

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Introduction**

People differ in their abilities and their aptitudes. There is always some difference between the quality and quantity of the same work on the same job being done by two different employees. Therefore performance appraisal is necessary within any organisation or work environment in order to understand each employee's abilities, competencies and relative merit and worth for the organisation. According to Shahdeo (2000) performance appraisal is necessary to measure the performance of employees and the organisation to check the progress towards the desired goals and aims. Performance appraisal helps to rate the performance of employees and evaluate their contribution towards organisational goals. Shadhdeo (2000) stated that if the process of performance appraisal is formal and properly structured, it helps the employees to clearly understand their roles and responsibilities and give direction to the individual's performance .It helps to align the individual performance with organisational goals and also review their performance. However, Anderson (1994) reported that the performance appraisal process often makes everyone tense, perhaps because many supervisors and sub-ordinates have little training in the objectives, foundations, and delivery of performance appraisals.

The government, which has different departments, including the Department of Social Development, has also implemented the performance appraisal system, basing itself on the principle stipulated in the Public Service Regulations(2001,p.34) as follows: "the principle of performance appraisal is to manage employees' performance in consultative, supportive and non-discriminatory manner in order to enhance organisational efficiency and effectiveness, accountability for the use of resources and the achievement of the result. Performance appraisal system is to be linked to broad and consistent plans for staff development and align with the department's strategic goals. The primary orientation of performance appraisal shall be development but shall allow for effective responses of consistent inadequate performance and for

recognising outstanding performance. Performance appraisal procedures are aimed at minimising the administrative burden on supervisors while maintaining transparency and administrative justice.”

This introductory chapter describes the research problem and rationale for the study, including its parameters or delimitations. In addition, an overview is provided of the research design and methodology, the limitations of the study and the organisation of the report.

## **1.2 Statement of the problem and rationale for the study**

Although the private sector in South Africa is using performance appraisal systems to ensure that employees know and understand what is expected of them and to manage performance against company goals, the public sector adopted this approach only in 2001. Therefore it is still new and causes discomfort because it is a change that employees have to get used to. The researcher has experienced and observed that employees do not have a clear understanding of the process, as they were not given a chance to participate in the design of the system and rarely have a sense of ownership. They seem to approach the system negatively, as they were not involved. Thomas (2004, p. 11) emphasises that “due to lack of involvement of the employees in the design of performance appraisal system, it is often not clearly articulated and there is no training offered for employees to understand how it operates.” Furthermore, most of the studies on performance management seem to concentrate more on the process than on perceptions of employees. Josh (2008) has conducted a study of the attitude of employees about the performance system. In his study he recommended that more research has to be done which can focus on how employees see themselves in the whole process. His study also revealed that most of the employees have negative attitudes towards the system as they do not have any ownership of the system. His study seems not to cover the perceptions of appraisers and appraisees about the procedures, atmosphere and its achievements involved in the whole process of the performance appraisal. Within the Department of Social Development there is no feedback system in place to investigate whether the system is well understood by employees. Shahdeo (2000) has emphasised that once performance objectives and standards are established, the supervisor should observe employees' performance and provide feedback. Supervisor or employer have the responsibility to recognise and reinforce strong performance by an employee, and identify and encourage improvement

where it is needed. The supervisor should provide informal feedback almost every day. Feedback generally plays a critical role in the employee's continued success and ability to meet performance expectations.

Williams (2002) has also highlighted that feedback is the key element in a successful performance evaluation. With feedback, employees can better gauge their performance, and supervisors learn the most effective ways to motivate them. As a result, supervisors can approach the appraisal process in a positive manner, feeling more like helpers than judges.

There seems to be a lack of studies on performance appraisal, as reported by Thomas (2004, p. 13) "how performance appraisal is perceived by raters and ratees and the effects of different system designs or processes on employees attitudes and organisational performance have not be properly studied. "Therefore, this study was conducted with the aim of exploring the perceptions and experience of employees in the Thabo-Mofutsanyane and Xhariep districts about the present performance appraisal system practised in the Department of Social Development.

It is likely that the findings of the research will be helpful to the occupational social worker as they will assist in understanding how employees regard and understand the performance appraisal system. This will assist the occupational social worker to provide feedback to enhance and improve the performance appraisal system and develop interventions to address the different concerns. Furthermore, the study will contribute to the knowledge of the Department about the appraisal system and might lead to reviewing the existing policy so that the participation of employees in the implementation of the performance appraisal system can be accommodated. The *Gale Encyclopedia of Small Business* (2002) has stated that a performance appraisal system is effective only if employees have be given the opportunity to participant during its development, and if it is properly communicated and understood by employees it improves the company's productivity.

### **1.3 Scope of the study**

The study was conducted within the Department of Social Development, Free State Province. There are five districts in the Free State Province, and the two districts that were involved in the research study were the Thabo-Mofutsanyane and Xhariep districts. The study targeted

employees who occupy different positions within the department such as social workers, community developer practitioners, security guards and the administrative officials who offer corporate services.

#### **1.4 Purpose of the study**

The purpose was to explore the perceptions and experiences of the employees in the Thabo-Mofutsanyane and Xhariep districts with regard to the present performance appraisal system practised in the Department of Social Development.

#### **1.5 Research methodology**

The research strategy or approach utilised was qualitative and exploratory in nature. The participants were employees of the Department of Social Development who are appraisers and appraisees. The study employed purposive sampling, which is a type of non-probability sampling for the selection of appraisers, and convenience sampling for the selection of appraisees. For data collection, a semi-structured interview schedule was used during one-to-one interviews with the respondents. The researcher personally conducted the interviews with 20 employees from the department. 10 participants per district were interviewed in order to enhance the reliability of the study. In addition, informed consent was obtained from all the participants of the study in order to further enhance reliability. Data was analysed using thematic content analysis. This was done by firstly organising data, whereby specific facts about the performance appraisal system were arranged in a logical order. Then categorisation of data followed. These categories were identified so that they could help to cluster the data into meaningful groups. Interpretation of single instances was the next step done, whereby specific documents, occurrences, and other bits of data were examined for specific meanings that they might have in relation to the performance appraisal system. Data and its interpretations were then scrutinised for the underlying themes and other patterns. An overall portrait of the study was constructed and conclusions drawn.

#### **1.6 Limitations of the study**

The study had certain limitations that can be articulated as follows:

### **1.6.1 Pre-testing of the research tool**

The research tool was not pre- tested due to time constraints and officials from the Motheo district who did not want to cooperate. During the time that the researcher wanted to pre-test the research tool, most of the officials were on leave and those who were approached did not cooperate. Only one participant cooperated and due to this it was difficult to make any decisions.

### **1.6.2 Nature of the sample**

Generalisability refers to the extent to which it is possible to generalise from the data and context of the research study to broader populations and settings (Van der Riet and Durrheim, as cited in Terre Blanche, Durrheim & Painter, 2006, p.93). Given the fact that the Department of Social Development offices are found in all nine provinces in South Africa, the non-probability sampling of 20 employees drawn predominantly from the Free State province and in only two of the five districts of the province precluded generalisation of the results to the broader Social Development employees at province as well as country level. The findings are therefore not representative of any other Social Development offices outside of the sample utilised for this research. In addition, due to time and resource constraints, the sample utilised in the study was a convenience sample, as the researcher utilised employees who were willing to participate in the study. Consequently, although efforts were made to include all fields of services within the department, some specialty fields are over-represented in the study, while others are not represented at all. For example, social workers within the Department were well represented in the study, while employees who are community developer practitioners were not represented as they were not willing to participant.

### **1.6.3 Socially desirable responses**

Socially desirable responses refer to the phenomenon when subjects deliberately or inadvertently provide responses (answers or actions) that they believe to be socially acceptable (Welman, Kruger & Mitchell, 2005, p.143). It is possible that some of the participants may have responded by furnishing socially desirable answers that were deemed appropriate. In other words, some participants may not have given honest answers to some of the questions in order to avoid appearing negative and critical in relations to sensitive questions that have to do with the performance appraisal.

#### **1.6.4 Articulation of themes**

In analysing the data, some of the themes were articulated by only one or two participants hence precluding generalisation of such themes of the sample of participants.

#### **1.6.5 Unavailability of participants**

In two instances, the researcher had to meet and interview participants who were not originally part of the study due to the unavailability and lack of cooperation of some employees. There were some new employees who had been assessed only once or twice in relation to the performance appraisal who had to be included due to the fact that the original participants who had more experience in terms of the performance appraisal system could not adhere to the time the interviews were scheduled. This could possibly have a bearing on the quality of responses obtained, as these new employees did not have much experience in the matter.

#### **1.7 Organisation of the report**

This chapter provided an introduction and overview in respect of the study. Chapter Two provides a review of the literature and the theoretical framework informing the research study. The researcher methodology is explicated in detail in Chapter Three, while the results are presented and discussed in Chapter Four. Chapter Five contains a summary of the main findings, conclusions and recommendations emanating from the study.

## **CHAPTER TWO**

### **LITERATURE REVIEW AND THEORETICAL FRAMEWORK**

#### **2.1 Introduction**

This section aims to interpret and evaluate existing literature in order to establish the current understanding and knowledge about performance appraisal system. Various ideas and theories from different authors will be presented. The historical perspective on performance appraisal system will also be covered, including definitions of important key concepts.

#### **2.2 Historical background of performance appraisal**

According to Shaddeo (2000) the history of performance appraisal can be traced back to the twentieth century and then to the Second World War, when the merit rating was used for the first time. An employer evaluating his or her employees is thus not a new concept.

The origins of performance appraisal system can be traced back to America over a hundred years ago. During that period most of the organisations that were practising appraisal systems were representatives of the private sector. Grote (2000, p. 89) stated that: “most of the private organisations that implemented the system were using the Management by Objective (MBO) approach that focuses on goal settings and achievements.” Coulshed, Mullender, Jones and Thompson (2006) traced performance management back to Taylor, who is remembered as the first person to study work as a subject in its own right. According to Coulshed et al. (2006) Taylor’s approach is known as “scientific management” or “Taylorism.” He studied work systematically by breaking each task down into its component parts to discover the most efficient way of performing each job, and then considered how management techniques could control the workers to work consistently at maximum efficiency. Coulshed et al. (2006) further stated that Taylor looked at people as if they were machines, and, in his view, people work only to earn money. However, Coulshed et al. (2006) criticised this approach: they stated that he studied the bottom end of the hierarchy without being “bottom-up”, and his attitudes to management control put the onus on the workers to make an organisation profitable “without according them any status beyond mechanism”. Coulshed et al. (2006) further argued that “Taylor methods gave no

scope to imagination or innovation. Workers were treated as less than human and not as able to innovate or change their own working patterns for the better”.

Grote (2000) went further and reported that performance appraisal as a management tool spread quickly in the 1950s. About half of 400 employers surveyed were found to be using a performance appraisal system. Today somewhere between three-quarters and nine-tenths of all companies in America use a formal and systematic performance appraisal process. However, the system is mostly practised by private companies. In South Africa, the performance appraisal process is used within the private sector; however, it has recently been implemented in government departments (from 2001): the White Paper on Human Resources Management in the Public Services Policy notes that government departments were ordered to implement performance appraisal from 1 April 2001.

### **2.3 The context of performance appraisal and performance management**

Performance management is the entire system that attempts to bring together all the essential factors within the work environment so that employees work in an aligned way and so that the output of employees that contribute to the productivity of the organisation is measured (Krumm, 2001). Performance appraisal is a component of performance management and defined by Kreitner and Kinick (2004, p. 358) as “a process that is used to assess how individuals are performing and contributing to an overall organisational performance.” It involves the evaluation of jobholder’s behavioural attributes, traits and accomplishments as a basis for making important personal decisions and compiling a developmental plan. According to Shahdeo (2000) performance appraisal is the process of obtaining, analysing and recording information about the relative worth of an employee and its focus is on measuring and improving the actual performance of the employee and also the future potential of the employee. Its aim is to measure what an employee does. So it is clear that appraisals are done in order to enable the organisation to manage the performance of employees against the purpose, goals and objectives of the organisation. Delaney (2009) also states that the performance appraisal is the final step in the performance management circle. If done properly it can be a very powerful tool to increase an organisation’s performance; if done poorly it is just waste of time and money, and drains motivation from both managers and employees. According to the *Gale Encyclopedia of Small*

*Business* (2002, p.21), “an employee’s performance appraisal is a process often combining both written and oral elements whereby management evaluates and provides feedback on employee job performance, including steps to improve or redirect activities as needed. Documenting performance provides a basis for pay increases and promotions.” According to the *Encyclopedia* appraisals are also important to help staff members to improve their performance and are an avenue by which they can be rewarded or recognised for a job well done. In addition, William (2002) states that performance appraisal can serve a host of other functions, such as providing a launching point from which companies can clarify and shape responsibilities in accordance with business trends, clear lines of management- employee’s communication and spur re-examinations of potentially hoary business practice.

Grote (2004) noted that the use of a performance appraisal system depends on the goals and objectives of the organisation, and it can be used for salary administration, performance feedback, identifying individual strengths and weaknesses, documenting personnel decisions, recognition of individual performance, identifying poor performance, assisting in goal identification, promotion decisions, retention or termination of personnel and evaluating goal achievement. In order for the system to be applicable, two parties have to be involved, namely an appraiser and the appraisee. The appraiser is a superior who estimates the value or quality of a subordinate’s performance, According to Delaney (2009) the role of appraiser can be taken on by managers, supervisors, personnel managers and even specially trained appraisal officers whose major function is to carry out employee appraisals. The performance appraisal task is an integral part of the management process; therefore the immediate supervisor or manager of an employee who is responsible for writing the appraisal reports and conducting appraisal interviews should be the person who works in close contact with the employees, as they would be able to evaluate the employee’s strengths and weaknesses.

An appraisee is a person or employee whose work performance is being evaluated and observed. Kreitner and Kinicki (2002) noted that there are four roles that are played by appraisees during the process of performance appraisal: analyser, influencer, planner and protégé. If the employee fulfills these roles, it might enhance communication and greater personal commitment. Grote (2000) further suggests that all appraisees should be prepared for the performance appraisal

process. They should be familiar with the programme's purpose and procedures. Trainings should be provided so that employees can understand

- the reason why the organisation decided to conduct performance appraisal at certain stages;
- all elements of the appraisal form;
- the specific benefits of performance appraisal; and
- individual responsibilities in each phase of the performance appraisal process.

This would enable them to accept and enthusiastically support the focus on performance excellence encouraged by the system.

Hunt (2005, p. 29) also emphasises that "it is important that both the appraisers and appraisees appreciate each other's point of view during the appraisal process. They have to understand what the other party is saying and why they are saying it." Such appreciation leads to empathy and increased mutual goodwill. Therefore, appraisees should have active listening skills and develop self-awareness in order to analyse their own strengths and weaknesses and consider developing these areas. Delaney (2009,p.201) also emphasises that "performance appraisals/reviews should be done *with* staff not *to* staff, and should contain no surprises as feedback on performance, good or bad should be taking place continuously throughout the year." It is however useful to have a formal review at the end of a period to discuss and diagnose problems that may have contributed towards poor performance, recognise good performance and chart the way forward. It is helpful to employees if managers use a formal performance appraisal process so staff know exactly what is expected of them.

#### **2.4 Objectives of performance appraisal**

Shahdeo (2000) has highlighted the objectives of the performance appraisal system within an organisation as the following:

- a. To review the performance of the employees over a given period of time.
- b. To judge the gap between the actual and the desired performance.
- c. To help the management in exercising organisational control.

- d. To help to strengthen the relationship and communication between superiors and subordinates or management and employees.
- e. To determine the strengths and weaknesses of the individuals so as to identify the training and development needs of the future.
- f. To give feedback to the employees regarding their past performance.
- g. To provide information to assist in the other personal decisions in the organisation.
- h. To clarify the expectations and responsibilities of the functions to be performed by the employees.
- i. To judge the effectiveness of the other human resource functions of the organisation such as recruitment, selection, training and development.
- j. To reduce the grievances of the employees.

## **2.5 The purpose and value of performance appraisal systems**

Performance appraisal serves many different purposes in an organisation. Gomez-Mejia and Cardy (2007) assert that performance appraisal is used by many organisations for administrative and developmental purposes and can further be used as a basis for managerial decisions about employees' work conditions, including termination, promotion and rewards. Data from performance appraisal also assist managers when having to make decisions regarding improving employees' performance and strengthening their job skills. Therefore the implementation of a performance appraisal system should satisfy both employer and the employee. The employer should be satisfied that the employee is functioning well in terms of the needs of the organisation, while the employees should be satisfied that the employer and the organisation are looking after their needs. Hunt (2005) went on to identify both employer and employee needs. The employer needs employees to turn up on time and do a full day's work, to work effectively and efficiently and generate profit or provide good services. The employee needs the employer to provide a safe and pleasant working environment, appropriate opportunities for training and development and other suitable employee benefits, such as pension fund and medical aid, and different types of leave and flexibility to motivate employees.

Williams (2002) also reported that performance appraisal is used for multiple purposes within the organisations but its main intention is to enhance organisational performance. He says that

performance appraisals support an organisation's overall business goals by linking the work of each individual employee or manager to the overall mission of the work unit. In other words, it can be said that the main purpose of the performance appraisal is to enhance the employees' performance so as to meet the goals of organisations. Williams (2002) stated that the three main purposes of performance appraisal are that it is a system for managing organisational performance and employee performance, and integrating the management of organisational and employee performance. These three focuses will be discussed in more detail.

#### ***2.5.1 Performance appraisal as a system for managing organisational performance***

According to Williams (2002) this perspective is based more on corporate authority, which includes setting corporate policy, resources, aims and guidelines, specified within the framework, which provides a detailed set of plans, budgets, objectives, targets and standards of performance and regularly and systematically reviews the performance of all services as part of an annual integrated cycle of management.

Another illustration of this conception is presented by Bredrup (1995), who sees performance appraisal as comprising three main processes: planning, improving and reviewing. Planning is concerned with activities such as formulating the organisation's vision and strategy and defining what is meant by performance. Improvement includes activities such as business process re-engineering, continuous process improvement, benchmarking, and total quality management, while reviewing embraces performance measurement and evaluation. According to Williams (2002) employees are not the primary focus, although they will be affected by the changes in technology, structure, operating system and many more.

#### ***2.5.2 Performance appraisal as a system for managing employee performance***

The idea is that managers and employees should have a shared view of what is expected of the employee, so that a performance review is a joint activity in which the responsibility rests with the job holder as much as with the manager. Moreover, the review is seen as an ongoing activity rather than as something that happens just once or twice a year.

In this model there are four elements of the performance appraisal process, according to Hartle (1995): planning, managing, reviewing and rewarding. Schneider and Hough (1995) added a fifth one: developing.

### ***2.5.3 Performance appraisal as a system for integrating the management of the organisation and employee performance***

This model can be regarded as a combination of the first two. According to Williams (2002), the central aim of the performance appraisal is to develop the potential of staff, improve their performance and, through linking an employee's individual objectives to business strategies, improve the company's performance. Performance appraisal is about directing and supporting employees to work as effectively and efficiently as possible in line with the needs of the organisation. According to Rogers (1990, p. 29-30), the emphasis in this model is on "corporate systems which include the following five processes as part of an annual integrated cycle of management.

- Setting corporate policy and resource aims and guidelines.
- Specifying, within a framework a detailed set of plans, budget, objectives, targets and standards of performance.
- Regularly and systematically reviewing the performance of all services.
- Procedure and systems for planning, monitoring and appraising the performance of individual which are integrated with those for managing organisational performance.
- Systems, such as performance related pay for rewarding individual achievement."

Coens and Jenkins (2000) also identified the purposes of appraisal and divided them into six broadly defined functional categories as shown on the figure below:



**Figure 2.1 Purpose of performance appraisal**

## **2.6 Different approaches to the performance appraisal system**

According to Gomez-Mejia and Cardy (2007), today organisations have a variety of performance appraisal approaches to choose from. They classify these approaches into two categories:

1. The type of judgment that is required – for instance, absolute and relative performance judgments.
2. The focus of the measurement (trait, behaviour and outcome-based). There are different approaches to performance appraisals, and six of the most familiar approaches will be discussed.

### 2.6.1 Comparative approach

This approach is also referred to as relative and absolute judgment by Gomez-Mejia and Cardy (2007). In this approach the employee's performance is compared to other employees doing the same job. For instance, employees are classified and ranked from best to worst. It can also take the form of forced distribution and paired comparisons. The performance criteria are put on the rating form and employees are rated on each dimension. This approach allows employees from different groups, rated by different managers, to be compared with one another.

### 2.6.2 Traits / attributes approach

According to Grote (1996), in this approach, supervisors measure performance appraisal by identifying traits, characteristics, qualities or personal attributes of employees. Mejia and Cardy (2007, p. 95), affirm that "the trait-based approach asks the supervisor to make judgments about the worker's characteristics that tend to be consistent and enduring." The following factors are identified to play the major role in decision making: decisiveness, reliability, energy and loyalty. Some scholars also add initiative and dependability to the list. The following diagram is an example of the trait approach.

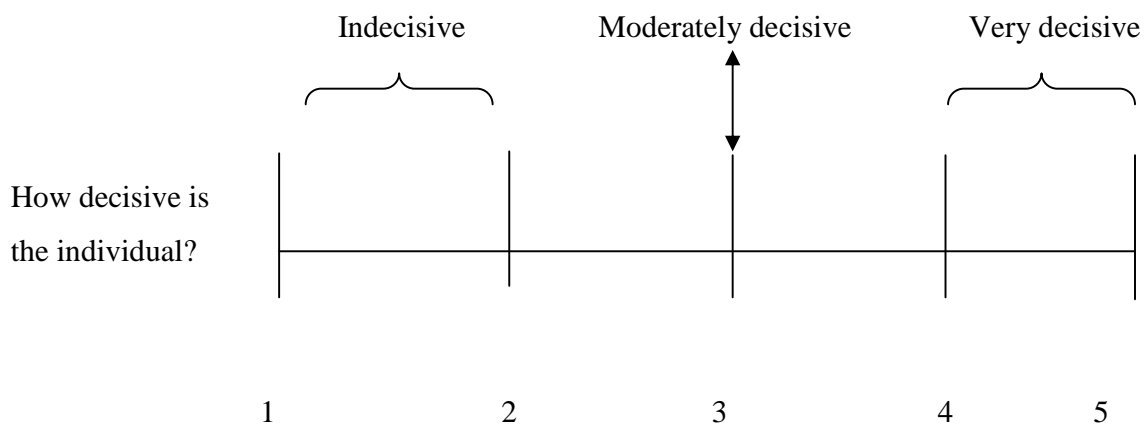


Diagram 2.1: Example of the Traits Approach

### 2.6.3 Behavioural approach

Gomez-Mejia and Cardy (2007, p. 125), state that "the behavioural approach asks the supervisor to assess the worker's behavior, and not to be concerned

about what kind of an individual the worker is, but how he goes about doing the job.” Nieman and Bennett (2002) remark that this approach focuses on behaviors that employee should exhibit to be effective in the job, and identified the following techniques to assess behavior: behaviorally anchored rating scales (BARS), behavioural observation scales (BOS), 360-degree appraisals, and the essay, forced choice, critical, and incidents methods.

The behaviorally anchored rating scales (BARS) approach concentrates on one job only: it is uniquely designed to approach a specific job. Jenks (1991) reported that the technique was developed by psychologists Patricia Smith and Lorne Kendall for the National League of Nursing in America. Its main purpose was to provide the rater with a form listing all important primary accountabilities of the position and the dimensions that need to be assessed. When applying the BARS technique, scales are put together when the decisions have been made about key aspects of performance, usually from the job description. The supervisor develops anchors/points by asking appropriate individuals to describe a number of critical incidents. The incidents are sorted and assigned to each of the key aspects of the job performance and then scaled (Hunt 2003).

One major problem with the BARS techniques identified by Hunt (2003) is that the technique is highly job-specific and expensive to produce. However, it is more reliable and more valid than normal rating scales, as it allows both the appraiser and appraisee to be involved in the process of generating behavior scales. This increases the understanding and acceptance of the appraisal systems. Moreover, according to Martin and Barrol (1998), this technique encourages supervisors to become specific in their performance feedback, since it focuses on the job at a time. Employees are also able to identify those behaviors to engage in and those to avoid.

The behavior observation scales (BOS) technique is based on the use of critical incidents. It depends on observing the employee over a period of time. Behavior observation scales are based on recent incidents (Grote, 1996). The supervisor records how often they observe the behavior listed and the total scores. Hunt (2003, p. 11) explains that “BOS asks the supervisor to record how frequently various behaviors listed on the appraisal form occurred.” The advantage of using

BARS and BOS is that there is high degree of appraiser and appraisee accessibility. Those involved feel that the systems are fair (Martin & Barrol, 1998).

The essay method asks the appraiser to describe in writing the employee's strengths, weaknesses, achievements, potential and developmental needs. The main assumption is that a statement from the appraiser who knows the appraisee's performance is just and valid (Grote, 1996). There are quite a number of disadvantages of this method, as discussed by Lansbury (1990). The main problem is that appraisers differ as to which aspects of job performance and personal qualifications they consider important. It is therefore difficult to make a fair judgment on the appraiser's performance, because various essays still have to be combined and compared. The other problem is that essays vary in length and content, and this method is more time-consuming than other methods. However, according to Grote (1996), if it is done well it can provide the most detailed and most intimate feedback to the appraisee. However, he also discussed some disadvantages of the method, one of which is that the method requires the appraisers to have essay-writing skills. Grote (1996) also argues that the method is susceptible to appraiser error such as leniency, the halo effect, the first impression error, and the similar-to-me effect. The other problem of the essay method is that it focuses on the qualitative aspect of the individual appraisers to provide balanced feedback to the appraisees.

The 360-degree method is viewed by Kreitner and Kinicki (2004) as the comparison of anonymous feedback from one's superiors, subordinates and peers, with self-perceptions. Feedback can also be required from relevant others such as customers or client and suppliers of the organisation. Kreither and Kinicki (2004, p. 105) refer to this as "full-circle feedback." The idea is to let the employee know how his or her behaviour affects others and how it contributes to organisational development. Kubicek (2000) identified several sources of the 360-degree technique. The person who does the rating is commonly referred to as the source of appraisal. Multiple rating in performance appraisal provides unique perspectives on performance that are available from above-mentioned sources.

According to Swanepoel, Erasmus, Van Wyk and Schenk (2003) in this method employee find the results more compelling because the feedback comes from multiple sources, which allows for

a broader perspective on employees' strengths and weaknesses. This feedback can be used in mentoring and coaching initiatives. The open flow of communication enables parties involved to communicate easily, thereby supporting transparent and democratic management. The method is also vital for eliminating rater error and bias, which may lead to personal victimisation of employees by managers.

#### ***2.6.4 Outcomes-based approach***

Gomez-Mejia and Cardy (2007) refer to the outcome-based approach as a process that asks managers to assess the results achieved by workers –for instance, total sales that the employee achieved or the number of products produced by that particular performance. The most prevalent outcomes-based approach is management by objectives (MBO), which is a goal-oriented approach to performance appraisal. Workers and supervisors see goals together for the upcoming evaluation period. This allows the manager to monitor and evaluate the objectives that were set collectively with the employee. In rating the employee, the supervisor then decides to what extent the goals have been met. Swanepoel et al. (2003, p. 121) remark that the “MBO is a system of management that focuses on setting and integrating employee goals with those of the organisation.”

#### ***2.6.5 Balanced scorecard approach***

According to Viedge and Conidaris (2002), the balanced scorecard is a strategic management system that focuses on people's skills and abilities in organisations towards achieving organisations' goals. This approach is a set of measures that were developed by Kaplan and Norton (1996). It gives top management four measures that enable the creation of balanced approach to management, namely, the financial aspects, the customers, the internal and learning and innovation. Every measure on a balanced scorecard attempts to address aspects of an organisation's strategy and create a blend of strategies that compare past performance with current performance in relation to organisational strategy.

#### ***2.6.6. Team-based performance approach***

According to Swanepoel et al. (2003), a work team is a group of two or more employees working together to attain a common goal. The teams are made up of different people who have

complementary competencies and depend on each other's contribution for the survival of the team.

The introduction of teams in the workplace has been a major influence on jobs in modern organisations (Swanepoel et al., 2003). The indication from studies in the South African context is that team-based structuring is set to remain a key element of future organisations. Performance appraisal systems need to appropriately reflect a shift from traditional individually oriented work practices to team orientations. Furthermore, Swanepoel et al. (2003, p. 392) mentioned the following aspects of good performance in team:

- “Ability to communicate openly and honestly
- The ability to confront differences and resolve conflict
- Capacity to sublimate personal goals for the good of the team
- Emphasising cooperation rather than competition.”

According to the conceptualisation of team effectiveness as proposed by Sundstrom and McIntyre (2002, p. 89) “there are four components of team effectiveness:

- Performance – team output in terms of quality, quantity, timeliness, efficiency and innovation.
- Member satisfaction – how well team members create a positive experience through commitment, trust, and meeting individual needs.
- Team learning – how well team members acquire new skills, perspectives and behaviors as needed by changing circumstances.
- Outsider satisfaction– how well team members meet the needs of outside stakeholders such as suppliers and customers.”

This performance appraisal approaches can be summarised as follows:

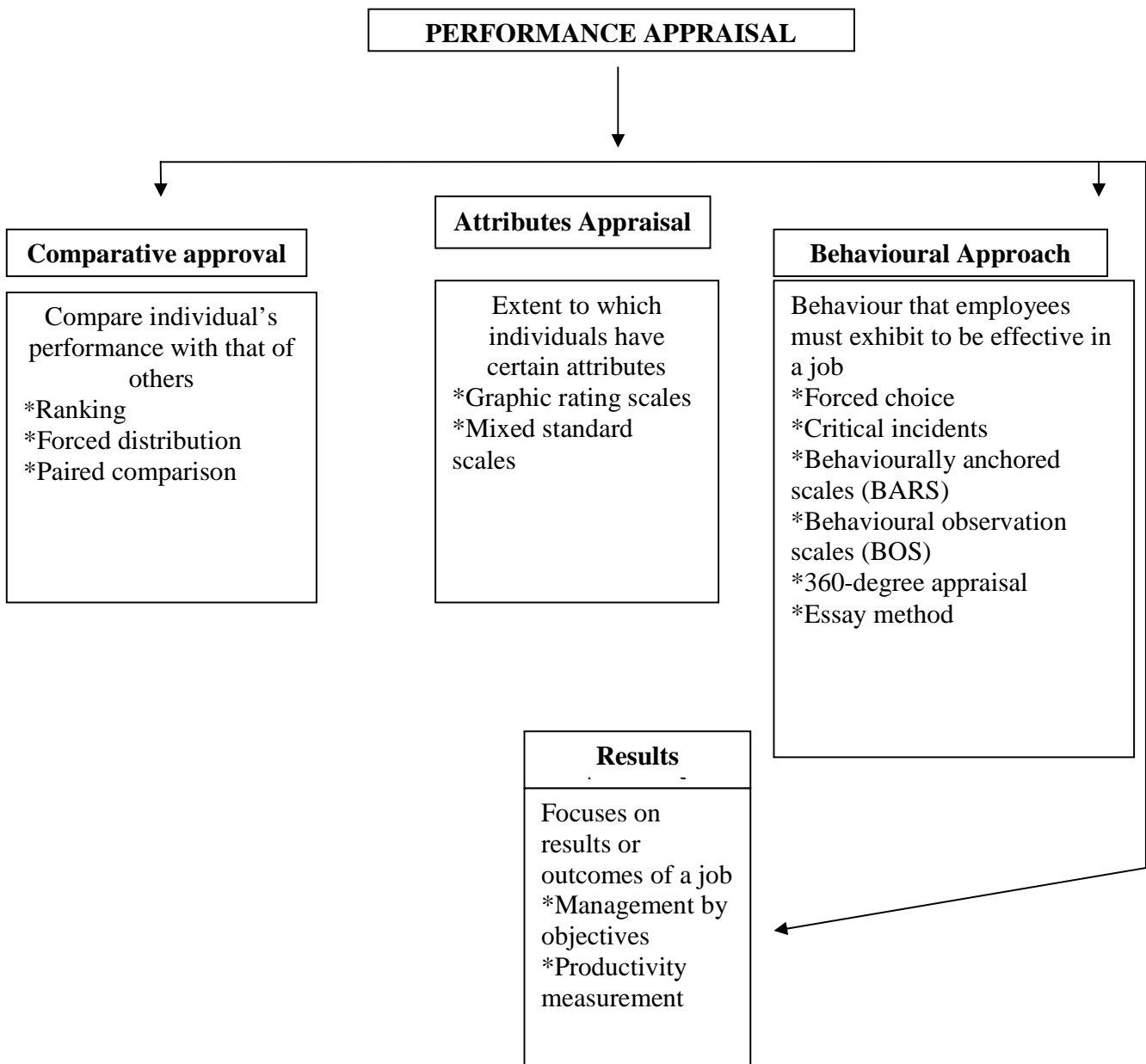


Diagram 2.2: Approaches and Techniques of Performance Appraisal Systems

### 2.7 Ethical issues in performance appraisal systems

According to Hunt (2005), all performance appraisals should be ethical: this implies that they should be fair to all parties involved. The organisation should not open itself to charges of unfair treatment, whether to do with legal issues such as gender, age or race discrimination, or general matters of fairness to all employees, such as access to training, development and promotion. The

system should not just be concerned solely with legal issues, but also with moral and ethical matters. Furthermore, the same procedures, guidelines and means of evaluating the system should be used for everyone.

Hunt (2005, p.11) stated that “the appraiser should also be open with the appraisees and treat them in the same manner while still considering the individual’s needs.” According to Williams (2002), appraisal systems should be as simple as possible. They should not be over- bureaucratic, as employees do not take kindly to complex forms, containing much management-speak questions.

The main purpose of a performance appraisal is to improve performance; therefore it is important to foster a positive atmosphere which does not focus on blaming or criticising but rather focuses on working together to see how performance can be improved. Employees should play an active role in self-evaluation and be given the opportunity to come up with ways of improving themselves; this way they take more ownership for improving performance (Delaney, 2009).

Delaney (2009, p.102) states that “If there is a difference in opinion about the level of performance, the attitude of the manager should be to understand the workers` point of view first, let them know they understand their position and then explain their point of view, which if possible will be backed up by specific examples, then negotiate a final position. Then discuss ways of improving. The manager should never simply overrule the employee as this immediately creates antagonism and hinders performance”. Anderson (1999) also emphasises that supervisors must remember that the primary goal of performance appraisal is to improve performance. To assist in achieving this objective, supervisors must first create an atmosphere in which employees will be motivated to perform, and it is their responsibility to develop a good working relationship with employees.

## **2.8 Performance appraisal standards**

Shadhdeo (2000) reported that the first step in the process of performance appraisal is to set up the standards which will be used as the base to compare the actual performance of the employees. This step requires setting the criteria to judge the performance of employee as successful or unsuccessful and the degrees of their contributions to the organisational goals and

objectives. The standards set should be clear, easily understandable and measurable. Berkeley (2010) also stated that setting performance standards, observing and providing feedback, and conducting appraisals enable the employer to achieve the best results through managing employees' performance.

To begin the process, the immediate supervisor and the subordinate will collaborate on the development of performance standards. The employer will develop a performance plan that directs the employee's efforts toward achieving specific results, to support organisational growth as well as the employee's professional growth. Goals and objectives should be discussed throughout the year, providing a framework to ensure that employees achieve results through coaching and mutual feedback. At the end of the rating period, the appraiser will appraise the employee's performance against existing standards, and establish new goals together for the next rating period (Anderson, 1999).

The immediate supervisor plays an important role; his or her closest interaction with the employee occurs at this level.

Berkeley (2010) argues that performance expectations are the basis for appraising employee performance. Written performance standards allow the employer to compare the employee's performance with mutually understood expectations, and minimise ambiguity in providing feedback. Standards identify a baseline for measuring performance. From performance standards, supervisors can provide specific feedback describing the gap between expected and actual performance.

According to Berkeley (2010), effective performance standards:

- “Serve as an objective basis for communicating about performance.
- Enable the employee to differentiate between acceptable and unacceptable results.
- Increase job satisfaction because employees know when tasks are performed well.
- Inform new employees of the employer expectations about job performance.
- Encourage an open and trusting relationship with employees”.

Hunt (2005) also emphasises that it is the responsibility of the employer to write performance standards for each key area of responsibility in the employee's job description. The employee should participate actively in their development. Standards are usually established when an assignment is made, and they should be reviewed if the employee's job description is updated. The discussion of standards should include the criteria for achieving satisfactory performance and the proof of performance (methods you will use to gather information about work performance).

Berkeley (2010) reported that performance standards describe the conditions that must exist before the performance can be rated satisfactory. A performance standard should:

- Be realistic – in other words, attainable by any qualified, competent, and fully trained person who has the authority and resources to achieve the desired result
- Describe the conditions that exist when performance meets expectations
- Be expressed in terms of quantity, quality, time, cost, effect, manner of performance, or method of doing
- Be measurable, with specified method(s) of gathering performance data and measuring performance against standards

## **2.9 The performance appraisal process**

According to Anderson (1999), the performance appraisal process consists of three stages: preparing for the appraisal, conducting the appraisal and follow-up. During each stage, there are various elements that the appraiser has to be fully aware of. In the *first stage* arrangements for the performance appraisal are made well in advance so that both appraiser and appraisee have adequate time to prepare properly. Gresse (2008) further stated that there are number of things that need to be done in the preparation stage to ensure a fruitful discussion. This includes reviewing the appraiser's performance appraisal form so as to refresh one's memory regarding the performance measures; reviewing the previous performance appraisal summary to see what was agreed on improving and also informing appraisee to prepare for the evaluation on time; and agreeing to a mutually suitable date and time for the interview. Anderson (1999) recommends a minimum of one week's notice to be given and more for senior and specialist positions.

Another issue that should be considered during this stage, according to Berkeley (2010), is to select a private, comfortable venue where appraiser and the appraisee can meet in a relaxed, unhurried, informal atmosphere, without disturbances or interruptions. Berkeley (2010, p.121) also stated that, “the appraiser should avoid sitting behind a desk during the interview. Rather sit together with the appraisee in front of your desk or, alternatively, at a conference table. Sitting behind a desk transmits a nonverbal message of formality, reinforcing the ‘superior-subordinate’ relationship”. The appraiser has to ensure that adequate time for the appraisal discussion is set aside, which may vary in length from 45 to 90 minutes, depending on the complexity and seniority of the position under consideration.

The *second stage* comprises conducting the evaluation, and here the appraiser has to have a good attitude that will enable the appraisee to participate. A general procedure has to be agreed upon, whereby issues are raised and discussed until a mutual understanding and agreement is reached. During this stage, the appraiser has to be non-judgmental, but focused on creating awareness with the subordinate about the areas that need development, and also give recognition and praise where the appraisee has performed well. Berkeley (2010, p.123) goes on to suggest that it is the responsibility of the appraiser to:

- “Create a supportive environment by stating clearly the purpose of the discussion. Be as non-threatening and open as possible since the employee may be tense or uncomfortable.
- Discuss key areas of responsibility and give examples of specific results. Have the employee go first, based on the self-appraisal or the questions you provided in advance. Ask lots of questions and get clarification to make sure you understand the employee's point of view.
- Discuss what could have been done better. Identify your concerns and listen to the employee's explanations.
- Ask your employee for help in resolving problems. Focus on future performance and be sure the employee takes responsibility for improvement.
- Make sure you and the employee have the same understanding of future expectations regarding performance.

- Give positive recognition for performance that reinforces the goals of the work unit.
- Discuss the employee's interests and potential new responsibilities. Discuss both of your roles in achieving new objectives while maintaining ongoing responsibilities.
- Conclude on a positive note, emphasising the benefits of your dialog’.

In the *follow-up stage*, the performance period can be viewed as a negotiated contract whereby appraisees are committing themselves to achieve certain objectives and targets in return for specified support from their supervisors. It is crucial that the supervisor deliver on this promised support by providing all possible psychological support (praise, recognition, encouragement) and physical support (work tools, equipment, finances, resources, staff). The supervisor should also show interest by “managing by walking around”, i.e. be where the action is, observing employees’ performance, enquiring about progress, and offering assistance and arranging the necessary training and coaching as identified. Regular feedback on performance (both positive and negative/constructive) should be provided as soon as possible after the event. Lastly, the supervisor should create a pleasant working environment and climate where employees can fulfill their social and other motivational needs, while maintaining a business focus and urgency (Gresse, 2008).

Anderson (1999) refers to this performance appraisal process as a circle which begins with the supervisor defining the roles and responsibilities of subordinates. Expectations should be clearly defined, with input from employees. This important step shows employees how they contribute to the overall strategy of the organisation , as they cannot perform adequately if they do not know what their supervisors expect of them.

Anderson (1999) goes on to remark that the supervisor and the employee should set specific goals for the employee to achieve together depending on the employee's duties, responsibilities, and work assignments. William (2002,p.108 ) adds that “the goals should be specific, they should not be so narrowly defined that supervisors fail to account for extenuating circumstances that might cause employees not to meet the standard. For example, requiring employees to complete a specific number of assignments each month not taking into consideration the complexity and difficulty of each assignment, which might limit progress.”

Finally, the supervisor reviews performance with the employee. This means frequent, regularly scheduled meetings, not a yearly evaluation. According to Anderson (1999, p. 103), “The success of the performance management cycle depends on supervisors and employees working together. This way, they establish realistic goals, and employees are more likely to use their strengths, while recognising and overcoming their weaknesses.”

Grote (2003) asserts that when they are evaluating employees, supervisors must remember that they are evaluating performance, not their employees' personality characteristics. Moreover, Anderson (1999) emphasises that it is vital to provide employees with feedback regarding their performance, as this is regarded as the key element in a successful performance evaluation. Anderson (1999, p.104) remarks that “with feedback, employees can better gauge their performance, and supervisors learn the most effective ways to motivate them. As a result, supervisors can approach the appraisal process in a positive manner, feeling more like helpers than judges”.

According to Mejia and Cardy (2007), the performance appraisal process is characterised by three elements: identification, measurement and management of the performance. These elements must take place in order to complete the process. Identification means determining those areas that the manager should examine. For the identification to be rationally and legally defensible, Mejia and Cardy (2007, p. 455) state that “it should be based on the job analysis.” In addition, the appraisal system should focus on the performance that affects organisational and employee development. In the identification, performance standards are developed, written and provided to all raters involved regardless of the type of the rating methods used. This is the stage where the manager and the employee set objectives and enumerate specific competencies and skills, measured according to the appraisal approach selected.

The second element in the performance appraisal process is measurement. Mejia and Cardy (2007, p. 456) state that “this stage entails making managerial judgments of how good or bad employee performance is.” Nieman and Bennett (2002) agree that the measurement stage entails assessing the employee's actual work performance relative to set standards. All outcomes can easily be tied to the strategic objectives of the employee and the organisation. Measurement experts point out that performance measurement should be directly tied to business goals and

objectives. In this stage, the manager or the appraiser focuses the evaluation on those areas mentioned in the performance appraisal system. Assessing how well the employee has performed, the supervisor then completes performance appraisal form. Appropriate ratings are assigned so that the rating form is reviewed and approved by senior management and the human resources personnel.

The last element is management of performance, whereby managers should provide an employee with feedback to allow for employee development. Managers should also coach the employee to higher levels of performance. Gomez-Mejia and Cardy (2007, p. 479) argue that “appraisal should not be viewed as past-oriented activity that criticises or praises employees; rather it should be taken as a future-oriented view of what workers can do to achieve their potential in the organisation and be developed”. According to Grote (2002), the manager is responsible for building performance in the management phase of the appraisal process. Grote (2002, p. 193) goes on to argue that “building performance excellence requires the manager

- ❖ To take responsibility for creating the conditions that motivate.
- ❖ Identifying key individual and organisational development needs.
- ❖ Coaching the subordinate’s selection of area for developmental concentration.
- ❖ Coaching the subordinate’s construction of a developmental plan.
- ❖ To provide developmental opportunities
- ❖ To confront and correct performance problems.
- ❖ Follow up to ensure successful execution.”

### **2.10 General considerations in respect of performance appraisal interviews/ assessments**

A performance appraisal summarises the employee's contributions over the entire appraisal period (usually one year). It is not a step in the disciplinary process. It may occur as often as an organisation believes it necessary to acknowledge the employee for accomplishments and to plan together for improved performance. However, there are certain issues that have to be taken into consideration so that the performance appraisal can be regarded as successful and beneficial for both the employer and the employee.

### ***2.10.1 A firm appraisal***

According to Grote (2002), an appraiser should not accept any ideas or suggestions from appraisees that he/she is not fully satisfied with or that are not congruent with corporate identified goals and standards. As an appraiser, you do need a certain firmness of manner, which should be used as required during the appraisal. It is your job to keep the interview on track and not allow serious digressions. Firmness of manner means assertiveness, not aggression. It means ensuring you keep control of the interview – always politely, but with authority.

### ***2.10.2 Confidentiality***

It is essential that appraisers are discreet. The appraisee must be able to trust his/her supervisor to keep whatever is discussed during the performance appraisal interviews confidential.

### ***2.10.3 Fair assessment: external factors affecting performance***

In assessing an appraisee's performance, the extent to which circumstances beyond their control have influenced the achievement of their objectives must be taken into consideration. This means that if these circumstances have contributed greatly to good results they should not get the benefit of them. Likewise, they should not be punished if adverse, uncontrollable causes have prevented them from achieving their objectives optimally (Hunt, 2005).

Gomez-Mejia and Cardy (2007) state that the quality of an employee's performance also frequently depends on how good, reliable, and consistent the work output of others is, which has an influence on his or her own work area. Can the non-achievement of objectives also possibly be ascribed to the fact that other objectives took priority at some point?

Gomez- Mejia and Cardy (2007) recommend that the appraisers should ask themselves to what extent the performance environment (organisation culture, policies, rules, systems, structure, infrastructure, and resources) has prevented appraisees from achieving their goals rather than being judgmental.

## **2.11 Skills required in implementing performance appraisal systems**

One of the basic requirements of an effective performance appraisal process is training for both the appraiser and the appraisee about their respective roles. There is a range of skills that both parties need in order to carry out the appraisal properly. According to Hunt (2005), appraisers need training in job analysis and interviewing techniques; they should be able to use available data effectively and criticise in a constructive way; and they should possess a firm manner which should be used at appropriate times. Moreover, Hunt (2005, p. 140) states that “it is essential that the appraiser is discreet all the time with the ability to make objective judgments.” Finally, appraisers should possess the skill of designing and using supervisor-rating forms.

Kreitner and Kinicki (2004, p. 283) state that experts on performance appraisal should meet the following four criteria in order to conduct the appraisal properly:

- “Be in a position to observe the behavior and performance of the individual of interest.
- Be knowledgeable about the dimensions or features of performance.
- Have an understanding of the scale format and instrument itself.
- Be motivated to do conscientious job rating.”

Grote (2007) asserts that an organisation should get 100 percent uncomplaining compliance with every procedural requirement of its performance appraisal system to determine whether its managers are doing a good job in performance appraisal and if the system is working well.

## **2.12 Challenges of performance appraisal systems**

Hunt (2005, p. 225) reports that “many organisations and employees see performance appraisal negatively as it takes up time, resource and energy and is not seen as having a direct connection to production. The problem with many organisations is that even when they have detailed appraisal policies, the follow up is not effective. Many employees do not take appraisal seriously because they know that, for instance, if a training need has been identified, the organisation will often ignore the recommendation and will not implement what has been agreed. Alternatively the appraiser may not have the authority to make promises regarding training needs and has to refer it to a higher authority. Through bureaucratisation the appraisal system fails. The end result is

that the individual appraisee feels that the organisation is just paying lip service to the appraisal system and has the system because it feels it should, rather than because there are good reasons for implementing such a system.”

Cunning and Dixon (2003) state that the problems in performance appraisal evaluation range from errors of bias and stereotyped tendencies to favoritism and rating errors. Coens and Jenkins (2000) add that if the relationship between the appraiser and the appraisee is negative the consequence is an ineffective performance appraisal. The literature on performance appraisal has also demonstrated that the system is littered with criticism, as errors have been identified by Gomez- Mejia and Cardy (2007) in the process of carrying out the performance appraisal. The errors that have been identified are as follows:

### ***2.12.1 Rating errors***

Grote (1996, p. 108) defines rating errors technically as “the difference between the output of a human judgment process and that of an objective, accurate assessment uncolored by bias, prejudice, or other subjective, extraneous influences.” Grote (1996) argues that it is difficult to correct rating errors in performance appraisals, primarily because raters are usually not aware that they are erring. However, the error can be reduced. Performance appraisals should be based on a pre-established set of criteria directly related to the employee’s job assignments. In this way, the ratings will indicate the employee’s performance perfectly.

### ***2.12.2 Leniency and severity errors***

Leniency error represents raters’ tendencies to give very generous ratings, affirm Coens and Jenkins (2000). This tendency may arise from a supervisor’s desire to preserve a good working relationship with subordinates and often overrate employees in order to avoid unpleasant consequences such as conflict. The severity error is the reverse of leniency. It is the rater’s tendency to be inordinately “difficult” (strict) in performance measurement: in this case the performance of the employee is understated.

### ***2.12.3 Central tendency and range restriction errors***

Central tendency is a performance measurement situation whereby raters tend to rate employees as average performers. In such cases, raters are reluctant to give very good or bad ratings (Hunt 2005).

### ***2.12.4 Recency errors***

According to Kreitner and Kinicki (2004), the recency error is the raters' tendency to remember recent information. If the recent information is negative, the appraisee's performance is rated negative and the opposite is true about positive recent information. Those minor events that have happened recently tend to have more influence on the rating than major events of many months ago, and the resulting performance review will be biased either favourably or unfavourably.

### ***2.12.5 Halo and horn errors***

This effect occurs when the appraiser knows that the appraisee has done particularly well in one area of work and so tends to assume that all other job areas are also well performed. Performance appraisal should not just concentrate on praising good performance; it should also bring out the reasons for poor performance (Hunt, 2005). According to Carrel (1998), a "negative halo" or "devil's horns" effect occurs when the employee's ratings on all other dimensions is lowered inaccurately due to an accurately poor rating on one dimension. Berkeley (2010) refers to this challenge as "Job Halo", whereby appraisees' gives higher ratings to certain employees based upon their personal preferences, or one-off incidents, instead of actual performance over the entire period. Appraisers should differentiate very clearly between those employees who achieve their objectives and those who do not, and give clear messages to both. "Compromising" and giving all employees the same bonus or increase will give the wrong message to everybody. Top performers will feel punished (even cheated) and poor performers will be rewarded.

Berkeley(2010, p.14) goes further, and says "appraisers must have the courage of their conviction to give credit where credit is due and not be manipulated by those poor performers who rather bet on the appraiser's fear for confrontation. Such appraisers invariable end up losing the respect and loyalty of both types of performers."

### ***2.12.6 The fundamental attribution bias***

This error reflects one's tendency to attribute another person's behaviour to one's his or her personal characteristics, as opposed to situational factors (Kreitner&Kinicki, 2004). Grote (1996) defines attribution as the tendency to attribute performance successes to external causes. For example, a manager with a mixture of both good and poor performers in the workgroup tends to attribute the successes of good performers to the quality of the leadership, and the failings of poor performers to their bad attitudes and inherent laziness.

### **2.13 Strategies to enhance the effectiveness of performance appraisal systems**

The suggestions offered below address strategies for minimising the negative attributes of a performance appraisal system, while leveraging the positive attributes of a performance appraisal.

#### ***2.13.1 Use of behavioural-based methods***

The advantage of behavioural-based formats is that they define job performance in terms of specific observable outcomes. Martin and Barrol (1998) stated that this promotes immediate performance improvement and worker development as compared to subjective methods. Behavioural-based formats such as behaviorally anchored rating scales (BARS) and behavioural observation scales (BOS) allow both the appraiser and the appraisee to be involved in the process of generating behavioural scales. These scales allow the appraiser and appraisee accessibility, which increases understanding and acceptability of the appraisal system (Gomez-Mejia and Cardy, 2007).

#### ***2.13.2 Training of appraisers and appraisees in performance appraisal***

According to Jenks (1991), performance appraisal training should be included in the written organisational policies and procedures outlining the performance appraisal system. Grote (2002, p. 176) states that "appraisers and appraisees should be trained on the appraisal process, policies and appraisal forms and to have orientation for all employees to introduce them to the system." In addition, Lansbury (1981, p. 5) argues that "training in performance appraisal systems should strongly emphasise human relations skills and involves the exploration of relationships between appraisers and appraisees."

### ***2.13.3 Providing ongoing feedback***

A performance appraisal system should be used to nurture employees' aspirations. It should not simply provide a platform for criticism, which can be destructive and demotivating. Providing employees with accurate, timely and ongoing feedback motivates them and sets expectations that the process will make a difference and develop them (Hunt, 2003).

### ***2.13.4 Being objective***

According to Kreitner and Kinicki (2004) performance should be evaluated against previously agreed-to objectives. Managers in conjunction with employees should set specific, measurable objectives that ensure accurate assessment of workers' progress. These objectives must be relevant to the organisation and individual's job and must reflect all important contributions that an employee makes. Employees should be allowed to set expectations against which they will be measured. In that way, they do not spend time wondering. Goals and objectives direct attention, regulate effort, increase persistence and foster strategies and action plans (Kreitner and Kinicki, 2004).

### ***2.13.5 Employee participation***

Jenks (1991) optional that organisations should ensure that the performance appraisal atmosphere allows for employee contributions to the process. Employee involvement enables them to derive meaning from what they do at work, and it serves to enhance job satisfaction.

### ***2.13.6 Appraiser–appraisee relationship***

Cunningham and Dixon (2003, p. 145) remarks that “a very important requirement from a performance appraisal system is to facilitate communication between a manager and subordinate about the assessed level of performance and help bring it into perspective. The quality of performance appraisal depends on the day-to-day relationship of the supervisor and his/her subordinates” Lawer, Morman and Resnick (2004, p. 105) stress that “negative relationships between appraisers and appraisees result in ineffective performance appraisal; therefore performance appraisal should be based on a relationship of trust.” If a relationship of mutual trust and supportiveness exists, subordinates are more likely apt to be open in discussing performance

problems and less defensive in response to negative feedback. Kreitner and Kinicki (2004) also emphasise that trust determines how much an individual is willing to contribute to the organisation.

#### **2.14 Performance appraisal within government departments, including Social Development**

The Corporate Services, Performance Management Procedure Manual South Africa (2007, p. 14) states that “performance management is a systematic, shared and continuous process to direct and improve the performance of individual jobholders to achieve the organisational objectives. It is clear from the above definitions that performance management has to do with the efficiency and effectiveness with which the employees carry out their duties which contributes to the success of the organisation in meeting its goals.”

The White Paper on Human Resources Management in the Public Services Policy (2001, p. 36) further emphasises that a “performance appraisal system is a key human resource management tool to ensure that:

- ❖ Employees know what is expected of them.
- ❖ Managers know whether the employee’s performance is delivering the required objectives.
- ❖ Poor performance is identified and improved.
- ❖ Good performance is recognised and rewarded.”

Therefore it can be concluded that performance appraisal is an ongoing process, in which both the employee and the employer strive together to improve the employee’s individual performance and his or her contribution to the organisation’s objectives.

Governments departments also have goals to achieve. In order to do this the implementation of performance appraisal was adopted from 1 April 2001. Public Service Regulations (2001) (Government Notice No. R. 1 of 5 January 2001 as amended, p. 34-36) stated that “an executing authority shall determine a system for performance management and development for employees in her or his departments. This system shall be fully implemented by all departments with the effect from 1<sup>st</sup> April 2001.” The regulations further emphasise the roles of both the executing

authority and the supervisor involved in the performance appraisal in relation to the employees.

It mentions that the executing authority shall designate in writing:

- (a) “The period in respect of which performance is to be assessed, the performance cycle
- (b) An annual date for assessment of performance; and
- (c) The supervisor’s responsible for monitoring, supervising and assessing the employee’s performance.”

The supervisor shall:

- (a) “As far as possible, meet on a regular basis with the employee to discuss the basic objectives of the employee component and roles in the success or failure in achieving those objectives
- (b) Before the assessment cycle commences or within one month after appointment or promotion to a post; explain the performance appraisal assessment procedure to the employee and
- (c) Inform the employee of the criteria used for her or his performance appraisal assessment.

The employee’s supervisor shall monitor the employee’s performance on a continuous basis and give the employee feedback on her or his performance-

- (a) At least four times a year-
  - (i) Orally, if the employee’s performance is satisfactory; and
  - (ii) In writing, if the employee’s performance is unsatisfactory.

Feedback is vital to performance appraisal, as the employee has to be aware of her performance so that improvement can be achieved where needed. Krumm (2001, p. 368) argued that “performance appraisal represents an opportunity for feedback as frequent feedback is important for developing new behaviors and improving current behaviors.”

There are several principles that have to be observed within the departments while performance appraisals are being implemented according to Public Services Regulations (2001, p. 15), namely:

- (a) “Departments shall manage performance in a consultative, supportive and non-discriminatory manner in order to enhance organisational efficiency and effectiveness, accountability for the use of resources and the achievement of results.

- (b) Performance appraisal process shall link to broad and consistent plans for staff development and align with the department's strategic goals.
- (c) The primary orientation of performance appraisal shall be developmental but shall allow for effective response to consistent inadequate performance and for recognising outstanding performance.
- (d) Last but not least, performance appraisal producers should minimise the administrative burden on supervisors while maintaining transparency and administrative justice."

Social Development as one of the government departments also has to abide by this Public Services Regulation, and the department itself has eight objectives which are aligned with the Public Service Regulations on performance appraisal system. The objective has been outlined as follows in the Manual of Free State Provincial Government (Social Development, 2003, p.98)

1. "Establish a performance and learning culture in the department.
2. Ensure that all jobholders know and understand what is expected of them. This objective emphasises employees knowing their roles and responsibility within the department.
3. To promote contact and interaction regarding performance between the jobholders and supervisors. This is about feedback and evaluation which should be done during supervision.
4. Identify and manage jobholders' development and meet them (where possible)
5. Evaluate performance fairly and objectively.
6. Improve service delivery.
7. Manage poor and /or unacceptable performance. The supervisor should give guidance to the employee.
8. Recognise and award outstanding performance."

### **2.15 Performance cycle**

According to the Social Development Performance Management Manual (2007), the performance cycle within Social Development is the assessment period which starts each year on 1 April and ends on 31 March the following year. The cycle is made up of three elements:

performance planning, performance monitoring and assessment (end of cycle). During *performance planning* both the supervisor and the subordinate are engaged in a discussion and reach an agreement on outputs that must be delivered, competencies required and development needed and how the process will be handled – in other words, how the performance monitoring will be done. It is further stipulated in the Social Development Performance Management Manual (2007) that when conducting the planning session it is the responsibility of the supervisor (appraiser) to inform the employee at least three days in advance of the session and set a time and venue for the session. Two-way communication should be ensured to facilitate the joint planning effort between the supervisor and the employee. It is also the responsibility of the supervisor to identify the areas that need to be developed and to complete a personal developmental plan. He or she also needs to identify the actions that need to be taken to address the identified needs. Lastly, the supervisor must determine and arrange the date for the first review session and agree on the outcomes of the planning session.

*Performance monitoring* is referred by the Department of Social Development as a continuous process that determines progress in reaching objectives and also identifies performance barriers so that remedial actions can be taken. During the performance monitoring, the Corporate Services, Performance Management Procedure Manual South Africa (2007, p.18) states that, “a performance plan must be adjusted if necessary and ensure continuous learning and development. Immediate support must also be identified and provided immediately when needed.”

The department has stipulated the procedures that have to be followed during the *performance assessment* stage. According to Corporate Services, Performance Management Procedure Manual South Africa (2007), an executing authority may establish separate performance assessment instruments for different occupational categories or levels of work, but when assessing an individual employee, a single assessment instrument must be used in order to assist in deciding on probation, rewards, promotions and skills development of the employee. The assessment should be based only on the information contained in the designated performance assessment instrument. However, where an appeal is lodged against an assessment, information furnished in connection with the appeal should also be considered. There are also rules that have

been laid down to be followed when an appraisee is not satisfied with the outcome of the assessment. An employee can refuse to sign the assessment form and lodge an appeal.

The department seems to practice the behavioural anchored rating scales method while doing performance appraisal, as the concentration is on one's job only.

### **2.16 Summary**

The chapter outlined important matters such as the historical background of performance appraisal systems, including their objectives, purpose and value. It has been shown that organisations implement the system for various reasons. However, its main purpose includes providing feedback on the past performance of employees and developing goals and objectives for personal and professional growth. Moreover, the chapter identified major problems and errors that might occur during the process and those problems can be minimised.

Different approaches to performance appraisal have also been discussed, including the important components of a performance appraisal system.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

The main aim of this chapter is to describe the research methodology applied in the study at hand. The aims, objectives, samplings procedure, pre-testing, method of data collection and analysis will be covered. Ethical considerations will also be addressed.

#### **3.2 Research question**

How do employees perceive the present performance appraisal system practised in the Department of Social Development in Thabo-Mofutsanyane and Xhariep districts?

#### **3.3 Aim and objectives of the study**

The primary aim of the study was to explore the perceptions and experiences of employees in the Thabo-Mofutsanyane and Xhariep districts with regard to the present performance appraisal system practised in the Department of Social Development.

The secondary objectives of the study were:

1. To investigate which factors of the performance appraisal system are perceived to be useful by employees of the Department of Social Development.
2. To explore what challenges are encountered with the implementation of the performance appraisal system in the Department of Social Development.
3. To elicit suggestions from employees regarding the challenges experienced with the performance appraisal system.

### **3.4 Research approach and design**

The study employed a qualitative approach that was exploratory in nature. Babbie (1996) defines exploratory as the attempt to develop an initial understanding of some phenomenon and description as the precise measurement and reporting of the characteristics of some population or phenomenon under study. Bless, Higson-Smith and Kagee (2006) further stated that exploratory research is applied when little is known about a topic. “Qualitative research is where observations are not quantified, and where words, pictures descriptions narratives are used as data” (Wysocki, 2004, p.101). Qualitative research methods are used “to establish the socially construction nature of reality, to stress the value-laden nature of inquiry” (Denzin & Lincoln, 1994 (cited in Welman, Kruger & Mitchell, 2005, p. 8). According to De Vos et al. (2005, p.74), in qualitative research “the researcher attempts to gain a first hand, holistic understanding of the phenomena of interest by means of a flexible strategy of problem formulation and data collection, shaped as the investigations proceeds”. The qualitative research approach is helpful in gathering detailed information and allowed the researcher to personally interact with participants. This approach also gave the researcher an opportunity to explore more deeply why and how things are happening. Furthermore, it allowed the researcher to use interpreting techniques that seek to describe certain phenomena (Cooper and Schilder, 2006).

Durrheim (cited in Terre Blanche, Durrheim & Painter, 2006, p.47) noted that “qualitative methods allow the researcher to study selected issues in depth, openness and detail as they identify and attempt to understand the categories of information that emerge from the data”.

### **3.5 Sampling**

In order for the data collection exercise to be successful it is essential to take into account the sampling method. According to Howell (1999) sampling refers to the process of collecting data from a representative sample of the population. It was vital for the researcher to define the population before initiating data collection. Bless, et.al., (2006), refers to population as the set of elements that the research focus upon and to which the obtained results should be generalized. For instance, in this research study, population refers to employees of the Department of Social Development being either the appraiser or the appraisees. Data was collected using non-probability sampling from 20 employees of the Department of Social Development operating in

the Thabo-Mofutsanyane and Xhariep districts. The sample was drawn from employees who are appraisers and appraisees in these two districts. For the purpose of this study two sampling methods, namely, purposive sampling and convenience sampling, were utilised. The appraisers were selected by way of purposive sampling. Purposive sampling refers to the process where researchers rely on their experience and ingenuity to deliberately obtain units of analysis in such a manner that the sample they obtain may be regarded as representative of the relevant population (Welman, Kruger & Mitchell, 2005). According to Bless, et al., (2006), this method implies that the sample selection is based on the judgment of a researcher regarding the characteristics of a representative sample. In other words, this sampling method allows the researcher to use his/her own judgment in selecting the sample. For the selection of the sample the researcher had deliberately sought and targeted appraisers who best met the following selection criteria:

- a. Appraisers who have been trained on the performance appraisal system.
- b. Appraisers who have been practising the system for two years and above.

As regards appraisees, convenience sampling was applied in sense that the researcher collected data from employees that was readily available. De Vos et al. (2005) stated that convenience sampling implies using available subject respondents who are usually nearest and most easily available until the sample reaches a designated size. A convenience sample is further explained by Welman, Kruger and Mitchell (2005) as a sample that involves the selection of those cases that are easily accessible and available. The sample involved three appraisers and seven appraisees per district. The purpose of using these two groups was to ensure that all the employees within the Department of Social Development who are involved in the performance appraisal system on all levels were represented. The groups included security officers, cleaners and administration clerks who are on level 3 to 4, assistant probation officers and auxiliary social workers on level 5. Community development practitioners on level 6, social workers who are on level 7, senior social worker on level 8 , principal social workers on level 9 and assistance managers on level 10. So the study produced a good mix of participants representing various services fields in the department. Consent was obtained from all selected officials in the department, whether appraisers or appraisees.

### **3.6 Research instrument**

The research instrument used for this study was a semi-structured interview schedule (Appendix D). Semi-structured interview schedules are defined by De Vos et al. (2005, p. 292) as “those organised around areas of particular interest, while still allowing considerable flexibility scope and depth”. Bless et al., (2006. p. 130) state that “this instrument will allow the researcher to gain a detailed picture of participants’ perceptions and experiences about the practiced performance appraisal system in the department as it gives the researcher an opportunity of asking open-ended questions which allows the participants a room to respond in their own terms.”

The semi-structured interview schedule was prepared to ensure that the same information was obtained from each person, but there were no predetermined responses and the interviewer was free to probe and explore within the parameters of the predetermined areas of inquiry.

In this study, the semi-structured interview schedule comprised only opened-ended questions. Babbie (1992, p.147) posited that “in asking questions, researchers have two main options, that is they may ask open-ended or closed ended questions”. For this study it was vital to use open-ended questions, as the researcher wanted to find out about the perceptions and experiences of employees with regard to the performance appraisal system practised in their working environment. So it was necessary for them to provide their own answers. Moreover, open-ended questions have the advantage of encouraging the respondents to express themselves freely without confining themselves to any fixed response categories, and they impose no restrictions on the respondent’s responses and show exactly how he or she has interpreted the question. They can also help to determine more deep-rooted motives, expectations or feelings of participants (Mouton, 1996). However, open-ended questions have limitations. As reported by Mouton (1996) they tend to be time consuming and un-economical, and also limit the number of questions that can be asked before the respondents’ fatigue sets in. Furthermore, in writing down the responses, the interviewer may have to sift information, which can introduce an element of subjectivity. Open-ended questions are also reported by Babbie and Mouton (2001) as having the disadvantage of eliciting such a wide variety of responses that they are difficult to categorise and analyse, and can even result in lower returns in terms of willingness participants in the study, as they require considerable thinking, which may demotivate participants.

### **3.7 Pre-testing of the research instrument**

According to Grinnell (2005) pre-testing is concerned with participants' answers and the difficulties they may have when answering the questions that have been posed. Pre-testing of the research tool is regarded as crucial. A pre-test of the interview schedule was conducted by the researcher prior to actual data collection. The purpose was to uncover problems in the research instruments, shortcomings, inconsistencies and gaps, and to establish any difficulties that the participants would likely encounter in responding to the questions asked. It also sought to establish if the questions were appropriately worded, easy to understand and sufficient for the purposes of this study. However, out of four people who were approached to participate in the pre-testing of the research instrument only one who was an appraisee was willing to do so. Furthermore, most of the officials from the targeted districts were on leave during the pre-testing period. However, the feedback from the one participant indicated that the clarity and wording of questions was satisfactory. The questions were also well understood.

### **3.8 Method of data collection**

In collecting data, the researcher conducted one-to-one interviews, using the semi-structured interview schedule to guide the interview in order to elicit participants' experiences, thoughts and views. The researcher took notes during the interviews. Participants were given the maximum opportunity to discuss their experiences and share their perceptions in regard to the performance appraisal system that is in place. One-to-one interviews were useful for this study as a large amount of in-depth data was collected quickly and effectively. De Vos, et al. (2005, p.296) also reported that "researchers use semi-structured interviews in order to gain a detailed picture of a participant's beliefs about, or perceptions or account of a particular topic". However the method still has the weakness that it involves personal interaction, and therefore cooperation is essential. Moreover, the participants may be unwilling to share their true experiences and opinions and they might have given socially desirable answers. De Vos, et al. (2005) also stated that semi-structured interviews last for a considerable amount of time and can become intense and involved.

The data was collected from 20 employees of the Department of Social Development in two districts, namely the Thabo-Mofutsanyane and Xhariep districts. The researcher fully explained

the purpose of the study to all participants, and they were made aware that participation is voluntary and information discussed would be kept confidential. Participants were also provided with the Participation Information Sheet (Appendix C) so that they could read and understand the purpose of the study before commencement of the interview process. In addition, participants were requested to sign a Consent Form to participate in the study (Appendix A). Participants were also made aware of their right to withdraw from the study at any time without any negative consequences and the fact that they could refuse to answer any questions they were not comfortable with answering.

### **3.8.1 Advantages and disadvantages of the semi-structured interview**

According to De Vos et al. (2005), a semi-structured interview gives the researcher and participants much more flexibility. The researcher is able to follow up particular interesting avenues that emerge in the interview and the participant is able to give thicker information about the different issues. Semi-structured interviews are also especially suitable where one is particularly interested in a complexity of a process, or where an issue is controversial or personal. With semi-structured interviews, the researcher has a set of pre-determined questions on an interview schedule, but the interview is guided by the schedule rather than dictated by it. The participant shares more closely in the direction the interview takes and can introduce an issue the researcher had not thought of. In this relationship, the participant can be perceived as the expert on the subject and should therefore be allowed maximum opportunity to tell his or her story (De Vos et al., 2005). Furthermore; this method gives the researcher an opportunity to concentrate during the interview on what the participant is saying and to monitor the coverage of the scheduled topic. Bless et al. (2006) also added that a semi-structured interview helps to clarify concepts and problems and allows for the establishment of a list of possible answers or solutions, which in turn, facilitates interviews. It also facilitates the elimination of superfluous questions and the reformulation of ambiguous ones. Lastly, a semi-structured interview allows for the discovery of new aspects of the problem by exploring in detail the explanations supplied by respondents (Bless et al., 2006).

One of the disadvantages of this method is that it is time-consuming. De Vos et al. (2005, p. 297) stated that “a semi structured interview generally lasts for a considerable amount of time and can

become intense”. Bless et al. (2006, p. 119) agree: “semi-structured interviews are time-consuming and thus expensive.” They also mention that a weakness of the method lies particularly in the fact that if the interviewers are not competent they may introduce many biases.

### **3.9. Verification of data collected**

The researcher also considered the trustworthiness of the data, which, according to Bless et al. (2006), has to do with how the researcher can persuade his or her audience that the findings of an inquiry are worthy of attention. The researcher applied four elements of trustworthiness as highlighted by De Vos et al. (2005): credibility, transferability, dependability and confirmability. The four elements were combined in this research study in order to determine the trustworthiness or the truth value of the study. According to De Vos et al. (2005), in credibility the goal is to demonstrate that the inquiry was conducted in such a manner as to ensure that the subject was accurately identified and described. So in enhancing the credibility of the study, employees of Social Development who are directly affected by the performance appraisal system were those who participated. The researcher made sure that the participants were the employees who had gone through the cycle of performance appraisal more than twice in order to ensure that they had an intense experience with regard to performance appraisal. However, there was one participant who had not gone the cycle completely, and who was excluded for this reason. Transferability was also considered, which is defined by De Vos et al. (2005) as the alternative to external validity or generalisability, which is the burden of demonstrating the applicability of one set of the findings to another context – something that rests more with the investigator. In this study due to the small non-probability sample used, the result could not be generalised to the broader provincial or national Department of Social Development population.

Dependability is similar to the notion of reliability, and in this case it was enhanced by the researcher, who conducted the entire interview herself and posed similar questions to all participants. Dependability is a research concept whereby the research is considered replicable in a manner that the same findings are likely to be reproduced by participants of the same study at the different times (Trochim, 2005). The final element of trustworthiness, namely confirmability, was also applicable whereby the researcher asked different participants the same semi-structured questions which elicited responses that were convincing. In addition a pre-test was also

conducted in order to enhance validity. Confirmability captures the traditional concept of objectivity (De Vos et al., 2005).

### **3.10 Data analysis**

Data analysis is the process of bringing order, structure and meaning to the mass of collected data (De Vos et al., 2005). In this study, the researcher used thematic content analysis. Patton (2002, p. 453 ) noted that thematic content analysis is used to refer to any qualitative data reduction and sense-making effort that takes a volume of qualitative material and attempts to identify core consistencies and meaning. The researcher followed the five steps identified by Leedy and Ormrod (2010) for data analysis. The data was firstly organised, whereby specific facts about the performance appraisal system were arranged in a logical order. Then categorisation of data followed. These categories were identified in order for the data to be clustered into meaningful groups. Interpretations of single instances were the next steps done, whereby specific documents, occurrence, and other bits of data were examined for specific meanings that it might have in relation to performance appraisal system. Data and their interpretations were then scrutinised for the underlying themes and other patterns. Themes and characteristics were put in a summarising phrase by means of immersion and reading through the responses. An overall portrait of the study was constructed and conclusions drawn.

Thematic content analysis has advantages as well as disadvantages when research data is analysed. Some of its advantages are that it provides flexibility and is a relatively easy and quick methodology to learn. It summarises key features of a larger body of data and can generate insights. However, the method also has the limitations of being time-consuming and in analysing the data mismatches can occur between the actual data and the analytical claims that are made and there may be overlaps between the themes articulated (Braun and Clarke, 2006).

### **3.11 Ethical considerations**

This study was conducted among employees of the same department in which one is a supervisor (appraiser) while others were supervisees (appraisees), so in order not to destroy the good working relationship among employees, the researcher observed the professional code of ethics and informed the participants of the following:

### ***3.11.1 Confidentiality***

Confidentiality was maintained because no identifying particulars of participants were revealed. The researcher further emphasised among all participants that information discussed during data gathering would remain between the participants and the researcher. The participants were assured that only the researcher and her supervisor would have access to the raw data. According to Sieber 1982 (as cited De Vos et al., 2005, p.61), “confidentiality refers to the handling of information in a confidential manner and it is regarded as a continuation of privacy which refers to agreement between persons that limits others’ access to private information”.

### ***3.11.2 Voluntary participation***

Participants were informed that participation was entirely voluntary and no one was forced against his or her will to participate or to take part in the study. So participation was sought prior to conducting the research after the purpose and the aim were clearly explained to the participants. Voluntary participation refers to the participants’ rights to freely choose to subject themselves to the scrutiny inherent in the research (Dane, 1990). Refusal to participate in the study would not affect any employee’s future treatment within the department. Participants were informed that they were free to withdraw at any time or stage of the study and that there would be no negative consequences. They were also made aware that they could refuse to answer any question if they felt uncomfortable about doing so.

Consent forms were given to all participants to sign in order to indicate their consent to participate in the study. The researcher did not offer any incentives to induce participation. Moreover, participants were provided with a participation information sheet describing the nature of the research and also highlighting the participants’ rights in connection with the study.

The researcher also obtained permission for conducting the study from the managers of the districts (See Appendix E).

### ***3.11.3 Avoidance of harm or non-maleficence***

None of the participants were subjected to any emotional or physical harm by the researcher while the study was conducted. The dignity of participants was maintained throughout the research process. The researcher also assured participants that participation in the study would not jeopardise any employee's position or work. Dane (1990) claims that an ethical obligation rests with the researcher to protect subjects, within reasonable limits, from any form of physical discomfort that may emerge from the research project. This principle of non-maleficence requires not only that the participants are not harmed but also that they are not wronged. The research should therefore minimise harms and wrongs (De Vos et al., 2005).

### ***3.11.4 Avoidance of deception***

According to Corey et al. (1993, p.230), "deception involves withholding information, or offering incorrect information in order to ensure participation of the subjects when they would otherwise possibly have refused it". Neuman (2000, p.229) also says that "deception occurs when the researcher intentionally misleads subjects by way of written or verbal instructions, the actions of others people, or certain aspects of the setting". In order to avoid deception, the researcher was open and honest about the nature of the study and therefore participants were fully aware that the research was undertaken as a requirement for the completion of a master's degree. The true aims of the study were fully disclosed to all participants. Babbie and Mouton (2001) assert that participants should be informed about all the details of the study. Participants should not only be informed that one is doing a research study, but should also be informed about the purpose of the study and its importance.

### ***3.11.5 Submission of research proposal to the ethics committee***

The research proposal was submitted to the University's non-medical Ethics Committee for approval. This was done in order to safeguard against unethical practices during the research process and also to protect the rights of research participants. The research was conducted after obtaining full approval from the Ethics Committee. (A copy of the Ethics Clearance Certificate number H 100 902 is set out in Appendix E.) Wassenaar (cited in Terre Blanche, Durrheim and Painter, 2006 p.72) stated that an independent and competent research ethics committee should subject all protocols to independent ethical review prior to commencement of data collection.

### **3.12 Summary**

The main aim of this chapter was to describe and outline the research design and methodology of the study. The aims, objective, sampling procedures, pre-testing, data collection and analysis were all covered. The following chapter presents the data collected through the fieldwork and discusses the results emanating from the study.

## CHAPTER 4

### PRESENTATION AND DISCUSSION OF FINDINGS

#### 4.1 Introduction

This chapter presents and discusses the data collected. The data will be analysed and presented in relation to the research question, aim and objectives of the study. The data was analysed in terms of themes and illustrated with verbatim quotes from participants. Efforts are also made to relate findings to the literature on the topic. The profiles of the participants are described. The data is categorised and presented according to the following three main themes:

1. Factors of the performance appraisal system that were perceived to be useful.
2. Challenges encountered with the implementation of performance appraisal system.
3. Suggestions from the employees regarding the performance appraisal system.

Sub-themes will support the main themes where applicable. In this chapter the word appraiser and supervisor will be used interchangeably.

#### 4.2 Profile of the participants

The sample of the research study comprised 20 employees who were appraisers and appraisees of the Department of Social Development. They were from different levels of occupations such as social workers, community development practitioners, administration clerks and security guards from two districts. There were 10 participants from the Thabo-Mofutsanyane district, and 10 from the Xhariep district. Seven per district were appraisees and three per district were appraisers. The criteria that were used to select the appraisers were that they had been practising the system for more than two years and they had all been trained on the performance appraisal system.

#### 4.3 Factors of the performance appraisal system that were perceived to be useful

Overall it was clear that employees from both districts were well informed and understood the purpose of implementing a performance appraisal system in the department. Twelve participants showed a common understanding in terms of the purpose of the performance appraisal system in the department. They understood that its aim had to do with measuring productivity and

identification of employees developmental needs, and this was supported by the following remarks of employees: *“It is implemented for the purpose of measuring performance of all officials and identify the gaps and skills development and training. It is to evaluate employees effectiveness and also to identify developmental needs, to determine the productivity of an employee and to assess if a person is full effective in services. To identify areas where an employee is lacking so that an improvement can be done, to identify the strength and weakness of the worker.”*

According to two participants, the system implementation is in connection with good services delivery. Their responses were as follows: *“to ensure that service delivery is up to standard and all employees perform in a way that assists the employer in rendering the best services to the public; the purpose of performance appraisal system is to check the effectiveness of an employee so that good services can be rendered.”* One participant stated that *“the only focus or purpose of the performance appraisal system in the Department of Social Development according to me is for compensation / cash bonus payments.”*

Other participants understand that the purpose has to do with monitoring, encouragement and motivation of employees. They stated that, *it is implemented to encourage and motivate employees to work hard as it comes with reward, to motivate employees to keep up their good work, to make employees aware that they are on the right track and motivate them to continue with good work.”* The respondents indicated that the system can be implemented for various reasons within any organization, and this is supported by the theory of Gomez-Mejia and Cardy (2007), who stated that performance appraisal, serves many different purposes in an organisation. They assert that performance appraisal is used by many organisations for administrative and developmental purposes and can also be used as a basis for managerial decisions about employees’ work conditions, including termination, promotion and rewards. Data from performance appraisal also assists managers when they have to make decisions regarding improving employees’ performance and strengthening their job skills.

So it is clear from the responses of the participants that the organisation implements the system for many purposes, which leads to the assurance of productivity of employees toward the goals

and target of the department. This further shows that the department is still in line with the origins of performance appraisal, which emphasises that the employer should be satisfied that the employee is functioning well in terms of the needs of the organisation, while the employees are satisfied that the employer and the organisation are looking after their needs. However, even though most of participants seem to have an understanding about the purpose of the system, various sub-themes emerged from the analyses of responses.

### **Experience in terms of participation**

Six participants including appraisers and appraisees felt that participating in the process was comfortable and good as it gave them the opportunity of realising their weaknesses and being able to state their achievements. This was expressed by comments such as, *“participating in the process is very comfortable in a sense that I get to confront my own limitations and shortcomings, it is good to take part during the process as it assists me to identify some important aspects I need to focus on and improve, it gives me the time to look back and check what I haven’t done in the past, it is good as it gives me the opportunity to check how me and my supervisor understand my work”*. This matter is supported by Grote (2002) as he stated that the participation of employees during the performance appraisal system allows employees to feel that they own the system, and this contributes to their effectiveness.

However, other participants especially appraisees found participating in the process to be uncomfortable, unfair, not a pleasant experience and very negative. They stated, *“it is useless because the final decision is made by the supervisor, it is challenging because you and your supervisor agree or disagree, it is uncomfortable as the decision is upon the supervisor, unfair process as the supervisor is superior and makes the final decisions, unfair as it is not done uniformly and depends on the understanding ability of the supervisor”*. One appraiser also found it to be a negative and unpleasant experience. She stated that *“it is always a negative and unpleasant experience, especial if a subordinate is not productive and although you as a supervisor have the facts to prove it, the subordinate does not show any insight”*. She further stated that, *“when I am evaluated I also experience it negatively because this is the time that my supervisor digs out things to hold against me”*.

### **The value of the performance appraisal system**

Most participants seem to understand the importance of performance appraisal system, and stated that it is necessary to monitor the performance and work of employees in the department.

However, the system needs to be improved so that it can be implemented correctly. Their responses were as follows, “ *the system is good and I think it should continue as it helps me to improve myself where I’m weak, the system gives me the chance to work hard and be motivated as I know that at the end there will be something to achieve, the system is good but the people who operate it, did it in a negative way, it is good as it give me the time to look back and check what I have achieved and where I need to improve.* ” Two appraisers also commented that, “ *the system is correct and of high value in the department only that it has to be developed so that it capture accurate information, the department does not implement the system correctly. The theory is good but the implementation is poor.* ”

Furthermore, most participants are fully aware and understand their roles and responsibilities during the performance appraisal evaluation. When asked about their role and responsibilities, twelve appraisees’ responses were as follows: “ *my role is to submit the proof of my work especially if I need more than three points, my role is to assist my supervisor in doing the assessment and to say my views about what she suggest while rating me. My role is to prove to my supervisor how hard I have been performing, I understand that it is also my responsibility to share and show my supervisor in participating in the process and to give her all the evidence that can make me to be rewarded, to negotiate and put forward my case as to why I’m supposed to get higher scores.* ”

Other participants indicated that, “ *it is my responsibility to participate in the process by stating my achievement, it is my responsibility to provide fair judgment on myself as an employee, my role is to participant fully by being honest with my achievements and failures, to furnish the appraiser with the relevant facts and information regarding the performed task as assigned to me.* ” Participants’ views seem to be supported by various theories. For example ,Jenkins (1991) stated that employees play a role in creating a productivity performance appraisal process as it is their responsibility to address and state their accomplishments and things that could not be done better. Grote (2002) also noted that it is the responsibility of an employee to do self-evaluation so

that a mutual understanding can be reached while still focusing on those areas that need to be developed. According to Shahdeo (2000), it is the responsibility of the employee to analyse his or her achievement and evaluating his or her contribution towards the achievement of the overall organisational goal by stating evidence of his or her work.

Moreover, four appraisers (supervisors) were also clear about their roles and responsibilities as appraiser. This was learnt from their comments: *“ my role as a supervisor is to inform my supervisees in time about the assessment and to give them the opportunity to prepare for it as I expect them to play an active role in the process, my role is to provide fair judgment on myself and subordinate by allocating the deserved ratings, my role as an appraiser is to inform the appraisee to prepare the evidence , and also to make sure that appraisee is given enough time to assess and study the performance appraisal form, to discuss with the appraisee the performance plan and job description and to ensure that they understand what is expected of them, and also to identify developmental needs and to attend to them”*. Gresse (2008) also states that it is important that arrangements for the performance appraisal be made well in advance so that both appraiser and appraisee have adequate time to prepare properly, as there are number of things that need to be done in preparation to ensure fruitful assessments. Gresse (2008) went further and outlined the responsibilities of the appraiser which have been discussed during the first stage of the process on pages 23 and 24 of the report.

However, there are four participants both appraisers and appraisee who also felt that the system is not working well as they stated that, *“the system that the department uses needs to be changed as it does not give an appraisee chance to identify his /her own developmental needs in the process, they should work on incident as this one is unfair as it relies on numbers of files done by an individual while case load differs, not fair as the employees are not given the opportunity to set their own goals and the areas to be assessed on*. Again, one appraisee sees herself not having any role to play in the system apart from listening and signing the agreement form, as she reported that, *“my role is just to listen to my supervisor and sign the appraisal or assessment form as the last decision is taken by her.”*

### **4.3.3 The impact of performance appraisal on service delivery**

Eight participants believe that the system has got positive impact on the services delivery as it increases subordinate understanding of their roles and leads to more productivity in the work place. Their comments are as follows, *the implementation of the system has a good impact on my work as it makes me to realise my roles and work effectively towards achieving set goals and render good services within the community, it motivates appraise to work harder at all times, it gives us a chance to work hard and be able to identify our weakness, it enables me to strive to work hard in order to perform beyond the set achievable goals, it helps with the understanding of my responsibility and gives me the chance to work hard in order to render more than it is expected.*” Hunt (2005) agrees with these statements, as he stated that performance appraisal, when done properly, enhances employees’ performance at work.

### **4.4 Challenges encountered with the implementation of performance appraisal system**

Participants were asked to relate any challenges that they face in the department that are directly linked to the system. With the exception of two, all 18 participants highlighted many challenges, including issues of the process, and a lack of understanding of it (already articulated under objective one). Some of the sub-themes and verbatim responses from the 18 responses are presented below.

#### **4.4.1 Staff demoralisation**

One of the participants felt the performance appraisal system demoralises employees as there are no standards that apply to the conducting of the process and this contributes to circumstance whereby it depends on the understanding of the individual supervisor. The participant commented that, *“The system demoralised staff as employees are not treated equally in the appraisal process.*” Two participants further illustrated that the system is not effective and demoralises employees, as most of the workers gets rewards for jobs that they did not perform. They stated that, *“the system demoralises other employees as some workers receive cash bonus annually while they did not go extra miles”.* One appraiser stated, *“For some officials, who gets bonus it is motivating while for other it is de-motivating.”*

#### **4.4.2 Lack of training in regard to the appraisal system**

The issue of lack of training was mentioned as the biggest challenge by most of the participants. Seven participants from both districts remarked that the lack of training among both employees and supervisors about the system is the biggest challenge that the department is facing and this leads to the system being ineffective. They stated that, *“there are no trainings provided in regard to the standards, producer and implementation of the system, there is lack of understanding among employees about the system as there are no trainings provided. I regard the system to be unrealistic as we are rarely provided with trainings on the elements of the system including area of development. One of the participants emphasised that, “the challenges are immense. They do not provide training to supervisors who actually do the appraising. A weak system cannot be expected to produce good results. Grote (2002) states that appraisers and appraisees should be trained on the appraisal process, policies, appraisal forms and the organisation should have orientation sessions for all employees in order to introduce them to the system. This will ensure understanding of the system, which will result in its effectiveness.*

#### **4.4.3 Lack of developmental training**

Five participants reported that the system is ineffective as there are no trainings provided on those developmental needs that have been identified. This has been illustrated by the following responses, *“the system is not effective as there are no trainings in place even when the needs have been identified for the employee to improve on that particular aspects, it is only the responsibility of the supervisor to provide such trainings during supervision and it is not enough,*

#### **4.4.4 Conflict and tension**

Another issue which is regarded as a challenge by participants is that the system creates tension and conflict in the department. Five participants reported that, *“there is a tense situation and sometimes it creates hatred among colleagues and between the supervisor and the subordinate, it creates conflict and tensions as people do not understand or accept the process as fair and required, the system is full of arguments but in a positive away as I will be fighting to prove my point and the supervisor will also have to prove his. It is scary and creates tension between me and my supervisor because I’m afraid that the supervisor is just there to catch me where I had gone wrong rather than trying to build me and to motivate me to work harder.”* One participant

reiterated the issue of her supervisor being negative towards her as she digs out things to hold against her during the process of appraisal and this creates tension and causes conflict between them. According to Williams (2002), performance appraisal systems should not be used as a means to demonstrate the superiority among employees as this will create an environment which is characterised by conflict and tension among employees.

#### **4.4.5 Ignorance about the performance appraisal system**

Lack of seriousness among employees about the performance appraisal system is regarded as a challenge by other participants. Four participants felt that the system is not taken seriously in the department as most of the people who get rewards have good relationships with the appraiser, or regard it only as a means of getting extra cash. This was illustrated by them saying that, *“I do not take the system serious but only as the means of getting extra money, it’s difficult to understand the system purpose of identifying good work of the employees because those in good books with the supervisor are likely to get those bonuses regardless of their performance”*. Another participant stated, *“it is impossible to regard the system serious because most of the employee who gets rewards do not deserve it, I do not take the system serious as those who gets rewards are those who are having good relationship with their supervisor”*. Hunt (2005) has indicated that this is one of the shortcomings of the performance appraisal system: he stated that the problem with many organisations is that even when they have detailed appraisal policies, the follow-up is not effective and many employees do not take it seriously because they know that the organisation often ignores the recommendations and will not implement what has been agreed, and rewards are based on the relationship one has with the supervisor. Hunt (2005, p.115) states: *“through bureaucratisation the appraisal system fails. The end result is that the individual appraisee feels that the organisation is just paying lip service to the appraisal system and has the system because it feels it should, rather than because there are good reasons for implementing such a system”*.

This seems also to apply even in the department, as one participant mentioned that the *“system is good; however, the implementation is incorrect.”*

#### **4.4.6 Leniency and severity**

Another challenge mentioned by the participants is the leniency and severity of appraiser. Three participants felt that this issue is a challenge, as supervisors or appraisers are not using the same standards during the process and their understanding also differs. They illustrated that the interpretation of the system differs among appraisers and appraises, and this leads to a situation where the system does not work. They felt that with some appraisers it is easy to get more than three on the ratings, while with others it is very difficult. They stated that, *“the system does not work because people interpret it differently. Some supervisors are lenient and officials get high points, while other supervisors are stricter and give lower points, there are no clear standards to which officials can be measured so some are difficult while others are very generous and give high points.* Coens and Jenkins (2000) affirmed that the leniency and severity error is one of the challenges of the performance appraisal system. He explained that it represents some raters’ tendencies to give very generous ratings. This tendency may arise from a supervisor’s desire to preserve a good working relationship with subordinates and often overrate employees, in order to avoid unpleasant consequences such as conflict. The severity error is the reverse of leniency. It is the rater’s tendency to be inordinately “difficult” (strict) in performance measurement; in this case the performance of the employee is understated.

#### **4.4.7 Lack of uniformity**

Lack of uniformity in practising the system was articulated by most of the participants to be a challenge. Seventeen participants remarked that the system itself was a challenge, as there were no standards, norms and clear guidelines about the system in the department. One participant also pointed out there is lack of objectivity about the system, as the decision depends on each supervisor’s discretion. They describe how lack of uniformity affects the system in practice: *“the system has limitations as it is interpreted differently by the different users. There is no uniformity for persons on the same rank and doing the same work. There are no uniform norms and standards throughout the province or even in the districts regarding the measurements. There is no uniformity as there are no standards applicable as persons are assessed differently while on the same position.”* According to Berkeley (2005) standards and norms identify the baseline for measuring performance, as they describe the conditions that must exist before one can be rated satisfactory or not. He further stated that the performance standards must be realistic and

attainable by a qualified, competent and fully trained person. Standards describe the conditions that exist when performance meets expectations. He argued that without clear written standards performance appraisal fails and uniformity will not be applicable, as supervisors will not have clear guidelines on conducting the process. From his theory and the comments of the participants it is clear that within the department there is a need to set clear standards that will give direction to all supervisors on conducting appraisals, as this will ensure that appraisals are applied in a similar manner to all different levels of employees within the department.

#### **4.4.8 Unfairness of the system**

Unfairness is also described by participants as a challenge within the department as regards the implementation of the system. Thirteen participants, including four appraisers, indicated that the system is characterised by unfairness, as it is practised differently due to the lack of understanding and the absence of binding standards on how to conduct it. *“There is no fairness as friendship is used by some of the employees, the system is not fair because most of us, worker do not have a say about it, it is not fair as employees are not given the opportunity to set their own goals and identify area where they want to be assessed, Unfair as the caseload differs while still on the same position and their work differs, not fair, incentives should be for everyone.”* Two participants reiterated the issue of the lack of uniformity again, and stated that, *“the system is unfair as it is not done uniformly across the board and depends on the understanding ability of the supervisor, it leads to the unfairness and individuals are not comfortable and unhappy with its implementation.”* According to Williams (2002) when employees perceive the performance appraisal process as being unfair in any respect they tend to be less satisfied. He pointed out that perceptions of fairness have important consequences for various aspects of performance, possibly leading to lower job performance, withdrawal behaviour, and decreased co-operation with co-workers and reduced work quality. Williams (2002) identified five procedural factors which contribute to the perceived fairness of the evaluation process. He stated that, *“employees’ input is solicited before the evaluation and is a two way communication during the evaluation interview, employees have the ability to challenge or rebut the evaluation, the rater is familiar with the employee’s work and standards are applied consistently.”*

These factors were all said by participants to be non-existent or not applicable in the department, and this has led to their dissatisfaction with the process.

#### **4.4.9 Quality assurance committee**

Three participants, including two appraisers regard the quality assurance committee that exists within the department to be a challenge as it does not function as it is supposed to. One participant explained that, *“the system fails us though the quality assurance committee because me and my supervisor would agree and approves the scores but when it reaches to the committee there will be some queries regarding my scores which will result in my failure to get bonus. I think the quality assurance committee must agree to our supervisor’s decisions because they are the ones who are fully aware and know our responsibilities and performance.”* Another participant stated that, *“the committee for quality assurance should be assessed properly and be made up of outside the office officials”*. Hunt (2005) stated that it is the responsibility of the organisation to ensure that a committee is established, and this will ensure that the assessment is done fairly. This committee can be made up of internal or external employees who have knowledge of the system and the organisation as well.

#### **4.4.10 Undeserved rewards**

Three participants had highlighted the issue of workers getting cash bonuses when they do not deserve it as another challenge the department is faced with. They felt that there are lots of employees who get rewarded not because they have worked hard but due to favoritism. Their comments were the following: *“the department spent huge amount of money for people who do not deserve bonus, the department faces a loss because some of employees are been rewarded by favors, although they are not performing according to their plan or responsibility, people get money even when they do not perform”*. Two participants also stated that the cash bonus does not guarantee and motivate the employee’s performance. They suggested that, *“the department should do away with the cash bonus system and only concentrate on full effectiveness in the service assessment, the department should not continue with the issuing of cash rewards, as supervisees are always not satisfied as they think they should all get the cash bonuses, one participant also indicated that “employees shouldn’t get bonuses for the work that they are supposed to do. “Williams (2002) has shown that in studies that have been conducted in order to*

get views of appraisers on the impact of performance pay on their staff, firstly, a bonus does not serve to motivate (even those with high ratings) and may do more to demotivate employees, secondly, there was little evidence to suggest that performance-related pay (cash bonus) helps to retain high performers. Lastly, employees are unclear as to whether the rewards are fairly distributed. He stated that according to the findings of those studies there is the risk that the cash bonus may contribute to a downward spiral of demotivation for employees, and this calls into question the real costs and benefits of such a scheme. From these sentiments, it would appear that the department is also experiencing the same trends of employees not being satisfied and unhappy about the performance-related pay scheme, as they have pointed out that it should be abolished. This also shows that employees are not motivated by it to improve their performance, and believe that it is implemented incorrectly, as some recipients do not deserve the bonuses they get.

#### **4.5 Suggestions from employees regarding the performance appraisal system**

Given that the participants were able to mention the challenges that are being experienced in relation to the implementation of performance appraisal system, the purpose of this objective was for the participants to give suggestions on dealing with those challenges that have been mentioned. All 20 participants were asked to give suggestions as regards the performance appraisal system that the department utilises. The themes that emerged were as follows:

##### **4.5.1 Do away with cash bonus**

Six participants suggested that it would be better if the department used another scheme for rewarding employees who have performed more than is expected rather than using and issuing cash bonuses. This was reflected in the following verbatim response of participants. *“The department should scrap the performance bonuses because a lot of corruption has already crept in. The only reward should be notches leading to promotions, money should not be used to motivate employees and find other ways of rewarding good performance as employees are already getting salaries. The department must stop giving people cash bonuses and 1% notch increment must be given to every employee. Do away with the cash bonus system and only concentrate on full effective in services assessment.”* Another two participants felt that is still right for the department to continue with the issuing of cash bonuses; however, there must be

some improvement in its implementation, including increasing their budget so that it covers more employees. They stated that, *“the department must not limit funds when it comes to paying cash bonuses for those who deserve to be motivated for work well done and increase their budget, the incentives that comes with the appraisal to be given to every employee, by giving everyone a chance whereby not one person or the same employees are getting the money every years.”*

#### **4.5.2 Provide training in regards to the performance appraisal system**

Most of the participants felt that it is necessary that the department provide enough trainings to both supervisors (appraiser) and subordinates (appraisees) about the performance appraisal system so that they can be well informed about its purpose, its importance and how to conduct it. Participants’ suggestions included: *“I suggest that supervisors and supervisees be trained about the performance appraisal immediately after appointment so that they can have clear understanding about the purpose of implementing performance appraisal, I feel that the system should continue; however, proper training with clear guidelines and on how both parties involved in the process should participate must be provided so that uniformity can be applicable on all levels and individuals. Employees should be educated about the performance appraisal system so that they can regard it seriously and understand it as the means of working towards improvement of their performance.”*

Three other participants reiterated that *“I suggest that the Department of Social Development must give us a lot of training in regarding to performance appraisal system together with the supervisors so that we can know how to stand and support each other during the process, enough information to be given to employees on the importance of performance appraisal so that they can have a clear and more understanding about its purpose, the supervisors who do the appraisals should be trained on how to do it and how they should behave during the process.”*

Several theories have pointed out that training is very essential in a performance appraisal system. According to Jenkins (1991) performance appraisal training should be included in the written organisational policies and procedures outlining the system. Grote (2002, p. 176) states that *“appraisers and appraisees should be trained on the appraisal process, policies and appraisal forms and to have orientation for all employees to introduce them to the system.”* In addition,

Lansbury (1981, p. 5) argues that “training in performance appraisal systems should strongly emphasize human relations skills and involves the exploration of relationships between appraisers and appraisees.”

#### **4.5.3 Set clear standards and objectives for performance appraisal**

According to three participants, the department should set standards in relation to the procedure of the systems. They also emphasised that these standards will serve as a guideline which every employee, whether an appraiser or appraisee, will be fully aware of and will abide by. They offered the following suggestions: *“for each and every category of job description (example, junior social worker, senior social worker, there must be clear standards that will make the process of evaluation easier and make provision to clearly know when a person is effective or more than fully effective. The system should continue but the implementation should be executed correctly by establishing clear standards and objective that will direct both parties involved during the execution of the appraisal.”* Anderson (1999) also indicated that the first step in the process of performance appraisal is the setting up of the standards which will be used as the base to compare the actual performance of the employees. According to him, this step requires setting the criteria to judge the performance of the employees as successful or unsuccessful and the degrees of their contribution to the organisational goal and objective. The standards set should be clear, easily understandable and measurable.

Olson (1991) also supported the issue of setting clear standards as vital during the performance appraisal process, as this will give both the appraiser and the appraisee the direction to take. He further stated that once the standards are set, it is the responsibility of the management to communicate the standards to all the employees of the organisation. The employer should be informed, and the standards should be clearly explained to them, as this will help them to understand their roles and to know what exactly is expected from them. The appraisers should also be aware of and fully informed about these standards.

#### **4.5.4 Frequency of appraisal**

Another suggestion given by one participant is in connection with the period of the system: she stated that the evaluation should be done twice a year instead of quarterly. Her verbatim response

was as follows: *“the assessment should be done twice a year, as this will give the appraisees enough time to improve on those elements that have been identified as lacking as quarterly assessment does not give them enough period for improvement.”*

#### **4.5.5 The system should be user-friendly and accommodating**

Two participants, one appraiser and one appraisee, suggested that the department should develop a more friendly and accommodating appraisal form which will allow both the appraiser and the appraisee enough space to evaluate and compare the ratings. *“I suggest that new system to be developed whereby the form gives space for the supervisee to evaluate his /her performance, then the supervisor to evaluate the supervisee and the final score that will be agreed between a supervisor and a supervisee.* Other participants also stated that the evaluation forms should be less complicated, and a questionnaire can be completed. According to Hunt (2005), in most organisations, even when they have detailed appraisal policies, the assessment forms tended to be too complicated for employees and this result in them losing interest in the process. Hunt (2005) recommended that the organisation should try to develop a form which is more simple and easy to understand by both the appraiser and appraisee and both should be provided with the space to make their comments. Olson (1991) further emphasised that the performance appraisal form should provide space for employees to add handwritten comments following the appraisal interview. The statements provided could address comments about their performance or other aspects of the performance appraisal or the process.

#### **4.5.6 Communicating the system**

Three participants suggested that the system should be properly communicated among employees so as to ensure that is well understood. They stated: *I believe that if the system can be well communicated among both the supervisor and the subordinate it can bring better results. All employees should be informed about how the system works so that they can have a clear understanding about its implementation. I suggest that the system should be communicated to all officials so that they have a clear and common understanding about it.* Koziel (2000) has indicated that performance appraisal systems are effective only if they are properly communicated and understood by employees. When devising an appraisal system, the organisation should consider involving staff in its development, as this will promote buy-in and

understanding of the plan, as well as ensuring that the appraisal takes into account all tasks at the organisation.

#### **4.6 Summary**

This chapter was devoted to presenting and discussing the results. The results were presented and discussed against the theoretical background of the study, and a link was created to the main research questions, aims and objectives of the study. Data was analysed in terms of the themes which emanated from the research questions. The sub-themes were also used where necessary.

## **CHAPTER FIVE**

### **MAIN FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

The main purpose of the study was to explore the perceptions and experiences of employees in the Thabo-Mofutsanyane and Xhariep districts as regards the present performance appraisal system practised within the Department of Social Development. This was done by focusing on 20 employees within the department. Data was collected from participants through face to face interviews using a semi-structured interview schedule that was compiled by the researcher. The main findings of the study that are based on the experience and perceptions of employees in the department about the performance appraisal system will be highlighted, conclusions will be drawn and some recommendations will be presented.

#### **5.2 Main findings**

- All 20 participants had a clear understanding of the purpose of the performance appraisal system in the department. Participants remarked that the performance appraisal system was implemented in order to measure productivity and identify employees' developmental needs. Some added that its aim is to monitor good service delivery while also encouraging and motivating employees with rewards at the end of cycles.
- Six participants found participating in the performance appraisal system positive, especially when it comes to assessment of subordinates and positive feedback being provided to them. They also reported participating in the process as being good as the supervisor and the subordinates are able to check how each understands his / her responsibility and work within the department.
- Twelve participants indicated that participating in the process was negative, uncomfortable, challenging and unfair, as there are no standards that are applicable to all supervisors, and persons are assessed differently. Two appraisers found it to be unpleasant, especially if the subordinate is not productive but does not want to cooperate or

to admit his or weakness and does not even have to prove of his/her outstanding performance that he/she wants to be recognised for.

- All six appraisers know and have a clear understand of their role and responsibility as supervisors or appraisers during the performance appraisal process.
- Eleven appraisees understand their roles and responsibilities during the process as providing proof and furnishing the appraiser with the relevant facts and information regarding their performance, especially if they want more than three (performance 'above expectations') on the rating scale. One sees her role being to assist the appraiser in doing the assessment and state her own views about what the appraiser suggests.
- Twelve appraisees felt that they are not given the opportunity to participate in setting their own performance goals based on their job description, as the department provides each employee with a performance plan that already complies with the standards, measurements and weights of each key responsibility without their involvement. All six appraisers also felt that the employees are not given the chance to participate in setting their own goals, as the measurements are in a document provided by the department. Only two find the requirement to be challenging as they are given the opportunity to set their own goals during monthly planning.
- Fourteen participants, including both the appraisees and appraisers, find the atmosphere during the performance appraisal system uncomfortable, scary, tense, hostile and not friendly, as they end up in arguments, especially if one of the participants is negative. Two participants also find the atmosphere only partly conducive, as it is done in a supervisor's office where there will be interruptions in between. Four found the atmosphere calm and relaxed based on the relationship they have with their supervisor.
- Eighteen participants felt that the performance appraisal system is good; however, its implementation is incorrect and not working, as it is interpreted differently by different appraisers because there are no clear standards which officials can follow, and it is also not fair, as employees are not given the opportunity to set their own goals and the area to be assessed on. They further indicated that the system needs to be changed as it does not give an appraisee the chance to identify his/her own developmental needs in the process. However, two participants find the system good and correct but the people who operate it

do it in a negative way. The department also does not implement it correctly and it needs to be developed so that it can capture accurate information.

- Sixteen participants felt that it is not true that the performance appraisal system and process increases employees understanding of their roles in the department and leads to more productivity in the workplace. They indicated that employees do not regard the system seriously but only as the means of getting cash. They found most of the employees who get these cash rewards do not deserve them, as they depend on the relationship one has with the supervisor, and also depend on the supervisor's skills, attitudes and understanding or interpretation of the system. Four participants find the system helpful as it gives them the opportunity to understand their own strengths and weaknesses and allows them to come up with realistic criticism/constructive feedback. It also increases their performance, which leads to good service delivery.
- When asked their opinions about the system being done uniformly and objectively across the department, ten appraisees indicated that the system is not practised uniformly, as it depends on the appraiser's discretion and own understanding. Two participants indicated that there is uniformity, as employees are appraised on similar issues, depending on their job description; however, the workload differs and this is not taken into consideration. Two more appraisees had the opinion that there is no uniformity as it depends on the relationship of the subordinate and the supervisor. All six appraisers felt that there is no uniformity as it depends on the leniency or strictness of the supervisor and each person understands of the system.
- Appraisers felt that the follow-through of employee's developmental plans is very poorly implemented, as some supervisors implement them during their supervision session, either individual or group supervision, while others do not do it at all. They further indicate that the department does not provide trainings after the area of development has been identified. Appraisees also felt that this is not implemented correctly, as the focus is on the supervisors to give training and this is not effective as most supervisors do not complete this part.
- Ten participants, including both appraisers and appraisees, indicated the lack of understanding of performance appraisal system as being the single biggest challenge that

the department is faced with. Eight reported loss of money and rewarding people who do not deserve the bonus as challenges in the department. Two participants also indicated that the system creates conflict and tension, which results in hatred as employees do not regard the process as being fair –which is as one of the challenges that the department is faced with in connection with performance appraisal system.

- Nine participants suggested that the performance appraisal system should continue; however, the implementation should be executed correctly. Supervisors or appraisers should be trained on how it is supposed to be done so that they can have a clear understanding of the process and assess employees uniformly. Six also felt that the department should scrap cash bonuses because they create a lot of corruption. These respondents felt that the department should implement rewards in the form of notches leading to promotions. Five participants felt that more training is necessary for both the supervisors and the subordinates so that they can have a clear and common understanding of the process and its main purpose.

### **5.3 Conclusions**

Despite the methodological limitations, the study elicited findings that can aid the Department of Social Development on elements and issues that affect the employees negatively and positively with regard to the performance appraisal system. The study also highlights those elements that need improvement in order to make the system be more effective and to achieve its main purpose. The findings indicated that despite the negative perceptions or experiences that employees have in regard to the system they still felt that there is a need for the performance appraisal system to continue to be implemented in the department but certain areas need to be improved. The findings indicated that employees do not have major problems with the system that is adopted by the department. However, its implementation is the main challenge or concern, and is not working because it is done differently depending on the supervisor. This lack of uniformity results in employees regarding the system to be unfair as it favours some and demotivates others as some appraisers differ in terms of leniency and gives high ratings, while others are strict and gives low ratings. Furthermore, the findings show that due to lack of uniformity, the employees regard the system as not working but rather creating tension and

conflict among employees and supervisors as they both want their point to be considered during the process.

The results further indicate that there are no clear standards or norms set that guide the appraisers to use as the source of measurement when assessing the appraisees. Instead, this is done according to the supervisor's discretion and own understanding. Appraisees also felt that the system is unfair as they are not given the opportunity to participate and set their own performance goals based on their job description, as the department provides a performance plan that is already compiled with each key responsibility listed, and without appraisee involvement.

The results also revealed that some employees find good performance being rated according to how one relates to one's appraiser, as those who have a good relationship with their appraisers have their performance rated above expectations, which results in them getting cash bonuses. Furthermore, participants highlighted the point that the system does not achieve its main purpose of increasing productivity, as employees view it as the means of getting extra cash and those employees who never get bonuses do not take it seriously.

The result of the study also indicated that participants find the atmosphere during the performance appraisal system scary and tense, as appraisees are afraid that this is an occasion for the appraiser to get back at them. The atmosphere is also regarded as too formal, as it is done in an office, and the appraiser sits behind his or her desk to indicate superiority. It is also regarded to be unfriendly and fraught with conflict, as an appraisee demands high ratings even when there is no proof.

The findings also reveal that participants nonetheless want the system to continue; however, they feel that proper training should be provided for both the appraiser and the appraisee so that they each have a clear understanding of the part that they have to play during the assessment and also learn the importance of implementing the system correctly.

In conclusion, the study has revealed that participants feel that the theoretical part of the system is correct; however, its implementation within the department is incorrect as it is based on

individual understandings. With improved strategies and training the system can produce the desired results.

An overall analysis of the results appears to indicate that employees perceive the performance appraisal system to be necessary in the workplace, as they have indicated that it should continue. However, the department is faced with myriad challenges that impact directly and in most cases negatively on the employer's beliefs about and understandings of the system.

## **5.4 Recommendations**

The following recommendations emanated from the study's findings and conclusions.

### ***5.4.1 Training for employees***

According to Jenkins (1991), performance appraisal training should be included in written organisational policies and procedures outlining the performance appraisal system. Therefore, it is recommended that the department should take full responsibility in ensuring that all employees, whether appraisers or appraisees, are provided with proper training that will enable them to implement the performance appraisal system properly. The training should focus on the process as a whole, as Grote (2002, p. 176) states that "appraisers and appraisees should be trained on the appraisal process, policies and appraisal forms and to have orientation for all employees to introduce them to the system." In addition, Lansbury (1981, p. 5) argues that "training in performance appraisal systems should strongly emphasise human relations skills and involves the exploration of relationships between appraisers and appraisees."

### ***5.4.2 Establishment of clear standards***

According to Berkeley (2010) standards identify a baseline for measuring performance, and from performance standards, supervisors can provide specific feedback describing the gap between expected and actual performance. Performance standards allow the appraiser to compare the employee's performance with mutually understood expectations and minimise ambiguity in providing feedback and setting performance standards, observing and providing feedback. Conducting appraisals enables the organisation to achieve the best results through managing employee performance.

Anderson (1999) also indicated that the first step in the process of performance appraisal is setting up of the standards which will be used as the basis for assessing the actual performance of the employees. This step requires setting the criteria to judge the performance of the employees as successful or unsuccessful and the degrees of their contribution to the organisational goals and objectives. The standards set should be clear, easily understandable and in measurable terms. It is recommended that the department should see to it that clear, easily understandable and measurable standards are established so that they can give employees guidance and direction while assessing them. This will also create uniformity across the department, as each supervisor will have a clear guideline to follow rather than depending on his/her own discretion. Olson (1991) stated that setting clear standards is vital during the performance appraisal process, as this will give both the appraiser and the appraisees an indication of the direction to take. He further stated that once the standards are set, it is the responsibility of the management to communicate the standards to all the employees of the organisation. The employees should be informed and the standards should be clearly explained to them, as this will help them to understand their roles and to know what exactly is expected from them. The appraisers should also be aware of and be fully informed about these standards.

Berkeley (2010, p.115) has indicated that effective performance standards:

- “Serve as an objective basis for communicating about performance
- Enable the employee to differentiate between acceptable and unacceptable results
- Increase job satisfaction because employees know when tasks are performed well
- Inform new employees of your expectations about job performance
- Encourage an open and trusting relationship with employees”.

#### ***5.4.3 Conducting appraisal discussions***

It is the responsibility of the appraiser to ensure that appraisees feel relaxed and comfortable during the process of performance appraisal discussion. It is therefore recommended that the department should make sure that appraisers know how to conduct the appraisal discussion in a way that will create an atmosphere that is relaxed and comfortable for the appraisees. Berkeley (2010) has highlighted guidelines for appraisers while conducting the appraisal discussion: he

talked about the appraiser's responsibility to create a supportive environment which is non-threatening, since the employee may be tense or uncomfortable. He also showed how employees can be engaged during the assessment and stated that appraisers should give positive recognition of good performance. In his conclusion, he stated that the appraiser should conclude the assessment on a positive note.

#### ***5.4.4 Participation of employees***

It is also recommended that participation of employees during the performance appraisal system be regarded as essential, as this will create an environment in which employees will regard the process seriously.

#### ***5.4.5 Development and training of employees***

It is further recommended that the department should oversee that the developmental plans of employees are implemented so to improve the areas where employees have been indicated to be underperforming. It should be the responsibility of the department to be realistic in terms of the budget for offering training so that employees are not promised things that later on turn out not to be feasible. Development should focus on activities that will enhance current performance or prepare the employee for greater challenges or career advancement. The training can be either internal or external; however, it should provide employees with the skills that will enable them to do their job on an advanced level. The department needs to commit resources to continual learning and development of employees so that they remain up to date with business skills and new developments so to render good services.

#### ***5.4.6 Recommendations for future research***

- The study was limited because of the size and non-probability nature of the sample involved, which means that hence precluding generalising the results to the entire province of the Free State is not possible. Given the diversity and dynamics that are peculiar to different districts, further focused study needs to be undertaken in which specific field services or occupations are targeted.

- Another interesting and necessary area that is relevant for future research is looking specifically at the effectiveness of the performance appraisal system in the Department of Social Development.
- Future research also needs to establish what type of training is appropriate to employees in terms of having a clear understanding of, and accurately implementing, the system. Such research may aid in the development of proper guidelines and procedures to follow when implementing the system.
- Lastly, future research can be conducted on the issue of the paying out of cash bonus. This will assist in determining if there is a fair distribution of cash bonuses.

## ***6. Conclusion***

It can be concluded that the employees of Social Development do have an understanding that performance management is vital within the department in order to enhance good services delivery. However, their main concerns are that they are in need of thorough orientation and training in respect of the current performance management system within the department seeing that they are not well informed and ignorant about the requirements and expectations from the department of Social Development.

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**CONSENT FORM FOR PARTICIPATION IN THE STUDY**

I hereby consent to participate in the research project. The purpose and procedures of the study have been explained to me. I understand that my participation is voluntary and that I may refuse to answer any particular item or withdraw from the study at any time without any negative consequences. I understand that my responses will be kept confidential.

**Name of Participant:** -----

**Signature:** -----

**Date:** -----

## APPENDIX B

### PARTICIPANT INFORMATION SHEET

Good day,

My name is Nkeletseng Mamaraisane Sekese and I am a final year student at University of the Witwatersrand registered for Master of Occupational Social Work. As part of the requirements for the degree, I am conducting research about the perceptions of employees in the Thabo-Mofutsanyane and Xhariep Districts about the effectiveness of the performance appraisal system in the Department of Social Development. It is hoped that this information might enhance occupational social workers' understanding of the experiences of employees about the performance appraisal system to recommend changes to improve the system so that it is more effective.

I therefore wish to invite you to participate in my study. Your participation is entirely voluntary and refusal to participate will not be held against you in any way. If you agree to take part, I shall arrange to interview you at a time and place that is suitable for you. The interview will last approximately one hour. You may withdraw from the study at any time and you may also refuse to answer any questions that you feel uncomfortable with answering.

Please be assured that your name and personal details will be kept confidential and no identifying information will be included in the final research report.

Please feel free to ask any questions regarding the study. I shall answer them to the best of my ability. I may be contacted on Tel. 0519333140 or Cell 0833437609. Should you wish to receive a summary of the result of the study; an abstract will be made available on request.

Thank you for taking the time to consider participating in the study.

Yours sincerely

Nkeletseng Mamaraisane Sekese

## APPENDIX C

### SEMI-STRUCTURED INTERVIEW SCHEDULE

- How do you understand the purpose of implementing performance appraisal system in the Department of Social Development?
- As an employee of the Department of Social Development how did you experience participating in the performance appraisal process?

- How did you understand your role and responsibilities in the process?

As an appraisee, how did you experience the requirement to set your own performance goals based on your job description?

- How would you describe the atmosphere during the performance appraisal process?
- What is your opinion about the current performance appraisal system and process that the Department follows?
- The saying goes around that the performance appraisal system and process increases subordinates' understanding of their roles in the department and leads to more productivity in the workplace. What is your perception about this?
- The performance appraisal is done uniformly and objectively across the Department. What is your opinion about this?
- What is your experience in terms of follow through on the successful implementation of employees' developmental plans?
- How would you describe the challenges that the Department is faced with during the implementation of the performance appraisal system process?
- What suggestions do you have with regard to the performance appraisal system that the Department of Social Development utilises/ applies?

Thank you

ETHICS CLEARANCE CERTIFICATE

APPENDIX E

PERMISSION LETTERS FOR RESEARCH