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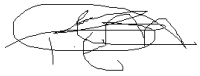
A research article submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfillment of the requirements for the degree of Master of Business Administration

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DECLARATION

I, _M.E. Tshamano_, declare that this research article is my own work except as indicated in the references and acknowledgments. It is submitted in partial fulfillment of the requirements for the degree of Master of Business Administration at the Wits Business School, University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.



Mashudu Edward Tshamano

Signed at ……Wits Business School……

On the ……19…….. Day of ……May…… 2019….

DEDICATION

I dedicate this report to my family for support and encouragement throughout the course.

To the Almighty God, who has given me strength during my studies at the University of the Witwatersrand.

ACKNOWLEDGMENTS

I am grateful to my supervisor of the Applied Research Project, Manamela Matshabaphala, for your guidance throughout my research.

I would also acknowledge some of my classmates for assisting with ideas on how to do the research project.

Also, Jennifer Croll, for checking the grammar and proofreading my research project.

ABSTRACT

Orientation

The research investigated the challenges that impede the successful implementation and management of performance at Transnet

Research Purpose

The purpose of the research was to familiarise the researcher with a deeper understanding of the performance management challenges at Transnet. What is it that Transnet can do improve the performance of employees?

The motivation for the study

To determine the effectiveness of performance management and fairness of performance appraisal and what are those factors affecting the successful implementation and management of performance at Transnet?

Research design, approach, and method

The study followed the qualitative research approach using open-ended interview questions to collect data. The finding was analysed using thematic analyst. Fifteen employees of Transnet were interviewed. Purposive sampling was used to select participants.

Main findings

The results of the finding showed that performance management at Transnet does not contribute to the improvement of the performance and productivity of the employees and it is being done as a tick-box exercise.

Practical/managerial implications

When used effectively, the performance management system may improve employees' performance and productivity and ultimately, the performance of the organisation.

Contribution/value add

The research may assist Transnet and other Parastatals or SOCs in terms of implementing and managing effective performance management systems.

SUPPLEMENTARY INFORMATION

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Supplementary file:	Interview Questions and consent form

1. INTRODUCTION

1.1 Introduction and Background

The study focused on the performance management challenges at Transnet at the employee level. According to Grobler and Warnich (2011), employees in any organisation want to know if they are performing satisfactorily or not. If they are not performing satisfactorily how they can improve their performance. This is where performance management and appraisal fits in, which meets the need for employees to receive feedback on their performance.

According to Munzhedzi (2017), performance management in any organisation, becomes a means of getting good results from individuals and teams by setting expectations, standards, and competencies required within an agreed time. The performance management component, such as performance appraisal, is crucial but is very complex. The existence of a good performance management system can be of great value to the organisation, the department and the individual (Grobler & Warnich, 2011).

According to Idowu (2017), for performance appraisal to be effective in any organisation, it should provide meaningful and significant feedback to the employees. In the same vein, Armstrong and Taylor (2014) said that the feedback should not only assess past performance but should also identify areas in which employees need to improve. In agreement, Grobler and Warnich (2011) said that it should provide an indication of potential areas of growth.

Global organisations such as Deloitte, Adobe, General Electric, Accenture and Microsoft are doing away with annual performance and appraisal management because it is inconvenient, and it is a once or twice year task managers and employees have to perform (Hearn, 2016). They are replacing performance appraisal with regular one-to-one performance conversations initiated by employees, supported by frequent positive and constructive feedback from peers and managers (Bodell, 2018). In agreement, Brown (2017) said research has also found that employees' performance is improved by frequent quality feedback.

According to de Wall (2007), performance management in most African countries is relatively unknown. de Waal (2007) found that there was a need for the implementation of the Balanced

Score Card (BSC) approach in state-owned companies in Burkina Faso and effective performance management in these organisations would contribute to the economic growth of the country. In Egypt, performance management systems are not well known and many Egyptian parastatals are using traditional financial measures, such as return on investment (ROI) and return on assets (ROA) (de Waal, 2007). In Namibia, public organisations had performance management in place before 1998. Since then, however, public organisations have suspended the use of performance management systems due to the associated problems (Ochurub, Bussin, & Goosen, 2012).

According to Zinyama, Nhema, and Mutandwa (2015), in Zimbabwe, most organisations are using Results Based Management (RBM) systems which focus more on organisational results and not on the activities of individuals. A major challenge with RBM is poor implementation of the system in parastatals and local authorities, corruption leading to poor work ethic and weak buy-in on RBM and performance contracts from government ministers.

State-owned companies in South Africa, such as Eskom, have performance management systems in place, but there are challenges regarding the effectiveness and the credibility of performance management (Maluleke, 2012). A study has found that performance ratings actually de-motivate employees and negatively impact performance for those people who are lower rated (Grobler & Warnich, 2011).

1.2 Scope of Research

Transnet SOC Ltd consists of five divisions, namely, Transnet Freight Rail, Transnet Engineering, Transnet Port Terminals, Transnet Pipeline and Transnet Port Authority. The researcher conducted this study in the Transnet Freight Rail, Rail Network department. The company is currently using the Balanced Scorecard (BSC) system. Transnet uses the system to evaluate employees twice a year. The system has weaknesses because it is open to unfairness, bias, and favouritism during the performance appraisal process.

1.3 Problem Statement

The problem with performance management at Transnet is that it is only completed twice a year and, when it is completed, it generally does not improve the performance and development of employees. The challenges of performance management at Transnet are that the employees are not fully involved in developing their performance objectives and their performance appraisal is open to unfairness and favouritism. Performance management is largely subjective and bias, such as the “halo and horns “effect and central tendency, may manifest (Grobler & Warnich, 2011, p. 312).

Employee performance appraisal should not be done on an ad hoc basis; performance should be evaluated daily (Grobler & Warnich, 2011). According to Crandell (2017), performance management can make or break employees, so it is crucial that it is carried out correctly. In the same vein, Armstrong and Taylor (2014) said that no feedback to the employees or negative feedback will result in unhappy, de-motivated and unimproved employees. This supports Gallo (2011) who said that performance management should be used to motivate employees so that they can perform to their full potential and contribute to the attainment of the objectives of the organisation.

Lack of knowledge, skills, and training of the people who are conducting performance appraisal can be some of the factors contributing to the challenges of performance management, such as bias or unfairness (Armstrong & Taylor, 2014). According to Grobler and Warnich (2011), research has indicated that when there is only one person involved in appraising the subordinates, there may be many problems, such as favouritism or prejudice, so they question whether it is advisable to entrust only one person to perform the appraisal.

Despite all the challenges of performance management, most organisations still use performance management for determining the salaries of employees, to know who are top employees for talent planning purposes, and also to let employees know how they are performing against their peers (Grobler & Warnich, 2011). A better understanding of the challenges of performance management at Transnet will help to determine whether there is

still a need for performance appraisal or whether the company should introduce other systems of measuring the performance of the employees.

1.4 Research Purpose

The purpose of the research is to familiarise the researcher with a deeper understanding of the performance management challenges at Transnet. What is it that Transnet can do to improve the performance of employees? Should Transnet use another performance system/technique to improve employee performance and ultimately, the organisational effectiveness?

If there is still a need to continue with the existing performance appraisal management at Transnet, what are the obstacles that affect proper performance management? Proper performance management and appraisal can improve productivity and organisational success because poorly implemented and biased performance and appraisal management can do great harm to the employees of the organisation and to the organisation itself (Grobler & Warnich, 2011).

If there still a need for Transnet to continue with the existing Balanced Scorecard (BSC) system of performance management, what are the interventions that can be developed to address the bias or unfairness of performance management?. Performance management should focus on the development and coaching of employees rather than assessment (Grobler & Warnich, 2011).

1.5 Research Questions

- What are the factors contributing to the Performance management challenges at Transnet?
- What are the Performance Management strategies for consideration at Transnet?

1.6 Limitations of the Study

The following limitations were drawn from the research study. Firstly the scope of the study was limited to one of the largest divisions of Transnet, namely, Transnet Freight Rail (TFR)

Rail Network Department. However, the research findings may be of use to the other divisions of Transnet or other state owned companies.

Secondly, employees might not answer openly or honestly if they were afraid of repercussions and the researcher also assumed that the participants during the collection of the data will be honest and give accurate information or data.

Thirdly, the findings of the research can also be generalised for the interviewed participants within Transnet Freight Rail in order to produce an informative study that is able to add value.

In spite of the limitations mentioned the findings of this research may be used a basis in understanding the best practices to adopt in the implementation and management of performance management system that can improve the performance of the employees.

2. LITERATURE REVIEW

2.1 INTRODUCTION

This section reviewed the existing literature on performance management by various authors. According to Denney and Tewksbury (2012), a literature review is a broad overview of prior research on a specific area of interest. The comprehensive overview shows the researcher what is already known about the area of research and what is not yet known. This section shows how previous studies on performance management link to the current study. The literature review gives the researcher the opportunity to be familiar with the previous finding and the research methodology used in those previous findings (Onwuegbuzie & Frels, 2016).

A literature review provides more than just the reporting of the previous findings on a certain topic (Onwuegbuzie & Frels, 2016). It goes beyond the search for information and includes identifying and articulating the relationship between the existing literature and a specific field of study (Boote & Beile, 2005).

The significance of the literature review is that it is the most important component of the research process because it builds on prior knowledge (Onwuegbuzie & Frels, 2016). It forces the researcher to educate him/herself as much as possible on the chosen topic (Denney & Tewksbury, 2012). According to Onwuegbuzie and Frels (2016), the reasons to conduct the literature review are to avoid unintentional and unnecessary replication of research, to gain new perspectives on a topic and to distinguish the research gap, an aspect of the topic that has not been researched previously.

A literature review helps researchers to know what has been addressed already about a topic and the main criticisms of previous research (Onwuegbuzie & Frels, 2016). According to Boote and Beile (2005), the basic purpose of a literature review shows where a study fits within the existing body of knowledge. The literature review enables the researcher to learn from the previous theories of performance management and it shows how the subject has been studied previously, highlights the flaws and gaps in the previous research and shows that the work is adding to the understanding and knowledge about performance management.

2.2 AN OVERVIEW OF PERFORMANCE MANAGEMENT

2.2.1 Performance Management

According to Dwivedi and Giri (2016), performance management is a crucial part of Human Resource Management (HRM) which aligns individual goals with the overall organisational goals. According to Buchner (2007), performance management becomes a means by which employees contribute to the overall organisational goals.

According to Pulakos (2004), performance management normally consists of five phases, namely: performance planning, employee input, on-going feedback, performance evaluation, and performance review. Employee performance, common to most jobs, includes a quantity of output, quality of output, timeliness of output, presence at work and co-operativeness (Grobler & Warnich, 2011).

According to Grobler and Warnich (2011), the University of Stellenbosch Business School did a survey with nine leading South African organisations. The survey showed the way employee performance is managed and rewarded in South Africa. Problems such as insufficient line-management support of performance management; lack of follow-up of performance reviews; and over-emphasis on the appraisal aspect at the expense of the development of employees, were identified. A poorly implemented performance management system may force good employees to resign due to the results they receive from the managers. Relationships are damaged, there is a risk of litigation, and motivation to perform is decreased.

2.2.2 Performance Appraisal

Performance appraisal has two objectives, namely, the evaluative and developmental objectives. The evaluative objective focuses on assessing the value of the employees within the organisation in order to make administrative decisions, such as salary increases, promotions, and retrenchments (Denisi & Pritchard, 2006). The developmental objectives focus on providing feedback on the past performance; discussing strengths and weaknesses; assessing training needs; and clarifying future performance expectations (Grobler & Warnich, 2011).

Performance appraisal is an official evaluation of the performance of the employee aimed at understanding the potential of the employee for future growth and development (Aswini, 2017). As reported by Pulakos (2004), only one in 10 employees in most organisations believe that their firm's appraisal system helps them to improve performance, although the ultimate goal of performance appraisal should be to provide information that will best enable managers to do this (Denisi & Pritchard, 2006).

2.2.2 Challenges of the performance management system

For the performance management system to be successful, it needs involvement from all the stakeholders - employees, shareholders, managers, trade unions and customers (McMahon, 2013). According to Curries and Procter (2001), a well-designed performance management system will fail if it is not put into practice correctly and it needs support and implementation from top management to be successful and contribute to the goals of the organisation.

Organisations have to face different challenges that relate to their ability to develop an effective performance management process. According to Aguinis (2009), the first step in an effective performance management system is to ensure that the strategic business objectives are determined in an organisation, then cascaded into various departments or business units, then to individual employees and teams. This represents the fundamental challenge organisations face that impede their ability to effectively develop a performance management process that is inclusive of the various organisational functions and activities, while describing the key areas that are important towards the organisation's enhanced development and engagement.

According to Ishaq, Iqbal, and Zaheer (2009), the following factors are detrimental to the effectiveness of a performance management system, namely, the conduct of the managers to punish subordinates, rewarding non-performers, poor cascading of the scorecard, inconsistency in setting and applying performance criteria and the reluctance of the appraiser to offer feedback. In the same manner, Panda (2011) identified the following challenges, namely, poor judgement by the manager who is doing the rating, lack of performance feedback, unrealistic expectations, biases in rating and unfair treatment of employees.

2.3 BUSINESS MANAGEMENT THEORIES

There are many motivational theories that can be used to improve the performance of employees. For the purpose of this study, this literature review examines theories of motivation to improve performance at Transnet, namely, goal-setting theory, social cognitive theory, and control theory. Motivational theories offer much insight into how performance management works. According to Buchner (2007), goal-setting theory focuses on questions such as whether performance standards exist; control theory provides the foundations for assessing the feedback employees receive and explanations in support of performance management is provided by social cognitive theory.

2.3.1 Goal-setting theory

According to Grobler and Warnich (2011), a process whereby the manager and the subordinates discuss and agree on performance goals is called goal-setting theory**.**

The positive aspect of goal-setting theory is that job performance of the employees can be increased through the goal-setting process. Employees who set difficult and specific goals perform better than those who set easy or vague goals (Locke & Latham, 2006). Goal-setting helps employees to focus their energies on the important tasks and energises employees; increasing an employee's effort to achieve a stretched goal (Locke & Latham, 2006). Goals affect employees' persistence and commitment to a task (Locke & Latham, 2006). Establishing goals forces employees to use existing knowledge/skills or to acquire new knowledge/skills to achieve a goal (Fried & Slowik, 2004). Regardless of a person's occupation, goal-setting is beneficial for individuals (Alanis Business Academy, 2014).

Goal-setting theory promotes aspects of a performance management system, such as agreement on objectives between the manager and subordinates, feedback on progress in terms of performance and conducting reviews. Although there are many benefits to goal-setting, not everyone benefits to the same degree as much depends on the type of goals the manager and the subordinates set (Alanis Business Academy, 2014). The limitations of the goal-setting theory are that if the employee lacks the necessary skills and competencies to achieve the goals, then goal-setting will fail and lead to poor performance. The effectiveness

of goal-settings is impacted if there are conflicting goals. There is also a problem with employees not helping each other because goals are set for individuals, and by trying to help a colleague, employees may feel that they are delaying the achievement of their own goals.

Goal-setting theory is not relevant to this study because the performance management challenges at Transnet do not emanate from the setting of objectives between the managers and subordinates.

2.3.2 Social Cognitive Theory

The social cognitive theory was developed by Bandura; the theory is grounded on the concept of self-efficacy. Self-efficacy are beliefs that affect individuals' thought patterns about how well they can carry out a task; those thoughts may aid or hinder the performance of employees (Bandura, 1986). The key aspect of this theory is that high-performance employees demonstrate positive self-efficacy with necessary knowledge, abilities, and skills. According to Buchner (2007), however, the social cognitive theory fails to acknowledge individuals with early and repeated failures which may disrupt the growth of positive self-efficacy and, in turn, will have a negative impact on the performance of the employee.

This study did not rely on this theory because the challenges of performance management at Transnet are not based on the self-efficacy of employees, but on the feedback they receive from their managers.

2.3.3 Control theory

The Control theory is much closer to the purpose of this study; it forms the basis for the conceptual framework because most of the challenges of performance management at Transnet emanate from the feedback that employees receive from their managers during the appraisal interview.

Control theory in performance management is also referred to as feedback control. Control theory in performance management is a continuous process which aims to reduce the discrepancy between the goals that an employee wants to achieve and the actual performance (Carver & Scheier, 2002). According to Barrows and Neely (2012), control theory evaluates

the output of a system for its consistency with the pre-defined objectives. Control theory helps to provide a foundation for assessing the feedback element of the performance management system (Buchner, 2007).

The positive aspect of control theory is that when employees take charge of their feedback during performance appraisals, it will help them to close the discrepancy between the goals and the actual performance. Control theory is a mechanical approach to evaluating performance and human behaviour, and can work well within a strict and bureaucratic organisation where employees are continuously monitored and controlled (Latham & Locke, 1991). A problem with control theory comes when feedback to the employees is only delivered once or twice a year instead of at regular intervals. Without clear feedback from managers, subordinates will not be able to rectify their poor performance.

Most of the challenges of performance management at Transnet emanate from the feedback that employees receive from their managers during the appraisal interview. According to Dwivedi and Giri (2016), control theories assume that employees will look at their feedback which will control the quality of the output and can have a negative impact on the employees, thus decreasing their motivation and the production levels of the employees.

Understanding the importance of the feedback that employees receive from their managers during the appraisal interview will enable Transnet to know the impact of the feedback on the achievement of its vision, mission, and its long-term strategy. Recognition and rewards always improve the performance of employees and when their performance meets the organisational standards (Dwivedi & Giri, 2016). In order for Transnet to achieve its objectives, it must assign specific, challenging and unambiguous goals to employees to increase their performance and managers must provide direct feedback to the employees.

2.4 CONCLUSION

From the introductory literature review, an effective performance management system is essential within Transnet in order to achieve the vision, mission and strategic objectives of the organisation. It makes business sense for Transnet to monitor the effectiveness of the

performance management system within the organisation and take necessary remedial action where there are problems.

3. RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research methodology that was used in order to achieve the research objectives. The research methodology included the methods and approaches used to obtain primary data from the participants of Transnet Freight Rail, Rail Network department. There are three types of research methods, namely, qualitative, quantitative and mixed methods research. This study used the qualitative research method to obtain primary data from the participants. According to Sutton and Austin (2015), qualitative research can help researchers to access the feelings and thoughts of people about a specific phenomenon. This study did not use the quantitative research method because the approach focuses on numbers and requires large numbers of participants to help the researcher understand certain behaviours (Sutton &Austin, 2015). Consequently, a mixed methods approach was also not used.

3.2 Data Collection Method

The researcher used in-depth interviews to collect the primary data from the participants for analysis, drawing conclusions and making recommendations. The researcher interviewed employees from Rail Network departments within Transnet Freight Rail (TFR) in the Executive, senior, middle, junior and lower levels of employees.

In-depth interviews allowed the researcher to examine the participants' experience, feelings, thoughts, views, emotions, and attitudes in detail with regard to the challenges of performance management at Transnet (Hennink, Hutter, & Bailey, 2011). The interviews gave the researcher more insight into the meaning and significance of what is happening with regard to the performance management challenges at Transnet Freight Rail (Wilkinson & Birmingham, 2003). The challenge with interviews is that they are resource-intensive; require the researcher to obtain information from participants on a one-to-one basis; can be time-consuming; and produce significant amounts of data for analysis (Wilkinson & Birmingham, 2003). The researcher used open-ended questions to obtain data from the participants. A copy of the interview questions is attached as an annexure at the end of the study.

3.3 Recording of Data

Many qualitative research studies collect audio and video data which are transcribed into written form for closer study (Bailey, 2008). The in-depth interviews were recorded using an audio-recorder with the permission of the participants, and field notes were also used to record the data during the interview.

3.4 Research Participants

The population for this study included employees in one of the five divisions of Transnet namely Transnet Freight Rail, Rail Network Department. Employees at a higher level, as well as employees at the lower level, were interviewed. The interviews were completed while the participants were on duty.

3.5 Sampling

Participants in the research were selected through purposive sampling to ensure a reasonable balance. Purposive sampling is a non-probability form of sampling that does not seek to sample participants on a random basis but samples participants in a strategic way so that they can provide information that is relevant to the questions posed (Bryman, 2012). A maximum of 25 employees was selected for interviews and 15 employees participated in the research. The approach ensured all levels of employees were represented and the participants selected came from different ethnic groups (Africans, Indians and Whites), both male and female, of various ages and with a range of working experience within the organisation.

3.6 Data Analysis and Interpretation

According to Blaxter, Hughes, and Tight (2006), data analysis and interpretation is an on-going process which occurs throughout the research, with earlier analysis informing later data collection. Data analysis involves the ability of the researcher to interpret collected data in order to generate findings, to draw conclusions and to make recommendations. The qualitative data was analysed using thematic analysis. Thematic analysis is a method of identifying and analysing patterns in qualitative data (Clarke & Braun, 2013).

According to Clarke and Braun (2013), there are six steps in analysing qualitative data using thematic analysis, namely: familiarise yourself with the data; generate initial codes; discover themes/search for themes; review themes; define and name themes, and write up the report.

3.7 Reliability and Validity

The researcher relied on principles of reliability and validity to ensure that the obtained primary data is of value and of use. Reliability and validity are very important aspects of all the research (Haradhan, 2017). The researcher ensured that he paid attention to reliability and validity because they make a huge difference between good and poor research (Brink, 1993). Reliability is concerned with the question of whether the same results of the study can be repeated consistently during different times or if the study were to be replicated by another author (Bryman, 2012). The most important criteria of research is validity that is concerned with the integrity of the conclusions that are generated from the study; in this case, an instrument is valid if it measures what it is supposed to measure (Bryman, 2012). One cannot have validity without reliability (Heale, 2015). Validity and reliability is mostly affected by error and error is part of all research (Brink, 1993).

The researcher was mindful of the sources of errors and bias during the undertaking of this study to ensure that the primary data obtained from the participants is not clouded by any subjectivity during the collection and interpretation of the data.The risk to the validity and reliability of primary data is also posed by the participants. They may respond in a way that will not share the information or in order to please the researcher (Brink, 1993). Participants may also introduce bias to the study due to issues, such as fatigue, state of health and mood (Brink, 1993).

The researcher to ensure credibility of the study only interviewed participants who were willing to be part of the research and the data collection sessions involved only those who were genuinely willing to take part and prepared to offer data freely. To ensure transferability to which the findings of one study can be applied to other situations, the researcher ensured that the findings of the participants interviewed at hand can apply to a view of a wider population. The researcher ensured conformability of the research by making sure the work's findings are the result of the experiences and ideas of the participants, rather than the characteristics and preferences of the researcher.

3.8 Ethical Issues

The research complied with the Ethics Policy of the Wits School of Business Administration. The researcher asked permission from Transnet to conduct the research and the interviews during working hours. The possible unintended consequences that the research considered was that the participants of the research could be victimised for their honest views with regards to the performance management challenges at Transnet.

The researcher handled all the information with the necessary confidentiality, sensitivity, and anonymity. Ethical issues can arise at different phases in the research and they relate directly to the integrity of the research and cannot be ignored (Bryman, 2012). According to Bryman (2012), ethical issues in research arise in four areas, namely, whether harm could be done to the participants, lack of informed consent, invasion of privacy and deception. The researcher ensured that there was no invasion of the participants' privacy by keeping their personal information confidential in reporting the results. The researcher asked the consent of the participants before conducting the interviews and the participants were given as much information as possible so that they could make an informed decision whether they wished to participate in the study or not.

The audio-recordings and transcript data were stored and protected with passwords with only the researcher having access to the data. The researcher plans to destroy the data collected during the research after the project to ensure the confidentiality and anonymity of the participants. According to Israel and Hay (2004), if researchers do not observe the confidentiality of what is said to them, this will jeopardise future opportunities to conduct research.

3.10 Conclusion

This section presented the qualitative research approach as a research methodology that was used in the study to achieve the research objectives. The interviews were used to collect data from the participants. The data collection method, the sampling of the participants, recording, and presentation of the primary data, reliability and validity of the data, ethical consideration during the research, and the limitations to the study were described.

4. FINDINGS

4.1 Introduction

This chapter presents the findings obtained from the interviews with the participants. The one-on-one open-ended interview was the primary tool that was used to collect data from the employees of Transnet. The study managed to interview 15 participants since the study adopted the qualitative research method, the analysis of this study was achieved by using thematic analysis.

4.2 The target population

The study included executive managers, senior managers, middle managers, junior managers, and lower level employees. The study included both males and females. The participants had voluntarily consented to participate in this study. A total of 25 employees were invited to participate to the study via email. However, only 15 employees participated in the study. Despite not managing to interview all the employees invited, the sample interviewed was appropriate for this research study. The interviews took place at a place convenient to the participants. The interviews were conducted based on the research instrument included as Appendix A. The participants confirmed their willingness to be interviewed and recorded as Appendix B. The researcher took notes during the interview and recorded interviews were transcribed and submitted to WBS faculty office.

4.3 Demographics of the participants

This section presents the details of the sampled population. It indicates the demographics of the 15 employees who were interviewed in terms of gender, race, and position held. The interviewed participants included African, White, and Indians and involved both Males and Females, the employees were distributed within the various roles and engagement within the organisation. There are five categories of employees who have interviewed, namely, the executive manager who is responsible for contracting and appraising the senior managers, such as, the Principal Engineers, Infrastructure Managers, etc.; the senior manager who is responsible for contracting and appraising the senior engineers and depot engineers; the middle managers who are the senior engineers and depot engineers who are responsible for contracting and appraising the maintenance managers and chief

engineering technician; and the supervisors/lower level employees who are appraised by junior managers.

Table 4.1: Racial profile of the participants

Racial of the participants	**Percentage (%)**
African	47%
White	27%
Indian	20%
Coloured	6%

Table 4.2: Gender of Participants

Gender of participants	**Percentage (%)**
Males	67%
Females	33%

Table 4.3: Positions of the participants

Positions of participants	**Percentage (%)**
Executive Manager	13 %
Senior Manager	20 %
Middle Manager	20 %
Junior Manager	33%

Lower employees	13%

4.4 Interview schedule

Table 4.4: Interview schedule of the participants

No.	Date of interview	The position of the participants	Level
1	07/08/2018	Executive Manager Employee	C
2	14/09/2018	Senior Manager Employee	D
3	19/09/2018	Senior Manager Employee	D
4	26/09/2018	Lower level employee	G and below
5	27/09/2018	Middle Manager Employee	E
6	05/10/2018	Junior Manager Employee	F
7	10/10/2018	Junior Manager Employee	F
8	22/10/2018	Junior Manager Employee	F
9	23/10/2019	Middle Managers Employee	E
10	24/10/2019	Middle Managers Employee	E
11	24/01/2019	Junior Manager Employee	F
12	28/01/2019	Lower level employee	G and below
13	29/01/2019	Senior Manager Employee	D
14	30/01/2019	Junior Manager Employee	F
15	13/02/2019	Executive Manager	C

4.5 Code name of the participants

Table 4.5: Code names for the participants

Position of participants	**Participants code name**
Executive Manager Employee	EME
Senior Manager Employee	SME
Middle Manager Employee	MME
Junior Manager Employee	JME
Lower Level Employee	LLE

To maintain the participants' anonymity and confidentiality, the participants were allocated code names. The executive manager employee are referred to as EME, Senior manager employees as SME, Middle manager employees as MME, junior manager employees as JME and lower level employees as LLE as illustrated in table 4.5 above. In the case where there are more than one person in a position, they are named, for example, executive manager is named as EME1, EME2, and so on.

4.6 Summary of the findings from the participants

This section presents the qualitative response from the 15 participants, highlighting the emerging major themes. The direct responses of the participants are quoted and referenced accordingly. The questions that were used to interview the participants were developed based on the challenges that the organisation has in terms of performance management. The findings were gathered through face-to-face interview.

4.6.1 Participants understanding of performance management

In response to the question, what is your understanding of performance management, the participants defined it from a different perspective as each person is bound to make their interpretation. The response from the study is described as including the employee's common view and perspective.

Response from the participants:

EME1- "*Performance management is a means of holding employees accountable to what the company wants us to deliver or what the organisation has hired us for". Performance management is also a way in which of aligning the scope of the employees with the strategy, vision and objectives of the organization or a way in which the company aligns my activity with what the company wants to achieve".*

LLE1- *"It's a way to ensure employees perform as expected by the organisation or deliver the work that is expected by the organisation".*

JME1- "*Performance management is an organisational process of setting and measuring employee performance against the strategic objectives of the organisation".*

MME1- *"Performance management is a means to gauge or measures the employee's performance in line with or against the objectives of the organisation. It's kind of engagement tool to measure where you are and where you want to be in terms of meeting the performance objectives".*

SME1- *"Performance Management is the mechanism that is used within Transnet to match the performance objectives of the organisation with the performance activities of the individual so that the individuals as they perform their work, they're able to execute towards the goals and the objectives of the entire organisation".*

JME2- *"It's a tool for managers to measures and gives feedback on the performance of employees against set/agreed target. It's a tool to identify talents, competencies, and development."*

JME3- *"Performance management is a systematic approach that an organisation puts in place to ensure or enable all its employees to perform to the best of their potential".*

SME2- *"Performance management can be in two-fold when the organisation reviews its execution against its target. The other fold is when employees at the beginning of the year set targets and another aspect is the KPI indicators which involve the employees in executing the targets and goals of the organisation."*

SME3- *"Performance management is a system that has been put in place to reward those people that have been performing good and those who has not been performing to feel a pinch a bit in their pocket."*

JME4- "*Performance management is a system implemented within the organisation to evaluate employee performance and development within the organisation to help streamline their behaviour and performance with the organisation strategic goals and objectives."*

JME5- *"Performance management is a system to score the employees based on the agreed or set targets. The managers and employees may first agree on the targets and the employees will be evaluated based on the set targets to check if they have met them."*

LLE2- *"Performance management is a system whereby a manager look at the performance of the employees, then manage it and coming up with the Key Performance Indicator and track the performance and check if there is a need for improvement or other intervention that needs to be put to advance somebody skills."*

MME2- "*Performance management is a system whereby the employees perform his/her job against the set targets and they must reach the set targets. Performance Management is also the way in which the managers talk to the employees as soon as possible when they realise that they are not meeting the objectives that have been set from the beginning of the year*."

MME3- *"Performance management is about managing the performance of the employees by looking at the key performance indicators. The manager must engage with the employees at the beginning of the year informing them the goals that the organisation wants to achieve. The output of performance management can be training and development of employees."*

EME2- *"Performance management is a tool that you're supposed to use to analyse the departmental, individual and also the organisational performance."*

The following were described as major themes that describe employees' understanding of performance management.

Major themes describing employees' understanding of performance management
Good understanding
Fair understanding

Figure 4.1: Employee understanding of performance management

4.6.2 Supervisor/managers understanding of performance management system, according to the sampled participants

Supervisor/managers understanding of performance management system is described by the following results. The response from the study is described as including the employee's common view and perspective.

Response from the participants:

MME1-*"I don't think my manager has a good understanding of the system, I am gauging him on my understanding because they are using it to measure team performance not individual performance."*

LLE1- "*They don't have any understanding"*

MME1- "*He understands what performance management system is."*

JME1- "*I don't think they have a good understanding"*

EME2- "*He perfectly does he is very clear on what he what's to achieve, he defines what the department needs to achieve, and he is pretty much aligned with the company strategy."*

LLE2- *"He does understand but not all elements he is not 100% sure of the understanding of the performance scorecard".*

JME2- "*They do understand what performance management means but not sure when it comes to how to apply it"*

SME1- "*I find the manager very strict, under the impression that the manager has a prior assessment of employee participation within the organisation".*

EME2- *"My current boss has a basic understanding, not a good understanding of performance management. No, I think sometimes when you set up the KPIs, he sometimes tries to deviate from what is in the KPIs and using his personal judgement and not really looking on what you have agreed on the KPIs."*

It is a 50-50% situation; some participants are saying their supervisor/managers do understand the performance management system whereas the other group is saying they do not. The following were described as major themes that describe manages/supervisor understanding of performance management.

Major themes describing manager/supervisor understanding of performance management
No understanding
Fair understanding

Figure 4.2 Supervisor/manager understanding of performance management systems

4.6.3 Is there supervisor/manager bias when engaged within the performance appraisal process?

Supervisor/manager bias is described as one of the issues in employee performance appraisal.

Response from the participants:

EME1- "*My manager, I find him very strict and non-negotiable. In that, he has already determined how I have performed and the department. He already knows what has been delivered and what has not."*

JME1- *"Managers are not fair there are biased because of the cascading of performance management which sometimes it's not relevant to what you do on the job."*

LLE1- *"I think my manager is fair during the performance appraisal he is not biased. Out of 10, I will rate him 8."*

MME1- *"My manager is biased during the performance appraisal. The balanced scorecard, in general, is biased because it's subjected to the thoughts of the manager when rating the employee."*

SME1- "*They are specific personal issues that one can encounter during the performance appraisal. Most managers are not been able to separate personal issues and work issues."*

JME2- *"Unfortunately, at Transnet managers use performance manager to discipline or penalise employees. In most cases, there is no fairness"*

SME2- *"Transnet needs to train managers so that they are not biased against the employees because it's not good for the motivation of the employees".*

JME3- "*I cannot speak for all other departments; however, I believe mine they certainly are biased."*

EME2-*"It's a trick questions because it depends on managers to managers. My current managers he has not been fair and the previous manager was fair."*

The majority of the participants have indicated that their manager/supervisors are biased when engaged within the performance appraisal process and development, this is also communicated by the theme analysis provided below

Major theme describing supervisor/manager bias when engaged with performance appraisal
Supervisor/manager is biased

Figure 4.3: Supervisor/manager bias when engaged with performance appraisal

4.6.4 Issues relating to the manager/supervisor bias when engaged with performance appraisal

Response from the participants:

MME1- "*My manager gives a generic analysis of your performance as 80% of the work is team-based and the rest is individual tasks."*

JME1- *"There is a lot of errors managers do when rating employees such as rating the employees as very low or rating the employees in relation with the last performance of that employee they do not look at the overall performance of that employees."*

LLE1- "*The supervisors give a subjective analysis of your performance and show favouritism when analysing our performance."*

SME1- "*The supervisor is partial because he does not base the analysis on your actual analysis within the organisation, so your performance outcome somewhat make you question if you are the individual being question."*

LLE2- "*The manager measure employees' performance according to how he likes you in the organisation."*

Issues relating to supervisor's/manager's bias when engaged in the performance appraisal process can be described as resulting from the supervisor's personal subjectivity and generic analysis of the employee's performance within the organisation. The issues are important as they have described the primary issues and challenges employees face during the performance appraisal. The following described

major themes that relate to the manager/supervisor bias when engaged with performance appraisal.

Major themes relating to the manager/supervisor bias when engaged with performance appraisal
Personal subjectivity
General analysis

Figure 4.4: Major themes relating to the manager/supervisor bias when engaged with performance appraisal.

4.6.5 Weaknesses and gaps of the performance management system

Response from the participants:

EME1- *"Managers cascading down generic key performance indicators without applying their mind to the balanced scorecard. Managers must not cascade the Key Performance Indicator (KPI) that people do not have control over it."*

MME1- *"Performance management doesn't address/cater the projects that come as and when. The balanced scored is focus on the previous performance and it doesn't have the intelligence focus on the incoming activities or unknown projects."*

LLE1- *"The weakness of the performance management at Transnet is that it is not standardised different departments do different things it is left on the manager to decide how they want to do it."*

SME1- *"Performance management at Transnet is still manually based, the administration of it needs to be improved we are already in the fourth industrial revolution, but we still need to send papers and sign them."*

JME1- *"The weaknesses are that the company policies, or procedures are not well communicated. The line managers are not well trained or equipped to follow the*

procedures they always wait for the HR personnel to tell them that now is the time for performance management."

JME2- *"Cascading down is a strength and also weakness if managers don't apply themselves it does not help much as managers use the same model across the various organisational positions and engagements*."

MEM2- "*The weakness of the performance management system can be described by the cascading process that does not efficiently describe the tasks and responsibilities employees need to perform within the organisation."*

LLE2- "*The performance management system does not really look at individual performance and engagement within the organisation."*

SME2- "*The weakness of the performance management system can be described as given by the various issues relating to the appraiser impartial assessment, time lagging between the performance review and the content of the balanced scorecard."*

JME3- "*The weakness of the system entails a number of issues involving the content of the balanced scorecard and the review objectivity."*

SME3- *"The performance management process is not comprehensive of the tasks employees need to undertake as there are certain tasks and responsibilities that employees that are not evaluated by the performance appraisal process."*

MEM3- *"When an employee is measured and received low rating nothing is done to improve the performance of that employee, its left on the individual to improve his/her performance."*

JME5- *"Employees are contracted on outputs they do not have control of and most of the time performance management objectives meeting between the manager and employees don't take place."*

The participants indicated that the weaknesses of the performance management include the cascading generic scorecard, the company policies and procedure of performance management are not fully communicated, performance appraisal not

indicating employee performance, and managers are not well equipped and trained on the performance management. Gaps within the performance management system are given largely by the performance management process. The following described major themes that relate to the weaknesses and gaps of the performance management system.

Major themes that relate to the weaknesses of the performance management system.
Cascading generic scorecard
Performance appraisal not indicating employee performance
The company policies and procedure of performance management are not fully communicated
Does not include all organisational goals
No support to underperforming employees

Figure 4.5: Major themes that relate to the weaknesses and gaps of the performance management system.

4.6.6 Challenges of the performance management system

Response from the participants:

LLE1- *"I think the challenge is that at Transnet we do performance management to tick boxes we do not pay attention to performance management throughout the year. There is not enough time given to the task people are given less time to do the contracting and evaluation."*

JME1- *"No performance appraisal meeting we just do it on the system without meeting with my manager."*

SME1- "*The challenges I have faced is that my manager will wait for his boss to rate him then he rates me, the score that my manager get he will cascade it down."*

MME1- *"The challenges I have faced is when the subordinates start to compare the results of each other and it causes conflict when they start comparing"*

SME2- *"No regular discussing of performance management to ensure that the performance is aligned, we are only talking about it when is the time for performance management and throughout the year there is no discussion. We are not doing enough to recognize people who are performance well."*

JME2- *"People do not understand the performance management policy, and this results in poor performance management. Poor target and objectives settings."*

SME3*"- "You get to know that you and your manager are not aligned with you during the performance appraisal. Some of the managers take it personally and rate you low because of the subjectivity."*

MME2- *"The challenge I have seen is that people do not bring evidence during the performance appraisal they just rate it each other*."

JME3- "*The challenges that have been identified as common amongst the employee is the need to develop a system that can effectively evaluate employee performance and engagement on a more frequent basis."*

EME- "*Challenges within the performance management involve in my own regard include the frequency of the performance appraisal process as is not frequent enough to effectively measure employee performance and engagement within the business, further the organisation has not made adequate efforts to provide training support and facility to motivate employee skills training and development."*

JME4- "*The performance management system at Transnet is mostly used for incentive but it's hardly considered during the promotion of the employees as a consideration*."

Challenges with the performance management system can be defined as including a host of issues, as described by the individuals engaged within the performance management process; this relates to the performance management being done to tick boxes, not enough time is given to the system, managers wait for their manager to rate them then they cascade down the score, frequency of the appraisal, public disclosure of employee results, No effective training and development provided to employees after the performance appraisal. The following described major themes that relate to the challenges of the performance management system

Major themes that relate to the challenges of the performance management system
The frequency of the appraisal
No effective training and development of employees
Discloser of performance results

Figure 4.6: Major themes that relate to the challenges of the performance management system.

4.6.7 Employee perception of whether performance management improves workplace performance and productivity.

Response from the participants:

EME1- "*I have a mixed view. Using my experience as somebody who has been appraised I will say yes it does contribute to the improvement of performance when we set the targets for this financial year it was clear on what we wanted. But for the rest of the organisation is a different story because performance management is cascaded down and when cascading down it depends on the intervening manager if they apply their minds to the balanced*

scorecard and ensure that whatever employees do is aligned because sometimes managers cascade tasks that people have no influence over it."

MME1- *"Yes, if it's fully utilised it can contribute but currently it's not improving performance and productivity. It's a good tool to enhance performance. We must first understand how it works and by measuring the right things this tool can be effective."*

JME1- "Yes, *it's the most effective tool that can be used to improve the performance and the productivity of the organisation. The manager must ensure that the Key Performance Indicators are aligned with the output you want from the employees."*

JME2- *"Not in the entire organisation but some of the departments that have managers who understand this particular process*."

LLE1-*"Yes, it does contribute to the improvement of performance of employees especially now that they have introduced a rewards system that is linked with your performance score, so it will motivate people to improve the performance to get a higher score and receive high incentives and meet the objectives of the organisation."*

SME1- "*In my observation, I do not think that performance management is managed correctly and it's only a ticking box. We rush through it, it doesn't add value we only we do it when it is needed."*

JME3- *"Yes, if employees understand the strategic goals and targets of the organisation and those goals are managed on a periodic basis."*

JME4- "*No it doesn't, At Transnet, we do have good policies and well-documented processes, but we do not actual practices those policies. performance management at Transnet it's just a matter of ticking boxes."*

SME2- "*I think it does, but it can be much better if managers and employees are doing it fairly"*

Employees who participated in the research had different views; some are saying it does improve performance and productivity within Transnet, whereas others are saying it does not

improve performance. The following described a major theme that relates to whether performance management improves workplace performance and productivity.

A major theme that relates to whether performance management improve workplace performance and productivity
Employee indifference on whether the performance appraisal process can improve workplace performance and productivity

Figure 4.7: Major theme that relates to whether performance management improves workplace performance and productivity.

4.6.8 Employee perception of whether the performance appraisal reflects employee performance.

Response from the participants:

JME1- *"No, it doesn't. There is still a lot that needs to be done on training the managers and employees in terms of target settings and ratings so that the performance of the employees will reflect the rating."*

SME1- *"It is difficult to say because the Key Performance Indicator is not aligned with what we do. If things are not correct, then measuring them will be a waste of time. If you not in control over a task, then measuring it doesn't make sense because it will be just numbered."*

EME*1*-*"No, it doesn't quite reflect my performance because we do so much during the year and there are so many projects that we do that are not contracted on the performance contract. Most of the work that I do there is not on the performance contract."*

MME1- *"My rating doesn't reflect my performance because most of the time we question why we got low rating instead of a high mark. Sometimes they measure you on things you have no control over that's why it doesn't reflect my performance. We are using the balanced scorecard*

and 80% of what I do is on the system and the remain it's not, sometimes there is emergency work."

JME2- *"It doesn't 50% of what it's in my Key Performance Indicator its other people work."*

LLE1- *"It does but not 100% sometimes they are ad hoc activities which were not part of my performance appraisal. 80% of what is written on the performance contract I normally do it but the rest its unknown tasks."*

The majority of the participants are saying performance rating does not reflect their performance because there is work that they do that is not part of the performance contract. The following described a major theme that relates to whether the performance appraisal reflects employee performance.

A major theme that relates to whether the performance appraisal reflects employee performance.
Performance appraisal not reflecting their performance

Figure 4.8: Major theme that relates to whether the performance appraisal reflects employee performance.

4.6.9 Employee perception on whether underperformance is managed well within Transnet

Response from the participants:

LLE1- *"it is not managed well within Transnet and there is no corrective action when someone is underperforming they just leave it to the employees to improve themselves*."

JME1- "*No it's not managed well. Employees only know during the performance appraisal that they are not performing well, and intervention happens very late*."

MME1- "*Underperformance it's not managed well at Transnet. We did put initiative but there are just hanging no action."*

EME1- *"Underperformance is not managed well within Transnet and so far, there is no corrective action that is been used to employees that are underperforming. But I think my boss has measures for me if I am not performing."*

SME1- *"No, it's not managed well, I have seen people been moved from one position to another. Corrective action is not fully used to improve performance. Performance is not managed correctly. We do not have soft skills to managed people."*

JME2- *"No, it's not managed well employees who are receiving lower rating after the appraisal, nothing is done about it. Managers do not even sit down with the employees to identify what are the barriers preventing the employees to perform to his/her full potential. Performance management is not managed properly and there is no corrective action."*

All the participants that were interviewed indicated that underperformance at Transnet is not managed well and there is no corrective action in place. The following described major themes that relate to whether underperformance is managed well within Transnet

Major themes that relate to whether underperformance is managed well within Transnet
Underperformance is not managed well
There is no follow up after the performance appraisal

Figure 4.9: Major themes that relate to whether underperformance is managed well within Transnet

4.6.10 Employees comprehension of the methodology used within the balanced scorecard.

JME1- "*Yes I do have an understanding of the methodology used in the balanced scorecard as it represents the four perspectives that describe the key areas."*

SME2- "*The methodology is very clear as it provides an indication of areas that one needs to focus on to ensure the organisation can benefit from your time and services."*

MME1- "*The methodology is developed to include the areas and perspectives that are important for an organisation in ensuring it can achieve its summative goals and objectives."*

EME1- *"I understand it very well out of 10 I will give myself 8."*

MME2- *"I do understand it 100% the four perspective touches on the key areas of the organisation, it is just a matter of how we use it."*

JME2- *"I understand it very well, it's smart and guides. It's a tried and tested system, it works very well. It covers all the areas we need to measure for the organisation to run as a profitable organisation."*

LLE1- *"My understanding of the system is good because I know that there are four perspectives which must be aligned to achieve the goals of the organisation."*

Employees within Transnet across the various employment categories indicated that they have a good understanding of the performance management system as indicated by the response gathered from the participating employees within the research process. The following described major themes that relate employees' comprehension of the methodology used within the balanced scorecard.

A major theme that relates employees' comprehension of the methodology used within the balanced scorecard

Good understanding

Figure 4.10: Major theme that relates employees' comprehension of the methodology used within the balanced scorecard

4.6.11 Employees perception on whether the balanced scorecard should be modified

Response from the participants:

MME1- "*We need to continue with it, but it depends on how flexible we are. What we measure its important if we want to be effective*."

SME1- *"In all the companies I have worked for they use a balanced scorecard and I do not know another method."*

JME1- *"The system it's perfect, we can continue with the current system. Managers must just ensure that it is implemented correctly."*

LLE1- *"I think we should continue with it because it is the only system that I know of."*

JME2- *"Yes, for now, it's poor, the still a lot that needs to improve on the BSC system because managers and employees include wrong targets in the four perspectives."*

SME1- *"We must research around the world what other organisation is doing. we need to modify based other effective system other organisation is using."*

JME3- *"Not necessarily modified but rather properly implemented*."

EME2- *"I think we can use the current system but I think that the inputs. If now you look at financial those inputs needs to be really refined. Because if you look on the internal processes, normally it looks train delay and Train's cancellation and those are not internal processes."*

Most of the participants indicated that there is no need to modify the system, it just needs to be implemented and managed properly. The following described major themes that

relate to whether the balanced scorecard should be modified

Major themes that relate to whether the balanced scorecard should be modified
Should not be modified

Figure 4.11: Major themes that relate to whether the balanced scorecard should be modified

4.6.12 HR skills and capacity to manage the performance management system effectively.

Response from the participants:

JME1- *"There is a lot that needs to be improved. Human resources practitioners need to be close to the line managers, they must train them on how to do rating and equip line managers with whatever skills and knowledge necessary. The HR department should run a quality check of the departments they are serving to ensure the alignment."*

SME1- *"No. they do not have the skills and capacity. There is no total focus and drive to focus on performance management within Transnet. There is no keen interest it's just about ticking boxes at Transnet. HR is understaffed and we have one person who supports three departments. We need to capacitate Human Capital to be able to support line managers. They need to be trained to be able to respond to the issues of performance management."*

JME2- "*Not in its entirely. Lack of attention to employee's problem appears to be an issue with the HR department."*

LLE1- *"I think they do because there is always someone from the HR department who explain how performance management should be done. But I think they have a problem with the capacity because I only see one person involved."*

JME3- *"No, HR needs training. They do not have the necessary skills and capacity."*

MME1- *"They have the capacity to implement performance management but the skills to manage it they do not have but the skills can be improved."*

EME1- *"HR doesn't have the skills and capacity to manage performance management system, it's only left to line managers."*

MME2- *"For now I think they do not have the necessary skills and capacity to manage performance management system, there are some improvements needed from HR. If now I can go to HR for information with regards to the performance management system, I might have more information than them."*

The majority of the participants are saying Human resource personnel does not have the necessary skills and capacity to support the line management. The following described major themes that relate to whether HR has the skills and capacity to manage the performance management system effectively.

Major themes that relate to whether HR has the skills and capacity to manage the performance management system effectively.
Does not have the skills and capacity to manage performance management system
Need further training

Figure 4.12: Major themes that relate to whether HR has the skills and capacity to manage the performance management system effectively.

4.6.13 Employees' perception on whether pay progression and performance bonus motivate performance within Transnet.

Response from the participants:

EME1- *"Yes do encourage good performance"*

MME1- *"The bonus and pay-out are part of it, but they are not everything. The environment that you work at should be conducive and the people that we work with they should be supportive."*

JME1- *"Yes they do."*

LLE1- *"I think they do encourage employees to improve their performance."*

JME2- "*Yes, incentives help motivate employees and ensures continual hard working*."

SME1- *"Yes, there are enough to improve the performance of employees and most managers and employees were happy how the company remunerated them."*

EME2-*" Bonus yes and pay progression no because with pay progression you normally get it in line with the inflation-based increase and in the long run your purchase power has decreased.*

All the participants indicated that the pay progression and bonus do encourage commitment and good performance from the employees. The following described major themes that relate to whether pay progression and performance bonus motivate performance within Transnet.

Major themes that relate to whether pay progression and performance bonus motivate performance within Transnet
Pay progression and bonus encourage good performance

Figure 4.13: Major themes that relate to whether pay progression and performance bonus motivate performance within Transnet.

4.6.14 Factors that can help improve performance management system at Transnet

Response from the participants:

JME1- *"At the beginning of the year, all the department needs to have a goal alignment session so that everyone within the department can understand what is expected from them. There must be a continuous communication taking place between the manager and the employees in terms of performance management."*

SME1- *"Regular discussing of performance management to ensure that the performance is aligned. We are not doing enough to recognise people who are performing well."*

JME2- "*Provisions of the clear job description, placing the right people for the right job, compulsory mentoring and coaching. Continuous development of employees*."

LLE1- *"People need to be trained on how performance management is and what is that it wants to achieve."*

JME2- *"The cascading must be perfect, it needs to be cascaded in their respectively work. Weekly review needs to be implemented because you will be able to see when the employees are not performing. Even if they are for 10 minutes."*

LLE2- *"The rewards must not take too long to come, usually, we get our rewards after 6 months when we are already in the next financial."*

MME1- *"It must be cascaded correctly and be customised to the individual scope of work and the goals and objectives of the organisation and it should not be generic."*

MME1- *"The frequency of measuring the employees needs to be changed from two to four at least per year."*

MME1- *"Have a strategic plan to work on non-performing employees until they reach their optimal level. Managers give employees low marks and they do not follow up why he is underperforming."*

JME3- *"We should not wait for the performance appraisal date we should submit evidence to showcase where we are in terms of performance."*

SME1- *"Throughout the year people must take performance management seriously not only towards the end and align to it. Manager, you should know how your team performed you shouldn't wait until your manager appraises you first then appraise your direct reports."*

MME2- *"I think recognising the employees who are performing well, people who are doing well need to be recognised to be motivated to continue doing a good job."*

SME2- "*Training and development is another way through which employee performance can be improved to ensure the various employee groups are provided with the necessary development and help to make it possible for them to contribute better within the organisation."*

JME4- *"Creating an encouraging and supportive work environment through which employees understand their role and participation within the organisation is important to ensure the organisation can achieve enhanced value."*

JME5- *"Appraise employees accordingly, align the team to what you want to achieve."*

EME2- *"The KPI needs to be department independent and you need to minimise the cascading as much as possible."*

All the participants who were interviewed came up with a suggestion on how to improve the performance within Transnet. The following described major themes that relate to Factors that can help improve performance management system at Transnet.

Major themes that relate to Factors that can help improve performance management system at Transnet.
Increasing the frequency of performance appraisal
Provide encouraging and supportive environment
Scorecard must be cascaded correctly
Goal alignment session
Regular discussion of performance management
Training and development of employees
Recognising employees who are doing well

Figure 4.14: Major themes that relate to Factors that can help improve performance management system at Transnet

4.7 Summary of the challenges of performance management at Transnet

The following provides the findings of the challenges found by the researcher of performance management at Transnet.

Challenges of PM at Transnet:

- Managers do not have a full understanding of performance management.
- Managers are biased during the performance rating

- Line managers wait for their managers to appraise them then they appraise subordinates according to what they received.
- Poor cascading of performance scorecard without managers applying their mind.
- Policies and procedures of performance management are not fully communicated.
- No support coming from the top management.
- Does not include all organisational goals.
- The frequency of appraisal/feedback is not enough.
- No Training and development for employees who are underperforming.
- Disclosure of performance results.
- Performance rating not reflecting their performance
- Underperformance is not managed well
- No follow up after performance appraisal to re-enforce good performance and corrective action for those who are underperforming.
- HR does not have the necessary skills and capacity to assist line managers.
- Line managers and subordinates are not trained on PM.

Table 4.6: The challenges of PM mentioned by the 15 interviewed participants

Challenges of performance management	**Percentage of the 15 interviewed participants who indicated this challenge**
Managers understanding of PM	50
Managers are biased during rating	80
Managers waiting for their managers to rate them	53
Poor cascading of Scorecard	67
Policies and procedures of PM not fully communicated	33
No support from the top management	60
Does not include all organisational goals	27
The frequency of appraisal/feedback is not enough	93
No training and development	87
Disclosure of performance results	50
Performance rating not reflecting the performance	73

Underperformance is not managed well	93
There are no follow up after performance appraisal	80
HR does not have the skills and capacity	73
Line managers and subordinates are not trained on PM	93

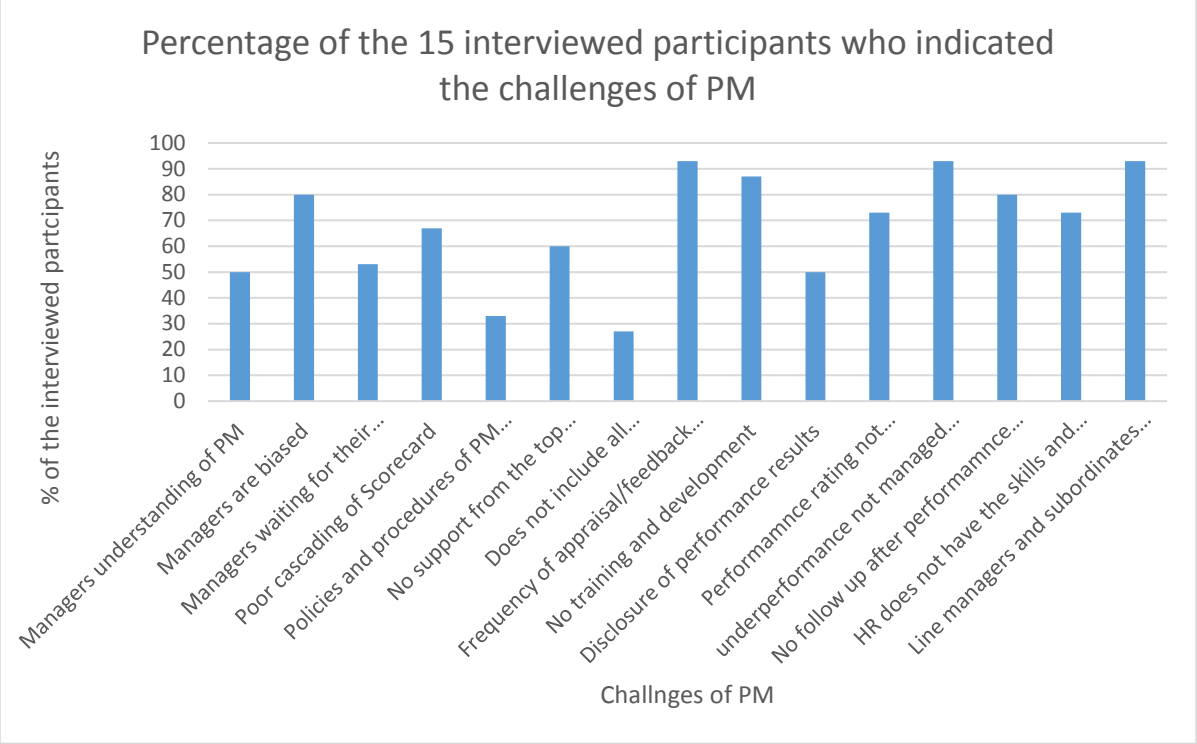


Figure 4.15: The percentages of the participants who indicated this challenge

The information above indicates the percentage of challenges found from the 15 interviewed participants. Main challenges that were found from the research are that underperformance is not managed well, the frequency/feedback of the appraisal is not enough, and the managers and employees are not trained on undertaking performance management system at Transnet.

4.8 CONCLUSION

For performance management to be successful, both the manager/supervisor and the employee should be involved throughout the process. The researcher's questions of the challenges that are being faced and strategies of improving the performance management

system at Transnet have been answered. The interviewed participants mentioned several challenges they are facing and came up with some suggestions on how to improve the performance management system at Transnet. The findings collected have been critical on issues occurring within Transnet to assess and evaluate employee performance.

5. INTERPRETATION AND DISCUSSION OF FINDINGS

5.1 Introduction

The previous section presented the findings from the interviews with the participants, according to the research methodology set out in section three. This section discusses the findings obtained through the open-ended interviews. This section addresses the problems statement and research questions, as highlighted in section one. The data collected for this research was analysed using thematic analysis. Thematic analysis involves identifying themes and patterns in a data set. Recorded interviews were transcribed into Microsoft word to capture the data correctly. The research also fulfills the purpose of the study which is to investigate the performance management challenges at Transnet. The findings of this research were discussed against the main theory of the study which is the control theory. Control theory in performance management is a continuous process which aims to reduce the discrepancy between the goals that an employee wants to achieve and the actual performance (Carver & Scheier, 2002). A problem with control theory comes when feedback to the employees is only delivered once or twice a year instead of at regular intervals. Without clear feedback from managers, subordinates will not be able to rectify their poor performance. When employees take charge of their feedback during performance appraisals, it will help them to close the discrepancy between the goals and the actual performance.

5.2 Conceptual Framework

The control theory was chosen as the researcher's conceptual framework. The reason for choosing control theory was that most of the challenges of performance management at Transnet emanate from the feedback they receive from their managers. It can be concluded that the literature review matches the findings of the research because the participants indicated that their managers are biased, there is no follow up after the performance appraisal, they are contracted on outputs over which they do have no control and underperformance is not managed well; there is no corrective action.

5.3 Employees' understanding of performance management system

It is evident from the findings of the research that the participants of the research have an understanding of the performance management system. As confirmed by the literature review and the findings obtained from the participants, performance management involves the setting, assessing and continuously improving the performance of the employees to meet the objectives of the organisation.

5.4 Supervisor/managers' understanding of performance management.

According to the sampled participants, supervisors/managers are considered to having a fair understanding of the performance management system at Transnet whilst another group of employees indicating that managers/supervisors as not having the necessary understanding of performance management system at Transnet which is the variance given by employees largely suggesting that managers/supervisors do not having a good understanding of the performance management system at Transnet. Supervisor/managers' understanding of performance management system is important because managers are mostly the immediate personnel to whom employees report and with whom employees participate during the operational process of the organisation.

5.5 Is there supervisor/manager bias when engaged within the performance appraisal process?

According to the sampled participants, supervisor/managers are biased during the performance appraisal. Supervisors/manager bias is a common theme described within the performance management system that describes the supervisor's propensity to show biases when engaged within the performance management system. Supervisors' bias is a recurring issue that has been described as a common challenge that relates to supervisors/manager attitude and behaviour when engaged within the performance appraisal process. Supervisors/managers' biases, when engaged within the organisational performance management system, is a critical challenge that, as described by the engaged employees, reduces the organisation's ability to achieve its established goals and objectives.

5.6 Issues relating to the manager/supervisor bias when engaged with performance appraisal

According to the interviewed participants, the bias of the supervisor/manager is influenced by the personal subjectivity and generic analysis of the employee performance within the organisation. The issues are important as they have described the primary issues and challenges employees face during the performance appraisal. Managers/supervisors issue with biases, when engaged within the performance appraisal process, is described as affected by the managers/supervisor relationship with the organisation's employees which is rendered as a major issue which compromises the objectivity of managers to provide a valid and accurate account of employee performance within the organisation. Supervisors/managers' subjectivity is a common issue as sampled employees mentioned that managers/supervisors have predetermined the outcome of an employee's performance before the appraisal meeting between the manager and subordinates has taken place.

5.7 Weaknesses and gaps in the performance management system

The participants indicated that the weaknesses of the performance management include the cascading of the generic scorecard, the company policies and procedure of performance management are not fully communicated, performance appraisal not indicating employee performance, and managers are not well equipped and trained on the performance management system. Interviewed employees described gaps within the performance management system as influenced by the system not factoring the relevant aspect forming into the performance management system, including the unfairness of the performance appraisal system. Gaps within the performance management system are given largely by the performance management process not improving employee performance and engagement.

5.8 Challenges of the performance management system

According to the sampled participants, the challenges within the performance management system include a host of issues such as the frequency of the performance appraisal meeting which is not adequate, performance management is being done to tick boxes, not enough time is given to the system, managers wait for their manager to rate

them then they cascade down the score, public disclosure of employee results, No effective training and development provided to employees after the performance appraisal. According to the sampled employees, this is an area within the business that needs to be improved to ensure the various employee groups are provided with the necessary support and development to ensure their enhanced engagement within the organisation.

5.9 Employee perception of whether performance management improves workplace performance and productivity

Employees who participated in the research had different views; some are saying it does improve performance and productivity within Transnet whereas others are saying it does not improve performance. The performance appraisal system is considered as ineffective in motivating employees to improve their performance and engagement within the organisation as a measure to ensure the various staff members are provided with the necessary tools and resources to support their enhanced engagement within the organisational process and development.

5.10 Employee perception of whether the performance appraisal reflects employee performance

Most of the participants say that the performance rating does not reflect their performance because there is some work that they do that is not part of the performance contract. The appraisal process' inability to reflect employee performance is a pertinent issue that would need to be resolved towards the organisation's ability to develop performance procedures and implementations that can relate the employee's behaviour and actions within the organisation to help support their continued involvement and participation within its various organisational processes and development.

5.11 Employee perception of whether underperformance is managed well within Transnet.

All the participants that were interviewed indicated that underperformance at Transnet is not managed well; there is no follow up after the performance appraisal and there is no corrective

action in place for the employees who are underperforming. Performance management is a process that helps indicate areas where employees who are underperforming can improve their performance.

5.12 Employees' comprehension of the methodology used within the balanced scorecard.

Employees within Transnet across the various employment categories indicated that they have a good understanding of the performance management system, as indicated by the responses gathered from the participating employees within the research process.

5.13 Employees' perception on whether the balanced scorecard should be modified

Most of the participants indicated that there is no need to modify it, it just needs to be implemented and managed properly. The balanced scorecard needs to be developed towards ensuring that various employee groups are provided with the necessary support and enablement to improve the capacity to effectively assess employee performance and behaviour within Transnet.

5.14 Does HR has the skills and capacity to manage the performance management system effectively?

The majority of the participants say that Human Resource personnel do not have the necessary skills and capacity to support the line management and they need further training. The human resource department is important within the performance management process as they need to develop the tools and instruments the organisation can utilise to achieve its performance objectives through engaging the organisation's staff on the areas important for the development of the organisation and to ensure the organisation can achieve sustained value and achieve its productivity goals.

5.15 Employees' perception on whether pay progression and performance bonuses motivates performance within Transnet

All the participants indicated that the pay progression and bonuses do encourage commitment and good performance from the employees. Pay progression and performance bonuses are

considered as not the most important factor in motivating employee performance and engagement within the organisation, according to the sampled employees.

5.16 Factors that can help improve the performance management system at Transnet

All the participants who were interviewed came up with a suggestion on how to improve the performance within Transnet. Some of the suggestions are that the organisation must increase the frequency of appraisal from two to at least four times per year, Provide an encouraging and supportive environment, Scorecard must be cascaded correctly, Goal alignment session, Regular discussion of performance management, Training and development of employees and Recognising employees who are doing well. Performance management within Transnet needs to be improved to ensure the various employee groups are provided with the necessary support and development to increase their behaviour and engagement within the organisation.

5.17 Conclusion

The researcher's questions of the challenges that are being faced and strategies for improving the performance management system at Transnet have been answered. The interviewed participants mentioned several challenges and they also came up with some suggestions on how to improve the performance management system at Transnet.

6. CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

The previous section provided a discussion of the findings of the 15 participants interviews. This section provides the conclusion and the recommendation on what Transnet can do to have an effective performance management system that improves the performance and productivity of the employees and ultimately, the performance of the organisation. The conclusions and the recommendation of this research were discussed against the main theory of the study which is the control theory. According to Barrows and Neely (2012), control theory evaluates the output of a system for its consistency with the pre-defined objectives. Control theory helps to provide a foundation for assessing the feedback element of the performance management system (Buchner, 2007). When employees take charge of their feedback during performance appraisals, it will help them to close the discrepancy between the goals and the actual performance.

6.2 Conclusion of the study

The researcher conducted interviews with 15 employees of Transnet at different levels of the organisation to understand the challenges of performance management at Transnet. The interviews were recorded and transcribed into Microsoft word with the aim of answering the research questions. The research was undertaken to understand the challenges that affect employees in terms of performance management at Transnet and what the strategies are for consideration to improve performance management at Transnet.

The challenges that affect employees were identified, such as the poor cascading of a generic scorecard, frequency of the appraisal which was not enough to improve the performance and the productivity of the employees, underperformance was not managed effectively because there were no follow up after the performance appraisal, no training and development of employees who were underperforming, disclosure of performance results which causes conflict among the employees, most of the employees felt that their performance rating did not reflect their performance because there are so many projects that they do that are not part of

the performance contract and the company policies and procedure of performance management are not fully communicated.

Based on the findings of the research, most of the participants indicated that they do not have one-on-one discussions with their managers to agree on the performance objectives. Most of the participants also indicated that they have no influence on the output on which they are appraised; this is the reason why towards the year-end there is always debate about performance ratings. Participants also indicated that there is no much support coming from the top with regards to performance management. Participants also indicated that supervisors/managers have a fair understanding of the performance management system at Transnet whilst another group of employees indicated that managers/supervisors do not have the necessary understanding of the performance management system at Transnet.

Based on the findings of the research, most of the participants understood the balanced scorecard methodology that is being used at Transnet. Most of the employees understood performance management as a system that monitors and measure the performance of both the management and employees in relation to the set or agreed targets. The majority also indicated that they have not been trained on performance management and they also suggested that proper training is essential in terms of understanding, implementation, and utilisation of the balanced scorecard within Transnet.

The research has also found that managers/supervisors are biased throughout the performance management and their biases have to do with the personal subjectivity and generic analysis of the performance of the employees. Most of the employees indicated that performance management at Transnet does not improve the performance and productivity of the organisation; it is just a tick-box exercise. The majority of the participants indicated that there is no need to modify the balanced scorecard system that is been used at Transnet, it just needs to be implemented and managed properly. Participants also indicated that the Human resource personnel do not have the necessary skills and capacity to support the line management and they need further training. Participants also indicated that the pay progression and bonuses do encourage commitment and good performance from the employees.

The participants came up with suggestions to improve performance management at Transnet so that they can improve the performance and productivity of employees. The suggestions that the participants came up with are that the organisation must increase the frequency of performance appraisal from two to four times per year, provide an encouraging and supportive environment, the scorecard must be cascaded correctly, departments must have a goal alignment session at the beginning of the year, regular discussion of performance management must take place throughout the year, not only during the appraisal time, training and development of employees in terms of how performance management should be contracted and evaluated and employees who are doing well should be recognised.

6.3 Recommendations

Considering the findings, analysis, and conclusion of the research, the recommendation is made to address the challenges of performance management at Transnet.

- Transnet needs to train both managers and employees with regards to the performance management system so that they know how to do the contraction and evaluation of performance appraisal. Human resource personnel need to be trained and capacitated so that they can assist line management.
- Performance management appraisal should be on a continuous basis, not only twice in a year; the frequency of giving feedback to the employees should also be increased to at least four times a year. The organisation also needs to have a training and development programme to support the employees who are underperforming. Transnet must ensure that the programme is implemented and executed, as all the participants indicated that underperformance is not managed well at Transnet and there is no corrective action.
- Transnet must ensure that the balanced scorecard is cascaded down from the top to the lower employees correctly, it must include the work that employees do not generally target and over which they have no control. The majority of the participants indicated that their rating does not reflect their performance, so Transnet must ensure that employees are been rated for the work they normally do.
- Transnet must ensure that there is regular feedback, discussion and updating the performance contracts between the managers and employees to track the performance of

employees to check if they are on track or not towards the goals of the organisation. With regular feedback, there will be no fighting among the raters and the rated at the end because this was regularly discussed throughout.

- Transnet must ensure that when managers are rating employees, they are not biased so the performance management at Transnet is able to improve the performance and productivity of the employees and ultimately, the performance of the whole organisation. Transnet can continue to use the balanced scorecard, but it needs to be implemented and managed effectively. Transnet must have a culture of supporting and encouraging the good performance of employees when they are doing well.
- Departments within Transnet must have the discussion of performance throughout the year not only during mid-year and final review performance appraisal. It is not only the responsibility of management, even the employees must initiate this discussion.
- More time should be given to the performance management processes including contracting and evaluation; it should not only be done when HR wants it, but it should be continuously and timeously done.
- The majority of the participants indicated that it does not mean when the organisation is not performing, that the employees are not performing; sometimes after meeting all objectives, staff are rated poorly because the organisation is not performing well; this moderation of the employee's performance to the performance of the organisation should be stopped. Employee rating should be based on his/her performance not on the departmental or organisational performance.
- For Transnet to make sure that performance management system is effective, all the phase of performance management system namely planning, employee input, feedback, performance evaluation and review must be monitored throughout the year, not only during mid-year or final review.
- Transnet must ensure that the performance management system outcome is linked with the rewards and promotion of employees. Transnet must ensure that the performance management system policy is communicated regularly and ensure that the system is implemented and managed in accordance with it.

- One of the participants recommends that for a performance management system to be effective, Transnet needs to have a department that is fully focused on all the performance management issues. One participant indicated that everything should be done through the electronic system because currently, the performance scorecard is still printed for signature.
- Transnet must ensure that the performance goals of the employees are linked to the strategic goals of the organisation and employees are contracted on goals which are SMART (specific, measurable, attainable, realistic and time-based) and employees have an influence on them.

6.5 Contribution to the study

The research may assist Transnet and other Parastatals or State Own Companies (SOCs) in terms of implementing and managing effective performance management. The research will contribute to Transnet's awareness of the challenges that are faced by employees so that they can come with solutions to address the issues of the performance management system. The research study also contributed to the body of knowledge of performance management by identifying some of the challenges of performance, such as cascading of the generic scorecard, no appraisal follow-ups and no regular feedback.

6.6 Suggestion for future research

Future researchers should investigate the performance management of the whole organisation, including the other five divisions of Transnet to check if the findings that have been found in one of the divisions is congruent with the other divisions of Transnet. Researchers should also do research in other parastatals or state own companies who are using the balanced scorecard to check if they will find the same findings or not. Future research should also focus deeper on the challenges of performance management identified at Transnet that have been found, such as cascading of the generic scorecard and biases of managers, to understand factors contributing to these challenges.

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Appendix A: Interview Questions

OPEN-ENDED INTERVIEW QUESTIONS

- Introduction and Background
- Explaining and signing of the consent form
- The objective of the research

1. Position/level of the participant
2. Number of years in the current position
3. What is your understanding of performance management?
4. In your opinion would you say that supervisors/manager is fair without being bias during assessment when evaluating employees?
5. Do your manager/supervisor has a good understanding of the performance management system? Why?
6. Do you think performance management at Transnet contributes to the improvement of the performance of employees and the productivity of the organisation?
7. What are the weaknesses and gaps in the current system?
8. What do you think can be done to improve performance management at Transnet?
9. What are the highlights and challenges you have faced during performance management?
10. What are the factors contributing to the challenges you have faced?
11. Do you have regular feedback throughout the year with your supervisor/manager to discuss your performance?
12. Does your performance appraisal rating reflect your performance?
13. How would you describe your level of understanding of the Balanced Scorecard methodology?
14. Do you think the current performance management system needs to be modified?
15. Would you agree that underperformance is managed well within Transnet? Are there any corrective actions that are applied in your department to employees that are underperforming?

16. Do you think performance bonuses and pay progression are sufficient to encourage good performance? if not, what do you recommend?
17. Do you think that HR has the necessary skills and capacity to implement and manage an effective performance management system at Transnet? If yes, how so? If not? What is lacking?
18. Have you been trained in performance management? And do you think that performance management training would enhance the understanding of performance management to both the employees and management?
19. Do you have any other issues relating to the performance management system you would like to raise?

Appendix B: Consent Form

CONSENT FORM

I hereby agree to participate in the study of performance management challenges at Transnet. I understand that my participation is voluntary, and I can choose to stop at any time without any consequences.

I understand the purpose of the research project and acknowledge that is not for my personal gain.

I understand that my identity and participation remain confidential. If you are willing to participate in this study, please sign the consent form or respond to my email as a declaration that you will be participating willingly in this research.

Signature Date

I hereby agree that the interview may be recorded.

Signature Date