

**PERFORMANCE MANAGEMENT AND APPRAISAL SYSTEMS: A
STRATEGIC TOOL FOR IMPROVING SERVICE DELIVERY IN LOCAL
GOVERNMENT**

by

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ABSTRACT

This study investigated the impact of performance management and appraisal system on the productivity of local government employees at eThekweni Municipality, using the case of the Water and Sanitation department. The main objectives of the study included the following: to explain the performance appraisal process at eThekweni Metropolitan Municipality, to examine the relationship between performance appraisal and employee motivation at eThekweni Metropolitan Municipality, to ascertain the involvement of employees in goal setting and evaluation criteria, as well as to analyse the effect of performance feedback and rewards on employee motivation. In order to achieve these objectives, the study employed a mix of both qualitative and quantitative research, whereby data were collected through a semi-structured questionnaire. The findings of the study pointed out that performance management is critically essential in ensuring the implementation of plans, and have the desired development impact. It was also found that sound performance management system ensures that municipalities understand the current performance of their employees, while at the same time they are able as to identify the challenges that they are facing. The identified challenges are around crafting the agreements as they seem to be generic and sometimes the system used during moderation. For some, performance management improves productivity, while for others they become demotivated, especially if they did not performance well. Having the majority of the respondents describing the level of understanding as good is vital since performance management system enhances the contribution levels of individuals to be in line with priorities, objectives, indicators and targets contained in the municipality's Integrated Development Plan (IDP). Based on these findings, it was therefore recommended that for performance management system to be effective, all the employees ought to be equipped, eager and commit themselves to ensure and improve the overall performance of the municipality. The study also provides some recommendations for the performance management and performance appraisal system, particularly with regards to performance appraisal process enhancement.

Key words: Performance management appraisal systems service delivery
local government

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CHAPTER ONE

INTRODUCTION

1.1 INTRODUCTION

Performance appraisal is a strategic tool that motivates employees to be efficient and effective in the workplace hence, improving organizational effectiveness. Furthermore, performance appraisal has been considered as the most significant and indispensable tool for an organization, for the information it provides is highly useful in making decisions regarding various personnel aspects such as promotions and merit increases (Obisi, 2011). Consequently, most public institutions require an official performance appraisal system to lead in employee development, implementation and maintenance (Erasmus, 2005). Thus, performance management provides the mechanism to measure whether organisational targets are met. In view of the above, this chapter is an overview of the study. The background information, statement of the problem, aims and objectives of the study are described. The significance of the study is also discussed. The chapter also provides the outline of the study.

1.2 BACKGROUND INFORMATION

The National Government institutionalized and provided legislation on the performance management process for local government. The Municipal Systems Act (32 of 2000) highlights the need for municipalities to institute a performance management system. In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations (2001) states that:

“A Municipality’s Performance Management System entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players.”

The success of a municipality in providing optimal and professional services to its constituency is dependent on how well the performance of every employee is effectively managed and appraised. The municipality must therefore ensure that its performance appraisal system is effective. Just like in any business, employee performance is essential in ensuring that organizational goals are achieved, while organisational success is attributed to performance management and appraisal.

Conversely, the most challenging task is to ascertain the processes, tool and mechanisms required to ensure effective performance management. As a result, performance appraisal is not an end in itself, but, a collection of tools, a means of operation that assist corporations to recognize what they need to doing, a way to improve and retain better quality services. This study thus highlights the strategies for this goal, concentrating on a relative demonstration of performance appraisal process, while at the same time examining the effectiveness of performance management and appraisal system in enhancing employee motivation and improving productivity of eThekwini Municipality employees.

1.3 STATEMENT OF THE RESEARCH PROBLEM

In compliance with the Municipal Systems Act (32 of 2000), eThekwini Metropolitan Municipality implemented a performance management system to help monitor the performance of its employees. However, the performance management system does not cover all the employees, but it only covers managers on contract and excludes permanent employees as they are excluded by the legislation. This leads to disgruntled employees, because their hard work is not recognised and rewarded (Kgantlapane ,2009). Besides the lack of legislation, there are limited studies on the effectiveness of performance management and appraisal in enhancing employee motivation and improving service delivery by local government employees (Migiro and Taderera, 2010).

The research question therefore is: Could the incomprehensive performance management system be the cause of the low morale at the eThekwini municipality and consequently, poor service delivery?

1.4 MOTIVATION FOR THE STUDY

Performance management systems are a critical success factors that enables organisations, including municipalities, to achieve their objectives, thereby ensuring organisational operations (Rothberg & Morrison, 2012). This therefore implies the need to incorporate the performance management processes into the organisational culture and tailor the processes according to the employees' diverse needs. Unfortunately, many employees perceive performance management as a bureaucratic and a time-consuming thing to do (Chubb et al., 2011). However, the fact remains that organisations' long term success and effectiveness are a result of a proper performance management system, coupled with organisational strategy. It is therefore important to ensure that performance management systems are aligned with organisational objectives, because if these two are not connected, organisations are often doomed for failure (Bandara, Indulska, Chong & Sadiq, 2008). Essential to the success of effective performance management systems is how this is integrated into the organisational culture. The issues described in this section are the reason for this study, which seeks to examine the effectiveness of performance management and appraisal system in enhancing employee motivation and improving productivity of eThekweni Municipality employees.

1.5 AIM OF THE STUDY

The overall aim of this study is to examine the effectiveness of performance management and appraisal system in enhancing employee motivation and improving productivity of eThekweni Municipality employees, as well as to make recommendations for improvement in the applicability of the current system. In view of that, the study aims to fulfil the following objectives.

1.6 RESEARCH OBJECTIVES

The objectives of the research are as follows:

1. To explain the performance appraisal process at eThekweni Metropolitan Municipality.

2. To examine the relationship between performance appraisal and employee motivation at eThekwini Metropolitan Municipality.
3. To ascertain the involvement of employees in goal setting and evaluation criteria.
4. To analyse the effect of performance feedback and rewards on employee motivation.
5. To propose a review of performance management and appraisal system at eThekwini Metropolitan Municipality.

1.7 RESEARCH QUESTIONS

The study attempted to provide answers to the following questions:

1. What is the current performance management and appraisal process at eThekwini Metropolitan municipality?
2. What is the relationship between performance appraisal and employee motivation at the eThekwini Metropolitan Municipality
3. To what extent are employees involved in goal setting and evaluation criteria?
4. What is the effect of performance feedback and rewards on employee motivation?
5. What improvements can be made to the eThekwini Metropolitan Municipality's performance management and appraisal system?

1.8 RESEARCH METHODOLOGY

The following methods were utilised for the collection of information during the research process:

1.8.1 Secondary data

The theoretical part of the study consisted of a comprehensive utilisation of available literature in journals, legislation, books, newspapers and electronic database available on existing studies on the effect of performance appraisal on employee motivation and productivity. Access to the eThekwini Metropolitan Municipality intranet was also utilised to gather information regarding the policy on rewards and the performance management system.

1.8.2 Empirical Research

The scope of the empirical investigation was limited and analytically descriptive to eThekwini Metropolitan Municipality. The following research strategy was pursued:

Semi-structured questionnaire: A semi-structured questionnaire was constructed and distributed to selected eThekwini Metropolitan Municipality's water and sanitation department employees and officials. 10 senior and middle-level employees were asked to determine their views on the effectiveness of performance appraisal on improving service delivery. A further 70 operational staff members were randomly selected and consulted on their views on Council service delivery on issues such as customer care, water and sanitation service provision.

1.9 SIGNIFICANCE OF THE STUDY

Though literature on performance management and appraisal systems at local government exist, there are limited studies on the effectiveness of performance management and appraisal in enhancing employee motivation and improving service delivery by local government employees (Chen, 2011). Therefore, this study aimed at filling this gap by contributing to the current literature by linking performance management and appraisal with motivation and improved service delivery at eThekwini Metropolitan Municipality's Water and Sanitation department.

This research study therefore, might enable the eThekwini Metropolitan Municipality and in particular, the Water and Sanitation department, to identify the weak areas of

its performance management and appraisal system and suggests ways of improving them. Effective performance management systems are able to boost employee morale, which in turn positively affects the overall organisational performance, productivity and service delivery to the communities at large.

1.10 LIMITATIONS OF THE STUDY

This study had several limitations, which became a hindrance to achieve a hundred percent accuracy in reporting the findings (Patton, 2002). The following issues might have impacted on the study:

- **Time constraints:** the researcher had limited time at his disposal, but the study had to be completed.
- **Willingness to participate:** the willingness of the participants to participate in the study might have affected the study.

1.11 LAYOUT OF CHAPTERS

The dissertation comprises the following five chapters:

Chapter 1 introduces the subject of the study. Thus, the background information, the problem statement and the rationale are described. Essentially, the main objectives of the study are given, alongside the significance of the study. the limitations of the study are also highlighted. Chapter 2 provides the literature that is relevant to the study. Among other things, the following are discussed: the definitions of performance management and performance appraisal, the objectives of performance appraisal, the conceptual framework underpinning the study, the legislative framework guiding performance management, as well as the gaps that this study intend to fill in. Chapter 3 describes the methodology employed in the study. The mixed method approach is described in detail. The research philosophy, as well as the research design, are also described. Chapter 4 presents the findings of the study. Chapter 5 is a discussion of the findings that are presented in Chapter 4. Chapter 6 concludes the study by providing the conclusion and the recommendations, based on the findings.

1.12 SUMMARY

This chapter served as the introduction to the study as proposed, outlining the aim of the study and the research problem, the context and setting the scene for the rest of the dissertation. The following Chapter 2 discusses the literature on the legislative framework that govern the implementation of performance management, local government Performance Management System, employee performance appraisal and the impact, if any, on enhanced motivation and improved service delivery.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

Chapter two discusses literature relevant to performance management. Literature review regarding the performance management and appraisal system in the context of local government is first discussed, followed by the legislative framework which Akinyele (2010), regards as the only tangible metric way by which an organisation can know the level of performance of its diverse employees. The chapter further discusses the involvement of employees in setting their goals and measurement criteria. The linkage between performance feedback, incentives and rewards, as well as employee productivity, is also explored. The chapter concludes with a discussion of the gap in literature in performance management and appraisal systems within the South African municipalities.

2.2 PERFORMANCE MANAGEMENT DEFINED

Bagerkord (2012) defines performance management as a technology-science rooted in application methods and aimed at supporting the established organizations to administer the behaviour and results, generally classified as performance. Aslam and Sarwar (2010) argue that performance management is not a single process or a technique, but rather a concept or a set of processes or a holistic approach embracing motivation, development and knowledge of employees and managers' expectations, evaluating and appraising performance with the objective of identifying areas of concern which need improvement.

Hence, Aguinis, Joo and Gottfrdson (2012) describe performance management as a continuous process of quantifying, identifying and developing individuals and team performance and aligning strategic goals with performance. Sahoo and Mishra's (2012) definition of performance management is that it is an organised process aimed at improving individual, group, as well as the overall organisational

performance. Performance management is also defined as the integrated and strategic approach to providing continuous success to companies by increasing team and individual work performance (Dzimhiri, 2008). In the same manner, Gruman and Saks (2011) define performance management is as a critical aspect of organisational efficiency, as it symbolises the main processes through which work needs to be completed hence, it being referred to as the “Achilles Heel” of human capital management. It is for that reason that performance management should be a top priority for every management in every organisation.

2.3 THE OBJECTIVES OF PERFORMANCE APPRAISAL AND PERFORMANCE MANAGEMENT

2.3.1 Performance Management objectives

Performance appraisal is one aspect of performance management. It entails a continuous process of measuring performance and adjusting it within a given time period. The important elements of performance management include the planning, communication, collection of data, observation, as well as coaching. Armstrong and Baron (2006) identify the objectives of performance management as follows:

- To improve communication between employees and their managers
- To clarify the mission, objectives, functions, expectations and priorities
- To establish success criteria for the performance measurement objectives
- To directly link employee performance to rewards, in an equitable framework of allocation
- To provide opportunities for performance development

Also referred to as ‘goals’, objectives have to clearly defined and all the concerned stakeholders should agree upon them, because they serve as a guide for the whole PMS. It is thus important to periodically review and change the objectives, depending on the set target.

2.3.2 Performance Appraisal objectives

Performance appraisal serves two main purposes: evaluation and development. In the former, performance appraisal is aimed at informing employees of their performance rating. The collected performance data are reviewed in order to reward the high performers and to punish those who would have poorly performed. In the latter, that is the developmental purpose, performance appraisal is aimed at identifying the problems or issues affecting the effective performance of employees in their given tasks. In this way, performance data are collected and analysed in order to suggest possible ways of improving employee performance. The performance data collected would determine the skills needed to enhance employee performance. In that way, McGregor (1960) highlights the performance appraisal objectives in the following ways:

- Administrative: to provide logical ways of determining salary increases, transfers and promotion.
- Informative: to supply important information to management, regarding employee performance which includes their strengths and weaknesses.
- Motivational: to create a learning experience aimed at motivating staff so that they develop themselves, while at the same time improving their performance.

The classification indicated above is important as it points to the multiple functions or purposes of performance appraisal, as well as to the various organizational philosophies which facilitate performance appraisal (Anderson, 1993). From the above description, it is clear that performance appraisal is aimed at measuring the capacity of employees to perform their assigned tasks. In view of that, the objectives of performance appraisal should revolve around employees' development in order to ensure that the desired performance is achieved. From that point of view, the objectives can thus include:

- reviewing employee performance at a specific time
- identifying performance gaps in order to measure the actual employee performance and the expected performance.
- helping management in controlling and strengthening the relationship between employees and the management

- identifying the high performing, as well as the underperforming employees, in order to further the objectives of rewarding and punishing.

2.4 PERFORMANCE MANAGEMENT SYSTEM

A Performance Management System (PMS) helps organisations to achieve sustainable improvements in organisational performance. The PMS also acts as a lever for change and increases motivation and commitment of employees. Individuals can develop their abilities and achieve their full potential (Armstrong & Baron, 2005).

2.4.1 Steps in developing a performance management system

The following eight steps are developed to enable that the municipality achieves its objectives of measuring performance (DPLG, 2003d).

- **The introduction of a PMS** - It is essential that before the municipality can introduce the PMS, councillors and employees are familiarised with the concept and that they understand the phases, how it fits into the overall management cycle of the municipality and the benefits that such system would bring.
- **Gearing-up for performance management** - The municipality must take steps to ensure the readiness of implementing the PMS. A comprehensive communication campaign aimed at all employees is essential.
- **Consultation of performance management** - During the IDP process, communities should be consulted to collect baseline data and developmental objectives are set.
- **Setting performance measurement** - It is essential to set realistic performance measures on the different hierarchical levels of the municipality by the Mayor for the Municipal Manager and Municipal Manager for the senior managers.

- **The performance management model** - The municipality needs to decide on a model to be used for arranging the measures, so that it can be of greater assistance in the management process and to gauge progress towards achievement of strategic goals.
- **The performance review and reporting** - The Municipality would have to agree upon reporting structures and processes that need to be followed: monitoring, evaluating, reviewing, giving feedback and suggesting improvements.
- **Auditing performance measurements** - The Performance Audit Committee (PAC) is responsible for ensuring that reports on the achievement of the PMS are audited and backed by documented proof.
- **Linking organisational and individual performance**- There should be a link on the relationship between the two systems of organisational and individual performance.

2.5 THE CONCEPTUAL FRAMEWORK

Figure 2.1 illustrates the relationship between the different variables of performance management. It shows how the variables influence each other.

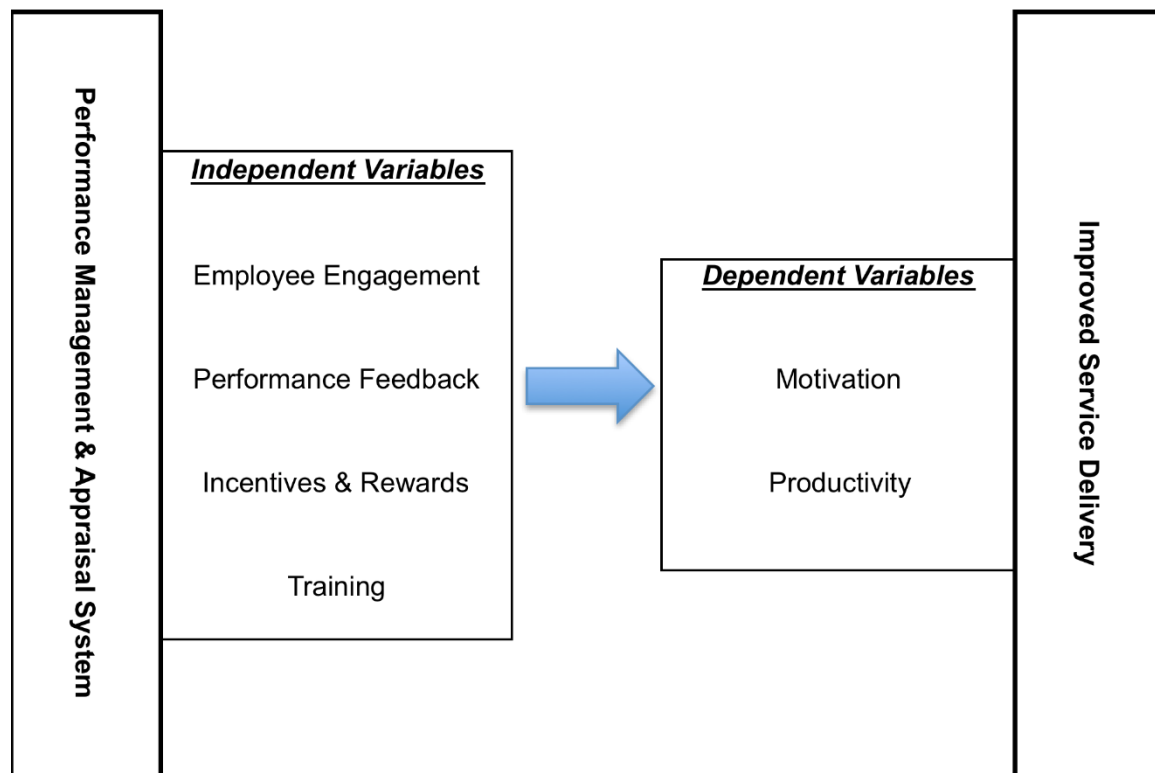


Figure 2.1: The relationship between independent and dependent variables

According to the theory in the context of performance management and appraisal, the most common thing is the involvement of employees in setting goals and standards. Boice and Kleiner (1997) noted that the effectiveness of organisational goals is realised when the goals are determined prior to embarking on the PMS.

2.5.1 Employee Engagement

Employee engagement refers to the psychological presence when occupying and performing an organizational role (Saks, 2006). It is the emotional and intellectual commitment to one's organisation (Sundaray, 2011). In other words, employee engagement is the amount of discretionary efforts exhibited by employees in their job. Employee engagement positively affects performance outcomes and productivity (Sridevi and Markos, 2010). The more engaged the employees are, the more likely their organization exceeds in terms of growth, financially and otherwise. If employees are not engaged, they often lose focus on important things, show less commitment and might even consider leaving the organisation. Employee engagement is thus an

essential element for the performance, as well as the success of the organisation. The fact is that if employees are engaged, they become more work-oriented, customer-focused, and more productive (Karim, 2012). The employees' capacity to perform at their best is thus influenced by the workplace, which should be favourable. The employees would get emotionally attached to the workplace and do their work with more passion. This implies that management should engage the employees as far as possible, involving employees in the planning and execution of the organisation's objectives, to make them more effective and efficient. Engaged employees position the organization in a competitive mode, which is essential for the organisation's success (Sundaray, 2011:57). Employee engagement is therefore the positive attitude that the employees hold about an organization, which is critical for both personal and organizational performance and success (Sundaray, 2011).

2.5.2 Performance feedback

The Indiana University Human Resources (2006:1) define performance feedback as the on-going process where information on expected and rendered performance is exchanged between a manager and his or her employee. It is the employees' right to be regularly updated on how well they are performing, and how well they are achieving their performance goals, as well as what could be changed or improved. This means that the two-way communication between the employer and the employee is very important. There should exist mutual trust, honesty and openness between these two parties. The management has the responsibility to ensure the employee's commitment to achieve the set objectives by constantly providing feedback to the employees. Regular feedback allows the employees to improve, while the management and the employee can also be able to set new targets, standards and objectives (FSPG, 2001:10). Constructive feedback is one that is tied to the pre-determined performance standards. The feedback should thus be on time, specific and focus on the employees' behaviour. When giving feedback, management and the employee should identify the performance problems and hence make efforts to solve the problems. They should agree on the plan of action to be taken and ensure that this is agreed upon. Essentially, the management should follow up on the employees after an agreed period of time. The role of the manager when giving feedback is to encourage the employee to improve, to support and

correct any errors. In this way, performance feedback becomes effective. Effective performance management thus encourages learning and motivates the employees to improve. This means that performance management without feedback is incomplete and ineffective (Good & Carin, 2004).

2.5.3 Incentives and rewards

Effective performance management also entails providing incentives and rewards to the employees. These are forms of recognition and acknowledgements employees for performance. When management and employees set standards and objectives, and when these are met, they should be positively reinforced through recognition and rewards, in order to motivate the employees to commit themselves to their work. Recognition can take the form of certificates for good performance, providing developmental opportunities, complimenting the employees verbally, or giving performance bonus. Giving employees some incentives make motivate them to effectively perform their tasks and work towards achieving their goals (Good & Carin, 2004). This means that employees appreciate recognition for achievement, which positively impacts on their performance.

2.5.4 Training and development

It is the role of the management to ensure that employees are helped to perform better in the different roles. This can be emphasised through providing the necessary training and development, or them to effectively perform in their roles. Furthermore, training also equips employees with knowledge and expertise for them to be able to make informed decisions during the process.

2.5.6 Motivation and Productivity

It is a fact that a positive workplace environment is one that motivates employees, while at the same time producing better results. This means that the management has the responsibility create a healthy and productive work environment. This also entails understanding the factors that motivate employees. Bartol and Martin (Senyucel, 2009: 23) define motivation as the “force that ignites, directs and

maintains people's behaviour" in an organization. In the workplace, motivation is the force that keeps the employees going, that energises them and provides the incentive to persist (Grobler et al. 2011). Nel et al. (2011) argue that motivated employees are focused at achieving the organisational goals. However, it is essential to note that motivation works differently in different people. People are different individuals with unique personalities, interests and opinions. Likewise, they are motivated by different things to achieve the same objectives. In the workplace, employees are motivated by different factors: salary, personal fulfilment, the work environment, an interesting job, etc (Senyucel, 2009). Nonetheless, the working environment is one critical factor that affects employees' motivation and eventually, performance (Chandrasekhar, 2011). Overall, motivation is essential in retaining talents, meeting goals and succeeding beyond expectations.

Overall, the assumption is that employee engagement, feedback, incentives and training, all enhance employee motivation and ultimately, improves productivity. Employees need to be motivated to improve public service delivery.

2.6 PERFORMANCE MANAGEMENT CYCLE

The performance management cycle is a process, not an event and it operates as a continuous cycle. This ongoing process begins with planning, acting on developed plans, monitoring and reviewing performance (Armstrong & Baron, 2005). According to the Human Resources Department at the University of California (Berkeley, 2008), overseeing performance and providing feedback are not an isolated event which is focused in a performance assessment or evaluation. It is an ongoing process that takes place throughout the year. The performance management process is a cycle, with discussions varying year to-year, based on changing objectives.

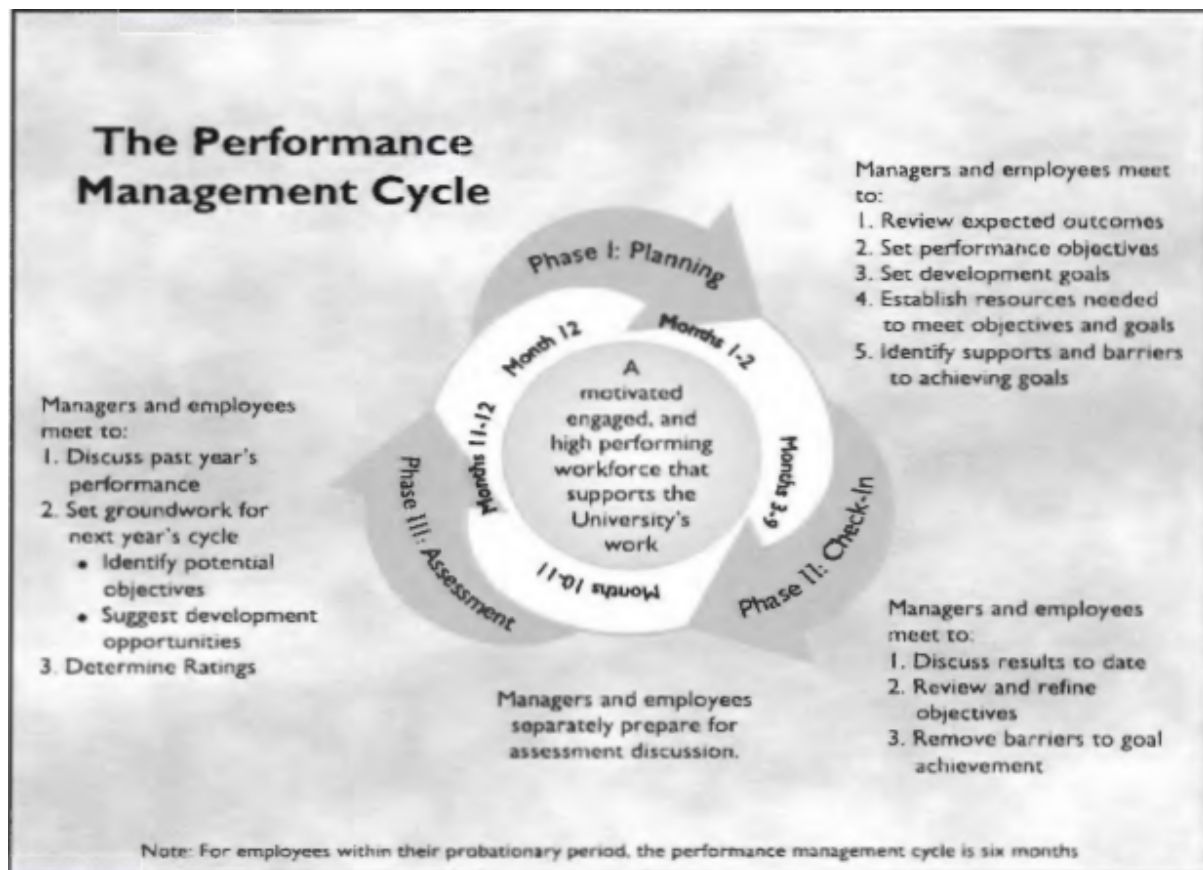


Figure 2:2 Performance management cycle

(Source: Human Resources-University of California (Berkeley), 2008)

Figure 2.2 shows that the performance management cycle entails basically three things: planning, checking-in and assessment. At the beginning, both the employee and the employer review the overall expectations which also involves formulating performance objectives. It is at this point where the performance plan is developed. The purpose of the performance plan is to direct employees' efforts towards the attainment of specific results in order to support organisational success and excellence. During the second phase of checking in, performance objectives are discussed throughout the whole year. This is to ensure that employees work towards achieving the intended results, of course through coaching, as well as through mutual feedback. At the assessment phase, which would be at the end of the performance period, the employee's performance is evaluated against the set objectives, as well as how the objectives were achieved. It is at this point that the new objectives for the following performance period are set.

2.7 PERFORMANCE APPRAISAL

Recently, the public sector has increasingly been under spotlight, being assessed in terms of its performance, especially in relation to service delivery. Previous researchers found correlations between performance, performance appraisal, productivity, job satisfaction and efficiency. Akinyele (2010) noted that appraisal as an element of performance management, is one way through which organisations can know the level of their employees' performance. Najafi (2011) also underlined that through performance appraisal, an organisation is able to obtain, analyse and record information about the worth of employees. The implication is that performance appraisal aims to measure and improve employees' actual performance, as well as the employees' future potential. It therefore entails identifying, measuring and managing human performance in organisations, thereby providing feedback to individuals, which would determine how to go about improving the individuals' performance. In this way, Dickinson (1993) argues that performance appraisals are essential elements of organisational life as they serve several functions which include setting goals, solving performance related problems, rewarding, disciplining and dismissing employees (Dickinson and Igen, 1993). Najafi (2011) highlights the fact that performance appraisal serves different purposes for employees and management. For the employees, performance appraisal is for personal development as they get to involve themselves in assessing how they work, while for management, they assess employees for organisational control purposes, in order to reward high performers and punish underperformers.

Choi Sang Long et al. (2013) in their review on "Performance Appraisal System: An Ineffective and Destructive Practices?", noted that performance appraisal systems consist of the processes of setting standards, application, managing and informing the incidents related to employees' performance appraisal. Employee performance evaluation is one of the most applied techniques organisations managements used in the developed countries. Long (2013) stresses that despite defining the appraisal process or its specific features, performance appraisal system must be documented; structured and has become a necessary process in organisations.

Malik (2013) asserts that performance appraisal is used to define the extent to which an employee performs his/her work effectively. He further noted that performance appraisal is considered as a critically important human resource function because the process' results are used for managerial decision-making and for a variety of other purposes, including administrative decisions, employee development and personnel research. Armstrong (2001) argues that it is important to maintain fairness and accuracy in performance appraisals. Performance management is therefore a control mechanism intended to determine deviations of work tasks, with the intention of taking corrective action. In view of that, a well-designed performance appraisal system should highlight issues of successful performance, providing performance feedback and enabling a fair reward system.

2.8 POLICY FRAMEWORK

The Constitution of the Republic of South Africa (1996) highlighted the need for performance management systems in local government. Chapter 7 of the Constitution clearly indicates the objects and developmental responsibilities of municipalities. The White Paper on Local Government established the rationale for an integrated developmental local government system which commits itself to working with societies to seek supportable ways to deliver their economic, material and social needs and increase their standards of living. Performance management is therefore important to guarantee proper planning implementation, development and efficient resource utilisation to establish and maintain a service-oriented kind of operation.

As such, performance management and the Integrated Development Plan (IDP) are one and the same thing. The IDP stipulates what municipalities intend to achieve, that is, what should be expected by the communities, while the Performance Management System (PMS) is supposed to manage, measure and evaluate how far the achievement of the objectives has gone, in terms of what is being expected.

The framework for the establishment of a Performance Management System is detailed in Chapter 6 of the Local Government Municipal Systems Act (32 of 2000) which requires municipalities to:

- Create a Performance Management System (PMS) that is proportionate with its allocated resources, aligned with its goals, objectives, targets and priorities, as well as confined within the IDP with the involvement of the public community;
- Instil a performance management culture within their political structures, the political office bearers, as well as the councillors and in their administration;
- Manage their activities effectively, economically, efficiently and in an accountable way;
- Set proper key performance indicators (KPIs) and measurable performance goals for their growth, while at the same time laying objectives in the IDP and in close consultation with the communities
- Establish ways of monitoring, measuring and reviewing performance in close consultation with communities, at least once per year
- Set up appropriate means of detecting under-performance in time
- Conduct internal auditing on performance;
- Submit performance measurement results for auditing by the Auditor-General (AG), annually;
- Include reports on performance, audit report on performance by the AG, in the municipalities' annual report, as stipulated in Section 121 of the Local Government: Municipal Finance Management Act (Act 56 of 2003); and
- Publish annual reports for the information of staff, the public, councillors and other spheres of government.

The policy framework is based on the legislation and the South African Local Government Association (SALGA) guidelines. Below are some of the important pieces of legislation:

- The **Constitution of the Republic of South Africa (Act No. 108 Of 1996)** Section 195 (b) stipulates that “efficient, economic and effective use of resources must be promoted”, while Section 195 (h) indicates that “good human resource management and career development practices, to maximise human potential, must be cultivated”.
- The **Local Government: Municipal Planning and Performance Management Regulations No. R.796 published in Government Gazette No. 22605** specifies intensively the objectives that municipalities are expected to achieve in executing their performance management system, inter alia, requiring this policy which must clarify all the processes and the roles and responsibilities of each role-player, including the community, in the operation of the organisation.
- The **Local Government: Municipal Finance Management Act (No. 56 of 2003)** needs a service delivery and budget implementation plan (SDBIP) centred on definite goals and performance pointers resulting from PMS, IDP and the budget.
- **Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006 published in Government Gazette No. 29089** dated 1 August 2006, comprises the performance procedures for the management of municipal and those accountable for municipal management. The guidelines cover the employment terms of conditions and guarantee a constant, improved and monitored performance in the future. Clear aims like performance bonuses are set to minimise the grey areas and avoid mismanagement.

The Acts and Regulations described above compel the Council to establish and execute a performance management system with the aim to increase the performance of its staff for the effective and efficient delivery of services, in line with the IDP, in addition to developing human resources. This would be achieved through the use of the performance management system to detect the employees' training and development needs, as well as to execute policies and programmes in response to the identified needs and so as to improve organisational productivity.

2.9 LOCAL GOVERNMENT PERFORMANCE MANAGEMENT SYSTEM

The role of performance management is a critical mechanism to ensure that developmental local government can translate the White Paper on Local Government and subsequent legislation into practice, in order to deliver results. The White Paper on Local Government identifies performance management as one of the tools which must be implemented by municipalities. It is part of its developmental mandate, as indicated in the Constitution of the Republic of South Africa (Act No. 108 of 1996).

At local government level, performance management is imperative, with transformation, economic development, governance, finance and service delivery as the crucial aspects, according to the local government strategy. Performance management thus provides ways of measuring whether the set targets for meeting its strategic goals, are met. In addition, Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players."

Performance management, therefore, is not only relevant to the organisation as a whole, but also to the individuals employed in the organisation, as well as the external service providers and the municipal entities. Performance management is

aimed at ensuring that municipalities monitor the Integrated Development Plan (IDP) and continuously improve their operations and in terms of Section 19 of the Local Government Municipal Systems Act, that they annually review the overall performance in achieving their constitutional objectives.

2.9.1 The Integrated Development Plan (IDP)

The IDP is the strategic and comprehensive plan of municipality development that integrates and co-ordinates plans, while also aligning resources and forming the framework on which annual budgets must be based. It is the principal strategic instrument guiding all planning, management, investment, development and implementation decisions, taking into account the input from all stakeholders.

The IDP must reflect: -

- The Municipal Council's vision for the long-term development of the Municipality
- An assessment of the existing level of development
- The council's development priorities and objectives
- The council's development strategies
- A spatial development framework
- The council's operational strategies
- Disaster management plan
- A financial plan
- The key performance indicators and performance targets.

The relationship between IDP and the PMS is therefore legislated and regulated. The performance management system measures the performance of the municipality in terms of meeting its Integrated Development Plan.

2.9.2 Service Delivery Budget Implementation Plan (SDBIP)

The Service Delivery Budget Implementation Plan gives effect to the Integrated Development Plan and the budget of the municipality. It serves as a “contract” between the administration, council and community, expressing the goals and objectives set by the council as quantifiable outcomes that can be implemented by the administration over the next twelve months. This provides the basis for measuring performance in service delivery against end of year targets and implementing the budget. Whilst the budget sets the annual service delivery and budget targets, mechanisms should be put in place in order to continuously measure performance and progress.

The Service Delivery Budget Implementation Plan (SDBIP) and Performance Management System offer the fundamental association among the executive mayor, executive members and administrators, and it makes possible the practice for accounting the office bearers responsible for their results. That is, senior managers are appraised by the municipal manager. Yet, the municipal manager’s performance is monitored by the executive mayor, meanwhile the whole municipality performance is appraised by the community.

2.9.3 Organisational performance management link to individual performance

The legislative mandate for measuring individual performance is found in Section 57 of the Local Government Municipal Systems Act; which requires that the Municipal Manager and Managers who report directly to the Municipal Manager, sign performance contracts which must include performance objectives and targets. These must be practical, measurable and based on key performance indicators set out in the Integrated Development Plan (IDP).

Despite the legislation requiring that the municipal managers who directly account to the municipal manager sign formal performance contracts, it is a mandate for all employees to have job descriptions. Employee job description must be aligned with the individual performance plan of the head of the department. Figure 2.3 illustrates

the link between the organisational performance and individual performance management. Once organisational objectives and targets are set, it is then possible to cascade these down to the relevant departments and individuals.

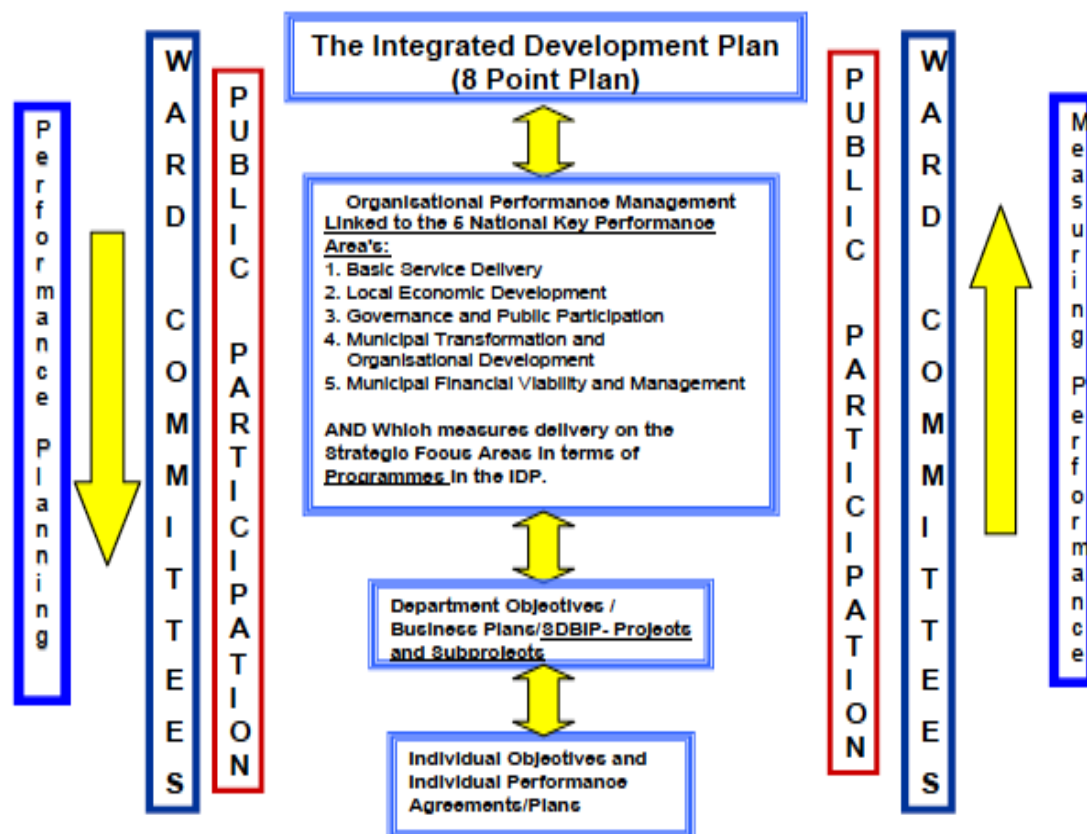


Figure 2:3 The link between organisational performance and individual performance

Source: Adapted from Performance Management Policy & Procedure Document for South African Municipalities (SALGA) (August 2001)

This performance management policy and procedure document highlights the need to plan, measure and report organisational performance within municipalities. The reporting requirements as stipulated in the Municipal Systems Act, the involvement of the community in setting performance indicators need to occur at an organisational performance management level. Individual performance management occur at the level of the working relationship that exists between the employee and his/her manager or supervisor. From an academic point of view, other researchers

have studied performance management system in Local Government. Maila (2006) studied performance management and service delivery in the Department of Water Affairs and Forestry and the study focused on performance management as a pre-condition for service delivery. The key question raised in Maila's study was the effectiveness of performance management in enhancing service delivery. His study explored the correlation between the performance management and development system and public service delivery in the Department of Water Affairs and Forestry.

Munzhedzi (2011) also did a study on performance management system and Improved productivity, using the case of the Department of Local Government and Housing in the Limpopo Province. His study focused on whether the PMS contributes to improved productivity.

Ramuvhundu (2012), in his research paper "Evaluating the impact of Local Government Performance Management System on Service Delivery" defines performance management as a management strategic move designed to equip stakeholders, managers, leaders and employees at diverse levels with techniques to monitor continuously, frequently plan, occasionally evaluate and performance appraisal of the business, with regards to targets and indicators for impact, effectiveness and efficiency. According to Ramuvhundu (2012), this system ensures that all the leaders, managers and individuals in the organisation are held accountable for their actions that should bring about improved service delivery and value for money. In the same way, Gichuhi, Abaja and Ochieng (2012) cite Joison (2001) when he stated that performance appraisals are often associated with incentives such promotion and salary increase for high performers, as well as job cuts for under-performers.

It is standard policy that companies should reward well-performing employees, even though some organisations do not honour this mandate. Ishaq et al. (2009) argue that appraisal results are directly or indirectly used to help identify the high performing employees who should be rewarded through salary increases, promotions and bonuses. Fulk, Brief and Barr (1985), cited by Kamiti (2014) also

noted that workers are motivated when they discover that they are treated fairly in compensation, promotion and that there is transparency in their evaluations. Workers reduce their efforts if they feel that they are treated inequitably (Kamiti, 2014).

2.10 GAPS IDENTIFIED FROM THE REVIEW OF LITERATURE

Though there is a vast amount of literature on performance management and appraisal systems at local government, there are limited studies on the effectiveness of performance management and appraisal in enhancing employee motivation and improving service delivery by local government employees. Therefore, efforts were made to fill this research gap through this study, which is meant to contribute to the existing literature by linking performance management and appraisal with motivation and better service delivery at eThekweni Metropolitan Municipality's Water and Sanitation department.

This research study may possibly help the eThekweni Metropolitan Municipality and in particular, the Water and Sanitation department to identify the weak areas in terms of its performance management and appraisal system, thereby developing mechanisms of making improvements. Improved performance management system might as well boost employees' morale at the workplace, which would positively affect the overall performance of the organisation, as well as productivity and service delivery to the community at large.

2.11 SUMMARY

This chapter covered literature review regarding performance management in the context of local government, followed by the performance appraisal system as a way by which an organisation can know the level of performance of its diverse employees. The chapter further discussed the involvement of employees in setting their goals and measurement criteria. A linkage between performance feedback, incentives and rewards, as well as employee productivity, was also explored. Though there are many studies that have been conducted in the area of

performance management and appraisal systems within the local government, none of the studies have been conducted within the eThekweni Municipality. The following chapter discusses the research design and methodology that was followed in order to fulfil the objectives of the study.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

The purpose of this research is to investigate the relationship between performance appraisal and productivity at the eThekweni Municipality's Water and Sanitation Department. Therefore, this chapter discusses the research philosophy, design frame and methodology. The quantitative, qualitative and mixed research method approaches are described. Furthermore, the data collection and analysis methods, are also discussed. The reliability and validity of the instruments used to collect data are explained together with ethical issues surrounding permission, voluntary participation and confidentiality. The chapter concludes with the limitations of the study. prior to that, it is essential to understand what research methodology is all about. Research methodology entails the systematic process of addressing why a research study is being undertaken, answering the research questions and adopting the most appropriate method for data collection, as well as the techniques used to analyse the data (Kothari, 2004). The process thus involves identifying the research problem, the procedures for collecting data and the analysis and interpretation of the data.

3.2 RESEARCH PHILOSOPHY

Research philosophy, also known as research paradigm, refers to a set of practices, values, assumptions, beliefs, propositions or concepts which determine our thinking. Long (2007: 196) argues that:

a paradigm is a pre-requisite of perception itself – what you see depends on what you look at, your previous visual/conceptual experience (the way you have been taught to think) and how you look.

It is about how we view the world around us, that is, reality. Paradigms thus reflect our assumptions or view of reality. In research, the way we view reality and our knowledge affects how we do research. The point is that our goals and philosophical

assumptions as researchers are directly linked to how we conduct research. This implies that in order for a researcher to conduct research, there is first, the need to comprehend the philosophical nature of the research questions and the methodology to be employed. Each research paradigm is defined by the way it collects data and interprets the findings. A research paradigm therefore reflects certain sets of beliefs about the nature of the world, what could be known about it and how we can know and understand it better (Creswell, 2014).

The positivism paradigm is based on a realist ontology, which postulates that “there exists a reality out there, driven by immutable natural laws” (Guba, 1990: 19). Thus, positivism addresses causal relationships and basic regularities between different components of the world. Positivists have an objectivist epistemology, which requires that in order to discover the real world, the researcher must “put questions directly to nature and allow nature to answer back” (Guba, 1990: 19). This realist perspective essentially represents the classical positivist tradition. However, a modified objectivist perspective called post-positivism claims that although the object of our inquiry exists outside and independent of the human mind, it cannot be perceived with total accuracy by our observations. What this means is that complete objectivity is nearly impossible to achieve, but still pursues it as an ideal to regulate our search for knowledge. Post-positivism thus challenges the traditional notion of the absolute and objective truth of knowledge. The view of post-positivism is that in reality, it is not possible to gain understanding merely through measurement. Post-positivist approaches show a much greater openness to different methodological approaches, and therefore includes both qualitative and quantitative methods. This study thus assumes the post-positivism approaches: the mixed method approach.

3.3 RESEARCH DESIGN

Research design is a “framework, guide or master plan used for the planning, analysis and implementation of a study” (Dutta, 2013:10). It entails the planning of scientific enquiry or designing the strategy for going about researching a phenomenon. The research design is thus the conceptual structure within which research is executed. The purpose of the research design is to lay a strong foundation for the study, thus, it highly influences the reliability of the findings. This

means that a wrong research design might mislead the conclusions of a study. According to Remenyi, et al:

One of the most important aspects of research in public administration studies is to decide on an appropriate starting point for the research and on the conceptual framework or research strategy within which the evidence would be collected and analysed (Remenyi, Williams, Money & Swartz 1998:120).

In view of that, Mouton (2001) defines research design as the blueprint through which one plans to conduct the research. Research design focuses on the logic of research. Babbie and Mouton (2003) debate that research design is a unique framework structured to conduct the review process in order to solve a research problem. Therefore, a research design is the overall plan for connecting the conceptual research problems to the pertinent empirical research. In other words, the research design articulates what data are required, what methods are going to be used to collect and analyse this data and how all of this is going to answer the research questions. The research design rationale is to structure and plan a research study to achieve the credibility and validity of the data. The section that follows describes the different types of research methods.

3.3.1 Quantitative method

Munzhedi (2011) defines the quantitative approach as the research method that uses closed questions with predetermined responses and a huge sample size of respondents. Quantitative research deals with symbols, numbers, statistics and measurements in the analysis and interpretation of data. The quantitative research approach can be divided into two categories, namely,

- (a) Studying human behaviours through surveys and interviews, and
- (b) Indirectly, through computer simulation studies, secondary data analysis and statistics (Mouton, 2001). Thus, quantitative research approaches rely largely on the application of strict measurable techniques and applications.

3.3.2 Qualitative method

Qualitative research approaches comprise detailed understanding of participants' actions and the reasons that govern respondents' behaviour (Babooa, 2008). qualitative research mainly focuses on the reasons behind participants' behaviours and experiences. The qualitative research approach can also be divided into two categories namely:

- Case studies, interviews, field studies, direct observation used to gather human being behaviour; and
- The research of outcomes of human actions (Mouton, 2001).

3.3.3 Mixed method

Less well known than either the quantitative or qualitative methods are those that involve collecting and analysing both forms of data in a single study. Recognising that all methods have limitations, researchers felt that biases inherent in any single method neutralise or cancel the biases of the other methods (Creswell, 2003). The term "mixed methods" refers to an emergent methodology of research that advances the systematic integration, or mixing of quantitative and qualitative data within a single investigation or sustained program of inquiry. The basic premise of this methodology is that such integration permits a more complete and synergistic utilisation of data than is possible with separate quantitative and qualitative data collection and analysis.

The mixed method approach is one in which the researcher tends to base knowledge claims on pragmatic grounds (e.g. consequence-oriented, problem-centred, and pluralistic). It employs strategies of inquiry that involve collecting data, either simultaneously or sequentially to best understand research problems. Munzhedzi (2011), in his study "Performance Management System and Improved Productivity: A case of the Department of Local Government and Housing in the Limpopo Province", highlighted that validity and reliability are often obtained

through multiple data collection methods. The use of multiple research methods is not only and desirable, but is the best in terms of enhancing the quality of research. Most researchers accept that quantitative and qualitative studies are similar and their use is regulated by the type of problem statement at hand.

In view of the above, the mixed method research design was applied in the investigation, since the theory underpinning this study is both quantitative and qualitative in nature. This method is appropriate since the study seeks to explore the link between performance appraisal system, employee motivation and productivity. The mixed approach enhances the nature of research on the ground that the diverse research approaches have distinctive qualities and distinctive shortcomings (Johnson and Christensen, 2012). By mixing at least two research techniques with various qualities and shortcomings in a research, it becomes more unlikely to miss something imperative or make a mistake (Johnson and Christensen, 2012). Punch (2010) states that the essential rule of the mixed method for research is to join the strategies in a way that it accomplishes corresponding qualities and over-lapping flaws.

3.4 POPULATION AND SAMPLE

The population for a survey is the entire set of units for which the survey data are to be used to make inferences. Thus, the target population defines those units for which the findings of the survey are meant to generalize. On the other hand, sampling is a process by which a relatively small number of individuals or events is selected and analysed to find out something about the entire population from which it was selected. The sample for the investigation was drawn from a population of 320 employees of the eThekwin Municipality's Water and Sanitation Department stationed at the following offices:

- Head Office – Durban at 3 Prior Road.
- Regional Centre – Pinetown Civic Centre at 60 Kings Road.
- Regional Centre – Kingsburg at 729 Mayors Mews.

- Water Offices – Verulam Market Plaza at 151 Wicks Street.
- Water Offices – Hammersdale at 58 Anderson Road,
- Water Offices – Umlazi Mega City at 50 Mangosuthu Highway.

Determining the appropriate sample size is a difficult task, but it is advised that the sample be as large as possible, to achieve a reliable conclusion (Cohen & Manion, 1995). Nwana (1988) highlighted that the size of the sample is directly proportionate to the population representation and the validity and reliability of the information is also dependant on the size of the chosen sample. Babooa (2008) viewed that an appropriate sample for a good research should be at least 10% of the given survey population. Proportionate stratified random sampling was used to select representative units of measurement. The sampling frame was divided into non-overlapping groups or stratum as per Table 3.1. And at each category, a random sample of 25 percent was selected.

Table 3:1 Population size

Job Grade	Population	Sample	Percentage
Executive	4	1	25
Senior Managers	16	4	25
Middle Managers	20	5	25
Operational	280	70	25
TOTAL	320	80	25

Stratified random sampling ensures that the final sample fairly represents all the employee categories i.e. operational staff, managers and executive personnel.

3.5 DATA COLLECTION AND TOOLS

An excellent research design and a representative sample are not sufficient to guarantee a reliable result, if an analysis is based on incorrect data. It is therefore necessary to ensure that data collected are accurate, so that the analysis and the results are reliable.

A semi-structured questionnaire was used as the method of collecting data. This type of a questionnaire consists of both open-ended and closed questions, and provides a greater depth than is possible with a structured questionnaire (O'sullivan, Berner & Rassel, 2008). The self-administered instrument was distributed to the representative sample. The questionnaire was divided into four sections. Section A consisted of respondent's demographics, Section B; Performance Management and Appraisal Systems in Municipalities, Section C; Feedback and Incentives and Section D; PMS and service delivery was developed as a measurement instrument.

This instrument was used to capture the views of eThekweni Municipality's Water and Sanitation department employees on the impact of performance management and appraisal system on improved motivation and service delivery. The questionnaire was used to establish the views, perceptions and experiences of staff members on whether the performance management and appraisal system contributes to the improvement of productivity.

The semi-structured questionnaire was chosen as the method to collect data in this study for the following reasons, in agreement to Lee (2002);

- Questionnaires are easy to analyse and process, besides being cost effective, in comparison with face-to-face interviews.
- They are less intrusive than telephone or face-to-face surveys. When respondents receive a questionnaire in the mail, they are free to complete it on their own timetable.

- Written questionnaires reduce interviewer bias because questions are presented in a uniform way. the absence of verbal or visual clues also implies that the researcher would not in any way influence the respondent to answer in a particular way.

Nonetheless, questionnaires also have demerits which include;

- Structured questionnaires often lose the “flavour of the response”, because respondents often want to qualify their answers.
- A common criticism of questionnaires is that they often have low response rate, which is a curse to statistical analysis.

At times, the poor response rate may be attributed to factors such as a poor mail service, a lack of interest or a busy schedule by respondents, affiliation of the researcher, image of the researcher, distance between the researcher and the participants and the lack of motivation of the participants (Mouton, 1996).

Cumming & Worley (2001) however argue that semi-structured questionnaires are an efficient way of collecting data because they typically contain fixed responses and can be administered to a large number of people simultaneously. Some questions may require reflection or consultation before answering, for which a semi-structured questionnaire might be appropriate, as was used in this study. The reflection and consultation might not be possible if there is an interviewer waiting for a response, often resulting in hasty responses.

3.6 PILOT STUDY

A pilot study is a preparatory examination utilizing similar questions and similar subjects as in the final study. Naidoo (2006) argues that the fundamental motivation behind a pilot study is to decide how the outline of the ensuing study can be enhanced and to recognize defects in the measuring instrument. In the pilot study, the researcher creates practical problems which might arise, the pilot then helps the researcher to avoid these problems by changing methods, guidelines and questions

(Naidoo, 2006). On that note, the researcher conducted a pilot study on some employees from the municipality, who did not participate in the study. The pilot study was done to decide if the questionnaire would be appropriate for the anticipated population.

3.7 RELIABILITY AND VALIDITY

Validity of the study results is maximised by either reducing or where possible, reducing possible errors. Validity and reliability should complement each other because it does not help to use a reliable instrument that has no validity. Though questionnaires tend to be weak on validity, they are strong on reliability. The artificiality of the survey format puts a strain on validity. Since people's real feelings are hard to grasp in terms of such contrasts as "agree / disagree", which are only appropriate indicators of what we have in mind when creating questions.

Reliability, on the other hand, is a clearer matter. Survey research presents all subjects with a standardised stimulus and so goes a long way towards eliminating unreliability in the researcher's observations. The researcher attempted to achieve high validity and reliability by ensuring that the views and arguments advanced by the respondents were accurate in that the chosen respondents consisted of operational staff, middle managers, senior managers and members of the executive. To further improve the effectiveness of the questionnaire, effort was made to ensure that the questionnaire was constructed using simple language and was without any ambiguity to the benefit of respondents. Evidence obtained from the data collected was sufficient to make necessary conclusion of the study.

3.8 DATA ANALYSIS TECHNIQUES

Mouton (1996) identifies two key steps involved in data analysis namely,

- Reducing the collected data to manageable proportions and
- Identifying patterns and themes in the data.

Babooa (2008) agrees that the first step in the analysis of data is a critical examination of the collected data.

The survey questionnaire was designed to gather both quantitative and qualitative data. Qualitative research does not typically collect data in the form of numbers. Descriptive analysis was used so as to obtain an understanding of the collected data (Hair et al., 2003) combined with results from the open-ended questions. This enabled the researcher to do a qualitative assessment on the relationship between performance appraisal and productivity. In this study, descriptive statistics was used to analyse the collected qualitative and quantitative data. Since descriptive data analysis was employed, therefore graphs and charts were used in order to assist in understanding and describing the collected data.

3.9 ETHICAL CONSIDERATIONS

General ethical standards for research that were taken into account were commitment to honesty, avoidance of plagiarism and respect for the dignity and privacy (or confidentiality) of the respondents. Steps to ensure adherence to research ethical standards included seeking permission from the potential participants, to which they agreed by signing the informed consent forms. participants were also informed that they partook in the study voluntarily, but the researcher ensured that that no harm befell them. They were also assured of confidentiality and anonymity. Prior to collecting data, ethical clearance was granted by the University of KwaZulu-Natal's research committee.

3.10 LIMITATIONS OF THE STUDY

Every research study is not devoid of limitations that may prevent the researcher from giving a hundred percent accuracy in reporting (Patton, 2002).

The following had an impact on the study:

- **Time constraints:** time was limited for completion of the study;
- **Willingness to participate:** willingness of the participants to participate in the study.

- **Cost implication:** due to financial and time constraints to complete this study, only primary data collected through a semi-structured questionnaire was used for analysis since most statistical analysis software can easily process them. They are cost effective when compared to face-to-face interviews mostly because of the costs associated with travel time and availability of respondents.

3.11 SUMMARY

The research philosophy, design and methodology used in this study were discussed in this chapter. Quantitative, qualitative and mixed methods approaches were highlighted, with the mixed method being the preferred research design that was applied in the study. This chapter also provided a detailed description of the data collection methods used in the study that was a semi-structured questionnaire. The way data analysis was carried out is also discussed. The research findings together with the interpretations are provided in the next chapter.

CHAPTER FOUR

RESEARCH FINDINGS

4.1 INTRODUCTION

Performance management has been well studied by examining the different issues around the performance appraisal system and concentrating on the appraisal process. The literature produced many perspectives on performance management, performance appraisal and the performance appraisal process. Managing the effectiveness and efficiency of employees' work performance is important and managers must focus on building employee relationships, enhance employee performance development and creating sound evaluating processes. The research findings will show the objective of a meaningful performance appraisal process as the main driving force for local government to establish a well-functioning performance appraisal system upon which to base an entire performance management strategy.

4.2 RESEARCH FINDINGS

The study investigated the impact of Performance Management and Appraisal system on the Productivity of Local Government Employees at eThekweni Municipality, with particular attention to the Water and Sanitation department. Since this study comprised a mix of both qualitative and quantitative methods, data were collected through a semi-structured questionnaire. The response rate was 97.2% and those who did not respond was 2.1% as shown in Figure 4.1. Thus, the study had a high response rate.

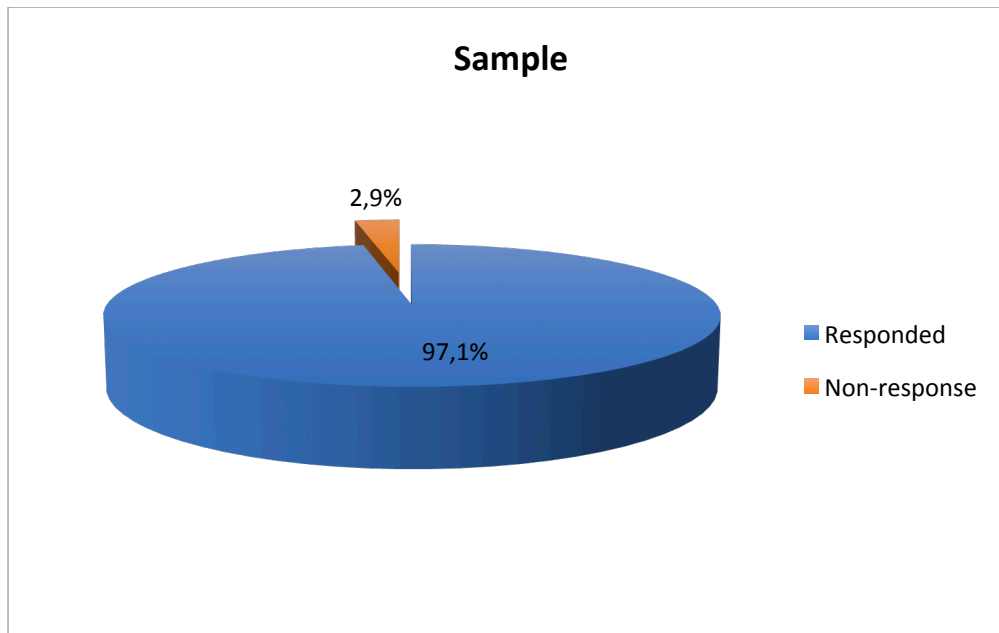


Figure 4:1 Sample of respondents

4.2.1 Biographical information

The analysis and presentation of participants contains the age, gender and academic qualification, position at work and respondents' work experience. The information gives the summary of the respondent profile that may influence the performance of the respondent's work. So, gathering respondents' background information is important in considering the employee value addition to the entire municipal performance. The following is the biographical information of the respondents:

4.2.1.1 Gender

An analysis of gender assists the researcher to find out the female and male dominance at eThekwini Water Sanitation (EWS). Gender representation is illustrated below:

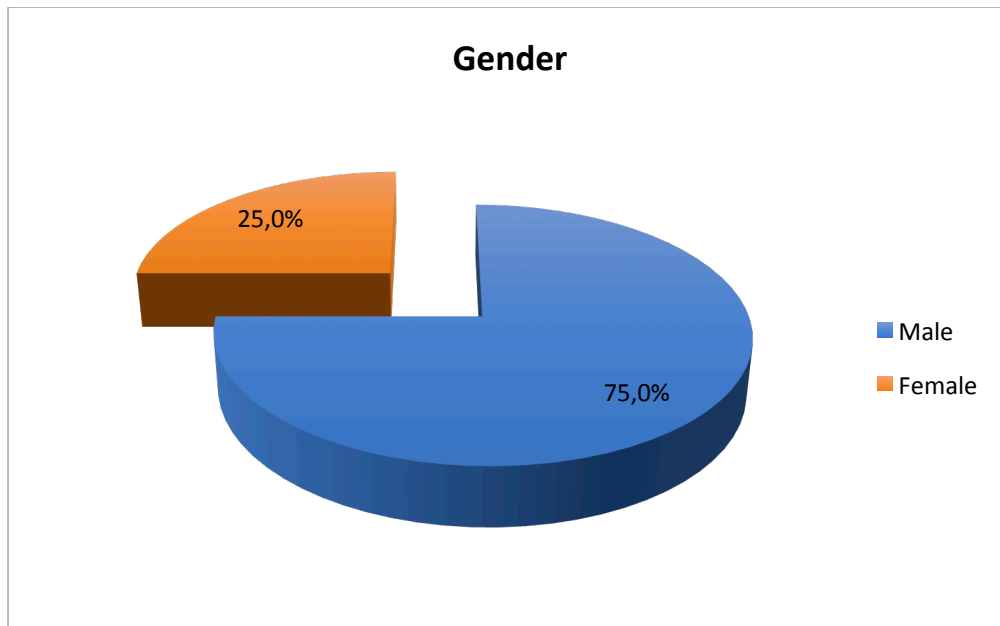


Figure 4:2 Participants' Gender

Figure 4.2 above indicates the respondents' gender. Of the total respondents at eThekweni Water Sanitation, 75% was male and 25% was females. This indicates that the respondents were dominated by males. This could be due to the fact that females are viewed as inferior to men and scared of disturbing the cultural norms (status quo).

4.2.1.2 Age

The respondent age is shown in Figure 4.3. Most of the respondents were in the age group of 40-49, followed by 30-39. These groups of respondents are regarded as economically active and productive at eThekweni Water and Sanitation. Thus, the municipality has greater opportunity of employing them for much longer, thereby cutting down the costs involved in recruiting since they would be retaining old employees. Furthermore, since the group represents much of the population, they are more aware of age-related problems that distress the day-to-day lives of the community.

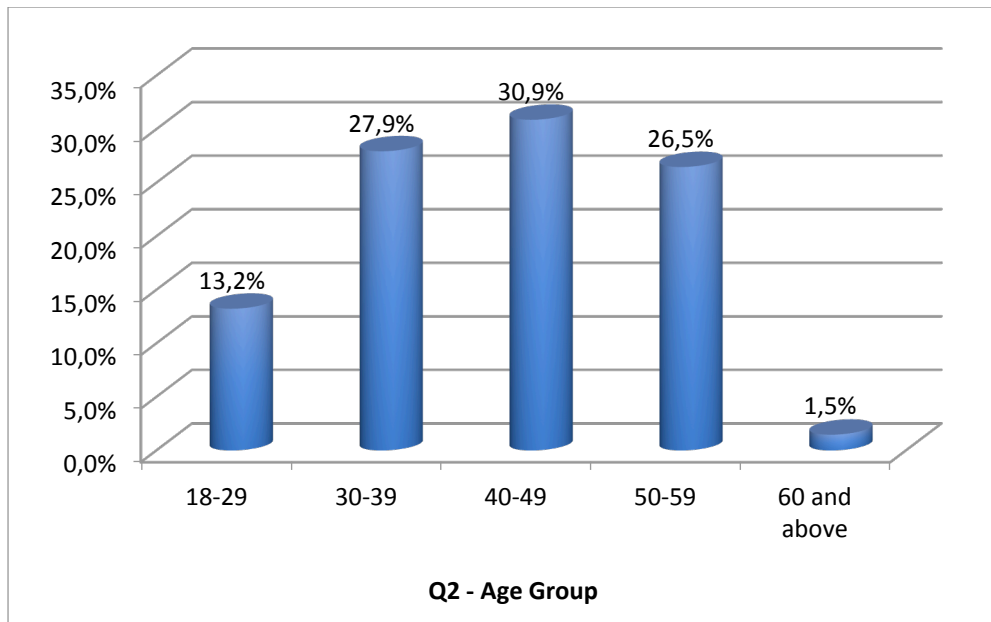
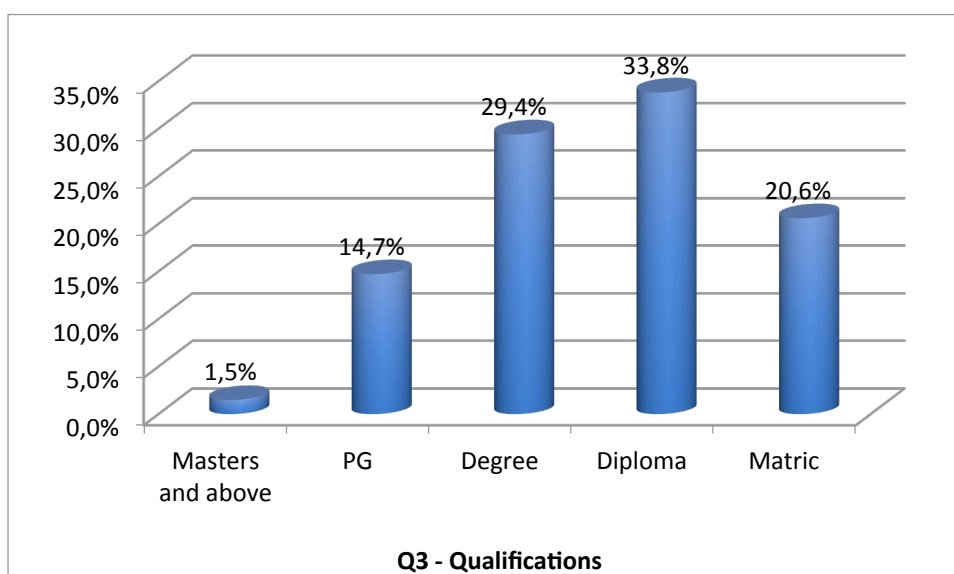


Figure 4:3 Age group

4.2.1.3 Level of academic qualification

The level of academic qualification of the respondents was important since it enables to ascertain the educational background of the participants in the eThekweni Water Sanitation. Figure 4.4 shows that 1.5% of the respondents held a Master's degree, 14.7% had a postgraduate qualification, 29.4% was in possession of a degree and 20.6 had Matric only. In general, the level of educational qualification at eThekweni water sanitation is high because most of employees advanced their qualification after matric. Figure 4.4 indicates the educational qualifications of the respondents:



4.2.1.4 Position at work

Most of the respondents who completed the questionnaire were general staff who comprised a total of 52.9%, followed by middle managers with a total percentage of 19.1%. Supervisors were the next group, with a total of 14.7% of the population. Senior and executive managers were only 8.8% and 4.4% respectively. The analysis is shown below in Figure 4.5.

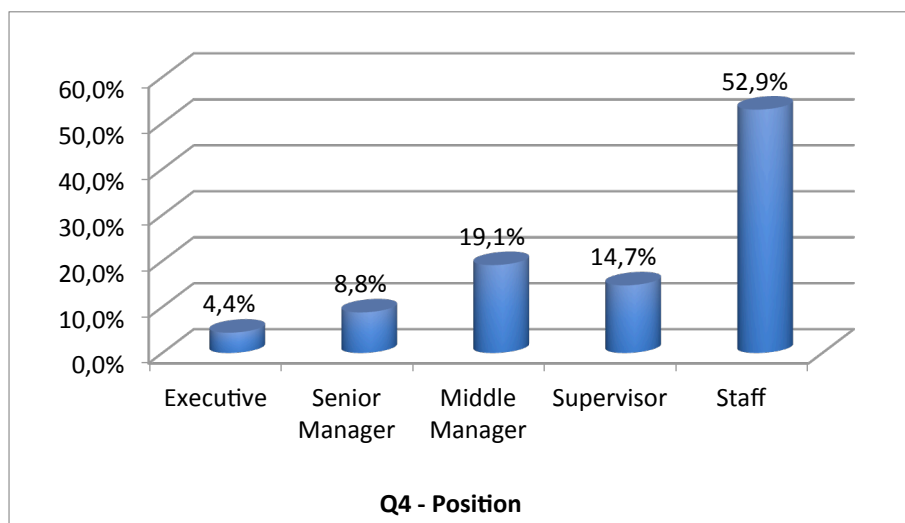


Figure 4:5 Position at work

4.2.1.5 Years of work experience

The majority (30.9) of the respondents at (EWS) had 20 and more years of work experience, with 27.9% having work experience ranging between 11 to 20 years. The respondents who had 6 to 10 years made up 26.5%, followed by 7.4% of the respondents who had 2 to 5 years and less than two years of experience. This proposes that the performance of the employees at (EWS) is expected to be happy since the renewal of their work contracts is influenced by their performance. Figure 4.6 shows the analysis of the respondents' work experience.

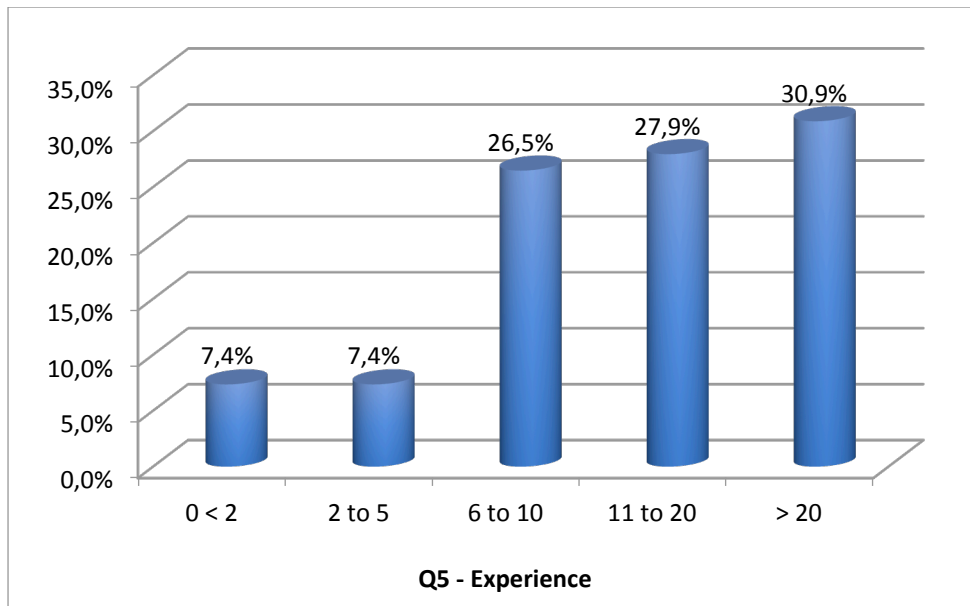


Figure 4:6 Work experience

4.3 PERFORMANCE MANAGEMENT AND APPRAISAL SYSTEMS

The performance management results at (EWS) are shown below. The level of agreement is measured using the Likert Scale

4.3.1 Level of understanding of PMS in your organisation

Figure 4.7 shows that 52.3% of the respondents described their level of understanding of PMS as good and 18.5% as very good. As literature pointed out, performance management is of critical importance as it ensures that plans are being implemented and have the desired development impact. Having the majority of the respondents describing their level of understanding as good is vital since PMS enhances the contribution levels of individuals to be in course with the objectives, priorities, targets and indicators encompassed in the municipality's Integrated Development Plan. A total of 23.1% described their understanding as average, whereas, 4.5% described it as poor. Based on the results, it shows that the majority of EWS employees understands PMS.

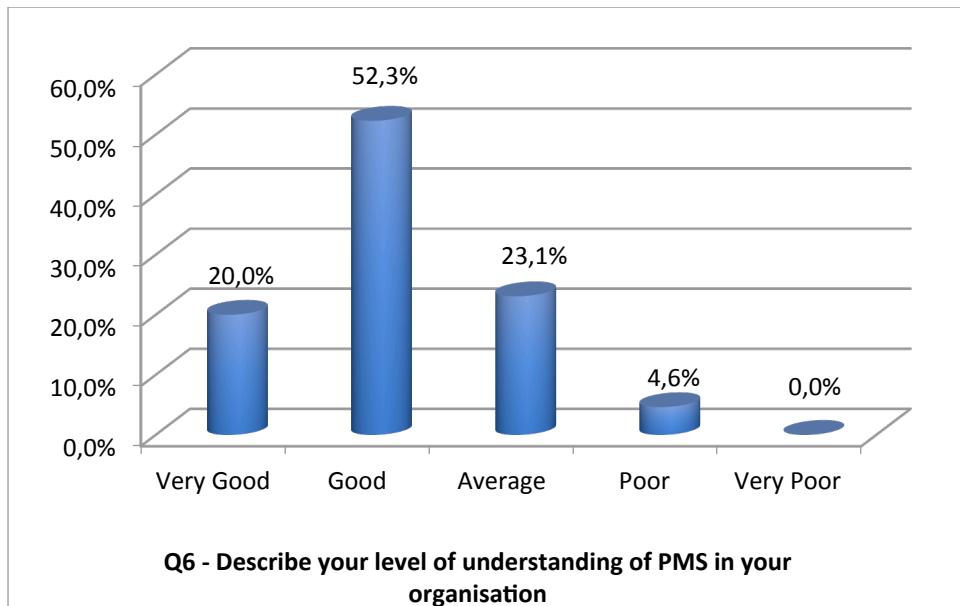


Figure 4:7 Level of understanding of PMS in the organisation

4.3.2 Supervisors level of understanding of PMS

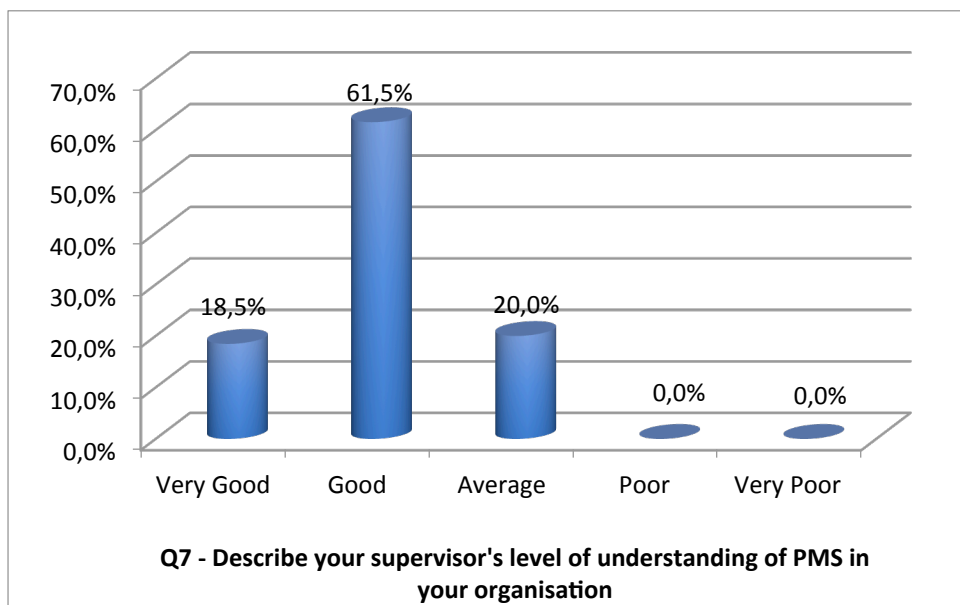


Figure 4:8 Supervisor's level of understanding of PMS

According to figure 4.8, 18.5% of the respondents described their supervisors' level of understanding as very good and 20% as average. Most of the respondents

(61.5%) were of the opinion that their supervisors' level of understanding is good. None of the respondents described it as very poor and poor.

4.3.3 Strategic goals are explained to employees

From the findings, 16.9% of the respondents strongly agreed that strategic goals are explained to employees, while 53.8% agreed with the statement. A total of 16.9% was neutral, while 12.3% disagreed. On the positive side, none of the participants strongly disagreed with the proclamation that strategic goals of the department were explained to employees.

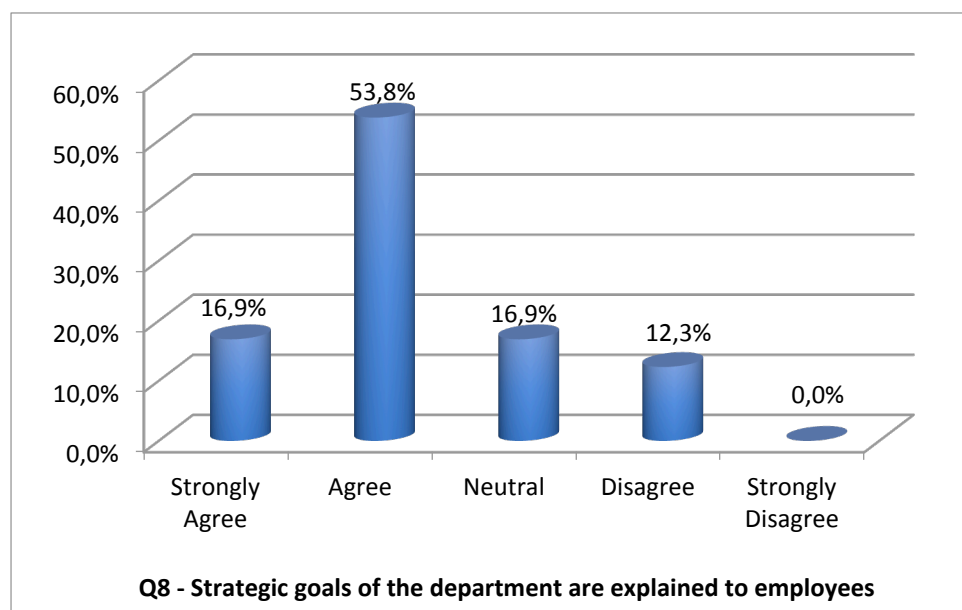


Figure 4:9 Strategic goals are explained to employees

4.3.4 Employee participation

4.3.4.5 In setting performance goals and targets

A total of 49.2% of the respondents agreed that employees in the EWS department participate in setting their performance goals and targets, whereas, 21.5% was neutral. The respondents that disagreed comprised 16.9%, thus, management at EWS need to make sure that they address that.

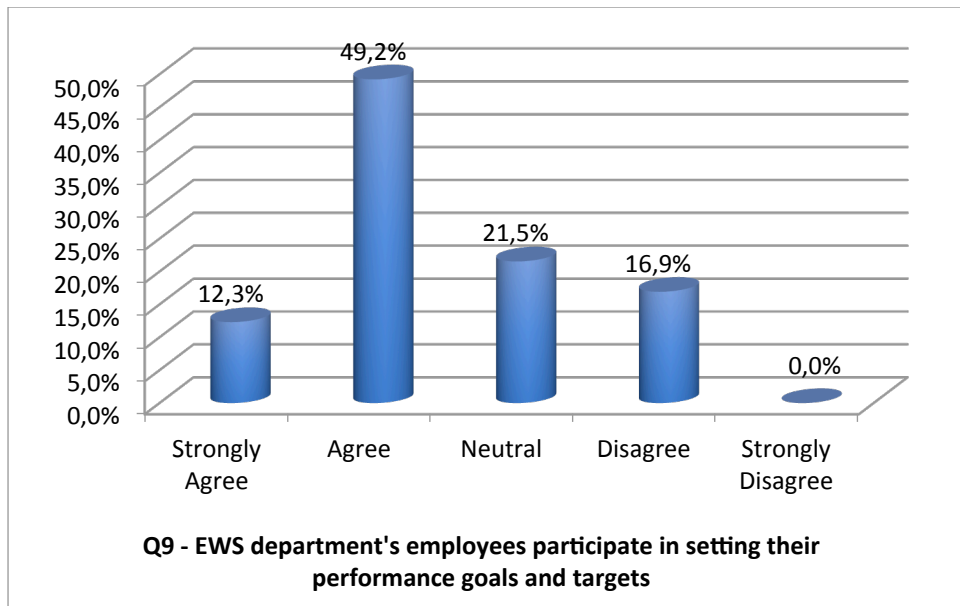


Figure 4:10 EWS employee participation in setting performance goals and targets

4.3.4.6 Employee participation in setting of performance measurements

Most of the respondents (52.3%) agreed that EWS involves employees in setting performance goals and targets, 10.8% strongly agreed and 13.8% was neutral. A total of 23.1% disagreed.

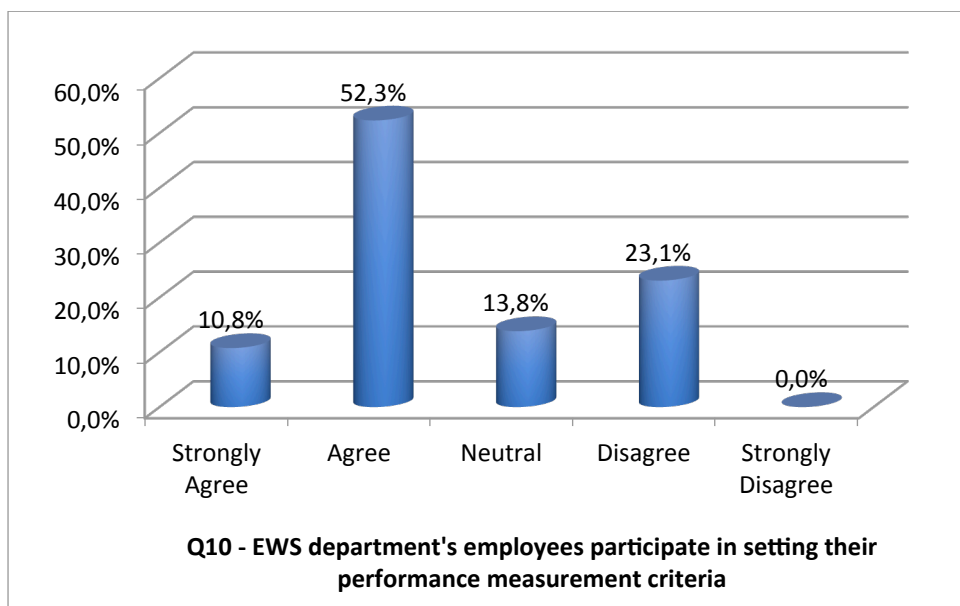


Figure 4:11 Employment participation in setting performance measurement

4.3.5 Department's key performance measurements

4.3.5.5 Measurements set are realistic

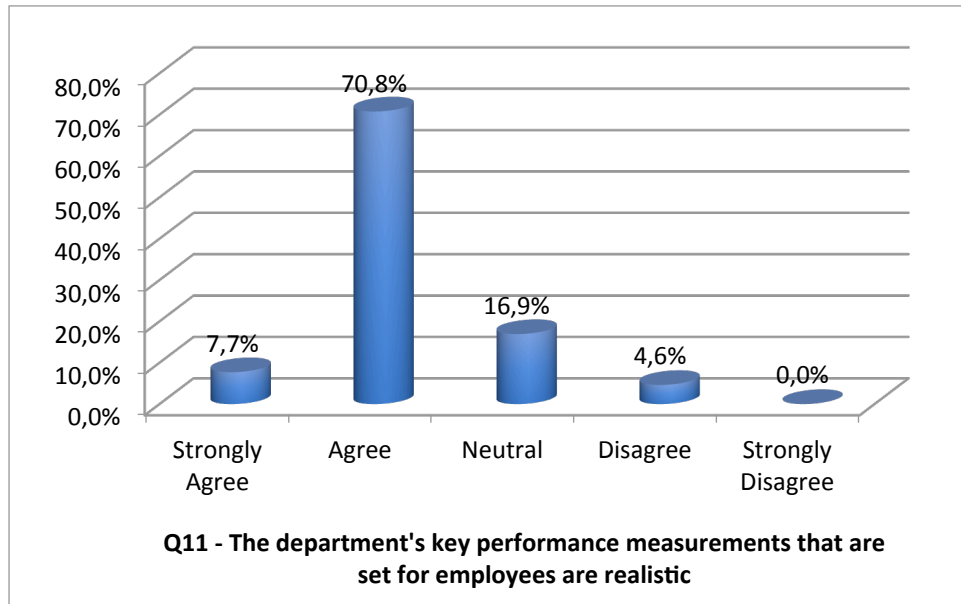


Figure 4:12 Key performance measures set for employees are realistic

In this regard, 70.8% of the respondents agreed that the department's key performance measures were realistic, while 16.9% of the respondents was neutral and 4.6% disagreed.

4.3.5.6 Measurements sets are attainable

Figure 4.13 shows that 72.3% of the respondents agreed that the department's key performance measurements set for employees were attainable, 9.2% disagreed with the statement and 12.3% was neutral.

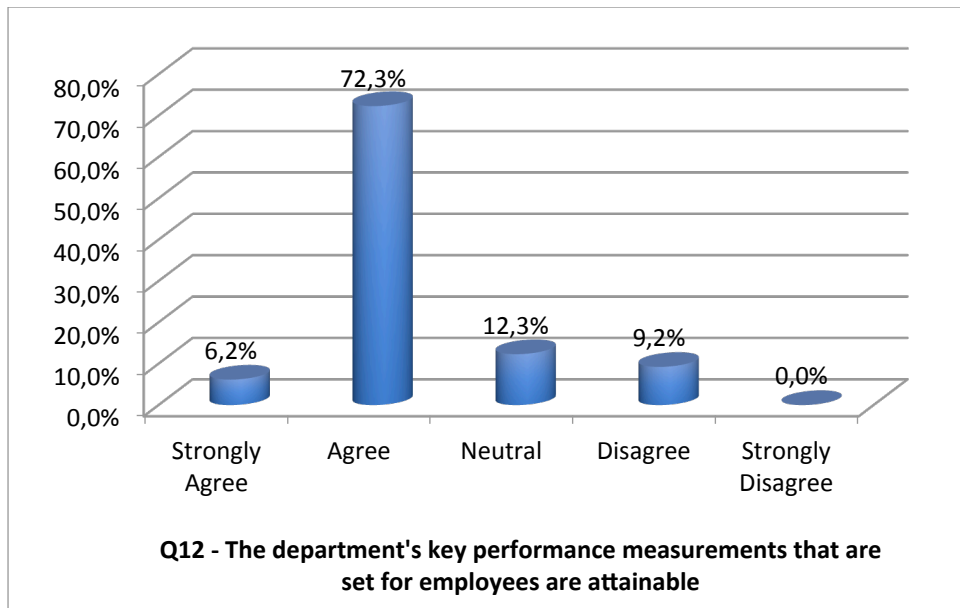


Figure 4:13 Key performance measurements set for employees are attainable

4.3.5.7 Measurements are agreed upon between the manager and the employee

On this aspect, 73.8% of the respondents agreed that the department's key performance measurements were agreed upon between the manager and the employee. The respondents that disagreed formed 4.6% and 9.2% was neutral as shown in Figure 4.14.

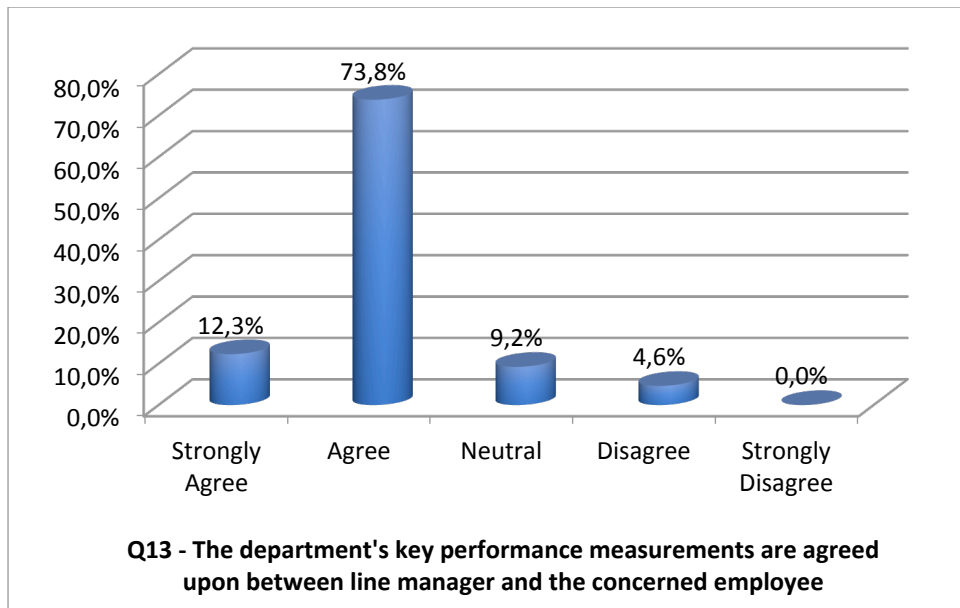


Figure 4:14 key performance measures are agreed upon between the manager and the employee

4.3.6 Performance management and appraisal system

4.3.6.5 Is fair and transparent

As shown in Figure 4.15, 9.2% of the respondents strongly agreed and 38.5% agreed that EWS department performance management and appraisal system is fair and transparent. 27.7% was neutral, while 24.6% disagreed.

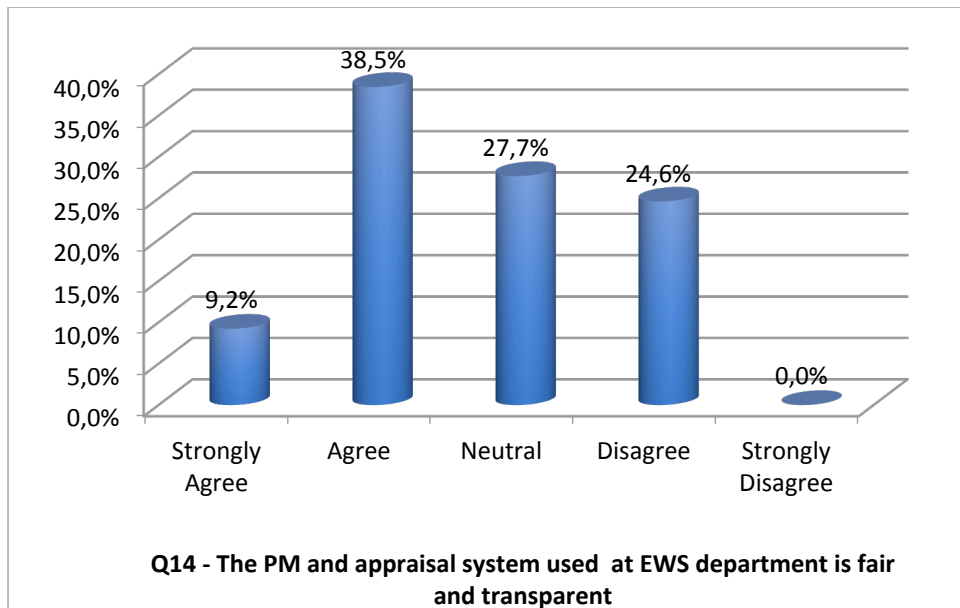


Figure 4:15 PM and appraisal systems at EWS department is fair and transparent

4.3.6.6 Is simple and easy to use by evaluators

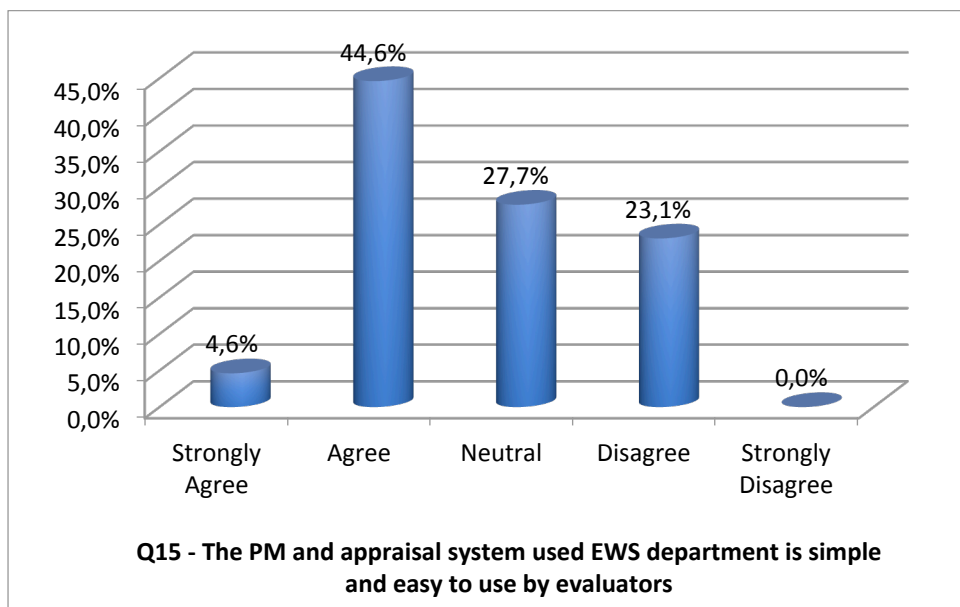


Figure 4:16 PM and appraisal used at EWS is simple and easy to use by evaluators

Analysis of the responses indicated that 44.6% of the respondents was in agreement that the appraisal system is simple and easy to use by evaluators. However, 24.6% disagreed, while 27.7% was neutral.

4.4 FEEDBACK AND INCENTIVES

4.4.1 Performance appraisal system provides feedback

With regards to performance appraisal and feedback, 40% and 1.5% of the respondents agreed and strongly agreed, respectively, that performance appraisal system provides feedback. However, 38.5% was of the view that the performance appraisal system does not provide feedback.

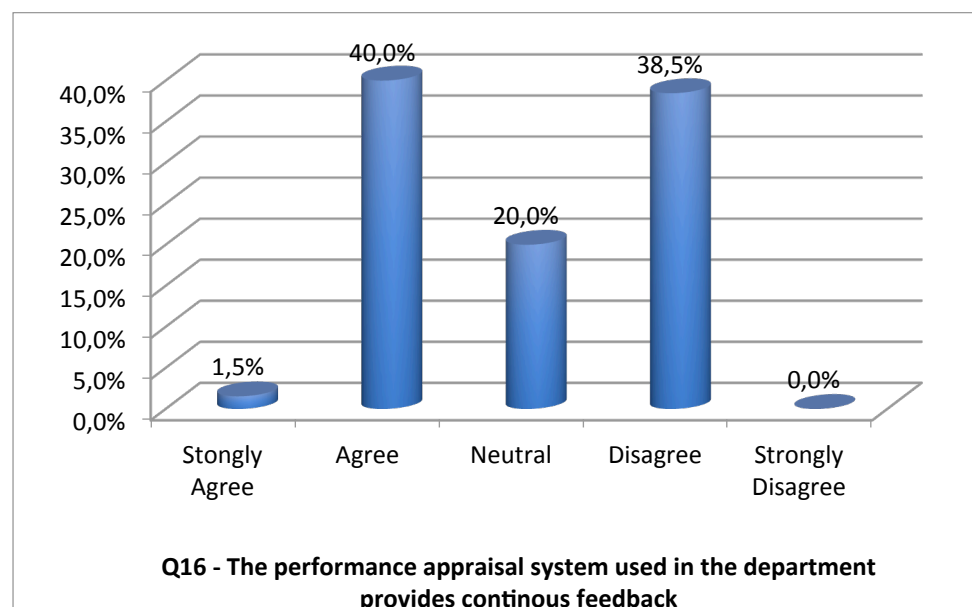


Figure 4:17 Performance appraisal system provides continuous feedback

4.4.2 Performance appraisal system is reliable

In terms of reliability, 72.3% of the respondents supported the notion that performance appraisal systems of EWS are reliable. However, a small percentage of the respondents (7.7%) disagreed with the notion.

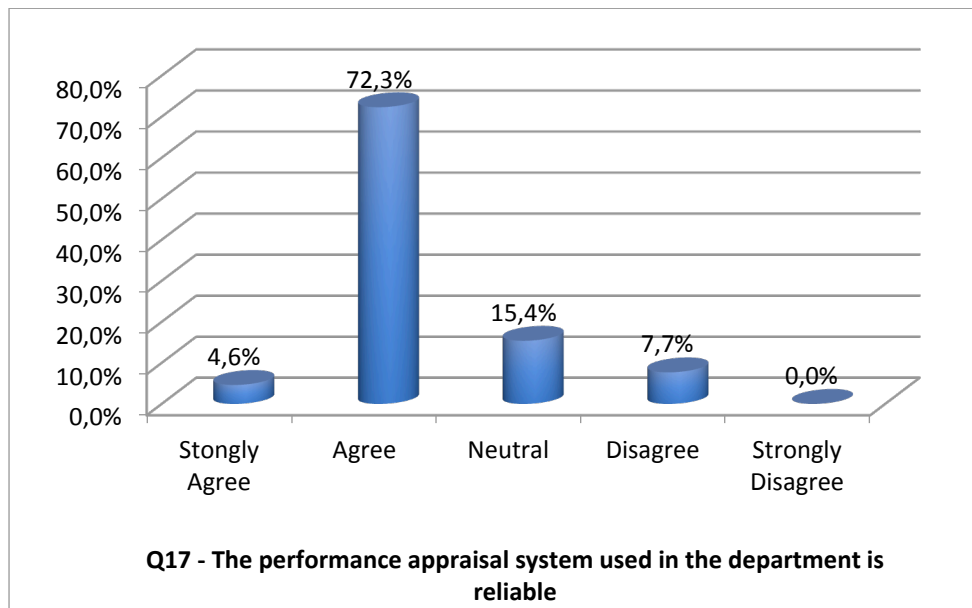


Figure 4:18 Performance appraisal is reliable

4.4.3 Employees access to appraisal results

In terms of accessing appraisal results, 76.9% of the respondents agreed that they have access to their appraisal results, 6.2% of the respondents disagreed that they have access to their results, whereas, 7.7% of the respondents was neutral.

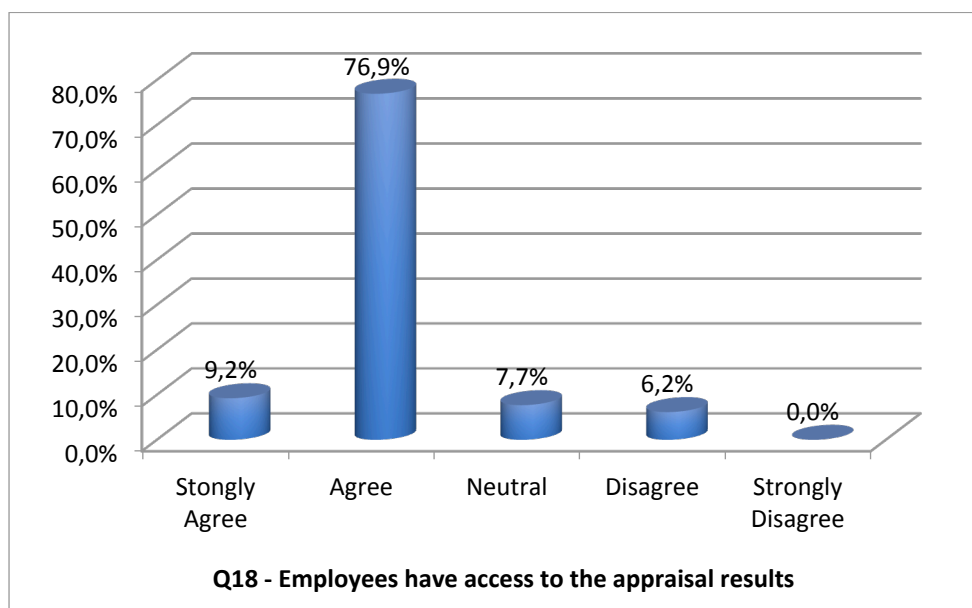


Figure 4:19 Employees have access to appraisal results

4.4.4 Employees can appeal results

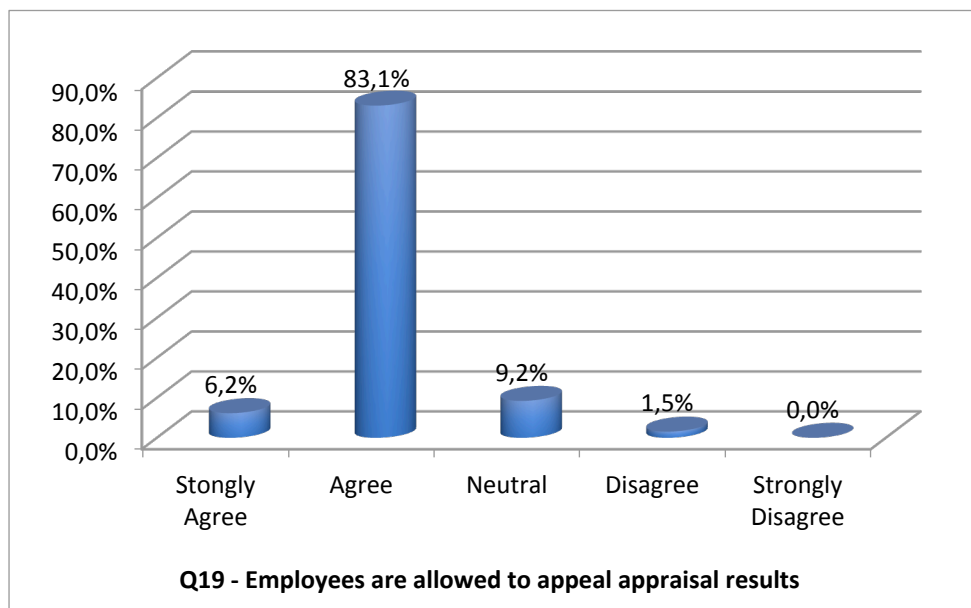


Figure 4:20 Employees are allowed to appeal results

The majority of the respondents (83.1%) indicated that they can appeal the results of their performance appraisal, while 1.5% did not think that the system allows them to appeal the results. This is shown in Figure 4.20.

4.4.5 Performance appraisal and salary rewards

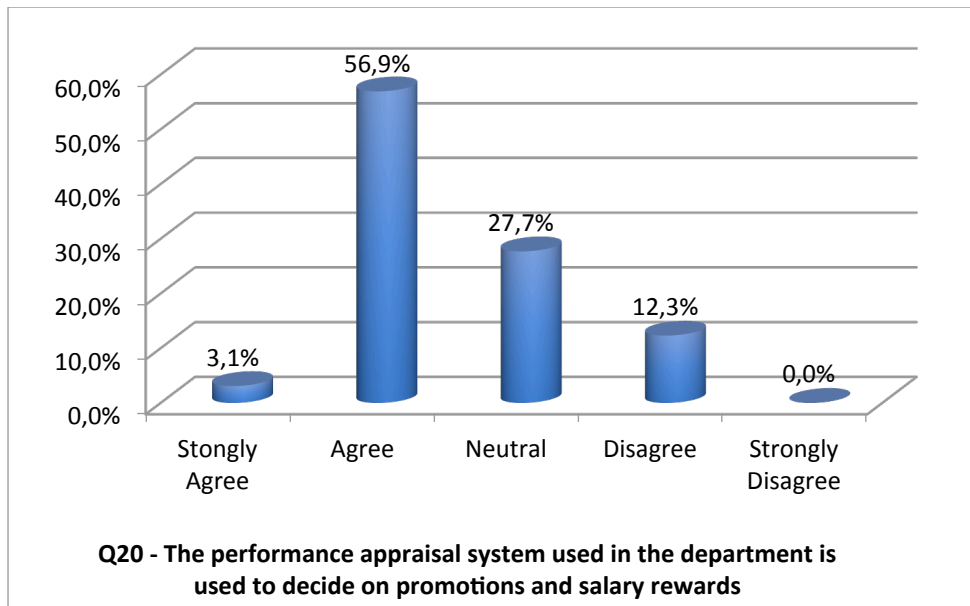


Figure 4:21 Performance appraisal system is used to determine promotions and salary

In view of the above, 56.9% of the respondents agreed that the performance appraisal system was used in the department to decide on promotions and salary rewards. 3.1% strongly agreed, while 27.7% was neutral and 12.3% disagreed.

4.4.6 Salary increase or reward outcome

In this regard, 63.1% of the respondents agreed that salary increase or reward outcomes reflected the actual appraisal outcomes, whereas, 4.6% strongly agreed and 12.3% was neutral.

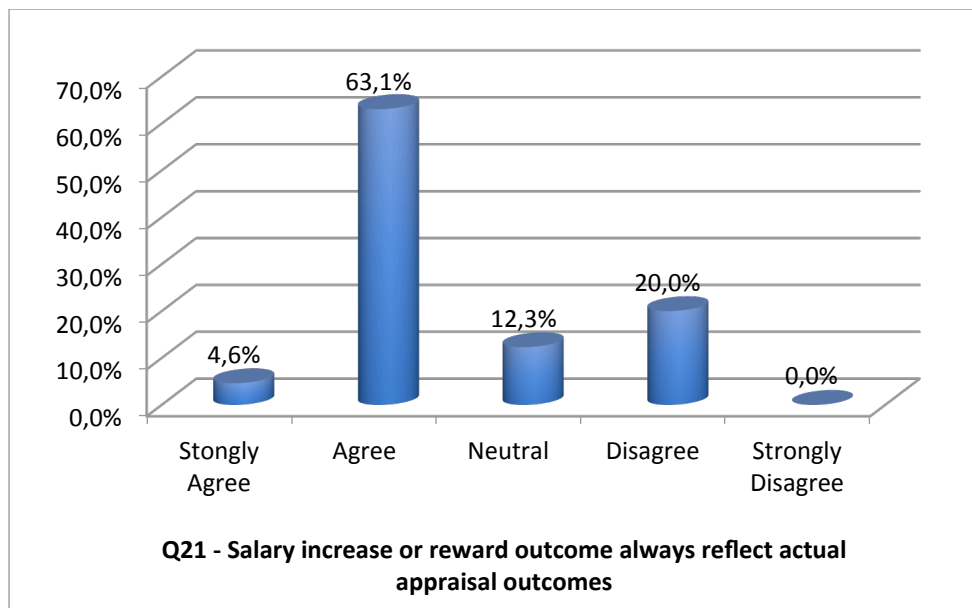


Figure 4:22 salary increase reflects the actual appraisal outcomes

4.5 RESEARCH FINDINGS ON PERFORMANCE MANAGEMENT, APPRAISAL SYSTEMS, REWARDS AND SERVICE DELIVERY

The findings on the understanding and knowledge of performance management and how it is applied at eThekweni Municipality revealed that it is an individual plan that assists in identifying areas of focus, as well as areas that the individual employee needs development and that it is a continuous process. In addition, a system assists the municipality and employees to work together, thereby achieving the set goals and standards and ensure that community members benefit from the team activities. The municipality's intention is good if used objectively and if the correct procedure is followed. The respondents were of the view that this can be used as a punitive measure to those that are not in good standing with their supervisors, especially those supervisors who do not want to follow the procedure as they always get away with their unacceptable deeds. The weakness of the system, that is, was described as very subjective, if an employee is not in good terms with the supervisors, his/her evidence would never be enough or convincing. In addition, they described the system to be generic and did not talk to an individual and the gaps in her work situation.

Not all EWS employees had the same knowledge of PMS. Some showed a deficiency of knowledge; those with a better understanding had a mutual understanding PMS. Hence, the following were three distinguishing views and perceptions of what PMS is at EWS:

“PMS is a tool used to measure the level of performance in an institution, basically focused on the objectives that have been set and thereafter the achievement of the goals”.

“PMS is a tool that is being used to assess one’s performance so that the municipality can be able to detect non-performance or poor performance so that at the end of the day, the supervisor can provide a training that would assist to advance institutional performance”.

“PMS is a tool used to assess the performance or achievement of the set objectives of the institutions and it can also be used to assess the performance of individual employees”.

EThekweni Municipality adopted PMS as a tool for achieving service delivery that is more effective. Efficient PMS should have a synchronised process for achieving service delivery objectives. The outcomes of the survey on the understanding and knowledge of PMS at eThekweni Municipality at all levels, revealed that there were some individuals who did not understand the system. This is evident in the manner in which it is implemented. Some senior managers would overrule the scores given by immediate supervisors. Some would call a panel and the manager present, on behalf of a subordinate, to this panel of executive managers. Some stated that high ranked staff members are the ones who understand PMS more since they manage performance. For those in the lower categories, they might lack a full understanding of the concept. Also, some people are using this system as a punitive measure for poor performing individuals, which is against the objectives of the system. In fact, poor performance should be monitored and where poor performance is identified, individual improvement plans should be developed to address the gaps.

In order to maintain, sustain and constantly improve eThekweni Municipality activities, employees need to be motivated, rewarded with bonus and encouraged for good

performance. The findings of the study on performance bonuses and notch progression, whether they are sufficient to enhance motivation and encourage good performance at eThekweni municipality, revealed that they are not good enough to motivate staff. Looking at how hard the performance agreement some staff members give up, especially when it is not an agreement, but one is forced to agree on something that is above the capability under the assumption that the employee does not want to work or he/she is loafing. Also, notch progression is so small and one does not see any difference in the salary scale. Getting bonuses is next to impossible at times, and some notches are too low to motivate staff. Some respondents agreed with the statement though they emphasised that some expect the assessments to be automatic and poor performance is sometimes not followed up properly. Furthermore, job satisfaction is important and it takes into account a lot of other things, for example, benefits, general work environment and relationships within the work environment.

The results of the study on whether training contributes to the improvement of performance and productivity revealed that:

- Training always contributes to the performance and productivity. This gives hope in the form of information that if it is used according to what is expected, it would yield good results.
- Training, which is based on skills gaps which is also informed by organisational needs, does improve performance for a well-motivated employee. A person acquires skills and knowledge, which is related to his/ her duties and that improves performance.
- Training looks at the gaps in terms of the skills and abilities to perform the required KPAs. Upon the assessing the skills, it is then a must for each responsible manager to increase capacity and knowledge through the informal ways like mentoring; coaching and formal training and this is then incorporated into the Workplace Skills Plans.

eThekwini Municipality does provide a program called work skills plan (WSP), which is aimed at developing and empowering municipal staff in their roles in improving the quality of life of eThekwini citizens, which enables them to be sufficiently skilled to do their jobs in order to ensure that the outcome of the IDP becomes a reality. These include a variety of short courses and skills programmes to municipality, staff with the purpose of ensuring where they require education and training is provided, which would then equip them with the necessary capacity, knowledge and skills to efficiently and effectively perform their tasks.

Performance Management Systems contribute to the improvement of performance and productivity at eThekwini Municipality. For those progressive supervisors who are willing to use it effectively, it works to improve performance and productivity. The challenge begins when they are used in a vindictive way to punish subordinates. Also, it does assist because employees would strive to perform so as to get their total progression, even though the difference is so small. Lastly, PMS aims at improving service delivery with the set targets, thus, if staff members perform better, service delivery improves since Individual Performance Plans are aligned with the City Performance Plans and this is monitored monthly.

4.6 SUMMARY

The study investigated the impact of Performance Management and Appraisal system on the Productivity of Local Government Employees at eThekwini Municipality within the Water and Sanitation department. Since this study is a mix of both qualitative and quantitative, data were collected through a semi-structured questionnaire. The outcomes of the research performance management understanding on how it is applied at eThekwini Municipality revealed that it is an individual plan that assist to identify areas of focus, as well as areas that the individual employee needs development and that it is a continuous process. Not all EWS employees have a collective understanding Performance management system. Some showed lack of PMS knowledge; those who understood shared a common understanding of PMS.

With the objective of sustaining, maintaining and continuously improving the eThekwini Municipality activities, employees need to be motivated, rewarded with bonus and encourage good performance. The findings of the study on performance bonuses and notch progression, whether there are sufficient to enhance motivation and encourage good performance at eThekwini municipality, revealed that they are not good enough to motivate the staff. Furthermore, training, which is based on skills gaps which is also informed by organisational needs, does improve performance for a well-motivated employee. A person acquires skills and knowledge which are related to his/ her duties and that improves performance.

The results of the study indicated that Performance Management System contributes to the improvement of performance and productivity at eThekwini Municipality. For those progressive supervisors who are willing to use it effectively, it works to improve performance and productivity. The challenge begins when they are used in a vindictive way to punish subordinates. The next chapter presents the summary of the study, conclusion and recommendations, based on the findings.

CHAPTER FIVE

DISCUSSION OF FINDINGS

5.1 INTRODUCTION

This chapter discusses the results presented in Chapter 4 and identifies similarities and difference with prior literature. The primary purpose of this study was to examine the effectiveness of performance management and appraisal system in enhancing employee motivation and improving productivity of local government employees, as well as to make recommendations for improvement in the applicability of the current system.

5.2 DISCUSSION OF RESEARCH OBJECTIVES

5.2.1 Research objective 1: To explain the performance appraisal process at eThekwini Metropolitan Municipality

The results showed that the employees understood the performance appraisal process at eThekwini Metropolitan Municipality. This is good, since PMS enhances the contribution levels of individuals to be the same with objectives, priorities, targets and indicators encompassed in the municipality's Integrated Development Plan. This is also confirmed by McGregor (1960), as well as Armstrong & Baron (2006), who pointed out that performance management is of critical importance as it ensures that plans are being implemented and have the desired development impact.

5.2.2 Research objective 2: To examine the relationship between performance appraisal and employee motivation at eThekwini Metropolitan Municipality

Performance appraisal contributes to the improvement of performance and productivity at eThekwini Municipality. The respondents cited the system to be reliable, it provided them with feedback and they had access to their performance

appraisal results. Behn (2003) also confirmed that if progressive supervisors effectively use performance appraisal, it works to improve performance and productivity.

5.2.3 Research objective 3: To ascertain the involvement of employees in goal setting and evaluation criteria.

EWS involved its employees in setting performance goals and targets. This does have a positive impact on the employees as it forces them to achieve the set objectives and targets, as the performance agreement written between the municipality and the employees would have an influence. This is confirmed by a study conducted by Erasmus (2005), which states that managers need to involve employees in establishing, setting performance and formulating action plans.

5.2.4 Research objective 4: To analyse the effect of performance feedback and rewards on employee motivation.

The findings of the study on performance feedback and rewards, whether they are sufficient to enhance motivation and encourage good performance at eThekweni municipality, revealed that they are not good enough to motivate staff. Looking at how hard the performance agreement some staff members give up, especially when it is not an agreement, one is forced to agree on something that is above the capability under the assumption that the employee does not want to work or he/she is loafing. However, a study conducted by Sehoa (2015) found that reward improves both the service delivery and motivates employees. Rewarded employees who perform duties beyond expectation maintain a high level of performance.

5.3 CHALLENGES FACING THE PMS AT ETHEKWINI MUNICIPALITY

A good PMS allows municipalities to comprehend how their workers are performing at present, and to classify the challenges that workers are facing. Accordingly, an investigation on the challenges facing the performance management system at eThekweni was necessary and these were associated with crafting the agreements

as they seem to be generic and the system used during moderation. For some, it really improves productivity, while for others, they become demotivated, especially if they did not performance well. The respondents who were interviewed revealed the following challenges:

- High targets that are impossible to achieve at times, even though staff works overtime and conducts outreach services.
- Poor implementation/ manipulation of the system by the supervisors who want to fulfil their subjective wishes that are mostly negative.
- Failure to measure progress on regular basis and institute corrective measures in time
- Failure to give employees the necessary tools to accomplish their jobs
- Focus tend to be more on the outputs than the outcomes

5.4 WAYS OF IMPROVING PMS AT ETHEKWINI MUNICIPALITY

- Firstly, there should be clear understanding of the functions of each personnel
- Agreements should be individual, in order to be able to map the talents for individual staff
- The focus should be on the whole cycle from the country; province; district, municipality; unit; department and individual level
- The focus tends to be on the individual and lest, deviating from the principle of team spirit like if the Vision of the City is not fulfilled, no one should be getting the bonus from the departments.
- Regular training or refresher courses on performance management system and feedback on poor performance.

5.5 FINDINGS FROM LITERATURE REVIEW

The literature review discussed in Chapter 2 clearly indicated that performance management is an essential element of any organisation, as it directly impacts on

service delivery. Different definitions of performance management also indicated the complexity of the process, meaning that the top management has the special responsibility of ensuring a smooth performance management process, failure of which might produce detrimental results. It was noted that performance management is a continuous process hence, the necessary steps should be followed to ensure an effective process, otherwise missing some of the steps would result in an ineffective process.

Among other things, it was noted that employee engagement is essential in driving the objectives of the organisation. If employees are engaged in every aspect of the organisation, they feel respected, involved and being part and parcel of the organisation hence, are more likely to commit their time and effort towards producing positive results. While engaging employees in the activities of the organisation, it has been revealed that it is essential to constantly provide feedback to them, regarding how they are performing, as well as suggesting ways of improving their performance. The essence of providing incentives and rewards to employees has also been highlighted in the literature. Rewarding system has always been a great motivator to employees. Thus, employees feel appreciated, acknowledged and recognised when they are given incentives and rewards.

In view of the above, it is therefore imperative for the managers to identify the things that motivate the employees most. This means they can apply the different motivation theories, depending their specific situations. For instance, the equity theory and the reinforcement theory could help management to ensure equity and fairness in their day to day management of employees, as well as the most favourable working environment for the employees, respectively. A motivated employee is a productive employee.

The assumption is that if performance management is done effectively, this might serve as a way of retaining employees, making them grow and contribute their knowledge and expertise in the organisation, thereby improving productivity in the organisation.

5.6 SUMMARY

This chapter has discussed the findings that were presented in the previous chapter. In view of that, the chapter that follows provides the conclusion to the study, as well as the recommendations. These are of course based on the findings discussed in the preceding chapters.

CHAPTER SIX

CONCLUSION AND RECOMMENDATIONS

6.1 INTRODUCTION

This chapter concludes the study by highlighting the conclusions, as well as the recommendations, based on the findings presented in Chapter 4 and discussed in Chapter 5. This study comprised six chapters. Each chapter supported a detailed theme that was to be realised at the end. To realise the study objectives, the following chapters were developed.

Chapter one defined the study orientation. The background of the study, research question and research objectives were presented in this chapter. Significance of the study and the limitations of the study were also presented in this chapter. Chapter one was significant for the reason that it serves as a strategic plan for doing the research. The chapter revealed that the proposed problem statement of the study was significant and the research methodology to be used for the study was suitable. The foundation laid by this chapter ultimately provided a platform for the other chapters of the dissertation that followed.

Chapter two covered literature review regarding performance management in the context of local government, followed by the performance appraisal system as a way by which an organisation can know the level of performance of its diverse employees. The legislative framework and the Government Municipality Act on performance management system were discussed in this chapter. The first objective of the study, namely to understand the performance appraisal process in local government was met. The chapter also demonstrated that performance appraisals are an important part of organizational life, because they can serve a number of functions/purposes, including solving performance problems, setting goals, administering rewards and discipline, as well as dismissal. Literature on the implementation of performance management system revealed that if employees are given feedback, this enables them to improve their performance, demonstrating that

performance appraisal has a positive impact on the employee's performance which leads to motivation.

The chapter further discussed the involvement of employees in setting their goals and measurement criteria. A linkage between performance feedback, incentives and rewards, and employee productivity was also explored. Though there are many studies that have been conducted in the area of performance management and appraisal systems within the local government, none of the studies have been conducted within eThekweni Municipality.

Chapter three discussed the research philosophy, design frame and methodology, and also clarified the meaning and difference between quantitative, qualitative and mixed research methods. Furthermore, the methods used to collect data together with the means used to analyse it, were discussed. The chapter provided a detailed description of how the research for this study was conducted. Reliability and validity of instruments used to collect data is explained together with ethical issues surrounding permission, voluntary participation and confidentiality. This chapter was important because it assisted the researcher to choose the best suitable method in carrying out the research study.

Chapter four presented the results of the study. the summary of findings is presented later in this chapter. Chapter five discussed the research findings. This chapter also made suggestions on how PMS can be improved in the municipality. Given the above description, this chapter presents the conclusion to the study, as well as the study recommendations.

6.2 SUMMARY OF FINDINGS

The findings of the study on the understanding of performance management on how it is applied at eThekweni Municipality revealed that it is an individual plan that assists to identify areas of focus, as well as areas that the individual employee needs development and that it is a continuous process. It was also shown that not all EWS employees had a mutual knowledge of PMS. Some showed a deficiency of knowledge of what PMS is, while those who had knowledge of PMS had a mutual

understanding of PMS. The findings also highlighted concluded that Performance Management System contributes to the improvement of performance and productivity at eThekweni Municipality. For those progressive supervisors who are willing to use it effectively, it works to improve performance and productivity.

6.3 RECOMMENDATIONS

Any organization's performance is dependant not just on the executive management, but on the actions of individuals within the entire organisation. In view of this, PM should be aligned with promotion, especially for individuals who have stayed for more than 3 years on the same level. Furthermore, by conducting more frequent reviews, objectives can be adjusted and modified to suit changes. By performing frequent performance reviews on quarterly basis, as opposed to the current review which is mid-term and final, visibility would be increases drastically. Areas of non-performance would receive much more focus and attention, thereby making it easier to deal with problems as they arise.

All the managers must be efficient in performance management and transfer knowledge to lower levels. As staff signs performance agreements, they need to fully understands how this links the dots between individual, group, unit and metro goals and objectives as per the service delivery and budget implementation plan.

Constant training of the users of the system and develop a structure/body that oversees and ensures that this process is correctly implemented. Or appeal desks, this has been abused by some of the managers distance themselves from the matter and this is the responsibility of line management. Lastly, recognition of good performance, even in the form of certificates or trophies, would help to enhance productivity. Also, setting reasonable achievable goals could improve employee performance.

6.4 LIMITATIONS OF THE STUDY

The study was conducted at eThekweni Municipality Water and Sanitation Department therefore, the findings cannot be generalized. Further studies need to be conducted on the entire eThekweni Municipality on how the National and Provincial Government succeeded in ensuring that all their employees, irrespective of the employment category, participate in the performance management system.

6.5 RECOMMENDATIONS FOR FURTHER STUDY

Grounded on the outcomes of this research, further study is recommended, especially on investigating the ways in which municipalities could extend performance management system to the entire staff, since this study has established that PMS at eThekweni Municipality is done on some people and not others. This survey is essential nationwide. Since the general accomplishment of the municipality does not only depend on the performance of Water and Sanitation Department only, but also on the achievement of all the staff at eThekweni municipality. This would assist the vast of municipalities to provide services efficiently and effectively, thereby minimising the rates of disputes and strikes of anti-poor service delivery.

6.6 CONCLUSION

The study investigated the impact of Performance Management and Appraisal system on the productivity of local government employees at eThekweni Municipality, within the Water and Sanitation department. The study is a mix of both qualitative and quantitative research methods, where data were collected through a semi-structured questionnaire. Of the total respondents at eThekweni Water Sanitation, the respondents were dominated by males.

The study revealed that performance management is of critical importance as it ensures that plans are being implemented and have the desired development impact. Having the majority of the respondents describing their level of understanding of PMS as good, is vital since PMS enhances the contribution levels of individuals to be aligned with the objectives, priorities, targets and indicators

encompassed in the Municipality's Integrated Development Plan. The survey of the employees' knowledge of PMS and how it is applied at eThekweni Municipality revealed that it is an individual plan that assists to identify areas of focus, as well as areas that the individual employee needs to be developed, and that it is a continuous process.

Summing up, a better PMS helps municipalities know how their staff members are currently performing and to classify the challenges that they are currently facing. These challenges revolve around crafting the agreements, as they seem to be generic and the system used during moderation sometimes. For some, it really improves productivity and for others, they become demotivated, especially if they did not perform well. The conclusions made above are based on the data collected as evidence and interpreted in Chapter 4. The research objectives have been sufficiently addressed.

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APPENDIX

APPENDIX 1: LETTER OF PERMISSION TO CONDUCT STUDY



OFFICE OF THE CITY MANAGER

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18 September 2015

Head of Department
eThekweni Water and Sanitation Unit
3 Prior Road
Durban
4000

Dear Sir

Request to undertake Research Study

Mr Mxolisi Christopher Kheswa is registered for a Masters of Business Administration (MBA) degree with the University of KwaZulu-Natal Graduate School of Business and Leadership. The title of his dissertation is: Performance Management and Appraisal System: A Strategic Tool for Improving Service Delivery in Local Government.

Mr Mxolisi Christopher Kheswa has requested for a permission to conduct his study within the Department of Water and Sanitation.

The purpose of this letter is to appraise the Head of Department – EWS and the staff within the department that Mr Mxolisi Christopher Kheswa has been granted permission to peruse some departmental documents and to also interview staff as part of his research.

I ask that he be assisted in completing the questionnaire that he will send to the staff as part of data collection for his study.

Kind regards

Mr Sbu Sithole

eThekweni Municipality – City Manager

APPENDIX 2: RESEARCH QUESTIONNAIRE

CONFIDENTIALITY

The results of the questionnaire will be utilised in a dissertation for a Master of Business Administration degree of Mr Mxolisi Christopher Hazewell Kheswa.

The responses of the respondents will enable the researcher to make informed analysis, conclusion and recommendations about Performance Management and Appraisal Systems and improved service delivery.

The responses from all respondents will be treated as confidential and will not be seen by the employer.

SECTION A: BACKGROUND INFORMATION

1. Gender

Male	
Female	

2. Age

18 - 29 years	
30 – 39 years	
40 – 49 years	
50 – 59 years	
60 and above	

3. Highest academic level you achieved

Masters and above	
Postgraduate	
Degree	
Diploma	
Matriculation	

4. Position at work

Executive	
Senior Manager	
Middle Manager	
Supervisor	
Staff	

5. Years of working experience

0 < 2 years	
2 to 5 years	
6 to 10 years	
10 to 20 years	
> 20 years	

SECTION B: PERFORMANCE MANAGEMENT AND APPRAISAL SYSYTEMS IN MUNICIPALITIES

6. How would you describe your level of understanding of the Performance Management System in your organisation?

Very good	
Good	
Average	
Poor	
Very poor	

7. How would you describe your supervisor's level of understanding of the Performance Management System in your organisation?

Very good	
Good	
Average	
Poor	
Very Poor	

8. Strategic goals of the department are explained to employees.

Strongly agree	
Agree	
Neutral	
Disagree	
Strongly disagree	

9. eThekweni Municipality Water & Sanitation Department's employees participate in setting their performance goals and targets.

Strongly agree	
Agree	
Neutral	
Disagree	
Strongly disagree	

10. eThekweni Municipality Water & Sanitation Department's employees participate in setting performance measurement criteria.

Strongly agree	
Agree	
Neutral	

Disagree	
Strongly disagree	

11. The department's key performance measurements that are set for employees are realistic.

Strongly agree	
Agree	
Neutral	
Disagree	
Strongly disagree	

12. The department's key performance measurements that are set for employees are attainable.

Strongly agree	
Agree	
Neutral	
Disagree	
Strongly disagree	

13. The department's key performance measurements are agreed upon between line manager and the concerned employee.

Strongly agree	
Agree	
Neutral	
Disagree	
Strongly disagree	

14. The performance management and appraisal system used at eThekweni Municipality Water & Sanitation department is fair and transparent.

Strongly agree	
Agree	
Neutral	
Disagree	
Strongly disagree	

15. The performance management and appraisal system used at eThekweni Municipality Water & Sanitation department is simple and easy to use by evaluators.

Strongly agree	
Agree	
Neutral	
Disagree	

Strongly disagree	
-------------------	--

SECTION C: FEEDBACK AND INCENTIVES

16. The performance appraisal system used in the department provides continuous feedback.

Strongly agree	
Agree	
Neutral	
Disagree	
Strongly disagree	

17. The performance appraisal system used in the department is reliable.

Strongly agree	
Agree	
Neutral	
Disagree	
Strongly disagree	

18. Employees have access to the appraisal results.

Strongly agree	
Agree	
Neutral	
Disagree	
Strongly disagree	

19. Employees are allowed to appeal appraisal results.

Strongly agree	
Agree	
Neutral	
Disagree	
Strongly disagree	

20. The performance appraisal system used in the department is used to decide on promotions and salary rewards.

Strongly agree	
Agree	
Neutral	
Disagree	

Strongly disagree	
-------------------	--

21. Salary increase or reward outcome always reflect actual appraisal outcomes.

Strongly agree	
Agree	
Neutral	
Disagree	
Strongly disagree	

SECTION D: PERFORMANCE MANAGEMENT SYSTEM AND SERVICE DELIVERY

22. How do you rate the effectiveness of the current Performance Management System?

Very good	
Good	
Average	
Poor	
Very poor	

23. How do you rate the current service delivery abilities of the department?

Very good	
Good	
Average	
Poor	
Very poor	

24. How do you rate the current department's productivity levels?

Very good	
Good	
Average	
Poor	
Very poor	

25. Performance bonuses and notch progressions are sufficient to motivate employees.

Strongly agree	
Agree	
Neutral	
Disagree	

Strongly disagree	
-------------------	--

26. Performance Management System contributes to the improvement of performance and productivity in your department.

Strongly agree	
Agree	
Neutral	
Disagree	
Strongly disagree	

27. How do performance incentives and rewards improve employee productivity?

28. How can the current performance appraisal process at eThekweni Municipality be improved?

OPEN ENDED QUESTIONNAIRE

PERFORMANCE MANAGEMENT, APPRAISAL SYSTEMS, REWARDS AND SERVICE DELIVERY

1. How would you define performance management as applied at eThekwini Municipality?

2. Would you describe your level of understanding of the Performance Management System as adequate? Explain further.

3. Do you think that there is a general understanding of the Performance Management System at eThekwini Municipality at all levels? Explain further.

4. Would you regard performance bonuses and notch progression are sufficient to enhance motivation and encourage good performance at eThekwini Municipality?

5. Does training contribute to improvement of performance and productivity? If so how?

6. Can you say that the Performance Management System contributes to the improvement of performance and productivity at eThekweni Municipality? Why?

7. What do you regard as challenges facing the Performance Management System and improvement of productivity at eThekweni Municipality?

8. What do you think should be done to improve the understanding of the Performance Management System at eThekweni Municipality?

9. In summary, what would you recommend the municipality do to improve its performance and productivity?

THANK YOU FOR YOUR PARTICIPATION

APPENDIX 3: ETHICAL CLEARANCE CERTIFICATE



19 October 2015

Mr Mxolisi Christopher Hazewell Kheswa (911324441)
Graduate School of Business & Leadership
Westville Campus

Dear Mr Kheswa,

Protocol reference number: HSS/1412/015M

Project title: Performance Management and Appraisal Systems: A strategic tool for improving Service Delivery in Local Government

Full Approval – Expedited Application

In response to your application received on 02 October 2015, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol have been granted **FULL APPROVAL**.

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

Supervisor: Professor Stephen O Migiro
Academic Leader Research: Dr Muhammad Hoque
School Administrator: Ms Zarina Bullyraj

Humanities & Social Sciences Research Ethics Committee

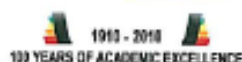
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