

PERFORMANCE MANAGEMENT IN THE DEPARTMENT OF TOURISM

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ABSTRACT

During the past 15 years of democracy in South Africa, the government has embarked on the transformation of the public service, adopted the New Public Management (NPM) approach, whilst streamlining the ever-existing Weberian hierarchical structures and introduced the Performance Management and Development System (PMDS) to speed up service delivery to achieve a better life for all. In the process of implementing the PMDS, continuous performance improvement is expected to take place through coaching, guidance and mentoring on a regular basis, both informally and formally. The question is whether such fundamental elements of continuous improvement are applied in the process of performance management or are viewed as bi-annual or annual events. The purpose of this research is therefore to establish whether such fundamental performance principles are adhered to and whether performance management contributes to the achievement of government service delivery goals. This is a purposive qualitative research using the Department of Tourism as a case study. The findings will be analysed and recommendations made for future improvement.

DECLARATION

I declare that this report is my own, unaided work. It is submitted in partial fulfilment of the requirements of the degree of Master of Management (in the field of Public and Development Management), at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination at any other University.

Lulamile David Stuurman

30 September 2010

DEDICATION

I dedicate this piece of work to my family; my lovely wife, Tebello Mabeleng-Stuurman and all my children, in particular my two little angels, Sinoxolo and Lulama for their unwavering support, 'through difficulties to victory.' You guys know best the trying times we went through during this period and you were there by my side through thick and thin. Thank you for your support.

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I also wish to express my gratitude to Ms Talita Freed, who edited my work to ensure that it meets the professional standards required.

The support of my work colleagues, in particular Ms Nozuko Ngozi, did not go unnoticed. Thank you for your understanding. Thank you to the National Department of Tourism (NDT) Human Resources Management for giving me permission to conduct the research in the department. This also goes to the colleagues in the department, who participated in the research process as respondents, as this work would not have been complete without them.

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LIST OF ABBREVIATIONS

Department of Environment Affairs and Tourism	(DEAT)
Department of Public Service and Administration	(DPSA)
Generic Assessment Factors	(GAF)
Human Resources	(HR)
Human Resources Management	(HRM)
Key Performance Areas/Key Result Areas	(KPAs/KRAs)
Learning Network	(LN)
Medium-Term Expenditure Framework	(MTEF)
National Department of Tourism	(NDT)
New Public Management	(NPM)
People Integrity, Performance and Sustainability	(PIPS)
Performance Management and Development System	(PMDS)
Personal Development Plan	(PDP)
Public Service Commission	(PSC)

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CHAPTER ONE

1. INTRODUCTION AND BACKGROUND

1.1. Introduction

This research report serves as an outcome of an academic investigation that was necessitated by a Performance Management and Development System (PMDS) implementation challenges observed in government, particularly within the Department of Environmental Affairs and Tourism (DEAT), which was split by government into two departments, namely; the National Department of Tourism (NDT) and the Department of Environmental Affairs (DEA) at the commencement of the research process. The National Department of Tourism is herein referred to as the case in point as it is the focus area in this study. The employees that constitute the case study sample were located in the tourism branch of the then DEAT and subsequently became part of the newly established National Department of Tourism. This report will therefore invariably make reference to the DEAT as was the starting point departmental wise, but later the focus will refer to the NDT as was the case at the time of writing this report.

Coming back to the PMDS challenges mentioned earlier, these are challenges that the researcher observed since working for government in 1995 and experienced throughout the years. Additional to the observations made, are the views expressed by a number of scholars who also make the observation that the pitfalls with performance management are generally with the implementation processes. A brief summary of these challenges for the purposes of this report are located in the problem statement that will be discussed later on in this chapter, including the

purpose statement for the research, as well as the relevant research questions that are meant to guide the inquiry direction of these investigations. Briefly, the focus of this research revolves around the implementation of the PMDS and its effects on continuous improvement as an element of the system.

This first chapter will begin to unpack the historical background of the PMDS within the DEAT and later the NDT contextualising the origins of the system from the New Public Management (NPM) as a government management approach adopted at the Department of Public Service and Administration level for the whole South African government system. The system will be unpacked in terms of the scope, structure, the application process and the workplace implementation realities.

This chapter will also briefly demonstrate areas of challenges, introduce some inconsistencies between theory and implementation realities and raise questions of ambiguities that need to be investigated and addressed.

1.2 Historical background

The newly-created democratic government of the Republic of South Africa in 1994 faced the challenge of not only dismantling the apartheid state institutions, organisational structures and systems, but also transforming them into a modern state and government machinery that responds to the needs and aspirations of the broader majority of South Africans (Nengwekhulu, 2009). In its attempt to do so, the Department of Public Service and Administration (DPSA) adopted the New Public Management (NPM) approach when it broadly restructured the South African (SA) public service since 1994, as argued by Cameron (2009). Performance management was a major component of the public service reform in this regard.

The adoption of the NPM in the South African public service was characterised by the decentralisation of authority (Cameron, 2009) with most Human Resource (HR) responsibilities, including implementation of the Performance Management and Development System (PMDS). Most HR responsibilities were delegated to the Executing Authorities at individual departmental level to determine and implement policies, systems and processes. This delegated role is undertaken in line with broad, principled guidelines set at the DPSA level through the Public Service Act of 1994 and the Public Service Regulations of 2001. The decentralisation of authority therefore assumed some form of corporatisation of government departments (Cameron, 2009) where performance management became central to the delivery of services to the public. Integral to this approach was the Weberian hierarchical management structure that existed, but was restructured in the process of rightsizing, resulting in senior managers being subjected to performance contractual arrangements (Nengwekhulu, 2009). This hierarchical structure is confirmed in the Senior Management System Handbook 2003, within which reference to performance management and development is cited as an approach, rather than a system that is in place to support other processes and systems for continuous performance improvement. It is, however, worth noting that Cameron (2009) contends that the implementation of performance management in the SA public service has been erratic and inconsistent as one of some measures employed to improve service delivery, hence the mixed results at the end.

The introduction of the NPM perspective and the Max Weber traditional bureaucratic administration model in this discussion is meant to contextualise circumstances under which performance management evolved in the South African public service environment. It is not for the purpose of dwelling on their positive or negative impact on service delivery in South Africa. In case any, such critical analysis creeps up, it would be from a different context, much as it is worth noting that most developing countries in the world, particularly in the African continent, adopted NPM and the Max Weber administration model as an attempt to improve on their public service management approach.

NPM has laid the basis for the implementation of performance management system implementation in many countries, such as Botswana, Tanzania, Serbia and South Africa. Performance-based budgeting seems to be a compelling approach at central government to measure performance on various ministries and/or national departments, as well as at local government level (Ronsholt & Andrews, 2005 and Sevic, 2005).

As the post-1994 new political order attempted to transform and redress the past inefficiencies, government introduced a performance appraisal system through Section 3 (5) (c) of the Public Service Act No. 103 of 1994, which sought to ensure a more integrated performance management system, as outlined in Erasmus *et al.* (2005). Erasmus' discussion of the South African Public Sector performance appraisals in this regard gives an impression that the appraisal system is synonymous with the performance management system, although his focus was mainly on the Senior Management System in the South African context. This will be part of the PMDS discussed in the following chapter.

1.3 Performance Management & Development System outline

The public sector Performance Management & Development System (PMDS) was introduced in 2003 as a Human Resources Management (HRM) policy measure aimed at maximising performance of employees at level 1 – 12, whereas Senior Management levels at 13 – 15 and above are covered by the Senior Management System (SMS Handbook, 2003) based on performance contracts signed on appointment. The difference is that Senior Management System (SMS) contracts are fixed for either a three or a five-year term, whereas employees at levels 1 – 12 have permanent contracts, which begin with a one year probationary period. The actual categories covered are outlined in the table 1 below:

TABLE 1

CATEGORY	LEVEL	LEVEL DESCRIPTION
Deputy Director	11 – 12	Middle Management
Assistant Director	9 – 10	Middle Management
Senior Administration Officer	8	Administration
Administration Officer	7	Administration
Senior Administration Clerks	6	Administration
Administration Clerks	5	Administration
General Auxiliary Workers	4	General

Table 1: Employee categories covered by PMDS

The PMDS followed a realisation that simple appraisal without a systemic process where performance is tracked and managed continuously is not helpful. Performance management, by its nature, is a complex and rather sensitive phenomenon that is difficult to manage objectively and always takes a while to convince general employees at lower levels to understand and agree with the importance of its implementation, particularly when employees are organised into trade unions, as is the case in South Africa. This does not necessarily imply that trade unions are anti-performance management, but merely articulates the dynamics involved in the South African labour relations situations where apartheid employer/employee distrust and conflict characterise the absence of labour efficiency (de Villiers & Kooy, 2004). Once again, based on the NPM and the Max Weber administration model, it is understandable why government has been left with two different levels system of performance management, as outlined earlier on.

The Senior Management System (SMS Handbook, 2003) is based on three to five-year performance employment contracts with annual performance plans derived from government priorities, departmental, branch, chief directorate and directorate business plans. The SMS is implemented on the basis of quarterly verification

reports that track progress and performance achievements against set targets in the business plan culminating to biannual and final verification statements at the end of six and twelve months, for example, the end of September and March respectively.

The PMDS is targeted at individual employee implementation of their performance work plans derived from the directorate business plans, but relating to their job descriptions. The implementation progress of these is also supposed to be tracked on a quarterly basis culminating in the biannual and final performance reviews that determine whether or not set performance indicators and targets were met. Performance measurement in this regard would also involve determination of skills gaps that are in turn used to compile Personal Development Plans (PDPs).

The above processes simply fall short of the basic, important part of the system, which is regular interactive supervisor/employee performance reviews that are about continuous performance progress tracking and include informal and formal regular coaching and guidance processes, which culminate into quarterly reviews (Nengwekhulu, 2009). Continuous improvement process in business terms involves assessment, planning or design, implementation, evaluation on an ongoing basis. At employee level a similar performance progress tracking process is followed by the employee individually on an ongoing basis using the agreed performance work plan as guide. That is coupled with the supervisor's ongoing guidance and coaching efforts which could include a mentoring process. These should take the form of performance management meetings, where discussions take place with feedback given on good and bad performance behaviours, implementation processes and procedures, quantitative and qualitative outputs and outcomes based on timeframes set. The focus of this research will be primarily on PMDS covering employee levels 1 – 12, with a specific purpose of establishing employee experiences of continuous performance improvement element of the performance management process. The SMS level will be of secondary consideration, much as this is the level responsible for implementation of PMDS.

The essential and critical role that is ideally expected to be played by SMS level of employees is leadership and management, which should include employee motivation to perform according to set organisational objectives. The role of leadership in organisational performance management is evaluated under the literature review chapter, wherein authors such as Haward, Stone and others are quoted. Leadership is linked to organisational culture in that the motivational influence exerted on employees' performance through goals and objectives-setting shapes the direction towards organisational culture. This eventually shapes the performance culture of an organisation, which is also an aspect that will be looked at as the relevant literature is unpacked in the next chapter.

It is, however, important to understand the structure of the PMDS and its application before delving deeper into the other influential elements of the system.

1.4 Structure of the current Performance Management & Development System

The current performance management system is based on the following pillars adapted from the PMDS policy document (2003) derived from the Department of Public Service and Administration's HRM policies for the South African government:

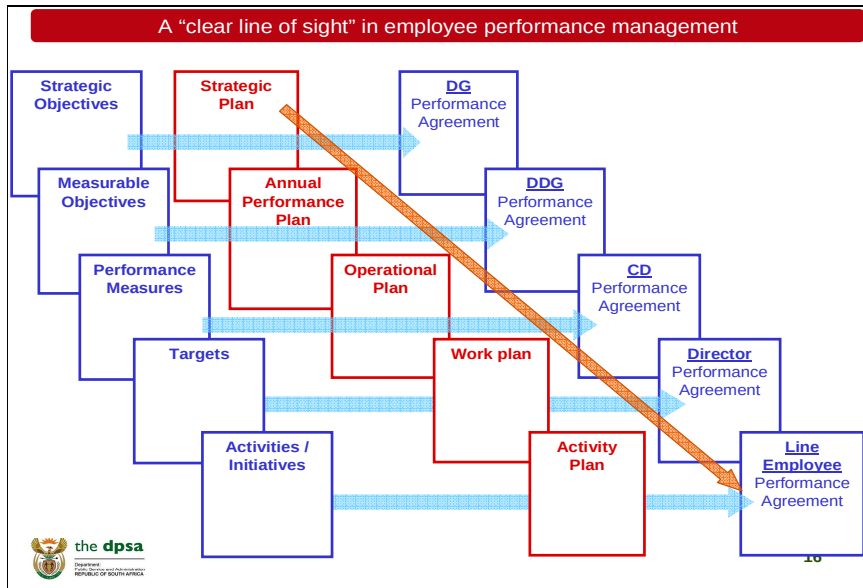
- Determination of performance objectives in the form of Key Performance/Result Areas (KPA's/KRAs), indicators and activities, and implementation with regular and final cycle reviews to track progress;
- Performance management of newly-employed employees for suitability purposes through the probation period;
- Continuous performance improvement based on continuous coaching and guidance of employees;

- Determination of performance gaps due to lack of skills or capacity, which makes performance management integral to personal development of employees;
- Use of a financial reward system linked to achievement of performance goals; and
- Progressive corrective management of poor work performance.

1.5 Application of the Performance Management & Development System

The DPSA's presentation at a former Department of Environmental Affairs Tourism (DEAT) Learning Network on 26 November 2009 made an outline of the PMDS, which broadly illustrated the planning flow and alignment of the system with the strategic planning system of government. The application of the system starts at the Director-General level, where organisational strategic plan is compiled leading to divisional or branch Deputy Director General level, who would have a divisional performance plan compiled, then the Chief Director operational plan level is followed by the Director performance agreement, which leads to middle management and line employee work plan and activity plans. The schematic diagram below illustrates this flow:

Schematic Diagram 1



Source: Adapted from a DPSA presentation (2009)

The PMDS policy document (2003) is applied to employees from middle management levels, which is employee category level 12 to 1 and managed by their immediate superiors. The process involves setting up of performance objectives in the form of Key Performance Areas/Results (KPAs/KRAs), which are converted into key performance activities with measurable performance indicators/targets, timeframes, responsible people and resources required to assess progress of performance during and at the end of the performance cycle. The performance cycle is equal to a 12-month period, which would mean April of current year to March the following year, linked to the financial year.

Individual employee KPAs/KRAs that usually constitute the employee's job description are essentially linked to the unit's/component's performance goals, are in turn narrowed down into implementable projects in line with the directorate business plan. The implementation process should systemically contribute to the overall organisational performance and eventually serve to effect the overall service delivery objectives of the department/organisation. This should happen through, and as an integral part of performance planning process, performance

implementation, performance monitoring, tracking and reviews, and performance measurement.

Management of individual performance is a responsibility of immediate supervisors with the support of the HR practitioners. Individual employee initiative is also critical in the process as ownership of the job performance lies with the job owner him or herself. This essentially makes performance management a joint employee and employer process. A structured process of quarterly performance reviews, based on performance agreements reached at the outset of a performance cycle, should be followed. The importance of quarterly reviews is the assessment of progress made against set targets or indicators. It provides employees and their immediate supervisors with an opportunity to track progress, determine areas of improvement and adjust accordingly. This is done in the form of determination of gaps against quantity, quality, cost and timeliness targets. Corrective measures should then be instituted, where necessary, during the process.

The causal factors for performance improvement gaps identified in the performance review process are also determined. These may include skills gaps, resource deficiencies and/or unforeseen circumstances or planning miscalculations, as well as unintended consequences that may arise. The process would then allow for redress mechanisms.

At the end of the performance cycle, good or excellent performance is rewarded with financial incentives that are already determined, based on PMDS's provisions for each level of performance achieved and appropriate corrective measures put in place in case of poor performance.

The research process in this regard should therefore reveal how the system, as outlined above, is implemented to effectively contribute to eventual organisational performance for realisation of service delivery goals.

1.6 The reality of implementation in the workplace

Most HR authors, including Westhuizen (2006), talk about an induction process upon employment of employees as part of a familiarisation exercise with policies, practices, systems and processes of the organisation. It therefore follows that all employees in an organisation should be introduced into the performance management system through an induction process and actually trained for a better understanding of the system, such that they can ably implement the system. If that is the case, then the assumption would be to take for granted, correctly or incorrectly, that employees do have a working knowledge of the system and, with the assistance of the HR practitioners, they can appropriately implement the system step-by-step (Westhuizen, 2006). The question is: Does the assumed knowledge and understanding translate into practical implementation? If not, why is that the case? If that indeed really happens, then the next question is whether the results are reflective of that reality? The research process should inquire into whether the regular informal and formal process of coaching, guidance and mentoring does take place.

In the worst case scenario resulting from failure to coach, guide and correct low performance levels, a performance management and measurement culture that prioritises qualification for financial incentives is essentially developed (Nengwekhulu, 2009). Consequently, an opportunity to cultivate performance-based work ethics and culture is also lost (Nengwekhulu, 2009). This research process will therefore also test the validity of Nengwekhulu's (2009) statement that says, "A number of senior public service managers tend to focus their attention on end results, ignoring the fact that performance management and monitoring is a continuous and action oriented process rather than an event." (Nengwekhulu, 2009). The other question that may remain unanswered in this research process is whether the existing financial reward system has any positive contributory role to the effective implementation of the performance management system in

government. However, the focus for now is on the challenges raised in the problem statement, as outlined below.

1.7 Problem statement

A performance management system is implemented to ensure continuous performance improvement by all employees who, in turn, should contribute positively to organisational effectiveness and growth. This should logically lead to effective service delivery in the public service context. The implementation of the system in public service does not seem to achieve the desirable results in this regard, as authors such as Nengwekhulu, Sevic, Ronsholt and Andrews would argue. The National Department of Tourism (NDT) is one of the government departments where this system has been implemented, hence it has been chosen as a case in point to be investigated. The problem seems to be the neglect of the continuous improvement element of the system, which includes coaching, guidance and mentoring. The implementation process is therefore likely to degenerate into a state that lacks a performance-based culture and work ethic, which retards service delivery for a better life for all citizens.

1.8 Statement of purpose

The purpose of this research is to investigate the implementation of the performance management system within the NDT and its effect on continuous performance improvement.

1.9 Research questions

The following are the broad question areas that the research will focus on:

- 1.9.1 To what extent does the current practice in the implementation of performance management demonstrate the elements of continuous performance improvement processes that include coaching, guidance and quarterly reviews in the Department of Tourism?
- 1.9.2 What is the performance management culture at the Department of Tourism?
- 1.9.3 What is the leadership influence on the appropriate implementation of continuous performance improvement elements for organisational effectiveness within the Department of Tourism?

10. Conclusion

South Africa has developed a good basis of legislation and established a sound foundation for performance management implementation and compliance framework. This is reasonable for a transitional state, which is still transforming itself. It is, however, essential to ensure that the implementation process of such legislative and policy frameworks is done within an environment that is conducive for effective performance management to materialise. An environment that is conducive for effective performance management involves a performance-based culture and work ethic that uses regular coaching, guidance and mentoring as a foundation for continuous improvement (Nengwekhulu, 2009). The question is whether such a performance-based culture and work ethic exists in the South African context, particularly in the public sector. Given the legislative and policy framework to facilitate performance management in South Africa, the country is doing reasonably well as compared to other African, transitional economies, such as Tanzania (Ronsholt & Andrews, 2005) and Eastern European countries, such as Serbia (Sevic, 2005). Tanzania and Serbia have implemented performance management systems as part of their New Public Management approach in much the same way as South Africa. These countries are older than South Africa in terms of their democratic order, but South Africa is operating at the same, if not a

better, level than they do with regard to performance management. This inference is drawn from a comparative analysis of literature from Tanzania (Ronsholt & Andrews, 2005), Serbia (Sevic, 2005) and South Africa (Armstrong, 2006).

It, however, remains to be seen as to what extent the implementation of a PMDS in the South African context, particularly within the Department of Tourism, does. This means looking at whether it appropriately and effectively incorporates continuous improvement elements, such as coaching, guidance and mentoring, towards the achievement of organisational goals for effective service delivery. This research should shed some light in this regard.

CHAPTER TWO

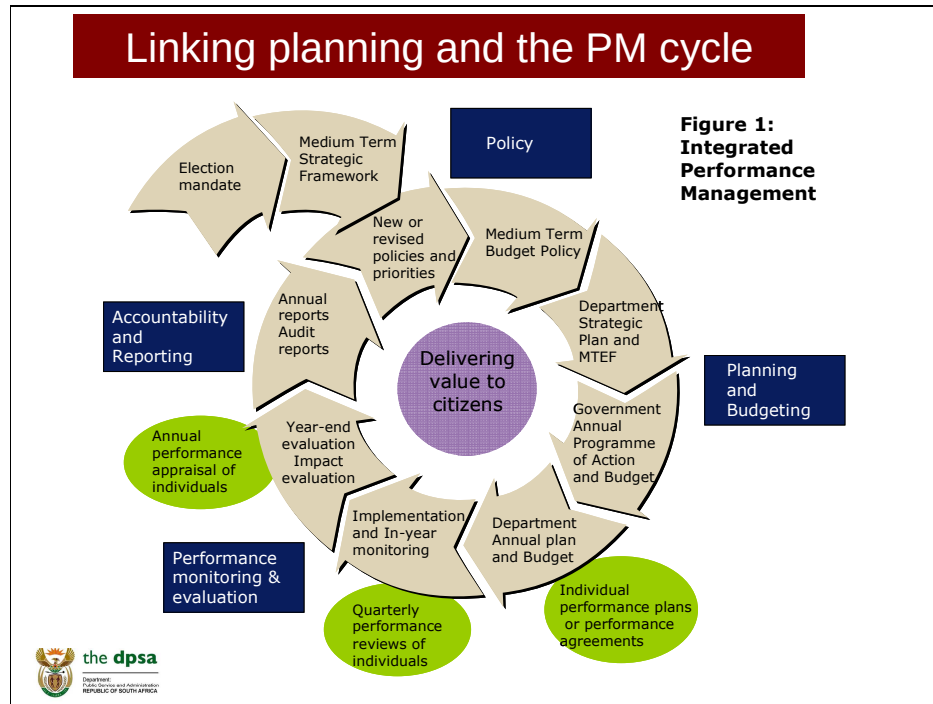
2. LITERATURE REVIEW

2.1 *Introduction*

The literature reviewed in this research process takes stock of existing articles on the dynamics involved in the introduction of a performance management system in the public sector, and interpretation thereof is applied with particular reference to the Department of Tourism. The existing literature on performance management systems, as introduced in the public sector, defines performance management in various ways. Kroukamp (2009) defines a performance management system as a performance assessment tool, which is instrumental, at both individual and organisational level. Hattingh's (2006) definition refers to it as strategic planning consisting of performance planning, monitoring and corrective action. Performance management is referred to as a participative and problem-solving process concentrating on both task performance and development by Frolick and Ariyachandra (2006). Holbeche (2005) also sees it as an integrated, systemic approach to achieve organisational goals, whereas Armstrong (2006) generally describes performance measurement and management as a systematic process for improving organisational performance through the development of individuals and teams. Armstrong's assertion can be looked at in the context of Behn's (2003) eight purposes of performance management evaluation, which include control, budget, motivation, promotion, celebration, learning and improvement. Sevic (2005) argued that a, "...performance management system can be a logical sequence of NPM being implemented or, in fact, NPM can be the result of, "obsession with performance measurement." When considering Ronsholt & Andrews (2005) on their *Getting it together or not* article on Tanzania, the Sevic (2005) article on the Serbian local government case study and the South African PMDS implementation situation, it becomes clear that NPM is laying a good

foundation for performance management systems, performance-based budgeting is a close relative and Medium-Term Expenditure Framework (MTEF) is the resultant approach. These are apparent similarities found in these transitional democracies and, in fact, a majority of African countries have the same situation.

Schematic Diagram 2



Source: Adapted from a DPSA presentation (2009)

The above diagram illustrates how the performance management cycle is linked to performance-based budget planning, which is a process that is guided by policy, planning and budgeting, performance monitoring and evaluation, as well as accountability and reporting at the end of a financial year. All of these processes are preceded by an electoral mandate after every five years where after the MTEF becomes the key planning instrument. This is almost the same process followed in many transitional economies, particularly in Africa as a result of the adopted NPM.

The literature reviewed in this case was chosen based on its relevance to the topic, problem statement and the research questions involved. The rest of the

literature reviewed would either confirm or contest against the problem identified and questions asked.

The literature review is meant to look at what happens in the public sector and link that with historical developments on the subject as it becomes integrated with a body of knowledge that exists (Neuman, 2006).

2.2 Historical background

The Public Service Act (No. 103 of 1994) sets out performance appraisals that should be done regularly and fairly in the public service. As an improvement to the implementation of this provision, the PMDS was established in 2003. The PMDS sets out the principles, process and employee levels covered. It stipulates that employees at levels 1 – 12 compile work plans with key performance areas, performance indicators with target timelines, resources required and enabling factors. It also outlines the link of the system to skills required in the form of Generic Assessment Factors (GAFs), of which possession can be determined during the application of the system. Generic Assessment Factor is an element used to describe and evaluate performance by taking into consideration the employees' knowledge, skills and attributes. The GAFs are allocated to each employee in accordance with the levels of functioning, and guidelines for this are set. Personal Development Plans (PDPs) are also determined for implementation based on job requirements or previously assessed skills gaps. A Personal Development Plan sketches the areas in which improvement is needed and the processes for such desired improvement. The application of the financial reward system is also linked to the PMDS and outlines what scores are obtained in line with the employees' performance and how they would benefit employees financially. This is usually referred to as an incentive bonus obtained once at the end of the performance cycle, which is annually at the end of March.

The principles do not, however, outline how targets are measured and, as such, it is always assumed that quantitative targets, such as numbers or percentages of activities, are what is measurable and become the measuring instrument. Performance measurement in the public sector is therefore largely quantitative rather than qualitative, thus leaving to chance the quality of service and impact thereof on service delivery.

2.3. Evaluation of existing literature

Part of the former Department of Environmental Affairs and Tourism (DEAT) Strategic, as explained in Chapter 1, Plan 2007 – 2010 had its value statement based on “People-centred Integrity, Performance and Sustainability (PIPS).” The performance part of the PIPS talks of enhancement of organisational performance through productivity, efficiency, effectiveness, innovation and continuous improvements. The interesting part about this value statement insert is the fact that it makes reference to innovation and continuous improvement as the basis for a performance culture. It therefore sets out a good organisational culture foundation in support of the strategy, which is in line with literature on the creation of balance between strategy and culture. Charlesmore (2008) puts organisational alignment in the centre of organisational key strategic consideration, among which is organisational culture, with the rest being organisational design, capability requirements, talent management practices and organisational competitiveness. Organisational culture is dynamic and should therefore always be synchronised with organisational strategic changes (Kotter, 1995). Culture can be a solid bedrock in support of strategy or it can also be the means of destruction of an organisational strategy, regardless of which came first (Pietersen, 2002). The rest of the literature referred previously supports the picture created by the DEAT value statement, which indicates that there is an attempt to support the strategy with a performance-driven culture based on a value statement that espouses innovation and continuous improvement as key drivers. The success of all of this is in the implementation process. The question would be Sevic’s (2005) argument that a

well-designed system does not necessarily mean good or better implementation, and therefore this is not the reality of the South African situation of PMDS implementation.

A performance management system implementation requires, "... an environment dominated by New Public Management (NPM) ideology and a high level of technical competence of those who are to perform" (Sevic, 2005). As stated earlier, NPM, performance management and performance budgeting in the context of MTEF are related concepts; it therefore follows that we may briefly discuss these as they apply to the South African situation. According to Ronsholt & Andrews (2005), performance-based budgeting means that funding of programmes and projects are based on costed business plans submitted to National Treasury, whereby past performance results will be used to determine performance trends as one of the criteria used to fund the business plan requests for funding. Performance is also measured based on full and efficient utilisation of past funds received, as underutilisation is viewed as underperformance.

The Medium-Term Expenditure Framework budgeting system helps facilitate forward planning, as well as provision of information based on past performances. Ronsholt & Andrews (2005) argued that a performance-based budgeting system as a control measure leads more to compliance than it should do about the right thing to do the right way at the right time. This may also be influenced by the NPM culture, which is a rule-based mechanistic approach of management; hence some general, subtle resistance does come up against proper implementation. A top-down introduction and implementation process of a policy could lead to "street level" implementing bureaucrats ending up being unsure of what to do and that could slow down implementation. Slow implementation of policy may lead to slow impact on service delivery outcomes.

Van der Heijden and Mlandi (2005) highlighted organisational practices in government that are contributing to service delivery failure. They blamed this on

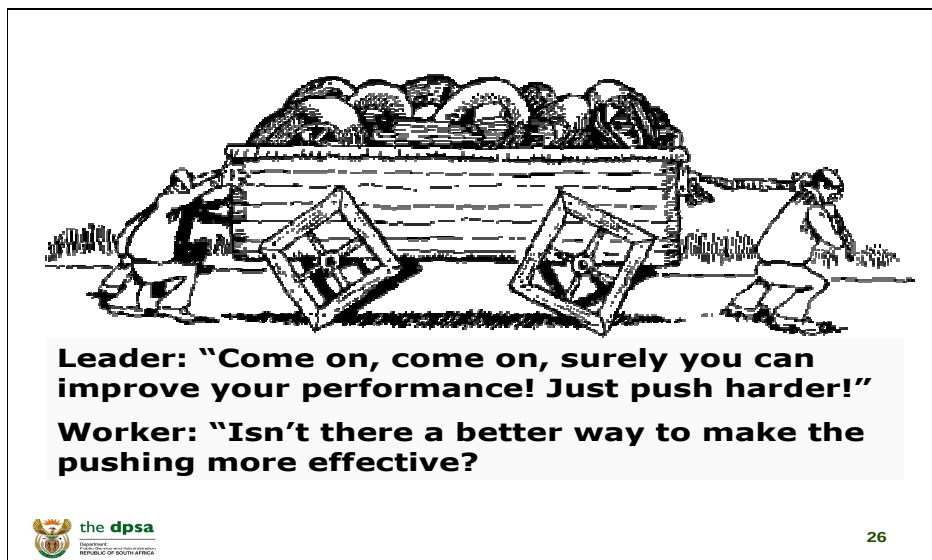
policy initiatives that seek to address problems from making assumptions about causal factors and base solutions on the same assumptions, which then prove to be unsustainable on their contribution to social service delivery. In the same context, the converse reality is that it is commonly assumed that managers and employees understand how to implement the PMDS based on the induction received when appointed, whereas the reality is that they do not know. This has led to a continuous distortion in the implementation process and, as such, a number of factors, some of which are discussed below and raised, contribute to this challenge.

Hayward *et al.* (2008) further suggest that leadership style plays an important role in employees' performance. They make reference to transactional leadership, which is characterised by an interaction between a leader and a follower with the use of reward, promises and praise to motivate high performance levels. This is the type of leadership that presumably encourages focus on financial rewards in performance management, as the incentive bonus is the ultimate objective to deliver on the outcome. Linked to this is performance budgeting, which South Africa adopted through the Public Finance Management Act of 1999, and the Public Service Regulation 2001 that require five year strategic plans and quarterly, and annual reports. The main focus in this regard is on the results on which budget allocation is based on historical information where results are a determining factor (Nkoana & Bokoda, 2009). The situation is therefore essentially about meeting the objectives set, from a leadership and management perspective to maximise budget allocation at the end of financial year for next budget allocation. There is little focus, if any, on how the objectives have been achieved. In the same way, transactional leadership encourages performance for reward, promises and praises without considering innovation through intellectual stimulation, emotional motivation, influence through mentoring, coaching and guiding, which are part of transformational leadership as Hayward *et al.* (2008) suggests.

Much as Howard *et al.* (2008) recommends that further research needs to be done on the role of leadership in employee performance. He further cautions on the validity and reliability of information generated by performance management systems, as well as the role performance management systems play in managers' jobs with consideration of the way performance management systems are implemented.

Notwithstanding the wider applicability context, concepts of good governance, leadership and ethics for sustainable delivery of optimum results are interrelated concepts, and should be approached as part of the whole, as Botha (2009) warns. Performance management embodies the concepts and principles that are associated with them. Therefore, leadership is about motivating people to innovate for success. Leadership in the appropriate implementation of performance management should therefore promote innovation and knowledge management for success, as demonstrated in the cartoon Article 1 below.

Cartoon Article 1



Source: Adapted from a DPSE presentation (2009)

These are all concepts that will be expanded upon in detail within the actual report. Stone (2009) looks at an “optimum leader,” as an ideal outcome, and considers that inputs, processes and outputs should lead to results. In his use of a Business Excellence Model called SILK, he argues that the resource inputs are finance, assets and people, and regards these resources as what makes the customer, or citizen, delighted when put together. He emphasises that all it takes is the “fabric weaving” together of the SILK strategy through innovation, leadership and knowledge. As it is the case in performance management, measurement of results is crucial. Stone (2009:24) believes that, “everything needs to be measured for effectiveness — doing right things right at the right time, to the right quality and quantity.” The most important part of his observation in this regard is that, “measurement... should be done with a mind-set focused on continuous improvement and solution identification, and not a big stick to beat people.”

Pietersen (2002) refers to culture as norms, values, rituals and climate that are an interpretive way of perceiving, thinking and feeling in relation to the group's problem. This means that culture involves a set of standards and principles that a particular group of people who subscribe to them are expected to abide by and would naturally be expected to follow. For example, a person from the NDT would show more interest in helping a foreign tourist who is looking for directions than a person who works in the Department of Energy. The employee in the Department of Tourism believes that tourists bring value to the country's economy, whereas this is less of a priority for the person working in any other government department.

According to Schein (2001), the working definition of culture is based on an idea that there are two principal types of assumptions underlying culture, which are shared values and beliefs. The content of culture is also assumed to come from leaders, managers, and employees who bring values and beliefs with them to the organisation. They also learn from experiences with people within the organisation on how certain things are done in the organisation, thus being influenced by internal and external forces of the organisation. The difficulty arises when one

defines culture from one facet without looking at the history and current situation, and probably without, to some extent, projecting the future culture of the organisation in terms of values and beliefs supporting the strategy.

Organisational culture has a lot of bearing on performance culture, such that when issues of African management and culture arise in the context of favouritism and loyalty to individual managers, it somehow explains why employees resent performance reviews. When examining African culture and management behaviour, Mufune (2003:25) refers to culture in its sociological definition as the values, beliefs, norms and practices and material objects that together form a people's way of life. In his analysis of African culture, Mufune makes the observation, derived from Blunt & Jones (1992), that many people in Africa display an instrumental attitude towards performance, whereby it is just a means to a salary at the end of the month. He looks at African management from a perspective that emphasises ethnocentrism, traditionalism, communalism and cooperative teamwork. This is the opposite of Eurocentrism, which is characterised by individualism and modernity. The argument on divergence and convergence of African culture with other managerial cultures has been justified on the basis that its characteristics, such as personalism, territoriality and lack of innovation, are more contextual and based on the social structure and therefore cannot simply be associated with African culture. However, performance-based culture and work ethic should be directly or indirectly influenced by the prevailing managerial culture, meaning that there is a relationship between the two. The question could be whether this is the reality in the South African performance cultural context or not.

Further to this observation, "favouritism" is referred to by Mufune (2003) as part of work orientation, as it fosters loyalty to individual managers. The question that arises then is how much of this influences an objective assessment of work performance. A contradictory observation that also emerged is that which views, "communalism" to condemn self-seeking "individualism," as it is built on

interpersonal relationships and group interactions securing the harmony of a group. This is what is known as social cohesion. Therefore, the question would be what management culture and work ethics are implied in a communal management context in the South African public service when implementing the performance management system.

Another question that arises in this topic is the workload which Ruth (2001) brought in the context of academia. She argues that performance appraisals are a matter of personal trust and therefore cannot be fair, but are a necessary enabling condition. She believes that where workloads can lead to high levels of vulnerability and intimacy, effective performance appraisal and development must consider sensibilities and organisational climate. Since the public sector has moved from performance appraisal to a performance management system, these anomalies should have been addressed or be in a process of being addressed. Ruth (2001) has, however, conceded in the same paper that performance appraisals are inevitably important as they naturally happen, whether formally or informally. Ruth further argues that performance appraisals benefit primarily the employer, secondarily the client/customer (student in education) and lastly, the development of the employee. Ruth cautioned against the technisation of performance appraisal and staff development to the detrimental dehumanisation of people involved. She advised that sensitivity to cultural values, perceptions, feelings and individual circumstances should always be considered during performance appraisals. This says a lot about the subjective nature of performance appraisals in the South African public sector, hence the move in 2003 to a supposedly less subjective performance management system that constitutes four key elements of performance planning, performance management, performance review and performance rewards. Perhaps the public sector workload is so much that it makes it difficult for continuous performance improvement to be the focus. Research interviews will probably clarify this point.

Kayane and Mabelane (2009) suggest that the problems experienced in the application of performance management systems are due to skills inadequacies

compared to the private sector. They further argue that the radical shift from performance appraisal to performance management created a gap between individual and organisational performance which remains, and perhaps always will remain. The context and nature of skills inadequacies will be explored in further literature reviews to determine whether the problem focus in this research relates to technical skills in understanding and applying the performance management system by employees and/or the job-related technical know-how, mainly applicable to HR professionals.

Kroukamp's (2007) analysis of the challenge facing local government against globalisation concluded with an insert that South African local authorities need world-class management processes and appropriate leadership. He referred to that as utilising and honouring unrelenting and continuous improvement systems focused on sustained improvement, rather than short-term goals. He further referred to performance management as measuring the final product and/or service and not the related activities. The key statement in his assertion is a continuous improvement system for sustained improvement, which implies doing the right thing right, at the right time to the right quality and quantity, as previously quoted by Stone (2009).

2.4 Analysis

The following are the main thematic issues arising from the readings summarised above. Appraisals were inadequate and were subjective means of measuring performance with an acknowledgement that an objective performance management system had to be implemented. This means that a performance management system is an inevitable necessity in the public sector, save the best model that can be used, which is not the focus of this study. The emphasis in this regard has been that the appropriate application of the system is imperative. The question of a performance management system as a leadership and management function has come through by Mufune, Howard, Stone and others. It also clearly

came to light that culture and ethics play an important role, as they shape the manner in which things are done based on values, beliefs, norms and practices.

- Through Kroukamp (2007) and other scholars, it is also clear that performance management is not just about measuring the end product, but the means are also important. Although there were some vague contradictions in Kroukamp's assertions in this regard, at the end he, in essence, emphasised a key principle of continuous improvement, as Stone and Howard did too in their own different ways;
- Other key issues that emerged are skills inadequacies, workloads and performance budgeting as factors that should also be looked into (Nengwekhulu, 2009 & Ruth, 2001); and
- Based on the above assessment and analysis of literature, it is clear to the writer that a definite need exists for performance appraisal to graduate to a comprehensive performance management system, and that proper implementation of a performance management system is as critical as its effect towards service delivery, in order for an ultimate outcome for the public sector. I, however, believe that the literature is clearly falling short of addressing the implications of an improper implementation of performance management system. They fall short of speaking of the impact of all the pitfalls to continuous performance management and service delivery outcomes. These are questions that this study is supposed to pose and obtain answers. It is here where a knowledge gap exists and, as such, research should assist to close up this gap.

2.5 Conclusion

I wish to concur with most of the scholars analysed above with regards to the need to emphasise continuous improvement as the basis for implementing a performance management system. This study should add new information as to

why a continuous improvement element has been ignored in the implementation of performance management system in the public sector using the Department of Tourism as a case in point.

The question is whether the government should not stop making assumptions about causal factors to challenges faced in the policy implementation as solutions end up taking the same form of assumptions (Van Der Heijden & Mlandi, 2005). If service delivery is the ultimate goal and a “better life for all” is the vision of the South African government, then should performance management not assist government to achieve this goal and vision? The reality is, however, that achievement of the goals and vision of government is not an event, but a process, and performance management is an appropriate tool to ensure success in the process. But what if the goal is viewed as an end in itself? I therefore strongly agree with Nengwekhulu (2009) when he says, “...performance management and monitoring is a continuous and action-oriented process rather than an event.” This therefore means that continuous measurement of implementation progress on a quarterly basis through mentoring, coaching and guidance is critical to ensure improved social service delivery, both qualitatively and quantitatively.

Following the literature reviewed regarding the research topic, this has now provided more insight into the available literature on the subject, as a result the researcher is now aware of the knowledge gaps and areas to focus on when collecting data. This also aids the researcher to determine the appropriate research methodology to employ in this regard, which is the focus of the next chapter.

CHAPTER THREE

3. RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

An inductive approach will be undertaken in this research process where a qualitative research paradigm, based on understanding the dynamics involved in the implementation of the performance management system in the public sector will be employed, using the National Department of Tourism as a case in point, as advised by Neuman (2006).

An Inductive Research Approach is employed in qualitative research process particularly in case studies. It is more open ended and exploratory in nature as it looks at certain observations to broader generalisations and theories. It involves a certain level of uncertainty. Trochim (2006). This approach has been particularly more appropriate in this study as it allowed for flexibility in its exploratory nature such that a combination of strategies could be employed to maximise the benefit of the broadened and deeper insights into the PDMS implementation processes.

Documentary analysis of the departmental performance management system and practice constituted the first step of primary data collection and analysis. This was followed by quantitative and qualitative interviews of senior and middle management, as well as general employees based on a purposive sampling along the lines of the department's employee levels. The questions involved were based on the main research questions and in agreement with the problem statement and purpose of research. The research process took place during the period when preparations for the first biannual assessment (in September) were to take place which also provided an opportunity for the researcher to observe the process. For triangulation purposes, the outcome of interviews was verified in a focused group

session of middle management and lower levels employees. This helped clarify some grey areas and/or complex issues through discussions. It also helped neutralise sensitivities arising from individualised interviews and created an opportunity to delve deeper and to obtain profounder insights into the subject.

The secondary data collection and analysis process constituted a literature review, based on books, journals and other published or unpublished available literature on the topic.

3.2 Research approach

This research process was meant to investigate the implementation of a performance management system considering continuous improvement as a fundamental element of the system, which should lead into effective service delivery. It was also meant to inquire into employees' experiences of implementing the continuous improvement principle when implementing performance management system in the public sector. Therefore, management and employees' understanding of the system, as well as their perceptions on existing implementation approach, are important. For this reason, a quantitative combined with a qualitative research approach was employed to enable horizontal and a deeper vertical inquiry into the causal factors involved.

Existing literature does not refer much to lack of information around how the system should be implemented and the policy itself is clear in this regard, except that training may be inadequate to enforce appropriate implementation without excuses. It is therefore safe to assume that knowledge of the system implementation requirements exist to some reasonable levels, but there are perceptual underlying reasons why that understanding is not applied accordingly, if implementation is not proper. Neuman (2006) argues that the intention is to study people's behaviours in their natural settings and context, while examining their motives and ideas that inform the way in which they implement the system.

The process involved recording and documenting people's views and ideas solicited through open-ended questions asked during interviews and discussions (Creswell, 2003). This is a flexible process that actually permitted, "...change of direction" as the need arose, as comparison of similarities and differences on information took place. The versatility involved allowed one to bricoleur and innovate pragmatically (Neuman, 2006). The complex nature of the topic involved dictated all of the above to be used as an approach within the limited time constraints at play.

3.3 Research design

The information gathered could not be used for general purposes, but to acquire a deeper understanding of the causal factors into the deviations, if any, involved in implementing the performance management system, particularly with regard to the continuous improvement principle. A nonlinear path, which is not restrictive when dealing with differentiating independent variables, was followed to enable effective insights into the causal factor for existing distortions. Nonlinear path follows regression model of scientific analysis with very few limitations in the way parameters are used. Flexibility in the model is denoted by a mixture of analysis, topology and applications. Therefore, a case study approach was appropriate in this research wherein nonlinear model of scientific analysis is applicable, as it provides a systematic environment for all critical areas for investigation to be accessed and inquired into on a qualitative and quantitative basis.

Neuman (2006) argues that a case study design provides the researcher with rich detail and astute insight into the case. This is quite the appropriate design for the topic involved as performance management system in the public sector is implemented with some modifications meant to custom fit them into the organisational performance culture and work ethic. This is, notwithstanding, the standard and generic provisions of the system that should not in any way be

compromised. In instances where departmental comparisons are indicated for the outcome of such a study, then multiple cases could be considered, but that is not the case in this study. The purpose is clearly about establishing particular theory-based insights derived from interactions with the people concerned, mainly through interviews.

3. 4 Data collection

3. 4.1 Primary data collection

Primary data collection was undertaken through personal interviews with managers and employees within three departmental branches, namely Tourism Growth, Tourism Development and Corporate Affairs. A maximum of ten interviewees were used as a standard, given the vertical nature of the enquiry. A maximum of three persons from each employee category affected by PMDS implementation, as previously illustrated in Chapter 1, Table 1, was purposively sampled in a stratified manner. They were provided with questionnaires to answer and invariably engaged on follow-up interviews.

Neuman's (2006) description of the purposive nature of sampling seems relevant in this regard, as the focus will be on individuals who will give unique insights into the performance management system implementation. Neuman adds that, "...the researcher wants to identify particular types of cases for in-depth investigation." By cases, Neuman (2006) refers to individual interviewees. These will be people who have at least two years of service with the department and should have participated in performance review process during that period.

The collected data was collated, summarised into themes and presented in this research report as raw data (*Appendix 1: Consolidated raw data*). Interpretation and analysis of the raw data collected led to meaningful insights deduced from the analysis and, as such, relevance and coherence drawn from research questions and answers obtained. Appropriate findings were drawn at this stage.

3.4.2 Secondary data collection

Secondary data collection focused on existing literature on the topic, which includes journals and books. Existing literature on performance management system does not necessarily inquire into the subject of focus in this research report, hence the knowledge gap that leads to this research. However, it does have some relevance in terms of context and system-related dynamics. Other documentary evidence utilised involved support information on implementation of PMDS in the public broadly from the Department of Public Service and Administration (DPSA), as this should apply within the NDT. This includes trends that were identified in a study conducted by the Public Service Commission.

The information collected in this regard helped to make sense of the findings obtained in the primary collection process.

3.4.3 Methodology

A case study methodology is more appropriate in this study as it involves investigating or studying people and places within their natural setting and context. The purpose of using a case study method in this research is to inquire intensely into causal reality of the existing distortions in implementing performance management within a particular or specific context and whatever the outcomes emanate from that cannot be used to generalise as a standard for what might be acceptable in a different context. Hence, the approach taken becomes more interpretative than positivist and, in the final analysis, it should take the form of critical science research (Neuman, 2006), which involves the analysis that inquires into interest difference and not just one perspective.

The NDT is the case in point this regard. For purposes of time and space effectiveness, NDT became the only case to be studied on this subject. The case itself represents the embryonic evolution of the NDT as it was a branch structure of

the Department of Environmental Affairs and Tourism (DEAT) when the problem statement was formulated and was an independent department at the time of conducting the research. The researcher had easy access to the department, since he is working for the department, and verbal permission to conduct research was obtained using the introductory letter from the university.

3. 4.4 *Data analysis*

Data analysis was done for the purpose of sorting out similarities and trends, as well as contradictions derived from the information collected. It also helped with the construction of meaning of data as interpretation was taking place, while giving an indication as to whether responses obtained during the research process provided meaningful answers to the research questions posed.

The data analysis process involved collation of data collected at primary and secondary level, which was then summarised, with emerging themes accordingly isolated. An interpretive synthesis of emerging themes was chronologically outlined making a meaningful induction of some possible theories. Interpretive synthesis is characterised by the generation of analysis concepts and theories particularly applicable in qualitative research processes which helped a free the thought flow process leading to a logical understanding of the situation (Dixon-Wood, 2006). This situation led to some conclusive findings and recommendations made from the actual data analysis.

3. 5 *Research strategy*

Since this is a case study research approach involving the NDT, the process followed a case study research protocol, as proposed by Yin (1994) cited in Tellis (1997) for reliability purposes, adapted and outlined below:

- Case study overview on objectives, issues and topics for investigation as informed by the problem statement, purpose statement and research questions in this particular process;
- Field procedures that involve credentials and issues of access to site and source of information based on the university introductory letter obtained and permission to conduct research as obtained from the National Department of Tourism management;
- Case study questions that link to the research questions and other questions flowing there from were translated into the questionnaire used;
- A case study report guide with a specific prescribed outline and format for the narrative, as guided by the university research study guide was followed; and
- The research focus is not on the PMDS itself or the model used, but its process of implementation.

The implementation of the strategy above was facilitated by a research process schedule, which outlined what would happen with timelines between the researcher and the supervisor.

3. 6 *Limitations of research*

Performance management is quite a broad and complex subject. Many scholars have conducted research and written about the subject, but no in-depth inquiry has been made into implementation challenges, particularly with specific focus on elements of continuous performance improvement. This research process is aimed at examining deeper issues involved in this regard. The challenge when probing deeper into the fundamental basics of implementation is that sensitive information may arise, which respondents may be reluctant to reveal. The researcher had to

establish a closer relationship with respondents for the purpose of better understanding and the need for the process. The respondents were assured that information provided would be handled in a professional and sensitive manner. The added advantage was that the researcher is familiar with the employees and work environment, as he also works in the department.

The fact that this is a case study research approach is in itself indicative of the fact that the information obtained will not to be used to publicly to generalise in academic settings, but will provide insightful literature in the development of the subject. It will further assist the organisation to reflect on its processes and perhaps make use of the recommendations put forward. The report itself may not be used for any other purposes than as an academic contribution to the fulfilment of the degree requirements involved in this regard. It further may be able to offer its consumers and users useful inductive insights for future research.

The researcher is an experienced HR professional with a relevant academic background in the field. Therefore, he has direct and personal involvement in the implementation of the PMDS. His practical experience and involvement with the subject in the workplace will not interfere with the required academic and professional independence in the conduct, assessment and presentation of the research report.

3.7 Conclusion

The case study research methodology used in this process helped the researcher to inquire deeper into issues that contribute to distortions identified in following a continuous performance improvement approach when implementing PMDS in the department. It was an efficient approach given time constraints for the conduct of the research, while at the same it offered helpful insights into the challenges of implementing PMDS.

The outcome of using this methodology is therefore found in the research findings, which is presented in the next chapter.

CHAPTER FOUR

4. RESEARCH FINDINGS

4.1 Introduction

The process followed in the collection of data was an administration of a questionnaire based on the three research questions with an average of 15 sub-questions for each question. Interviews were conducted with a few participants as a follow-up to the completion of the questionnaire and, in some instances; this would happen while assisting a participant to complete the questionnaire. Some additional information was collected during an unstructured group discussion where the performance management topic and process was discussed as a department policy and procedure requirement in measuring performance. Some information that may be shared in this study was obtained in formal departmental learning network session where presentations with questions and answer interactions took place and is based on questions the researcher asked for strengthening the study.

4.2. Data presentation

There are three main research questions on which the research and collection of data was based in line with the research problem identified to which the questionnaires were linked, which are the following:

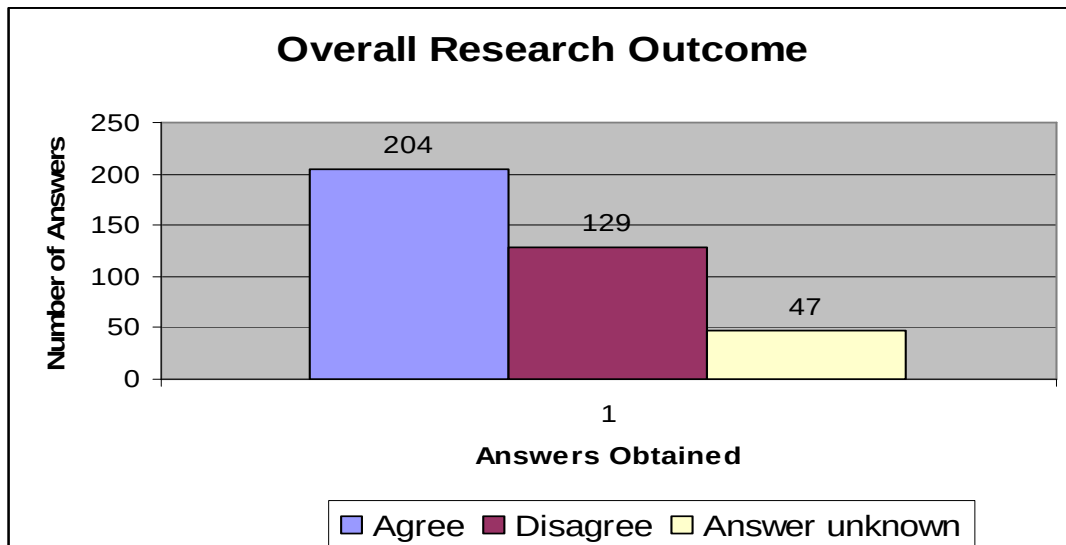
- 4.2.1 *To what extent does the current practice in the implementation of performance management demonstrate the elements of continuous performance improvement processes that include coaching, guidance and quarterly reviews in the Department of Tourism?*

4.2.2 *What is the performance management culture at the Department of Tourism?*

4.2.3 *What is the leadership influence on the appropriate implementation of continuous performance improvement elements for organisational effectiveness within the Department of Tourism?*

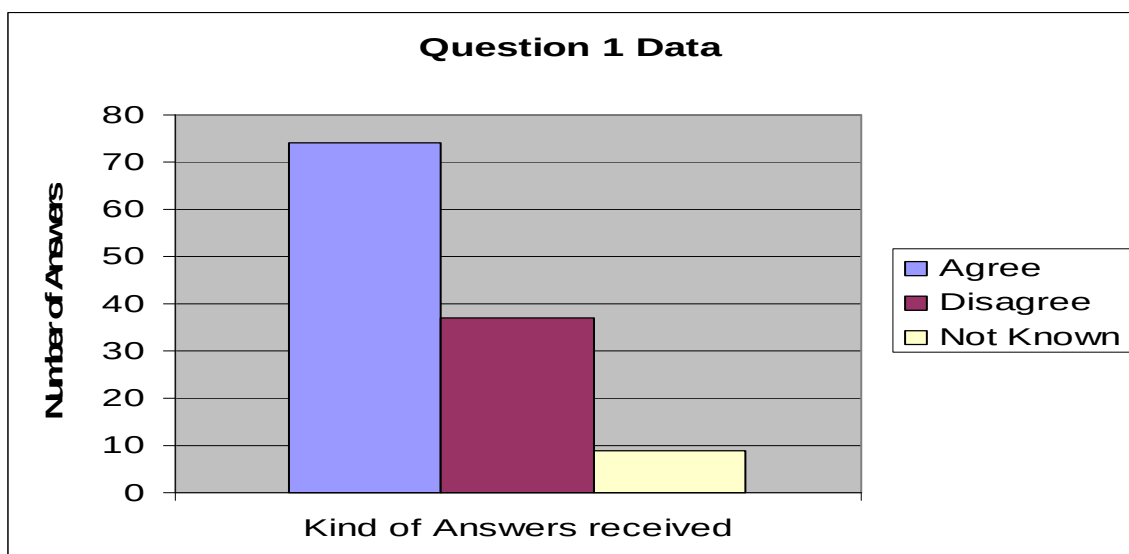
Each question was narrowed down to an average of 15 sub-questions and the answer options were about whether the participants agreed, disagreed or did not know the answer to the question. A stratified purposive random sampling method was adopted. Out of a staff complement of 67 employees in the tourism branch within the former DEAT, before NDT became a fully-fledged department, a stratified sample of 12 people based on employee category levels was drawn to participate in the survey. A consolidated outline of responses to the questionnaire is represented in Appendix 1, which is attached hereto. Out of 12 people, 10 responded with completed questionnaires. 10 people were the standard target number provided for the purpose of this study, but 12 questionnaires were issued to give allowance for possible non-responses. Each person had to answer approximately 39 sub-questions. The total answers received were 380. Out of such answers, 204 (54%) answers agreed with the questions, 129 (34%) disagreed and 47 (12%) did not know the answer to the question. Bar Chart 1 below demonstrates the findings of the questionnaire: Appendix 2: Specimen of a Completed Questionnaire.

Bar Chart 1



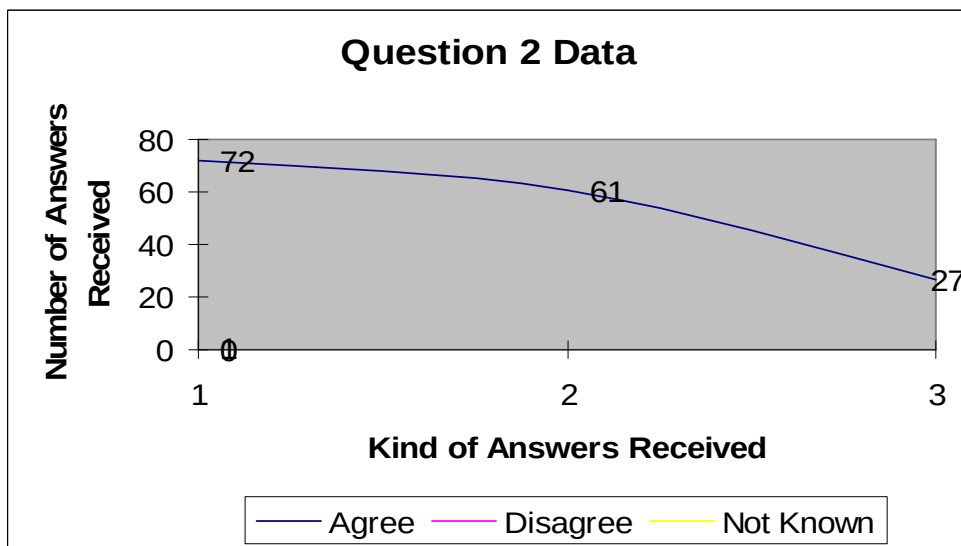
Question 1 had 74 (62%) positive sub-answers, 37 (31%) negative sub-answers and 9 (7%) unknown. There were 120 answers in total to this question, which indicated 62% positive, 37% negative and 7% unknown. Bar Chart 2 below demonstrates the findings to the first question as per Appendix 1 – Consolidated Raw Data – Section C.

Bar Chart 2



Question 2 had 72 (45%) positive answers, 61 (38%) negative answers and 27 (17%) unknown. There were 160 answers in this question in total, with 45% answered positively, 38% answered negatively and 17% did not know the answer to the question. This is reflected in below in Line Graph Chart 1 and represents Appendix 1 – Consolidated Raw Data – Section C

Line Graph Chart 1

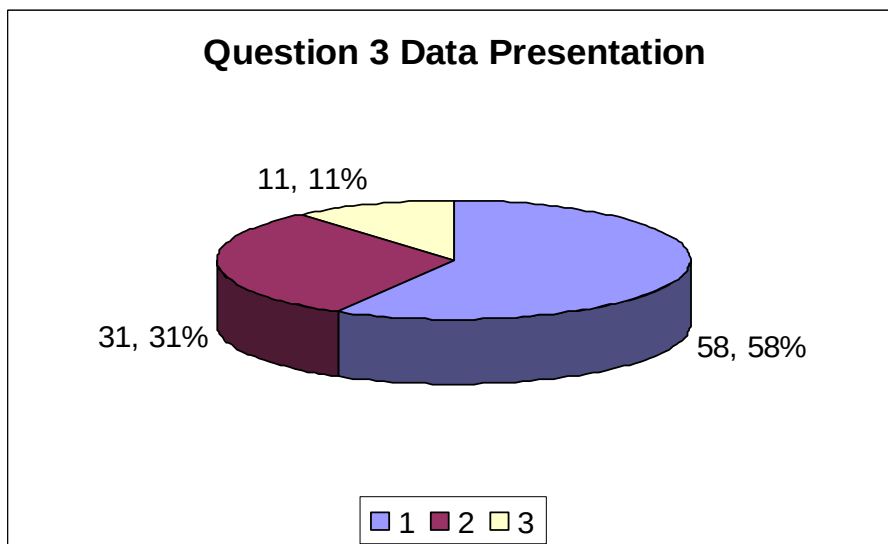


Question 3 had 58 (58%) positive answers, 31 (31%) negative answers and 11 (11%) answers not known. There were 100 answers in total to this question, indicating that 58% of the answers were positive, 31% answers were negative and 11% did not know the answer to the question. This is reflected in Table 2 and Pie Chart 1 below and represents Appendix 1 – Consolidated Raw Data – Section D.

Table 2

QUESTION 3 DATA			
Answers Obtained	Agree	Disagree	Not Known
Value	58	31	11
Percentage	58%	31%	11%
TOTAL ANSWERS	NUMBER	100	

Pie Chart 1



4.3. General comments provided

Each question in the questionnaire had a general comments section as evident in Appendix 2 attached. The general comments by respondents are presented below without any modifications. Some came out during individual interviews as assistance took place when questionnaires were completed. The codification of respondents in alphabetic letters is merely for anonymity purposes and does not

necessarily represent individual persons who participated in the research. They are further listed in no particular order.

4.3.1 Question 1

- “Performance management is the responsibility of the supervisor and employee because both of them should agree on measurable activities, indicators, timeframes and deliverables. Both the supervisor and the employee should monitor the agreed measurable activities so that a fair performance appraisal can be conducted at the relevant interval, e.g. quarterly, biannual or annually.” — *Respondent A.*
- “Training on performance improvement is necessary for all employees” — *Respondent B.*
- “No training is given – it is done by trial and error until you get it” — *Respondent C.*
- “The system can be good if it can serve its purpose but, at the moment, no.” — *Respondent D.*
- “Performance management is a tool to monitor performance and come up with mechanism/remedial before it is too late.” — *Respondent E.*
- “It does not address issues of performance, but rather an opportunity to settle scores of likes and dislikes.” — *Respondent F.*

4.3.2 Question 2

- “Employees and management understand the importance of continuous improvements because government must deliver to the citizens of South Africa.” — *Respondent A.*

- “With regards to addressing development areas in the next performance cycle, there are some development areas that get addressed in the next financial performance cycle, for example through short courses and those employees who manage to get bursaries.” — *Respondent B.*
- “However, this is not always the case due to limited funding. For example, employees will request to attend certain training and will be told that there is not enough funding to pay for that course. Another example is that of limited bursaries that the Department offers to the employees.” — *Respondent C.*
- “One way of addressing this will be for the management and employees to look at the private sector to partner with government and offer scholarships, bursaries and loans to workers in order to address some development areas.” — *Respondent D.*
- “If the Department can put more focus on developmental areas (budget) and ensure that employees acquire the necessary skills which may help them to improve in their delivery services rather than to outsource more of the functions to consultants.” — *Respondent E.*
- “There is no consistency in addressing the identified areas of development. This barrier is sometimes non-availability of funds and, in some instances, the non-responsiveness of the Human Resource/Learning and Development as facilitators” — *Respondent F.*
- “Employees are also sometimes resistant to suggested areas of improvement; they more often than not identify areas outside their delivery areas.” — *Respondent G.*
- “Development areas are not being addressed.” — *Respondent H.*

- “Employees are assessed more on a personal relationship basis as opposed to work performance.” — *Respondent I.*

4.3.3 Question 3

- “Performance management and measurement is largely applied for compliance purposes because management will punish those who do not comply.” — *Respondent A.*
- “If the department can put in place a system to acknowledge best performers just to say thank you. It does not have to be money all the time. Certificate will do or best directorate and so forth. We need to be creative to motivate employees to find enjoyment in what they’re doing and especially if we are recognised. People need to be acknowledged and appreciated.” — *Respondent B.*
- “Performance management and measurement system is commonly applied for compliance purposes, which is not what it is intended for. Management focus is not on employee improvement, but more on achievement of objectives.” — *Respondent C.*
- “The system is not fair; some major improvements need to happen.” — *Respondent D.*
- “No contribution has been made due to lack of a proper implementation process.” — *Respondent E.*

4.4 General comments provided overall

Each questionnaire had an overall general comments section, as evident in Appendix 2 attached. The following is a representation thereof:

- “All should be trained on the objectives of the system.” — *Respondent A.*
- “Workshop of PMDS to senior managers so that they understand what is expected and how to implement so that they can clearly translate expectations to subordinates.” — *Respondent B.*
- “The critical focus should be based on empowerment of employees so that they can deliver on their mandate — where currently the focus is just on deliverables/targets.” — *Respondent C.*
- “A conducive environment for effective and efficient service delivery should also be the highest priority so that when PM [Performance Management] is implemented, functions and processes complement each other.” — *Respondent D.*
- “Some employees in the Department feel that the performance management is subjective rather than objective. For example, it is not unusual to hear employees complaining that a certain employee was awarded a bonus or pay progression because he/she is the friend of a certain manager.” — *Respondent E.*
- “I therefore am not sure how this can be resolved, and would like to see the findings of this study assisting the Department to deal with this matter. Because, as long as some employees feel this way, the good intentions of performance management will not yield the required results.” — *Respondent F.*
- “Let us create a fun environment while rendering our services and have fun at the same time as we work. Tourism is about fun, peace, joy and excellence. It should begin with us, in us and through us.” — *Respondent G.*

- “I think if all employees can go and attend PMDS, it must not be attended by levels. It affects us all.” — *Respondent H.*
- “All who apply the system should be trained on how to implement the system for effectiveness.” — *Respondent I.*
- “Workshop of PMDS to SMSs so that they understand what is expected and how to implement so that they can clearly translates expectations to subordinates” — *Respondent J.*
- “There should be consistency when awarding incentives.” — *Respondent L.*
- “Both parties [supervisor and supervisee] should meet quarterly to review performance.” — *Respondent M.*
- “The system should be supported by the development of a culture of performance within the organisation wherein managers would lead by example.” — *Respondent N.*
- “Policy must be reviewed within the time lines.” — *Respondent O.*
- “Process must be transparent and fair.” — *Respondent P.*

It should be noted that where there is a link to the same individual responses above, such are coded as from one respondent under different questions from one to three, as well as general comments. It should further be noted that not all respondents provided comments under each main question or general comments, hence the number of comments would not necessarily tally with the total number of respondents. However, the amount of comments received presented a significantly clearer picture of what a majority of respondents wanted to say.

4.5 *Unstructured focus group discussions*

A discussion took place at a performance management system and process presentation. This session involved the HR section, middle management and lower-level employees. It is essentially organised for all levels of employees, including senior management, but it was reported that senior managers usually do not attend the session. The strategic significance of this session is that it takes place just before or beginning of September every year in preparation for the biannual performance reviews. This is the time when all employees are anxious about the forthcoming performance reviews and measurement ratings in particular. The significance of these discussions was that they provided qualitative data that represents respondents' spontaneous views about the system. Questions were asked by participants, including the researcher. Responses to questions are represented in Appendix 3 attached and are summarised below:

- Only employees who are on probation need to have quarterly reviews for the sake of confirming their permanent employment at the end of the one-year probationary period. This is a procedural requirement, as evidence of the reviews is essential. However, if an employee is transferred from another department laterally, this is not a requirement. It only applies to new appointees or employees promoted internally and/or those transferred from other departments on a promotional basis;
- It was agreed that, in principle, regular formal and informal performance monitoring in the form of coaching and guidance is a fundamental requirement. However, it was viewed as the ideal situation. Therefore, what are most important are the biannual and final performance reviews, which is essentially an audit-related process, implicitly confirming that it is about compliance, rather than performance improvement;

- Emphasis was put on the alignment of realistic performance key performance areas and indicators, which was in response to undesirable instability of job descriptions content. This was also laid at the door of line management as a responsibility by the human resource section;
- More blame was portioned towards line management on alleged unfair performance ratings, in which case the discussions were more about how to ensure that employees' performance scores and ratings warrant an incentive bonus. A caution was, however, made that employees should not inflate their ratings unjustifiably, as evidence would be required for them to prove the high ratings above satisfactory performance; and
- Further discussions were reserved for individual discussions based on differences that arose when it came to human resource principles governing performance management.

4.6 *Additional information obtained from the former Department of Environmental Affairs & Tourism (DEAT) Learning Network Session (DLN)*

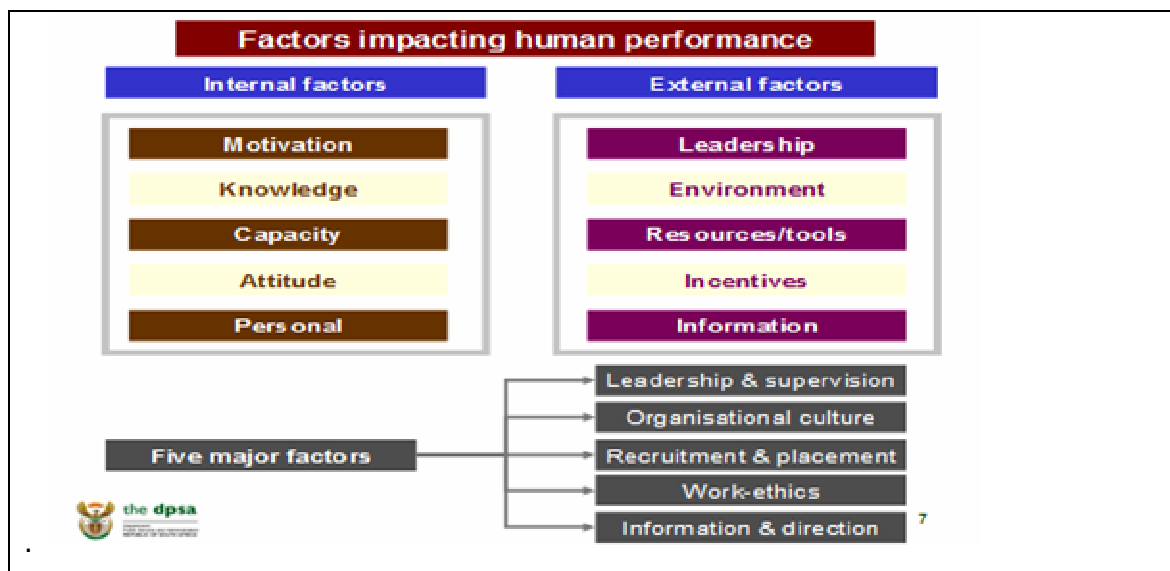
The DLN is a departmental structured learning session where presentations are made by externally arranged guest speakers. It is attended by middle and senior management levels in the organisation. This session was addressed by a representative of the Department of Public Service and Administration (DPSA) and the Public Service Commission (PSC). The topic was about performance management for service delivery, which made it more relevant to this research exercise topic. The following were the key issues that emerged and were relevant to this study:

- The history and structure of the PMDS, as outlined in the introduction and background of this report, was confirmed by the DPSA presentation;

- The focus and emphasis of both presentations was the importance of continuous improvement during the implementation of the system and both presenters accepted that this is a challenge in the South African public service;
- It was confirmed that employees' interest in performance management is mostly about biannual reviews, particularly the ratings and scores that are usually inflated;
- The PSC revealed that there are departments that have not yet started to implement the PDMS, which makes it difficult for employees' performance to be assessed, and that makes the picture worse when looking at the overall organisational performance;
- PSC also alluded to a situation where some departments would get a "qualified" performance audit, but surprisingly their top management would receive some incentive bonuses, which is one of the issues the PSC was addressing;
- In conclusion to the presentation, the PSC argued that, "...successful implementation of the PMDS requires active participation by all SMS members within departments in order for the system to be effective. Heads of Department should provide the required direction and discipline to ensure the effective implementation of the PMDS."
- The DPSA confirmed, in response to a question asked, that as much as the incentive bonus is supposed to be a motivating factor for performance improvement, money is not the main performance improvement motivator. Therefore, the incentive bonus should not be the main focus in the performance management processes; and

- The schematic diagram below illustrates the five major factors that summarise what is referred to as factors impacting on human performance, namely: leadership and supervision, organisational culture, recruitment and placement, work ethics, and information and direction. These five key factors are said to be influenced by, and are a product of internal and external factors that eventually shape the nature and fabric of a performance management system in an organisation. The key relevant factors dealt with in this research are leadership and supervision, organisational culture, work ethics and information and direction. This represents the convergence of literature reviewed in this report with policy positions that government seems to have adopted in the implementation of PMDS. The question is whether these theoretical policy approaches are practically implemented to achieve continuous performance improvement. The details of how these affect performance management system implementation at NDT are discussed in the findings below.

Schematic Diagram 3



Source: Adapted from a DPSA presentation (2009)

4.7 Conclusion

The data collected and information obtained during the study is far too broad and complex to narrow and pin down. There was, however, diverse and rich information collected relevant to the research questions for this study. The information ranged from questionnaire answers with general comments, which formed the more convincing qualitative element of the responses, to the questionnaire, as they were more instinctive expressions of how employees feel about the system.

The information obtained from the unstructured focus group discussions, as presented, proved to be highly valuable in answering the questions involved in this study. The same quality of information emerged from the DNL session discussions. The analysis of the data will deal with details of what emerged in response to the research questions involved in this study.

Generally, the data and information obtained resulted in balanced facts towards answering the research questions. However, it has become much clearer that continuous improvement is a foreign practice in the implementation of the PDMS at the Department. The details involved in this comment will be dealt with in the analysis of the findings.

CHAPTER FIVE

5. ANALYSIS OF RESEARCH FINDINGS

5.1 Introduction

The data and information involved herein comes from diverse platforms and sources, but the critical issue is that it is all about the same topic and addresses the same research questions raised in this study. However difficult it may be to synthesise the information, what brings everything together in this process are the research questions. For the sake of continuity and reference convenience, the research questions are analysed as follows:

To what extent does the current practice in the implementation of performance management demonstrate the elements of continuous performance improvement processes that include coaching, guidance and quarterly reviews in the Department of Tourism?

This question dealt with employee knowledge of the PDMS as a policy and procedure for performance management in the department. It sought to measure employee levels of system understanding based on their experiences as they engaged in the implementation processes. It was also a precursor towards clarifying the key elements of continuous improvement in performance management.

What is the performance management culture at the Department of Tourism?

This question sought to explore the performance management cultural dynamics that prevail in the Department in support of the PMDS implementation. Organisational culture issues have leadership elements that define expectations in

a particular organisational set up. Hence, leadership, management and supervisory approaches were also explored. Pietersen (2002) also makes reference to leadership when he wrote about creating a focused alignment of culture with strategy for success when he quotes Carly Fiorina, CEO of Hewlett-Packard, who, in 1999, as president of Lucent Technologies, summed up the role of a leader of an organisation, “to define a clear vision and inspire your people to invent their way there.” This statement says something about the relationship of the inspirational leadership qualities that enable people to innovate ways of doing things. Isn't it an interesting signal of relations between strategy, culture and innovation? The spin in the whole debate is the fact that performance management is a strategic intervention towards achievement of the organisational strategy and therefore the link in the process value chain is inevitable. Leadership, culture and work ethics are probably the bedrock of performance management as they are strategic imperatives. Alignment of these had to be examined in this question to determine the actual PMDS form of implementation in the department.

What influence does leadership have on the appropriate implementation of continuous performance improvement elements for organisational effectiveness within the Department of Tourism?

The logical response should be the achievement of organisational strategic objectives leading to effective service delivery and a positive contribution to the government vision of a “better life for all.” Appropriate implementation of the PMDS should therefore contribute to this ideal. The PMDS implementation at the Department should therefore contribute to this ideal.

As information responds to these questions, thematic areas are emerging; common threads and trends, as well as some contradictions. These are the issues this analysis is focusing on. There may be some kind of interpretive analysis at the end, as outlined below.

5.2 *Thematic issues and trends*

5.2.1 Training on PDMS

Training on the system has materialised as an important issue. 80% of the answers to the questionnaire reflect lack of training, both on induction (60%) and on a periodical basis (70%). 70% of the general comments also emphasise this area as a challenge. Lack of effective training or proper induction of newly appointed employees means that employees simply engage with the system without any knowledge or understanding of how PMDS works. They probably would rely on peer education, which can be either positive or negative. The 30% that believe periodical training takes place is apparently based on inconsistent sessions that are held, and which are apparently not well attended by employees, particularly senior management, as confirmed by the unstructured focus group discussions.

The training that takes place also seems to happen for mere compliance and not really to address knowledge gaps that may be evident. This is confirmed by the fact that HR seems to have a challenge that senior management employees are not attending their sessions without any redress mechanism mentioned. The fact that on observation these sessions are largely addressed by junior employees whose knowledge depth is not comparative to the issues involved in performance management and general HR as a subject, might have led to loss of interest from senior managers. This, however, is a matter to be further investigated. In the final analysis, the training that takes place may not be effective and that may have had an adverse influence on the implementation of the PMDS.

Respondents continuously raised lack of training as a critical element for implementing the PMDS both in their responses to the questionnaire and as they answered interview questions. Respondents mentioned factors such as training “being necessary for everyone,” and the fact that, “no training is given – it is done

on trial and error until you get it.” The first statement alludes to the fact that the training that might be taking place does not address performance improvement-related issues; it could be focusing on technical system issues and not tactical implementation issues.

The essence of the trends arising in the data and information obtained suggest that training probably takes place for the sake of training and is therefore not effective. The fact that HR complained in their pre-biannual presentation that senior management do not attend their session is indicative that the problem itself lies with the training approach itself, be it the content or the actual process involved.

5.2.2 Performance management culture

60% of the answers to the question agree that the department has cultivated a performance management culture in the organisation and the same 60% said the performance culture in the organisation is not about continuous improvement of performance. This probably is synchronous with the fact that 80% also confirmed that leadership is critical in building the performance management culture. However, 60% say that NDT management puts no concerted effort in ensuring that employees improve their performance. The fact that 100% responses reveal that no particular measures are taken to address poor work performance and that 60% confirmed the existence of a poor performance management policy and no implementation thereof, confirms that the performance management culture is not really about continuous improvement, because if that were the case, special attention would be paid to address the existing performance gaps through identifying and appropriately managing poorly performing employees.

Once more, a strong leadership and management role is critical in building a performance culture that is based on continuous improvement principles. If leadership does not lead by example and inspire employees to see issues in the

same direction, as already mentioned, a different culture opposite to the desired would develop. This is apparently the case revealed in this study.

5.2.3 Training on PMDS & Personal Development Plans (PDPs)

Employees continuously raised lack of training as a critical element of implementing the PMDS both in the answers to the questionnaire and as they answered interview questions. Examples of such answers obtained include, “Training on performance improvement is necessary to all employees,” and, “No training is given – it is done on trial and error until you get it”. The first statement alludes to the effect that the training that might be taking place does not address performance improvement related issues; it could be focusing technical system issues and not tactical implementation issues.

The essence of the trends arising in the data and information obtained reveals that training for the sake of training is not effective. The fact that HR complained in their pre-biannual presentation that senior management do not attend their session is indicative of a problem with the training approach itself, be it in the content or the actual process involved.

5.2.4 Unfair implementation of PMDS

This seems to be a challenge for employees at lower levels, who sounded helpless as they depend on middle and senior management for their performance assessments and reviews. The HR section and employees placed the responsibility on line management for the fair or unfair implementation of the system. Some believe, as the following quote demonstrates, that, “It does not address issues of performance, but rather an opportunity to settle scores of likes and dislikes.” Discussions at the unstructured focus group session clearly indicated that the dissatisfaction in this regard relates directly to performance rating scores.

This trend is consistent with the concern raised by the DPSA, in their presentation at the DLN, that implementation of the PMDS is generally not fairly done and the focus continues to be the ratings for achievement of incentive bonuses. This, however, is not good for performance improvement culture that need to be developed as the DPSA confirmed that financial incentive is not the main motivator for good performance.

5.2.5 Management of PMDS implementation

Apportioning of blame to line management for the implementation of the system is actually a trend that came through the answers to the questionnaire, as well in the presentation sessions held. Both HR and employees seem to believe that line management should take responsibility for all the ills of the ineffective implementation of the system. The irony lies in line management's lack of interest in attending the performance management empowerment session, which may as well as give some credence to this argument. However, the other contradiction is the fact that the answers to the questionnaire confirm the over 90% certainty that performance management is a joint responsibility by the employees and line management. The challenge here is probably the understanding of roles, if all employees have a role as well.

Management of poor performance seems to be inadequate as no respondent agreed that this part does get attention, as 50% disagreed and 50% do not know if this happens. 50% of the respondents disagree that the department has a poor performance management policy, with 10% who do not know and only 40% agree with this point. 60% of respondents disagree that poor work performance become corrected immediately or soon after it happened. This also suggests that less coaching and guidance takes place for continuous improvement.

As much as 60% of respondents believe that performance management, based on continuous improvement elements, helps bring about no surprises during performance measurement processes, but 60% believes that this is not done fairly. 50% disagree that the financial incentive helps improve employees' performance and as much as 10% do not know the answer.

5.2.6 PMDS implementation for compliance purposes

80% agree that the PMDS is implemented for compliance purposes, with 10% not knowing the answer. A majority of general comments also allude to the same point of compliance with HR indicating that, "quarterly reviews during probation are for audit purposes." When comparing this view with the majority of respondents indicating that poor work performance is not managed well, the logical deduction is that performance in this department is not about continuous improvement, but about compliance purposes. Therefore, the question would be how does this assist employee performance improvement for organisational effectiveness?

Interestingly, HR also seemed unprepared to take some responsibility and ownership of the system, as they also squarely put the blame at the line management door. Their supportive role was questioned at the focus group discussion and their defensive stance did not help the process.

5.3 *Contradictions*

5.3.1 Roles and responsibilities for effectively implementing the PMDS

There seems to be a contradiction in this area as both employees and HR continually shifted the responsibility to line management for the ineffective implementation of the PMDS. As indicated previously, it is ironic that there is line management's lack of interest in attending the performance management

empowerment session was cited as a challenge, which may well give some credence to this argument. However, the contradiction is the fact that responses confirm to over 90% certainty that performance management is a joint responsibility by the employees and line management. Probably the challenge here is the understanding of roles, if all employees do have a role as well.

5.3.2 Focus on incentive bonus and performance improvement

Employees seem to focus on the incentive bonus as they engage in discussions at the focus group discussions and general comments to the questionnaire answers regarding their performance reviews. Their answers regarding performance improvement indicate a positive view as regards its importance. The question would be whether they were not sentimental towards performance ratings and scoring when they responded to the questions regarding fair and effective incentives implementation. This is against the expectation that they would rationalise their answers in response to performance improvement questions. In retrospect, one reflects that it is probably natural and easy to pay meaningful attention to tangible rewards for personal gain than anything else. However, all of this hinges on the organisational culture in place, which is apparently consistent with the picture that is emerging in this report.

5.3.3 Knowledge of PMDS and Training

There seems to be 50% to 60% of respondents' knowledge about the existence of PMDS as a policy, with 80% confirming its implementation, but another 70% to 80% denying the existence of training initiatives. This is also contradicted by the fact that a presentation is apparently made traditionally in preparation for the biannual reviews in September annually, as well as the DLN session held on performance management this year. The reason for this contradiction could be attributed to the significance attached to the training initiatives undertaken. The

other possibility could be the fact that the form and process of training that takes place might not be effective. Apparently, there are no skills training that would lift management and employees' competence on PMDS implementation to a higher level.

The fact is that PDPs are compiled within the work plans and performance agreements, and budget issues then become the challenge for implementation thereof as most respondents would indicate that, "If the Department can put more focus on developmental areas in terms of budget and ensure that employees acquire the necessary skills that may help them to improve in their delivery services than to outsource more of the functions to consultants."

5.3.4 Compliance and performance improvement for service delivery

Issues of a compliance culture have emerged very strongly under question 3 of the data collection process. 70% of respondents believe that the organisation does not have a continuous performance improvement culture. 80% of the respondents say that the organisation has a culture of compliance, rather than a performance management-driven culture. The contradiction arises out of the fact that the organisation adopted the People, Integrity, Performance and Sustainability (PIPS) values, as well as the fact that individual employees' key result areas and performance indicators are always aligned to the organisational strategic objectives to ensure cohesive delivery of service at the end. The compliance culture came out strongly when the need to adhere to auditable actions, as this appeared to be a critical area of focus. The fact is that PDPs will be compiled in the work plans and performance agreements and budget issues will become a stumbling block to the implementation thereof as most answers to the questionnaire would indicate:

"If the Department can put more focus on developmental areas in terms of budget and ensure that employees acquire the necessary skills that may help them to

improve in their delivery services than to outsource more of the functions to consultants.”

It is, however, not surprising to have this as a challenging contradiction in that the introduction to this report alluded to the New Public Management System (NPM) that the South African government has adopted since 1994, and the well-known effects and weaknesses of the NPM system when it relates to budget-driven planning approaches adopted. The contradiction is that service delivery starts to suffer in the final analysis.

5.4 Interpretive Analysis

Employees appreciate the importance of performance management and measurement, and understand its crucial importance for organisations. There is sentimental support for the continued implementation of the system in a fair and just manner. There is consensus that the system should be implemented in a manner beneficial to both employees and the employer. There are two possible reasons that explain the sentiments expressed by the respondents above namely; (1) that an incentive-based performance culture prevails in the department and (2) that a compliance culture that disregards logic also exists. This situation is depicted to exist not only in NDT but the SA public service in general as supported by DPSA and PSC presentations referred to in this report. Therefore, the response to the research questions seems to indicate that the NDT indeed has the PMDS in place and it somehow complies with high-level implementation requirements, but the leadership approach and culture development involved seems to be more on the side of compliance to budget-based performance management processes than focusing on individual performance for organisational effectiveness, which should logically lead to improved service delivery.

The sub-questions asked in the questionnaire covered both knowledge and understanding of the system, as well as the experiences involved with the implementation processes. Employees proved to be reasonably knowledgeable about the system but, as usual, implementation of the system was an area of challenge. This confirms Sevic's (2005) argument on implementation. More energy seems to be spent on ensuring that employees comply with laid-down procedures, rather than on how procedures are followed. The possible consequence of this challenge may be that employee performance may be low, resulting in ineffective organisational performance, and service delivery may suffer. The latter deduction is an area that has not been deeply explored in this study and may need to be further researched in future studies.

Issues of leadership have a direct influence on an existing culture within an organisation. The fact that this report suggests that a compliance culture exists more than a performance culture, directly contradicts the values adopted by the organisation since 2007. It suggests a low level of influence that the organisational leadership had on inculcating a culture of continuous performance improvement. The alignment of culture with strategy is critical for organisational effectiveness. Should an existing culture fail to support or negate the strategy, achievement of the strategy in place is doomed to fail (Pietersen, 2002).

5.5 Conclusion

The approach adopted in the collection of data and information in this study was helpful in addressing the research questions posed. The fact that issues of employee knowledge about the system were verified, justified the graduation to the implementation experiences, as the two were inextricably linked. This, therefore, means that any gaps that have been identified, such as inadequacy of training should be attributed to other causal factors like content and the actual delivery of training issues.

Details of the challenges identified, with regards to a performance improvement culture that seems to be lacking owing to a compliance culture adopted, focus on incentive-driven performance management, rather than a continuous improvement-driven performance approach. The leadership role that should ensure effective implementation will be dealt with in the conclusion and recommendations chapter of this report.

CHAPTER SIX

6. RESEARCH CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

This chapter will focus conclusions deduced from the findings of the study as they relate to areas of improvement that have been identified. This part will briefly summarise the outcome of the report and thereafter propose remedial measures for the challenges identified.

6.2 Research conclusions

6.2.1 Research achievements

This study was motivated by the apparent lack of effective implementation of the PMDS in the National Department of Tourism, which is the main pitfall of performance management and measurement that many scholars alluded to in the literature review. The research questions were geared towards establishing the extent to which the department has fared in the PMDS implementation process. The three main questions, as narrowed down into sub-questions through the questionnaire that was administered, proved effective in that the data collected was relevant, reliable and valid. The information obtained could therefore enable the researcher to make proper conclusions and recommendations for remedial measures where necessary.

The nature of the sub-questions asked sought to exclude elements of knowledge gaps that employees could have on the topic to which the answers obtained

proved largely that this is not the main area of challenge. The next level of questioning was focused on employee experiences with implementation processes which also highlighted the relevant challenges in existence such that implementation gaps were identified. Environmental enabling factors in the organisation, including support systems such as performance culture, management and leadership elements were also inquired into and relevant challenges or shortcomings were identified. All relevant details in this regard will be dealt with in the conclusion on the findings.

6.2.2 Challenges experienced in the research process

The research process had challenges, which were not necessarily unique to this research process.

Firstly, the fact that the availability of participants to conduct interviews, administer the questionnaire and obtain completed questionnaires become a challenge was not unexpected.

Secondly, the fact that the study coincided with the 2010 FIFA World Cup posed a challenge in organising focus group session(s) and was a unique situation, particularly for employees of the NDT, as they were largely actively involved in the World Cup activities since the event directly impacted on tourism activities. However, this was effectively handled as the use of other means to obtain information, such as unstructured focus group discussions, were applied.

Thirdly, the delays in obtaining completed questionnaires owing to busy schedules of participants led to the delay in the collation of data and, as such, the conclusion of the first draft report.

Fourthly, the tight timelines involved in the production of the report could have adverse implications, should deadlines not be met. The requested extension for submission was also granted with limited time allocated. A serious attempt was

made to ensure that all of these challenges did not adversely impact on the quality of the study and report.

6.2.3 Conclusions on the findings

The findings of this report in response to the research questions understandably confirm pertinent pitfalls that the literature review has highlighted with regards to the implementation of performance management systems. The following are the key areas of the findings:

- Historical introduction and existence of the PMDS as a government performance management system was confirmed as correctly outlined in the introduction;
- The literature reviewed was vindicated in its arguments for and against the challenges of implementing a performance management system, in particular, the PMDS; and
- The research methodology followed in this study was appropriate as the research questions were reasonably well responded to and this validated the data collected.

The conclusions on findings also included the following:

- NDT has followed a South African government performance management approach, which is largely characterised by NPM approach that led to a budget-based performance management process. This created a conducive environment for a compliance-based culture of performance management practices. The extreme end of compliance-based culture tends to stifle innovation which would eventually impede a continuous improvement-based performance management culture. It should however be noted that continuous

improvement does not necessarily negate compliance with standards, rules and regulations. The NDT situation was found to be bordering on the extreme end of compliance-based culture of performance management;

- The study confirmed that NDT has adopted the PMDS as a performance management tool and has implemented it since 1994. It was also confirmed that employees have relative knowledge and understanding of the system, its existence as policy and procedure in the department, as well as the fact that they participated in its implementation. However the implementation process appears distorted, particularly in relation to the continuous improvement principle as this is not followed to the latter. This was confirmed by the fact that quarterly performance assessments are only conducted for employees on probation and permanent employees are only subjected to biannual and final end of the year assessment. Continuous improvement monitoring, feedback and performance corrective coaching and guidance is not practiced.
- On observation during the research process it was discovered that an incentive-driven performance management approach, probably influenced by a subtle organisational culture in place, is preferred over the continuous performance improvement approach. A biannual and final end of year assessment is a requirement for performance bonus to be paid out, hence adherence to this requirement is strictly practiced. This is a newly-discovered area, which was not necessarily specifically addressed by the research questions and it is perhaps an area that may need further research;
- The study revealed that there is a leadership gap in the implementation of the system in that almost all management levels do not implement the continuous improvement principle in their performance management processes. This is also fuelled by the established practice that performance assessments are only conducted after every six months. If culture is a critical factor in this process as literature confirmed, then a compliance-based culture is confirmed by this

situation in that biannual performance assessment are the absolute or minimum requirements before any performance bonuses can be paid. In the absence of any leadership direction for ongoing tracking of performance to at least quarterly assessments, let alone daily coaching, guidance and mentoring during a performance tracking and monitoring process, there can be no continuous performance improvement; and

- There is a strong view that training on PMDS does take place and the significance of the sessions that are apparently held do not amount to skills development such that effective implementation of PMDS could take place. Therefore the training process involved also not geared towards continuous performance improvement but ensuring compliance with the requirements of performance bonus payment process. Performance-based budgeting processes seem to disadvantage employees from developing the PMDS implementation skills, as shortage of budget was also cited as the challenge.

6.3 Research recommendations

This report recommends that NDT should consider implementing the following to address the challenges identified above.

The NDT should consider alternative management approaches moving beyond NPM, such as networked organisations as proposed by Robinson (2007), which invest more into social capital and strategically position themselves into a network ecosystem for a better alignment of strategy with internal and external driving forces. This would eventually assist in minimising the effects of the budget-based compliance culture, which is risk averse, and move into the adoption of an innovative, calculated risk-taking approach that will influence employees' creative implementation of the PMDS for better service delivery.

Ownership and the effective implementation of the system should not just be relegated to line management without effective HR Management support and

employees' active involvement. Achievement of cohesion in this regard would be very helpful. This can only be achieved through conscious and deliberate campaign to cultivate a performance based culture that is hinged on continuous improvement. The HR Management team could lead a performance based culture campaign with line management supporting the implementation process. The process should involve employees and make inputs into the shape and form the culture to be developed. This would also facilitate ownership of the culture development process and the outcome thereof. Implementation will therefore be relatively be systemic and smooth. Should such be a daily practice coaching, guidance and mentoring will be the way of life and as such continuous improvement will be the culture of the performance management system implementation.

The department should investigate the reasons for lack of interest by senior management on attendance of its performance management sessions and perhaps ensure that their focus on these sessions is more into the tactical approaches towards encouraging performance improvement rather than just on compliance. Skills training on how to fairly and effectively implement the PMDS should probably be the priority focus for management and followed by general employees. This represents the capacitation of management to rise up to the challenge of playing the necessary leadership role in performance management. A crop of leadership that understands its role and is empowered to fulfil and execute such a role with eternal fulfilment will inspire lower level employees to follow a proper implementation process of the system.

The importance of the leadership role in this process cannot be overemphasised. Therefore, an evaluation of leadership influence in the whole process will assist greatly, and adoption of a visionary and inspirational leadership style for creative innovation, rather than a risk-adverse approach is most likely to take the implementation process and the organisation to greater heights.

The NDT should undertake a further study on the actual impact of implementing the PMDS in the NDT on service delivery as the overall goal contributing to government's vision of "a better life for all."

My concluding remarks as a researcher are that indeed a case study method provided one with lessons on in-depth details underlying the problem identified at the beginning of the process. It provided me the flexibility to probe into causalities of the symptomatic circumstances, and enabled the researcher's voice to resonate through an interpretive development of ideas, whilst unearthing the realities of the situation.

Although the meaningful essence of continuous performance improvement has not been epistemologically dealt with for the lack of time and space in this report, it is evident that this is a critical element of performance management in general. It is however clearly clouded by sentimental elements such as financial rewards (material gain) and performance for compliance purposes (social security).

Lack of leadership for performance based organisational culture appeared to have played an important contributory role in this situation. Therefore further studies may need to be done in the future to establish the correlation between compliance driven performance management system that is financial rewards based and a continuous performance improvement system.

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APPENDIX 1: CONSOLIDATED RAW DATA

PERFORMANCE MANAGEMENT: RESEARCH QUESTIONNAIRE

Thank you for taking the time to complete this questionnaire.

The Questionnaire consists of five sections A, B, C, D & E.

SECTION A

Section A deals with administrative details, which are only sought for academic purposes in this research process and nothing else

YOUR POSITION WITHIN THE DEPARTMENT			
Chief Director (Acting)			1
Director			1
Deputy Director			3
Assistant Director			3
Administrator			2
GENDER			
Female	6	Male	4
RACE			
African	10	Indian	
Coloured		White	
DIRECTORATE			
Tourism Administration			1
Human Resources Capacity Building			5
Tourism Product & Enterprise Development			2
Tourism Promotion			
Tourism International Relations			1
Tourism Sector Regulation			
Responsible Tourism			1
YEARS OF SERVICE			
1 – 3			4
4 – 6			3
7 – 10			2
11 – 13			
13 & above			2

SECTION B

Section B deals with determining the experience of continuous performance improvement processes in the Department of Tourism that include coaching, guidance and quarterly reviews?

Indicate to what extent you agree or disagree with each of the following statements by using the following scale: Agree, Disagree, Do not know

PLEASE MARK THE APPROPRIATE BOX WITH A CROSS (X).

1. What is the experience of continuous performance improvement processes in the Department of Tourism that include coaching, guidance and quarterly reviews?			
TO WHAT EXTENT DO YOU AGREE TO THE FOLLOWING?	AGREE	DISAGREE	DO NOT KNOW
1.1 Performance Management & Development System provides for a continuous improvement process.	5	2	3
1.2 You have been accordingly inducted on the PMDS and its implementation on joining the department.	4	5	1
1.3 You have been getting periodical training on how to implement the system.	2	7	1
1.4 You are confidently empowered to manage your performance and that of others.	6	2	2
1.5 You do believe in day to day coaching, guidance and regular (quarterly) performance reviews as empowerment mechanisms for continuous performance improvement.	10		
1.6 The approach that solely focuses on outputs or outcomes is the best than continuous improvement.	6	3	1
1.7 You do undergo quarterly performance reviews at all with your supervisor.	7	3	
1.8 Your biannual and annual / final performance reviews do help you identify and address areas of performance improvement.	8	2	
1.9 You always deal with those areas of improvement in your next term of performance cycle.	8	1	1
1.10 You do think that performance management and measurement is the employee responsibility much as it that of management.	8	2	
1.11 You don't think that performance management and measurement is the sole responsibility of the supervisor.	8	2	
1.12 You do think that the system is a waste of time such that employees should be left alone to do their job without measuring their performance.	2	8	
GENERAL COMMENTS: Performance management is the responsibility of the supervisor and employee because both of them should agree on measurable activities, indicators, timeframes and deliverables. Both the supervisor and the employee should monitor the agreed measurable activities so that a fair performance appraisal can be conducted at the relevant interval e.g. quarterly, biannual or annually.			

Training on Performance Improvement is necessary to all employees
No training is given – it is done on trial and error until you get it.
The system can be good if it can serve its purpose but at the moment no Performance Management is a tool to monitor performance and come up with mechanism/remedial before is too late.
It does not address issues of performance but rather an opportunity to settle scores of likes and dislikes.

SECTION C

Section C deals with determining the performance culture in the Department of Tourism.

Indicate to what extent you agree or disagree with each of the following statements by using the following scale: Agree, Disagree, Do not know

PLEASE MARK THE APPROPRIATE BOX WITH A CROSS (X).

2. What is the performance management culture at the Department of Tourism?			
	AGREE	DISAGREE	DO NOT KNOW
2.1 The department does encourage continuous improvement, coaching, guidance and quarterly reviews as way of managing performance.	6	3	1
2.2 The quarterly reviews are institutionalised as a mandatory management process.	6	3	1
2.3 Supervisors are monitored and measured on their performance management responsibility.	4	4	2
2.4 Good performance is acknowledged and recognised as it happen or immediately thereafter.	4	3	3
2.5 Poor work performance gets corrected immediately as it happens or immediately thereafter.	4	6	
2.6 The department has a poor work performance policy.	4	5	1
2.7 Poorly performing employees get identified and managed accordingly.		5	5
2.8 The department has a performance incentive system.	8		2
2.9 If yes, the incentive system is fairly and effectively implemented.	3	6	1
2.10 Performance measurement is driven by incentive more than achievement of performance objectives.	4	4	2
2.11 The performance incentive system helps improve employees' performance.	4	5	1
2.12 Continuous performance improvement helps with establishment of a no surprise performance measurement process and as such a fair and effective performance incentive	6	2	2

implementation process.			
2.13 Employees are prepared for performance improvement culture.	5	3	2
2.14 Employees and management do understand the importance of continuous improvement and see it as an organisational culture.	5	3	2
2.14 The implementation of PMDS helps identify employee development areas.	8	1	1
2.15 Developmental areas identified get addressed in the next performance cycle.	1	8	1
2.16 The overall organisational performance culture is conducive for continuous performance improvement.	3	6	1
GENERAL COMMENTS: Employees and management understand the importance of continuous improvements because Government must deliver to the citizens of South Africa. With regards to addressing development areas in the next performance cycle, there are some development areas that get addressed in the next financial performance cycle e.g. through short courses and those employees who manage to get bursaries. However, this is not always the case due to limited funding. For example, employees will request to attend certain training and will be told that there is not enough funding to pay for that course. Another example is that of limited bursaries that the Department offers to the employees. One way of addressing this will be for the management and employees to look at the Private sector to partner with Government and offer scholarships, bursaries and loans to workers in order to address some development areas. If the Department can put more focus on developmental areas (budget) and ensure that employees acquire the necessary skills which may help them to improve in their delivery services than to outsource more of the functions to consultants There is no consistency in addressing the identified areas of development. This barrier is sometimes non-availability of funds and at some instances, the non-responsiveness of the Human Resource/ Learning and Development as facilitators. Employees are also sometimes resistant to suggested areas of improvement , they more often than not identify areas outside their delivery areas Development areas are not being addressed. Employees are gets assessed more on personal relation basis as oppose to work performance.			

SECTION D

Section D deals with determining the contribution PMDS implementation makes to organisational effectiveness and overall departmental contribution to service delivery.

Indicate to what extent you agree or disagree with each of the following statements by using the following scale: Agree, Disagree, Do not know

PLEASE MARK THE APPROPRIATE BOX WITH A CROSS (X).

3. What contribution does the implementation of PM & DS make to organizational effectiveness and overall contribution of the Department of Tourism to service delivery?			
	AGREE	DISAGREE	DO NOT KNOW
3.1 The current implementation of PMDS talks to organisational objectives and overall objectives.	5	3	2
3.2 The PMDS helps the organisation to be effective in the achievement of its objectives.	6	1	3
3.3 It helps enthuse and motivate employees towards achievement of organisational objectives.	5	3	2
3.4 Leadership development plays a significant role in performance continuous improvement for organisational effectiveness.	8	2	
3.5 There is concerted effort by management towards ensuring that employees improve their performance.	3	6	1
3.6 Performance management and measurement system is largely applied for compliance purposes.	8	1	1
3.7 Performance management & measurement applied for organisational effectiveness?	5	3	2
3.8 Effective service delivery should benefit from continuous performance improvement.	8	2	
3.9 The departmental performance management and measurement process effectively contribute towards the overall service delivery objectives.	6	4	
3.10 The departmental performance incentive scheme contributes towards employees' performance effectiveness for service delivery.	4	6	

GENERAL COMMENTS:

Performance management and measurement is largely applied for compliance purposes because Management will punish those who do not comply.

If the department can put in place a system to acknowledge best performers just to say thank you. It does not have to be money all the time. Certificate will do or best directorate etc. We need to be creative to motivate employees to find enjoyment in what they are doing and especially if we are recognised. People need to be acknowledged and appreciated.

Performance management and measurement system is **commonly** applied for compliance purposes – which is not what it is intended for. Management focus is not on employee improvement but more on achievement of objectives.

The system is not fair some major improvements need to happen.

No contribution has been made due to lack of proper implementation process

SECTION E

Section E deals with overall comments and suggestions towards improving PMDS implementation in the Department of Tourism for effective service delivery

OTHER COMMENTS/THOUGHTS

1. All should be trained on the objectives of the system.
2. Workshop of PMDS to SMSs so that they understand what is expected and how to implement so that they can clearly translate expectations to subordinates.
3. The critical focus should be based on empowerment of employees so that they can deliver on their mandate – where currently the focus is just o deliverables / targets.
4. A conducive environment for effective and efficient service deliver should also the highest priority so that when PM is implemented functions and processes complement each other.

- Some employees in the Department feel that the performance management is subjective rather than objective. For example, it is not unusual to hear employees complaining that a certain employee was awarded a bonus or pay progression because he/she is a friend to a certain Manager.
- I therefore am not sure how this can be resolved, and would like to see the findings of this study assisting the Department to deal with this matter. Because as long as some employees feel this way, the good intentions of performance management will not yield the required results.

Let's create a fun environment while rendering our services and at the same time we are having fun. Tourism is about fun, peace, joy and excellence. It should begin with us, in us and through us.

I think if all employees can go and attend PMDS, it must not be attended by levels. It affects us all.

5. All who apply the system should be trained on how to implement the system for effectiveness.

Workshop of PMDS to SMSs so that they understand what is expected and how to implement so that they can clearly translate expectations to subordinates.

6. The critical focus should be based on empowerment of employees so that they can deliver on their mandate – where currently the focus is just o deliverables / targets.

7. A conducive environment for effective and efficient service deliver should also the highest priority so that when PM is implemented functions and processes complement each other.

8. There should be consistency when awarding incentives.

9. Both parties (supervisor and supervisee) should meet quarterly to review performance.

10. The system should be supported by the development of a culture of performance within the organisation wherein managers would lead by example.

11. Policy must be reviewed within the time lines

12. Process must be transparent and fair

Would you like to have a copy of the final research report? Yes / No

APPENDIX 2: SPECIMEN OF A COMPLETED QUESTIONNAIRE

PERFORMANCE MANAGEMENT: RESEARCH QUESTIONNAIRE

Thank you for taking the time to complete this questionnaire.

The Questionnaire consists of four sections A, B, C, D & E.

SECTION A

Section A deals with administrative details which are only sought for academic purposes in this research process and nothing else

YOUR POSITION WITHIN THE DEPARTMENT			
Chief Director : Acting			X
Director			
Deputy Director			
Assistant Director			
Administrator			
GENDER			
Female	X	Male	
RACE			
African	X	Indian	
Coloured		White	
DIRECTORATE			
Tourism Administration			
Human Resources Capacity Building			
Tourism Product & Enterprise Development			X
Tourism Promotion			
Tourism International Relations			
Tourism Sector Regulation			
Responsible Tourism			
YEARS OF SERVICE			
1 – 3			X
4 – 6			
7 – 10			
11 – 13			
13 & above			

SECTION B

Section B deals with determining the experience of continuous performance improvement processes in the Department of Tourism that include coaching, guidance and quarterly reviews?

Indicate to what extent you agree or disagree with each of the following statements by using the following scale: Agree, Disagree, Do not know

PLEASE MARK THE APPROPRIATE BOX WITH A CROSS (X).

1. What is the experience of continuous performance improvement processes in the Department of Tourism that include coaching, guidance and quarterly reviews?			
TO WHAT EXTENT DO YOU AGREE TO THE FOLLOWING?	AGREE	DISAGREE	DO NOT KNOW
1.10 Performance Management & Development System provides for a continuous improvement process.	X		
1.11 You have been accordingly inducted on the PM & DS and its implementation on joining the department.	X		
1.12 You have been getting periodical training on how to implement the system.		X	
1.13 You are confidently empowered to manage your performance and that of others.	X		
1.14 You do believe in day to day coaching, guidance and regular (quarterly) performance reviews as empowerment mechanisms for continuous performance improvement.	X		
1.15 The approach that solely focuses on outputs or outcomes is the best than continuous improvement.	X		
1.16 You do undergo quarterly performance reviews at all with your supervisor.	X		
1.17 Your biannual and annual / final performance reviews do help you identify and address areas of performance improvement.	X		
1.18 You always deal with those areas of improvement in your next term of performance cycle.	X		
1.10 You do think that performance management and measurement is the employee responsibility much as it that of management.	X		
1.11 You don't think that performance management and measurement is the sole responsibility of the supervisor.	X		
1.12 You do think that the system is a waste of time such that employees should be left alone to do their job without measuring their performance.		X	
GENERAL COMMENTS:			
No training is given – it is done on a trial and error until you get it.			

SECTION C

Section C deals with determining the performance culture in the Department of Tourism.

Indicate to what extent you agree or disagree with each of the following statements by using the following scale: Agree, Disagree, Do not know

PLEASE MARK THE APPROPRIATE BOX WITH A CROSS (X).

2. What is the performance management culture at the Department of Tourism?			
	AGREE	DISAGREE	DO NOT KNOW
2.10 The department does encourage continuous improvement, coaching, guidance and quarterly reviews as way of managing performance.	X		
2.11 The quarterly reviews are institutionalised as a mandatory management process.	X		
2.12 Supervisors are monitored and measured on their performance management responsibility.	X		
2.13 Good performance is acknowledged and recognised as it happens or immediately thereafter.		X	
2.14 Poor work performance gets corrected immediately as it happens or immediately thereafter.	X		
2.15 The department has a poor work performance policy.		X	
2.16 Poorly performing employees get identified and managed accordingly.	X		
2.17 The department has a performance incentive system.	X		
2.18 If yes, the incentive system is fairly and effectively implemented.			X
2.10 Performance measurement is driven by incentive more than achievement of performance objectives.		X	
2.11 The performance incentive system helps improve employees' performance.	X		
2.12 Continuous performance improvement helps with establishment of a no surprise performance measurement process and as such a fair and effective performance incentive implementation process.	X		
2.13 Employees are prepared for performance improvement culture.		X	
2.14 Employees and management do understand the importance of continuous improvement and see it as an organisational culture.	X		
2.14 The implementation of PMDS helps identify employee development areas.	X		
2.15 Developmental areas identified get addressed in the next performance cycle.		X	

2.16 The overall organisational performance culture is conducive for continuous performance improvement.	X		
GENERAL COMMENTS: There is no consistency in addressing the identified areas of development. This barrier is sometimes non-availability of funds and at some instances, the non-responsiveness of the Human Resource/ Learning and Development as facilitators. Employees are also sometimes resistant to suggested areas of improvement; they more often than not identify areas outside their delivery areas.			

SECTION D

Section D deals with determining the contribution PMDS implementation makes to organisational effectiveness and overall departmental contribution to service delivery.

Indicate to what extent you agree or disagree with each of the following statements by using the following scale: Agree, Disagree, Do not know

PLEASE MARK THE APPROPRIATE BOX WITH A CROSS (X).

3. What contribution does the implementation of PM & DS make to organizational effectiveness and overall contribution of the Department of Tourism to service delivery?			
	AGREE	DISAGREE	DO NOT KNOW
3.9 The current implementation of PMDS talks to organisational objectives and overall objectives.	X		
3.10 The PMDS helps the organisation to be effective in the achievement of its objectives.	X		
3.11 It helps enthuse and motivate employees towards achievement of organisational objectives.	X		
3.5 Leadership development plays a significant role in performance continuous improvement for organisational effectiveness.	X		
3.6 There is concerted effort by management towards ensuring that employees improve their performance.		X	
3.7 Performance management and measurement system is largely applied for compliance purposes.	X		
3.8 Performance management & measurement applied for organisational effectiveness?	X		
3.9 Effective service delivery should benefit from continuous performance improvement.	X		
3.10 The departmental performance management and measurement process effectively contribute towards the overall service delivery objectives.	X		
3.11 The departmental performance incentive scheme contribute towards employees' performance effectiveness for service delivery.	X		

GENERAL COMMENTS:

Performance management and measurement system is **commonly** applied for compliance purposes – which is not what it is intended for. Management focus is not on employee improvement but more on achievement of objectives.

SECTION E

Section E deals with overall comments and suggestions towards improving PMDS implementation in the Department of Tourism for effective service delivery

OTHER COMMENTS/THOUGHTS

1. Workshop of PMDS to SMSs so that they understand what is expected and how to implement so that they can clearly translate expectations to subordinates.
2. The critical focus should be based on empowerment of employees so that they can deliver on their mandate – where currently the focus is just on deliverables / targets.
3. A conducive environment for effective and efficient service delivery should also be the highest Priority so that when PM is implemented functions and processes complement each other.

Would you like to have a copy of the final research report? **Yes / No**

APPENDIX 3: UNSTRUCTURED FOCUS GROUP DISCUSSIONS

Which employees are expected to complete quarterly reviews?

Only employees who are on probation need to have quarterly reviews for the sake of confirming their permanent employment at the end of the one-year probationary period.

Do employees who have completed the one probationary period and permanently employed but promoted to senior positions need to be reviewed quarterly?

This is a procedural requirement, as evidence of the reviews is essential. However, if an employee is transferred from another department laterally, this is not a requirement.

What about those that are laterally transferred, particularly from other departments outside the Department of Tourism?

It only applies to new appointees or employees promoted internally and / or those transferred from other departments on a promotional basis.

Is coaching and guidance of employees' performance a quarterly event or in an ongoing process based on these fundamental elements of the performance management system for continuous improvement?

It is an accepted principle that daily performance monitoring in the form of coaching and guidance is a fundamental requirement; however, it was viewed as the ideal situation. However the most important elements are the biannual and final performance reviews which are essentially for audit purposes.

What is the importance of job descriptions in the compilation of performance agreements and work plans and whose responsibility is it to compile them as they seem to change now and then at a rate of at least once annually?

Emphasis was put on the alignment of realistic performance key performance areas and indicators, which was cited as the consequence to undesirable instability of job descriptions content. This was also laid at the door of line management as a responsibility by the human resource section.

How should employees trust the fairness of the performance management ratings when non deserving employees are rated highly and awarded performance incentive bonuses than the most deserving and highly performing employees?

More blame was portioned towards line management on alleged unfair performance ratings, in which case the discussions were more about how to ensure that employees' performance scores and ratings warrant an incentive bonus. A caution was, however, made that employees should not inflate their ratings unjustifiably, as evidence would be required for them to prove the high ratings above satisfactory performance.