

UNIVERSITY OF KWAZULU-NATAL

The Effectiveness of Performance Management at Bidvest Bank Ltd

By

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ABSTRACT

Performance management is a concept which is quite often misconstrued by management. It may often be seen as a means of measurement to engage against poor performing people within an organisation. Performance management practices historically dealt with financial achievements associated with operational goals of an organisation. In modern business, performance management is associated with far more strategic intention than in the past. Performance management systems allow organisations to track each and every element and employee involved in achieving the organisations goals; it also allows management to effectively measure key performance areas, in order to evaluate their contribution towards operational success. The aim of this study was to identify what the management team at Bidvest Bank Ltd felt about the current performance management practice adopted by the organisation and how effective they felt this practice to be. For the purposes of this study non-probability sampling was used. The participants were chosen from a population of two hundred and thirty managers and supervisors at Bidvest Bank Ltd. One hundred and fourteen completed responses were received. The study found that management at Bidvest Bank Ltd felt the current performance management practice to be in need of revision. It was also found that new age performance management practices, such as online performance systems should be utilised at Bidvest Bank Ltd. It was also found that a low level of understanding, regarding components of effective performance management occurred amongst managers at Bidvest Bank Ltd. In order to improve performance management at Bidvest Bank the following are recommended: managers and supervisors need to have a better understanding of the critical elements that encompass effective performance management, which requires investment in training and development focussing on the soft skills such as setting objectives and conducting appraisal meetings. However, in order for performance appraisals to be more effective, managers need to be trained in the use of the balanced scorecard and the 360 degree review process. A number of limitations including: sample size and career succession planning were identified in this study. These limitations can be overcome by conducting a companywide survey which could be distributed to all employees which allows for analysis of effective performance management and its association with career succession planning.

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CHAPTER ONE

Introduction

1.1 Introduction

Performance management is an integral part of any organisation; it helps form the link between the strategic intent of an organisation and its operational goals. If performance management is engaged correctly it may provide a powerful tool to an organisation. It is critical for an organisation and its management to understand how effective its current performance management practice is. An organisations people are what drive effective performance management. Clear understanding and dedicated commitment to effective performance management practice helps guide organisational success.

The purpose of this chapter is to present an overview of the study. A discussion regarding the areas of focus and the research problem will follow. The discussion will also include the objectives, research questions and limitations associated with the study. This study was conducted specifically within the confines of Bidvest Bank Ltd, and the findings intended solely for the purpose of the company's benefit.

1.2 Motivation for the study

Bidvest Bank Ltd is a fast growing organisation, dependant on teamwork, shared vision, employee involvement and innovation. Performance management, according to Norton (2000) helps clarify and obtain consensus about strategy, it also helps communicate strategy throughout the organisation. Effective performance management helps align employee's personal and organisational goals to strategy. If management at Bidvest Bank Ltd share their viewpoint on current performance practice, this could help identify whether Bidvest Bank Ltd needs to re focus its performance management practices. Does Bidvest Bank currently engage in effective performance management practice? The aim of this study is to promote the adoption of a performance management system which will encourage collective productivity amongst all staff within Bidvest Bank Ltd.

1.3 Focus area of the study

The focus area of this study is concentrated around the effectiveness of performance management at Bidvest Bank Ltd. The study was designed to identify how management view the current performance process and how effective management feel it is. The study is also concerned with the component parts that constitute effective performance management practice, and whether management understand these important elements.

1.4 Problem statement

According to studies conducted by deWaal and Gerritsen-Medema (2006) a key element in the success of any strategy must be a mechanism to carefully analyse performance management. This statement is supported by Armstrong (2000), performance management is a means of getting better results from the whole organisation or teams or individuals within it, by understanding and managing performance within and agreed framework of planned goals, standards and competence requirements. The focus of this study will revolve around the need for Bidvest Bank Ltd to adopt a performance management strategy that aligns business and individual objectives toward achieving operational success.

1.5 Research questions

The following research questions were developed to guide the research process toward the achievement of its objectives

1. How effective are current performance management practices?
2. What does management think about the appraisal process?
3. Does management subscribe to new age performance management techniques?
4. What impact does performance management have on strategic intent?
5. Does management feel a need to improve current performance management practices?
6. Whether performance management is viewed by management as disciplinary or strategic

1.6 Objectives

The objectives of the study are to:

1. determine the effectiveness of performance management at Bidvest Bank Ltd.
2. determine how management view performance management.
3. establish how management view the appraisal procedure.
4. determine how management feel regarding new age performance management techniques.
5. examine how strategic intent of the organization links with performance management.
6. provide recommendations regarding best practice associated with performance management.

1.7 Limitations of the study

The sampling technique used for this study was judgment sampling, using managers, supervisors and specialists of Bidvest Bank Ltd. This limited the study in terms of age, gender and race, with the majority of the sample group falling into the category of white females in the age group of 30-39. A recommendation for future studies would be to expand the sample population to include a wider spectrum of respondents. Further limitations are discussed in chapter six.

1.8 Summary

This chapter has presented a framework for the study and has further provided a motivation to conduct research at Bidvest Bank Ltd regarding current performance management practices and how effective they are at present. A discussion of the research objectives and questions together with the limitations experienced during the study has been included. chapter two will include a literature review, which will disclose various findings pertaining to performance management, which will help guide the nature of this study.

CHAPTER TWO

Theoretical Overview of Performance Management

2.1 Introduction

This chapter provides a detailed analysis of the theoretical perspectives that will underpin this study. The aim of presenting theory on performance management will give the reader a sound understanding as to the importance of effective performance management systems within organisational structures, it will also focus on the differing influences and aspects thereto. Some of the topics which will be covered in this chapter includes: the definition of performance management, the history of performance management, the purpose of performance management, the definition and description of performance appraisals, the evaluation process, 360 degree feedback, balanced scorecard and attitudes toward the performance appraisal process.

2.2 Definition of Performance Management (PM)

According to Armstrong (2000: pg 1) “performance management is a strategic and integrated process that delivers sustained success to organizations by improving the performance of the people who work in them”. Armstrong also stated that performance management is a strategic concern which helps organisations function effectively and achieve their long term goals. Dransfield (2000: pg 69) stated that performance management “is a human resource management (HRM) process which has become increasingly popular since the 1980’s, it is concerned with getting the best performance from individuals in an organisation, as well as getting the best performance from teams, and the organisation as a whole. Effective performance management therefore involves sharing and understanding of what needs to be achieved and then managing and developing people in a way that enables such shared objectives to be achieved.” Performance is defined by Bates and Holton, (1995) as a multi-dimensional construct, the measurement of which varies depending on a variety of factors. Bates and Holton, (1995) also state that it is important to determine whether the measurement objective is to assess

performance outcomes or behaviour. There are differing views on performance as Kane, (1996) argues that performance is something that the person leaves behind. Bernadin et al (1995: pg 83) are concerned that performance should be defined as “the outcomes of work because they provide the strongest linkage to the strategic goals of the organisation, customer satisfaction and economic contributions.” The reviewed literature presents varying ideas of performance, however, the underlying impression is that performance management is greatly concerned with organisational success, and this is brought about by individuals and teams working together to achieve greater organisational goals. Performance Management is a process designed to improve individual, organisational and team performance. This process is driven by managers (Armstrong, 2000). Performance can be viewed as a yardstick of success; it is the result of achieving organisational objectives. Porter (1980: pg 25) asserts that “sustainable competitive advantage forms the basis of above average performance within any organisation. This position is achieved by raising barriers that make a firm’s strategy difficult to imitate, principally by differentiating its product or service so that they are perceived industry wide as being unique”.

2.3 History of Performance Management

The history of performance management over the past 100 years presents three distinct time periods. It is important to note that these periods are to be viewed indicatively rather than definitively. The movement from one period to the next should be evolutionary and not revolutionary.

- The early twentieth century saw the foundations of performance management as a discipline being laid.
- The post-second world war years up to the mid 1980’s reported a shift in performance management as being purely a cost and efficiency measure towards a measure encompassing concerns of quality, flexibility, timelines, innovation etc.
- The mid-1980’s to current date reflected a time of growing dissatisfaction with performance management and has led to what Neely (1999) has expressed as a “performance measurement revolution”.

These three distinct periods in the history of performance management will be discussed in more detail.

Early twentieth century

One of the true founding fathers of performance management was Frederick Taylor; his belief was that it was the responsibility of management to devise methods best suited to performing work. Taylor (1911) conceptualised and developed the notion of scientific management, based on analysis of current work methodology, and studied through observation and measurement. This technique allowed for methods to be improved, and the results could be gauged on a continual performance measurement. This concept made a significant contribution towards the overall success of western industry. The adoption of this concept was referred to as Taylorism. Criticism associated to the concept of Taylorism originated from the human relations movement (HRM), which had evolved from “the Hawthorne experiments of Mayo, Roethlisberger and Dickson (1939), and the theories of Maslow (1954), McGregor (1960) and Herzberg (1966), who argued that by “humanising the workplace, an organisation could achieve worker motivation.” From a performance management point of view the critics seemed to focus on the effect of scientific management’s concentration on the measurement of work and the resulting performance of the individual. The human relations movement argued that “the social factors of work were at least as important as the technical ones emphasised in scientific management.” The performance measures of scientific management usually failed to reflect this. These criticisms led to the beginning of a trend which would broaden the unit of analysis of work measurement from the individual to the work group.

Post- Second World War to mid-1980’s

The immediate post war years were dubbed a “golden age” for quantification in performance management as management science techniques were combined with computational power. Changes in the working environment led to the rejection of efficiency and cost focus of performance management. The introduction of human relations management appeared to be setting the new tone. The 1950’s and 1960’s saw scientific management becoming an autocratic concept which was outmoded in an era of democracy. McGregor’s book, “*The Human Side of Enterprise*” (1960) introduced Theory X and Theory Y assumptions about human behaviour in the workplace. McGregor was instrumental in founding what is known today as organizational development (OD), giving

rise to “bottoms up management” and various culture change movements within organisations. McGregor (1960: pg 33) suggested that some of the conditions the program was designed to achieve were: “moving the decision making process down, installing communication mechanisms between organization levels, giving workers more say in the design and monitoring of their work, and moving the supervisory role from one of command and control to one of collaborative planning and support”. McGregor introduced team building, leadership training for managers and performance improvement activities. McGregor (1960: pg 33) suggested that: “the outstanding fact about relationships in the modern industrial organization is that they involve a high degree of interdependence. Not only are subordinates dependent upon those above them in the organization for satisfying their needs and achieving their goals, but managers at every level are dependent upon all those below them for achieving both their own and organizational goals”. McGregor in a sense was encouraging managers to modernise their thinking. “Theory X: The Traditional View of Direction and Control,” McGregor used dramatic language (“coerced”, “punishment”, and “little ambition”) to describe the underlying assumptions, i.e., “Behind every managerial decision or action are assumptions about human nature and human behaviour”, McGregor (1960: pg 33). In contrast he defined Theory Y as “The Integration of Individual and Organizational Goals”. Theory Y was far more concerned with human nature and human behaviour, and how these observations could affect organisational performance. McGregor used inspiration from Maslow’s hierarchy of needs and Herzberg’s work on motivation and job satisfaction to guide his Theory Y assumptions. Ten years after McGregor’s 1960 book, Argyris (1971) introduced a conceptual model that combined assumptions with style. Argyris argued that Pattern A represented, group dynamics, interpersonal behaviour and norms that were associated with theory X assumptions and pattern B represented interpersonal behaviour, consistent with McGregor’s Theory Y. Pattern A was described as controlling, mistrusting, and disciplinary, whereas Pattern B was more engaging, empowering and participatory (Argyris & Schön, 1974). Varying combinations of the above mentioned patterns were applied to organisational contexts and studied at large. The results often contributed towards the development of performance management.

Mid-1980's to date

The western world started to realise that the Japanese were rapidly developing the role of customer satisfaction, and this factor was becoming increasingly more important when associating strategic success to organisational goals (Neely and Austin 2000). Strategic focus within operational levels of organisations needed attention. Managers of organisations started challenging whether operations were delivering adequate levels of performance. Neely et al. (1995) suggested that traditional performance measures were inadequate, and listed a few of the shortcomings: encouraging short-termism, lacking strategic focus, encouraging local optimisation, encouraging managers to minimise variance from standard rather than seeking continuous improvement, and failing to provide information on what customers want and what their competitors are doing.

The late 1980's and early 1990's saw the rise of the phenomena known as business process re-engineering (BPR). This revolutionised performance management as it is known today. Organisations were now looking horizontally rather than functionally across their processes, this provided the ability for organisations to interlink departments and break down boundaries between divisions. As Slack et al., (2005: pg 384) suggested; "this promoted a more strategic consideration of operations. Speed, flexibility and dependability became the new measurement criteria for performance management". In the late 1980s and early 1990s a "multi-dimensional" or balanced performance measurement systems were being engaged by organisations and their management teams, thus giving rise to one particular model "The balanced scorecard" (BSC) Bourne et al. (2000). Balanced scorecard was introduced by Norton and Kaplan in 1992 as an improved approach to performance management. It has subsequently become one of the most preferred (PM) tools for controlling the implementation of strategy and is used by many prominent public and private sector organisations today. Kaplan and Norton, (1992, 2000: pg 71) suggest "that if designed and implemented correctly, reported benefits include the improved articulation and communication of strategy, improved organisational control and strategic and operational process alignment." The history of (PM) has taken organisations from Taylorism in the early twentieth century whereby performance management was measured on efficiency and productivity related to cost to McGregor's X and Y Theory where performance management revolved around human management and organisational change to where it currently is today, embedded in organisational strategy.

2.4 Purpose/Objectives of Performance Management

The overall objective of performance management is to provide insightful information about work performance. In reviewing what Neely (1998) had to say about why organisations have performance management systems no evidence could be found which would suggest that public sector organisations need for performance management systems, differed from private sector organisations. In the UK the (Audit Commission, 1999) articulated the need for performance management systems to be utilised in order to modernise government services, emphasising two key reasons: improved public service and to reinforce accountability.

Critical areas which lend to the purpose of performance management involve: “team work, training, management style, attitudes, dialogue, shared vision, employee involvement, multi-competence, incentives and rewards, etc.” (Johnsen, 2000: pg 63). According to Hernandez (2002: pg 10-11), “if performance management is simply viewed as a data-collection and reporting exercise, it will serve little purpose to an organisation. It is only through the analysis of data that performance management can become a tool for continuous service improvement”. Spangenberg (1994: pg 54) states that performance management “is a set of techniques a manager uses to plan, direct and improve the performance of employees/subordinates in achieving the overall objectives of the organisation.” Armstrong (1994) shares this view by stating that performance management aims to achieve the following:

- The achievement of sustainable improvement in organisational performance,
- A level for change in developing a more performance-orientated culture,
- A tool to increase the motivation and commitment of employees, and
- A tool to assist in the development of a constructive and open relationship between individuals and their managers, ensuring continuous communication regarding work actually done throughout the year, and a means of focusing attention on the attributes and competences required to perform effectively and on what should be done to develop them.

The view of Armstrong is similar to that of Schultz et al. (2003) who emphasised that performance management as a daily management of people in achieving the overall objectives of the organisation. Hartle (1995) highlights certain crucial aspects of performance management:

- The shared vision of the organisational objectives must be communicated to all employees,
- Individual performance goals are aligned with business and organisational objectives,
- Regular reviews of progress in reaching set objectives are undertaken, from these reviews training, development and reward outcomes are identified, and
- Allowance is made for changes and improvements to overall performance.

In order for effective performance management, there needs to be an understanding of a relationship between strategy, people, and organisational form/design and performance systems.

2.5 Evolution of Performance Management Systems Research

Performance Management has raised increasing interest in managerial and academic spheres. Dixon et al., (1990) and Hall et al., (1991: pg 73) support a new paradigm called lean production, “return on investment and discounted cash flows and other financial performance measurements are not the only considerations to be made with regard to performance management. Organisations must also analyse customer satisfaction and fidelity”. Meyer (1994: pg 95) suggested that “performance management innovation affected both the micro and macro organisational elements. Job enrichment and teamwork displaced attention from individuals to group performance” (Meyer, 1994). The adoption of management-by-process emphasises the transverse performances as compared to the single-function performances (De Toni and Tonchia, 1996). According to Neely et al., (1995) the main changes to performance management systems evolution can be found in Table 2.1

Traditional performance system	Innovative performance system
Based on cost/efficiency	Value Based
Trade-off between performances	Performance compatibility
Profit-orientated	Customer orientated
Short-term orientation	Long-term orientation
Prevalence of individual measures	Prevalence of team measures
Prevalence of functional measures	Prevalence of transversal measures
Comparison with standard	Improvement monitoring
Aim at evaluating	Aim at evaluating and involving

Table 2.1 Performance management evolution

Adapted from Neely, A., Gregory, M. and Platts, K. (1995), "Performance measurement system design a literature review and research agenda", *International Journal of Operations & Production Management*, Vol. 15 No. 4, pp. 80-116.

2.6 Definition and Description of Performance Appraisal (PA)

"Performance appraisal (PA) is the ongoing process of evaluating and managing both the behaviour and outcomes of employees in the workplace." Carrell et al, (1998: pg 258). Simply stated, it is the process whereby a supervisor judges and evaluates the work performance of a subordinate. Performance appraisal has been defined as a "process by which organisations establish measures and evaluate individual employee behaviour and accomplishments for a finite period of time", Zairi (1994: pg 93). According to DeNisi, Cafferty and Meglino (1984: pg 360-396), "performance appraisal is an exercise in social perception and cognition, embedded in an organisational context requiring both formal and implicit judgement." According to Lansbury, (1988: pg 46), performance appraisal "is the process of identifying, evaluating and developing the work performance of employees in the organisation, so that the organisational goals are more effectively achieved, while at the same time benefiting employees in terms of receiving feedback, recognition, catering for

work and offering career guidance.” Barton and Gold, (1999: pg 214) stated that PA “acts as an information-processing system providing vital data for rational, objective and efficient decision-making regarding improving performance, identifying training needs, managing careers and setting rewards for achievements.” PA is defined by Baird, (1992: pg 143) “as the process of identifying, measuring and developing human performance. PA systems must not only accurately measure how well an employee is performing a specific job, but must also contain mechanisms for reinforcing strengths, identifying deficiencies and feeding such information back to employees so that they can improve future performance.” Cascio, (1995: pg 275) views PA “as the systematic description of job-relevant strengths and weaknesses of an individual group.” Leap and Crino, (1993) regard PA as a process through which quantitative aspects of an employee’s work performance are evaluated. Performance appraisal of individuals and the organisation is a basic task of management. According to Bratton & Gold, (1994: pg 214) “performance appraisal is arguably the most contentious and least popular of activities within the human resources management cycle.” As performance appraisal is described as an activity which determines an employee’s future within an organisation, such systems should be governed by fairness, accuracy and the correct use of performance appraisal results. It should be handled with care. An employee’s status in the work group, self-image, motivation, career opportunities, promotion, rewards and dedication to perform or improve are all supported by this process. Various terms are used by organisations to describe the performance appraisal process; performance review, performance evaluation, employee evaluation and merit evaluation are some of the terms used to describe this process.

2.7 South Africa’s Performance appraisal Dilemma

The implosion of various new businesses in post apartheid SA has fostered numerous international investments in the country. It has become crucial for organisations to retain specialised skill sets. PA is an important tool for employee retention. With this in mind it is vitally important to understand the current state of PA’s in the South African context. According to Carell et al. (1998) a survey conducted amongst nine leading South African organisations was undertaken by the University of Stellenbosch Business School. The survey revealed a particularly dismal view of the way employee performance is managed and rewarded in South Africa. Problems that were identified during the course of the

survey included the “existence of a negative work culture.” Strategic changes in corporate strategy did not result in corresponding behavioural changes and insufficient line management support to manage performance. With regards to periodic and formal reviews, the following became apparent: “lack of follow-up to performance reviews, overemphasis on the appraisal aspect at the expense of development, inadequate performance information and maintaining objectivity” Carrell et al (1998: pg 258). Despite the above problems Carell et al. (1998) were of the opinion that the existence of a good performance appraisal system can be of great value to the organisation and the employees to enhance and improve organisational and employee performance (Carrell et al, 1998)

2.8 Who should evaluate Performance

Cascio (1998: pg 316) indicated that there are several different choices of raters: “the immediate supervisor, peers, customers or clients, subordinates, self-appraisals and computers appraisals”. Likewise Carrell *et al.* (2000: pg 239) points out the same type of raters as Cascio “supervisors, peers, customers, self and subordinates, but refers to them as the complete circle of five ‘S observers’. The ‘S observers’, is referred to as the 360-degree feedback system and refers to the employees being rated by the complete circle”. The above theory clearly indicates that most authors have a similar view of who should be involved in the appraisal process and these are immediate supervisors, subordinates, peers and customers. A fundamental requirement for any rater is that he or she has an adequate opportunity to observe the employee’s job performance over a reasonable period of time. This requirement suggests several possible raters. Kreitner & Kinicki (1995) believed that supervisors, peers, subordinates and the employee should be involved in the evaluations process. According to Gerber, Nel and Van Dyk (1998: pg 172) “superiors who have the best knowledge of employee’s job performance and who are able to observe employee’s job behaviour daily, should conduct the performance appraisal.” Cherrington (1995) states that as a general rule the performance appraisal is more accurate and useful when the evaluations comes from sources closest to the person being rated. To make quality evaluations, raters/ assessors need adequate opportunity to observe. Cherrington (1995) also states that although supervisors should have the primary responsibility for the evaluation process, others could also be included in the procedure. These others could be subordinates, peers, the employee being evaluated and clients or customers.

2.8.1 The Immediate Supervisor

Dessler (1997) and Carrell *et al.* (2000: pg 365) stated that “the supervisor should be and usually is in the best position to observe and evaluate the subordinate’s performance and is responsible for that subordinate’s performance.” Casico (1998: pg 316) shares the view that the “supervisor is probably most familiar with the subordinate’s performance and has the best opportunity to observe actual job performance on a daily basis.” Nel *et al.* (2001: pg 522) points out that “the immediate supervisor is probably most familiar with the subordinate’s performance and has the best opportunity to observe actual job performance on a daily basis.” However, Nel *et al.* (2001: pg 522) also stated that “the disadvantage in using the immediate supervisor is that he or she may be too biased in rating an employee in an attempt to gain the employee’s support.” Gerber *et al.* (1998), states that because the immediate supervisor works closely with the employee, the supervisor is most suitable to perform the evaluation. They also indicate that the immediate supervisor’s personal prejudice, personality clashes or friendships might hinder an objective appraisal. Cherrington (1995: pg 295) believes that “since supervisors administer the rewards and punishments, they should be responsible for evaluating performance”.

2.8.2 Customer Appraisals

Carrell *et al.* (1998) points out that evaluation by customers and clients is becoming more valuable as part of the multi-rater performance appraisal process, however, they believe it would be difficult or impossible for customers and clients to give a total performance appraisal because they generally experience only part of the employees performance. According to Cascio (1998) and Nel *et al.* (2001: pg 522) “the customers’ objective cannot be expected to correspond entirely with those of the individual or the organisation. However, the information that customers provide can serve as useful input for promotion, transfer and training decisions.” Cherrington (1995: pg 296) states as a general rule “anyone who is in a position to observe the behaviours or outcomes of an individual should be included in the appraisal process and this should include the customer”.

2.8.3 Self-Appraisals

Carrell *et al.* (1998: pg 291) suggests that “many personnel consultants believe that effective use of self-ratings is critical to the success in appraising white-collar employees”. Cherrington (1995) believes that self-appraisals are valuable for personal development and the identification of training needs, but they are not useful for evaluative purposes. However, Cherrington (1995: pg 295-296) provides some arguments in favour of self-appraisals such as: “they are more satisfying and constructive than evaluation interviews; less defensiveness regarding the evaluation process and improves job performance through greater commitment to organisational goals”. Gerber *et al.* (1998: pg 172) pointed out that “although self-appraisals are doubtful, the differences between self and supervisor appraisals may provide a useful basis for an in-depth discussion about the employee’s job performance.” Cascio (1998: pg 316) believed that “the opportunity to participate in the performance management process, particularly if appraisals are combined with goal setting, improves the employee’s motivation and reduces his or her defensiveness during the appraisal interview.” Cascio (1998: pg 316) is also of the opinion that “self-appraisals tend to be more lenient, less variable, more biased and to show less agreement with the judgment of others.”

2.8.4 Peers

According to Dessler (1997: pg 366), “the appraisal of an employee by peers can be effective in predicting future management success.” He also indicates that ‘logrolling’ where peers get together to give each other high ratings could pose potential problems. Cherrington (1995) stated that co-workers are sometimes in a better position than their supervisors to evaluate their peers’ job performance. He further states that the conditions for good peer appraisals are high levels of interpersonal trust, a non-competitive reward system and opportunities for peers to observe each other’s performances. According to Cascio (1998) and Nel *et al.* (2001: pg 521) “the judgment by peers often provides a perspective on performance that is different from those of immediate supervisors”, provided that peers are told exactly what to evaluate, as this could skew the feedback information. Carrell *et al.* (2000) hold the same view as Cascio (1998) but also points out

that research has shown that factors such as race may have more of a bias when co-workers rate an employee, than when a supervisor does the rating.

2.8.5 Subordinates

Dessler (1997) states that it is common today for many firms to let subordinates anonymously evaluate their supervisor's performance. This practice is valuable when used for developmental rather than evaluative purposes. Gerber *et al*, (1998: pg 172) points out that the subordinate appraisals may be useful for evaluating "skills such as the ability to communicate, the delegation of tasks, the dissemination of information, the resolution of personal disputes and the ability to work together with fellow employees." They believe this information can in turn be valuable for management development, promotion decisions and the allocation of workloads. According to Cascio (1998) and Nel *et al*. (2001: pg 522) subordinates know personally "the extent to which supervisors actually delegate, how well he or she communicates, the type of leadership style he or she is most comfortable with and the extent to which he or she plans and organises; hence the appraisals by subordinates can provide useful inputs to the immediate supervisor's development." Carrell *et al*. (1998) also hold the view that subordinate appraisals can add value as the subordinates can identify the strengths and weaknesses of the supervisors. Cherrington (1995) provides three reasons for using subordinate appraisals: it provides unique information; it creates incentive for change and reduces power differentials. Most of the above authors are of the view that with this type of appraisal, fear of retaliation must be eliminated and anonymity is necessary unless there is a high level of trust in the workplace.

2.8.6 360-degree Feedback

According to Jansen and Vloeberghs (1999: pg 456), "multi-rater feedback requires 'bystanders' to assess a multitude of work situations which are controlled or managed by the person who is the focus of the feedback. This circle of bystanders would rate the focal person. The bystander's ratings are averaged and compared with self-ratings of the focal person. Negative differences provide data that indicate potential areas of personal development and performance improvement." Katz (1998: pg 108) states that the "360-degree, or multi-rater system is a questionnaire that asks many people (supervisors, subordinates, peers, internal and external customers) to respond to questions on how well a

specific individual performs in a number of behavioural areas.” According to Nel *et al.* (2001: pg 523) “the 360-degree feedback can be valuable if it complies with the following requirements: be thoroughly tested for reliability and consistency; measure what it says it will; be easy to use, straight forward, and simple; be clearly focused on a specific set of skills, competencies, or behaviours; generate clear detailed and personalised feedback; and guarantees confidentiality. Nel *et al.* (2001) talks about the undesirable reaction that could occur in 360-degree reviews: the employee only take positive feedback into consideration; the employee neglects the feedback given; employee is only motivated by negative feedback and the employee only being interested in the feedback given if it is somebody of stature within the organization, such as the supervisor. According to Jansen and Vloeberghs, (1999) “multi-rater” feedback requires ‘bystanders’ to assess a multitude of work situations which happen to be controlled or managed by the person who is the focus of the feedback. This circle of bystanders would rate the focal person. The bystander’s ratings are compared with personal ratings of the focal person. Negative differences provide data that indicates potential areas of personal development and improved performance.”

2.8.7 Balanced Scorecard (BSC)

Kaplan and Norton, (1992) suggested that measuring performance is necessary because it allows organisations to take a “snapshot” of its current activity, in order to assess the productivity and help re-focus where necessary. Snapshots allow organisations to look at three main areas of concern: past performance, which refers to recorded achievements of the past, bench marking, which contrasts an organisations performance against other organisations or firms, goals, which allow organisations to compare achievement with strategic expectations. Problems arise when management need to decide on the criteria by which performance should be measured. Often is the case whereby organisations tend to focus measures of performance on short –term objectives i.e. financial objectives, rather than placing emphasis on the longer-term objectives, which are more strategic in nature. One answer to this problem is the balanced scorecard (BSC) as developed by Kaplan and Norton, (1992) which is “a reporting system which offers a set of financial measure that report the results of actions already taken as well as operational measures that drive future performance. These may be viewed in four perspectives as indicated in Figure 2.1 The

customer perspective, offers a key area of concern that seeks to measure customer satisfaction by formal and informal methods; financial perspectives, regarding bottom line measures such as sales, profits and return on investment; innovation and learning perspectives concerning activities such as the identification of new markets, staff development and improvements to facilities and internal perspectives, relating to those operations, processes and skills that have great impact on customer satisfaction, such as teamwork and employee development, as well as internal measures of efficiency such as gross profit percentages.”

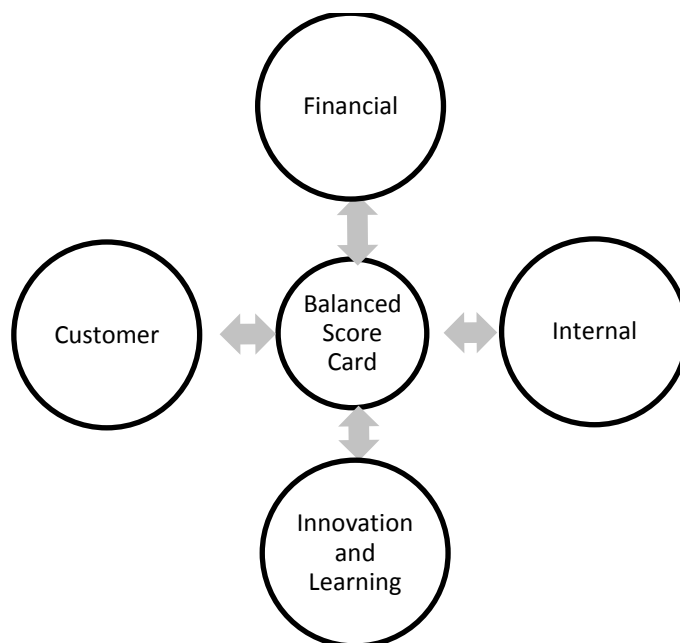


Figure 2.1 The Four Perspectives of the Balanced Scorecard

Adapted from Kaplan, R.S. and Norton, D.P. 1992. “The Balanced Scorecard - measures that drive performance”, Harvard Business Review, Vol. 70 No. 1, pp.71-9

Perspectives of the balanced scorecard are inter-linked and help an organisation measure performance across specific strategic criteria.

2.9 Problems with Performance Appraisals (PA)

A number of factors can cause a PA system to be ineffective. These factors may be linked to the PA system itself or perhaps to the individual who conducts the appraisal. Literature reveals the following miss-representations of PA systems.

2.9.1 Rater Errors

Gerber et al. (1998: pg 174) argues that “poorly trained evaluations can lead to failure in the application of the PA process.” Swanepool, (2003: pg 380) stated that “PA requires supervisors or managers to observe and judge behaviour as objectively as possible.” Mullins, (2002: pg 707) on the other hand argues that, “since observation and judgement are conducted by human beings and managers who may not be experts in all the operations in their departments, this could result in the appraisal process being prone to distortions.” A discussion of some of the common rater’s errors will now be outlined:

2.9.1.1 Halo Effect

This effect occurs when a rater allows a particular aspect of an employee’s performance to influence the evaluation of other aspects of performance. Swanepoel, (2003: pg 380) stated that, “the halo effect allows the rating assigned to one performance dimension to excessively influence, either positively or negatively, the ratings on all subsequent dimensions. Plunkett, (1996: pg 481-482) and Cherrington, (1995) agreed with Swanepoel, (2003). Plunkett (1996), however, warns that, “Supervisors must guard against allowing isolated events or appearances to dominate total impressions and objectivity towards an employee.” Dessler, (1997: pg 360) observed that, “the halo effect normally occurs when employees are friendly or unfriendly towards the supervisor, and that being aware of this problem is a major step towards preventing the problem from occurring.”

2.9.1.2 Central Tendency

Carrell et al. (2000), Cherrington, (1995); Bolander, Snell and Sherman, (2001) and Dessler, (1997: pg 360) all pointed out that, “central tendency is to assign all ratings for all employees as average, even though the job performance may reflect substantial differences.” Dessler, (1997: pg 360) further pointed out, that this “may distort evaluations and makes them less useful. The solution to this problem lies in ascertaining the reasons for applying the central tendency and then counselling the supervisor.” Carrell et al. (2000) argued that this error also occurs, “because the supervisor cannot evaluate employee performance objectively, due to the lack of supervisor ability, or fear that they will be reprimanded if they evaluate employees too highly or too strictly.”

2.9.1.3 Bias

Nel et al. (2001: pg 528) suggested that, “when a rater is influenced characteristics such as age, race, gender, religion or seniority of an employee, this may be referred to as supervisor bias. Bias may be conscious or unconscious and can be difficult to overcome because it is usually hidden.” Carrell et al. (2000: pg 237) agreed with the above and points out that this is the most common PA error. Nel et al. (2001: pg 528) also believed that, “with proper rating training and specific development of appraisal systems by means of job analysis, performance evaluations can be improved.”

2.9.1.4 Employee’s Poor attitude towards Performance Appraisal

It has been revealed in literature that the behaviour of the employee, who is being evaluated, has a great effect on the PA activity. According to Lindsey, (1986: pg 7) “if the individual places value on the product evaluation, the individual will be willing to change their behaviour. If, however, the individual does not place any value on the product, the process will not provide any positive feedback.” If a PA system is to be successful it must be accepted by the evaluator.

2.10 Summary

Performance management is a vast academic field of study, there is an enormous amount of literature surrounding this topic. Performance management has an important role to play within the workplace, as it may help contribute to strategic intent of organisational objectives. Performance management makes its way into everyday business practice. Contributions toward this field of research are ever increasing and with the aid of modern technology, the options are endless as to where performance management tools and techniques of the future will be. This literature review discusses the varying definitions of performance management; it looks at the history of performance management, where it has come from and where it is currently. This paper represents the purpose and objective of performance management as well as looking at a few theoretical models associated with performance management. Breaking down performance management into its functional elements of the appraisal and who should be involved within the evaluation of this process. The literature points toward PM as being governed and guided by management. The processes of 360-degree review and balanced scorecard are reviewed, and problems facing performance appraisal methods are highlighted. Ultimately this review suggests that there is still further inquiry which has to be made into the area of performance management. Specifically within a management context, and how managers feel about current performance management practice within their organisations.

CHAPTER THREE

Research Methodology

3.1 Introduction

After reviewing the literature presented in chapter two, a clear need to examine the factors responsible for the effective performance management at Bidvest Bank Ltd was identified. These factors may benefit Bidvest Bank Ltd. Effective performance management structures could provide a most useful insight toward strategic alignment within the organisation. This chapter will discuss the procedures undertaken in carrying out the study. This chapter will reveal the research methods utilised and the justification associated with the use of these research methods. The chapter will focus on the data collection strategy, data analysis methodology and the research design methods used in order to establish an understanding of the effectiveness of performance management within Bidvest Bank Ltd.

3.2 Research Design

The core principle behind research design is to realise the structure involved within research and the association it has with the aim and objectives of the study. Research design is the visualisation of the data and the problems associated with the employment of those data within the entire research project (Leedy & Ormond 2001). Research design is constructed using two elements. These elements are i) research and ii) design. Research may be defined according to Allison, Owen, Rice, Rothwell and Saunders (1996: pg18) as a collaborative human activity in which social reality is studied objectively, with the aim of gaining a valid understanding of it. Research as explained by Sekaran and Bougie (2010) describes an organised, systematic, critical, scientific inquiry or investigation into a specific problem, undertaken with the objective of finding answers or solutions thereto. Sekaran (2006) describes the process of research design as including the purpose of the study. This process is explanatory in nature, descriptive or conducted to test hypotheses.

3.2.1 Exploratory Study

An exploratory study is conducted when little is known about the situation or problem at hand Sekaran and Bougie (2010). According to Mouton and Marais (1992: pg43) exploratory projects usually lead to comprehension and insight rather than collection of replicable and accurate data. The most commonly used data collection method used in exploratory studies includes in-depth interviews, case study analysis and the use of informants. Kumar (2005) suggests that exploratory studies are conducted where little is known or simply to determine the possibility of undertaking research in a particular area.

3.2.2 Descriptive Study

Descriptive studies are undertaken to comprehend variables of interest in a particular topic or situation. Sekaran and Bougie (2010) suggest that often descriptive studies are undertaken within organisations to understand certain characteristics amongst groups of employees who form part of that organisation. Examples of these characteristics may include: race, age, education levels or length of service. Mouton and Marais (1992) have suggested that the main focus of any descriptive project or survey is to provide an accurate reflection of the characteristics associated with any situation, individual, social object or organisation.

3.2.3 Case Study Analysis

As indicated by Sekaran (2006) a case study analysis incorporates a close look at the subject matter which shares a similar relationship, across varying organisations. Case study analysis is often used as a problem solving technique as it may be difficult to compare situations amongst organisations, due to the reluctance of these organisations to divulge information pertaining to their problem areas.

3.2.4 Hypothesis Testing

According to Sekaran and Bougie (2010) hypothesis testing is utilised to formulate understanding associated with the nature of certain relationships. Schindler and Cooper (2006) state that a hypothesis guides the direction of a particular study by identifying those facts that are relevant and irrelevant to the study. In addition to this, a hypothesis may also suggest the most appropriate form of research design, and help formulate a framework within which to organise results. A strong hypothesis limits that shall be studied, what should or should not be studied and within what context they should be studied (Schindler and Cooper 2006)

This study will be conducted under the premise of descriptive analysis. As explained by Kothari (2004) the purpose of a descriptive study aims to discover what causes a certain outcome without attempting to control the variables within that particular situation. The purpose of this study is to understand the effectiveness of performance management at Bidvest Bank Ltd. This study seeks to identify and understand how management staff views performance management at Bidvest Bank Ltd. The study in no way attempts to control the management staff's perceptions regarding performance management practices within the organisation, but seeks merely to identify these perceptions and understand the impact they may have on the effectiveness of performance management at Bidvest Bank Ltd. The findings of this study can later lead to an exploratory study to determine how effective the performance management structure within Bidvest Bank Ltd really is.

3.3 Aims and Objectives

3.3.1 Aim

The aim of this study is to gain insight into how management regards performance management within the organisation. The objectives listed below have been created to help achieve the aim of the study.

3.3.2 Objectives

The objectives of the study are to:

- determine the effectiveness of performance management at Bidvest Bank Ltd.
- determine how management view performance management.
- establish how management view the appraisal procedure.
- determine how management feel regarding new age performance management techniques.
- examine how strategic intent of the organization links with performance management.
- provide recommendations regarding best practice associated with performance management.

3.4 Participants and Location of Study

Participants will be selected from the population of management employees within Bidvest Bank Ltd. Managers, supervisors and specialists at Bidvest Bank Ltd are in the best position to provide the data needed for this study. Managers, supervisors and specialists have the ability to report on performance and are most likely to understand how effective performance management is within their departments. The participants chosen for this study represent the demographic, marital and professional status as well as the gender and age requirements suited for this study. Two hundred and forty managers, supervisors and specialists are employed within Bidvest Bank Ltd. Using the table designed by Krejcie and Morgan (1970) as cited in Sekaran & Bougie (2010) the sample size for the purpose of this study will be 148 respondents.

3.5 Sampling

Sampling as explained by Emroy (1976) is the analysis of some of the elements in a population who will provide useful information on the entire population. Sekaran and Bougie (2010) suggest that sampling is the careful selection of the correct events, objects, individuals or representatives of the population. For example each manager/supervisor questioned about the effectiveness of performance management at Bidvest Bank Ltd is a population element (Schindler & Cooper 2006). The population is the total collection of elements about which we wish to make inferences, in this study all managers/supervisors are the population. Jankowicz (1991) provided a definition of a sampling which pays particular attention to choosing a certain number of people from which the data will be drawn, this collection of people represent a larger population over which the conclusions can be generalised. Sekaran and Bougie (2010) suggest that researchers can draw conclusions regarding populations by analysing the sample. Sampling allows for studies to be conducted within manageable time frames and far more cost effectively. Sekaran and Bougie (2010) stated that it is important to attain data from an entire population. Jankowicz (1991) supported this notion. Sample relevance and representation of a population is critical to the study.

3.5.1 Sampling Design

According to Sekaran (2006) there are two major types of sampling designs: probability and non-probability sampling. In probability sampling, the elements in the population have some known chance or probability of being selected as sample subjects. In non-probability sampling, the elements do not have a known or predetermined chance of being selected as subjects. Sekaran (2006) suggested that probability sampling designs are utilised when the representativeness of the sample is of importance in the interests of wider generalisation. Non-probability sampling is generally used when time or other factors become critical. Each of these types of sampling design has different sampling techniques. For the purpose of this study non-probability sampling is used. The study seeks to identify the effectiveness of performance management at Bidvest Bank Ltd in a timely and cost effective manner. In non-probability designs, the elements in the population do not have any probabilities attached to their being chosen as sample subjects. According to Sekaran

(2006) there are two major types of non-probability sampling designs, namely purposive sampling and convenience sampling. Sekaran (2006) suggested that convenience sampling is achieved through the collaboration of data from individuals who happen to be conveniently able to supply such data.

Purposive sampling is a technique directed at specific target groups and is confined to specific types of people who can provide the desired information, either because they are the only ones who have the information, or conform to some criteria set by the researcher. Purposive sampling includes judgement and quota sampling (Sekaran 2006).

For the purpose of this study judgement sampling is best suited. Sekaran (2006) explained that judgement sampling includes choosing subjects who are best suited to provide the information required, in this case managers, supervisors and specialists are best positioned to provide the information required for the study. The effectiveness of performance management is linked to organisational success, and based on the information gained in this study, inferences will be made from the responses gained. Managers and supervisors were suitably positioned to achieve the required parameters of the study, in terms of their demographic status and employment status. Thus they were chosen as the population for this research. The sample size was based on a table designed by (Krejcie and Morgan 1970 cited in Sekaran 2006). Two hundred and forty managers and supervisors are currently employed at Bidvest Bank Ltd. Based on this population the sample size for this study is 148.

3.6 Data Collection Strategies

It is best to visualise the distinction between qualitative and quantitative research as a continuum. All research methods could be placed somewhere between the extremes of pure quantitative and pure qualitative research (Jackson, 1995).

Qualitative and quantitative methods may be used to collect data for research. It is important that the research method selected aligns with the type and nature of the study being conducted. Sekaran (2006) described a qualitative study as, research which involves the analysis of information that is descriptive in nature and not readily quantifiable. Thomas (2003) explained that qualitative studies occur whilst dedicating descriptive characteristics to events and people, without the use of specific measurements.

Quantitative studies focus more specifically on assigning measurements toward the understanding of events and people being studied (Thomas 2003). Sekaran and Bougie (2010) suggested that data can be quantitative and collected through means of structured questions, or that data can be qualitative and extracted from open ended questionnaires. There happens to be a number of research data collection methods; questionnaires, observations, interviews and unobtrusive methods. Each of these methods presents its own advantages or disadvantages. According to Sekaran and Bougie (2010) efficiency, accuracy and flexibility are all advantages of data collection methods. Company records may present accuracy of data extracted. Questionnaires may offer efficiency by saving the researcher time and money. Flexibility may be found through the interview process. Cooper and Schindler (2006) suggest that data can be collected during a single observation or through a multinational survey. Leedy (1997) stated there are two words that you will encounter repeatedly in research methodology, namely; validity and reliability. They are used primarily in connection with measurement instruments. Leedy (1997) described validity as being concerned with the soundness and the effectiveness of the measuring instrument. Reliability as defined by the Oxford dictionary (1998) as the ability to be trusted, predictable or dependable. According to Leedy and Ormond (2001) reliability occurs when certain measures constantly provide a similar indication of results. It has been suggested by Alreck and Settle (1995) that the most common form of data collection method is a questionnaire. Subjective and objective data may be extracted using questionnaires. Sekaran (2006) suggested that questionnaires can be electronically or personally administered. Questionnaires have the ability to extract the required information regarding the objectives set out by the study.

3.6.1 Questionnaire Design

In order to extract accurate information a questionnaire needs to be well thought out and planned correctly. According to Sekaran and Bougie (2010) questionnaires are an efficient means to collect data, and are common place amongst surveys. The questionnaire design is closely related to the research objectives. Sekaran and Bougie (2010) suggested that a questionnaire is a prepared set of questions, administered to the sample population. The sample is normally asked to record the answers from a closely contested group of

alternatives. Brace (2008) suggested that the objectives usually provide a guideline, of which data needs to be collected.

When designing the questionnaire used for the purpose of this study, particular attention was paid to the objectives mentioned earlier in this chapter. The objectives were identified after reviewing literature available about this topic and this literature was discussed in chapter 2. Table 3.1 reflects the design of the questionnaire in terms of the objectives.

Questions	Purpose
1-9	Determine the demographics of the respondents, such as age, gender, race and marital status.
14, 17 and 21	Determine the effectiveness of performance management at Bidvest Bank Ltd.
12, 13, 16 and 24	Determine how management views performance management.
11, 15, 18, 19, 20 and 25	Establish how management view the appraisal procedure, related to performance management.
22 and 23	Determine how management feel regarding new age performance management techniques.
10	Examine how strategic intent of the organisation links with performance management.

Table 3.1 Design of Questionnaire

The questionnaire was designed to answer the objectives of the study, in order to provide recommendations regarding the best practice associated with performance management at Bidvest Bank Ltd.

The use of an introduction letter is important, Sekaran and Bougie (2010) suggested that the use of an introduction aids the respondent's motivation to take part in the study, and is a good way for the researcher to build trust amongst the respondents. It assures confidentiality of the respondent's feedback.

The questionnaire (Appendix 1) was designed using the funnelling technique. Sekaran and Bougie (2010) described funnelling as a technique whereby broad questions are asked initially and questions thereafter become more focused.

According to Sekaran and Bougie (2010) questionnaires should remain unbiased, and should not influence the respondent's answers. The use of double barrelled questions should be avoided as this could lead to respondent's becoming confused when answering questions. Sekaran and Bougie (2010) suggested that questions should be worded in a way that matches the level of understanding of the respondents. Questions which elicit strong emotional responses should be avoided.

Questionpro allowed the survey to be delivered electronically to the respondents. Questionpro is an internet based tool utilised to administer questionnaires. Brace (2008) described the routing of questions; such branching of questions is made possible on Questionpro. For example, if a respondent answered "yes" to question 12 in the survey he or she would be able to proceed to question 13, however if a respondent answered "no" to question 12 in the survey, the respondent would automatically be routed to question 14, thus bypassing question 13 as there would be no relevance in the respondent answering question 13.

3.6.2 Scaling

Scaling as described by Sekaran (2006) provided a useful tool to distinguish which individuals prefer certain variables within the research study. Sekaran and Bougie (2010) suggested the higher the intricacy of the scaling the more advanced the analysis of the data, this may result in more meaningful responses to the questions presented within the survey. A variety of question styles were used in order to ensure that the respondent remained alert whilst answering the questions. The different scaling used within the survey will allow for inferences to be made with the data collected. Sekaran and Bougie (2010) referred to four scales that can be used to measure the relationships between variables. These are;

- Nominal scale -Differences are reflected by clarification of objects or people in a group.
- Ordinal scale -Ranking categories of nominal scale provides information relevant to the study.
- Interval scale -Difference between variables, in addition to ranking.
- Ratio scale- Reflects the proportion and magnitude of differences between variables.

The questions making up the questionnaire were as follows:

- Multiple choice single answer: Questions 1-12, 14, 16-19, 21, 22 and 25
- Likert scales: Question 23
- Ranking type Questions 13, 15 and 20

Ranking questions gave the respondents the ability to rank objectives in relation to one another. A specific number of choices helped make the process easier for the respondent (Sekaran and Bougie 2010). Sekaran and Bougie (2010) described Likert scale as an interval scale, this scale type allows for the arithmetic operations to be conducted. Likert scales allow for the categorisation of individuals, and also allows for the measurability in differing preferences amongst individuals. Sekaran and Bougie (2010) explained the importance of the appropriate scales to the data collected. Validity and reliability tests can be conducted to assess the data collected.

3.6.3 Questionnaire Administration

Sekaran and Bougie (2010) highlighted advantages of electronic surveys as follow;

- Ease of administration
- Inexpensive
- Speedy delivery to respondent
- Respondent may answer questionnaire at their own time

LeClaire (2008) suggested that QuestionPro is a user friendly tool which allows for the respondent to explore a variety of questioning techniques. QuestionPro requires little technical know-how, whilst producing meaningful results.

3.7 Validation and Pretesting

Validation is the process utilised to ensure reliability. The pre-test is utilised as a checking mechanism, it is sent out to test the questionnaire prior to sending the questionnaire to the sample intended for the study.

3.7.1 Validation

According to Makay and Gass (2005) it is important to ensure that the results of any study are valid. Results of a study need to be relevant and significant to the study at hand. Sekaran and Bougie (2010) suggested that validity is used to identify whether the questionnaire is supporting the overall concept of the study being conducted. Validity evaluates the data instrument pertinent to the study. Leedy (1997) stated validity is concerned with the soundness and the effectiveness of the measuring instrument. In a standard test, for instance, validity would raise such questions as, what does the test measure? How well and how accurately does it measure it? Does it measure what it is supposed to measure? According to Leedy and Ormond (2001) there are several types of validity;

- Face validity: is concerned with the subjective judgement of the researcher.
- Criterion-related validity: employs two measures of validity, the second assessment instrument as a criterion check against the accurate correlation of the first related measure.
- Content validity: is the accuracy with which an instrument measures the representative sample, factors or situations under study.
- Construct validity: is any concept such as honesty that cannot be directly observed or isolated.

- Internal validity: is the freedom from bias in forming accurate conclusions about the cause and effect within the data.
- External validity: is concerned with the generality of the conclusions reached from a sample to other cases.

Content validity and construct validity are used in this study to test validity. A pilot study and feedback from the research supervisor helped identify content validity for this study. Correlation testing was used to establish construct validity within the survey. Credibility must always be measured against the objectives of the study. In this case the objective was to identify the effectiveness of performance management at Bidvest Bank Ltd.

3.7.2 Pretesting

Sekaran and Bougie (2010) maintained that pretesting eliminates the possibility of ambiguity within the questionnaire, it also provides clarity of understanding towards the questions. Pretesting is the final step undertaken to improve survey results (Schindler and Cooper 2006). It allows for the assessment of instruments and questions before the survey goes out to the intended respondents or sample.

Schindler and Cooper (2006) highlighted the following advantages of pretesting;

- Innovative ways to engage the respondents.
- Identifying the problems with question content, wording and sequencing.
- Increasing the likelihood of respondents completing the questionnaire.
- Constantly reviewing the questionnaire.

A pilot test was conducted on a group of 15 staff members at Bidvest Bank Ltd. Amendments to various questions were all in aid of streamlining the questionnaire and added value to the logical flow of the line of questioning. All feedback was positive amongst the pilot study.

3.8 Data Capture Method

The questionnaire used in this study was distributed via the internet, using QuestionPro to a distribution list which was predetermined by the researcher. This provided the fastest, most convenient and economical way to distribute the survey. It also ensured that the data collected from the survey was accurate. According to Sekaran and Bougie (2010) once the data has been collected, the information had to be coded. This meant assigning a number to the respondent's feedback that could be entered into a database.

3.9 Analysis of the Data

According to Sekaran and Bougie (2010) by checking the central tendency or by obtaining a visual summary, the researcher can gather a sound understanding of the data collected from the study. Standard deviation, median, variance and mode provide insight towards the respondent's reaction to the questionnaire. Scales reflecting small variances in results may indicate questions that may have been worded incorrectly (Sekaran and Bougie 2010).

3.10 Summary

This chapter has outlined the various methods of research utilised to design the study. The chapter has discussed the objectives of the research and defined the aim of the study. Chapter 3 has also defined the participants of the research and introduced the location of the study. Chapter 4 allows for the presentation of the results, extracted from the data attained from the questionnaire.

CHAPTER FOUR

Presentation of Results

4.1 Introduction

This chapter presents the data gathered from respondents of the questionnaire that was electronically administered amongst the supervisors, managers and specialists at Bidvest Bank Ltd. The data was gathered in accordance with the research methodology described in chapter three. One hundred and seventy subjects participated in the study, of which 114 completed responses were received, resulting in a completion rate of 67.06%. The average time taken to complete the survey was approximately 14 minutes. Presentation of results pertaining to this survey will be set out in two sections. The first section will discuss the demographic profile of the respondents. The second section will present an analysis of the data in relation to the objectives of the study.

4.2 Demographic profile of respondents

	Demographics	Percentage
Age	20-29	25%
	30-39	40%
	40-49	25%
	50-59	9%
	60>	1%
Gender	Male	37%
	Female	63%
Race	White	64%
	Black	10%
	Indian	14%
	Coloured	12%
Marital status	Single	28%
	Married	55%
	Divorced	13%
	Separated	2%
	Widowed	1%
Number of Dependents	None	41%
	1	18%
	2	24%
	3	13%
	More than 3	4%

Table 4.1 Demographic profile of respondents

Table 4.1 illustrates that the majority of the respondents were White females aged 30 to 39. It is evident that the majority of the respondents although married did not have any dependents.

4.2.1 Performance management as a constructive process

Respondents were asked if they saw performance management as a constructive process. This question was central to the study and highlighted the respondent's perception toward performance management at Bidvest Bank Ltd being a constructive process. This information was further analysed and observations were made about the relationship that existed between the respondent's demographics and their feelings toward viewing performance management as a constructive process.

Do you see performance management as a constructive process

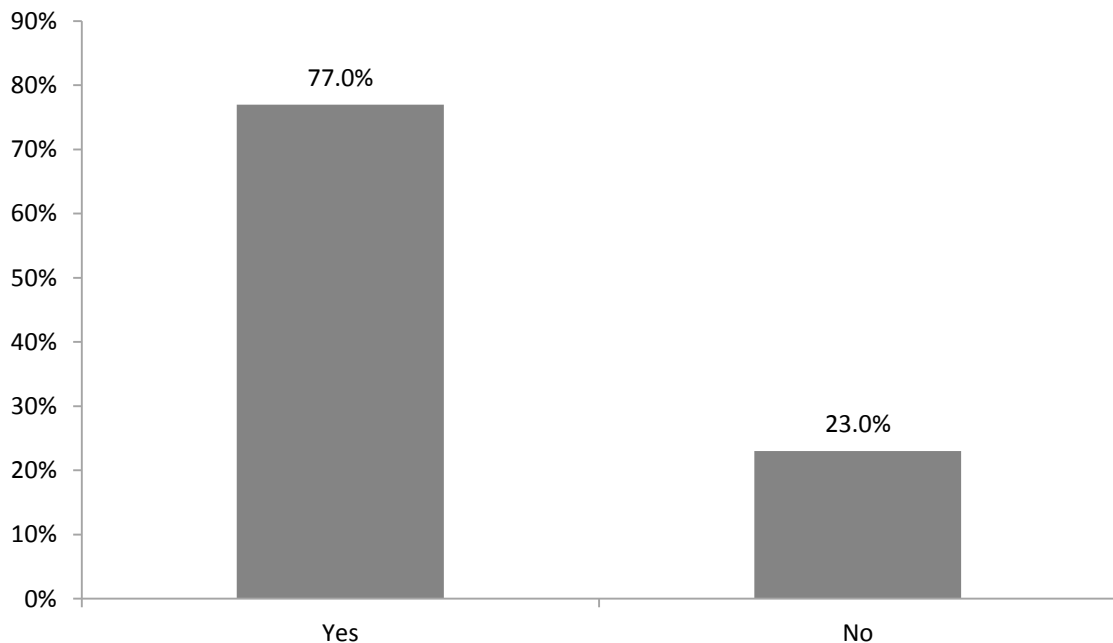


Figure 4.1 Performance management as a constructive process

As reflected in Figure 4.1 the majority of the respondents 77% agreed that performance management is seen as a constructive process. The remaining 23% suggested that performance management was not to be seen as a constructive process.

4.2.1.2 Relationship between age and performance management as a constructive process

n=148		Performance management as a constructive process		
		Yes	No	Total
Age	20-29	18.4%	6.6%	25%
	30-39	30.9%	9.2%	40.1%
	40-49	21.1%	3.9%	25%
	50-59	5.3%	3.3%	8.6%
	60>	1.3%	0%	1.3%
	Total	77%	23%	100%

Table 4.2 Respondents age in relation to performance management as a constructive process

Table 4.2 reveals the distribution of age from the data extracted from the sample. The age of the respondents was then cross tabulated with their perception of performance management being a constructive process. It is evident that the age group 30-39 were the majority (30.9%) in terms of performance management being a constructive process. It is important to note that the same age group were the highest (9.2%) who did not see performance management as a constructive process.

4.2.1.3 Relationship between race and performance management as a constructive process

n=148		Performance management as a constructive process		
		Yes	No	Total
Race	White	50.0%	13.5%	63.5%
	Black	8.1%	2.0%	10.1%
	Indian	12.2%	2.0%	14.2%
	Coloured	6.1%	6.1%	12.2%
	Total	76.4%	23.6%	100%

Table 4.3 Respondents race in relation to performance management as a constructive process.

Table 4.3 indicates that 63%, making up the majority of the sample were female. The remaining 37% of the sample were male. Across the entire sample of respondents 46.4% of females agreed that performance management was to be seen as a constructive process, 30.5% of males agreed to performance management being seen as a constructive process.

4.2.1.4 Relationship between gender and performance management as a constructive process

n=148		performance management as a constructive process		
		Yes	No	Total
Gender	Male	30.5%	6.6%	37%
	Female	46.4%	16.6%	63%
	Total	77%	23%	100%

Table 4.4 Respondents gender in relation to performance management as a constructive process.

It is evident from Table 4.4 that the White race made up the majority of respondents who believed that performance management is a constructive process (50%). The next highest percentage (12.2%) is made up of Indians. Black respondents made up (8.1%) of respondents who believed that performance management is a constructive process. It is interesting to note that 6.1% of respondents who were Coloured agreed that performance management was a constructive process, however an equal number (6.1%) of Coloured's suggested that performance management was not a constructive process.

4.2.1.5 Highest level of education achieved

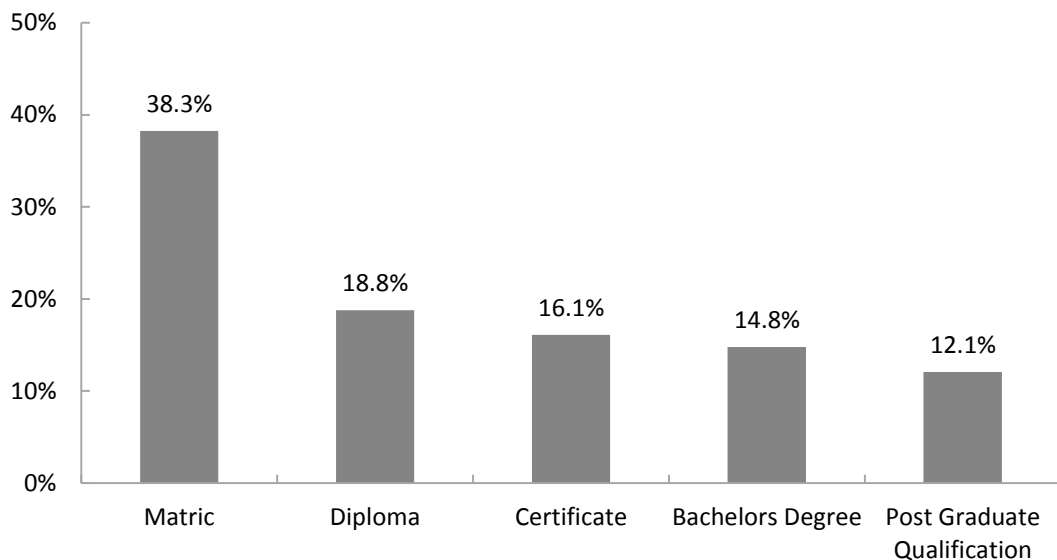


Figure 4.2 Respondents highest level of education

From Figure 4.2 it is evident that those respondents holding only a matric level of education made up the majority of the sample 38.3%, followed by those respondents holding a diploma at 18.8%. It is also evident that 16.1% of the sample have certificates, 14.8% of respondents hold bachelor degrees and only 12.1% of respondents hold post graduate qualifications. It is clear that matric qualifications with regard to level of education dominated the overall qualifications within the sample at Bidvest Bank Ltd.

4.2.1.6 Relationship between highest level of qualification achieved and performance management as a constructive process

n=148		Performance management as a constructive process		
		Yes	No	Total
Level of education	Matric	25.5%	12.8%	38%
	Certificate	15.4%	0.7%	16%
	Diploma	12.8%	6.0%	19%
	Bachelors Degree	13.4%	1.3%	15%
	Post graduate	10.7%	1.3%	12%
	Total	77.8%	22.2%	100%

Table 4.5 Relationship between education levels and performance management as a constructive process.

As indicated in Table 4.5 above, those respondents that had a matric certificate also held the highest percentage (25.5%) with regards to perceiving performance management as a constructive process. It also clearly indicates that that same level of respondents who achieved matric qualifications had the largest number of negative reaction to the question regarding performance management as a constructive process (12.8%). The largest difference in perception between performance management being seen as a constructive process in relation to it not being seen as constructive in any way, was the gap between post graduates, of which 10.7% of respondents who held post graduate qualifications agreed that performance management was a constructive process paired with only 1.3% of post graduate qualifications suggesting that performance management was not a constructive process.

4.2.1.7 Current level of employment

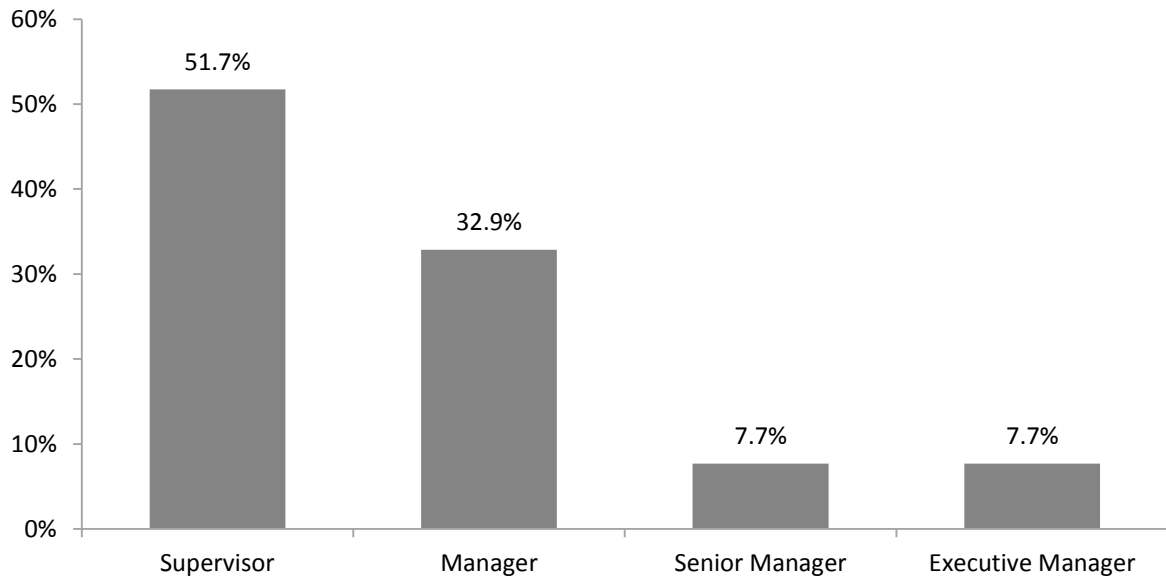


Figure 4.3 Level of employment amongst respondents.

Figure 4.3 reveals that those respondents falling in the supervisor and manager levels of employment made up the majority of the sample at 85%, followed by the executive manager and senior manager levels of employment at 8% and 7% respectively.

4.2.1.8 Relationship between current level of employment and performance management as a constructive process

n=148		Performance management as a constructive process		
		Yes	No	Total
Level of employment	Supervisor	37.8%	14.0%	51.8%
	Manager	25.2%	7.7%	32.9%
	Senior Manager	5.6%	2.1%	7.7%
	Executive Manager	7.7%	0.0%	7.7%
	Total	76%	24%	100%

Table 4.6 Respondents level of employment and their views on performance management being seen as a constructive process.

Table 4.6 reveals that 37.8% of respondents who held supervisor positions within the bank felt that performance management can be seen as a constructive process, whereas 14% of respondent who were at supervisor level did not feel performance management was constructive. Respondents at manager level who believed that performance management was a constructive process was 25.2%, whereas 7.7% of respondents at the same level felt that performance management was not a constructive process. Interestingly 7.7% of respondents at executive management level saw performance management as constructive and none of respondents at executive level felt that performance management was of no value.

4.2.1.9 Duration of time in current position

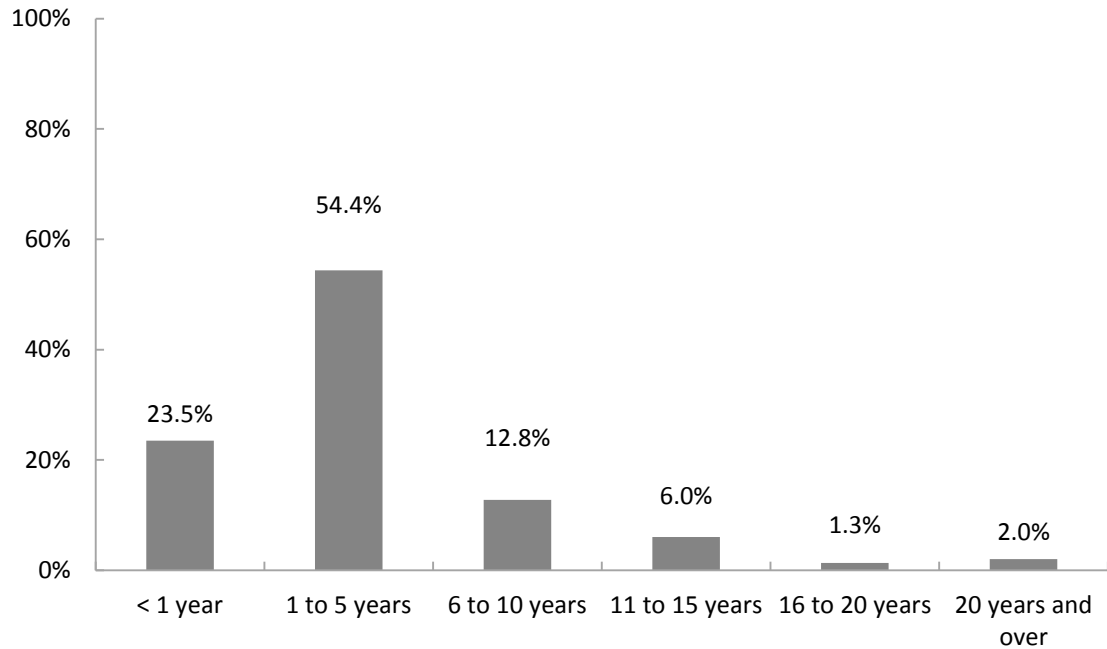


Figure 4.4 Length of time current position has been held.

It is evident from Figure 4.4 that those respondents who have held positions of employment between 1 and 5 years made up the majority of the sample at 54.4%. It is evident that 77.9% of the respondents were fairly new in their positions.

4.2.1.10 Relationship between duration of time in current position and performance management as a constructive process

n=148		Performance management as a constructive process		
		Yes	No	Total
Years in current position	<1	20.1%	3.4%	23.5%
	1-5	38.3%	16.1%	54.4%
	6-10	9.4%	3.4%	12.8%
	11-15	5.4%	0.7%	6.1%
	16-20	1.3%	0.0%	1.3%
	20>	2.0%	0.0%	2.0%
	Total	76.4%	23.6%	100%

Table 4.7 Duration in current position in relation to performance management being seen as a constructive process.

Table 4.7 revealed that those respondents that held their positions between 1 and 5 years also had the highest percentage of responses (38.3%) which suggest that performance management is perceived to be a constructive process, followed by those respondents who had been with the company for no longer than a year at 20.1%. It appears that the longer the respondents had maintained their position at the bank, the less likely they were to report performance management as not being constructive. Respondents who had held their positions within the bank between 11 and 15 years was 0.7% and found that performance management was non constructive. None of respondents who had been employed by the organisation for 16 and more years viewed performance management as non constructive.

4.2.2 Level of responsibility

How many subordinates do you have	Percentage
1 to 5	61.1%
6 to 10	11.8%
Greater than 10	27.1%

Table 4.8 Number of subordinates reporting to management

61% of respondents had 1-5 subordinates reporting to them, 12% of the respondents had between 6 and 10 subordinates reporting to them and 27% of managers had more than 10 subordinates reporting to them.

4.3 Analysis of the Objectives

This section analyses the data in relation to the objectives set out for the study. The questions analysed in this section of the chapter used a variety of rating scales. These scales ranged between single and multiple choice answers and also incorporated both Likert and ranking scales.

4.3.1 Objective 1: To determine the effectiveness of performance management at Bidvest Bank Ltd. (Questions 14, 17 and 21 were constructed and analysed to meet this objective).

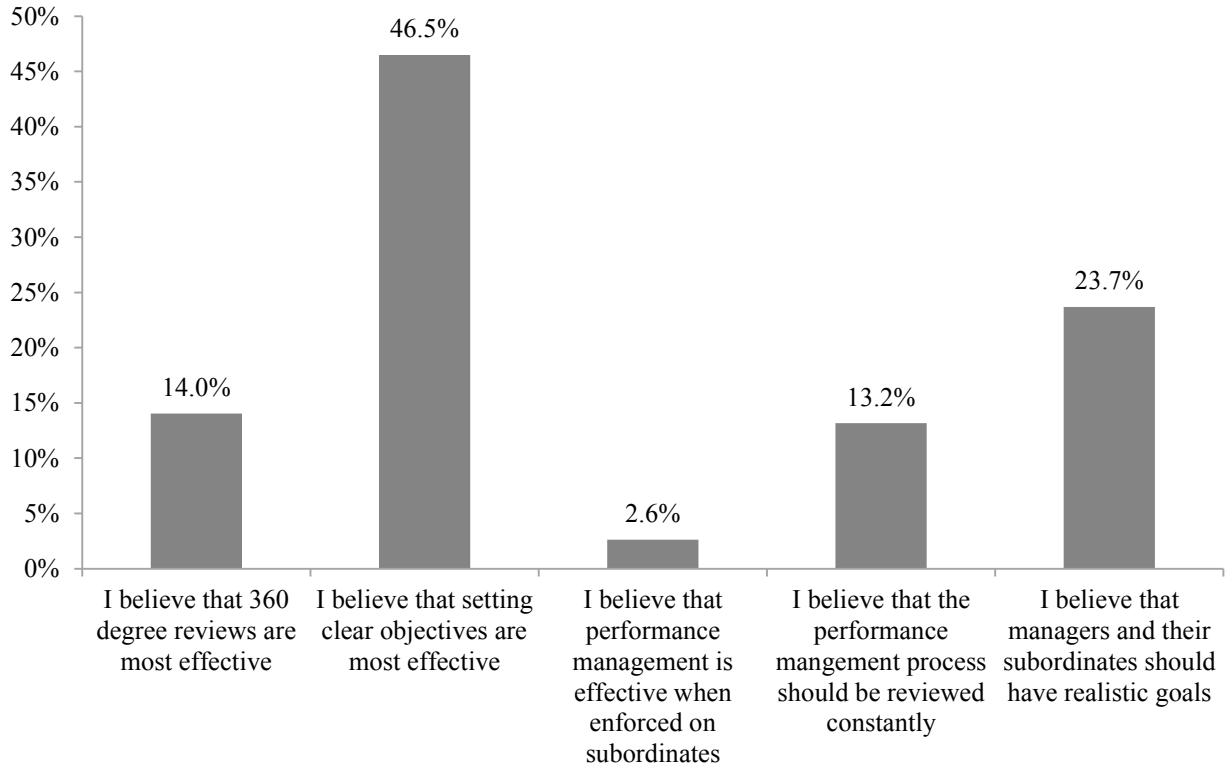


Figure 4.5 Factors encouraging effective performance management

Figure 4.5 reveals that 46.5% making up the majority of respondents felt that setting clear objectives was the most important factor encouraging effective performance management. This percentage was followed by 23.7% of respondents who felt that managers and subordinates should have realistic goals when establishing effective performance management. It can also be noted that 13.2% of respondents believed that the performance management process should be reviewed constantly. The least amount of respondents at 2.6% believed that performance management is effective when enforced upon subordinates.

4.3.1.2 Which of the options best describes the current performance management practice at Bidvest Bank Ltd

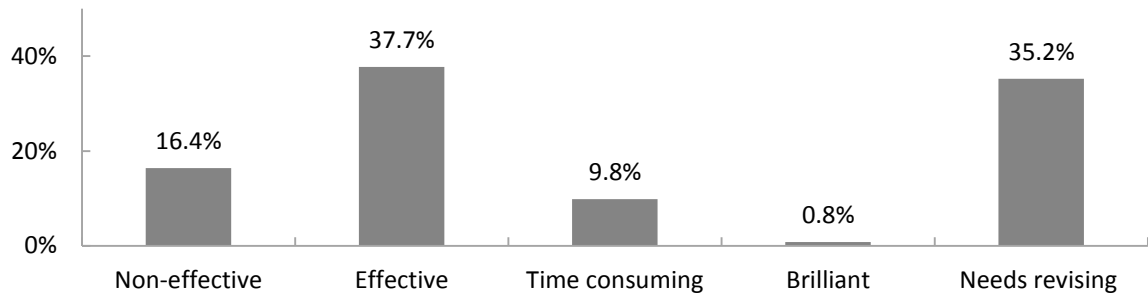


Figure 4.6 Current performance management at Bidvest Bank Ltd

Figure 4.6 reveals the perceptions of respondents toward current performance management practices at Bidvest Bank Ltd. These are interesting findings with regards to this question. Respondents who thought the current performance management system at Bidvest Bank Ltd was effective was recorded at 37.7%, a further 35.2% suggested that the current performance management system needed revising. In addition to this a further 16.4% respondents suggested that the performance management practice was non-effective and 9.8% reported the practice to be time consuming. In addition, 0.8% of the sample reported the current performance management practice to be brilliant. The total percentage of respondents who claimed that the current performance management practice to be needing revision, time consuming and non-effective was a staggering 61.4%.

4.3.1.3 Do you feel that the current performance management system within the bank delivers:

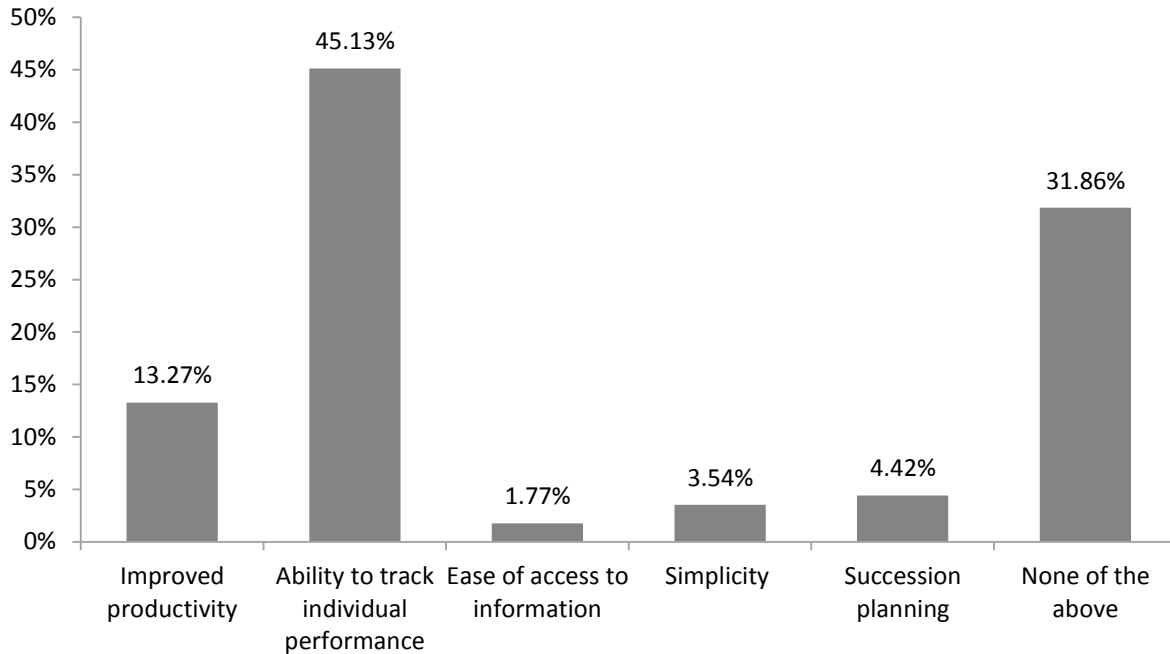


Figure 4.7 Current delivery of performance management at Bidvest Bank Ltd.

The current performance management system employed by Bidvest Bank Ltd delivers the ability to track individual performance, according to the respondents 45% believed this to be the case. Thirteen percent (13%) of the respondents claimed that the performance management system delivered improved productivity. Respondents felt that succession planning and simplicity were delivered at 4% each. Respondents felt that the current performance management system delivered only 2% accessibility to information, whilst 32% of respondents felt that the current performance management system delivered none of the above mentioned factors.

4.3.2 Objective 2: To determine how management view performance management
(Questions 12, 13, 16 and 24 were analysed to meet this objective)

4.3.2.1 Do you see performance management as a constructive process

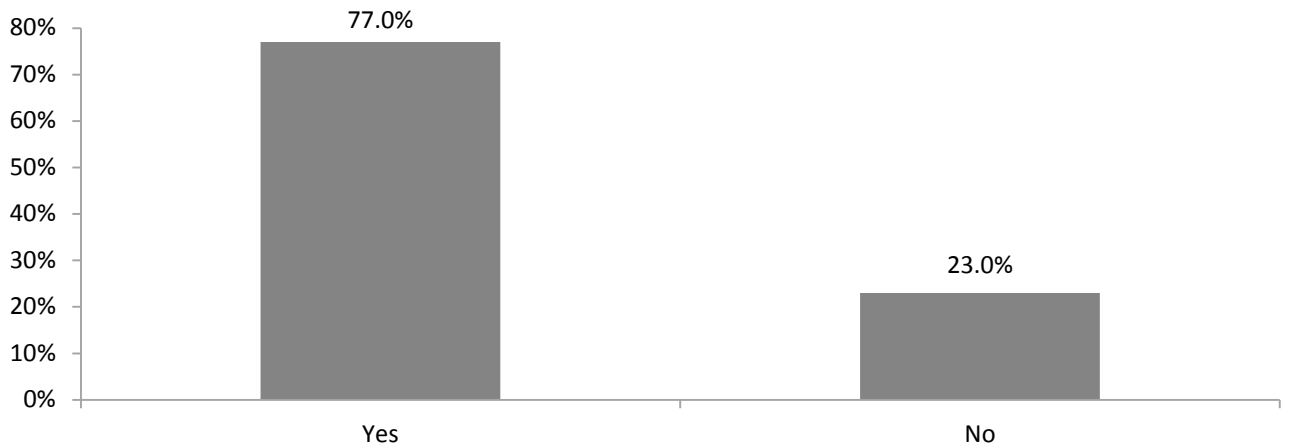


Figure 4.8 Performance management as a constructive process

Figure 4.8 reveals that the majority of respondents at 77% felt that performance management is a constructive process, whereas 23% of the sample felt that performance management was not a constructive process. This question was used in the cross tabulation of demographic data of the sample. The sample population's age, race and gender were cross tabulated with whether performance management was seen as a constructive process. This was conducted earlier in this chapter.

4.3.2.2 Factors supporting performance management as a constructive process

Factor	Most Important	Important	Neutral	Unimportant	Least Important
Helps promote productivity	29.1%	25.0%	23.8%	14.3%	8.2%
Guides succession planning	19.8%	22.6%	17.9%	20.2%	18.8%
Provides strategic focus	23.3%	22.6%	19.1%	17.9%	16.5%
Motivates staff	17.4%	17.9%	19.1%	25.0%	21.2%
Encourages discipline	10.5%	11.9%	20.2%	22.6%	35.3%

Table 4.9 Factors found to support performance management

Table 4.9 looks at the factors which best support performance management as a constructive process amongst respondents who answered yes to question 12 in the survey. Respondents were asked to rate these factors above so that the researcher could gain an understanding of the factors that were most important. The above table provides an overview of the ratings. A few findings which help support the objective of the research would be that respondents felt that performance management helped provide a strategic focus and also helped promote productivity. A reported 29.1 % of the sample found that performance management helped promote productivity; these respondents saw this as most important. In addition to this a further 25% of respondents felt that performance management was an important factor contributing to productivity. A recorded 23.3% of respondents felt that performance management provided strategic focus; these respondents saw this factor as most important.

Another interesting point regarding the findings regarding performance management was that more of the sample fell on the unimportant side of the neutral line when it came to performance management having the ability to motivate staff, as 46,2% found performance management unimportant in staff motivation. Perhaps performance management is seen as a disciplinary tool.

4.3.2.3 Which of the following factors most appeals to management at Bidvest Bank Ltd

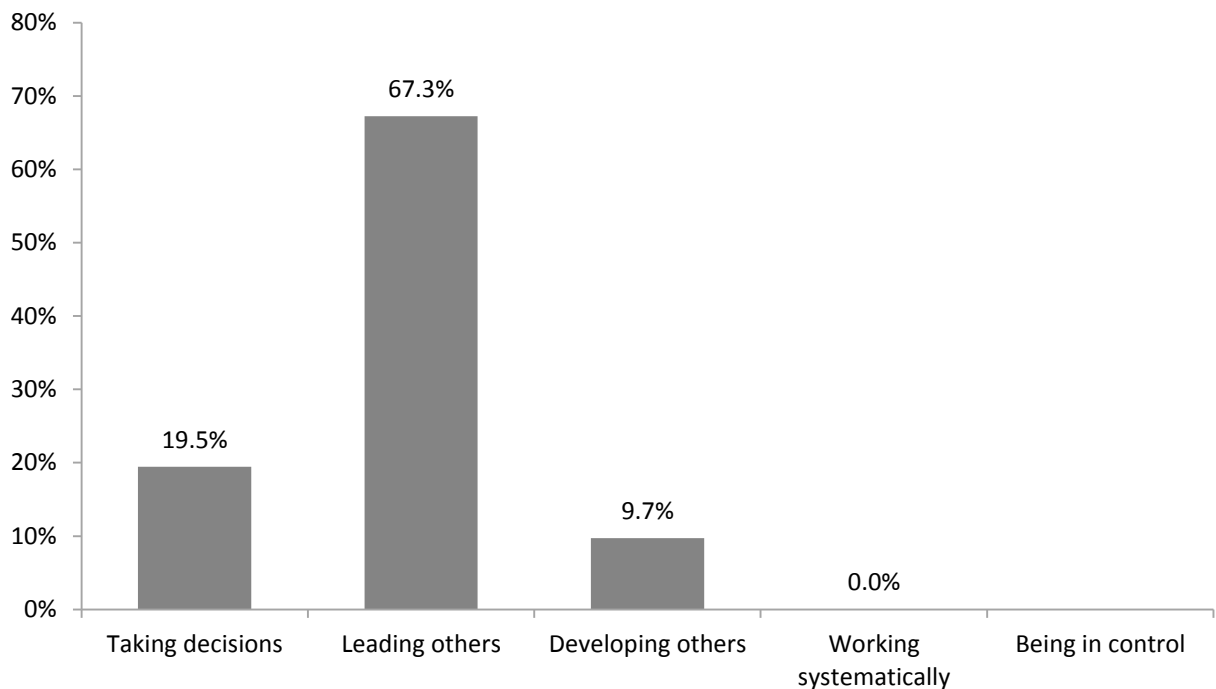


Figure 4.9 Factors appealing to Management

Figure 4.9 reveals that the majority of respondents at 70% believed that leading others appealed most as a manager. A recorded 20% of respondents felt that taking decisions, most appealed to them as managers. The figure also revealed that 10% of respondents were interested in developing others. Working systematically and being in control had no appeal whatsoever to managers at Bidvest Bank Ltd.

4.3.2.4 Performance management is

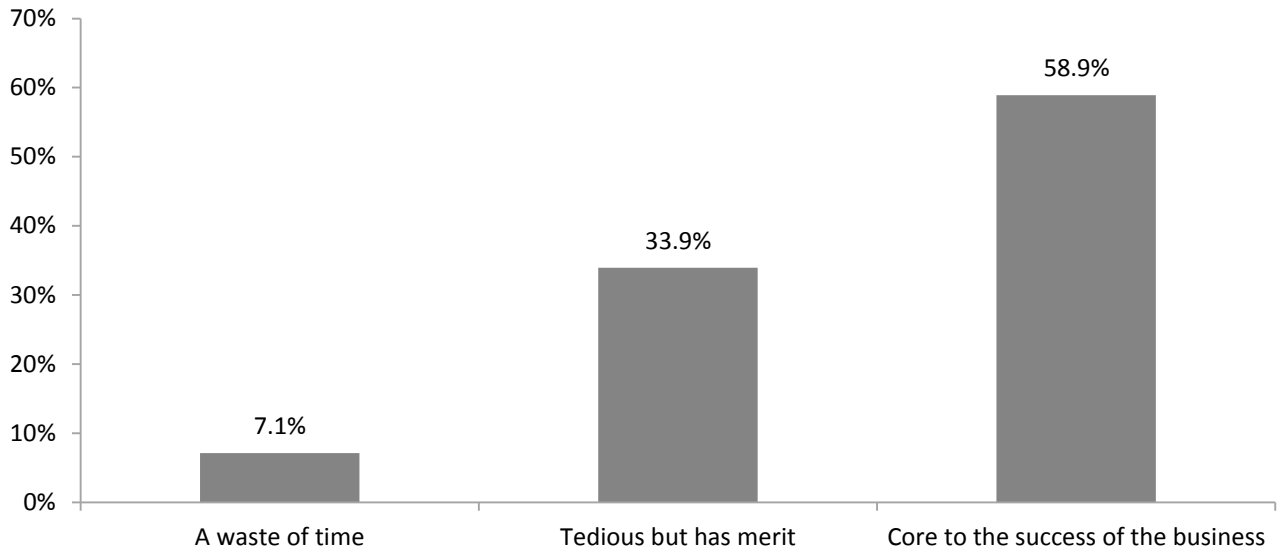


Figure 4.10 Management perception of Performance Management

Figure 4.10 is a reflection of how managers felt about performance management. It indicates that 58.9% of the sample felt that performance management leads to the success of the organization. A recorded 33.9% of the sample found performance management to be tedious but bears merit. Only 7.1% of respondents found performance management to be a waste of time. Overall management at Bidvest Bank Ltd agreed that performance management is core to the success of the organization.

4.3.3 Objective 3: To determine how management views the appraisal procedure related to performance management (Questions 11, 15, 18, 19, 20 and 25 were analysed to meet this objective)

4.3.3.1 How many performance appraisals have management completed

How many performance appraisals have you completed in your time at Bidvest Bank	Percentage
None	8.0%
1 to 5	33.8%
6 to 10	19.2%
11 to 15	8.0%
15>	31.1%

Table 4.10 Number of appraisals completed

Table 4.10 reveals that 8% of respondents had completed no performance appraisals in their time at the bank. The majority of the respondents at 33.8% had completed 1-5 performance appraisals during their time at the bank. The next highest percentage at 31.1% of respondents had completed 15 or more appraisals.

4.3.3.2 Important factors considered when appraising subordinates

Factors	N	Mean	Std D
A structured approach	109	2.59	1.321
A sense of urgency in completing the appraisal	109	4.35	1.205
An agreement of direction	109	2.50	1.135
A mutual set of goals to achieve	112	2.12	1.072
A feeling of accomplishment	110	3.43	1.145

Table 4.11 Factors that should be achieved when conducting performance appraisals

Table 4.11 reveals the factors that are important when conducting appraisals. The respondents to the survey were asked to rank their choices for each of the factors whereby 1 being the most important and 5 being the least important. The majority of the

respondents at a mean of 2.12 claimed that the most important factor to consider when appraising a subordinate is a mutual set of goals needs to be established. A mean of 2.50 was recorded regarding an agreement of direction to be the next most important factor when appraising subordinates. The next most important factor assigned to the appraisal process of subordinates was adopting a structured approach towards the appraisal, this reflected a mean of 2.59. A mean of 4.35 found that a sense of urgency in completing the appraisal process was the least important factor to management. A feeling of accomplishment was also unimportant and reported a mean of 3.43.

4.3.3.3 Time taken to perform the appraisal process

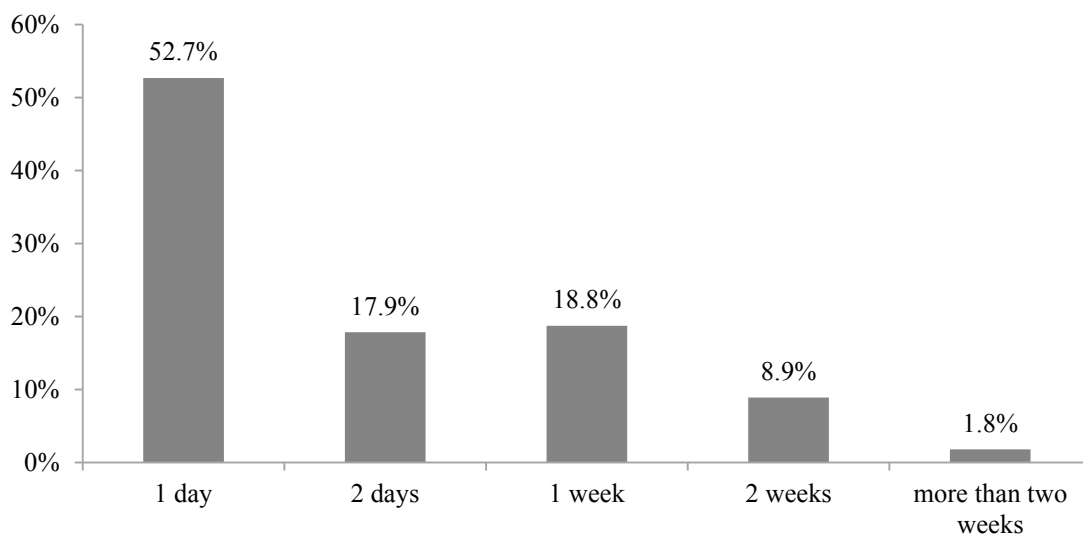


Figure 4.11 Length of time taken to perform appraisals

Respondents were asked how long it took to perform the appraisal process. The majority of the sample at 52.7% suggested a period of 1 day to complete the appraisal process. Figure 4.11 also reveals that 18.8% of respondents suggested a period of 1 week to perform the appraisal process. The time taken to complete the appraisal process may be directly linked to how effective the process is. Figure 4.11 also indicated that 1.8% of respondents agreed to the appraisal process taking more than 2 weeks to complete.

4.3.3.4 Managements level of understanding of the Balanced Scorecard

As a manager what is your level of understanding of the Balanced Scorecard	Percentage
Low	3.6%
Below average	1.8%
Average	45.1%
Above average	32.4%
High	17.1%

Table 4.12 Level of understanding of the Balanced Scorecard

Balanced scorecard is a critical element within the performance management process, and in order to achieve effective performance appraisals a high level of understanding of the balanced scorecard is desirable. Table 4.12 reveals that the majority of the sample at 45.1% indicated an average level of understanding of the balanced scorecard. A reported 32.4% of the sample reported an above average level of understanding of the balanced scorecard. A high level of understanding was recorded at 17.1% of the respondents. At least 50% of the respondents reported an average to low level of understanding with relation to balanced scorecard.

4.3.3.5 Important criteria related to conducting performance appraisals

Factors	N	Mean	Std D
Time taken to complete appraisal	111	4.66	1.729
Measurement criteria	111	2.77	1.221
How appraisal links to strategic objectives	111	2.79	1.336
Succession planning	112	3.43	1.406
Development of skills and knowledge	112	2.36	1.413
Reporting the appraisal	111	4.95	1.261

Table 4.13 Criteria important within performance appraisals

This table reflects how respondents perceived certain criteria relating to performance appraisals, and which criteria the sample felt was the most and least important. A rating of 1 represented the most important factor and a rating of 6 represented the least important factor. Table 4.13 indicates that when the sample were asked how important was the time taken to complete an appraisal, a mean score of 4.66 was reported, signifying a low level of importance. A mean score of 2.77 was associated with the measurement criteria relating to performance appraisals, suggesting that respondents found this criterion to be important. When respondents were asked how important the link between performance appraisals and strategic objectives were, a mean of 2.79 was recorded. This would suggest that this criterion was also considered important. Succession planning and its level of importance reflected a mean score of 3.43, indicating that respondents associated a lower level of importance regarding this criterion. The highest level of importance was associated to the criteria of development of skills and knowledge and a mean of 2.36 was reported, signifying that this was considered to be the most important criteria in relation to the appraisal process. The least important criteria associated with performance appraisals was that of reporting the appraisal, this reported a mean of 4.95.

4.3.3.6 How often do you review your subordinates key performance areas (KPA's)

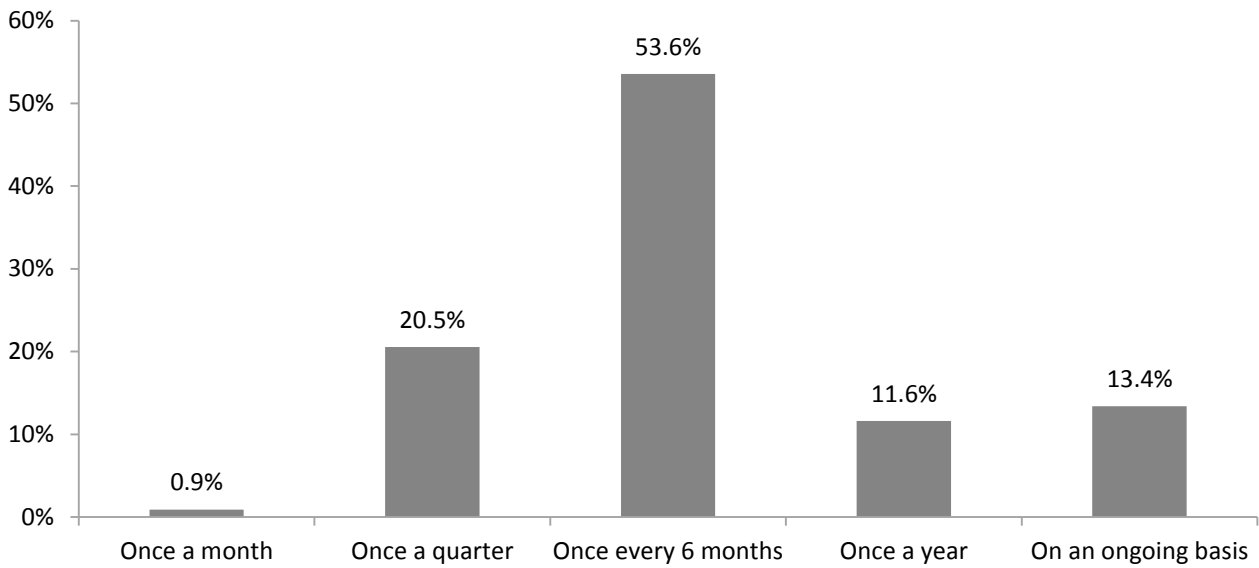


Figure 4.12 Frequency of key performance area (KPA) reviews

Figure 4.12 revealed that the majority of the sample at 52.6% suggested that subordinates key performance areas were reviewed every 6 months. A recorded 20.5% of respondents indicated that KPA's were reviewed every quarter and 13.4% of respondents reported that the key performance areas of their subordinates were reviewed on an ongoing basis. A level of consistency with regards to reviewing KPA's is preferable. According to the data collected, consistency across this measure does not exist.

4.3.4 Objective 4: To determine how management feel regarding new age performance management techniques (Questions 22 and 23 were analysed to meet this objective)

4.3.4.1 Would an online electronic performance management system appeal to you as a manager

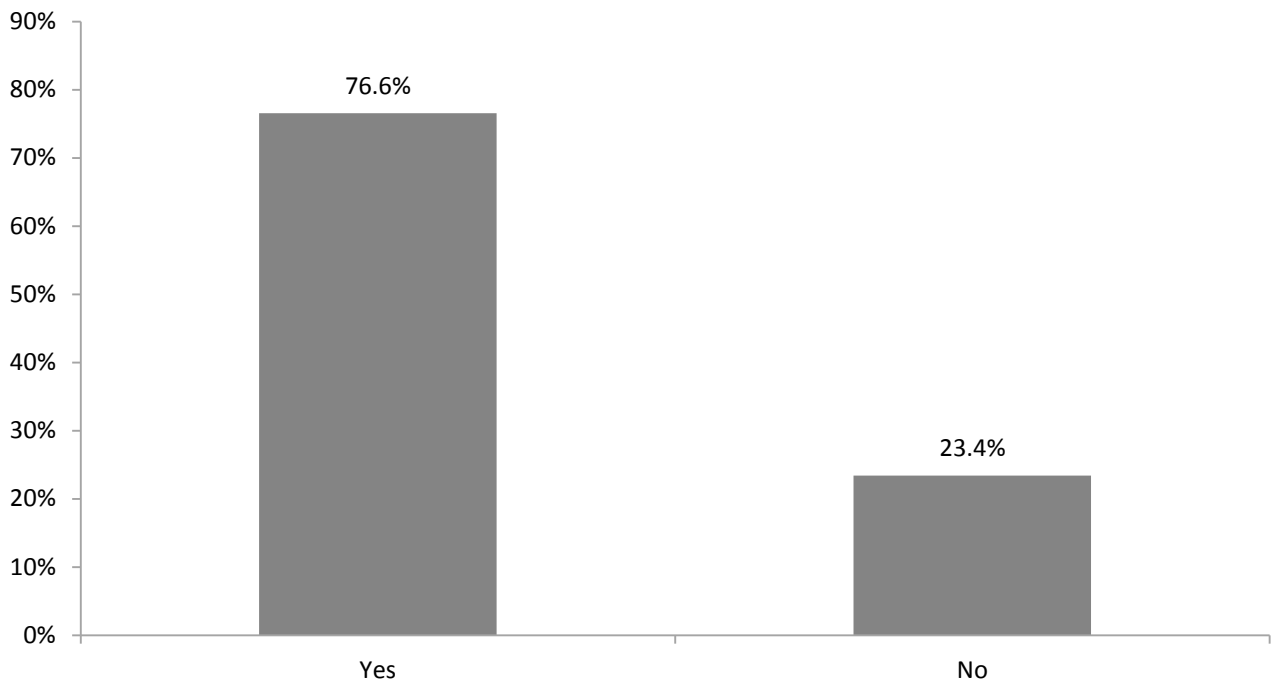


Figure 4.13 The appeal of online performance management

It clearly indicates in Figure 4.13 that the majority of respondents at 76.6% felt that electronic performance management was appealing. A recorded 23.4% of respondents felt that electronic performance management had no appeal to them as managers. It is clear that management felt strongly about the appeal of online performance management tools.

4.3.4.2 To what degree would the following performance management criteria be more effective if available online

Factors	N	Mean	Std D
Balanced scorecard creation	102	3.73	.946
Ability to set subordinate objectives and monitor results	102	4.18	.723
Send reminders regarding appraisals	103	3.72	.797
Provide full reporting on 360 degree reviews	101	4.01	.794
Track subordinates progress around objectives set during the last review	103	4.17	.692
Provide a secure environment in which to complete appraisals	103	3.94	.998
Generation of performance management reports	103	4.10	.748

Table 4.14 Effectiveness of online performance management

Table 4.14 reveals that the majority of the respondents at a mean of 4.18 placed important significance on online performance management to be able to set subordinate objectives and monitor results. A mean of 4.01 reported that respondents suggested that the ability to provide full reporting on 360 degree reviews as important. A high level of importance was placed on the ability to track subordinates progress around objectives set during the last review, reflecting a mean of 4.17. Neutral responses around balanced scorecard creation online came in at a mean of 3.73. The least important factor relating to online performance management was the ability to send reminders regarding appraisals, reflecting a mean of 3.72. The generation of performance management reports was also reported to be an important factor associated with online performance management tools, reflecting a mean of 4.10.

4.3.5 Objective 5: To examine how strategic intent of the organization links to performance management (Question 10 was analysed to meet this objective)

4.3.5.1 Performance management supports operational success

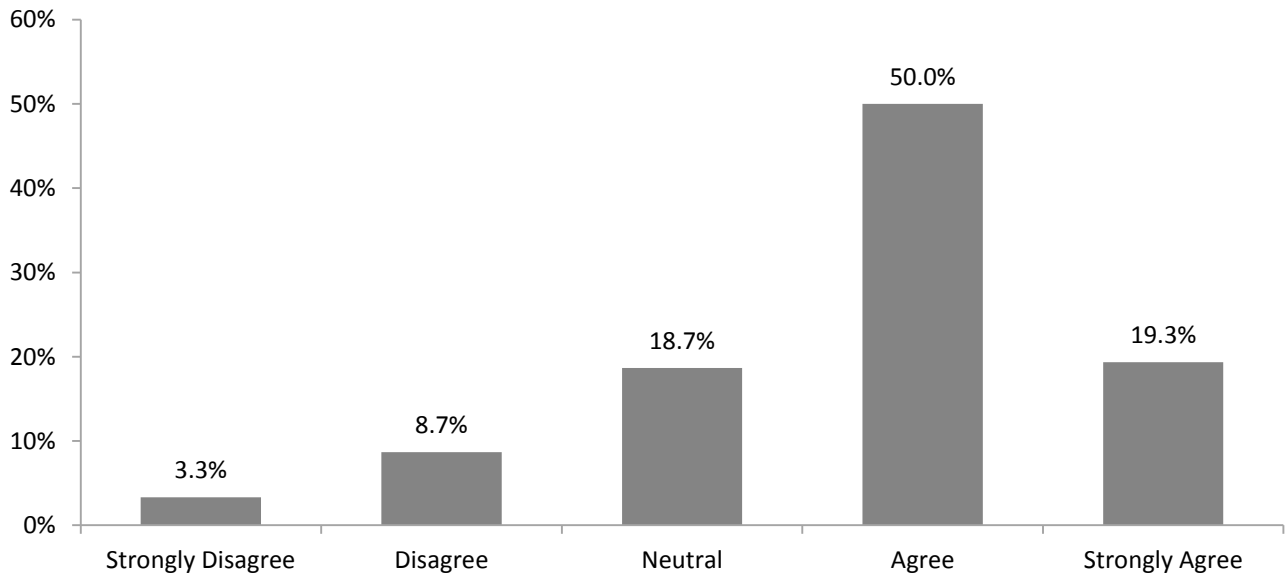


Figure 4.14 Performance management and its link to operational success

Figure 4.14 reveals that the majority of the sample at 50% agreed to the statement that performance management supported operational success and a further 19% of respondents strongly agreed to this statement. This indicates that 69% of the sample either strongly agree or agree that performance management supports operational success. Nineteen percent (19%) of respondents were neutral towards the statement, whilst 9% disagreed that performance management supports operational success and a further 3% strongly disagreed that performance management supports operational success.

4.4 Summary

This chapter presented an analysis of results that were obtained from the participants of this study. The analysis of the data revealed that all of the objectives that had been set out for this study have been met. The most salient findings from the research revealed that management agreed that effective performance management is directly linked to operational success, this however, was not the only finding amongst the data. These findings were all in line with the literature reviewed in Chapter 2 as explained by Armstrong (2000), that performance management is a strategic and integrated process that delivers sustained success to organizations by improving the performance of the people who work in them and by delivering the capabilities of individual contributors and teams. A full review of the results presented in this chapter will be discussed in chapter 5.

CHAPTER FIVE

Discussion

5.1 Introduction

This chapter will discuss the results that have been presented in chapter four. The chapter will provide a link between the literature presented in chapter two and the results of the data presented in chapter four. No research has been conducted on the effectiveness of performance management at Bidvest Bank Ltd in the past, however, where possible, results and associated references to the literature presented in chapter two will be incorporated in the discussion. The discussion will follow a structure of initially discussing the demographics of the respondents and the cross tabulation of the demographics with performance management as a constructive process. The discussion will then continue around the results presented for each of the study objectives. Data presented in chapter four is based on descriptive analysis, although this may be found to be a weaker form of analysis, it was best suited to the nature of this study.

5.2 Demographics

With respect to age, the majority of the population were between the ages of 30 and 39, this age group made up 40.1% of the population. Bidvest Bank Ltd has a higher percentage of managers, supervisors and specialists who fell into this age category than any of the other age groups. Performance management is a process designed to improve individual, organisational and team performance. This process is driven by managers suggests Armstrong (2000). The study was designed especially for the management of Bidvest Bank Ltd. Performance can be viewed as a yardstick of success; it is the result of achieving organisational objectives (Porter 1980). Respondents were asked if they viewed performance management as a constructive process, 77% of these respondents agreed that performance management was in fact a constructive process.

Looking at the demographics of the respondents and discussing how these demographics relate to this notion of performance management as a constructive process, it becomes clear that human nature lies behind the process of performance management. Drasfield (2000) stated that performance management “is a human resource management process”, and is concerned with achieving the best results from individuals within any organisation. Understanding the link between Bidvest Bank Ltd’s people and their views on performance management one can better understand how certain demographics might be manipulated to best structure a required performance outcome. It is evident that the age group 30-39 years were the majority (30.9%) in terms of performance management being seen as a constructive process.

With respect to gender the majority of the sample were female at 62.9 %, with males making up 37.1% of the population. Bidvest Bank Ltd has a higher percentage of females amongst its management staff compliment and this can be attributed to the percentage difference in gender. Females also tend to have a better grasp on administrative type roles and perhaps more patient toward systems and processes in banking. Across the entire population of respondents 46.4% of females agreed that performance management was to be seen as a constructive process, 30.5% of males agreed to performance management as being a constructive process. The total compliment of both genders who felt this way was 77%. Armstrong (2000) stated that performance management is a strategic process and contributes to the achievement of organisational success. Bales and Holton (1995) consider performance management to be a multi-dimensional construct. The inclusion of gender in relation to performance management is thus justified across “multi-dimensional” measures.

Whites made up the majority race group amongst management at Bidvest Bank Ltd (63.5%), followed by Indians at 14.2%, Coloureds at 12.2% and Blacks at 10.1%. Findings from the cross tabulation results indicated that Whites make up the majority of respondents who felt that performance management is to be seen as a constructive process. The percentage across this finding was 50%. Whites and Indians shared the highest percentage at 62.2% of all respondents who believed that performance management can be seen as a constructive process. It was interesting to note that according to data represented in Table 4.4 regarding Coloureds perception of performance management, an equal percentage of Coloured respondents viewed performance management as a constructive process (6.1%)

as those Coloured respondents (6.1%) who did not see performance management as a constructive process at all.

The highest level of education achieved amongst the respondents within the study was a matric qualification (38.3%). The next highest levels of education achieved amongst respondents were those holding a diploma of some description at 18.8%. Those respondents reporting holding a certificate as their highest level of education was 16.1%. When it came to degreed respondents the levels were considerably lower, 14.8% of respondents in the study had reported that their highest level of education was a bachelor's degree and a further 12.1% of respondents had post graduate qualifications. Temtime and Mmereki (2011) suggested that most companies have set requirements in place for managers to hold post graduate qualifications. It is apparent from the findings of this study that this criteria or standard discussed by Temtime and Mmereki (2001) has not been met at Bidvest Bank Ltd. In order for organisations to excel they should demand more from their employees in terms of skill set. It may be commendable that respondents with a matric level of education see performance management as a constructive process, but do they understand the deeper meaning of all the variables which make up the performance management process, and does the lack of education at management level prevent its managers and supervisors from being able to add true value to the organisation. Armstrong (2000) suggests that performance management is a process driven by managers. In order to drive any process, a certain level of understanding is required.

The majority of respondents (52%) were at supervisor level, followed by 33% of the respondents being at manager level. Executive managers made up 8% of the population. In addition to this a further 7% of respondents made up the senior management compliment at Bidvest Bank Ltd. From the cross tabulation in Table 4.6 it was evident that those respondents at supervisor level (37.8%) made up the majority of respondents who felt that performance management was a constructive process. The survey reported that 25.2% of managers at Bidvest Bank Ltd also agreed that performance management was a constructive process. The collective percentage of supervisors and managers within the sample made up 85% of the population, of which 63% supported the notion of performance management as a constructive process.

Respondents who had held their positions within the company between 1 and 5 years made up the majority at 54.4%, and happened to also be the majority who believed that performance management is a constructive process. The second largest group of respondents belonged to those who had held positions for less than a year at 23.5%. The cross tabulation in Table 4.7 indicated that the longer the respondent had held their position within the company, the less likely they were to state that performance management was not a constructive process. The highest percentage of respondents who did not view performance management as a constructive process at 19.5% had only held their positions within the company between 0 and 5 years, the remainder of the respondents made up 4.1% of the population who believed that performance management was not seen as a constructive process. Dransfield (2000) stated that performance management is only effective when it involves sharing and understanding of what needs to be accomplished. This supports the notion that a certain level of education is required to engage effectively in performance management and that the sharing of information is required in order to fully appreciate performance management, often as is the case in companies that sharing of knowledge is processed over time, and the longer you remain in that company the greater the level of understanding with regards to organisational processes.

5.3 Objective 1: To determine the effectiveness of performance management at Bidvest Bank Ltd

5.3.1 What encourages effective performance management

The majority of respondents (46.5%) believed that setting clear objectives was the most important factor encouraging effective performance management. The second highest factor encouraging effective performance management at 23.7% was the belief that managers and subordinates should have realistic goals. A probable reason as to why setting clear objectives was the most important factor with regards to the effective performance management could be that without direction as to where the individuals are heading would lead to uncertainty with regards to clear performance measurements. With regards to direction, Kaplan and Norton (1992, 2000) explained that correct design and implementation of objectives would improve communications of strategy and operational process alignment. The study showed that 23.7% of respondents felt that having realistic goals in place would contribute to effective performance management, thus supporting the assertion made by Kaplan and Norton (1992, 2000). Spangenberg (1994: pg) stated that performance management “is a set of techniques a manager uses to plan, direct and improve the performance of employees/subordinates in achieving the overall objectives of the organisation”. This literature clearly supports the findings with regards to the respondent’s thoughts about what encourages effective performance management.

5.3.2 Current performance management at Bidvest Bank Ltd

Results from the study indicate that the majority of respondents (61.4%) found performance management at Bidvest Bank Ltd to be, time consuming, non-effective and needing revision. The remaining 38.5% of respondents claimed that the performance management practices at Bidvest Bank Ltd was either effective (37.7%) or brilliant (0.8%). These findings suggest that the current performance management practice at the bank needed to be revised and restructured. Armstrong (1994) believed that performance management aims to achieve the following; sustainable improvement in organisational performance; a level of change in developing a more performance orientated culture; a tool to increase the motivation and commitment of employees; and a tool to assist in the

development of a constructive and open relationship between individuals and their managers/supervisors. With 61.4% of respondents agreeing that the performance management practice at Bidvest Bank Ltd is time consuming, non-effective and in need of revision one would suggest that the above mentioned factors are not being met.

5.3.3 Current delivery of performance management at Bidvest Bank Ltd

Respondents felt that the current performance management system within the bank delivered the ability to track individual performance (45%) as represented in Figure 4.8 In addition to this a further 13% of respondents suggested the current performance management system at Bidvest Bank Ltd delivered simplicity. 4% of the sample population suggested that improved productivity was delivered and 4% reported that the current performance management system at Bidvest Bank Ltd had the ability to deliver succession planning. Accordingly 32% of respondents reported that the current performance management system within the bank delivered none of the above mentioned aspects. Hartle (1995) highlights certain crucial aspects of performance management; shared vision of organisational objectives amongst all staff; individual performance goals are aligned with business and organisational objectives; regular review of progress in reaching set objectives need to be undertaken; training, development and reward identified from these reviews and allowances made for changes and improvements to overall performance. The current performance management system at Bidvest Bank Ltd does not appear to connect to these above mentioned aspects. In order for effective performance management delivery, there needs to be an understanding of a relationship between strategy, people, organisational form/design and performance systems.

5.4 Objective 2: Determine how management view performance management

5.4.1 Managements view of performance management as a constructive process

It is important to note that performance management should be seen as a constructive process. Johnsen (2000) explained that team work, management style, training, attitudes, shared vision, dialogue, employee involvement, multi-competence, incentives and rewards all lend to the constructive function of performance management. The majority of respondents in this study (77%) agreed that they believed performance management should be a constructive process, as indicated in Figure 4.9. The cross tabulation with respondents demographics were discussed earlier in the chapter. It was clear that across the various demographics of the respondents there was a definite link to what Johnsen (2000) had explained.

5.4.2 Factors supporting performance management as a constructive process

Respondents were asked to rate a series of factors attributing to performance management being seen as a constructive process. Table 4.9 depicted the ratings found with regards to the respondents views on performance management as a constructive process. As reported 29.1% of the respondents found that when asked how they felt about performance management guiding succession planning, said it was an important factor. A further 23.3% of respondents, when asked how important was the ability for performance management to provide strategic focus, said it was most important. Motivation of staff was viewed as unimportant with regards to performance management as a constructive process, 25% of respondents felt this way. The least important factor regarding performance management as a constructive process was the factor that performance management encourages discipline, this was reported least important (35.3%).

5.4.3 Factors appealing to managers at Bidvest Bank Ltd

Figure 4.10 reveals that the majority of respondents at 70% believed that leading others appeals most as a manager/supervisor. McGregor (1960) and Herzberg (1996) maintained

that motivation was achieved by “humanising” the work place. Human resource management (HRM) supported this notion that the “social factors of work were at least as important as the technical ones”. A good leader is someone deemed by subordinates as trustworthy and approachable. The respondents to this study (70%) supported the notion that providing leadership is the most appealing factor as a manager/supervisor. Work environments are very social places and if managers/supervisors can be seen in a positive social light it could generate a sense of respect and trust amongst staff members.

5.4.4 Respondents belief of what is performance management

A recorded 58.9% of respondents believed that performance management was core to the success of the business. In addition to this 39.9% saw merit in performance management, but found it to be time consuming. Only 7.1% of respondents found performance management to be a waste of time. Bernadin (1995) explained that performance management provides the strongest link to strategic goals of any organisation. The findings of the study indicated that effective performance management is critical to the success of Bidvest Bank Ltd and therefore supports the literature explored.

5.5 Objective 3: To determine how management view the appraisal process

Carrell (1998) defines the performance appraisal process as an ongoing process of evaluation, managing both behaviour and outcome of subordinates within the work place. It may be important to note that certain factors that are considered when appraising subordinates might be less important than others depending on the circumstances of the appraisal. Table 4.11 revealed such factors and their level of importance with regards to the appraisal process. Respondents were asked to rank their choices from 1 to 5, 1 being most important and 5 being least important. The majority of respondents claimed that the most important factor to consider when conducting performance appraisals was to establish a mutual set of goals. This factor reported a mean of 3.82. The next most important factor to consider when conducting performance appraisals would be an agreement of direction, which recorded a mean of 3.34. Performance appraisals are defined by Baird (1992: pg) “as the process of identifying, measuring and developing human performance”. The

performance appraisal is an integral part of the performance management process, and a consistent manner of performing the appraisal should be implemented. Management were in line with the reviewed literature.

Time taken to perform the appraisal is key to ensuring the process is reported by all involved. Respondents were asked how long it takes to perform the appraisal process. The results were interesting, the majority of respondents at 52.7% suggested a period of 1 day to complete the appraisal process. Figure 4.11 revealed that 18.8% of respondents suggested a period of 1 week to perform the process. There appeared to be inconsistencies regarding the time taken to complete appraisals at Bidvest Bank Ltd.

Carrell (2000) suggests that the supervisor is usually in the best position to evaluate subordinates performance levels. The supervisor is normally the person who works closely with the subordinate and is best suited to conduct the performance appraisal. The study supports this literature as the research was conducted across a population of managers and supervisors within Bidvest Bank Ltd, and therefore bears relevance to the discussion regarding the appraisal process.

5.5.1 Management's understanding of the balanced scorecard

It is important to note that measuring performance is necessary as it allows organisations to take a “snapshot” of its current activity. This allows the organisation to assess its productivity. Snapshots allow for three main areas of concern to be addressed; past performance, bench marking- how an organisation sizes up to its competition; and goals. The balanced scorecard assists organisations by providing a set of measurements by which to rate its performance. Kaplan and Norton (1992) described the balanced scorecard as a reporting system which offers a set of financial measures that report the results of actions already taken as well as operational measures that drive future performance. Figure 2.1 indicates the four perspectives of the balanced scorecard. Respondents were asked what their level of understanding with regards to the balanced scorecard was. The majority of respondents (45.1%) indicated that an average level of understanding was associated with this concept. A further 1.8% and 3.6% reported a below average and low level of understanding of the balanced scorecard respectively. This took the total percentage of

respondents who reported an average to low level understanding of the balanced scorecard to above 50%. The balanced scorecard is a critical element in the performance management process, and the findings of the study indicate that more than half of the respondents at Bidvest Bank Ltd were under skilled when it came to understanding this measurement tool. This would suggest that the research conducted does not match the literature regarding the balanced scorecard. Managers and supervisors could use some revision with regards to this measurement technique.

5.5.2 Criteria related to conducting performance appraisals

The results obtained from the analysis revealed how respondents perceived certain criteria relating to performance appraisals. Respondents were asked to give each criterion a score from 1 to 6, 1 being the most important and 6 being the least important. Each criterion will be mentioned and the respondent's scores discussed. Table 4.13 indicated that when the respondents were asked how important was the time taken to perform an appraisal, a mean score of 2.28 was reflected. This would indicate that this criteria was of little importance to the respondents. A recorded mean of 4.12 was reported of respondents when asked how important, measurement criteria were to the appraisal process. Swanepoel (2003) stated that the halo effect allows for the rating assigned to one performance criteria to influence the ratings across all subsequent dimensions of performance. This was not the case with this study. Respondents did not present a tendency for the rating of one criterion to influence any other criteria presented. However, measurement criteria are an integral dimension to performance appraisals, and the respondents only seemed to think it was fairly important. When the criteria of succession planning was addressed the bulk of the respondents reflected a more neutral response (mean = 3.51) toward this criteria. It became evident that a lack of understanding prevailed with regards to the appraisal process. Respondents were asked how appraisals linked to strategic objectives and a mean of 4.10 was recorded, suggesting that a significant level of importance needed to be placed on this factor. Further to this finding a mean of 1.99 was placed on reporting the appraisal, indicating that this was the least important criteria. The results found in this section of the study were most concerning, as they did not match up to the literature discussed in chapter 2. This would indicate a clear lack of understanding amongst respondents regarding the facilitation of performance appraisals amongst Bidvest Bank's management team.

5.5.3 Frequency of key performance area (KPA) reviews

Figure 4.12 revealed that the majority of respondents at 52.6% suggested that subordinates key performance areas (KPA) are reviewed every 6 months. 20.5% of respondents indicated that (KPA's) are reviewed every quarter. A recorded 13.4% of respondents indicated that key performance areas are reviewed on an ongoing basis. There seems to be no level of consistency with regards to how often reviews at Bidvest Bank Ltd are conducted. This creates uncertainty amongst management as to how important the appraisal process really is.

5.6 Objective 4: To determine how management feel with regards to new age performance management systems

Electronic performance management seems to be, a rather appealing aspect to the management of Bidvest Bank Ltd. Findings in the study, indicate that 76.6% of all respondents found online performance management systems to be appealing. There seems to be a negative or counter-productive stance toward the current performance appraisal technique adopted by management at Bidvest Bank Ltd. Figure 4.15 indicated that performance management criteria would be more effective if offered online. Respondents were asked to rate online performance management criteria, and associate a score from 1 to 6 to each of the criteria, 1 being the most important and 6 being the least important. Respondents placed the highest scores within the 1-2 range, therefore suggesting that each of the criteria were either most important (1) or important (2). Some of the highest figures reported as important were found amongst the criteria of setting subordinate's objectives and being able to monitor the results associated with these objectives online. This presented a mean of 4.18, which indicated the highest level of importance amongst the respondents. The ability to provide full reporting on 360 degree reviews provided a mean of 4.01, indicating a significant level of importance amongst the sample. According to Jansen and Vloebergs (1999), 360 degree feedback requires bystanders to assume a multitude of work situations which are controlled or managed by the person who is the focus of the feedback. Nel (2001) suggested that 360 degree feedback can be valuable if it complies with the following: is straight forward and simple to use; be clearly focused on a specific set of skills or behaviours and generates clear, detailed feedback and it should also

guarantee confidentiality. Online performance management tools provide management with all the above mentioned functionality. The findings of the study clearly show that online performance management tools would add great value to the organisation.

5.7 Objective 5: To examine how strategic intent of the organisation links to effective performance management

The strategic intent of the organisation offers a crucial link to effective performance management within Bidvest Bank Ltd. 50% of the respondents agreed and 19% of respondents strongly agreed that performance management supports operational success. This indicates that 69% of the sample population is in agreement with the above mentioned statement. Porter (1980) asserts that “sustainable competitive advantage” is created from the basis of above average performance within any organisation. The process of performance management is driven by managers (Armstrong 2000). Performance management can be viewed as a yardstick of success. The research regarding the effectiveness of performance management at Bidvest Bank Ltd supports this literature. Berndin (1995) maintains that performance management is clearly concerned with organisational success. It may be noted that only 12% of respondents disagreed with the assertion that performance management supports operational success. Figure 4.14 indicates that data acquired from respondents at Bidvest Bank Ltd support the literature presented in Chapter 2.

5.8 Summary

This chapter discussed the key findings to the data collected from respondents of this study. These findings were set out in terms of the objectives that were discussed in chapter one. The discussion also included comparison of results gathered in this study to the thoughts and claims made by previous researchers in the field of performance management. It can be seen that findings from other sources had proven to be in support of the findings of this study. Chapter six will address the conclusion of this study along with a discussion on areas of recommendation and possible limitations that came about during the course of this study.

CHAPTER SIX

Recommendations and Conclusions

6.1 Introduction

Chapter 6 is the concluding chapter of this study. This chapter will focus on the salient findings of the research. The chapter will also incorporate recommendations that could be put forward for future studies into the effectiveness of performance management at Bidvest Bank Ltd. This chapter will also highlight specific areas of limitation identified in the study.

6.2 Implications of this research

The study was designed around the literature reviewed in chapter 2, with the purpose of identifying the effectiveness of performance management practice at Bidvest Bank Ltd, and how management viewed the performance management process in general. The research will give management at Bidvest Bank Ltd a clear understanding of what needs to be done in-order to ensure that the performance management process contributes to the success of the organisation and its employees. Armstrong (2000) suggests that performance management is a strategic and integrated process that delivers sustained success to organisations, by improving the overall performance of its people, processes and long term goals. Understanding how management feel about performance management is important to the organisation and will allow for development of current performance management practices, which could ultimately help align organisational goals to strategic success. Bernadin (1995) explains that effective performance management provides the strongest link to strategic goals of the organisation. The benefits of the research conducted within this study will aid Bidvest Bank Ltd in structuring an effective performance management system, which will help achieve operational success.

6.3 Recommendations to solve the research problem

The most salient finding of the study was that the current performance management practice at Bidvest Bank Ltd needs to be revised. Management felt that the current performance management practice is non-effective, time consuming and needed revision. The majority of managers and supervisors within Bidvest Bank Ltd believed that effective performance management is core to the success of the business. It is therefore critical for business's to have an effective performance management system in place in order to achieve operational success.

Another important influence that may have impacted on the effectiveness of performance management is the level of education amongst respondents of the study. The study was conducted and distributed to managers and supervisors at Bidvest Bank Ltd. The majority of the sample did not have a degree or post graduate qualification. Performance management contains certain elements one would associate with higher level education. Bidvest Bank Ltd should look closely at this area when placing people in management positions. Possible development programs for managers at Bidvest Bank Ltd could be explored.

Respondents of the study also indicated an average to low level of understanding of critical components of the performance management process. Such elements were the balanced scorecard process. This links to the general level of education amongst management at Bidvest Bank Ltd. These concepts need to be explained to management as they form an integral function in effective performance management. A possible recommendation to include training courses specifically focused around the components of effective performance management. Managers would then be able to engage in performance management with confidence.

This study revealed an inconsistency when it came to the frequency with regards to how often subordinates key performance areas were reviewed. Respondents to the study indicated that these reviews would occur every 6 months, some respondents had indicated that the review process was conducted on a quarterly basis, respondents even suggested that reviews were only conducted once a year, whilst others suggested that once a month a subordinates key performance areas were reviewed. This level of inconsistency would

suggest that employees are being subjected to irregular reviews with regards to key performance areas of their job descriptions. Bidvest Bank Ltd should attempt to standardise this practice as this would lend to a more structured approach to the review process.

Respondent's showed an eagerness to implement an electronic performance management system within the organisation. The majority of respondents felt that an electronic performance management system would add value to the effectiveness of performance management at Bidvest Bank Ltd. An electronic performance management system could eliminate time consuming practices currently seen in existing performance management practice. It could provide reports at the touch of a button and allow for 360 degree reviews to be conducted with confidentiality and speed. An electronic performance management system would enhance the effectiveness of performance management within Bidvest Bank Ltd.

The study clearly indicates that the majority of respondents felt that performance management linked directly to operational success and strategic intent. This supports the need to incorporate an effective performance management system within Bidvest Bank Ltd.

6.4 Recommendations for Future Studies

This section of the chapter will highlight any identified areas of future study and also discuss limitations that were presented during the course of the study.

The sampling technique used for this study was judgment sampling, using managers, supervisors and specialists of Bidvest Bank Ltd. This limited the study in terms of age, gender and race, with the majority of the sample group falling into the category of White females in the age group of 30-39. A recommendation for future studies would be to expand the sample population to include a wider spectrum of respondents.

Results from the study indicated that a relationship existed between effective performance management and education levels amongst management at Bidvest Bank Ltd. A

recommendation for future studies would be to examine the impact that education levels have on effective performance management at Bidvest Bank Ltd. The study could measure the degree to which the level of qualification would encourage effective performance management.

Further studies could be conducted to determine whether the appraisal process is thoroughly understood by the management of Bidvest Bank Ltd. Such a study could also include analysis regarding whether the management at Bidvest Bank Ltd are adequately trained and experienced to conduct performance appraisals on subordinates.

Additional research and future studies with regard to performance appraisals could be conducted to assess the impact the current performance appraisal system utilised by Bidvest Bank Ltd has on productivity of employees. Time spent conducting paper based, time consuming and non-effective appraisals could be utilised more effectively. Organisations should streamline their processes and practices in order to maximise productivity.

Future studies could be conducted on effective performance management criteria and its relationship with career succession planning and reward initiatives within Bidvest Bank Ltd. Research could be used to analyse the association between achieving desired levels of performance and possible career development amongst staff.

A futuristic recommendation is the exploration of new age performance management tools, which effectively could link organisational strategy to individual performance management. These systems could offer great advantage to Bidvest Bank Ltd whereby offering an electronic platform in which to conduct performance management and link strategy, organisation objectives and employee performance. Once an electronic performance management tool is in place, further studies could be conducted utilising this very tool.

6.5 Summary

The effectiveness of performance management is an area of equal importance to both manager and organisation. This descriptive study was conducted to gain an understanding of the factors that influenced effective performance management at Bidvest Bank Ltd. It also served to gain insight regarding how managers and supervisors felt about performance management and how they viewed its effectiveness. Whilst the sample size was a limitation experienced, it was possible to identify trends which allowed useful insight into the effectiveness of performance management at Bidvest Bank Ltd. The findings of this study allowed the researcher to suggest recommendations to the company that will allow for more effective performance management strategies to be employed. These recommendations will assist the management of Bidvest Bank Ltd to realise the importance of ensuring that the performance management practice delivers the ability to link operational success and strategic goals.

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APPENDIX 1- QUESTIONNAIRE

UNIVERSITY OF KWAZULU-NATAL

GRADUATE SCHOOL OF BUSINESS

Masters of Business Administration Research Project

Researcher: Matthew Howe 0828194553

Supervisor: Prof Anesh Singh 031-2607564

Research Office: Ms P Ximba 031-2603587

The Effectiveness of Performance Management at Bidvest Bank Ltd.

I, Matt Howe, am a MBA student, at the Graduate School of Business, of the University of Kwazulu Natal. You are invited to participate in a research project entitled: The effectiveness of performance management at Bidvest Bank Ltd. The aim of this study is to determine managements' views on performance management and the appraisal process. Through your participation I hope to understand how management perceives performance management. The results of the questionnaire are intended to provide useful information regarding the performance management process adopted by Bidvest Bank Ltd. Your participation in this study is completely voluntary. There are no foreseeable risks associated with this project. However, if you feel uncomfortable answering any questions, you can withdraw from the survey at any point. Your survey responses will be strictly confidential and data from this research will be reported only in the aggregate. Confidentiality and anonymity of records identifying you as a participant will be maintained by the Graduate School of Business, UKZN. There will be no monetary gain from participating in this survey. If you have questions at any time about the survey or the procedures, you may contact Matt Howe at 082 8194553 or by email matt.howe@bidvestbank.co.za.

This survey will take approximately 10 minutes to complete. Thank you for your participation.

1. Age

1. 20-29
2. 30-39
3. 40-49
4. 50-59
5. 60>

2. Gender

1. Male
2. Female

3. Race

1. White
2. Black
3. Indian
4. Coloured

4. Marital status

1. Single
2. Married
3. Divorced
4. Separated
5. Widowed

5. Number of Dependents

1. None
2. 1
3. 2

4. 3
5. More than 3

6. What is your highest level of education?

1. Matric
2. Certificate
3. Diploma
4. Bachelors Degree
5. Post Graduate Qualification

7. What is your current level of employment?

1. Supervisor
2. Manager
3. Senior Manager
4. Executive Manager

8. How many subordinates do you have?

1. 1 to 5
2. 6 to 10
3. Greater than 10

9. How long have you held your current position?

1. < 1 year
2. 1 to 5 years
3. 6 to 10 years
4. 11 to 15 years
5. 16 to 20 years
6. 20 years and over

10. Performance management supports operational success.

1. Strongly Disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly Agree

11. How many performance appraisals have you completed in your time at Bidvest Bank?

1. 1-5
2. 6-10
3. 11-15
4. 15>
5. None

12. Do you see performance management as a constructive process?

1. Yes
2. No

13. If you have selected yes in the previous question, please select from the list below what supports this process. Please rank your choices where 1 is the most motivating and 5 is the least motivating.

- Helps promote productivity _____
- Guides succession planning _____
- Provides strategic focus _____
- Motivates staff _____
- Encourages discipline _____

14. What do you believe encourages effective performance management?

1. I believe that 360 degree reviews are most effective
2. I believe that setting clear objectives are most effective
3. I believe that performance management is effective when enforced on subordinates
4. I believe that the performance management process should be reviewed constantly
5. I believe that managers and their subordinates should have realistic goals

15. Which of the following is important for you to achieve when appraising your subordinates? Rank your choices where 1 is most important and 5 is least important.

- A structured approach _____
- A sense of urgency in completing the appraisal _____
- An agreement of direction _____
- A mutual set of goals to achieve _____
- A feeling of accomplishment _____

16. Which of the following most appeals to you as a manager?

1. Taking decisions
2. Leading others
3. Developing others
4. Working systematically
5. Being in control

17. Which of the options best describes the current performance management practices at Bidvest Bank Ltd?

1. Non-effective
2. Effective
3. Time consuming

4. Brilliant
5. Needs revising

18. How long does it take to perform the appraisal process?

1. 1 day
2. 2 days
3. 1 week
4. 2 weeks
5. more than two weeks

19. As a manager what is your level of understanding of the Balanced Scorecard?

1. Low
2. Below average
3. Average
4. Above average
5. High

**20. Which of the following is important when conducting performance appraisals
Please rank your choices where 1 is most important and 6 is least important?**

- Time taken to complete appraisal _____
- Measurement criteria _____
- How appraisal links to strategic objectives _____
- Succession planning _____
- Development of skills and knowledge _____
- Reporting the appraisal _____

**21. Do you feel that the current performance management system within the bank
delivers:**

1. Improved productivity

2. Ability to track individual performance
3. Ease of access to information
4. Simplicity
5. Succession planning
6. None of the above

22. Would an online electronic performance management system appeal to you as a manager?

1. Yes
2. No

23. To what degree would the following performance management criteria be more effective if available online?

	Least Important	Unimportant	Neutral	Important	Most Important
Balanced scorecard creation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ability to set subordinate objectives and monitor results	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Send reminders regarding appraisals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Provide full reporting on 360 degree reviews	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Track subordinates progress around objectives set during the last review	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Provide a secure environment in which to complete appraisals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Generation of performance management reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

24. I believe that performance management is:

1. A waste of time
2. Tedious but has merit
3. Core to the success of the business

25. How often do you review your subordinate's key performance areas?

1. Once a month
2. Once a quarter
3. Once every 6 months
4. Once a year
5. On an ongoing basis

APPENDIX 2-ETHICAL CLEARANCE



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21 July 2011

Mr MC Howe (209510006)
Graduate School of Business
Faculty of Management Studies
Westville Campus

Dear Mr Howe

PROTOCOL REFERENCE NUMBER: HSS/0602/011M
PROJECT TITLE: The Effectiveness of performance management at Bidvest Bank Ltd

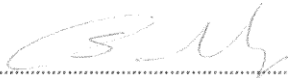
In response to your application dated 15 July 2011, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol has been granted **FULL APPROVAL**.

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 school/department for a period of 5 years.

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

Yours faithfully


.....
Professor Steven Collings (Chair)
HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS COMMITTEE

cc. Supervisor: Prof AM Singh
cc. Mrs C Haddon

APPENDIX 3-GATE KEEPERS LETTER



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28 June 2011

UNIVERSITY OF KWAZULU NATAL

TO WHOM IT MAY CONCERN

Dear Sirs

PERMISSION TO CONDUCT RESEARCH AS PART OF THE MBA DISSERTATION

Mr M Howe has explained to management and staff the purpose of his research and the value it could add to our organisation. Bidvest Bank Ltd hereby grants Matthew Charles Howe (Student no: 209510006) permission to conduct his MBA research within Bidvest Bank Ltd. Mr Howe is also granted permission to distribute his research questionnaire to management who are willing to participate in the study. Matthew may also interview management should the need to gather further information present itself.

We have reviewed his questionnaire and are satisfied that his questionnaire is in no way gathering information which could compromise any of the management team. His questionnaire is accompanied with a letter of consent that clearly indicates that the participation by management is completely voluntary. Further to this, all data collected will remain the property of Bidvest Bank Ltd, and may be used strictly for the completion of Matthew's masters degree, that will be treated as strictly confidential.

We believe the study could benefit the organisation and thus will provide him the necessary assistance to ensure he is able to gather the information needed to complete his research project.

Should you have any queries, please do not hesitate to contact me.

Yours faithfully

Duncan Nkosi
Head of Human Resources
BIDVEST BANK LTD

