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Perceived barriers to the effective implementation of performance management systems in South African organisations

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2014-01-21
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Perceived barriers to the effective implementation of performance management systems in South African organisations

Muvhango Antoinette Lukhaimane

A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Business Administration

Johannesburg, 2013

ABSTRACT

This research report aimed to identify the perceived barriers to the effective implementation of performance management systems in South African organisations.

A themed content analysis was conducted on the responses and information (interview transcripts) gathered from 15 semi-structured interviews involving 15 respondents that hold the position of human resources (HR) manager or line manager of their respective organisations. The themes and common factors identified across all respondents led to a richer understanding of the issues, resulting in a prioritised list of principle barriers that HR managers and line managers believe are responsible for the effective implementation of performance management systems in South African organisations.

The research findings indicate that “lack of leadership / executive support” is the most important barrier that affects the effective implementation of performance management systems in South African organisations. “Inaccurate measures” and “lack of integration” are the second and third most important barriers respectively. The other five barriers are discussed in the study.

The key message from this research study is that HR managers and line managers need to increase their efforts in minimising the barriers that affect the effective implementation of performance management systems, in order to increase and enhance the efforts of South African organisations to meet their strategic objectives.

DECLARATION

I, Muvhango Antoinette Lukhaimane, declare that this research report is my own work, except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Muvhango Antoinette Lukhaimane

Signed at SANDTON on the 21st day of May 2013.

DEDICATION

This research report is dedicated to my late father, Prof Elias Khelebeni Lukhaimane.

Papa, you were a father, a teacher, a mentor and most importantly a friend. I hope to make you proud, today and in everything that I do in the future. Whenever I am confronted with a difficult question, I find myself asking, “what would you have done?” t is a tall task to live in your footsteps, only now do I realise how much I have lost in you passing at the time that you did. I just wish we could have spent more time together. Your strength, warmth, laughter and inspiring spirit lives on in these pages, and in your family and friends each day; I miss you terribly!

ACKNOWLEDGEMENTS

I would like to thank my elder sister, Ezzy Marubini Lukhaimane, for her support and understanding. Ezzy, your love and encouragement allowed me the opportunity to complete my research and I do not know how to thank you. To my mom, Naomi, thank you. To my younger sisters, Tshimangadzo, Takalani and Mpho; thank you for being different, it sure is fun. To my children, Khathutshelo, Makhadzi and Izzy, it has been a really difficult time for us all and thank you for being you. I also thank my nephews and niece, Thabo, Aifheli and Ndivhuwo. Not forgetting the one person, who rose to the occasion and displays so much of the qualities I miss in my father; much appreciated. I would also like to extend my sincere gratitude to:

- My supervisor, Conrad Viedge. Your guidance and appreciation of my situation is much appreciated. Thank you for providing me with direction and the will to complete this research.

- The hardworking, committed and inspiring human resources managers and line managers, who did not hesitate to become part of this research project, gave of their precious time to assist me. Thank you for your willingness, honest talk, spirited discussion and interaction.

- My colleagues and friends, Ms Audrey Gwangwa, Dr Nkhumiseni Maumela, Ms Joyce Mashele, Dr Khaukanani Mavhungu,Mr Charlson Raphadana, Ms Gugu Thoabala and Ms Sylvia Webber, I have missed out on many an opportunity to share special times with you and thank you for your understanding and support.

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CHAPTER 1: INTRODUCTION

1.1 Purpose of the study

The purpose of this research was to identify perceived barriers to the effective implementation of performance management systems in South African organisations. In doing so, this research will assist organisations in South Africa to avoid those practises that will hamper successful implementation of performance management initiatives.

1.2 Context of the study

In its 2011-2012 Global Competitiveness Report (323, 2012), the World Economic Forum ranks South Africa 95 out of 142 countries on labour market efficiency in its seventh pillar of ranking which looks at labour market efficiency. Within the seventh pillar of ranking, the individual indicators that play a role in the performance of employees within the workplace paint an ever grim picture. Of the 142 countries, South Africa is ranked 130 for pay and productivity, 139 for hiring and firing practices and 138 for co-operation in labour-employer relations. The study takes place in an environment where employers and investors decry the rigidity of the South African labour legislation, for example the basic conditions of employment and sectoral minimum wages that limit, among other things, the employer's ability to link productivity with performance and pay. In addition to this, rigorous legislative requirements, both substantive and procedural, must be met before disciplining an employee for poor performance.

Attendance of any major human resources (HR) gathering sees a preoccupation with performance management systems; steps, processes and procedures on how to manage performance in order to maintain high levels of performance or improve low levels of performance. The conversation usually involves tools, systems and processes being discussed, however, enquiries made from HR managers or line managers regarding their organisation's biggest employee

related nightmare, would, without fail, place performance management among the top priorities (Jordaan, 2011). At the 2011 Institute of People Management conference held in Sun City in November 2011, HR professionals indicated that proper performance management can address negative effects on the organisation on at least one of the following three levels: the loss of production, the impact on other employees, and the impact on the organisation's reputation with its clients and / or stakeholders.

Therefore, the role of performance management is to drive results, to build employee capability or to define consequences by differentiating the performance of employees (Folan & Browne, 2005). Organisations may have one or two of these roles but never all three at the same time, while business units within the organisations may focus on different aspects that are more applicable to the kind of work processes that are involved within that business unit.

Performance management is the essence of business; which is delivering on the strategy so as to satisfy customer needs (Viedge, 2011). Ulrich, Brockbank & Johnson (2008), cite that one of the four general groupings of HR practices that follow the flows or processes central to the organisation's success is performance management system as this provides a link between people and work; the standards and measures, financial and non-financial rewards, and feedback that reflects stakeholder interest. Proper attention to this flow promotes accountability for performance by defining and noting performance and then rewarding its presence or penalising its absence.

The next question then becomes: if the consequences of performance management not working are so dire and known, why do performance management systems still fail to achieve the intended result (Jordaan, 2011) After all, almost all organisations implementing performance management systems will in most instances have manuals, policies and entire HR units dedicated to performance management.

Apart from the efforts of performance management systems failing due to not being connected to anything else in the workplace - job success, performance

improvement, employee development, the goals of the organisation - Bacal (2000)states that the other barriers are that line managers are not using all the tools of performance management. Sometimes, line managers cite the lack of relevant skills or tools to manage performance, the lack of support from the HR department, the lack of sufficient time to address the issues related to the employee and lastly the employee having been an incorrect appointment in the first place, as a barrier to the effective implementation of performance management systems (Jordaan, 2011). HR departments are also accused of paying lip service to the management of under-performance as on receipt of the statistical information from formal performance reviews, they seldom actively follow-up on what is being done to address the situation with under-performing employees. This results in a blame game between HR and line management on who should have done what, and how.

Line managers often do not fulfil the initial basic step towards performance management, which is to enter into performance agreements so that they can later correctly assess the employee's performance (especially during the formal appraisal period) and award a rating commensurate to such performance. Sometimes line managers grant under-performing employees an average rating in order to avoid conflict (Viedge, 2011).

In addition to this, the business context has changed dramatically. Competencies that could carry HR professionals through have changed significantly and repeatedly over the past 30, 20 and even 10 years (Ulrich, Brockbank, & Johnson, 2008). Business is now characterised by innovation, leadership, speed, integration, collaboration, learning, strategy, efficiency and accountability. The HR profession itself has not only grown in numbers, it is also looked upon to ensure accountability through managing the performance of individuals, teams and organisational units (Ulrich et al., 2008), thereby applying HR technical expertise to achieve business results.

1.3 Problem statement

Identify the perceived barriers to the effective implementation of performance management systems in South African organisations. The research sought to define performance management and its role within an organisation and thereafter identify the perceived barriers to the effective implementation of performance management systems.

1.4 Significance of the study

The study fills a gap in that while there are policies, procedures and step-by-step guidelines, as far as performance management systems are concerned, the implementation thereof seems to be ineffective. This study identified the reasons for this ineffectiveness, thereby allowing line managers and HR professionals to devise strategies to successfully implement performance management systems.

The study focuses on HR managers and line managers as they are key stakeholders and participants in the implementation of a performance management system with differing responsibilities and accountabilities. The proper integration of their roles and responsibilities makes for a successful implementation of a performance management system. The line managers that will form part of the sample will be those that also report to someone else, so that there is an employee perspective to the study, although minimal

The study may further be of use to first-time managers that are required to manage other individuals as they will be able to spot the tell-tale signs of whether or not the manner in which they intend managing performance will work. Hence the foray into defining performance management and its role within an organisation.

The study might also identify competencies required of HR professionals to be able to assist business to successfully implement performance management systems.

1.5 Delimitations of the study

The study focussed on:

- The perceived barriers to the effective implementation of performance management systems in South Africa;
- Both public and private sector line managers as research respondents. Public sector managers were drawn from departments that serve the public directly so that most readers can associate with the strategic objectives of the department; and
- No more than two managers per organisation (one line manager and/or one HR manager) as respondents. The study was limited to 15 managers with somewhat equal spread between HR managers and line managers to eliminate bias.

The research methodology will be qualitative.

1.6 Definition of terms

- **Performance management**: as defined by Armstrong (2009):

  > "… a set of interrelated activities and processes that are treated holistically as an integrated and key component of an organisation's approach to managing performance through people and developing the skills and capabilities of its human capital, thus enhancing organisational capability and the achievement of sustained competitive advantage" (p. 58).

- **Human Resources (HR) manager**: the Executive with the overall responsibility for the day to day running of HR management within an organisation or the HR (senior) manager responsible for performance management.
- **Line manager**: A person in an organisation who has the responsibility to manage people, processes and resources. The line manager must also report to someone else.

1.7 Assumptions

The following assumptions are made:

- The respondents in the research study have in-depth knowledge of performance management systems in general and specifically within the organisations for which they currently work;

- Although the research respondents offer their own perspective on the barriers to the effective implementation of performance management systems, they offer honest views based on their own knowledge, experience and observations. In addition, the respondents should have an interest in the subject matter of performance management.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

The aim of this literature review was to provide a summary of the scholarly literature that has been consulted in order to develop the questions with which the research will be conducted. Bhattacherjee, (2012) indicates that:

> "… the purpose of a literature review is threefold: (1) to survey the current state of knowledge in the area of enquiry, (2) to identify key authors, articles, theories, and findings in that area, and (3) to identify gaps in knowledge in that research area" (Bhattacherjee, 2012, p. 21).

Therefore, the review commences with an overview of the definition of performance management and its characteristics. It then continues to define the role of performance management within an organisation and how it fits into the strategic management of an organisation. In addition to this, a brief description of various performance management systems is provided.

To provide a foundation for the research, the literature is finally analysed to discern the most frequently cited barriers to the effective implementation of performance management systems. This in turn formed the basis of the research. Reference is made to you-tube videos that were made as an assignment by the Wits Business School MBA students in response to a HR Management assignment titled; 'Why performance management fails?' (WBS, 2011). The students were required to do research in order to clearly describe what performance management really is and the reasons why performance management systems fail. The research that the students were required to undertake included a literature review and discussions with HR practitioners to get their views on the problems of performance management. These videos represent a useful, credible body of research work and include feedback from HR practitioners in some of South Africa's leading organisations, including the ABSA Group, Eskom, Microsoft, Pam Golding, Anglo Platinum, Murray & Roberts, Telkom and SASOL.

2.2 Performance management

Before delving into the barriers to the effective implementation of performance management systems, it is important to understand from the literature what performance management is. A discussion on what performance management is will establish the most important characteristics and elements of performance management and where performance management fits into the larger organisation in order for it to be effectively implemented and fulfil its purpose.

2.2.1 Defining performance management

In his book on performance management, Bacal (2000) asserts that if an organisation:

> "… seeks to derive maximum benefits from performance management, it must be viewed as a system within a larger system" (p. 25).

He further states that it is therefore imperative that performance management is connected to other things in the workplace like job success, improvement, development, organisational goals or other important parts of the organisation. To illustrate his point, Bacal (2000) further defines a system as:

> "… a set of components that work together in an interdependent way to accomplish something. Systems take inputs and, through a series of processes, transform those inputs into outputs – products, services, or information" (p. 26).

It is important to understand the framing of performance management as a system, how it can be made a success and also the barriers to its effective implementation. It presupposes that for performance management to be viewed as a system, it must comprise of a set of other interconnected things working together as a mechanism to achieve a particular goal. Such parts must be interdependent.

The Concise Oxford Dictionary (1999) defines a system as:

> "1.A complex whole; a set of things working together as a mechanism or interconnecting network.>the human or animal body as a whole; or 2.An organised scheme or method.>orderliness; method" (p. 1453).

Plachy and Plachy (1988) quoted in Armstrong (2009) define performance management as:

> "… communication: where a manager and an employee arrive together at an understanding of what work is to be accomplished, how it will be accomplished, how work is progressing toward desired results, and finally; after effort is expended to accomplish the work, whether the performance has achieved the agreed upon plan" (p. 22).

Armstrong (2009) defines a performance management system as:

> "… a set of interrelated activities and processes that are treated holistically as an integrated and key component of an organisation's approach to managing performance through people and developing the skills and capabilities of its human capital, thus enhancing organisational capability and the achievement of sustained competitive advantage" (p. 58).

As illustrated by the definitions above, there is great consistency and understanding among scholars as to what performance management is. It is therefore not necessary to limit this research to anyone of these definitions, they are provided in the plural to underscore the fact that there is no confusion or differing opinions as to what performance management is. In order to properly locate performance management, Bacal (2000) states that it is important to discuss the following two issues:

- The essential elements of effective performance management; and
- How to integrate or link a performance management system to the rest of the organisation's functions so that it is relevant, has meaning and contributes to the organisation overall.

2.2.2 The elements of performance management

The elements of performance management that are discussed should not in any way be perceived to be linear; and this will be evident from the discussion of each element and how a performance management system may be linked to other parts of the organisation.

Performance planning

The performance planning process is the initial stage and is aimed at arriving at what Bacal (2000) terms a common understanding of what the employee is expected to do, what that activity is aimed at achieving (goals) and how such activities must be performed (standards). Often, the performance planning process will also include how the manager will assist the employee to achieve the goals and/or overcome any barriers to performance. Neely, Gregory, and Platts (1995) indicate that at the performance planning stage, a thorough discussion of the performance criteria must take place and it must be objectively clear to all that the goals are under the control of the specific employee.

The performance planning process takes place at the beginning of a performance cycle and may consist of one or more meetings between the employee and the manager (Bacal, 2000; Bagraim and Werner, 2007). These interactions will culminate in a performance agreement being reached between the two parties. This agreement should be documented.

Ongoing Performance Communication

Once there is agreement reached through the performance planning process, the implementation of such an agreement (getting the work done), is tracked through

ongoing performance communication. Bacal (2000) describes on-going performance communication as a two-way process to track progress, identify barriers to performance and give both parties the information they need to succeed. While ongoing performance communication provides valuable feedback to the employee on progress, it also allows the manager and the employee room to proactively identify any hindrances. This may be achieved by informal means ranging from practising 'management by wandering around', to regular group meetings, or where this is not possible, to formal means, as in the case of senior employees, formal performance reviews may be held monthly or quarterly (Bagraim and Werner (2007). The manager ensures that he gets proper feedback on performance by tailoring such feedback to the nature of the work that is being performed, the environment within which it is being performed and the level of the employee performing the task.

Bacal (2000) further provides for the information that is gathered to be documented in instances where records may be required, for example, disciplining an unproductive employee. However, there is recognition that in performance management, the most important reason why data is gathered is for both individual and organisational improvement (Bacal, 2000).

Performance Appraisal

Erdogan (2002) states that although informal appraisals may take place on a daily basis, a formal performance appraisal; defined by Bacal (2000) as a process where the manager and the employee work together to assess the degree to which the employee has attained agreed-upon goals, and work together to overcome any difficulties encountered; is valuable. A performance appraisal process allows for the manager to provide the employee with feedback. It is also during this process that the employee's strengths and successes are recognised, developmental opportunities identified, barriers identified to facilitate performance and future performance goals agreed upon (Bagraim & Werner, 2007).

In order for performance appraisals to be effective and useful to organisations, Erdogan (2002) proposes that it is important that the appraisal is perceived to be

factually fair. It is also important that the process of performance appraisal is participative as far as the employee is concerned. Roberts (2003), indicates that comprehensive and effective participation within the performance appraisal process can be achieved when the rater and the ratee jointly develop the performance standards, the rating form, there is employee self-appraisal and the rate actively participates in the interview.

Performance Diagnosis, Coaching, Counselling and Support

Bacal (2000) defines performance diagnosis as:

> "… the process of problem solving and communication used to identify the underlying causes of any performance shortcomings for the employee" (p. 36).

This is where the manager identifies the root cause; which may range from personal or interpersonal problems to purely performance related; of the employee not meeting the performance goals as set. It is not meant to judge the employee but to assess the performance with the primary aim of implementing the correct intervention, to ensure that future performance meets the requirements as illustrated by Bagraim and Werner (2007).

By nature this is not a once-off process, it is ongoing and interactive between the employee and the manager.

The elements illustrated above best describe the following characteristics of the nature of performance management:

- It focuses on organisational and individual objectives;
- It covers both output (results) and input (competencies);
- It is not a once-off activity (not an appraisal) but an all year round process (ongoing performance communication);
- It is forward looking in that it is aimed at improving performance and behaviours;
- It focuses on future development as well as current performance;

- It is a joint process between the manager and the employee;
- It is not linear; and
- Although documentation is necessary, the process should not be reduced to a paper chasing exercise.

2.2.3 Integrating performance management with the rest of the organisation's functions

Employees are primarily within an organisation to contribute their performance towards the achievement of the purpose of the organisation. Therefore, it is important that the aggregated performance of individuals translates into improved organisational performance. To ensure that this is achieved, the goals of the organisation must be translated into the goals of the various business units or departments and these are in turn translated into the performance goals of individual employees at all levels of the organisation. Alignment between the work of the employee and the purpose of the organisation is critical. To be successful, it is therefore imperative for a performance management system to establish and continuously maintain the link between the goals of the organisation and the output of the employees.

2.2.4 Examples of Performance Management systems

As stated earlier on in the report, in its 2011-2012 Global Competitiveness Report (323, 2012), the World Economic Forum ranks South Africa 95 out of 142 countries on labour market efficiency in its seventh pillar of ranking which looks at labour market efficiency. South Africa is ranked 130 for pay and productivity. In South Africa the single biggest employer is the government through its national and provincial departments. These departments are tasked with delivering services to the citizens, e.g. Departments of Home Affairs, Land Affairs and Water Affairs; to businesses, e.g. Departments of Minerals and Energy, Trade and Industry and Communications; and to other countries, e.g. Department of International Relations and Cooperation. It is therefore appropriate to consider the performance management system used by the government. On the other hand,

the private sector provides goods and services for profit. For this study to be useful, it is therefore important to consider performance management systems used by both the public and private sectors.

It is therefore, important to provide a brief description of a few performance management systems in use in South African organisations.

The Balanced Scorecard

The Balanced scorecard is a popular example of how to align the performance management of individual employees to the purpose of the organisation as espoused by its vision, mission and strategy (Kaplan & Norton, 1996a). The Balanced Scorecard was developed by Kaplan and Norton (R.S. Kaplan, 2001) for the private sector to overcome the deficiencies in the financial accounting model to the extent that the model does not indicate the organisation's value when it makes substantial investments or depletes past investments in intangible assets such as the skills, motivation and competencies of employees; retention and acquisition of customers and investments in information technology, among other things.

It is therefore an attempt to focus an organisation's strategic planning and performance measurement on outputs that the organisation seeks to achieve and not what projects they are in the process of implementing. It also directs the organisation on what it needs to achieve while being effective – therefore decisions on what does not need to be done are also just as important.

The Balanced Scorecard categorises long-term challenges into four perspectives that are informed by the vision, mission and strategy of the organisation. These four perspectives form the framework that facilitates the move of an organisation from a vague mission, vision and strategy to practical day-to-day operations(R.S. Kaplan & Norton, 1993). It therefore serves as a tool to communicate priorities to managers and employees while it focuses their efforts to the achievement of the organisational purpose.

The perspectives are typically illustrated as follows:

- **Financial**: how does the organisation look to its shareholders?
- **Customer**: how do customers view the organisation?
- **Internal**: at what business processes must the organisation excel?
- **Innovation and Learning**: can the organisation continue to improve and create value?

When completing the quadrant by answering the four questions posed, the required performance targets are set for each measure and initiatives (inputs) that will be devised to meet such targets. This process is then cascaded from the strategic plan of the organisation through to that of business units and thereafter departments and eventually to each employee for their particular job whose activities and outcomes they can trace back to the purpose of the organisation. These perspectives illustrate a balanced mixture of financial and non-financial measures and are derived from a business unit's strategy(R.S. Kaplan & Norton, 1992).This is represented graphically in Figure 1.

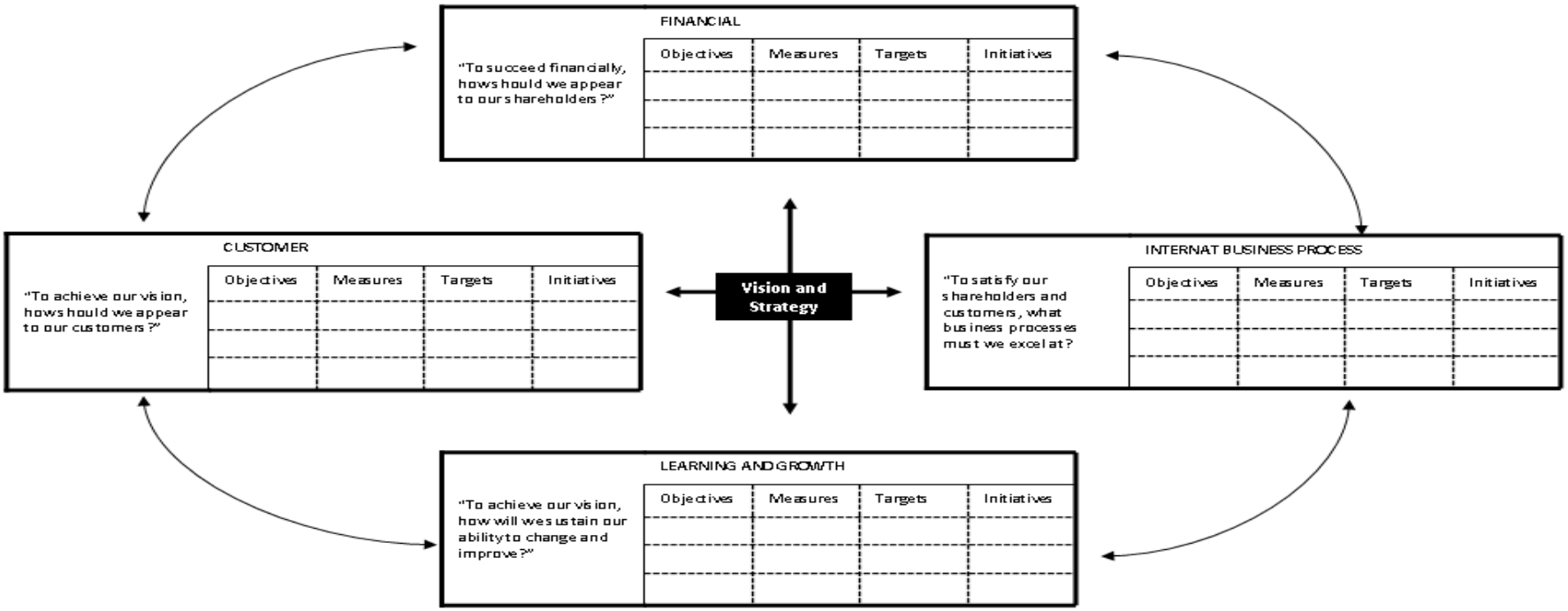


Figure 1: Translating vision and strategy: four perspectives
(Kaplan and Norton, 1992)

The Performance Management and Development system for the South African Government Senior Management Service

In South Africa, the government is the biggest single employer and plays a central role in the provision of services to citizens. It is therefore important that the system that it uses to manage the performance of its employees is also included in this research paper.

Chapter 4 of the Senior Management Service (SMS) Handbook as revised in 2006, provides the framework for the performance management and development system (popularly referred to as PM&D). It is based on Public Service Coordinating Bargaining Council (PSCBC) Resolution 13 of 1998 as extended by Resolution 9 of 2000.

The PM&D system is developed for the public sector to manage performance in a consultative, supportive and non-discriminatory manner in order to enhance organisational efficiency and effectiveness, accountability for the use of public resources and the achievement of results. It also links the broad and consistent staff development plans and aligns these with the department's strategic goals. There is considerable emphasis on the developmental aspect of the system while recognising outstanding performance and minimising the administrative burden on supervisors in implementing the system.

The PM&D system is integrated with all other systems and organisational processes so that the latter are informed by performance management and a focus on continuous improvement of performance. The process is driven from the highest level of the organisation, in other words: the Head of Department. The strategic and operational plans of the department / business unit inform the content of the performance agreements of employees. As public sector departments hardly depart from their strategic goals in a revolutionary manner, reviews of achievements over the preceding period form a big part of the output requirements for a current period.

Therefore, the performance reviews of employees coincide with the planning and budgeting cycle of the department. In turn, individual appraisals are linked and informed by the evaluation of a unit and organisational performance.

Eighty per cent of the requirement of the system is typically illustrated in a work plan as follows:

- **Key result areas**: what are the broad performance areas of the employee?
- **Key activities/output**: what would the employee actually be doing?
- **Performance measures**: what is the indicator for successful achievement and by when?
- **Resource requirements**: what resources must be allocated to achieve a successful result?
- **Enabling conditions**: conditions that must prevail to ensure success.

When completing the work plan, the required performance targets are set for each measure and initiatives (inputs) that will be devised to meet such targets. This process is then cascaded from the strategic plan of the department through to that of business units and eventually to each employee for their particular job whose activities and outcomes they can trace back to the goals of the department.

The remaining 20 per cent is illustrated by Core Management Criteria (CMC's) that are aimed at developing a common understanding and expectation of good management practise. The eleven CMC's are units of knowledge, skill, attribute or work activity undertaken that are directly related to the effective performance of a job, for example, strategic capability and leadership, knowledge management, communication, honesty and integrity, problem solving and analysis etc.

Maximising performance

The Maximising Performance system (developed and utilised by a hospital management group that requested to remain confidential due to the competitive nature of the sector and the limited players therein) is developed for the services sector to manage performance in a consultative and developmental manner in order to enhance organisational efficiency and effectiveness, accountability for the

adherence and promotion of organisational vision and values and the alignment of the performance of individual employees to the success of the organisation in achieving its stated goals. It therefore tracks the impact and actions of line managers in linking staff performance and development plans to the organisation's strategic goals. There is considerable emphasis on line managers monitoring the achievement of expected performance standards while recognising outstanding performance and actively confronting poor performance.

The Maximising Performance system is integrated with all other systems and organisational processes so that the latter are informed by performance management and a focus on continuous improvement of performance. The process is driven from the highest level of the organisation in other words the CEO of the organisation. The strategic and operational plans of the organisation inform those of business units, which in turn inform the content of the performance agreements of individual employees. In order to ensure that the specific behaviours that are required to achieve the strategic objectives of the organisation are carried through and measured, the performance agreements of line managers are split into a Non-managerial section and a Managerial section, with the former focussing on technical aspects of a job whist the latter is dedicated to managerial competencies.

The non-managerial part of the performance management system is typically illustrated in a performance agreement and assessment as follows (Internal performance agreements and assessment sheets):

- **Key result areas**: what are the broad performance areas of the employee?
- **Key actions**: what would the employee actually be doing?
- **Comments and stars**: the indicator for meeting the expected performance standard and exceeding it.

When completing the performance agreement and assessment, the required performance targets are set for each measure and initiatives (inputs) that will be devised to meet such targets. This process is then cascaded from the strategic plan of the organisation; through to that of business units and eventually to each

employee for their particular job whose activities and outcomes they can trace back to the goals of the organisation. This system is also suitable for controlling/holding companies that have individual companies belonging to the group as it strives to ensure consistency among a group of related organisations.

The managerial competencies are generic to all line managers within the organisation and are aimed at ensuring that the values of the organisation are implemented and reinforced (Internal performance management agreement). The five managerial competencies are coaching, initiating action, decision making, leading through vision and values and aligning the performance of subordinates towards the organisation achieving its goals (Internal performance management policy).

Table 1 below, indicates the performance management systems in use in the organisations that the respondents in this research belong to.

Table 1: Performance management systems in use

Number	Institution	System
1	Lafarge SA	Balanced Scorecard
2	Financial Services Board	Balanced Scorecard
3	Mutual & Federal	Balanced Scorecard
4	Microsoft SA	Balanced Scorecard
5	Department of Rural Development	PM&D
6	South African Social Security Agency	PM&D
7	Eskom	Team based performance management system
8	Gold1	Balanced Scorecard
9	National Credit Regulator	Balanced Scorecard
10	Financial Advisory and Intermediaries Services Ombud	Balanced Scorecard
11	Capitec	Balanced Scorecard
12	Department of Home Affairs	PM&D
13	Department of Home Affairs	PM&D
14	EPF	Balanced Scorecard
15	Financial Services Board	Balanced Scorecard

2.2.5 Barriers to the effective implementation of performance management systems

Effective performance management therefore, occurs when an organisation is able to achieve its mission, vision and strategy through the management of the efforts and activities of all the employees towards such achievement. The following section espouses some of the barriers from the scholarly literature towards the effective implementation of performance management systems.

Lack of integration

The definition of performance management and its elements, followed by the discussion of its linkage to the rest of the organisation's functions illustrates the critical role that synergy and alignment between performance management on the one hand and the vision, mission and strategy on the other hand, fulfils (R.S. Kaplan & Norton, 1996a). If the purpose of the organisation is not cascaded from the organisational vision and mission, through to business units, teams and finally to individuals, there will be lack of integration between the performance of individuals and the organisational strategic objectives (R.S. Kaplan & Norton, 1996c). This often results in employees not knowing what is expected of them as they are not trained on how the organisation and the employee will benefit (MBA, 2011).

There will also be lack of cohesion between departments which often results in competition for resources that negatively impacts the efforts to achieve the organisational purpose (R.S. Kaplan & Norton, 1992). Goal misalignment between the organisation and the employee results in the latter's activities often not linked to the organisational strategy or goals and in some instances further perpetuated by poorly defined jobs (Igouws, 2011 ; PCubedSyndicate5, 2011; Syndicate 1 Sue Cloran, 2011). A performance management system that is deployed, must be relevant to the organisation (thebusinesscity, 2011). While it might sometimes be convenient to use an off the shelf system, without the necessary customisation to fit the organisational environment, the result would be a lack of integration in the application of the system and the organisational strategy or goals (MBA, 2011).

A good tool to illustrate the importance of integration to the implementation of a performance management system is a strategy map. A strategy map is described by Kaplan and Norton (2000) as a visual framework of the cause-and-effect relationships among the components of an organisation's strategy, that provides a uniform and consistent way to describe strategy and so its objectives and measures can be established and managed. This is represented graphically in Figure 1 (Kaplan & Norton, 2004).

A strategy map helps organisations to overcome the often difficult and abstract nature of a business strategy by allowing the user to describe and depict the organisational strategy in a picture format while facilitating better top-down communication which tends to enhance employee's understanding and awareness of the strategy while allowing for better implementation of a performance management system (Scholey, 2005). As further illustrated by Scholey (2005), a strategy map is developed through a six-step process that results in a well understood, describable strategy that can be communicated throughout the organisation:

Step 1 Choose the overriding objective;

Step 2 Select the appropriate value proposition;

Step 3 Determine general financial strategies to follow;

Step 4 Determine customer-focused strategies;

Step 5 Decide how internal processes will support execution of the strategies chosen; and

Step 6 Implement the skills/capabilities and employee programs that are required to achieve the strategy.

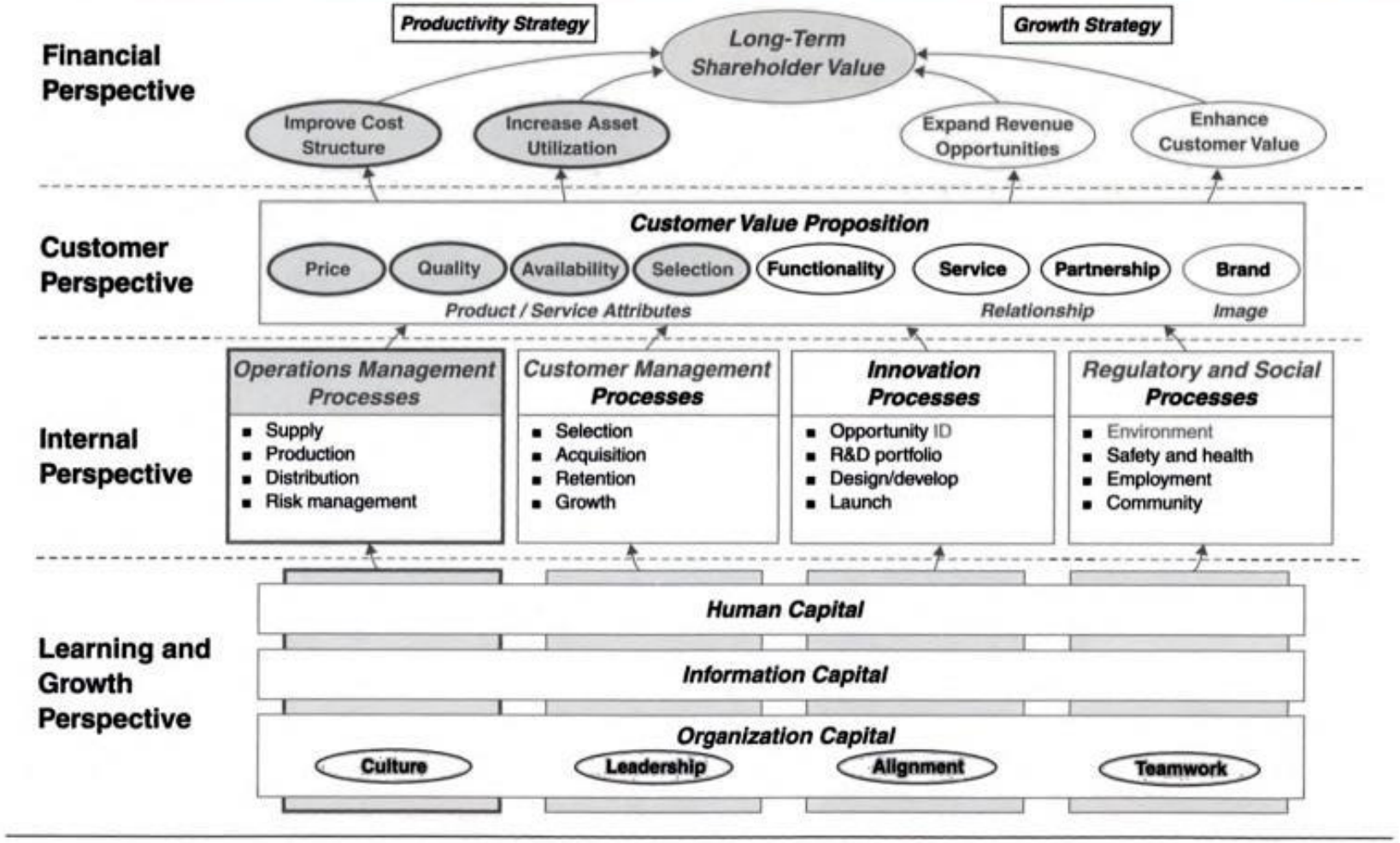


Figure 2: Strategy maps: Converting intangible assets into tangible outcomes
(Kaplan & Norton, 2004)

Lack of leadership/executive support

The leadership and executive management of the organisation have to show commitment to and support for the performance management system. This must be an effort by the leadership team and not by an individual leader as there is a need for a balanced approach to ensure that there is feedback and interaction by all and power, authority and influence are not unnecessarily concentrated in one person (Probst & Raisch, 2005).

Often the commitment necessary to make performance management a success is underestimated, leading to inadequate time and insufficient resources being allocated to it. This means that once an appropriate performance management system has been approved, leadership cannot sit back; the opposite is required. Leadership and executive management must show active support for performance management (Syndicate 1 Sue Cloran, 2011). Especially as lack of top management commitment, has repeatedly been identified as the single most important factor in explaining the failure of organisational initiatives such as performance management (PCubedSyndicate 5, 2011).

Furthermore, leadership that does not inspire others to strive towards the achievement of the organisation's purpose sets performance management up for failure. Leadership is required to be able to articulate the vision of the organisation to any employee. Leadership must also be involved in the implementation process by managing change and resistance to change. They must share sufficient information with all employees and allay anxieties that might be related to the implementation of a performance management system (Schneiderman, 1999).

Lack of rewards

When the organisation considers rewards, they should put in place rewards that clearly distinguish between acceptable, unacceptable and superior levels of performance. While rewards should be comprehensive and communicated to staff, they should also be clearly linked to performance (Group 2 - Weekday Wits MBA Egor Oussov, 2011; PCubedSyndicate 5, 2011). When unrealistic targets are set so that they can never materialise, the system also fails because the motivation required for employees to attain the performance requirements is absent (MBA, 2011). Sometimes the targets are changed at the very end without consulting the employees especially where rewards are not linked to employee performance per se, but to the organisation's performance (thebusinesscity, 2011). Just as feedback on performance management should be provided as and when the activities happen, rewards should be given timeously as pre-arranged (Bacal, 2000).

Overemphasis of performance appraisal

Some organisations misuse the performance management system by focusing on only the performance appraisal (Group 2 - Weekday Wits MBA Egor Oussov, 2011; MBA, 2011; thebusinesscity, 2011). Performance management is meant to track day-to-day work and therefore must be used every-day and not once or twice a year during the formal performance appraisal period when it is time to consider rewards (PCubedSyndicate 5, 2011; Cloran, Hoohlo, Bilgeri& Mtyhobile, 2011). Individual employees compare their input and output with that of fellow employees in order to determine the level of fairness of the performance appraisal rating and often do not perceive or experience performance appraisals to be fair (Erdogan, 2002).

The manner in which performance appraisals are conducted is often perceived as not allowing recognition of the efforts of employees and therefore does not reward them for their contributions (Mayer & Davis, 1999). Further to this, Mayer and Davis (1999) state that the problem is aggravated by top management that does

not demonstrate the skill and understanding to resolve issues that are important to employees including performance management.

Lack of communication

For performance management to be effective, all employees must be clear as to what work needs to be done by them, how it is to be done and for what reason (thebusinesscity, 2011). Each employee needs to understand where they fit within the accomplishment of the organisation's goals so that they can share in the knowledge of their contribution towards the organisation's success (Schneiderman, 1999); (Oussov, Singh &Vumbukani, 2011; PCubedSyndicate 5, 2011). Therefore, there must be regular and transparent communication on performance. Management must be trained to be able to provide performance feedback in a clear, concise, directed and constructive manner (Cloran, Hoohlo, Bilgeri& Mtyhobile, 2011). Feedback on performance sometimes only comes at the end of the cycle, and not as and when it is required, to either improve the work that needs to be done or develop the employee for future performance requirements (Igouws, 2011). In this regard, the inability of managers to give negative feedback and the inability of employees to receive it, may lead to the performance management system being ineffective (Audia & Locke, 2004). Employees are often unable to receive negative feedback because they do not trust the knowledge, skills, honesty and integrity of the manager giving it(Audia & Locke, 2004). Communication from managers on performance is therefore affected by the lack of trust of managers by employees.

Inaccurate measures

Neely et al. (1995) define performance measurement as follows:

> "… the process of quantifying the efficiency and effectiveness of action" (p. 80).

They further define a performance measure as:

> "… a metric used to quantify the efficiency and / or effectiveness of an action" (p. 80).

A performance management system must measure the right thing. Bacal (2000) indicates that it is always important to remember what you are trying to accomplish, while Bernstein (1999), is of the opinion that organisations sometimes use meaningless and irrelevant measures that are often not benchmarked with industry. The goals that must be achieved must be aligned to the measurement indicators (Cloran, Hoohlo, Bilgeri& Mtyhobile, 2011). Therefore it is important that individual employees are measured on what they are supposed to deliver and not on some generic requirements (Kennerley, 2003).

The more specific the objectives are, the easier it will be to demonstrate success when they are measured through the implementation of a performance management system. A simpler and more transparent manner of setting measures is through the use of the S.M.A.R.T criteria, where key performance indicators must be Specific, Measurable, Attainable, Relevant and Timely (Doran, 1981).

The measures need to be balanced and integrated. Ghalayini and Noble (1996), found that it is always important to regularly review the measures as over time, measures become ineffective due to the changing environment within which the organisation operates. At the level of an individual measure, questions such as; what performance measures are used? what are they used for? how much do they cost? and what benefit do they provide? may be asked to analyse the appropriateness of the measures (Neely et al., 1995). To further illustrate the fact that the measures need to be integrated, Neely et al (1995) states that at the next higher level and the highest level, issues that must be explored to ensure that the measures are integrated are as follows:

- Have all the appropriate elements (internal and external) been covered?
- Have measures, which relate to the rate of improvement been introduced?
- Have measures been integrated, both vertically and horizontally?
- Do the measures reinforce the organisation’s strategy?
- Do any measures conflict with each other?
- Do the measures match the organisation’s culture?

- Are the measures consistent with the existing recognition and reward structure?

Bourne, Neely, Mills and Platts (2003) cite the following difficulties that cause measurement to fail during the implementation of performance management systems:

- Political challenges associated with the fact that people may feel threatened by the measures, especially in organisations where performance management is used as a 'big stick';
- Lack of infrastructure to measure performance in the organisation resulting from processes and procedures not being integrated to indicate the level of performance achieved; and
- The frequency of measuring must be as little as possible, the key is to ensure that the right things are being measured, not the frequency of measuring.

Lack of buy in from stakeholders

Stakeholders, especially line managers often approach a performance management system as unnecessary, additional workload, thereby treating performance management as a nuisance that requires a compliance approach and not active participation (MBA, 2011); (Igouws, 2011) (thebusinesscity, 2011). This is often a result of organisations seeking to implement overcomplicated performance management systems (Oussov, Singh & Vumbukani, 2011). Instead of seeing the HR department as a facilitator of the system and line managers owning and implementing the system, line managers would prefer to 'leave' performance management to the HR department (Oussov, Singh &Vumbukani, 2011). This approach causes the system to be ineffective as it is the line manager who is best suited to evaluate whether an employee's performance is in line with the agreed requirements.

Sometimes there is lack of buy in caused by the fact that line managers do not feel empowered with the right knowledge and skills regarding performance management to confidently implement it (Cloran, Hoohlo, Bilgeri& Mtyhobile,

2011); (MBA, 2011). There is also an assumption that the knowledge and skills of HR professionals has expanded to deal with the challenge presented by the current business environment (Douglas Johnson & King, 2003). Gruman and Saks (2011) cite Pulakos (2009) as indicating that less than one third of employees within organisations believe that their organisation's performance management system assists them in improving their performance and performance management regularly ranks among the lowest topics in employee satisfaction surveys.

Failure to diagnose performance problems

Line managers all too easily blame their subordinates for poor performance without diagnosing the barriers to performance, and respond to poor performance by recommending that the employee receives training or be motivated; and both these solutions must be implemented by HR managers. Bacal (2000) defines performance diagnosis as:

> "… the process of problem solving and communication used to identify the real underlying causes of performance problems or deficits, for an individual, a department, or even the whole organisation" (p. 36).

Just like ongoing performance communication, performance diagnosis is not something that must be done once in a while, it is an ongoing process. Bacal (2000) further states that problem diagnosis is vital as it ensures that the correct solution is implemented to help the employee improve performance. While the deficit in performance might show in the employee's inability to achieve the performance targets agreed upon, the solution to the deficit might lie in another area that the employee has no control over and therefore the line manager is required to actively assist the employee to resolve the issue. Bacal (2000) indicates some of the examples that might lead to a deficit in performance as:

- Another area withholding resources required by the employee to perform;
- The manager not being clear about what needs to be done; and
- Raw materials to complete a task simply not being available.

Another factor that might lead to performance problems is the overwhelming number of key result areas that an employee might have, leading to an inability to deliver on all of them.

2.3 Conclusion of Literature Review

Following on from the literature review, it is clear that the effective implementation of a performance management system is essential to an organisation achieving its purpose as set out in the vision, mission and strategic objectives of that organisation. It therefore makes business sense for organisations to closely observe the implementation of performance management systems within the organisation and take the necessary remedial steps where it is not working. There are also various barriers to the effective implementation of performance management systems. These barriers range from lack of leadership, through to lack of integration of performance management systems into other organisational initiatives and processes. Table 2 details eight barriers to the effective implementation of performance management systems as established from the literature review.

Table 2: List of eight perceived barriers to the effective implementation of performance management systems

	Barriers
1.	Lack of integration
2.	Lack of leadership/executive support
3.	Lack of rewards
4.	Overemphasis on performance appraisal
5.	Lack of ongoing performance communication
6.	Inaccurate measures
7.	Lack of buy in from stakeholders
8.	Failure to diagnose problems

To reiterate, the following research question was formulated following the literature review:

2.3.1 Research Question

According to line managers and HR managers in Gauteng, what are the perceived barriers to the effective implementation of performance management systems in South African organisations?

CHAPTER 3: RESEARCH METHODOLOGY

The purpose of this research was to establish the perceived barriers to the effective implementation of performance management systems in South African organisations.

The methodology that was used for the proposed research is qualitative, as it sought to find answers by exploring the problem (Creswell, 2003) through the numerous viewpoints of different individuals (Leedy & Omrod, 2005; Williams, 2007) within different organisations. Interviews were held with these individuals to establish the perceived barriers to the effective implementation of performance management systems within their organisations in particular and within other South African organisations in general.

Furthermore, the research aimed to develop a ranking of the perceived barriers that significantly contribute to the ineffective implementation of performance management systems and thereby render the research useful for other HR practitioners and line managers.

3.1 Research methodology

A qualitative research methodology was used to establish the perceived barriers to the effective implementation of performance management systems in South African organisations. This is because qualitative research is particularly suitable for exploratory research (Bhatacherjee, 2012; Carrie, 2007; Creswell, 2003).

The three major components of qualitative research include:

- **Data**: which is often obtained through interviews and observations;
- **Interpretative or analytical procedure**: which is the technique to conceptualise and analyse the data to arrive at findings, or theories; and
- **The report**: which is either written or verbal (Ghauri & Gronhaug, 2002).

Qualitative research studies are typically suited for the following purposes:

- To reveal the characteristics or qualities of people, processes, relationships, systems, and even situations;
- To enable a researcher to evaluate the effectiveness of certain policies, practices or innovations;
- To allow the researcher to:
  - gain new insights in respect of the phenomenon being studied,
  - develop new concepts about a phenomenon, and/or
  - ascertain the problems that exist within a phenomenon; and
- To allow the researcher to test the validity of certain claims, theories or generalisations (Leedy & Ormrod, 2005; Williams, 2007).

However, it must always be kept in mind that qualitative research sometimes suffers from a number of shortcomings and weaknesses, which include the lack of structure, objectivity, large samples, numeric data, established guidelines and clear data analysis conventions (Bhattacherjee, 2012; Leedy & Ormrod, 2005; Miles, 1979; Yin, 1994).

3.2 Research design

Bhattacherjee (2012) defines the research design process as:

> "… a process that is concerned with creating a blueprint of the activities to take in order to satisfactorily answer the research questions identified in the exploratory phase" (p. 21-22).

The methodological approach that was adopted was that of a semi-structured interview. This allowed the researcher to elicit the viewpoints and opinions from respondents that were interviewed while developing an understanding of the respondents' perspectives as why performance management systems do not work.

The interview process consisted of 15 interviews; eight with HR managers that are either primarily responsible for performance management or responsible overall for the HR role within the organisation, and seven with line managers. Each interview took approximately 40 minutes and was recorded for reference purposes should the researcher require to revisit the interview for greater detail on a specific comment or statement.

The researcher's main purpose for undertaking interviews was to find out which barriers identified in the literature review are more prevalent within South African organisations and in which form they manifest themselves; which will provide richer and fuller content surrounding the effective implementation of performance management systems in South African organisations. The interviews assessed any other barriers that are peculiar to the respondents' organisations and make performance management systems ineffective.

The researcher worked from an interview guide (Appendix B) when conducting the research, which contained a protocol or introduction section, a definition of performance management and a set of questions. The semi-structured interview initially provided an opportunity for participants to openly share and provided their views as to performance management systems within their organisations. As the researcher was aware of potential concerns with regard to corrupted data as a result of researchers pursuing their own agendas, the researcher probed for understanding and clarity, but did not lead the discussion.

The researcher guided the interview discussion to include the respondents' selection of the applicable barriers from the literature review, and then the ranking of their perceived barriers that make performance management systems' implementation ineffective. Respondents were then urged to provide some level of justification as to the reasoning behind their specific ranking.

The appropriateness of a semi-structured interview is that it enabled the researcher to get a more accurate answer from the respondent because they were free to answer the question, and not constrained by a limited number of alternatives. They also provided the researcher with the ability to tweak and

manage the questioning process and provided a significant amount of flexibility (Creswell, 2003).

The disadvantages of semi-structured interviews are that they demand a skilled and sensitive interviewer who should have a complete understanding of the research problem, its purpose and what information is being sought, inequalities in perceptions, as well as the ability of respondents to articulate them (Ghauri & Gronbaug, 2002; Hussey & Hussey, 1997).

3.3 Population and sample

3.3.1 Population

The population for this research included respondents that are HR managers in Gauteng; who are either primarily responsible for performance management or have overall responsibility for the HR role within an organisation; as well as line managers.

Line managers were based in Gauteng. There were no limitations as to race, age, education background, gender or previous work experience. However, it was necessary that respondents be currently employed and been working for a period of more than five years.

3.3.2 Sample and sampling method

A sample of 15 respondents that fitted the purpose of the research was drawn from the population. Significant effort was made to include a sample that reflects the South African population. The respondents included in the sample were all based in organisations situated in the Gauteng provincial area for ease of conducting the research as well as due to time constraints. This convenience sampling is not expected to affect the research data. Convenience sampling, as opposed to random sampling, was employed as potential respondents were persons for which one needed to gain access, and were based on the convenience of access for the researcher; in terms of being close at hand, readily

available or convenient (Bhattacherjee, 2012; Creswell, 2003). A list of organisations from which the respondents were drawn is provided in Table 3.

Table 3: Organisations from where respondents were drawn

Organisation	Organisation
Capitec	ESKOM
Department of Home Affairs	National Credit Regulator
Department of Land Affairs	Lafarge, SA
Mutual and Federal	Financial Services Board
Eskom Pension Fund	Gold 1
FAIS Ombud	South African Social Security Agency

In terms of securing respondents to contribute towards the study, the following was mentioned in the request letter to respondents:

- It was explained that the respondents that participated in the interviews are contributing towards a study that is topical and meaningful to all line managers and HR professionals; and
- The research report will be made available to the respondents for their own personal use.

3.4 The research instrument

A semi-structured interview was conducted with the researcher working from an interview guide (See Appendix B) wherein a list of questions to be covered was provided; while at the same time providing the respondent a significant amount of latitude as to how to reply (Bryman & Teevan, 2004).

The interview commenced with a formal introduction of the researcher as well as a brief background to the research and its objectives. The respondent was then be allowed to freely discuss what performance management is and provide a response to a few general questions based on their viewpoint of what they perceive as barriers to the effective implementation of performance management

systems in South African organisations. The researcher probed where necessary to garner enough information for a deeper understanding of a certain perspective of the respondent; or in instances when the respondent did not provide sufficient information on a certain perspective. Following this, the researcher provided the respondents with barriers to the effective implementation of performance management systems as identified in the literature review, including a listing of the eight main barriers. Respondents were being asked to select their top three and then rank these selected factors which, according to their views, are most prevalent. Lastly, respondents were then asked to provide a justification as to their top three rankings. These interviews took approximately 40 minutes.

3.5 Procedure for data collection

The researcher contacted the potential respondent directly by telephone, informing them of the research and inviting them to partake in an interview. The researcher informed the potential respondent of the purpose of the study, subjects to be covered and the research process, including the expected duration of the interview. As a further introductory measure, the researcher sent through electronic correspondence detailing an outline of the research and its objectives for their attention and acceptance; a copy of the request letter is at Appendix A.

Upon acceptance or refusal from the respondent, either verbally or electronically, electronic correspondence was sent thanking the respondent for their reply. In instances where respondents accepted to partake in the interview, the correspondence also thanked the respondent for their willingness to participate in the study and confirm the place, date and time of the interview. As previously stated, each respondent was offered a copy of the research report, which provided an incentive for participating in the research. Importantly, respondents were also offered the opportunity to confirm their willingness that their responses remain anonymous and confidential (Bhattacherjee, 2012).

The semi-structured interview process took place at the respondent's offices. A sample of the research instrument was included at Appendix B. This was the most convenient for the respondent and the familiarity of the location allowed the

respondent to feel more at ease in talking to the researcher. Upon consent of the individual respondent, each interview was recorded; notwithstanding the potential risk of respondents' becoming alarmed or self-conscious at the prospect of being recorded (Bryman & Teevan, 2004). In addition, handwritten notes were also taken during the interview. Upon returning from the interview, the researcher reviewed the hand written notes and filled in any gaps. The interview transcriptions will not be provided as an appendix to the research report, but are safely stored as a reference should there be a need at any time to refer to them.

The researcher was aware that, the responses provided by the respondent may in some way already be altered to the exact response the respondent wished to provide (Leedy & Ormrod, 2005) because of the presence of the researcher. During the interview therefore, the researcher made every effort not to lead the respondent in their response, and tried to facilitate an open discussion around the research questions.

3.6 Data analysis and interpretation

The research data was analysed through a type of content analysis called themed content analysis. A thematic analysis closely resembles content analysis in that the researcher looked for and identified common and recurring themes in the data (Burns, 2000). Leedy & Ormrod (2005) define content analysis as:

> "... a detailed and systematic examination of the contents of a particular body of material for the purposes of identifying patterns, themes or biases" (p. 142).

In this instance, the content analysis was conducted on the information (interview transcriptions) gathered during the in-depth structured interviews. A minimal level of interpretation is required.

All information was analysed after each interview and the audiotape of the interview was listened to in its entirety and used to fill in any gaps in the handwritten notes. This formed the basis of the information from which the

analysis was conducted. With the use of a table, the key factors and/or themes from the interview were then identified and tabulated.

The data from all the interviews was then integrated and synthesised into one document and the frequency of each specific factor and/or theme tabulated. Unusual responses, which may signify differing views, were also specifically noted. This process highlighted common themes and factors identified across all respondents, and enabled the researcher to interpret the results and develop a deep understanding of the issues. No other quantitative analysis or statistical technique was conducted upon the results.

3.7 Limitations of the study

Limitations for this particular study include the following:

- The research is exploratory in nature and only a limited number of respondents were interviewed;
- The research relied on participant's honesty and confidentiality, especially considering that no rational employee would like to be perceived as 'bad-mouthing' their employer;
- The respondents, who agreed to be interviewed, were different from those who were not available, not prepared to be interviewed or not asked to be interviewed; and
- Single researcher bias: the methodology is limited by and to the researcher's abilities, integrity and sensitivity, and results may therefore be open to misinterpretation, whether intended or accidental (Leedy & Ormrod, 2005). The researcher undertook to adopt strict procedures and a standard protocol in order to minimise and overcome this limitation.

3.8 Validity and reliability

Every study must address threats to validity and reliability (Leedy & Ormrod, 2005). According to Ghauri & Gronhaug (2002), every study must address threats

to validity and reliability. In qualitative research, the following types of validity are often emphasised:

- **Descriptive**: This refers to the degree to which the description holds true;
- **Interpretive**: This refers how well the data will be interpreted; and
- **Generalisable**: This considers to what extent the findings of the study can be generalised to other settings.

Leedy & Ormrod (2005) provide a listing of nine general criteria, based on significant prior research by a number of academics, as to evaluating qualitative research. These include:

- Purposefulness;
- Explicitness of assumptions and biases;
- Rigor;
- Open-mindedness;
- Completeness;
- Coherence;
- Persuasiveness;
- Consensus; and
- Usefulness.

3.8.1 External validity

External validity is defined as the extrapolation of particular research findings beyond the immediate form of inquiry to the general (Bhattacherjee, 2012; Leedy & Ormrod, 2005; Riege, 2003).

Since the research conducted encompassed responses from a limited number of respondents who are not randomly selected, it is not possible to generalise findings; but it may be that the findings from the research will be of value and applicable to organisations in South Africa.

3.8.2 Internal validity

Riege (2003) argues that internal validity, as it is traditionally known in qualitative research, refers to the establishment of cause and effect relationships, while the emphasis on constructing an internally valid research process in qualitative research lies in establishing phenomena in a credible way. The semi-structured interview as a field survey design is poor in internal validity due to its inability to manipulate the cause of the effect as the cause and effect are measured at the same time (Bhattacherjee, 2012).

In order to enhance internal validity and ensure that the findings of the research are congruent with reality, the concept of triangulation was considered. Since, for the purposes and scope of this research, multiple sources of data cannot be obtained, the concept cannot be implemented. Nonetheless, it must be noted that the source of the data involves 15individuals that are all independent of each other.

In the case of the research conducted, the data will only be valid provided the interview is conducted in a manner in which the respondent was not influenced or led in any direction by the researcher, and was free to provide and make comments as he or she so wished. It is for this reason that the interview was conducted at the premises of the respondent. It was also the duty of the researcher to be objective in the analysis of the data, and in the interview technique. The objective was for the researcher to conduct the interview in a neutral manner and not lead the respondent to answer in a specific manner.

3.8.3 Reliability

The concept of reliability (Riege, 2003) depends on the extent of findings being possibly replicated *ceteris paribus*. Therein is the challenge for the qualitative researcher considering that people are not as static as the measurements used in quantitative research, and; even if researchers were concerned to assure that others could precisely trace and replicate each step, results might still differ (Riege, 2003).

A research instrument is reliable to the extent that it measures whatever it is measuring consistently. In order to increase the reliability of the research, all interviews were conducted in person by the researcher. The researcher attempted to maintain consistency in approach by utilising the same interview structure and interview questions. The researcher attempted to ensure that the data is reliable by operating in a systematic manner.

CHAPTER 4: PRESENTATION AND ANALYSIS OF RESULTS

4.1 Introduction

In order to avoid unnecessary repetition the presentation of results chapter and the discussion of results chapter were combined.

This chapter therefore commences with the presentation of the results and identifies the key barriers and themes stemming from the semi-structured interview process. The research question that was derived from the literature review informed the instrument against which the research was conducted. The aim was to identify the perceived barriers to the effective implementation of performance management systems in South African organisations. The results and discussions from the research have been presented in order of perceived importance of the various factors from the respondents that participated in the research. The ordering of the presentation is arranged from the barrier with the most votes to the one with the least votes. The votes are used to give an order of priority, and are based on the in-depth interviews and elaboration from the respondents.

In order to determine the barriers perceived to be the most important, respondents were requested to select their three most important barriers and thereafter assign a value of one to the most important barrier and a value of three to the least important one. The scale was reversed to arrive at a combined score for each barrier, so that barriers that were ranked as one were assigned a score of three and barriers ranked as three assigned a score of one, for example, if a respondent ranked ‘inaccurate measures’ as their most important barrier number one, this would be assigned a score of three. This allowed the researcher to develop a prioritisation of barriers based on the highest number of votes each barrier obtained. The researcher therefore discussed the findings according to the prioritised list of barriers, which is provided in Table 6. The researcher also refers to ‘hit’ or ‘hits’ and this refers to the number of respondents that selected a

particular barrier among their top three. For example, if of the 15 respondents, nine selected ‘inaccurate measures’ as one of their top three barriers, it would be referred to as having received nine hits.

While the barrier rankings provided by respondents were an excellent start to the discussion, the content of the interviews proved to be far more valuable as it provided a much more detailed source of information than simply a numerical score. The transcripts from the interviews guided the analysis of the results.

4.2 Demographic profile of interview respondents

Fifteen interviews were conducted with line managers and HR managers, split among the public and private sectors. Unfortunately, not many first line managers were confident to discuss the subject and since the objective was to interview line managers that not only managed employees but were also reporting to someone else, the researcher ensured that notwithstanding the level of the respondent line managers, this requirement was fulfilled. Seven of the respondents were line managers whereas eight were HR managers Parastatals and state owned entities were classified as the public sector (Represented graphically in Figure 11).

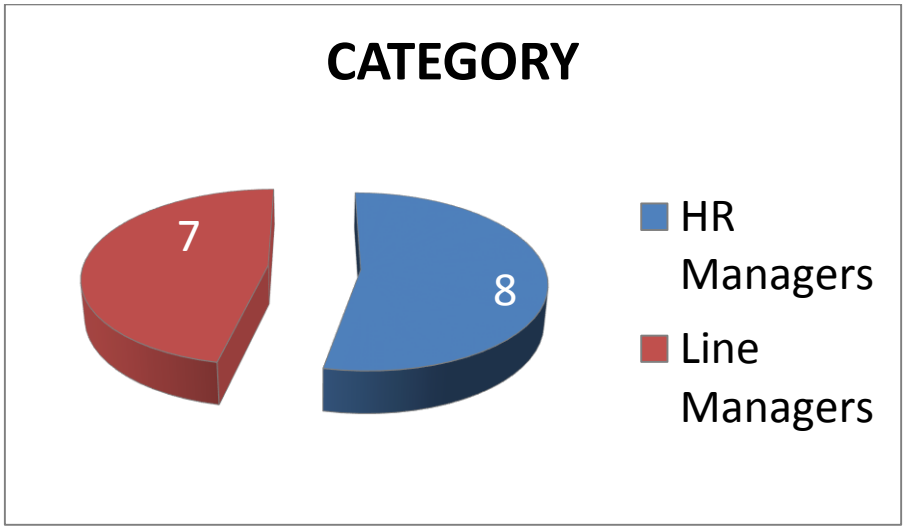


Figure 3: Categories

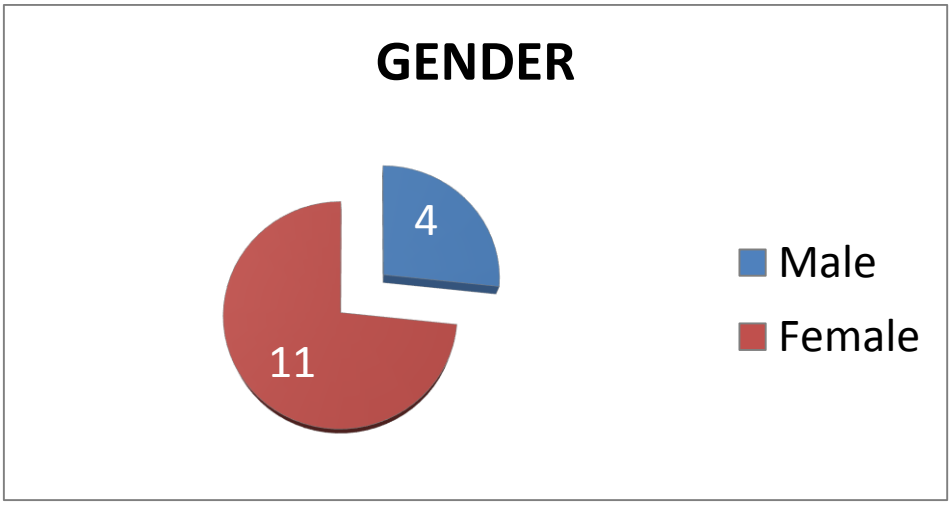


Figure 4: Gender

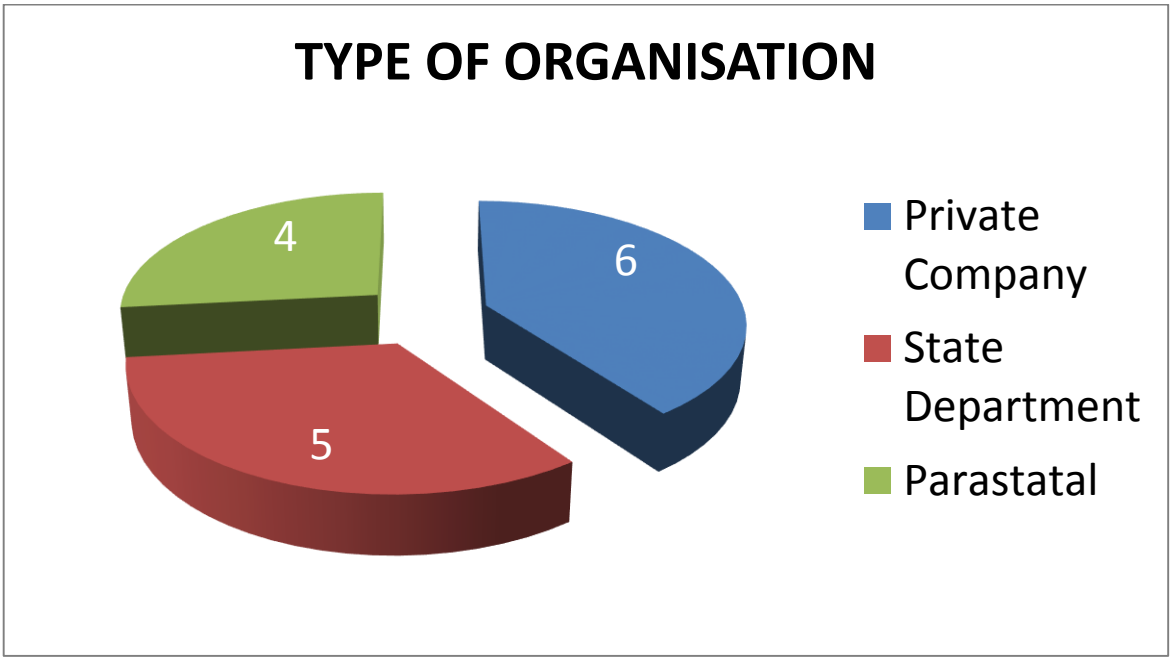


Figure 5: Type of Organisations

Due to the sampling method (most respondents were known to the researcher professionally), all the respondents were willing and available to be interviewed. Some of the interviewees were suggested by others, due to their knowledge and passion for the field of performance management. The researcher noted a definite correspondence between the manner in which the interview request was handled and the manner in which the interview was conducted.

The 15 interviews were conducted following an interview appointment schedule, which is provided in Table 4.

Table 4: Schedule of interviews conducted

Number	Date	Institution	Category
1.	21 November 2012	Lafarge SA	HR Manager
2.	17 December 2013	Financial Services Board	HR Manager
3.	20 December 2012	Mutual & Federal	Line Manager
4.	21 December 2012	Microsoft SA	HR Manager
5.	04 January 2013	Department of Rural Development	HR Manager
6.	04 January 2013	South African Social Security Agency	Line Manager
7.	09 January 2013	Eskom	HR Manager
8.	12 January 2013	Gold1	Line Manager
9.	15 January 2013	National Credit Regulator	HR Manager
10.	18 January 2013	Financial Advisory and Intermediaries Services Ombud	Line Manger
11.	19 January 2013	Capitec	Line Manager
12.	22 January 2013	Department of Home Affairs	Line Manager
13.	22 January 2013	Department of Home Affairs	HR Manager
14.	31 January 2013	EPF	HR Manager
15.	01 February 2013	Financial Services Board	Line Manager

The interviews took place at a place convenient to the respondents (either at their place of residence or in their office) in and around Gauteng, with interviews being conducted against the research instrument. A sample of the research instrument is included at Appendix B.

Prior to conducting the interview, respondents confirmed their willingness for the interview to be recorded. During the interview process, all except two respondents

indicated their preference regarding anonymity. Therefore, the reporting is done per organisation without mentioning the individual. All interviews were recorded and all interview recordings were transcribed. A copy of the individual interview transcriptions will only be made available upon special request.

Note: Respondents' direct comments and statements are quoted and referenced accordingly, but page numbers are not provided as the comments are taken directly from the interview transcripts, which are not made available to the reader.

4.3 Results pertaining to the principle barriers affecting the effective implementation of performance management systems in South Africa

The literature review identified eight perceived barriers to the effective implementation of performance management systems internationally. For ease of reference, the respondents are referred to as Respondent 1 (R1) through to Respondent 15 (R15) and they are represented in Table 5.

Table 5: Keys for the respondents

Respondent number	Institution	Category
R1	Lafarge SA	HR Manager
R2	Financial Services Board	HR Manager
R3	Mutual & Federal	Line Manager
R4	Microsoft SA	HR Manager
R5	Department of Rural Development	HR Manager
R6	South African Social Security Agency	Line Manager
R7	Eskom	HR Manager
R8	Gold1	Line Manager

Respondent number	Institution	Category
R9	National Credit Regulator	HR Manager
R10	Financial Advisory and Intermediaries Services Ombud	Line Manger
R11	Capitec	Line Manager
R12	Department of Home Affairs	Line Manager
R13	Department of Home Affairs	HR Manager
R14	EPF	HR Manager
R15	Financial Services Board	Line Manager

Table 6 provides a summary of respondents' ranking of the eight barriers. Attention is drawn to Table 7, which provides a reversed scale ranking of the respondents' initial ranking; in order to arrive at a combined ranking for comparative purposes.

In their ranking of the barriers affecting the effective implementation of performance management systems in South African organisations, a significant number of respondents commented that the barriers were subtle variations of a common theme and found it a bit difficult to differentiate between the barriers in certain instances.

Table 6: Respondents' ranking of barriers to the effective implementation of performance management systems in South African organisations – original scale

Barrier	R1	R2	R3	R4	R5	R6	R7	R8	R9	R10	R11	R12	R13	R14	R15
Lack of integration				2	1	1	2		2	2	3		1		
Lack of leadership/ executive support	2			3	2		1	1	1	3	1			3	1
Lack of rewards		3						2							
Overemphasis on the performance appraisal			3									1			3
Lack of communication	3	2	2			3		3	3		2	3	2	1	2
Inaccurate measures	1	1	1		3	2	3			1		2	3	2	
Lack of buy in from stakeholders				1											
Failure to diagnose problems															

Key*: R1 = Lafarge SA, R2 = Financial Services Board, R3 = Mutual & Federal, R4 = Microsoft SA, R5 = Department of Rural Development, R6 = South African Social Security Agency, R7 = ESKOM, R8 = Gold 1, R9 = National Credit Regulator, R10 = Ombud for Financial Services Providers, R11 = Capitec, R12 = Department of Home Affairs Line Manager, R13 = Department of Home Affairs HR Manager, R14 = Eskom Pension Fund and R15 = Financial Services Board Line Manager*

Table 7: Respondents' ranking of barriers to the effective implementation of performance management systems in South African organisations – reversed scale

Barrier	R1	R2	R3	R4	R5	R6	R7	R8	R9	R10	R11	R12	R13	R14	R15	Total
Lack of leadership/ executive support	2			1	2		3	3	3	1	3			1	3	22
Inaccurate measures	3	3	3		1	2	1			3		2	1	2		21
Lack of integration				2	3	3	2		2	2	1		3			18
Lack of communication	1	2	2			1		1	1		2	1	2	3	2	18
Overemphasis on the performance appraisal			1									3			1	5
Lack of rewards		1						2								3
Lack of buy in from stakeholders				3												3
Failure to diagnose problems																0

Key: R1 = Lafarge SA, R2 = Financial Services Board, R3 = Mutual & Federal, R4 = Microsoft SA, R5 = Department of Rural Development, R6 = South African Social Security Agency, R7 = ESKOM, R8 = Gold 1, R9 = National Credit Regulator, R10 = Ombud for Financial Services Providers, R11 = Capitec, R12 = Department of Home Affairs Line Manager, R13 = Department of Home Affairs HR Manager, R14 = Eskom Pension Fund and R15 = Financial Services Board Line Manager

4.4 Analysis of results regarding the perceived barriers to the effective implementation of performance management systems in South African organisations

The analysis and presentation of the research results regarding the perceived barriers to the effective implementation of performance management systems in South African organisations is presented in the order of the barrier that received the highest votes first, ending with the one that received the least votes in order to provide structure to the discussion. The transcripts derived from the in-depth interviews with the respondents provided the basis for the votes and therefore, there is a correlation between the discussions and the votes for top three barriers. In instances where the quotation on its own is not clear due to some preceding information or information that the respondent shared later in the discussion, clarity is provided in parentheses () within the quotation to ensure that the meaning is not lost.

4.4.1 Lack of leadership/executive support

In overview, the respondents described this barrier as being critical to the effective implementation of a performance management system. The respondents agreed that constant, active involvement and interaction of leaders with a performance management system ensures that alignment between the implementation of the system and the strategic objectives of the organisation is maintained.

Table 8: Lack of leadership/executive support

	R1	R2	R3	R4	R5	R6	R7	R8	R9	R10	R11	R12	R13	R14	R15	Total
Hits	1		1		1		1	1	1	1	1			1	1	10
Reversed ranking	2		1		2		3	3	3	1	3			1	3	22

This barrier received the highest number of votes from the respondents, with five first place rankings, two second place rankings and three third place rankings for

a total score of 22. This barrier tied for the second highest number of hits among respondents with 10hits as detailed in Table 8.

In order to illustrate the negative effect that the lack of leadership can have on the implementation of a performance management system, Respondent 15 (personal communication, 1 February 2013) illustrated the importance of the presence of leadership as follows:

> "When the organisation prioritises the 'managing' of employees, there is a focus on the performance of tasks that are not aligned with the achievement of the organisation's vision and mission. Leadership provides purposeful performance and an understanding of the importance of performance."

The aforementioned quotation also illustrated the point that managers can sometimes be misguided if the performance management objectives are not aligned to the strategic objectives of the organisation; hence, the requirement for leaders in organisations to have an interest in the performance management system and actively support performance management initiatives to ensure alignment (Schneidermann, 1999) Respondent 5 (personal communication, January 4, 2013) exemplifies this barrier, stating that:

> "For me there is support, it is there but minimal – leadership will just say let us support because it is HR (that needs this information)."

Respondent 14 (personal communication, January 31, 2013) was of the view that in the majority of organisations:

> "MD's and CE's barely ever speak to their EXCO about their performance contracts. What actually happens is, 'you know what, I am rating you a four – do you agree or don't you agree. If you agree, here sign the document' and then they say HR wants the documents, urgently, let us quickly sign, what must I write, …the problem is starting there, and then when you say now to the same MD, in that area there is no performance management taking place, there cannot

> be an expectation that the MD will act (the respondent sought to illustrate the fact that if leaders do not actively support the performance management system, by participating in it, it makes it difficult for anyone else to view the system as important)."

Respondent 9 (personal communication, January 15, 2013) in discussion mentioned this barrier first and foremost and stressed its importance among the eight barriers from the literature review (Refer to Table 1). Respondent 9 (personal communication, January 15, 2013) summarised his view as follows:

> "For any performance management system to work there must be top management buy in and commitment. They must provide resources so that it can be seen that it is driven from the top."

Respondent 9 (personal communication, January 15, 2013) further indicated the belief that there should be a strategic unit, with a dedicated champion who is a member of the top management strategic team to drive it, adding that even the location of the unit within the organisational structure has an impact on the implementation of the system. It is interesting to note on this last point that Respondent 7 (personal communication, January 9, 2013) indicated that although they have a Corporate and Strategy department whose sole purpose is to develop performance management dashboards, the objectives are not cascaded down to the employees. Respondent 7 (personal communication, January 9, 2013) highlighted the lack of implementation as follows:

> "We are good with policies and guidelines, there are procedures on anything and everything but there is no implementation – even about where you must sit, eat or go to the bathroom, there is a procedure for that – implementation is a problem."

These views confirm what (PCubedSyndicate5, 2011) stated regarding the lack of top management commitment as the single most important factor in explaining the failure of organisational initiatives such as performance management. Respondent 14 (personal communication, January 31, 2013) agreed, citing an example of the implementation of a HR information system. In one of the

organisations that she previously worked for, where she had highlighted the importance of the attendance of the MD at initiatives connected with the implementation of the information system, made a difference in its successful implementation. Respondent 8 (personal communication, January 12, 2013) added that if there is no leadership or executive support, “then you can forget about a performance management system” as it will not be viewed as meaningful but as a paper pushing process.

Respondent 8, Respondent 7, Respondent 9, Respondent 11 and Respondent 10 (personal communication, January 12, 2013; personal communication, January 9, 2013; personal communication, January 15, 2013; personal communication, January 19, 2013; personal communication, January 18, 2013) strongly agreed with the view espoused by Schneiderman (1999) that it is important that leadership is involved in the communication regarding performance management. Leadership must be able to share the organisation’s strategic direction with the rest of the organisation, as this will automatically filter to direct reports.

The respondents agreed with Probst and Raisch (2005) that it is important that the involvement is that of the leadership team and not just the leader. In this manner, all other persons in positions of leadership will ensure implementation in their areas of responsibility.

4.4.2 Inaccurate measures

In overview, the respondents described this barrier as the one affecting the day-to-day implementation of a performance management system. There was consensus that where the performance management system is measuring incorrect outcomes (as opposed to the ones intended by the organisational strategy), then the organisation will not achieve its strategic objectives (Bacal, 2000). This could result in the implementation of the performance management system undermining the purpose of a performance management system.

Table 9: Inaccurate measures

	R1	R2	R3	R4	R5	R6	R7	R8	R9	R10	R11	R12	R13	R14	R15	Total
Hits	1	1		1	1	1	1			1		1	1	1		10
Reversed ranking	3	3		3	1	2	1			3		2	1	2		21

This barrier received the second highest number of votes from the respondents, with four first place rankings, three second place rankings and three third place rankings for a total score of 21. This barrier tied for the second highest number of hits among respondents with 10 hits (Refer to Table 9).

Bacal (2000) indicated the significance of this barrier by highlighting that it is always important to remember what is trying to be accomplished. In addition, it is important that individual employees are measured on what they are supposed to deliver and not on generic requirements (Igouws, 2011).

Five of the respondents who gave various examples of instances where a measure is not aligned to the goal or outcome, highlighted the critical nature of this barrier. A few of these are: Respondent 1 (personal communication, 21 November, 2012) gave an example of measuring punctuality to assess whether an employee is productive or not, Respondent 10 (personal communication, January 18, 2013) and Respondent 12 (personal communication, January 22, 2013) gave instances of being fixated with the number of finalised complaints or permits, respectively. The quality of the product is ignored, yet the numbers are of great importance.

However, the most common thread for this barrier from among the respondents was the inability of line managers to interpret the strategic objectives of the organisation and translate them into operational objectives for their divisions and further cascade these into specific key performance areas and indicators for individual employees. Respondent 2 (personal communication, December 17, 2012) indicated that:

> "Managers are unable to identify the correct measures for their own staff; basically they find it difficult to interpret the strategic objective of

> an organisation and if there is an objective to break it down into applicable standards that can be measurable."

Respondent 3 noted that:

> "If you have a five point rating scale, and the outcome is to have a report within a deadline, but if you get the report within the deadline with a push, that is not a 3 because someone else needs to be behind you to achieve it – maybe it needs to say that it must be your individual effort, but this needs to be defined at the beginning because whatever is written in the performance agreement is what they get measured on and there must not be any deviation whatsoever, so maybe you have it up here *(pointing to the head)* but it is not written down."

The aforementioned quotation illustrates the point that the measures set in place must be explained and there must be a meeting of the minds between the employee and the line manager as to the task that needs to be performed and the meaning of the ratings attached to such performance (Roberts, 2003). Respondent 5 (personal communication, January 4, 2013) crystallized all the input by quoting a much used phrase that:

> "…whatever you are agreeing upon as a measure is it SMART (specific, measurable, achievable, realistic and time-bound)?"

Igouws (2011) stated that it is important that individual employees are measured on what they are supposed to deliver and not on generic requirements. The trend to have cross cutting deliverables for all employees irrespective of whether they have an influence on the achievement thereof was highlighted by several respondents. Respondent 1 (personal communication, November 21, 2012) indicated that in her organisation, safety is a deliverable for all employees, including those not based at production plants. Respondent 6 (personal communication, January 4, 2013) highlighted the difficulty of generic measures where resources available to the different employees are vastly different, with

some employees having more than sufficient resources while others have next to no resources, as follows:

> "The efficiency and speed at which different offices deliver is in stark contrast with each other, for example Northern Cape receives five applications a day at the local office, and it is a day's drive to deliver these files to the district office, whereas in Gauteng they get 100 applications per day. A local office in Botlokwa might go without electricity for days. How do you set similar standards for Northern Cape and KZN?"

The aforementioned quotation further illustrates that employees should not be held accountable for not meeting performance requirements where they have no resources and in instances where they do not have control over the resources required to perform the task (Neely et al., 1995). The discussions overall highlighted a propensity to confuse effort with impact (results), with several respondents referring to employees stating that they "worked and did not get any reward".

Respondent 4(personal communication, December 21, 2012) indicated that as during the performance cycle, progress on commitments is what gets measured. The setting of the commitments at the beginning of the performance cycle is critical and in their instance, the centres of excellence in the HR department make sure that the commitments are appropriate for the different roles (Kaplan & Norton, 2000). In order to ensure accuracy, as a multinational company, there is also room for regional nuances (Scholey, 2005). Respondent 15 (personal communication, 1 February 2013) agreed with this sentiment, stating that:

> "When the performance agreement does not clearly state the deliverables, the assessment thereof becomes subjective rather than objective which leads to employees feeling despondent about the performance appraisal."

Respondent 7 (personal communication, January 9, 2013) highlighted a specific issue that makes inaccurate measures a barrier with the implementation of performance management systems in organisations,

> "Sometimes people measure only those aspects where they are doing well and not the others; therefore they put only two measures and the boss signs it – how is that an agreement in terms of what I am supposed to be doing and contributing to the overall success of the organisation? This does not help the employee to contribute to the overall objectives of the company."

All respondents, except Respondent 4, that cited this barrier among their top three barriers, indicated that it is easy to measure quantifiable outcomes, but they found it hard to set and measure qualitative outcomes; or outcomes that rely on multiple measures for example: time, effort, quality and quantity. Respondent 4 (personal communication, December 21, 2012) on the other hand shared a continuous, structured and well documented process that includes quality assurance from the centres of excellence in HR to ensure that measures are accurate (Scholey, 2005). This was necessary because as Respondent 4 (personal communication, 21 December, 2012) stated:

> "It is not only what you do but how you do it, including (doing it according to the) values. You may exceed your target but miss out on a reward because of how you do your work. For example: account managers at the same level are compared to their peers throughout the organisation. Very intertwined with the culture – the how is based on values, interpersonal awareness, confidence, cross border collaboration, impact on the business. It is about differentiation."

Respondent's comments link directly with the difficulties cited by Bourne et al (2003) as causing measurement to fail during the implementation of performance management systems:

- Political challenges associated with the fact that people may feel threatened by the measures, especially in organisations where performance management is used as a 'big stick';
- Lack of infrastructure to measure performance in the organisation resulting from processes and procedures not being integrated to indicate the level of performance achieved; and
- The frequency of measuring must be as little as possible, the key is to ensure that the right things are being measured, not the frequency of measuring.

The more accurate and specific the objectives are, the easier it will be to demonstrate success when they are measured through the implementation of a performance management system. The main issue with this barrier was the inability of managers to develop specific measures for individual employees. The respondents were in agreement with Neely et al (1995) that the following questions need to be asked to assess the appropriateness of measures:

- Have all the appropriate elements (internal and external) been covered?
- Have measures, which relate to the rate of improvement been introduced?
- Have measures been integrated, both vertically and horizontally?
- Do the measures reinforce the organisation's strategy?
- Do any measures conflict with each other?
- Do the measures match the organisation's culture?
- Are the measures consistent with the existing recognition and reward structure?

4.4.3 Lack of integration with strategic objectives

In overview, the respondents described this barrier as being the inability of the performance management system to integrate the strategic objectives of the organisation and the day-to-day performance of individual employees in trying to achieve these performance objectives. There was acceptance that there needs to be a strong 'line of sight' for the employees from their objectives to the strategic

objectives of the organisation, which can be achieved by ensuring that the purpose, mission and vision of the organisation is cascaded to all employees (Kaplan & Norton, 2004).

Table 10: Lack of integration with strategic objectives

	R1	R2	R3	R4	R5	R6	R7	R8	R9	R10	R11	R12	R13	R14	R15	Total
Hits			1		1	1	1		1	1	1		1			8
Reversed ranking			2		3	3	2		2	2	1		3			18

This barrier tied for the third highest number of votes from the respondents; however it is placed before the next one as it received three first place rankings, four second place rankings and one third place ranking, resulting in a score of eighteen. This barrier received the third highest number of hits with only seven respondents not including it in their top three factors (Refer to Table 10).

If the purpose of the organisation is not cascaded from the organisational vision and mission, through to business units, teams and finally to individuals, there will be a lack of integration of the performance of individuals with the organisational strategic objectives (Kaplan & Norton, 1996b).

Respondent 5 (personal communication, January 4, 2013) elaborated on this as the main barrier to the effective implementation of performance management systems:

> "The mandate of the organisation defines what the objectives are. Integration at component level must reflect interdependencies so that you know what your role is, where it starts and where it ends and what happens if the one you depend on does not achieve."

Respondent 6 (personal communication, January 4, 2013) highlighted the problem as being the separation of the individual from the performance of the organisation:

> "Where people isolate themselves from the broader organisation and us as managers failing to structure and guide the work plan in such a manner that the objectives cascade down from the strategy of the organisation to individual performance so that everyone can understand how they contribute and see that if your part is not done, it impacts on other's ability to reach goals."

With Respondent 7 (personal communication, January 9, 2013), this barrier was prevalent such that the organisation implemented a new system to force employees to work together and not in silos. Respondent 7 (personal communication, January 9, 2013) captured it as follows:

> "Now that you know that your one employee who does not perform is going to affect your overall departmental performance, you have to manage all employees especially those who are not performing – everyone has to pull their weight and contribute."

Respondent 8 (personal communication, January 12, 2013) highlighted the need for integration in modern organisations that are global, project based and have matrix reporting structures. Lack of integration in these circumstances, could have an impact on the implementation of a performance management system, especially if roles are not clearly defined in view of the prevalent multiple reporting requirements (Scholey, 2005). Respondent 11 (personal communication, January 19, 2013) further illustrated this barrier by focusing on systems' integration within an organisation:

> "You find that most of the companies work with different systems and you use those for productivity. If you do not integrate and consolidate the systems, you find that they give you measures that are not accurate."

The aforementioned quotation illustrates the need to link performance requirements and measurements with the organisational strategy (Kaplan & Norton, 2000). In order for this barrier to be overcome, it is important that the

system be relevant to the organisation. Respondent 11 (personal communication, January 19, 2013) agreed that:

> "In banking, they do a lot of benchmarking for standard measures. What they leave out is that from organisation to organisation, we have different kinds of dynamics, different kinds of culture, values- eventually it becomes impossible to achieve because the benchmark is inappropriate."

MBA (2011) underscored this aspect by stressing that while it might be convenient to use an off the shelf system, without the necessary customisation to fit the organisational environment, the result would be a lack of integration of the application of the system and the organisational strategy or goals (Ferreira & Otley, 2009).

The vital importance of this barrier was stressed by eight of the 15 respondents and in proportion to all the other barriers, more time was spent illustrating, through various examples, how critical integration and alignment between the strategic intent of the organisation and the day-to-day activities of individual employees is to the successful implementation of a performance management system.

The use of strategy maps largely minimises the effect of lack of integration as a barrier to the implementation of a performance management system. Strategy maps ensure integration by providing a visual framework of the cause-and-effect relationships among the components of an organisation's strategy, which provides a uniform and consistent way to describe strategy in such a manner that its objectives and measures can be established and managed (Kaplan & Norton, 2004).

4.4.4 Lack of ongoing performance communication

In overview, the respondents described this barrier as being the lack of sufficient, timeous, understandable, regular and transparent conversations on performance management requirements and progress. All respondents stressed the importance of communication that commences at the earliest possible time,

includes performance objectives that are linked to organisational objectives and is sustained throughout the performance of the tasks.

Table 11: Lack of ongoing performance communication

	R1	R2	R3	R4	R5	R6	R7	R8	R9	R10	R11	R12	R13	R14	R15	Total
Hits	1	1		1		1		1	1		1	1	1	1	1	11
Reversed ranking	1	2		2		1		1	1		2	1	2	3	2	18

This barrier tied for the third highest number of votes from respondents; however, it is placed fourth after the previous one as it received one first place ranking, five second place rankings and five third place rankings for a total score of eighteen. This barrier received the highest number of hits, with only four respondents not including it in their list of top three factors (Refer to Table 11).

For performance management to be effective, all employees must be clear as to what work needs to be done by them, how it is to be done and for what reason(thebusinesscity, 2011). Schneiderman (1999) insisted that employees need to understand where they fit within the accomplishment of the organisation's goals so that they can share in the knowledge of their contribution towards the organisation's success.

Respondent 2 (personal communication, December 17, 2012) and Respondent 15 (personal communication, 1 February 2013) agreed that employees find it difficult to understand what is required of them. Furthermore, the line manager must communicate all aspects of the system including how it translates into rewards. Respondent 3(personal communication, December 20, 2012) stressed the vital significance of overcoming this barrier, citing the change that communication achieved in her organisation:

> "We never used to discuss strategy at all levels, it used to be management – that is how far it stopped. But now, it is being drilled down to every division and every single employee, because then you understand, what my input is in this whole thing. They also understand

> why they are being asked to do things and what their contribution is going to be like."

Respondent 5 (personal communication, January 4, 2013) brought forward the need to communicate about a performance management system and its objectives, to the time at which the employee is appointed. Respondent 9 (personal communication, January 15, 2013) highlighted the importance of early communication as follows:

> "It starts with the setting of targets and performance indicators as part of the performance planning that happens during the performance agreement process."

Bacal (2000) refers to this part of the performance management system as the performance planning process where the manager and the employee work together to identify, for the period planned, what work the employee should be doing, how well it should be done, why it needs to be done and when it should be done.

Communication within a performance management system implementation context must be regular and transparent (Roberts, 2003). Management must therefore be trained to provide performance feedback in a clear, concise, directed and constructive manner (Cloran, Hoohlo, Bilgeri& Mtyhobile, 2011). Respondent 8 (personal communication, January 12, 2013) speculated that from her experience, it seemed that 90 per cent of line managers struggle to have candid conversations with their employees. Training for both managers and employees on how to engage within a performance management process can drastically improve results. Managers are able to provide constructive criticism that does not result in demotivating the employee, but rather in improving performance; and employees will not feel intimidated and are able to prepare for performance discussions and provide justification when they disagree with the manager on their performance assessment (Respondent 1, personal communication, November 21, 2012). Respondent 14 (personal communication, January 31, 2013) listed this in her individual top three, stressing that to get employees to be

active participants in the performance management process, they need to be empowered to understand the process and actively live their performance contracts so that they are not passive nor reactive. In addition to this, Respondent 15 highlighted the importance of encouraging employees to provide their inputs on the measurements used in the performance appraisal as this will ensure that they understand what is expected of them (personal communication, February 1, 2013).

Respondent 5 stressed the relevance of feedback being given by the line manager as follows:

> "It is easier for employees to hear from their line manager than from an outsider."

Respondent 13 (personal communication, January 22, 2013) mentioned the need for employees to understand the performance management system, what it is all about, how it is supposed to work and how to apply it as her own individual top two barriers to the effective implementation of performance management systems.

In order to effectively implement a performance management system, what needs to be communicated within a performance management system is heavily impacted by the timing thereof (Bacal, 2000). Respondent 1, Respondent 5, Respondent 6, Respondent 9, Respondent 7 and Respondent 13 (personal communication, November 21, 2012; personal communication, January 4, 2013; personal communication, January 4, 2013; personal communication, January 15, 2013; personal communication, January 9, 2013; personal communication, January 22, 2013) correctly pointed out that the training and sharing of information with all stakeholders regarding the implementation of a performance management system, what it is supposed to achieve, how it should be rolled-out and its importance in facilitating and driving the organisation's strategic objectives must take place as early as possible and include all stakeholders in a manner that achieves buy in (R.S. Kaplan & Norton, 1996a).

Respondent 3 (personal communication, December 20, 2012) in particular, further highlighted the need for progress feedback to be timeous as follows:

> "We do not get the information to say how we are doing, people only get to know about it in December, you also don't know if implementation of a goal has gone haywire what is being done to correct it, so it grips people."

Regular feedback is important in that the milestones that employees are expected to achieve are closely monitored and where these are not being met, appropriate action is taken(Roberts, 2003). Regular and timeous feedback results in less conflict within the performance management process as there will be no surprises for the participants at the formal review (performance appraisal) stage (Respondent 14, personal communication, 31 January 2013). Bacal (2000) refers to this as the 'no surprise' rule, which requires that anything that is discussed in the performance review meeting, should have already been discussed when it was relevant, in other words, at the time that it happened. This helps to put employees at ease and makes them less defensive and fearful of the performance appraisal process. Respondent 5 (personal communication, January 4, 2013) and Respondent 4 (personal communication, December 21, 2012) stressed the need for the line manager to provide the employee with performance feedback from multiple sources, including the moderation committee. All the organisations that participated in the research have a moderation committee whose purpose is to consider the performance appraisals and feedback of the entire organisation to ensure that the performance ratings are aligned with the performance output. This committee may also decide on rewards and often has the authority to downgrade performance ratings where required. This source of feedback allows employees to know how persons outside of their immediate environment view their performance and how such performance may compare with that of peers in other areas of the organisation especially where there is a level of standardisation in performance requirements.

The respondents were in agreement with Roberts (2003) that ongoing communication ensures that employees get feedback at the earliest possible time

to avoid surprises. They also stressed the need for managers and employees to be trained on how to provide and receive feedback, especially if it is negative (Audia & Locke, 2004).

4.4.5 Overemphasis on the performance appraisal

In overview, the respondents described this barrier as being one of the most misunderstood and misused processes within a performance management system. They stressed the need for a shift from approaching the implementation of a performance management system as an event, putting most emphasis on complying with the requirements in order to complete the formal performance appraisals, but rather as a process.

Table 12: Overemphasis on the performance appraisal

	R1	R2	R3	R4	R5	R6	R7	R8	R9	R10	R11	R12	R13	R14	R15	Total
Hits				1								1			1	3
Reversed ranking				1								3			1	5

This barrier received the fifth number of votes from the respondents, with one first place and two third places. This barrier scored three hits (Refer to Table 12).

Performance management is meant to track day-to-day work and therefore must be used every day and not once or twice a year during the formal appraisal period when it is time to consider rewards (Cloran, Hoohlo, Bilgeri& Mtyhobile, 2011). Respondent 12 (personal communication, January 22, 2013) attributed the overemphasis on performance appraisals to the lack of time and focus from line managers. As performance management does not take place on a day-to-day basis, it becomes driven by compliance. Firstly, you comply with the requirement from HR to have a performance agreement signed off by a particular date, and secondly to complete the formal mandatory appraisals on a quarterly basis (Respondent 12, personal communication, January 22, 2013). Both Respondent 5(personal communication, January 4, 2013) and Respondent 8 (personal communication, January 12, 2013) listed this barrier as one of their independent

ones and explained that the credibility of the system has been negatively affected by this barrier in that the system is viewed as a tool to punish some people while rewarding others. Respondent 10 (personal communication, January 18, 2013) supported this view as he independently voted this barrier as his top one and suggested that the performance appraisal is subjective and employees feel that once a line manager has a particular view, the employee cannot influence that. Respondent 10 (personal communication, January 18, 2013) proceeded to observe rhetorically, that although the performance appraisal process is flawed, there is currently no viable alternative being put forward.

Respondent 9 (personal communication, January 15, 2013) underscored the aforementioned input by stating that:

> "Performance management is viewed as an event rather than a process. It is supposed to be a continuous process of giving feedback to employees on the work they are doing so that there must be no surprise during the performance appraisal. Most managers even keep the black-book waiting for performance appraisal period to come to deal with employees."

This view is shared by Respondent 6 (personal communication, January 4, 2013), who after working in many organisations has a cynical view of performance management overall, stating that:

> "… in all organisations that I have worked in, there is no one who believes in performance management systems. But at the same time, they want it to work for them. People have lost trust, because as managers we have lost our objectivity."

MBA (2011) and (thebusinesscity, 2011) concluded that the focus on performance appraisals is a misuse of the performance management system. This is highlighted by Respondent 15's (personal communication, 1 February, 2013) observation that in some instances, organisations use the performance appraisal system as the motivator for performance, whereby employees are informed that if they do not perform a certain task, they will get a below than average rating on

their performance appraisal. This results in a situation where the importance of the task being performed for the achievement of the organisation's vision and mission is lost to employees and the focus becomes the performance appraisal and ratings of performance and not the management of performance (Roberts, 2003).

Overall, the respondents agreed that the concern with this barrier, is how performance appraisals are misused by the organisations in the implementation of a performance management system. Too much emphasis is placed on performance appraisals to singularly achieve what an entire performance management system is meant to achieve (Bacal, 2000)

4.4.6 Lack of rewards

In overview, the respondents described this barrier as being the inability of the performance management system to link the performance requirements to rewards in a meaningful and understandable manner. The respondents highlighted the need for organisations to make provision for rewards that would support the effective implementation of a performance management system.

Table 13: Lack of rewards

	R1	R2	R3	R4	R5	R6	R7	R8	R9	R10	R11	R12	R13	R14	R15	Total
Hits		1						1								2
Reversed ranking		1						2								3

This barrier tied for the sixth number of votes from respondents, however it is placed before the other one as it received one second place and one third place ranking. This barrier scored only two hits (Refer to Table 13).

Respondent 2 (personal communication, December 17, 2012), stated that the challenge is to translate the performance assessment scores into meaningful rewards for the employees:

> "Often HR professionals will know what is required, but the managers who are implementers do not know."

Respondent 8 (personal communication, January 12, 2013), captured the need for rewards to be about differentiation. Respondent 5 (personal communication, January 4, 2013) and Respondent 6 (personal communication, January 4, 2013) highlighted that in government, employees consider the rewards first before looking at performance stating that employees are preoccupied with how they can get the reward and not how they are expected to perform.

Sometimes the targets are changed at the very end without consulting the employees especially where rewards are not linked to employee performance *per se*, but to organisation's performance (thebusinesscity, 2011). Respondent 3 (personal communication, December 20, 2012) stressed that:

> "… management might decide that they are not doing this, they rather focus on something else during the course of the year because they do not have resources or whatever."

In his independent ranking, Respondent 2 (personal communication, December 17, 2012) ranked the tendency of management to 'shift goals', leading to employee disengagement, as his top barrier for the effective implementation of a performance management system. When performance targets are changed, the problem is compounded by the fact that employees discover too late what the focus was supposed to be (Scholey, 2005).

4.4.7 Lack of buy in from stakeholders

In overview, almost all the respondents in discussion with the researcher mentioned the lack of buy in from stakeholders, especially line management as a key barrier to the effective implementation of a performance management system. Although this barrier was not ranked in the top three barriers, the detailed feedback from the respondents indicates that it is important for the effective implementation of a performance management system that there is buy in from all stakeholders.

Table 14: Lack of buy in from stakeholders

	R1	R2	R3	R4	R5	R6	R7	R8	R9	R10	R11	R12	R13	R14	R15	Total
Hits			1													1
Reversed ranking			3													3

This barrier tied for the sixth number of votes from respondents, however it is placed after the other one as it scored only one hit (Refer to Table14).

Respondent 4 (personal communication, December 21, 2012) stated that the performance management system implementation was going extremely well in terms of compliance, understanding, implementation and most importantly, the seriousness with which the organisation approaches performance management. The organisation has a strong performance management culture, which is geared towards facilitating the achievement of the organisation's strategic goals, and most importantly the values that underpin and drive it. Because everyone at Respondent 4's organisation is involved, and the right tools and resources are allocated to the successful implementation of the performance management system, Respondent 4 was able to isolate and stress the fact that if the stakeholders do not buy in to the system, it will not succeed.

In so far as, the other respondents, although this barrier did not rank in their top three as per the list from the literature review, it ranked in the individual top three of a number of respondents. The researcher ventures to generalise that it can be speculated that most line manager respondents' view HR as not providing the required support, whereas most HR manager respondents' viewed line management as not owning up to their responsibilities within the implementation process of a performance management system.

Respondent 5 (personal communication, January 4, 2013) indicated that within government, HR's hands are tied by unions:

> "Whatever you try to do, the unions are there from the policy development phase throughout."

While Respondent 6 (personal communication, January 4, 2013) was of the view that the biggest stakeholder, that is employees, lose faith in the system due to line management's subjectivity:

> "Just because someone is close to us and doing something close to our heart or is a line manager's favourite, they will get something – staff lose confidence."

Respondent 6 (personal communication, January 4, 2013) further added that as a line manager, she is guilty of being busy with all other things except performance management. Respondent 1 (personal communication, November 21, 2012) supported this view reflecting that

> "When it is done, it is done as a paper exercise and not as support asking whether I am really driving it, am I developing people, am I getting this performance management thing to work for me?"

Respondent 7 (personal communication, January 9, 2013) highlighted the critical importance of line management in the successful implementation of a performance management system as follows:

> "The stakeholder who really most of the time lets us down is line management. They would actually abdicate their task to HR if they could. Sometimes line managers will say, go and look at the job description and draft a performance agreement for my employees, not understanding that objectives and priorities change while a job description is broad and generic."

Instead of line managers viewing this as another paper exercise from the HR department that they need to comply with, Respondent 14 (personal communication, January 31, 2013) was of the opinion that they needed to appreciate that should they implement the performance management system effectively, as managers, they will have less work to do. PCubedSyndicate 5 (2011) pointed this out, concluding that instead of line managers viewing HR as a

facilitator of the system, they would prefer to leave performance management to the HR department.

Having ranked this barrier first, Respondent 7 (personal communication, January 9, 2013) indicated that it is true of most organisations that she has worked for, that:

> "Performance management is a system that is understood and implemented by HR and core business does not focus on it."

This is a view supported by Respondent 12 (personal communication, January 22, 2013) on his own list of top three barriers affecting the implementation of performance management systems. In her justification of this ranking, Respondent 7 (personal communication, January 9, 2013) further highlighted that although their current performance cycle commenced on 1 April 2012 and will end on 31 March 2013, as at 9 January 2013 they had only 40 per cent of concluded performance contracts/agreements. No reviews had been completed at the halfway mark of 30 September 2012, even though the policy requires it. However, this situation is not reflected in the core business output of electricity generation, where the performance outputs are implemented. Respondent 12 (personal communication, January 22, 2013) in justification for his approach to performance management, underscored Respondent 7's point by stating that:

> "The challenge is to balance the daily work and pressures we get and not lose sight of the performance management system. If I have to choose between the queries I have for permits; I will say, I will assess the employees next time (indicating that there is often a trade-off between the day-to-day tasks that need to be completed, usually for the core or operational side of the organisation and performance management)."

Respondent 12's (personal communication, January 22, 2013) individual top three barriers affecting the effective implementation of performance management systems centred around the lack of buy in by the different stakeholders; line management, HR and employees. On line management, he stated that:

> "Management does not manage the performance management process. Most line managers are satisfied when their staff get a satisfactory rating of a three. The reason they are happy with a three is that they do not have to explain why the staff member does not qualify for a performance reward."

Respondent 12 (personal communication, January 22, 2013) further noted that lack of interest among the employees is illustrated by the employee just signing the satisfactory rating assessment to avoid confrontation or engagement with the supervisor. As a result, there is loss of value of the performance management system for employees. This view would resonate with Gruman and Saks' (2011) citing of Pulakos (2009) as indicating that less than one third of employees within organisations believe that their organisation's performance management system assists them in improving their performance. Of HR departments, Respondent 12 (personal communication, January 22, 2013) indicated that there is lack of consistent support in that line managers are not assisted to balance the pressures of core business deliverables and performance management related obligations.

The respondents emphasised the lack of stakeholder involvement as a major barrier to the implementation of a performance management system. If all the stakeholders: employees, line managers, leadership and human resources professionals are involved in the implementation of the performance management system and fulfil their roles, the implementation is a success. This is illustrated by the organisation where Respondent 4 works, whereas, the lack of stakeholder involvement illustrated by Respondent 7 is largely responsible for the shortcomings of the implementation of the system in her organisation.

4.4.8 Failure to diagnose problems

Although this barrier was identified in the literature review, it is an anomaly that none of the respondents mentioned it. This barrier was ranked eighth by respondents with zero ranking and hence a final score of zero.

Table 15: Failure to diagnose problems

	R1	R2	R3	R4	R5	R6	R7	R8	R9	R10	R11	R12	R13	R14	R15	Total
Hits																0
Reversed ranking																0

The barrier did not score any hits(Refer to Table 15) and from a search of the term ‘diagnose’ through the transcripts, no comment was provided by any of the respondents.

Bacal (2000) defines “performance diagnosis” as:

> “… the process of problem solving and communication used to identify the real underlying causes of performance problems or deficits, for an individual, a department, or even the whole organisation” (p. 36).

From the respondent’s feedback, the researcher is of the view that except for Respondent 4, it might be that due to the lack of maturity of the performance management system in their organisations, performance diagnosis is not one of the top ranking barriers.

4.4.9 Conclusion

According to the 15 respondents interviewed, the top three barriers to the effective implementation of performance management systems in South African organisations are presented in Table 16.

Table 16: Top three barriers to the effective implementation of performance management systems in South African organisations

Rank	Barrier
1.	Lack of leadership/executive support
2.	Inaccurate measures
3.	Lack of integration

4.4.10 Other barriers

During the interviews, respondents provided a number of further barriers, particularly relevant to South Africa, that they believed affect the effective implementation of performance management systems in South Africa.

- **Culture of entitlement:** Respondent 6 (personal communication, January 4, 2013) was of the view that there is a prevalent culture of entitlement within the public sector which leads to mediocrity being rewarded. While there has been a drive to improve the effectiveness of the public sector by applying performance management systems based on private sector experience, to some extent this has not worked, owing to the external environmental influences on public sector organisations that result in management not being a key determining factor of organisational performance (Moynihan & Pandey, 2004; Radnor & McGuire, 2004). A culture of entitlement also leads to situations where employees start 'to budget' on the performance reward before they think about their performance. The performance management system ceases to be a feedback mechanism on meeting organisational goals. Respondent 4 (personal communication, December 21, 2012) cited the effect of organisational culture on the effective implementation of a performance management system as immense. Where there is a performance culture, there are also tools and resources set aside to maintain, if not improve such. An organisation with a high performance culture does not forgive or condone poor performance.

- **Central tendencies:** Statistically speaking, in the ideal world, data would be distributed symmetrically around the centre of all scores in such a manner that if a vertical line was drawn through the centre of such a distribution, it should look the same on both sides(See Figure6)(Field, 2009). This is referred to as a normal distribution, which is characterised by a bell-shaped curve, hence the reference to a bell curve. The biggest proponent of this manner of performance management is Jack Welch (2001), who argues that low performers must not receive any rewards, and that removing the bottom 10 per cent of employees is essential to maintain a forced distribution system. Respondent 6 (personal communication, January 4, 2013) and Respondent 10 (personal communication, January 18, 2013) cited the rigid adherence to the bell curve for the normal distribution of employees, as a source of demotivation regarding the performance management system. Deserving employees might be left out of performance rewards based on a negligible fraction of a percentage. As highlighted by Respondent 12 (personal communication, January 22, 2013), employees with more persuasive managers that are prepared to justify their performance scores will be better protected than those with less effective managers when it is time to argue over which employee belongs in which performance category. Stewart, Gruys and Storm (2010) highlight the following shortcomings of forced ranking:

  - It is not suitable for small groups as one or two employees that are performing above average in such a group may be ranked average or below average – in some small groups there may be no poor performers;
  - Replacing the lower rung employees each year may be costly and lower productivity;
  - It is difficult to compare levels of employee performance in different departments in order to rank everyone's performance in the organisation

- It does not account for the effects and impact of training and development that can push the curve to the right; and
- It has the potential to undermine teamwork, by breeding destructive competition

Respondent 13, (personal communication, January 22, 2013) however, is of the opinion that the rigid application of the bell curve forces managers to differentiate. Respondent 4 (personal communication, December 21, 2012) also confirmed that while there is a forced distribution to achieve the right spread and fit the available budget for rewards, due to the effectiveness with which they implement their performance management system, this does not have a negative effect. She agrees with Blume, Baldwin and Rubin (2009) that forced distribution allows for the following:

- Discipline in the performance management process;
- Removal of leniency and bias;
- Rewarding of high-performing employees;
- Matching of the employees to the available budget; and
- Forces managers to deal with non-performing employees.

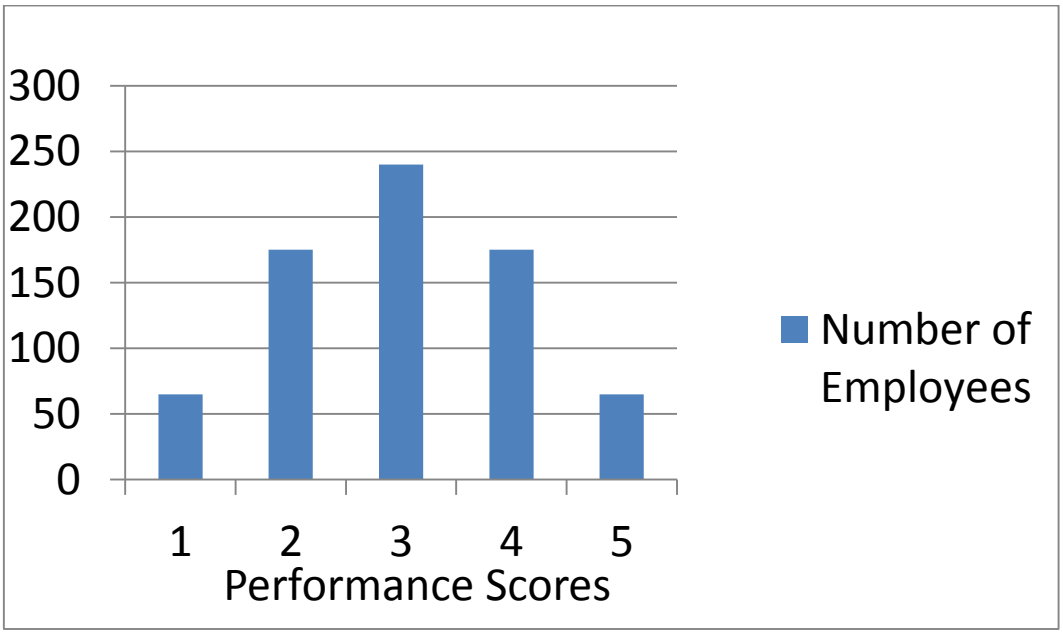


Figure 6: Normal Distribution Histogram

- **Human tendencies:** Almost half the respondents mentioned the need by line managers to be ‘liked’ or to be ‘popular’ with the employees as having a negative impact on the effective implementation of a performance management system. Respondent 8(personal communication, January 12, 2013) mentioned that especially at executive management level where work is mostly facilitated by relationships:

  > “… the CEO might find it difficult not to award a bonus to the marketing director who also happens to be his friend and golf buddy.”

  Respondent 6 (personal communication, January 4, 2013) stated that where output is often personalised and expands beyond their job descriptions, often not benefiting the organisation but the line manager (for example: the personal assistant fetching the line manager’s children from school or their clothes from the dry cleaners), it is near impossible for the line manager not to award a bonus owing to the personally beneficial nature of the output.

- **Lack of tools and resources:** Respondent 11 (personal communication, January 19, 2013), Respondent 3 (personal communication, December 20, 2012) and Respondent 4 (personal communication, December 20, 2012) cited the need to have the right tools to implement a performance management system (Roberts, 2003). Respondent 8, (personal communication, January 12, 2013) was of the view that for management positions, there need to be tools provided for subordinates to evaluate their supervisors as this occupational group is remunerated and rewarded on key performance areas and indicators related to the management or leadership of subordinates (van der Heijden & Nijhof, 2004). Respondent 11 (personal communication, January 19, 2013) underscored this by highlighting that most organisations appoint persons to management/leadership positions based on their technical skills – without the appropriate support, tools and resources, these individuals would find it difficult to drive performance management as is required.

In one organisation, where performance management was perceived to be running satisfactorily bar a few issues, the importance of the correct tools, expertise, systems and adequate resources being made available for implementation was stressed (Respondent 4, personal communication, December 21, 2012; Respondent 14, personal communication, 31 January 2013). In organisations that acknowledged that the implementation of their performance management system is less than satisfactory, the process and its tools were viewed as cumbersome and the necessary expertise from line management and/or HR was absent (Respondent 8, personal communication, January 12, 2013; Respondent 9, personal communication, January 15, 2013; Respondent 6, personal communication, January 4, 2013; Respondent 11, personal communication, January 19, 2013; Respondent 12, personal communication, January 22, 2013).

- **Ethical leadership/values:** A number of respondents noted that the effective implementation of a performance management system is compromised by managers abusing the system to punish employees that they do not like, irrespective of performance, and benefiting those in their 'good books' (Respondent 8, personal communication, January 12, 2013; Respondent 9, personal communication, January 15, 2013; Respondent 7, personal communication, January 4, 2013). The effective implementation of a performance management system requires a high level of integrity especially at executive level (Respondent 11, personal communication, January 19, 2013) where relationships are instrumental in facilitating the smooth running of an organisation, whereas at lower levels integrity is important because the employees are in a more vulnerable position in terms of power relations. The absence of positive ethical practices like the sense of responsibility and accountability from line managers at all levels and a sense of the impact that management behaviour has on employees, makes it difficult to manage performance (Ogbonna & Harris, 2000).

4.5 Further information and interesting comments from respondents

4.5.1 The role of consequences for non-compliance

In the organisations where Respondent 4, Respondent 3 and Respondent 12 are employed and the implementation of a performance management system is taken seriously, non-compliance is not tolerated and the consequences are dire. In Respondent 4's organisation, the adherence to the requirement that each and every employee must undergo a monthly, one-on-one feedback session with their line manager, over and above the two formal performance appraisals, is strictly enforced and the respondent cited instances where managers who have gone on leave without completing these sessions would be called back. Respondent 12 cited an incident three years ago when the new Director General took over, where rewards were recalled and employees had to pay back the cash amounts they had received as there was no correlation between the rewards and the performance of the organisation. The opposite is also true, where there are no consequences to non-compliance, like in the organisation where Respondent 7 works, the performance management system has little chance of being effective.

4.5.2 Differences between private and public sector organisations

Salary increases in the public sector are not linked to the outcome of performance assessments but to a general cost of living adjustment, and this accounts for the difference in attitude towards rewards between employees in the private and public sector. There were no other discernible differences in the views and opinions of respondents, that can be ascribed to the organisation either being in the private or public sector as far as the perceived barriers to the effective implementation of performance management systems in South African organisations are concerned.

4.5.3 Integrated (hard & soft issues are important)

The respondents made it clear that it is important to have a grasp of change management processes and what is often referred to as ‘people’ or ‘soft’ issues as they influence the ability of participants within a performance management system to effectively implement the system. Where basic management skills are not in place, implementing a performance management system would always be a struggle, especially with the propensity of organisations to promote excellent specialists to management positions without the requisite training or support.

4.6 Conclusion to the results and discussion

The research question for the research study was:

According to line managers and HR managers in Gauteng, what are the perceived barriers to the effective implementation of performance management systems in South African organisations?

Table 17 summarises the answer to this question based on the interviews with the line managers and HR managers in the research study.

Table 17: List of seven barriers affecting the effective implementation of performance management systems

Rank	Barrier
1.	Lack of leadership/executive support
2.	Inaccurate measures
3.	Lack of integration
4.	Lack of ongoing communication
5.	Overemphasis on the performance appraisal
6.	Lack of rewards
7.	Lack of buy in from stakeholders

CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

At the outset, the purpose of the research was to identify the perceived barriers to the effective implementation of performance management systems in South African organisations.

Fifteen respondents, HR managers or line managers of their respective organisations, were interviewed and asked to provide, according to their own perspectives, their three most important barriers affecting the effective implementation of performance management systems in South African organisations. Thereafter, respondents were requested to select their three most important barriers from a random listing of the eight most important factors internationally, and rank these in order of importance. The resultant content from the interviews, as well as the rankings provided by the respondents, provided the basis from which a conclusion of the perceived barriers to the effective implementation of performance management systems in South African organisations was deduced.

According to the perceptions of both HR and line managers, the perceived barriers for the effective implementation of performance management in South African organisations are presented in Table 17.

5.2 Conclusions of the research

The researcher conducted 15 semi-structured interviews with respondents that are HR or line managers, in order to understand their perceptions of the perceived barriers to the effective implementation of performance management systems in South African organisations. The interviews were recorded and transcribed and thereafter a themed content analysis conducted on respondent comments and responses from the interviews. This formed the empirical data, and themes from the empirical data were used to develop a priority ranking of the perceived

barriers to the effective implementation of performance management systems in South African organisations.

The research findings, ranked seven barriers as the principle ones affecting the effective implementation of performance management systems in South African organisations. These are listed in Table 18 followed by a list of other barriers gleaned from the research.

Table 18: List of barriers to the effective implementation of performance management systems

Rank	Barrier
1.	Lack of leadership/executive support
2.	Inaccurate measures
3.	Lack of integration
4.	Lack of communication
5.	Overemphasis on the performance appraisal
6.	Lack of rewards
7.	Lack of buy in from stakeholders
	OTHER BARRIERS FROM THE RESEARCH
8.	Culture of entitlement
9.	Central tendencies
10.	Human tendencies
11.	Lack of tools and resources
12.	Ethical leadership/values

5.3 Recommendations

The research study identified the barriers, which according to HR and line managers' perceptions, are the perceived barriers to the effective implementation of performance management systems in South African organisations.

Given the pressures on organisations to achieve their strategic objectives, especially in the midst of increased competition and finite resources, the findings from the research study are considered important as the effective implementation of performance management systems in organisations will be the key differentiator between those organisations that can achieve their full potential and those that cannot. In addition to this, findings from the literature review show that the effective implementation of a performance management system has an overall effect on the performance of an organisation.

All the respondents agreed that the effective implementation of a performance management system is crucial to an organisation achieving its strategic objectives. They further agreed that there is no viable alternative at present and therefore it is imperative that all efforts are made to ensure that performance management is effectively implemented. Clearly an opportunity exists for organisations to diagnose those barriers that specifically affect them so as to improve the implementation of performance management systems within their organisations.

Therefore, it is recommended that current and future HR and line managers, boards of directors, senior executives, senior management and other organisational stakeholders should focus on putting measures in place to minimise or eliminate the perceived barriers to the effective implementation of performance management systems. This will build and enhance a sustainable performance driven culture.

5.4 Suggestions for further research

Knowledge surrounding the effective implementation of performance management systems in order to drive the performance of an organisation, although present, is significantly affected by the inability to eradicate the barriers that might be present. The research study was conducted in order to identify and understand in a little more detail the perceived barriers to the effective implementation of performance management systems. The following areas are suggested for future research:

- The barriers to the effective implementation of performance management systems in manufacturing vs. service oriented businesses;
- Critical analysis of the barriers to the effective implementation of performance management systems in South African organisations;
- How to diagnose and alleviate the barriers to the effective implementation of performance management systems in South African organisations;
- The impact of leadership styles on the effective implementation of a performance management system within an organisation; and
- Whether there is a difference in perception of the barriers to the effective implementation of performance management systems within large, medium and small sized organisations.

5.5 Concluding remarks

The competitiveness of profit making organisations and the service delivery initiatives of public sector organisations are heavily reliant on the ability of these organisations to effectively implement performance management systems that will drive the achievement of their strategic goals. The literature review conducted in Chapter 2 identified barriers affecting the effective implementation of performance management systems internationally (Refer to Table 1), and the research provided an overview of the understanding as to the perceived barriers to the effective implementation of performance management systems in South African organisations. This resulted in a ranked list of eight perceived barriers from the research and other contributing factors that potentially affect the effective implementation of performance management systems. The objective of HR managers and line managers aiming to improve the implementation of performance management systems within their organisations should be to focus on eliminating or minimising the perceived barriers to the effective implementation of performance management systems within their organisations.

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APPENDIX A: REQUEST LETTER TO RESPONDENTS

Dear Mr./Ms._____,

I am an MBA student at Wits Business School and am currently completing my research report in order to fulfil all the requirements for the Masters degree.

My research topic is entitled: “Perceived barriers to the effective implementation of performance management systems in South African organisations”, and I kindly ask for your assistance in affording me an opportunity to meet with you. It is my intention to relate research conducted internationally to a South African context.

I anticipate requiring less than 45 minutes of your time for this interview. The meeting will take the form of a semi-structured interview in which I will ask you to share some of your thoughts on performance management. I will then ask you to select three to five of your most important barriers, from a list of eight barriers developed from research conducted internationally, and then ask you to provide some form of justification as to the top three barriers.

Upon completion of my research, I will gladly provide you with a copy of my findings and, upon request, will also ensure that your name and organisation details will be kept confidential in the research report.

I thank you in advance and look forward to meeting with you.

Yours faithfully

Muvhango Lukhaimane
Tel: 071 674 0776
E-mail: muvhangol@webmail.co.za

APPENDIX B: INTERVIEW OUTLINE

Perceived barriers to the effective implementation of performance management systems in South African organisations

Details of the respondent:

Date:

Time:

Respondent name:

Title:

Organisation:

Duration in present occupation / job:

Opening remarks:

Thank the respondent for taking the time to meet and contribute to the research report.

Refer to both the e-mail and follow up telephone conversation requesting the interview and provide general information and background to the research - that it is an important area of research around the world with a number of studies having been conducted; as well as what the research aims to achieve: identifying the reasons why performance management systems do not work.

Provide a brief explanation as to the format of the interview and that it will follow a semi-structured format.

Clearly state that the interview is being solely conducted for purposes of the current research report. Ask the respondent for permission to record the interview and state that the recording might be transcribed, but that the transcription will not be attached to the research report as an appendix. The transcription, as well as

the handwritten notes, will, however, be made available upon special request. State that the recordings and transcripts (if any) will be stored in a safe location and that they will be deleted five months after the research report has been submitted. Also, clarify with the respondent as to their preference for person and/or company anonymity.

Background information:

Ask the respondent some factual data about themselves and their company:

- For how long have you held the position of line manager / HR manager?
- What is the organisation's main interest?
- Approximately how old is the organisation, in its current guise?

Question one:

According to your perspectives, which do you believe are the three most frequently perceived barriers to the effective implementation of performance management systems in South African organisations, in order of importance, and provide a brief justification as to why?

Question two:

From the literature review, eight reasons were identified as barriers to the effective implementation of performance management systems in South African organisations. From the table below, which randomly lists the eight barriers, please select three most frequently perceived barriers to effective implementation of performance management systems in South African organisations.

List of eight barriers to the effective implementation of performance management systems

Barrier	In top three (Y/N)
Lack of integration	
Lack of leadership/executive support	
Lack of rewards	
Overemphasis on the performance appraisal	
Lack of ongoing communication	
Inaccurate measures	
Lack of buy in from stakeholders	
Failure to diagnose problems	
Other	

Question three:

From your selected top reasons, please rank the factors in order of importance to you.

Question four:

Please provide a brief justification as to your preferred ranking.

Closing remarks:

Thank the respondent for taking the time to meet with you and offer him/her a copy of the report once it is completed.

APPENDIX C: CONSISTENCY MATRIX

Research problem: **Identify the reasons why performance management does not work in some organisations in South Africa**					
Research Problem	**Literature Review**	**Research question**	**Source of data**	**Type of data**	**Analysis**
Identify the reasons why performance management does not work in some organisations in South Africa.	Armstrong (2009); Audia & Locke (2004); Bourne, Neely, Mills & Platts (2003); Erdogan (2002); Folan & Browne (2005); Gruman & Saks (2011); Kaplan (2001); Kaplan & Norton (1992); Kaplan & Norton (1993); Kaplan& Norton (1996a); Mayer & Davis (1999); Ulrich, Brockbank & Johnson (2008); Viedge(2011)	According to line managers and HR managers of organisations in South Africa, what are the most prevalent reasons why performance management does not work?	Respondents in semi-structures interviews	Qualitative data comprising opinions, viewpoints and commentary	Data Reduction Themed content analysis Burns (2000).