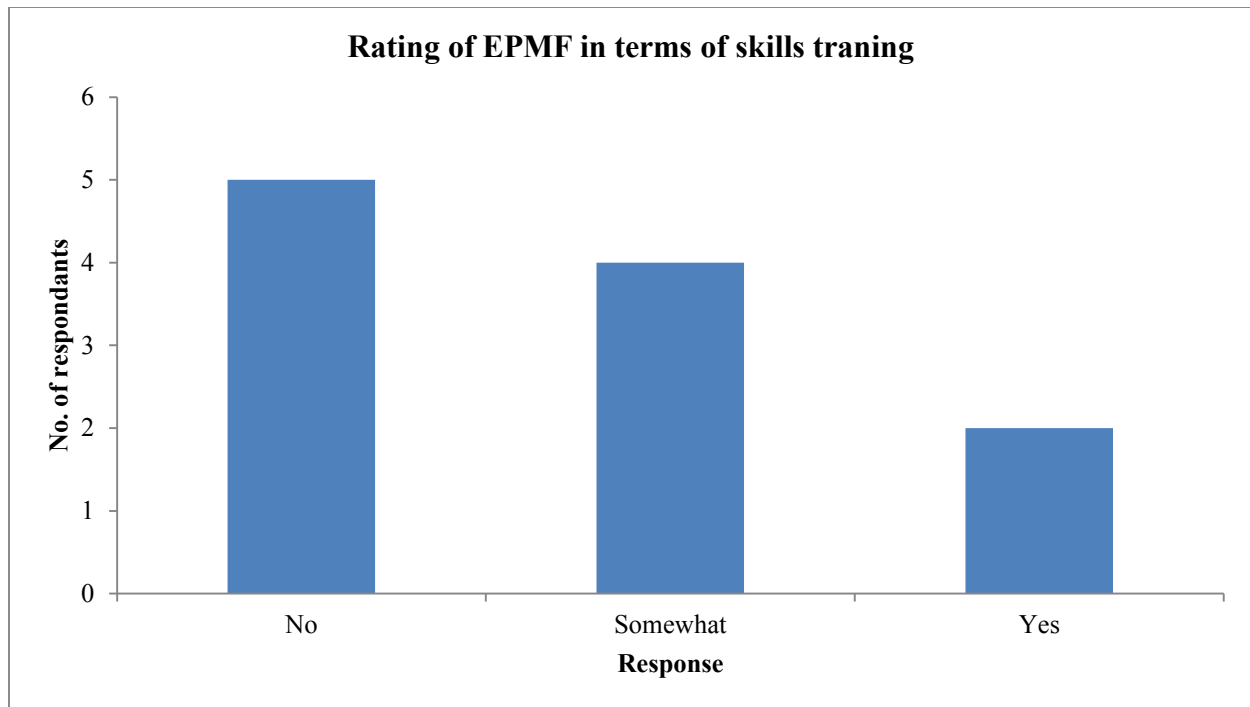


Figure 4.4 Initial Responses to whether the EPMF provided additional Skills Training and Feedback to Employees.

As can be seen from the above figure, only eleven (11) out of twelve interviewees responded to this question. Six participants felt that the EPMF failed to provide any additional skills training and feedback in order to plug any gaps in employees' knowledge and skills; four felt that it somewhat did and one participant indicated that it did. The responses of participants who felt the EPMF fell short on delivery were grouped into themes tabulated in Table 4.3 below.

Table 4.3 Themes to responses regarding EPMF's efficacy in providing additional skills training and feedback to plug gaps in employees' knowledge and skills.

| THEME | EXPLANATION |
|-------------------------|---|
| Assessment and feedback | Timing of assessments and feedback from them |
| Career progression | Whether there exists measures to assist employees advance their careers |
| Alignment and Teamwork | Alignment between staff development and organizational development |

- Assessment and Feedback

Respondents felt that assessments, together with feedback on identified gaps should be done more frequently. Faye, for example stated that taking the assessments seriously only once a year was too long a period because gaps could therefore go unnoticed, unchecked and neither feedback nor remedial action taken. This highlights the need to take quarterly assessments seriously. According to Clint, quarterly assessments are currently “ticking-the-boxes” exercise that is devoid of any feedback on identified gaps or areas of intervention. He further mentioned that at present “progressive individuals identify their own shortcomings and work towards filling those gaps” in the absence of any feedback from assessments. Apart from individuals being proactive in filling any gaps that they identified throughout the year, Clint believed that nothing would be done to close gaps otherwise. Finally, it was suggested that management could also be afforded feedback in their performance (Betty).

- Career Progression

Career progression came across as somewhat of a grey area. Dana for example stated that “it is unclear to management what the performance management framework, is and neither career progression nor succession planning exists”. Whilst Dana viewed career progression from the organizational lens, Bobby on the other hand, viewed it from an individual and personal perspective. It was seen by both Bobby and Holly to be dependent on the individual stage in life. Holly stated that for junior staff, growth is mostly defined in terms of promotion rather than career growth or career capitalism. In light of there not being a clear progression path for the organization, Dana found that assessing and selecting employees for training to perform specific jobs was challenging.

- Alignment and Teamwork

Clint commented that assessments become subjective because they involve self-reporting. As such, there might not be alignment between training and development that employees receive (in response to self-identified shortcomings) and what the organisation really needed. Errol raised concerns that the performance assessments made individual employees become fixated on one thing and that is meeting annual performance targets. Subsequently, this “then limits individuals from being innovative because they want to push for their own activities so that they are seen as star employees which might not necessarily be the case”. In addition, Bobby pointed out that the

performance assessments should be a team work, interdepartmental-feedback loop in which identified gaps and opportunities are shared and exploited to the benefit of both employees and the organisation.

4.5.5 Objective Five: Describe synergies between Enterprise Performance Framework and behaviour of high-value knowledge workers in a knowledge economy to create a win-win scenario for the employer and the employee.

4.5.5.1 Questions 5, 9 and 13: which aspects of the EPMF you not comfortable with?

What impact do you think suitable qualified and knowledgeable employees have on Dube TradePort Corporation?

Anything you would like to change or add with regards to the current enterprise performance management framework and its impact on employee career growth and organisation strategy?

4.5.6 Discussion of Objective Five

There is a direct correlation between the technical knowledge and skills needed to build a strong and competitive organisation.

In the literature review, Lim and Lee (2012) argue that academic knowledge provides the generic skills required for work. The analysis of the efficacy of the enterprise performance management framework to spur on knowledge workers and acknowledge their career capitalism is consistent with Lim and Lee (2012). This is further emphasized by the following statements by participants Errol and Faye respectively,

“...it is unclear to management what the performance management framework is and neither career progression nor succession planning exists....”

“....sometimes qualified and talented individuals are not being efficiently utilized....”

“....then limits individuals from being innovative because they want to push for their own activities so that they are seen as star employees which might not necessarily be the case....”

This confirms that knowledge workers often need to know 'why' as much, if not more, than they need to know 'what.' Don't ask knowledge workers to improve a product's design without telling them why it needs improving – and how the improvements will benefit the performance of the company. When knowledge workers understand 'why,' they're more likely to offer solutions that are innovative and insightful.

The themes that emerged from the analysis were the ability to problem solve and be analytical; team work; people management skills, communication; business acumen, education and knowledge as well as attitude. A theme that seemed to recur quite often was that of understanding. Because it's almost impossible to measure the inputs, the EPMF can also look at the outputs, and decide which results are most important to the organization. For example, a marketing company might decide that campaign awards are the most valid measurement of performance.

4.5.7 Relationship between Performance Assessment, Career Capitalism and Sustainable State-Owned Enterprise

An interview schedule with different questions covering the various themes is also used to allow the respondent time to think about questions and that allows respondents some time to respond to the interview questions. The interview schedule took a form of semi-structured and unstructured questions that was divided into two parts, namely demographic data and qualitative data. The content and scope of the questions assumes presumed knowledge of the employees because the majority of the respondents are in either managerial or senior managerial professional positions.

4.6 Key Findings

For the purpose of this study, the content analysis was chosen because it is widely used for various forms of analysis. According to Kothari (2008), content analysis is a useful tool especially where the unit of analysis is the organisation and the researcher is interested in strategic or policy management. In addition, the research methodology is specifically designed to critically analyse the elements of the Enterprise Performance Management Framework and how it affects (positively and negatively) high-value knowledge workers in their quest to become career capitalists within South African knowledge economy context, with specific reference to Dube TradePort Corporation as a state-owned company.

The research question for this study was whether the DTPC Enterprise Performance Management Framework recognises individual contribution by knowledge employees in creating a resilient state owned company. This question was broken down into five objectives. In order to determine whether this research project has sufficiently answered each objective, a summary is provided in Table 4.4 below.

Table 4.4 Summary of Key Findings

| | OBJECTIVE | FINDING | SECTION |
|----------|--|---|-----------------|
| 1 | To assess the effectiveness of the Enterprise Performance Management Framework used by Dube TradePort Corporation in using, recognizing and retaining knowledge workers. | It was found that the majority of the respondents (42%) thought that the EPMF does not fully recognise individual contribution by knowledge employees. Only 17% felt that it does and 8% were not sure with the remainder (33%) of the respondents thinking that it sometimes does recognise individual contribution. | Section 4.5.1.1 |
| 2 | To identify and describe the core elements of an Enterprise Performance Framework and its role in mobility of knowledge workers within the organization. | Respondents' responses to this question was categorised into theory and implementation. Only 22% of respondents thought that the EPMF is good from implementation and the balance of the respondents (46% and 32%, respectively thought that implementation was poor and could be improved. | Section 4.5.1.2 |
| 3 | To determine whether there is a relationship between the role of an Enterprise Performance Framework and high-value knowledge employees to creating a sustainable and resilient state-owned enterprise | Responses were divided into themes such as recruitment process, organisation fit and the EPMF ability to retain staff. Findings from respondents highlighted although the organisation was able to recruit suitable professionals, because of misalignment and the fact that individuals with necessary skills are not appropriately utilised to their full potential making it impossible for the company to retain high-value knowledge employees. The majority of respondents (57%) do not understand the value of using recruitment agents when the company has a | Section 4.5.1.3 |

| | | | |
|----------|---|---|--|
| | | fully resourced HR Department. | |
| 4 | To understand the value of Enterprise Performance Framework as the means of both creating career capitalists, individual and organizational accountability and organisation resilience | Assessment and feedback, career progression and team alignment were critical themes that mostly described the EPMF efficacy to promote skills development within organisation | Sections <i>4.5.4.1</i> <i>4.5.4.2</i> |
| 5 | Describe synergies between Enterprise Performance Framework and behaviour of high-value knowledge workers in a knowledge economy to create a win-win scenario for the employer and the employee | The analysis of the efficacy of the enterprise performance management framework to spur on knowledge workers and acknowledge their career capitalism is consistent with Lim and Lee (2012). | Section <i>4.5.6.1</i> |

As shown in Table 4.4, all of the objectives that were set for this study have been met, implying that the research question can be appropriately answered. The answer to the research question will be provided in Chapter Five as part of the recommendations arising from this study.

4.7 Summary and Conclusion

This chapter presented all the data obtained from the twelve (12) interviews. Visual data presentation formats, such as tables and graphs, were combined with discussion and relevant quotes from the participants to analyse and present the data. In order to improve and enhance coherence, results and key findings were grouped in line with the study objectives. Themes within each question under the objectives were identified and the dominant themes of each question were analysed and discussed. These culminated in a discussion or summary of the

related objectives. Some of the salient findings included inability of the enterprise performance management framework to assist and acknowledge that knowledge employees are unique to traditional employees, hence require particular form of performance assessment.

The discussion of the findings of this study was therefore placed within the context of relevant prior research in relation to the objectives set, and probing questions from the research instrument resulted in rich data being processed into relevant, useful information. A summary was also provided to show how each research objective had been met. Based on the findings above, significant conclusions are then drawn from which recommendations are suggested in the chapter to follow for possible consideration by the various stakeholders within the state-owned businesses and the Board of Directors of Dube TradePort Corporation.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The research objectives were designed to answer the research question. For this reason, data was gathered from specific individuals from the Dube TradePort Corporation as part of the purposive study. The main question of the research is: “What is the role of an enterprise performance management framework in assisting high-value knowledge workers to charting their career paths in order to build the company’s resilience and sustainability within the context of changing and volatile business environment”? In order to achieve this, the researcher generated the following research sub-questions:

- (1) What is the role of Dube TradePort Corporation Enterprise Performance Framework in recognizing and assisting high-value knowledge employees to reaching their full potential in terms of career capitalism?
- (2) Which elements of the Enterprise Performance Framework help employees achieve their career goals?
- (3) Is there any relationship between performance management and knowledge workers in building a resilient and sustainable state-owned company?
- (4) Which areas should the organization invest in, if it intends to build accountability and benefit for both company and employees, using performance management system?

This chapter therefore highlights the specific conclusions that may be drawn from the study and focuses on recommendations based on the findings. The chapter also identifies the limitations of the study and makes appropriate recommendations for further research.

5.2 Key Findings

As discussed in Chapter 1, there is a strong interplay between knowledge economy and the role of experienced and knowledgeable employees. The changing business environment has made individuals within companies (either private or public companies) to have an inert drive to push their career paths to limitless altitude.

In Chapter 2, Mbo and Adjosi (2009) both concluded that for any organization be successful and robust in its strategic intent, performance management on the individual, team and organisational level equals strategic alignment and employee-goal setting with regular reviews and recognition. In addition, Hough, Strickland, Thompson and Gamble (2011) argue that the company must therefore develop an enterprise performance framework that does not hinder individuals and divisions but assist them in developing and achieving the strategic objectives and intention of the organization.

According to Pearce and Robinson (2010), the key complementary components that bind performance and adaptation sides of resilient organisations are strategic architecture, skills/knowledge and culture. This is based on the herringbone model, which highlights that different activities, capabilities and attributes of an organization are critical for the optimal functioning and the manner that the organisation adapt to the non-routine environment.

Lastly, the professional model contends that people are attracted to becoming part of an organization that is at the forefront of professional achievement through knowledge and skills. According to Nonaka and Takeuchi (2013), performance is evaluated using professional skills, knowledge as well as accomplishments, promotion and progression is therefore only guaranteed if skills and know-how inside the firm is available. This means that only if the skills and know-how is not available inside the firm that the organization will look outside for promoting individuals.

The key insight provided by data analysis from all twelve participants provides enough quality and credibility, as most of the participants have been with the organization for more than five years and are quite conversant with strategic human resource management.

5.2.1 Recognition of Individual Contribution

The research findings indicate that the majority of the respondents (42%) thought that the EPMF does not recognise individual contribution by knowledge employees. Only 17% felt that it does and 8% were not sure, with the remainder (33%) of the respondents thinking that it sometimes does recognise individual contribution.

There is a misalignment between the expectation of the employer and the employee with regards to rewards recognition and strategic execution. This is consistent with the finding that the

knowledge employees are responsible for their career capitalism and they do everything in their ability to move around the organisation and the industry itself. However, this is not the case with the rigid Enterprise Performance Framework used by the organisation which is found to be lacking or needing improvement, in terms of implementation. This is compounded by the participants' view of moving performance targets that see employees as homogenous in terms of skills sets and knowledge. Confirmation of this was found in terms of composition of recruitment panels and organisation ability to retain talented employees.

The above argument, in conjunction with the professional model proposed by Beer (2011) which contends that people are attracted to becoming part of an organization that is at the forefront of professional achievement through knowledge and skills. This view is further supported by Nonaka and Takeuchi (2013) that capacity and knowledge within a company constitutes an overflowing source of corporate renewal, identity and resilient element. According to Nonaka and Takeuchi (2013), the five basic characteristics of a resilient company include:

- Self-organisation with a corresponding intention, objective, directive and mission;
- Shared sense of purpose;
- Diversity in knowledge;
- Open boundaries; and
- Commitment of all participants.

5.2.2 Theoretical Intent versus Implementation of the Enterprise Performance Framework

Only 22% of respondents thought that the EPMF is good from implementation and the balance of the respondents (46% and 32% respectively, thought that implementation was poor and could be improved upon). Although the majority of the respondents felt that the intention of the performance management framework was acceptable, 41% of the respondents intimated that the execution of the performance management framework was poor. The major concern raised was its inability to identify gaps and provide feedback to employees. This and the management in ability to provide continuous feedback to employees' results to the latter feeling disconnected from the company's strategic goals and targets.

One can therefore conclude that the EPMF's efficacy to motivate and grow employees from such a diverse state-owned company can be improved, to ensure that tangible targets are delivered and realized.

5.2.3 Adaptability and Comprehensiveness that ensure Continuous Feedback

Sixty percent of participants felt that the EPMF failed to provide any additional skills training and feedback needed to close any gaps in employees' knowledge and skills. However, 40% of the participants gave the EPMF thumbs up in terms of continuous feedback and its adaptability to changing performance assessment exercise.

5.2.4 Career Progression and Alignment of Teams

The majority of respondents that "it is unclear to management what the performance management framework is, and neither career progression nor succession planning exists". Whilst the majority of the respondents viewed career progression from the organizational lens, few of the respondents viewed it from an individual and personal perspective. As most of the respondents from middle to executive management, their views were that the majority of junior staff view progression from a rewards perspective whilst senior employees view it from a personal growth perspective.

5.2.5 Critical Skills Retention

The major concern raised was about the organisation's inability to retain critical skills. This was attributed to above-average staff turnover over the past three years of financial year end reporting.

5.3 Recommendations Based on Key Findings and Response to Research Question

The research objectives set for this study were satisfied, as information was obtained regarding members' opinions of the specific elements of the enterprise performance framework. The findings and conclusions described are significant and can generally be applied to the entire population of DTPC to some extent due to non-probability sampling used. The research question set previously is now answered, and the answer is supported by empirical evidence. By applying the recommendations set out below, DTPC Executive Committee (EXCO) and the Board of

Directors can use the tools and recommendations to build a resilient state-owned company and improve its competitiveness.

The following recommendations are more suited to the case of Dube TradePort Corporation:

- **On-the-job training for employees at all levels as part of career management and retention strategy.** This means training that is ‘targeted’ to employees’ needs. Developing employees means that Dube TradePort Corporation and its executive team can select those with ability and build their skills for the future. This means that, as the company grows, trained people can be moved into new roles easily and with little disruption to the business operations, especially with metamorphosis from being a basic Schedule 3C Public Entity into a Special Economic Zone or Industrial Development Zone. Traditionally, employees become loyal to companies because of the financial benefits associated with only job security and vertical or horizontal progression. However, the knowledge economy is characterized by employees that engineer their own career paths.
- **Adoption of Symbiosis Model** as part of Enterprise Performance Framework. Based on this model, the organisation first needs to understand different groups of employees in terms of their capabilities and skills in order to be able to take advantage of these and use to both the company and individual employee’s advantage, thereby creating a win-win scenario. Based on the research finding in Table 4.1 and Figure 4.3, most participants felt that skills and ability to adapt to changing business environment are key to building Dube TradePort Corporation. By adapting its Enterprise Performance Framework to take this into account, the organisation will be able to retain all its valued assets (knowledge employees), while being able to execute its strategy and achieve its development goals as a catalyst for economic development in the region.

According to Sutherland (2010), the symbiosis model indicates that both the organisation and the knowledge employees can be successful as career capitalist and a positive and competitive balance sheet (organisation). This is shown with the “win: win” arrow in Figure 5.1. However, it is critical to highlight the need for visionary, transformative and servant leadership as well as flexible reward methods as key requirements for this scenario.

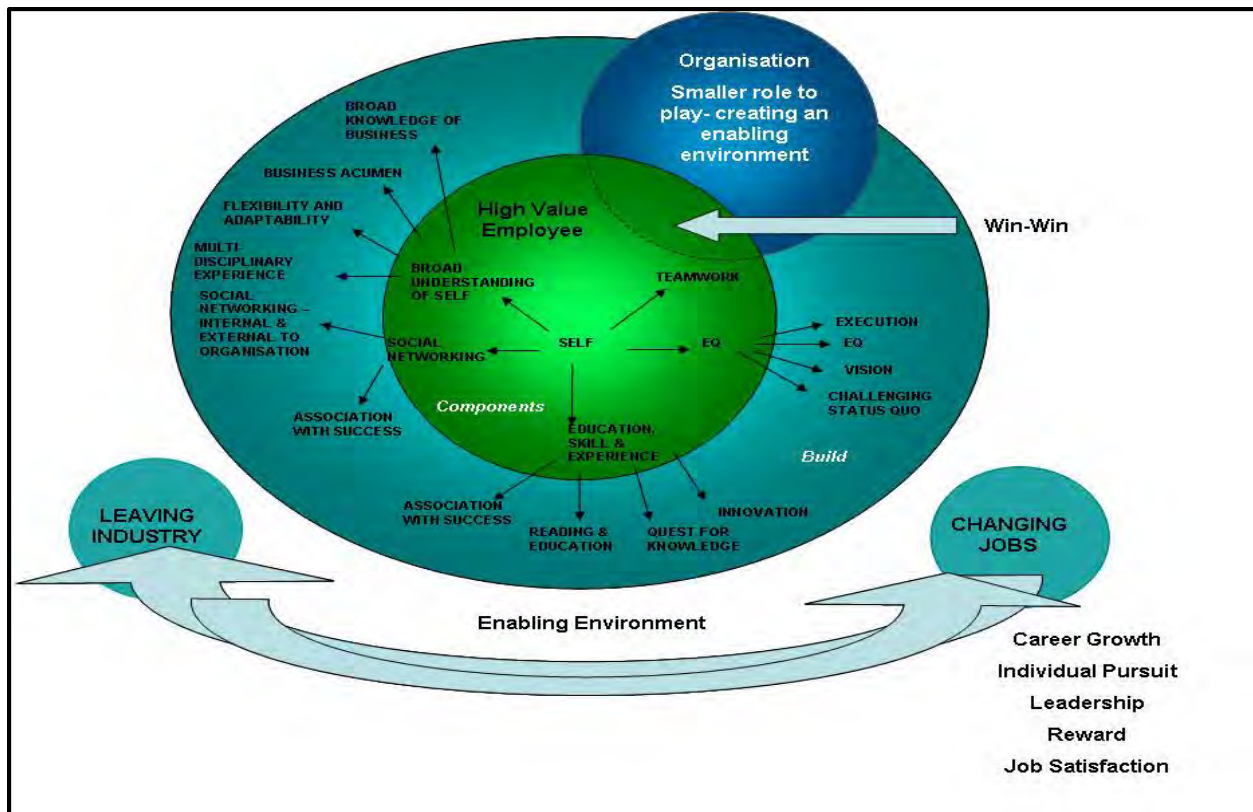


Figure 5.1 The Symbiosis Model

- **Flexible Enterprise Performance Framework** that allows employees to be innovative and take initiative without having to stick to strict and rigid annual performance targets;
- **Inter-Division Performance Assessments** to enable employees and managers alike to have both dashboard and balcony view of what is happening across divisions;
- **Aligning Enterprise Performance Management Framework with Enterprise Risk Management** to improve risk control and incentives to improvement;
- **Incorporating Personal Development Plans into Quarterly Performance Assessments for Managers** to accelerate personal growth required by knowledge employees and improving their career capitalism. This can take a form of 360⁰ evaluations for managers by employees to reduce bias in order to improve ability to make high-quality, organization-wide decisions by all employees;
- **Employee Value-Based Enterprise Performance Management** with strong emphasis to openness and action-orientation, quality of management and employees as well as continuous improvement resulting from both personal development and on-the-job training.

5.4 Contribution

5.4.1 Theoretical Contribution

This research presents several theoretical contributions. First, it contributes to the career capitalism, Herringbone Resilient Model and Professional Model, as well as flexible Enterprise Performance Framework. From the literature review, research on the emerging organisational resilience phenomenon (based on internal capabilities such as human resources) is still limited. So far, most of the research has concentrated on understanding the knowledge economy and the value of knowledge employees in increasing profit value for companies, and little on how performance management can help knowledge employees to achieve their career goals. This research therefore explored in depth the relationship between enterprise performance infrastructure and its ability to assist knowledge employees reach their full potential in terms of career progression.

Lamb *et al* (2010) view the knowledge-based economy phenomenon as means of offering entities and firms with the ability to not only achieve sustainable competitive advantage, but also ways to adapt to ever-changing economic globalisation.

5.4.2 Contribution to Practice

In addition to the above theoretical contributions, this thesis presents many practical contributions. First, this research will help Human Resource Practitioners, Chief Strategy Officers of both state-owned companies and private companies to understand the importance of developing a flexible and future proof enterprise performance framework to help curb the scourge of staff turnover and institutional memory hemorrhage within state-owned entities.

5.5 Limitations of the Study

Identifying limitations in this study is important as it allows future studies to be conducted to fill the voids of these limitations. A qualitative study is not generalisable but aims to obtain reliable data from experts, the analysis and results of which should be reproducible.

A major factor in conducting this study was the limited time period within which the study had to be completed. This limitation meant that the sample size was constrained and a comparison

between the various state owned companies under the KwaZulu-Natal Economic Development and Tourism Department was not possible.

Having said that, the research targeted the insights and opinions of the managers from different levels and divisions within Dube TradePort Corporation. There was no input from the shareholder (Economic Development and Tourism Department as the shareholder). For this reason, there was no comparison of the findings with other provincial government owned entities in terms of their performance frameworks and relationship with knowledge employees.

In addition, the sample size for the interviews was rather small for the analysis, but it gave deep insight into companies' performance framework infrastructure and its ability to recognize individual performance as well as the resulting overall performance of the organisation in terms of employee retention. This research has also given a deep insight into the role of enterprise performance management infrastructure to the success of a state-owned company.

5.6 Recommendations for Future Study

Based on the research findings, it is evident that further exploration into relationship between enterprise performance framework and evaluation of high-value knowledge employees and their successful symbiotic relationship with organisations in the new economy, would be beneficial. Therefore, a complete set of infrastructure elements should be tested. The following quote incarnates this position:

“.....performance evaluation as the role of the organization leader is the most important task of strategic management process, and to execute this task leader performs the role of an evaluator. Generally evaluation describes how well the strategies are formulated and executed, and what are the remaining gaps that need the concentration of leader to fulfill. Basically, evaluation provides the basis for continued improvement in the strategic management it facilitates to revise strategies according to need of the situation. It not only evaluates the organisation's strategic process but also the performance of people to ensure effectiveness of rewards and punishment systems....” (Bergeron, Raymond and Rivard, 2015).

Consequently, Robbins *et al* (2009, p 153) notes that knowledge workers have higher level of confidence, and that any given level of performance will be attained (self-efficacy) which normally leads them to set higher goals for their own performance and that of the organisation.

Suggested areas of further study include the following:

- Can organisations tailor-make Enterprise Performance Framework to suit the type and quality of employees at their disposal?
- The effects of compulsory performance assessments and evaluation of knowledge employees in a knowledge economy;
- Are employees skills, knowledge and attitudes contributory drivers for creating stakeholder value in state owned companies; and
- Does the leadership type and volatility of functional strategy play an important role in the retention of high – value knowledge workers in an organisation?

5.7 Conclusion

Whilst the aim and objectives of this study have been met, it is equally obvious that a concerted effort is required between the government (as a shareholder), through its Monitoring and Evaluation Directorate, Business, institutions of higher learning and state owned companies to develop future-proof enterprise performance framework that puts employees capabilities and skills sets at the center of the pyramid.

This research unpacked the concept of enterprise performance management framework, knowledge economy, career capital, knowledge-worker, resilient organization, herringbone and professional model. It also emphasized the importance of developing a flexible performance management framework for a performance-driven organization. Throughout the discussion within the various chapters, the inter-relationship between enterprise performance framework, knowledge economy and knowledge workers, in building a resilient organisation using various models such as Professional Model, Herringbone Resilient Model, was highlighted. When the concept of herringbone model was introduced it was noted that using state-owned organizations' capabilities such as creativity, agility, learnability, innovation and tolerance of ambiguity, enables these organizations to be buoyant. The relative contribution and ability of these capabilities and attributes depend on the type of resources (including human resources and information capital) that the organisation has, and how knowledgeable they are.

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APPENDIX 1

UNIVERSITY OF KWAZULU-NATAL
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP

MBA Research Project

Researcher: Zama Dlamini (032) 814 0000

Supervisor: Ms Matshediso Joy Ndlovu (031) 031 260 1615

Research Office: Ms M Snyman (031) 260 8350

Dear Respondent

I, Zama Dlamini (**Student No: 200500042**), a Master of Business Administration student studying at the University of KwaZulu-Natal and I am researching: **Dube TradePort Corporation Enterprise Performance Framework ability to create a resilient state-owned enterprise using high-value knowledge employees**. It would be appreciated if you would participate in this research. Through your participation, I hope to understand and gain insight into the relationship between Enterprise Performance Management Framework and its role to spur on high-value knowledge employees (as career capitalists) and create value for shareholders (employee and employer) at Dube Tradeport Corporation. The results of the interviews are intended to contribute to this body of knowledge on graduate employability as well as helping Dube TradePort Corporation's strategy.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this interview. Confidentiality and anonymity of records identifying you as a participant will be maintained by the Graduate School of Business and Leadership, UKZN. If you have any questions or concerns about participating in the interview, you may contact me or my supervisor at the numbers listed above. The interview should take about 30 minutes to complete. I hope to use this time valuably and not disturb your normal duties.

Thank you for your contribution to this research.

Mr. ZS Dlamini

Sincerely

.....
Investigator's Signature

18 May 2015

.....
Date

APPENDIX 2

Consent Letter

**UNIVERSITY OF KWAZULU-NATAL
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP**

MBA Research Project

Researcher: Zama Dlamini (032) 814 0000

Supervisor: Ms Matshediso Joy Ndlovu (031) 260 1615

Research Office: Ms M Snyman (031) 260 8350

CONSENT

I (full names of participant)
representing(company name) hereby confirm
that I understand the contents of this document and the nature of the research project, and I consent
to participating in the research project.

Furthermore, I hereby grant / do not grant permission for a voice recorder to be used to record the
interview.

I understand that I am at liberty to withdraw from the project at any time, should I so desire.

.....
Signature of Participant

.....
Date

Interview Schedule

Dube TradePort Corporation Enterprise Performance Framework ability to create a resilient state-owned enterprise using high-value knowledge employees.

1. What standard of tertiary education/professional qualification do you have?
2. What level of experience do you have in your field?
3. How would you describe the elements of DTPC's Performance Management System and their ability to motivate and inspire employees to perform their jobs?
4. Do you think that DTPC Enterprise Performance Framework does recognise individual contribution to the success of the organization?
5. If you either don't agree or unsure if the EPMF does recognise individual contribution, which aspects/elements of EPMS you not comfortable with?
6. Are you satisfied with the organization ability to recruit and retain graduates and professionals of suitable quality to fulfil the organisation strategy and performance plan? If you not, what actions could be taken by the organization to rectify this problem?
7. What is your understanding of a suitably qualified job fit employee?
8. What sort of specific skills are important in your division and how important is education, training, technical skills and experience to your Division?
9. What impact do you think suitably qualified and knowledgeable employees have on the organization?
10. In your view, do you think the organization's Enterprise Performance Management Framework provide any additional skills training and feedback in order to plug any gaps for employees? If you answered NO or SOMEWHAT, which critical elements are missing?
11. Do you think there is any relationship between skills training, rewards and organization performance?
12. What are the challenges you experience in your quarter and annual performance review?

13. Anything you would like to change or add with regards to current enterprise performance management framework and its impact on employee career growth and the organization strategy?

06 May 2015

Mr Zamafuthi Sibongekosini Dlamini (200500042)
Graduate School of Business & Leadership
Westville Campus

Dear Mr Dlamini,

Protocol reference number: HSS/0432/015M

Project title: Creating resilient state-owned enterprise using Enterprise Performance Framework and high-value knowledge employees – The case of Dube TradePort Corporation in KwaZulu-Natal

Full Approval – Expedited Application

With regards to your application received on 30 April 2015. The documents submitted have been accepted by the Humanities & Social Sciences Research Ethics Committee and **FULL APPROVAL** for the protocol has been granted.

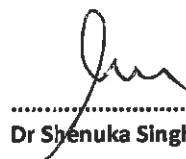
Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number.

Please note: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

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

Yours faithfully



.....
Dr Shenuka Singh (Chair)

/ms

Cc Supervisor: Ms JM Ndlovu
Cc Academic Leader Research: Dr M Hoque
Cc School Administrator: Ms Zarina Bullyraj

Humanities & Social Sciences Research Ethics Committee

Dr Shenuka Singh (Chair)

Westville Campus, Govan Mbeki Building

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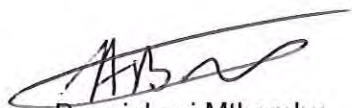
10 February 2015

GATEKEEPERS LETTER

TO WHOM IT MAY CONCERN

I, Bonginkosi Mthembu, Corporate Services Executive of Dube TradePort Corporation hereby give consent for Zamafuthi Sibongenkosini Dlamini (Zama) to conduct research (as part of the fulfillment of the Master of Business Administration) entitled, *Creating resilient state-owned enterprise using Enterprise Performance Framework and high-value knowledge employees – The case of Dube TradePort Corporation*. This is subject to the researcher, Z S Dlamini signing a letter concerning our business ethics and issues of confidentiality concerning confidential information. It is also subject to our receiving copy of the final dissertation.

Yours sincerely,



Bonginkosi Mthembu
Corporate Services Executive
Dube TradePort Corporation

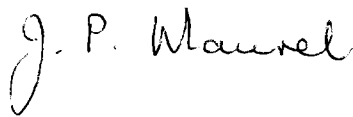
20th October, 2015

TO WHOM IT MAY CONCERN
ZAMA DLAMINI – DISSERTATION

This is to confirm that I, Joan Maurel, proof-read and edited the dissertation of Zama Dlamini and that the adjustments made were done by me. The document was read 3 times with adjustments made each time.....minor adjustments during the last reading.

Should you wish to contact me, my cell number is 083 660 2580. Email address:

Sincerely



JOAN MAUREL