An effective performance management system for a selected company in the construction industry

By

MAGDELANE ROSALINE VIGARO

Thesis submitted in partial fulfilment of the requirements for the degree

Master of Technology: Human Resource Management

In

The Faculty of Business

At

The Cape Peninsula University of Technology

Supervisor: L. Kingma

Co-supervisor: A. A. Rust

Cape Town

September 2013

DECLARATION

I, **Magdelane Rosaline Vigaro**, declare that the contents of this dissertation/thesis represent my own unaided work, and that the dissertation/thesis has not previously been submitted for academic examination towards any qualification. Furthermore, it represents my own opinions and not necessarily those of the Cape Peninsula University of Technology.

September 2013

_____   _____
Signed   **Date**

ABSTRACT

This paper aims to determine if there is a relationship between performance management and organisational performance owing to a lack of staff motivation. If there is such a relationship the paper aims to investigate implementation of performance management for a selected company in the construction industry. The paper begins by outlining the background and history of the construction industry and presents a review of literature of performance management which provides insight into the topic. The paper examined different views of performance management from both practitioners and organisations and discusses the aims, benefits and shortcomings of performance management. Additionally, different evaluation methods and performance measurement methods were investigated to provide an in-depth understanding of the topic. The background and overview of the selected company in the construction industry was discussed. The paper used a case study and qualitative research approach. The results of the research prove that there is an inverse relationship between performance management and the lack of motivation that affects organisational performance. The paper concludes by showing that the selected company is in need of a performance management system and suggesting the development of a performance management system that should support a culture, which is based on feedback and communication. A framework is presented which ensures that effective strategies are deployed to adopt a performance management system.

ACKNOWLEDGEMENTS

I wish to thank:

DEDICATION

This thesis is dedicated to my belated father, Charles Vigaro who would be so pride of me and my mother who always believed in me.

TABLE OF CONTENTS

CHAPTER ONE
BACKGROUND TO THE STUDY

1.1 INTRODUCTION

According to the EconomyWatch (2010:1), the construction industry is regarded as one of the largest sectors in the world and constitutes one tenth of the total amount of Global Gross Domestic Product.

The construction industry is not only a source of direct employment, but is also an industry that contributes to a wide range of projects and operations. Construction plays an important role within communities by facilitating portable water, sewerage disposal, electrification, health, education, housing and productive employment. Transport and communications, import and export, and industrial development, therefore, depend on the efficiency of the construction industry. South Africa is a gateway to other African markets, and plays an important role in supplying energy, relief aid transport, communications and investment to the continent. The country's road and rail links provide the platform and infrastructure for ground transportation into Africa. According to Statistic South Africa, in 2008 the construction industry contributed 3.4 percent to the country's Gross Domestic Product, and showed a huge growth by increasing its value by 79.7 percent from R19.7 –billion in 1994 to R35.4 –billion in 2008. Africa accounts for one percent, while 70 percent of construction investment came from the United States of America, Western Europe and Japan. Capital investment of the developed world is valued at $2 500, as opposed to $46 annually in Africa. High income countries had five hundred and six telephone connections per one thousand people as opposed to sixteen for Sub-Sahara Africa. In terms of roads, 91% of high-income countries are paved compare to 16% in sub-Saharan Africa (South African Construction Industry – status report, Construction Industry development Board, 2004:7).

The South African Construction Industry Development Board (2004:7) highlights procurement related barriers as one of the key contributors to poor quality of construction and include fraud, corruption, cronyism and nepotism, and insufficient information, as well as an inability to find qualified contractors.

It is evident that the construction industry experiences many challenges. As a small medium size construction company, World of Windows, the focus of this research study, is no exception.

The World of Windows Employee Booklet (2007:1) describes the company as a supplier of aluminium windows and doors that strive to provide excellence in every aspect. However, there seems to be a dichotomy, as management believes that employees do not adhere to these standards, while employees believe that they labour on, without proper training, guidance or even knowledge of the company's vision and mission in some cases. Over and above the challenge to provide structure and direction, the company is currently experiencing a difficult period because of the worldwide economic down turn. A large number of World of Windows employees were retrenched in December 2008, February and December 2009, and also in April, June and July 2010, which has led to a high staff turnover. On many occasions staff has highlighted a lack of purpose and value, empowerment, communication and flexibility between the employee and employer relationship. Employees are not committed to producing good results, and do not pride themselves on high standards and quality.

1.2 PROBLEM STATEMENT

Due to the absence of a performance management system, motivation has decreased extensively, which resulted in a decreased employee performance of eight percent between 2007 and 2009.

1.2.1 Sub-problems

The following three sub-problems are reflected as a result of the above main problem.

Firstly, due to the main problem, employees complain that they lack training, guidance or even knowledge of the company's vision and mission.

Secondly, due to the main problem, employees complain that they experience incompetent supervisors.

Thirdly, due to the main problem, managers at World of Windows are under increasing pressure to enhance the organisation's competitive position.

1.3 EXPLANATION OF PROBLEMS

1.3.1 Explanation of main problem: Lack of motivation

On many occasions staff has highlighted the lack of purpose and value, empowerment, communication and flexibility between the employee and employer relationship. These behaviours are typical of an organisation where employees' motivation is lacking.

Furthermore, employees are not committed to producing good results, and do not pride themselves on high standards and quality. Recognition and appreciation to motivate and enhance performance is missing, and is evident in the poor standards and quality of work. These factors emulate from a discussion with Mr Thekwane, a senior manager, in an employment equity meeting. The high rate of staff turnover has destabilized the business and de-motivated those who attempt to maintain levels of service and output.

Another example of the reason for poor motivation is the collective agreement of the Building Industrial Bargaining Council, which stipulates wage increases on a yearly basis (www.bibc.co.za/content). This resulted in employees not being motivated to work towards a personal goal. Management assumes that reasons for not being motivated are: employees are secure in knowing that they will receive increases, as proclaimed by the collective agreement of the Building Industrial Bargaining Council, and are aware that they will not receive merit bonuses.

The lack of motivation has also had a negative effect on absenteeism. Bratton and Gold (2003:435) define labour productivity as the quantity of the major product that the organisation provides and expresses as a rate, that is, productivity per worker. In a manufacturing company such as World of Windows, absenteeism has adverse effects on the productivity of the business. If there are shortages of staff owing to absenteeism, the forecasted target of the expected outputs will be reduced, but pressure will be placed on employees who are present to produce the same quantities. This causes major pressure on staff, and also reduces the employees' morale and motivation. Some of the frustrations lead to increased absenteeism, which in turn, leads to absconding and resignations. This then leads to falling behind on targets and company costs are increased, as they have to pay overtime, which means that employees would be paid at time-and-a-half instead of normal time.

The lack of motivation has finally had an effect on costs. The associated overall cost of staff turnover is high and contributes to poorer company performance. Turnover costs include payroll costs and personnel administration; the direct cost of recruiting replacements (advertising, interviewing, testing), opportunity costs of time spent by the Human Resource Department and line managers in recruitment; costs of introducing replacements (induction training, cost of induction manuals, opportunity costs of time spent by the Human Resource Department and managers in introducing new recruits); direct costs of time spent by line managers and other staff to provide training; loss of output from those that they are replaced in terms of contributions, output, sales, customer satisfaction and support; and losses, which arise from reduced input from new recruits until they are fully trained.

The above-mentioned has major financial and social implications and affects business efficiency. All these negative consequences are most certainly owing to the absence of an effective performance management system.

The sub-problems below, which are presented below, were identified as elements that influence performance negatively.

1.3.2 Explanation of sub-problem One: Employees are complaining that they lack training, guidance or even knowledge of the vision and mission of the company.

World of Windows' vision is to be a supplier of aluminum windows and doors and to provide excellence in every aspect. However, there seems to be a dichotomy, as management feels that employees do not adhere to these standards while employees feel they labour on without proper training, guidance or even knowledge of the vision and mission in some circumstances. This is another example of inefficiency, which is most certainly due to the absence of an effective performance management system.

1.3.3 Explanation of sub-problem Two: Incompetent supervisors

At World of Windows supervisors are recruited internally. An important criterion is that supervisors must know the product. However, they often lack leadership skills and although the company provides the necessary training and mentors, workers still complain. Because of incompetent supervisors, recognition and appreciation to motivate and enhance performance is missing, and is evident in the poor standards and quality of work. All these incompetence's experience by supervisors, are most certainly due to the absence of an effective performance management system.

1.3.4 Explanation of sub-problem Three: Managers are under increasing pressure to enhance the competitive position of the organisation.

The mission of the company is to be a supplier of core products, whilst providing excellence in every aspect. However, owning to employees' lack of motivation to produce quality products, managers are under pressure to keep ahead of intense competition from rivals such as Winlight and Manshur. By remaining static, the company is also in danger of losing its competitive edge, as competitors improve their manufacturing and restoring business processes. This situation is mostly owing to the absence of an effective performance management system.

1.4 RESEARCH QUESTIONS

To solve the problems stated above, the following questions should to be answered:

- What is an effective performance management system for World of Windows?

- How will an effective performance management system benefit the organisation?

- How can the company achieve organisational goals by using a performance management system?

- What barriers hinder the implementation of an effective performance management system?

- How can an effective performance management system motivate employees to enhance productivity?

1.5 OBJECTIVES OF THE STUDY

1.5.1 The main objective

The study aims to find out if there is a relationship between performance management and the lack of motivation that affects organisational performance. If there is such a relationship, the study aims to investigate the possibility of implementing an effective performance management system for World of Windows. The purpose of the study is to provide theoretical insight of what performance management entails, and whether it will be appropriate for an organisation such as World of Windows.

1.5.2 The sub-objectives

The three sub-objectives are as follows:

Firstly, to determine how a performance management system can be used to address the lack of training, guidance, and to reinforce the company's vision and mission.

Secondly, to determine how a performance management system can be used to address the problem of incompetent supervisors that affect performance.

Thirdly, to determine how a performance management system can assist managers at World of Windows to enhance the competitive position of the organisation.
 (See Annexure B and C for the questionnaires).

1.6 DELIMITATION OF THE RESEARCH

This study only focuses on the main branch of World of Windows, which is in the Western Cape. Managers, supervisors, artisans, general workers and the Finance Department participated in the research questionnaire.   The research began in 2009 and was completed in 2013.

1.7 RESEARCH METHODOLOGY

1.7.1 Research approach

The qualitative analysis method was chosen for this study. The rationale behind the use of the qualitative research method for this study stems from the need to record experiences and views from individuals regarding performance management. Mouton (2001:194) describes the descriptive survey as concentrating on an insider view to stay close to the subject, rather than an outsider view. Other major influences that played an important role in choosing this particular method originates from various authors such as Bless and Higson-Smith; Quinlan; Mouton; Denscombe; Henning, van Rensburg and Smit as well as Gravetter and Forzano.   One of the major distinguishing characteristics of qualitative research is the fact that the study attempts to understand people in their immediate environment Bless et al. (2000:37).

For the purpose of this study, the quantitative research method was inappropriate, as according to Quinlan (2011:363), it focuses on presenting numeric data and the investigation of an effective performance management system draws on non-numeric data, which presents the feelings and beliefs of employees regarding performance management. Mouton (2001:161) regards the qualitative research method, which is also known as the naturalistic evaluation approach, is descriptive, and evaluates performance programmes in their natural setting and it concentrates on the process of implementation rather than on quantitative outcomes. Mouton (2001:194) describes the descriptive survey as relying on an insider view to stay close to the subject, rather than on an outsider view. Having made this point, the term "positivism"

is described by Denscombe (2010:121) as an effort of natural science to understand phenomena. Furthermore, Henning et al. (2004:3) note that qualitative research enquires about how the characteristics of a phenomenon, in this case performance management, can be better understood and explained. Another reason why this method was chosen this qualitative research was because, according to Gravetter et al. (2009), involves a written version of what was noted and observed to describe and interpret the phenomenon that is studied.

A written questionnaire with open-ended questions was designed to gather the necessary data concerning the needs, understanding and acceptance of a performance management system. Respondents remained anonymous, which encouraged them to reply honestly.

1.7.2 Population and sample

It would not be practical and economically feasible to involve all employees (target population) at World of Windows, Cape Town, in the research project. Consequently, the study aimed to use a randomly representative sample, which comprised managers, supervisors, artisans, general workers and the Finance Department. This research asked for the probability sampling method, as it has the capacity to provide an accurate generalisation of the sample, which represents the population; the gathering of data is less time and cost consuming; and it is also convenient (Bless *et al.*, 2000:84). One hundred and fifty questionnaires were distributed to the company's Operations and Administrative Departments. For the purpose of the study, fifty weekly paid workers of different divisions, including supervisors and seven managers, respectively, were contacted. As the construction industry is characteristically a male-dominated sector in terms of employment at all levels (Haupt and Smallwood, 2005), most of the candidates are, therefore, males. Each person was informed individually of the study, and was advised on how to complete the questionnaire.

Chapter Three provides the reader with a comprehensive version of the research methodology, data collection and ethical considerations.

1.8 OTHER MEANS OF INFORMATION COLLECTION

A vast collection of relevant books, journals, electronic information, as well as documents were used to access the body of knowledge. The rationale behind this collection of information was to establish a theoretical basis on the subject of

performance management, in general, designed for an organisation in the construction industry in South Africa.

1.9 OVERVIEW OF THE STUDY

The study comprises the following chapters, which are outlined below.

Chapter One: This chapter introduces the background of the study and outlines the problem statement, research questions, objectives, and the description of the methodology that was used, as well as the delineation of the study, and expected outcomes of the study.

Chapter Two: Literature review. In order to understand the subject of the study, this chapter provides a review of the literature, which relates to performance management.

Chapter Three: Discusses the research methodology, which was employed for this study.

Chapter Four: The results of the study and analyses of the results are presented and discussed in this chapter.

Chapter Five: The chapter draws conclusion of the data analysis and provide recommendations.

Chapter Six: The research study is summarized in this final chapter.

The rest of the dissertation contains a list of references and annexures.

1.10   SUMMARY

This chapter introduces a background of the study and outlines the problem statement and sub problems; research questions; objectives; and a brief description of the methodology that was used; delineation of the study; and expected outcomes of the study. The aim of the study is to determine if there is a relationship between performance management and organisational performance owing to a lack of staff motivation. If there is such a relationship, the study aims to investigate implementation of a performance management system for a selected company in the

construction industry. The chapter also includes an outline of Chapters Two, Three, Four and Five.

CHAPTER TWO
LITERATURE REVIEW

2.1 INTRODUCTION

Chapter Two presents a theoretical account of performance management as it occurs in the workplace. The historical development and background of performance management is discussed with reference to the traditional performance appraisal method. Accordingly, different perspectives from practitioners and organisations of performance management are explored to provide insight about what performance management entails. Focus is placed on the planning, measuring, evaluation, training and the reward components of the performance management process. The literature review also outlines the aims, advantages, disadvantages and challenges pertaining to performance management. Additionally, different evaluation methods and performance measurement methods were investigated to provide an in-depth understanding of the topic. The background and overview of the selected company in the construction industry, is also discussed.

2.2 DEFINITION OF CONCEPTS

Performance management

Lebas (cited in Millmore, Lewis, Saunders, Thornhill & Morrow, 2007:318) defines performance management as a process that involves training, teamwork, management style, attitudes, shared vision, employee involvement and rewards. Millmore *et al.* (2007:317) refer to performance management as a range of activities that is needed to improve organisational performance.

Performance measurement

Evangelidis (cited in Kagioglou, Cooper and Aouad 2001:2) notes that performance measurement is used to determine how successful organisations or individuals have been in achieving their goals. Armstrong (2006:146) defines performance measures as a process that is concerned with inputs and outputs: inputs involve the knowledge, skills and competencies, which are required to reach the expected results; and outputs involve meeting targets, standards or indicators.

Performance appraisal

Millmore *et al.* (2007:528) define performance appraisal as a process that entails the evaluation of an employee's performance and progress. Based on the employees, performance feedback is provided. Hence, Kirkpatrick (2006:17) defines performance

appraisal as a method, which is used to evaluate and judge or estimate how well a job has been done.

Data analysis

De Vos (2002:239) describes data analysis as a process that provides meaning and structure to a vast collection of data. Mouton (2001:108) defines data analysis as the breaking up of data into themes, patterns, trends and relationships that are manageable.

Qualitative analysis

Mouton (2001:161) defines the qualitative or naturalistic evaluation approach as a process that describes a phenomenon in a specific place. Qualitative analysis concentrates on the process of implementation rather than on quantitative outcomes.

Questionnaire

Goddard and Melville (2001:47) define a questionnaire as "a printed list of questions that respondents are asked to answer." The questions can be open-ended or close-ended.

Open-ended questionnaire

Millmore *et al*. (2007:530) defines an open-ended questionnaire as a list of questions that gives respondents an opportunity to express their feelings.

Management by objectives

Robbins, Odendaal and Roodt (2003:151) define management of objectives as a process where management and employees set goals that are: measureable, tangible and verifiable. Snell and Bohlander (2007:356) define management by objectives as a process that rates performers on the basis of employee accomplishment of goals, which have been agreed upon by management and the employee.

Values

The South African Concise Oxford Dictionary (2002:1298) defines values as principles or standards of behaviors.

Benchmarking

Ross (2010:200) defines benchmarking as a process which compares performance (process, project, team or individual) with what is considered as a standard best practice and is driven by cost, cycle time, productivity or quality.

Pay-for-performance standard

Snell *et al.* (2007:380) define the pay-for-performance standard as a standard by which managers link compensation to employee effort and performance.

Variable pay

Millmore *et al.* (2007:533) define variable pay as the amount of an employees' salary or wages that varies according to a variety of factors such as performance bonuses.

2.3 THEORETICAL OVERVIEW OF PERFORMANCE MANAGEMENT

According to Kagioglou *et al.* (2001:1), over the past twenty years a number of industries, primarily manufacturing such as engineering/construction came forth with new ways to improve performance, for example, by lean production/construction and time and quality management. The aim behind these concepts is to enhance an organisation's performance internally and externally within its specific marketplace. These concepts have led to the "rethinking" of performance management systems through effective performance measurement. For the purpose of this study, best practices for performance management systems from both theoretical and real world perspectives, are identified.

2.3.1 Historical background of performance management

Armstrong (2006:1) states that formal performance appraisal began before the First World War (1914-1918), and branched out to the British army and factories. In the 1930s appraisals were regarded as incentive-linked schemes to determine promotion. In the 1950s feedback was based on ratings and personality traits. Mashabela (2010:2) emphasises that the supervisor's role in such a scenario is to provide trait-related questions that stem from job analysis in order to decide whether to retain, train, reward or promote employees. In contrast, McGregor (cited in Armstrong, 2006:1) prefers the assessment of job performance against goals instead of appraising personality.

Mashebela (2010:2) mentions that the ancient appraisal process did not embrace planning, program design and implementation or the involvement of management.

Bodaken and Fritz (cited in Mashabela, 2010:2) argue that deficient performance "is confirmed or abnormal, a once-off occurrence, or it is the *modus operandi*." Both scenarios could be learned from. The remark by Armstrong (2006:142) is true that performance management has come a long way to provide an integrated and continuous strategy from previous independent and often incompetent rating and performance appraisals. Figure 2.1 below illustrates differences in performance appraisal and performance management. Williams (2006:1) regards performance management as an extension of the appraisal system, which is associated with the assessment of work, the balanced scorecard, performance related pay and development plans.

Figure 2.1: Performance appraisal versus performance management

PERFORMANCE APPRAISAL	PERFORMANCE MANAGEMENT
1. One person is involved assessing performance.	More people are involved discussing.
2. It is done once a year.	Continuous reviews are done with one or more formal reviews.
3. Utilised ratings to appraise employees.	Performance management assesses work done.
4. The process is inflexible.	The process is adaptable.
5. Is based on measurement of goals.	Is based on performance and the measurement of goals.
6. Performance appraisal is associated with rewards.	Performance management is related to performance-related pay.
7. Performance appraisal asks for extensive documentation, which can be confusing.	Consists of minimal documentation.
8. Performance appraisal is regarded as a Human Resource function.	Performance management is the responsibility of line managers.

(Adapted from Armstrong and Baron, 2005)

According to Coens and Jenkins (2000:12), the Latin word *pretaire* means *appraise,* which means to value. According to Snell *et al.* (2007:37), it is essential to have a performance appraisal programme, which clearly states objectives, which determine the contribution of each employee. Bratton and Gold (2003:249) provide a description of performance appraisal as: "A process that provides an analysis of a person's overall capabilities and potential, allowing informed decisions to be made for particular purposes. An important part of the process is assessment, whereby data on an individual's past and current work behaviour and performance are collected and reviewed. Price (2000:286) asserts that performance assessment has a long history based on a comparative judgement of human worth. Snell *et al.* (2007:137) note that the requirements related to a job description provide the criteria for evaluation. In

order for performance appraisal information to serve its purpose, the criteria should be specific and job-related; otherwise it could be viewed as discrimination.

Shepard (2005:4) regards the following as written evaluations: verbal and written warnings, suspensions, decision-making leaves; personal improvement plans, probation, increases, promotions and bonuses. Shepard (2005:5) refers to General Electric that conducted a study in 1960 on the essence of performance evaluations and proved that performance evaluations do work if administered effectively. Properly administered performance evaluations assist with decision making in terms of retrenchments; promotions and increases; determining training needs; improving substandard performance; measuring progress and growth; and involving employees in setting goals and providing coaching on a daily basis.

Snell *et al.* (2007:75) regard assessing effectiveness as the final step in the planning process, but also the first step, as evaluation provides inputs into the next cycle in the planning process. When one starts the circle in the planning process, Wilson (2005:182) asks the following questions in relation to organisational learning, performance improvement and progress:

- What did we achieve?
- What would we change?
- What are the weak areas?
- How can we improve those areas?
- What evaluation methods can we use?

According to London (2003:78), the performance appraisal process involves the following key people, namely: the manager, subordinate, and the team of subordinates. These social interactions play a major role in estimating how well a job has been done. The two main functions of the performance appraisal, according to Nel, van Dyk, Haasbroek, Schultz, Sono, and Werner (2004:103), are to provide better payment for the best performer and to identify strengths and weaknesses for development. With regard to payment, Nel *et al.* (2004:103) note that each individual should be judged based on his or her accomplishments, and not how the person compares with another person. The development phase is more complicated and includes assessing the skills, knowledge and behaviours that add to the performance results. Grobler, Carell, Elbert, Hatfield, Marx and van der Schyf (2006:10) assert that employees want to know how well they perform their jobs. Therefore, Ban and Riccucci (2002:187) emphasise the importance of using performance appraisals to determine in which aspects the employee performs well, and which area needs improvement.

The uneasiness of managers to conduct performance appraisals is also stressed by Max and Bacal (2003:3), when they argue that although performance appraisal is not a task that managers enjoy, it is an essential part of a manager's job. However, performance appraisals have many advantages. Various other authors' views were explored, for example, McDavid and Hawthorn (2006:282) mention that feedback, using performance measures, can be twofold: making adjustments to the process that produces outcomes and reporting the actual results to stakeholders. Coens *et al.* (cited in Mashebela, 2000:224) argue that "appraisals spuriously pose a fair and objective instrument in evaluating someone's performance".

Armstrong (2006:128) presents the primary uses of performance evaluations, which were done by the United States of America and South Africa in 2001 in Figure 2.3 below.

Figure 2.2: Primary uses of performance evaluations

Use	United States of America	South Africa
1. Compensation or performance related pay	85,6%	68,5%
2. Performance feedback	65,1%	-
3. Personnel planning or organisation of work	43,1%	55,8%
4. Promotion	45,3%	83%
5. Career development	-	83%
6. Training or training needs	64,3%	69/85%
7. Research	17.2%	-

(Adapted Armstrong, 2006:128)

2.3.2 Defining performance management

According to Neely, Adams and Kennerly (2002:1), many organisations experience confusion and uncertainty, as they do not understand what performance management entails. Neely *et al.* (2002:1) emphasise the statement by using the following quote from "Alice's Adventures in Wonderland" when Alice asks the cat for directions.

"Would you tell me, please, which way I ought to go from here?"
"That depends a good deal on where you want to get to," said the Cat.
"I don't much care where" said Alice.
"Then it doesn't matter which way you go," said the Cat.
"So long as I get somewhere," Alice added as an explanation.

Neely *et al.* (2002:1) conducted research to determine the level of understanding of performance management. The following findings were made: the anecdotes referred to two senior managers who work extremely close together, and who have radically different perceptions of performance. The first scenario involves a managing director who explained how he felt the business could win orders, and quoted: "*You have to understand that our customers are all extremely demanding. We are competing at the high quality end of the market place. When we deliver doors and window frames, we have to exceed customer expectations. There can be no knots in the wood. The colour matching must be perfect. Of course, delivery on time is important. You can't have thirty builders standing around on site waiting for the door frames to arrive, but we would never sacrifice quality for delivery."*

The second scenario involves the manufacturing director answering the same question – how do you win orders? "*The industry is all about working to schedules. Our customers have clear construction schedules and they always let us know when they need us to deliver the door and window frames. If we are ever late, all hell breaks loose. So it is essential that we deliver products on time. Quality, in terms of exceeding the customer's specifications, is also important, but our first priority is to meet the schedule."* When the manufacturing director was asked why his perception differed to that of the managing director, his immediate reaction was: *"The managing director is lying. He does not think that quality is more important than delivery. He might say he does. He might even believe he does. But whenever he talks to me he always asks about delivery. Delivery is his number one priority."*

Thus, the conclusion that can be drawn from the above-mentioned quotes illustrates a lack of understanding of the company's vision, mission and objectives. A proper performance-based measurement strategy, according to Gaes, Camp, Nelson and Saylor (2004:1), is often linked to a goal, objective or target. Therefore, an understanding of performance management within a construction company should originate with the goals and objectives cascading from the mission of the company. This argument is supported by Swanson (2007:58) who states that strategies, which are not always clear often results in being ineffective and irrelevant. Furthermore, Swanson (2007:58) and Armstrong (2004:500) both believe that most employees want direction, and the freedom to get their work done, as well as encouragement and not control. They recommend performance management as a strategy that can provide individuals with both structure and direction.

2.3.3 Perceptions of performance management

According to research, which was conducted by Armstrong *et al.* (2005), practitioners had the following to say about performance management:

- At Centrica, practitioners expect line managers to regard performance management as a contribution to managing their teams instead of being a chore;
- At Halifax BOS, coaching, guiding, motivating and rewarding colleagues as part of performance management resulted in recognising potential and improving organisational performance. It built on excellent leadership and high quality coaching relationships between managers and teams; and
- The Scottish Parliament regards performance management as a yardstick for their values, and an aspect which is relevant to the purpose of the organisation.

Furthermore, Armstrong *et al.*'s (2005) research support the survey, which was conducted by the Internal Revenue Service in 2003 on how organisations perceive performance management. Some organisations had the following to say about performance management:

- Performance management empowers, motivates and rewards employees to do their best - *Armstrong World Industries;*

- Performance management directs assignments correctly and aligns individual goals to the goals of the organisation - *Lilly & Co.;*

- Performance management concerns managing and resource performance against agreed accountabilities and objectives - *ICI Paints;*

- Through performance management, the process and behaviors by which managers manage the performance of their people shows dividends in having a high-achieving organization - *Standard Chartered Bank;* and

- Performance management maximizes the potential of individuals and teams to benefit themselves and the organisation by focusing on the achievement of their objectives - *West Bromwich Building Society.*

Various authors such as Kagioglou *et al.* (2001:2) and Millmore *et al.* (2007:332) refer to performance management as a systems model. Millmore *et al.* (2007:332) believe that a systems model highlights the inputs, outputs and all the processes that are involved in performance management. Referring to Figure 2.2 on the next page, Millmore *et al.* (2007:332) explain inputs as, for example, employees' skills, behaviors and attitudes that are an integral part of the performance management systems model; these skills, behaviors and attitudes are considered in the review, measurement and feedback processes. Furthermore, performance management has a significant role to play in delivering Human Resource outputs, as it focuses on enhancing skills, behaviors and attitudes.

Figure 2.3: The performance management systems model

Inputs	Processes	Human Resource outputs
- Stakeholders - External and internal contexts, including organisational strategy - Employees skills, behaviours and attitudes - Previously set objectives - Internal policies and procedures - Psychological contract	- Reviewing past objectives - Performance measurement - Giving performance feedback - Setting fresh objectives	- Enhance skills, behaviours and attitudes - Performance targets - Performance improvement plan - Pay awards - Career - Promotion plan - Create a performance culture

(Adapted from Millmore et al. 2007:332)

Wilson (2005:17) views performance management as "an assessment of work through an appraisal system, which could result in career development, compensation and promotion, movement within the organisation, and sometimes even termination of employment." Importantly, it links the performance of the individual with the objectives of the organisation. Nel, van Dyk, Haasbroek, Schultz, Sono and Werner (2008:493) identify the aims of performance management, which are presented below:

- To clarify and communicate organisational strategic goals;
- To align individual and group goals with organisational goals;
- To monitor and measure individual and group performance;
- To identify and report changes at an early stage;
- To develop action plans to correct deviations;
- To coach and mentor individuals and groups;
- To review individual and group performance; and
- To re-evaluate organisational processes.

However, performance management processes may fail. Thomas (2007:68) regards obstacles in the performance management process such as excessive data collection; lack of support from management or the absence of leadership to maintain the process; lack of training, incentives or penalisation for complete or incomplete performance management processes for managers as the main reason why performance management processes fail.

The Code of Good Practice on the Integration of Employment Equity into Human Resource Policies and Practices (South Africa, 2005:11) provides guidelines to eradicate barriers to effective performance management. It stipulates that an employer should ensure the following:

- Managers receive coaching and diversity training in order to objectively and consistently manage performance and provide honest feedback, whilst being sensitive to employee differences;

- Managers understand and are able to properly implement the performance management system; and

- Managers are able to provide the necessary coaching, mentoring and support in order to motivate employees towards performance excellence;

- The performance management system could also measure and incentivise managers for their leadership, mentoring and diversity skills, as well as for achieving employment equity objectives;

- By incorporating review processes, which may apply measures that relate to competencies of managers in diversity management, including feedback from employees and peers;

- Develop clear learning objectives for all employees, particularly from designated groups. This should be linked to the acquisition of additional skills and competencies for challenging positions into which employees may be promoted or transferred; and

- Ensure that the performance management system is linked to the inherent requirements of the job, and is free of any unfair discrimination.

2.4 MANAGING PERFORMANCE

2.4.1 Planning work and setting expectations

Nel *et al.* (2008:498) mention that planning is the key to an effective performance management process. Planning involves the setting of performance expectations and goals for groups and individuals to channel their efforts towards achieving organisational objectives. O'Callinghan (2005:4) is adamant that inappropriate goals, which do not contribute to long-term strategy achievements and stakeholder requirements, will sabotage the process. An example of planning is management by objectives. According to Price (2000:302), management by objectives is a technique, which is used to establish individual objectives. Individual objectives are derived or cascaded from an organisation's objectives. The objectives are tangible, measurable and verifiable, and are linked with the strategic planning, which forms a key element in Human Resource management. Top managers agree with their own specific objectives, which are compatible with the organisation's goals, but are restricted to their own areas of responsibility. Subordinates do the same at each lower level, forming an interlocked and coherent hierarchy of performance targets. Price (2000:302) notes that an employee is evaluated on how well he or she accomplishes a specific set of objectives that have been determined to be critical in the successful completion of their jobs. Therefore, management by objectives can also be regarded

as a strategy that can be used to measure performance through the appraisal process, and hence link individual and managerial goals to organisational goals.

According to Lloyd (2009: 49), management by objectives has the following benefits:

.

- The method helps to build relationships between managers and employees, as the process includes a great deal of contact and communication between managers and their employees, which builds camaraderie, communication and trust – all key elements in strengthening teamwork;

- It fosters an atmosphere of respect and trust within a given department and beyond;

- Management by objectives improves the quality of decision making and problem solving when problems occur;

- The method is fair as employees are evaluated on the basis of their performance and attainment of goals, which is regarded as fair and energising;

- The method is quick and easy;

- The performance evaluation forms are easy to complete, and spells out each objective, as established at the beginning of the cycle and then provides a space for the manager to summarise the results; and

- Management by objectives forms also include a scale that asks for a numerical assessment of the employees' success in meeting their goals.

Nel *et al.* (2008:498) maintain that getting employees involved in the planning process will help them to understand the goals of the organisation, what should be done, why it should be done, and how well it should be done. Martin (2009:61) notes that before performance can be planned, the role and requirements of the job should be defined. Hence, key performance is highlighted and converted into objectives, which are reviewed periodically. To ensure the achievement of organisational objectives, Werner and DeSimone (2006:391) stresses that an effective performance management system must have the following in place:

- The organisation's culture and values;
- Senior management's commitment and participation;
- How performance will be measured;
- How employees' key performance indicators will be linked to pay;
- Equipped managers to manage performance in a non-discriminatory and fair manner that encourages development;
- Managers that are trained to evaluate, coach, set goals, give feedback and link performance to rewards;
- A performance management system that is linked to the organisation's compensation and rewards system;
- Employees must know their job expectations and how they will be developed;
- The web-site application that will be utilised to administer the performance; and

- Regular updates must be scheduled for the upgrade of the performance management system to ensure that the system is effective.

According to O'Callinghan (2005:5), planning should include key value drivers such as shareholders, customers and employees who are the stakeholders of the company. Once the key drivers are identified, it is necessary to determine who will be accountable for the process; what the process; when the process will start; and how performance will be measured. Furthermore, O'Callinghan (2005:5) suggests that to have an effective performance management system, a cascading model should be followed (See Figure 2.4 below).

Figure 2.4: Cascading model for performance management
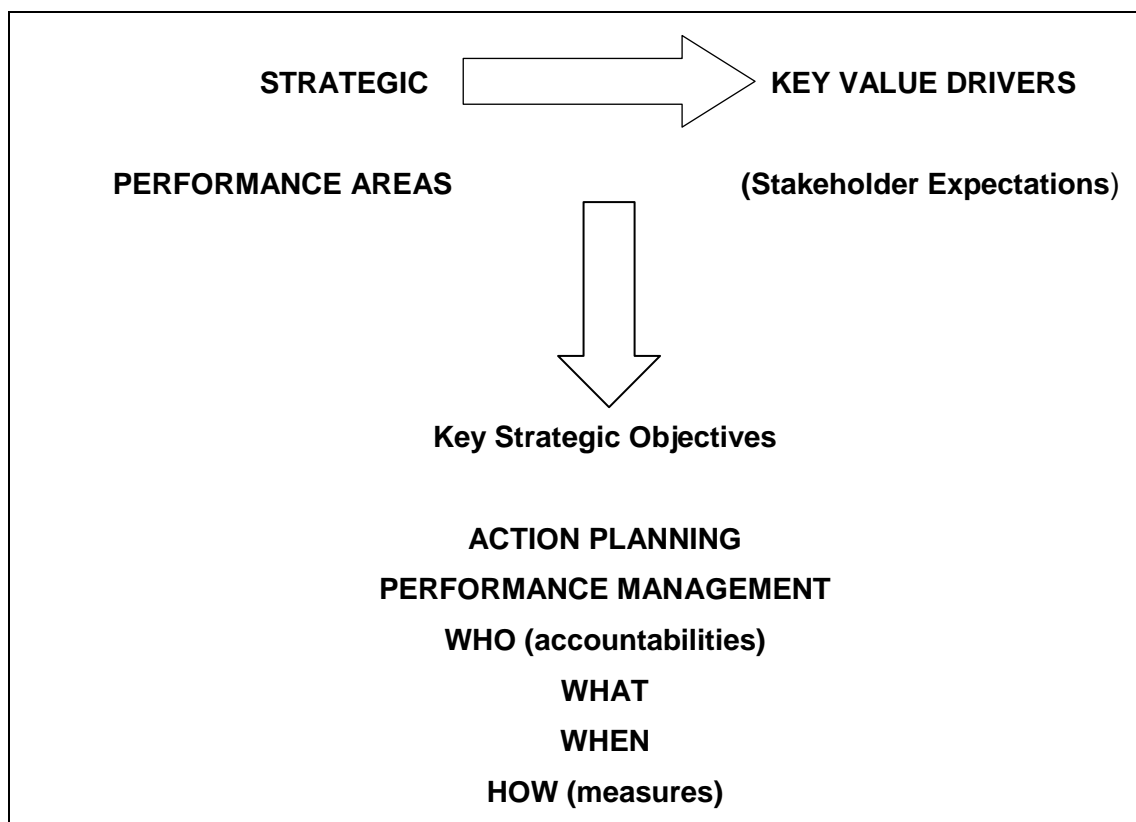
(Adapted from O'Callinghan, 2005:5)

O'Callinghan (2005:5) also maintains that flowing from the strategy and key value drivers, it is important to define the following:
- Key performance indicators;
- Objectives; and
- Targets.

Ross (2010:36) indicates that it is not unusual for people who are not part of management to be ignorant about the strategy of the company, its effectiveness and

how it impacts them on a daily basis. The outcome is operational inefficiency and that the company cannot compete with the market. Therefore, numerous authors strongly emphasise the importance of goals or targets and objectives for future performance. Firstly, Ross (2010:11) suggests that drafting a written plan for the year affirms the key performance objectives', stating clearly what it is that should be achieved with a detailed key performance for each objective. Robbins and Coulter (2003:136) argue that goals keep employees in line with the company's vision, and serve as encouragement to manage time, money and human resources. Ross (2010:36) states that in order to monitor progress and success, goals should translate into a range of key performance indicators. Key performance indicators can be used to link the vision of the company to individuals who drive performance, and that it should be part of their daily routine. Employees will know what their priorities are and what are not, and concentrate on the key performance indicators that have the biggest influence on what they are trying to achieve. In other words, employees will know exactly where they stand, what the bottlenecks are, and how to eliminate them. Robbins *et al.* (2003:136) argue that goals keep employees in line with the company's vision, and serve as encouragement to manage time, money and human resources. Kagioglou *et al.* (2001:6) mention the following indicators that the United Kingdom construction industry uses for their "performance scorecard."

a. Client satisfaction – product;
b. Client satisfaction – service;
c. Defects;
d. Predictability – cost;
e. Predictability – time;
f. Profitability;
g. Productivity;
h. Safety;
i. Construction costs; and
j. Construction time.

These indicators, according to Kagioglou *et al.* (2001:6), are used by companies to benchmark itself against the national performance of the industry and highlight weak areas that need to improve. Each key performance indicator is aligned to the overall company and team strategic frameworks, and in total they make up a balanced set of financial and non-financial indicators, as well as current and predictive indicators. Ross (2001:37), furthermore, mentions that the four categories of key performance indicators that make up the "balance scorecard" are financial; customer; operational; and learning and growth paths. Each key performance indicator is, according to Robbins *et al.* (2003:136), **SMART**: **Specific** – the more precise the objective, the more likely it will be achieved. In setting clear targets over- and under-performance can be identified at an early stage and dealt with: **Measurable** – the general

approach is: "if you can't measure it, you can't do it." Cost, quality, quantity and time should be measured; **Achievable** – research on goal setting theory indicates that people who set specific, challenging goals consistently outperform people who have easy or unspecified goals; **Results-orientated** or prioritised – the placing of goals in order of importance allows for effective decision making regarding the allocation of resources. The key concern is to achieve top priority goals by means of outlining all activities into action plans; and to set **Target dates,** which are accepted and agreed upon by all involved. Robbins *et al.* (2003:136) believe that **SMART** objectives clarify expectations for employees and make the performance review process more transparent and open.

Performance measurement

Apart from being a vehicle for culture change, performance management could also be regarded as a method, which is used to measure and improve employees' effectiveness by providing feedback. According to Armstrong (2006:146), key elements regarding measuring performance are:

- an objective or standard for the work that is performed;
- the objective or standard should be communicated to the worker;
- the worker knows how to do the work associated with the objective or standard; and
- the worker is given periodic feedback, including encouragement on progress towards meeting the objective(s) or standard(s) of the job.

Marr (2006:98) quotes the philosopher, Philolaus, of the second century B.C.:"You can't manage anything, unless you measure it". The point that Marr (2009:98) highlights is the importance of knowing what the performance of a programme should be, and how to measure it. According to Kagioglou *et al.* (2001:4), an effective performance management system needs performance inputs, outputs and processes to determine how to improve performance, as illustrated in Figure 2.2. Poister (cited in Marr, 2009:98) mentions that when performance measurement systems are designed and implemented effectively, the status of the performance of the organisation can be determined by providing objective, pertinent information through feedback. Furthermore, such information is, according to Poister (2003:15), crucial to assist management with decision making, achieve results, improve overall performance and increase accountability.

Various authors show interest in performance measurement and highlight the benefits and potential pitfalls thereof. Marr (2006:100), amongst others, assesses the effectiveness and efficiency of measurement by asking:

- Are we measuring the right things? and
- Are we using the right measures?

Letza (cited in Kagioglou *et al.,* 2001:4) emphasises the importance of measuring the "right thing right", and not the "wrong thing right", when the aim is to design components, which do not involve strategy. Ghalayini and Noble (cited in Kagioglou *et al.,* 2001:4) believe that some organisations obtain huge numbers of performance components where everything is measured, but it is not of much value. This is regarded as non-essential and costly when it comes to capturing and managing data. Langdon (2000:540) mentions that to speculate what to measure in order to improve business efficiency is less fruitful and precise than deliberate measurement of the right things. According to Neely *et al.* (cited in Kagioglou *et al.*, 2001:4), the way to measure performance is to do with the input, process and output of elements, as illustrated in Figure 2.2. Therefore, according to Neely *et al.* (cited in Kagioglou *et al.*, 2001:4), based on research and case studies, to support the system, a performance measure record sheet, which has a solid framework, was invented with the following:

a) Title;
b) Purpose;
c) Relates to;
d) Target;
e) Formula;
f) Frequency of measurement;
g) Frequency of review;
h) Who measures;
i) Source of data;
j) Who owns the measure;
k) What do they do;
l) Who acts on the data;
m) What do they do, when acting on the data; and
n) Notes and comments.

However, Kagioglou *et al.* (2001:4) mention that it is not a given that such a framework will be able to evaluate performance measures, which relate to different strategies. Poister (2003:100) has the following reservations about performance measures to ensure that a performance measure is implemented effectively:

- Set measures that are qualitative or quantitative;
- Have an even distribution of elements to ensure stability;
- It is appropriate to use data that is valid, reliable and accurate;
- It is necessary to include an appropriate number of measures;
- It is important to make sure that cost is balanced against benefit; and
- To ensure that measures are repeatable for consistent use.

The role of performance measurement

Snell *et al.* (2007:81) note that as an element of evaluation, measurement helps to assess the extent to which the organisation has achieved its objectives. In order for performance measurement to work most effectively, use of performance measurement should be based on regulatory requirements. The following

recommendations are derived from the Labour Relations Act of 1995 to monitor performance:

- Regular reviews should be conducted with employees whilst comparing their performance against their work standards; and
- Reviews should be twofold: firstly, it should reveal how employees are progressing in meeting their objectives; and, secondly, it should provide an opportunity to discover problematic work standards and unacceptable behavior and then deal with it, accordingly.

Furthermore, Meyer (2002:3) identifies seven purposes of performance measures: look back; look ahead; compensate; motivate; roll up; cascade down and compare. Conversely, Marr (2006:98) mentions key reasons for organisations to measure performance, which are to:

- Check position – measures should be established in order to define strategies or plan improvement initiatives. Measurement makes it possible to benchmark against other companies. Once the company's position is established the process can be monitored;
- Communicate position – measures allow for voluntary or legislative communication. Legislative requirements such as taxation and accounting force organisations to produce annual reports;
- Confirm priorities – measures in place allow organisations to highlight priorities; and
- Compel progress – measures influence peoples' behaviour and attitudes.

Research on measurement, which was conducted by Armstrong (2007), emphasises the following:

- Employees tend to focus on the measurement side of the process, because that is what they see.
- Getting the measure or the measurement process wrong is de-motivating, while getting it right is not always motivating.
- The opportunities for getting it wrong are many, for instance, the lack of transparency; managers that tend to be inconsistent; and the perplexity of using ratings and rankings to evaluate performance.
- Measurement is regarded as a hygiene factor and, therefore, it is assumed that it will fail.
- Discussions about rating, ranking and quotas can have a negative influence on a performance management systems ability to provide effective feedback, motivation and performance improvement.

Models to measure performance management

Millmore *et al.* (2007:318) mention two performance measurement approaches to measure performance, namely the European Foundation for Quality Management and the Balance Scorecard.

The Chartered Management Institute (cited in Millmore *et al.,* 2007:318) mentions that the European Foundation for Quality Management, in the past, was referred to as a Business Excellence Model, which derives from quality management. The European Foundation for Quality Management argues that excellent performance

depends on customers, employees and society's perceptions of the organisation. The model aims to improve businesses by recognising deficiencies, as well as strengths and considers benchmarking against other organisations. When applied in an organisation, the European Foundation for Quality Management model concentrates on the following:

- Leadership, communication, empowerment and suggested changes for improvement;
- Policy, strategy and to establish organisational values, vision and goals;
- Manage people and focus on skills to improve the business;
- Promote partnership and resources effectively to contribute to the achievement of goals;
- Focus on processes to deliver products and services to customers;
- Focus on the need and expectations of customers ;
- Focus to improve the image of the organisation; and
- Focus on the impact of financial results, and how to meet and review targets.

Ritter (cited in Millmore *et al.,* 2007:132) mentions that the Balanced Scorecard was developed in 1990 are is an improvement on the previous management approach. It is also regarded as a measurement system and communication tool.

The advantages of the Balance Scorecard, as emphasised by Kaplan *et al.* (cited in Millmore *et al.,* 2007:319) include the following:

- It reflects on the performance of the organisation, makes reference to finances, and draws on internal and external sources;
- It concentrates on the vision of the company and encourages employees to embrace established goals; and
- It provides feedback about internal business processes and external outcomes in order to improve performance.

The Balance Scorecard represents four facets namely financial; customer; internal processes and learning and growth (See Figure 2.5). In the past, the Balanced Scorecard represented traditional financial measures that were appropriate for companies where long-term investments and customer relationships were not essential for success. Hence, the perception of financial measures has changed and companies realised the importance of investing in customers, suppliers, employees, processes, technology and innovation to enhance their businesses. The Balanced Scorecard model features how to link human resources results to measures such as: profitability and shareholder value (Kaplan *et al.,* cited in Millmore *et al.,* 2007:319).

In the construction industry, measures that aim to improve the performance of construction also changed (Motwani cited in Kagioglou et al., 2001:6). In the 1990s, time and quality management, benchmarking, business process re-engineering and business process management changed the concept of lagging towards leading

indicators of performance (Koskela, Mahamed and Kagioglou, cited in Kagioglou *et al.*, 2001:6). For example, in the construction industry, the creation of the product and the product as a facility, should be ascertain if the product is a success or a failure (Kagioglou *et al.,* 2001:5). Marr (2009:100) mentions that in the United States of America, to assess the success or failure of a product, performance should be evaluated on the client's objectives of quantity; cost; time; or quality. However, the yardsticks of cost, time and quality do not have the ability to separately provide a view of the project's performance (Mohsini and Davidson, cited in Kaglioglou *et al.,* 2001:5).The assessment of the objectives of cost, time and quality is only at the end of the project; therefore, it is regarded as "lagging" the process of performance and not "leading" it. These factors also play a role in the procurement stage (Ward *et al.,* cited in Kagioglou *et al.,* 2001:5). For the sake of this study, as World of Windows manufactures aluminium doors and windows for the construction industry, the focus is on the creation of the product.

It is evident from the above that true performance cannot be determined by traditional methods. Therefore, Kagioglou *et al.* (2001:5) note that methods that are used in construction projects would rather impact management actions from the following three perspectives of the balanced scorecard, and asked questions accordingly, namely:

1) Financial – how do shareholders see the organisation?
   For example, cash flow forecasting and cost benefit analysis;
2) Customer – how do customers see the organisation?
   For example, quality assurance; and
3) Internal processes – what must the organisation excel at?
   For example, do a critical path analysis.

The Balanced Scorecard is presented on the next page.

Figure 2.5: The Balanced Scorecard
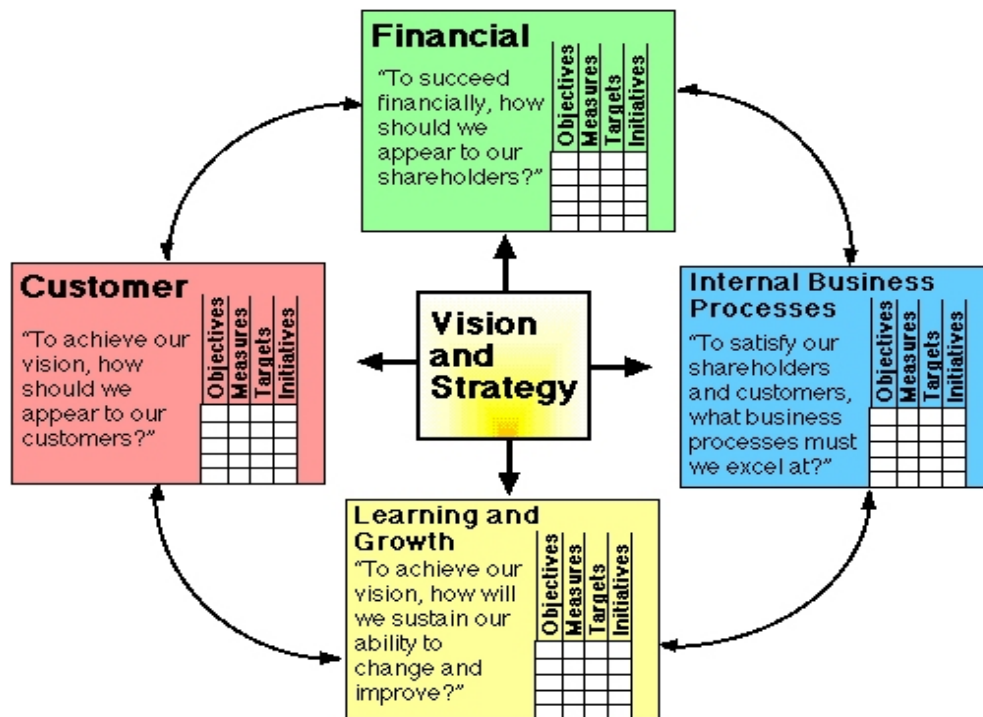
(Adapted from Kaplan and Norton, 1996:9)

The fourth perspective of learning, as indicated in the balance scorecard, is absent in the construction industry. According to Kagioglou *et al.* (2001:6), the reason is owing to the short duration of the involvement of different contractors in the completion of a construction project. Managers may know what the end result should be, but they cannot tell employees exactly how to achieve that result, as the conditions in which employees operate constantly change.

2.5 METHODS OF PERFORMANCE EVALUATION

According to Snell *et al.* (2007:348), the performance appraisal criteria, involves measuring traits, behaviours or tasks. Therefore, for the purpose of the study, it is important for managers to have an understanding of what traits, behaviours or task outcomes entail.

2.5.1 Trait strategy to evaluate performance

A trait method, as indicated by Snell *et al.* (2007:348), measures each person on the basis of characteristics such as dependability, creativity, initiative and leadership. Other trait approaches are presented on the next page.

Graphic rating scale

Robbins *et al.* (2003:364) describe the graphic rating scale as a list of performance factors, namely: quality and quantity of work; depth of knowledge; cooperation; loyalty; attendance; honesty; and initiative. To evaluate the performance factors mentioned, the evaluator uses a scale from 1 – 5, which, for example indicates, 1 as "unacceptable", and 5 as "excellent". Furthermore, Robbins *et al.* (2003:364) mention that apart from being the oldest, the graphic rating scale method is highly recommended. The method is simple and quick to administer and provides a quantitative version, which allows the appraiser to compare performance factors.

However, Lloyd (2009:40) argues that it can be problematic when graphic rating scales concentrate on traits and characteristics, instead of on performance.

Force-choice method

Snell *et al.* (2007:352) mention that in the force-choice method, the evaluator ranks individual work behaviour between two or more statements. Each statement may be favourable or unfavourable, and the function of the evaluator is to determine, which statement explains the employee most.

The force-choice method has the following advantages. Lloyd (2009:41) regards the force-choice method as expensive, as training is required. Also, the outcome of the evaluation usually has a negative effect on the relationship between manager and employee.

Essay method

According to Snell *et al.* (2007:352), the essay method is simple and requires the evaluator to give a written account of the employee's strengths and weaknesses, performance done previously and the position of the employee. At the end of the evaluation process, the evaluators make suggestions for improvement.

Although the method is flexible, there are also disadvantages, namely: the essay is time consuming; and the essay method is not effective when it comes to evaluation, as the method has no standards. This results in managers being unable to determine merit increases and promotions.

2.5.1.1 Advantages and disadvantages of the trait evaluation method

Snell *et al.* (2007:361) mention that the trait evaluation methods use meaningful illustrations and are user-friendly and inexpensive. On the contrary, Lloyd (2009:39) states that to evaluate performance based on traits and characters of employees, is troublesome, as it involves identification, measurement and evaluation thereof. Feedback, according to Lloyd (2009:390), often does not lead to improvement. For example, if the employee was given a low rating in "self-esteem," this would be hard to improve. Robbins *et al.* (2003:362) assert that the trait evaluation method in comparison with the behavior- and the tasks approach is the least effective. A reason for this is that the trait approach focuses on the employee's characteristics such as leadership, creativity, initiative and reliability rather than on the job itself. Therefore, according to Snell *et al.* (2007:361), the trait approach is not adequate when it comes to rewards and promotion. Another characteristic is that it is prone to rating errors and subjectivity, which prevents effective feedback.

2.5.2 The behaviour strategy to evaluate performance

According to Snell *et al.* (2007:352), the behavioural method is based on the employee's behaviour towards completing his or her job effectively. Other behavior approaches are represented below.

Critical incidents

Robbins *et al.* (2003:364) state that the critical incidents method involves outstanding behaviours, which assist with performing the job, and questionable behaviours, which need improvement. During the year the evaluator will gather information on the behaviour of the employee, which influences his performance, whether in a positive or negative manner. Based on this information, the evaluator will rate the employee.

Lloyd (2009:45) mentions that the critical incidents method allows managers to engage with employees, while performing a task. In observing the performance of an employee, the manager is given an opportunity to coach, guide and provide feedback. However, some of the shortcomings of the method are that feedback is delayed and not given immediately. Another shortcoming is that the critical incidents method causes managers to spend too much time on the floor, which could result in neglecting other responsibilities.

Behaviour anchored rating scales

Robbins *et al.* (2003:364) believe that behaviour anchored rating scales is a combination of the critical incident- and graphic rating scales. Lloyd (2009:47)

explains that the method asks for a display of the allocated tasks, with the appropriate behavior attached to each task. For example, as a human resource assistant, one of the responsibilities is to update the personnel system regarding changes in employee pay, position, title, supervisor, and personal data. The behavior anchor rating scales method will, therefore involve the following:

5 – **Exceptional performance:** is allocated to an employee when the task is executed correctly and in the specific timeframe.

4 – **Excellent performance**: is allocated to an employee if the employee, before forwarding the status changes information, and verifies the information with the requested manager.

3 – **Fully competent performance:** is allocated when the employee is reluctant to complete the status change notice; and

2 – **Unsatisfactory performance:** is allocated when the employee neglects to forward the change notice forms.

2.5.2.1 Advantages and disadvantages of the behavioral strategy method

Lloyd (2009:48) highly recommends the behavioral strategy method because of its focus on employee performance; clear numerical rating and user-friendliness. It is consistent, equitable and a fair process that focuses on the individual. Another advantage is that the specific performance expectations and standards of excellence inspire employees to improve their performance. On the contrary, the process of creating and implementing behaviour anchored rating scales is time-consuming, difficult and inexpensive. Each behaviour anchored rating scale form must be developed for every position in the company. The system requires a high degree of monitoring and maintenance, which managers find demanding.

2.6 THE ROLE OF PERFORMANCE EVALUATION IN REGARD TO POOR PERFORMANCE IN THE SOUTH AFRICAN CONTEXT

The Labour Relations Act of 1995 states in Schedule 8 that when an employee is considered for dismissal because of poor work performance, the employer is tasked to provide a performance evaluation of the employee as part of the dismissal process. According to the Labour Relations Act of 1995, an employer should deal with obstacles, shortcomings or limitations in respect of the ability of an employee to perform work according to the inherent requirements of the position. The procedure is applicable during an employee's probationary period from appointment, as well as for permanent appointments. The evaluation of an employee's work performance will

always be in relation to the inherent requirements of the position. When the work performance of an employee (on probation or permanent) is evaluated, the review interview must always be used initially. Furthermore, the Labour Relations Act of 1995 stipulates that if an employee does not satisfy the requirements within a reasonable, mutually agreed period, the employer may terminate the service contract on the basis of poor performance once a formal investigation has been conducted.

2.7 DEVELOPING PEOPLE IN THE SOUTH AFRICAN CONSTRUCTION INDUSTRY

In the past, the competitive advantages of organisations were their assets (also referred to as physical or financial capital), while human resources were regarded as a cost (Millmore *et al.,* 2007:364). However, according to Ukpere (2009:9), the global economic, social and political changes, as well as increasing technology changes, have driven organisations to invest in their employees as a means of competitive advantage. The construction industry in South Africa faces a range of challenges owing to the apartheid legacy. For instance, Roux (2008:52) regards South Africa's social economic development problems as a result of the former regime's inability to, firstly, provide sufficient jobs to the increasing available labour force and, secondly, the shortage of skills.

The African National Congress-government, in an attempt to decrease inequalities, invested in the development of skills and transformed public education and training facilities, and also established new training colleges. The Construction Education Training Authority was one of the twenty five South African Education Training Authority Systems that stem from the Skills Development Act of 1998. The Construction Education Training Authority, the National Skills Fund, and skills-development interventions from training and education establishments and the government's Expanded Public Works Programme, play a major role in improving the skills of young people, the unemployed and employed. However, the South African Education Training Authority Systems were not efficient and, in addition, the government in 2006 introduced the Joint Initiative on Priority Skills Acquisition. Roux (2008:184) states that the Joint Initiative of Priority Skills Acquisition, as part of the Accelerated and Shared Growth Initiative for South Africa, succeeded in increasing the number of engineering graduates; registering artisans; providing training for businesses to grow their outsourcing; and allocating fifteen thousand unemployed graduates in companies in South Africa and abroad.

A shortage of engineers and other scarce skills that involve Mathematics and Physical Science became the Department of Education's main challenge. Poor Mathematics and Physical Science result's affect entrance into university, and result in a shortage of engineers and other scare skills. In March 2009, the Dinaledi Project was established by the National Business Initiative and the Department of Education. The Dinaledi Project aims to equip matriculants to become efficient in Mathematics and Science. The Dinaledi project provides the necessary equipment, and also arranges in-service training for university students in organisations www.nbi.org.za.

Having taken cognizance of the development of the construction industry, it is possible to conclude that although policies for the construction industry addressed historical problems in the sector, transforming the industry may take longer than expected. Therefore, part of the planning phase of performance management includes a formal development plan for employees. Grobler *et al.* (2006:265) state that the purpose of performance appraisals is twofold: evaluative and developmental. The evaluative purpose is intended to inform employees of their performance standing. Performance data that is gathered is used to reward high performance and to discipline poor performance. From a Human Resource perspective, according to Robbins *et al.* (2003:361), the evaluative function provides input into issues such as promotions, transfers and terminations. Conversely, the developmental purpose is intended to identify obstacles in performing the specific task. The collected performance data is used to provide necessary skill training and development. Martin (2009:50) mentions that development differs from training, since it supports organisational requirements and directs behaviour over a longer period. On the same note, Martin (2009:50) asserts that developing employees means increasing the capacity to perform through training; giving assignments that introduce new skills or higher levels of responsibility; and improving work processes, or other methods. Providing employees with training and developmental opportunities encourages good performance, strengthens job-related skills and competencies, and helps employees to keep up with changes in the workplace such as the introduction of new technology.

Stone (2008:4) mentions that effective performance management provides an excellent opportunity to identify developmental needs, long term development plans and addresses shortcomings in performance. According to Grobler *et al.* (2006:326), effective and regular performance management may identify training and development gaps, which can be solved through appropriate interventions. Initiatives such as skills development, which was mentioned earlier, will enable an employee to effectively perform in the existing position, or to develop into a more challenging

position. Grobler *et al.* (2006:326) note that the process can only be successful if companies raise performance productivity standards through training and development, as employees gain skills, abilities, knowledge and attitudes that help them to perform more effectively.

The next section is not linked to the problem, as mentioned in Chapter One, but is an integral part of performance management.

2.8 REWARDING PERFORMANCE

Stiffler (2006:113) regards compensation as an important aspect of an effective performance management system. Wilson (2005:168) concludes that pay and rewards have been a contested issue when it comes to the appraisal process. The reason for this is that pay in itself does not have to be included within a performance management system, but more often it is. Furthermore, Wilson argues that it is only human to expect a reward or benefit when performance is exceptionally good or improved.

Snell et al. (2007:420) state: "What gets measured and rewarded gets attention". The assumption of Snell et al. (2007:420), often underpins the link between performance and reward. Robbins et al. (2004:165) note that the difference in compensation is that instead of paying a person in the traditional way, which constitutes paying for time on the job or title, a portion of an employee's compensation is based on some individual or organisational measure of performance. Snell et al. (2007:420) argue that linking incentive payments to performance measures that are quantitative, simple and structured, could be successful for both employee and employer. Conversely, Stiffler (2006:106) believes that by linking rewards to the achievement of objectives, demonstration of competencies and cultural values, and other measures of performance result in behaviour change, and assist the organisation to achieve strategic goals.

Various authors such as Stiffler (2006) and Snell *et al.* (2007) associate "pay for performance" with employees' performance and reward. Snell *et al.* (2007:380) define the pay-for-performance standard as a standard by which managers' link compensation to employees' effort and performance. Furthermore, without the pay-for-performance standard, motivation will be relatively low and wage costs will be higher, however, according to Snell *et al.*, the pay-for-performance standard will encourage employees to perform. Snell *et al.* (2007:420) also assert that "compensation must reward employees for past efforts (pay-for-performance), while

motivating future performance". Armstrong *et al.* (2002:3) define reward as how people are rewarded in accordance with their value to the organisation and concerns both financial and non-financial rewards. Furthermore, Armstrong *et al.* (2002:3) concur that non-financial rewards are important, because apart from motivating, and installing positive attitudes and behaviour, they also attract and retain people, which meet the employees' needs in terms of achievement, recognition, responsibility, influence and personal growth.

Robbins *et al.* (2004:165) assert that rewards should be related to exceptional performance, but if employees experience the performance relationship as not up to standard, it will result in low performance, a decrease in job satisfaction and an increase in turnover and absenteeism. Furthermore, Robbins *et al.* (2004:165) argue that if rewards are based on non-performance factors such as seniority or job title, employees will not be as productive. The Labour Relations Act of 1995 suggests using performance management to link rewards such as bonuses and increases, which are received by employees for performance. This will enable the identification of areas of potentially unfair discrimination, and ensure that action is taken to eliminate barriers.

In light of the above viewpoints, Maslow and Hertzberg (cited in Bratton *et al.,* 2003:288) state that much of management thinking about the question "can money be a motivator?" comes from theories of motivation such as the "needs theory". It focuses on what motivates people, rather than how they are motivated. For example, Maslow's theory (cited in Bratton *et al.,* 2003:288), argues that higher-order needs become progressively more important once lower-order needs are satisfied. Whereas, Hertzberg's theory ((cited Bratton *et al.,* 2003:288) expresses the view that pay, as a form of recognition or reward, is a satisfier. Vroom's theory (cited in Bratton *et al.,* 2007:293) recognises that there is no universal principle, which explains everyone's motivation. This means that a successful link between performance and reward is difficult to accomplish in practice. Furthermore, a worker's motivation implies that managers should understand subordinates' goals; what the link is between effort and performance; is also the link between performance and rewards; and, lastly, is the link between rewards and individual goal satisfaction. Robert (cited in Wilson 2005:171) mentions that payment or training cannot influence a person to perform beyond his or her capacity. And, that an organisation should rather focus on recruiting future employees who have an understanding of performance instead of focusing on present employees. Snell *et al.* (2007:380) is adamant that the pay-for-

performance standard will encourage employees to perform. If there is no incentive, it will result in motivation that is relatively low and wage costs that are high.

Wilson (2005:168) classifies motivation theories as either one of two related approaches, namely one that promotes a rewards-based system, and the other a development-based system. Wilson (2005:168) also mentions that the rewards-based system approach relates to incentive or explicit reward when desired performance and behaviour are reached. The development-based system approach offers implicit or intrinsic rewards when employees are satisfied and have opportunities to develop through training and encouragement. Furthermore, Armstrong (cited in Wilson 2005:168) states that staff development is prevalent over performance-related pay, as investing in developing employees is three-fold: employees take responsibility to develop themselves for the future, gain skills that provide for competitive advantage, and tend to stay at the company. Stiffler (2006:113) mentions the following benefits when pay is linked to performance:

- With an effective pay-for-performance system, managers can quickly adjust employee responsibilities to achieve objectives that were changed;
- Linking all employees' pay to performance will make employees accountable for their performance throughout the organisation; and
- Managers are able to retain top performers when employees have a clear understanding of expectations, feedback and motivation through rewards and recognition.

Grobler *et al.* (2006: 389) state that as long as performance evaluations are used to influence workforce-related activities, pay-increases and promotions, management should ensure that the performance management system complies with the law, and is free of victimisation and discrimination, and that the system motivates workers instead of pressurising them.

Bratton *et al.* (2002:292) regard the main types of performance pay as follows:

1. **Performance-related pay** ties additional payments directly to performance, either of an individual or of a team of employees;
2. **Incentive pay** sets actual performance targets;
3. **Merit pay** is offered for outstanding past performance;
4. **Commission** is a financial incentive typically for sales representatives on the basis of a percentage of the sales value that they generate;
5. **Knowledge-contingent pay** (also called skills-based or knowledge-based pay) varies according to the level and value of the skills and competencies achieved by the individual; and
6. **Team-based pay** provides rewards to employees based on their contribution to the work team.

Robbins *et al.* (2004:154) mention that South Africa extensively makes use of variable pay plans to attract, retain and motivate employees. Different views on what constitute variable pay were explored by Bratton *et al.*(2003:292) who concur that financial rewards that are added to base pay are related to certain work-related behaviours: performance, learning or experience and are known as "performance pay, variable pay, contingency pay or risk pay". Robbins *et al.* (2004: 158;160) regard variable pay as a possible substitute for annual cost of living rates,and apart from being motivational, providing bonuses, gain sharing, piece-rate plans, wage incentives and profit sharing, the programmes also eliminate the expenses of permanent salary increases. Millmore *et al.* (2007:403) observe that combining base pay and variable pay means that the organisation may wish to pay for the person rather than the job. Millmore *et al.* (2007:522) define appraisal–related pay or individual performance reward pay as a method of payment when an individual employee receives increases in pay, which are based on job performance.

Incentive compensation plans

Snell *et al.* (2007:421) note that the primary aim of incentive plans is to motivate performance. Furthermore, the design of the individual incentive system is influenced by the number of units that produce the achievement of organisational goals or by productivity improvements in the organisation. Various authors, for example, Bratton *et al.* (2002) and Snell *et al.* (2007) note that, traditionally, incentives were given as rewards to improve employee performance on a short-term basis, while the new trend is to use performance-related pay to improve organisational performance. According to Snell *et al.* (2007:416), incentive pay programmes consist of a performance "threshold", which employees must reach in order to qualify for incentives.

Four of the most widely used variable-pay programmes are explored in more detail, highlighting advantages and disadvantages of the programme.

Piecework

Several authors, for example, Snell *et al.* (2007) and Robbins *et al.* (2007) regard piece-rate wages as a means of compensating production workers only for work that is completed satisfactorily. Robbins *et al.* (2007:156) note that many companies use a modified piece-rate plan where, for instance, a typist can earn a base hourly rate plus a piece-rate differential, which results in a productive incentive. Snell *et al.* (2007:422) differentiate between the concepts: straight piece-work and differential piece rate as follows: straight piece-work provides for a certain rate for each unit that is produced while differential piece-rate employees qualify for a higher rate when their production

exceeds the standard output. Snell *et al.* (2007:423) observe that the piecework approach can be effective by linking pay to performance, which may influence organisational culture in such a way that it promotes workforce co-operation, stimulates creativity and solves problems when it comes to time and productivity. Snell *et al.* (2007:422) furthermore claim that management benefits from the system in the following ways: wages are easily determined; and labour costs can be predicted accurately, as the cost is the same for each unit of output.

Further weaknesses that Snell *et al.* (2007:422) note are the following: piecework systems are not effective in cases where quality is more highly regarded than quantity; where new technology is used on a regular basis; and when productivity standards for piecework are difficult to establish.

Bonuses

Robbins *et al.* (2007:159) note that a bonus is regarded as an additional once-off payment for high performance; it is not guaranteed and is not part of the basic salary. According the Robbins *et al.* (2007:159), bonuses serve as a basis of a variety of performance measures such as the achievement of specific objectives, performance ratings, and a percentage of total profits or return on shareholders' investments. However, in South Africa, bonuses are often referred to as a "13th cheque", since this amount that is added to the basic salary, is non-performance related and payable to all levels of staff. The bonus system has resulted in performance-linked structures and a change in the design of remuneration packages, both for senior management and lower levels of staff.

Skill-based pay

According to Robbins *et al.* (2004:161), organisations employ people for their skills and place them in jobs according to ranks or job titles. However, in the case of skilled-based pay, pay is not defined by a job title, but by the amount of skills and tasks that an employee can do. Robbins *et al.* (2004:161) explain the benefits of a skill-based pay plan. For example, machine operators that acquire additional skills such as material counting, the knowledge to maintain equipment, and how to conduct quality audits, can increase their earnings by, for instance, ten percent. Furthermore, they could earn more money if they have accomplished supervisor's skills. Flannery, Hofrichter and Platten (cited in Millmore *et al.,* 2007:416) explain the benefits of skill-based pay: it encourages employees to acquire a broader range of skills, facilitates communication and a better understanding of different jobs; skill-based pay meets the needs of ambitious employees who receive minimal advancement opportunities;

better earnings and knowledge without promotion and, lastly, skill-based pay improves organisational performance.

However, the downside of skill-based pay is that skills can become obsolete, which result in frustrated employees who are accustomed to continual pay increases. From a business point-of-view, Robbins *et al.* (2007:161) cite weaknesses such as paying employees for acquiring skills that are not needed, and the fact that skills based plans focus on skills rather than on levels of employee performance.

Profit-related schemes

Profit-sharing plans are usually organisation-wide programmes that distribute compensation based on some previously established formula, which is designed around a company's profitability. Hyman (cited in Millmore *et al.,* 2007:408) argues that three rationales exist for the establishment of employee share schemes: firstly, it offers property rights to employees; secondly, it helps to unite employee and employers' interests, create employee satisfaction and enhance productivity; and lastly, it moves pay away from the cost of living, and aligns it more to company performance. Robbins *et al.* (2007:160) note that in South Africa, share schemes are often used to reward and retain key executives. Individual performance is the most popular criteria, followed by seniority and salary or salary, grade levels. Hyman (cited in Millmore *et al.*, 2007:408) states that profit-related shares have a positive impact as far as retaining key employees, as they regard their added share as a bonus. Snell *et al.* (2007:439) cite as a weakness the fact that profit-sharing payments are only available once a year, or deferred until retirement, and have the potential to lower motivational levels. Also, according to Snell *et al.* (2007:439), profit-sharing plans, which fail, could harm productivity and employee morale.

Having taken cognizance of the rewards issues discussed above, it is obvious that the vital link between pay and performance should be acknowledged by management. Acas (cited in Millmore *et al.,* 2007:406-407) renders that appraisal-related pay is more effective when the following is in place:

- A commitment from senior management regarding appraisal-related pay;
- The involvement of managers in overseeing the performance review pay system;
- Managers that are skilled to do appraisal-related pay and the necessary facilities are available;
- Managers, employees and representatives were consulted regarding the implementation of appraisal-related pay;
- All the employees have a clear understanding about how appraisal-related pay will operate;
- Employees are aware that appraisal-related pay will be fair and transparent and that it stems from performance evaluation;

- A user-friendly system, which is consistent and allows managers to be objective, should be in place;
- Disciplinary action for poor performance should be in place; and
- The assessment of the appraisal-related scheme should be done on a regular basis.

2.9 BACKGROUND AND OVERVIEW OF THE COMPANY

Maphupha (2007:1) describes World of Windows as a construction company whose origins can be traced back to Robertsham in Johannesburg, then to bigger premises in Steeledale before settling in Montague Gardens in Cape Town. The word "construction" originates from the Latin word, "*construere*" which means heap together and build (Compact Oxford English Dictionary, 2003:229). The construction industry is, therefore in the business of erecting new buildings or altering existing ones for different clients. World of Windows, is a company in the construction industry, has as its main function, to manufacture and install aluminium doors and windows. The company also supplies the construction industry with the installation of glass, powder coating frames and doors, and sells aluminum material to the construction industry. The affordability of its products and the durability of aluminum ensure that the company enjoys a diverse and extended market. The company consists of the main factory, namely Alum Design, which includes fabrication and a glass installation section; Pezulu, a powder coating division; and a store division, called Jensing.

The company employed 484 people in 2007, but three years later in July 2010 owning to retrenchments; it currently employs 250 people across Durban, Johannesburg, East London and Port Elizabeth. The company structure consists of: top management: three directors and the group Chief Executive Officer, and senior management: fifteen managers, including the Human Resource Manager. Artisans, general workers, and support and administrative staff complete the company's portfolio (World of Windows employee's booklet, 2007:1).

World of Windows' vision is to be a supplier of core products and to provide excellence in every aspect. With this vision in mind, the company strives for respect and to value each other. Robbins *et al.* (2003:67) emphasise that values affect attitudes and behaviors, which play a major part in the performance of employees towards achieving organisational goals. Therefore, employees should commit to these values in order for the company to maintain its vision of being a supplier of core products and excellence.

No much training was done between 2008 and 2010, as retrenchment and down-scaling of employees took place. Historically, a large number of employees were retrenched in December 2008, February and December 2009, and also in April, June and July 2010, which led to staff experiencing low morale, as well as a high staff turnover.   The down-turn in the economy since 2008 has also played a major effect on the company's expected annual returns. The result is that finances are focused on crucial areas in order to keep the company financially stable. However, the Human Resource Department implemented various interventions with the belief that it would boost performance. A few employees were sent for training and received study bursaries as part of the succession planning of the company. A Wellness Day was held, including testing of high blood pressure, sugar levels, cholesterol levels, while advice was given about healthy eating and stress management. As employees often do not have the time to go for eye testing, this was also brought to them. World of Windows opened their doors to financial brokers to assist employees with investments. Training such as: health and safety, first aid, renewal of forklift licenses were regarded as a priority.

Fisher (2005:1) mentions that people are the sum of employees' efforts that create wealth to allow organisations to achieve their vision. However, at World of Windows, the scenario differs, as staff members complained to the newly appointed Human Resource manager in 2007 with problems such as lack of training, guidance or even knowledge of the company's vision and mission. Some of the issues also included incompetent supervisors, poor communication, rework, lack of equipment and inaccurate drawings. Employees are not committed to producing good results and do not pride themselves on high standards and quality, while managers are under pressure to enhance the competitive position of the organisation. As mentioned in Chapter One, these factors emulate from a discussion with Mr Thekwane, a senior manager. If set goals should be achieved, current staff should be equipped with the necessary knowledge skills and ability. Therefore, it is in the interest of World of Windows to have an effective performance management system. Armstrong (2004:500) notes that performance management can provide individuals with structure and direction.

In conclusion, Kagioglou *et al.* (2001:4) believe that a company cannot claim to have an effective performance management system if the elements that are used do not relate to the strategic goals of the organisation. Therefore, it is important to identify the strategy, structure, shared values, skills and staff of an organisation in order to determine if all the elements align with the company's strategic vision. The alignment

of all the elements is considered as an important requirement in order for World of Windows to move forward.

2.10   SUMMARY

In Chapter Two, the history and development of performance management was presented, which provided insight into the topic. In the beginning of the chapter, an explanation of the different concepts related to the study was given to provide the same understanding of the meaning of the study. Consequently, the different views of performance management from both practitioners and organisations were examined; and the aim, benefits and shortcomings of performance management, were discussed. Additionally, different evaluation methods and performance measurement methods were investigated to provide an in-depth understanding of the topic. In conclusion, the background and overview of the selected company in the construction industry, was discussed.

The next chapter provides an overview of the research design and methodology.

CHAPTER THREE
RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

This chapter explains how data was collected and includes the research design and methodology, population and sample and the instruments that were used to obtain data to address the research problem. The data that was gathered to explore performance management was derived from questionnaires and other documents. In particular, the qualitative research method shows details about how the data was gathered by using questionnaires, which consisted of open-ended questions. Further areas that were addressed include the ethical aspect of the study; the obstacles that were faced; the validity, reliability and other technical aspects of the research.

3.2 RESEARCH DESIGN AND METHODOLOGY

Quinlan (2011:217) states that the data collection method for the study should be appropriate and designed accordingly. Robbins *et al.* (2004:446) mention that a case study provides a detailed description of an individual, a group or an organisation. Yin (2008), cited in Quinlan (2011:196), promotes a case study approach when research calls for an in-depth study of a phenomenon under investigation. Against this background, a case study approach was chosen for this study, as it will capture what is happening at a small to medium sized company within the construction industry.

As an initial step, for the empirical part of this study, compliance was achieved through permission from the Chief Executive Officer of the particular company to conduct the research. Top management supported the idea and was willing to share and frankly discuss the outcomes of the survey with employees. The research design was explained thoroughly. Before the empirical part of the study was conducted, an extensive literature review on performance management with reference to the construction industry was done. The literature review also provided certain themes that are examined in Chapter Four.

This study finds the qualitative research method appropriate, as it examines problems in their own context rather than in existing theories. This design method differs from an experiment where the hypothesis formulation, measurement and sampling are dictated before data collection (Mouton, 2001:195). As stipulated in Chapter One, the main objective of the study was to determine if there is a relationship between the

independent variable, in this case, performance management, which will bring change, and the dependent variable, which is motivation. If such a relationship exists, based on the views of individuals, the objective of the study is to investigate and introduce an effective performance management model for World of Windows.

In this study it was important to have an understanding of how employees perceive performance management at World of Windows. Quinlan (2011:420) emphasises the role that research plays in a study. This is to create meaning through the interpretation of the data that was gathered for the project. Furthermore, Quinlan (2011:420) describes qualitative analysis as a method, which is used to provide a comprehensive account of the phenomenon, which is in this case, performance management. The rationale behind this research to use open-ended questionnaires is that the study anticipates qualitative analysis to reveal information about performance from employees at World of Windows. An open-ended questionnaire will give participants an opportunity to express what they think and experience about performance management. Using this method, the study will provide insight to employees at World of Windows. The qualitative method provides for a written account of the research, and acknowledges and respects the research participants, which, according to Quinlan (2011:420), is not the case with quantitative research.

3.3 POPULATION AND SAMPLE

The case study draws on questionnaires and other documentation as a source of data, and uses two different populations. The first population comprises senior managers who are involved in relevant departments at the company. The second population in this study comprises employees who are artisans, general workers, supervisors and members of the Finance Department. Goddard *et al.* (2001:34) distinguish between a population and a sample: a population is any group that is part of a research and a sample is a smaller version of the population. Furthermore, a sample should be representative of the population, and should be large enough to correctly represent a population and should not be bias. Two sample methods are identified namely probability sampling, which is also known as random sampling, and non-probability sampling. Bless *et al.* (2000:87) differentiate between probability sampling and non-probability sample as follows: probability sampling ensures that each member of the population has a chance to participate, while in the case of non-probability sampling, representation of the population is unknown. Furthermore, probability sampling entails simple random, interval or systematic sampling, stratified sampling and cluster or multi-stage sampling.

It was not practical or economically feasible to involve all employees (target population) at World of Windows in Cape Town in the research project, as some of the employees work on different construction sites around the Peninsula, and are difficult to contact. Consequently, this study aimed to use a randomly representative sample, which comprised artisans, general workers and administrative staff who are based in the factory. The probability sampling method was preferred, as it has the capacity to give an accurate generalisation of the sample, which represents the population. Another advantage is that the gathering of data is less time and cost consuming, while it is also convenient (Bless *et al.,* 2000:84).

3.4 DATA COLLECTION METHOD

Quinlan (2011:355) notes that a major role of research is the ability to produce theory that emerges from the data that is gathered for the research project. Such theory originates from the questions that are asked in the data gathering process. Bless *et al.* (2000:133) mention that linking the instrument to the theoretical components of the research topic, that is, an effective performance management system for a small medium company in the construction industry, adds to construct validity. The questions that are chosen stems from the literature on performance management and the formulated research questions, which that support the study. Key questions pertaining to the research, as stated in Chapter One, are the following:

- What is an effective performance management system for World of Windows?

- How will an effective performance management system benefit the organisation?

- How can the company achieve organisational goals by using a performance management system?

- What barriers hinders the implementation of an effective performance management system?

- How can an effective performance management system motivate employees to enhance productivity?

A self-constructed questionnaire was chosen for the research that, which according to Fox and Bayat (2007:91), has an ability to best describe and explain the phenomena, which is performance management. Goddard *et al.* (2001:47) define a questionnaire as: "a printed list of questions that respondents are asked to answer." The open-ended questions in the questionnaires stem from the literature on performance management. Bless *et al.* (2000:118-119) believe that open-ended questions are original, and do not replicate previous feedback on performance management. It also

allows an individual the freedom to express his or her opinion honestly. Since this information was gathered by asking questions, the managers of the different departments explain the process to the respondents, as follows:

- Respondents must cooperate and be willing and motivated to share their knowledge;

- Respondents must express what they perceive to be their reality rather than what they wish their reality to be or what they think it ought to be, or what they believe to be the best answer to satisfy the recipient; and

- Respondents must be aware of what they feel and think, and be able to express feelings. The inability to analyse feelings or to describe problems, can occur.

As part of the data collection process, it was also important to collect documents such as employment contracts and letters of appointment to ascertain if employees have job descriptions. Responses from the questionnaires and outcomes of the documentation served as a starting point for the analysis process.

3.4.1 Data collection procedures

Two information sessions were held with departmental managers to introduce and educate managers on performance management (See Annexure A). A preliminary questionnaire was designed to determine what managers' perceptions are of performance management (See Annexure B). This pilot study was also done to find out how participants will respond to the questions. The purpose of the survey was explained in the cover letter and basic instructions on how the questions should be completed were also provided. The questions appeared in English and participants were encouraged to ask for explanations if any questions were unclear. Confidence and anonymity of participants were guaranteed, which encouraged respondents to offer honest replies. An introductory page, which explained the "concept" of performance management and the questionnaires are, attached (See Annexure B). The second information section dealt with the completion of the questionnaires. Managers were asked the following questions to test if the questionnaire was reliable and valid before it was distributed to the rest of the employees.

- Does the introduction page give an understanding of performance management? (If not, give recommendations).

- Do the questions relate to performance management? (If not, give recommendations).

- Is the wording easy to understand? (If not, give recommendations).

- Are the questions adequate or inadequate? (Give reasons for your answer).

No major alterations were made to the questionnaire. The concept stayed the same; except for decreasing the questions from thirteen to ten and editing some words to make the questions more user-friendly for employees (See Annexure C). Based on Quinlan's (2011:224) view that the method of drop and collect questionnaires can influence the response rate positively, questionnaires were dropped and collected by the researcher. One hundred and fifty questionnaires were distributed to the Operations and Administrative Departments. By the end of April 2010, a thirty three percent response was received, as fifty seven completed questionnaires were returned. The open-ended questionnaires reflected information about employees' feelings and perceptions regarding performance management, which the researcher recorded. Employees' employment contracts and letters of appointment were examined to ascertain if everyone has a job description. The answers from respondents and the outcomes of the documentation were used to start the process of data analysis.

It was decided that results of the survey should be communicated to employees as soon as they were analysed and reviewed by top management. Also, it was agreed that a face-to-face meeting with managers should be held to provide feedback of the survey.

3.5 ISSUES OF LIABILITY AND RELIABILITY

Bless *et al.* (2000:80) note that the validity of research design is when there is a relationship between the independent and dependent variables. Quinlan (2011:335) argues that it is appropriate to use the following terms to define validity in quantitative research: logic, truth, reason, meaning and use. However, as this was qualitative research, it was important for this study to ensure that credibility, transferability, reliability, and dependability are established.

To ensure dependability, data was gathered in a consistent manner, as explained in the data collection method. The literature, which was reviewed in Chapter Two, which connected the instrument (questionnaire) to the theoretical components of the phenomenon, that is performance management, adds to construct validity (Bless *et al.*, 2000:133). Participants in the research were involved in answering the open-ended questions regarding performance management. This study provided a true reflection of the research participants' feelings and understanding of performance management in the research analysis. The issue of reliability is evident in the appropriateness of the population and the data method collection that was used for

the study under investigation. The probability sampling was used in the research, which represented the population of the study and provided accurate results. The case study approach was used in the research and concentrated on a company in the construction industry, namely World of Windows. More reliable information is obtained from documentary sources such as employment contracts and letters of employment to ascertain if employees have job descriptions. This information was important for both employee and employer, as it stipulates the duties of the employee. And in return, the employer knows what to expect from the employee. A pilot study was conducted to establish how respondents will respond to the questionnaire. It was essential, firstly, to clarify any misunderstanding regarding the questions and, secondly to see if there is any resistance to participating in the survey before the actual survey could take place.

3.6 ETHICAL CONSIDERATIONS

Mouton (2001:238) defines ethics in research as a process of deciding what is correct or incorrect. Quinlan (2011:197) notes that the findings of the research, conclusions drawn from the research, and the final product of the research must have meaning and, by implication, must be beneficial. The motive behind this research was to investigate implementation of an effective performance management system. Upon the completion, the research should be of assistance in implementing an effective performance management system, and should enhance performance at World of Windows. Therefore, it was essential that the study should be conducted properly and abides by ethical standards and responsibilities (Quinlan, 2001:197). Permission for this study was obtained from the Chief Executive Officer to do the research and to display the letter to participants. In this case, the participations comprised senior managers, artisans, general workers, supervisors and members of the Finance Department. This study dealt with their contributions to the research in a professional manner, and the importance of their input for the future was highlighted. However, participants could withdraw from the research whenever they wanted. The identity of participants was kept anonymous and their perceptions were treated as highly confidential. The appropriate security measures ensured that the data was safe. Each completed questionnaire was numbered and digitally stored and a back-up was made. The analysis of the research was done correctly, and upon completion, the research will be presented to the Chief Executive Officer of World of Windows. A copy of the thesis will be placed in the library of the Cape Peninsula University of Technology.

3.7 OBSTACLES EXPERIENCED WHILE CONDUCTING THE RESEARCH

This study encountered several obstacles. One of the challenges was that retrenchments were hanging over employees' heads. Questionnaires were not received as scheduled from department managers, which prolonged the process. A disadvantage of an open-ended questionnaire, according to Bless *et al.* (2000:132), is that answers are complex and not easy to compare with other respondents, which is difficult to record. The fundamental limitation was the amount of data that was produced by the open-ended questions, which was time consuming to analyse in the limited time that was available for the study. A few answers were omitted by respondents, but as it was only a few, it did not influence the completed questionnaires.

Although the investigation of an effective performance management system was a stepping stone in the right direction for the company, it would have been much more rewarding to have conducted the study in a more stable economical environment.

3.8 TECHNICAL ASPECTS

The purpose of this section is to give an account of the technical layout and method of references that were used in this study.

3.8.1 Technical aspects

Arial font size twelve was used throughout the study, including the questionnaires and Chapters One to Six. The format of one and a half line spacing between sentences was adopted. Each A4 sheet makes provision for three cm on the left margin for the binding of the study. This study adopted writing numbers 1 – 9, and decided against using acronyms in the headings or content of the study.

3.8.2 Use of headings

This study opted to use bold capital letters in the headings but use bold small letters in the sub headings, for example:

3.5 DATA COLLECTION METHOD
3.5.1 Data collection procedures

3.8.3 Table and figures

This study chose to number tables and figures according to the particular chapter, for example: Table 4.1 and Figure 2.2.

3.8.4 Method of references

For purposes of consistency, the Harvard Method of Referencing and Bibliography (Cape Peninsula University of Technology, 2010) was used.

3.10 SUMMARY

The chapter introduced and explained the research methodology and design that were used to address the research problem. This study used a case study and qualitative research approach; a probability study that captured the population of the study; and the data collection that consisted of a pilot study, open-ended questionnaires and documentation to assist in exploring performance management. The issues of validity and reliability followed. Thereafter, the ethical considerations and obstacles experienced, while doing the research, were covered. In conclusion, the technical aspects that were utilized, received attention.

The next chapter provides an overview of the data analysis and the research results.

CHAPTER FOUR
RESEARCH DESIGN AND METHODOLOGY

4.1 INTRODUCTION

The main focus of the chapter is to describe and analyse the data that was reviewed from the questionnaires, documentation evidence and observation. This chapter explains the data analysis procedure, and uses the content analytical approach to analyse the feedback of fifty seven questionnaires, which involved managers (eight), supervisors (eight), the Finance Department (five), artisans (eighteen) and general workers (eighteen). Through this method, the study, as suggested by Mlitwa (2011:80), considered similarities and identified repetition of words and phrases. This research draws on the case study to provide a comprehensive description of what employees' perceptions are of performance management at World of Windows. The chapter provides the findings of the research and presents the feelings and beliefs of employees in words.

Analysis of the questionnaire and documentation was guided by the aim and objectives of the study, the literature review that was presented in Chapter Two and insight that was gained through this study. As stated in Chapter One, the main objectives and sub-objectives are presented below.

The main objective
The study aims to find out if there is a relationship between performance management and the lack of motivation that affect organisational performance. If there is, the study aims to investigate the possibility of implementing an effective performance management system for World of Windows. The purpose of the study is to provide theoretical insight of what performance management entails that will be appropriate for an organisation such as World of Windows.

The three sub-objectives:
- Firstly, to determine how a performance management system can be used to address lack of training and guidance, and to reinforce the vision and mission of the company.

- Secondly, to determine how a performance management system can be used to address the problem of incompetent supervisors that affect performance.

- Lastly, to determine how a performance management system can assist managers at World of Windows to enhance the competitive position of the organisation.

4.2 PROCESS OF DATA COLLECTION

Cassell and Symon, cited in Alhojailan (2012:6), state that qualitative data relies on interpretation, as it is known for its vast collection of evidence, which should be explained.

The study chooses to analyse the data thematically. This decision is supported by Mark and Yardley's (2004) view that thematic analysis is qualitative in nature, and is used to analyse categories and present themes or patterns that relate to the data. Thematic analysis allowed the study to link an analysis with the theme and assisted with accuracy and intricacy and emphasised the meaning of the study. Furthermore, qualitative research asked for an understanding of the data and use of a thematic analysis will provide an opportunity to have a broader understanding. This method is also appropriate, as it seeks to discover common themes and thoughts from different participants, by using interpretations. Finally, according to Miles and Huberman (cited in Alhojailan, 2012:5), thematic analysis provided an opportunity to code and catagorise data into themes. For instance, processed data can be displayed and classified according to its similarities and differences.

Responses from the questionnaires and outcomes from the documentation analysis proved time consuming, as the study took considerable time to reflect and to engage with the raw material.

The following section, which provides a detailed discussion on the process of data analysis namely, data reduction, data display and data conclusion, draws on Alhojailan's (2012:14) view.

4.2.1 Data reduction

Miles and Huberman (cited in Alhojailan, 2012:14) define data reduction as "a form of analysis that sharpens, sorts, focuses, discards and organises data in such a way that "final conclusions can be drawn and verified." It includes the process of selecting, simplifying and transforming the data. Furthermore, in developing themes, three stages to reduce data, should be followed, and these are outlined below.

Stage one

The collected data was tabulated in a Microsoft Word document to prepare and organise the content of the data.   In order to understand the data that was received from the open-ended questionnaires, it was necessary to read and re-read the data.

The process assisted to internalise the data before an effort could be made to describe and analyse the data. Quinlan (2011:425) refers to this part of the process as a process of abstraction, where the researcher looked beyond the raw data towards "an abstracted understanding of the data". This resulted in having a deeper understanding of how participants perceived performance management.

Stage two

Various authors such as Frith and Gleeson, Niece, and Halldorson (cited in Alhojailan, 2012:14) consider the thematic analysis as an approach that deals with issues both in an inductive and deductive manner. Therefore, this process involved the coding of data and the main aim was to connect different parts of the data. The coding process also allowed the study to review the data and created an opportunity to identify what it was that the data tried to say or tell. Information was "extracted" from the responses of participants, which served to substantiate their statements. The participants' responses were then categorised with the intention to theorise the findings at a later stage.

This was done to prepare for the next stage.

Stage three

The words and concepts that were relevant to the study were grouped together. Furthermore, the comprehensive lists of themes were explored to find more relevant themes, and hence the list was shortened and made more manageable. The key concepts that were then developed were the result of the dominant responses from participants. The study found that there were similarities in the beliefs of respondents when their answers were compared. The six themes that were identified for the purpose of the analysis corresponded with Nel *et al*'s (2008:498) statement that performance management consists of the following: planning, monitoring employee performance, employee development, evaluating employee performance, and recognition. Furthermore, the credibility of the findings is highlighted by the link between the thematic code and the raw data. This is emphasised by Namey, Guest, Thaira, and Johnson (2008:138) who state:

"Thematic analysis moves beyond counting explicit words or phrases and focuses on identifying and describing both implicit and explicit ideas. Codes developed for ideas or themes are then applied or linked to raw data as summary markers for later analysis, which may include comparing the relative frequencies of themes or topics within a data set, looking for code co-occurrence, or graphically displaying code relationships."

The key themes that were identified are presented below.

The planning of work and the setting of expectations

The theme was derived from the following questions.

<u>**For managers:**</u>

- As a manager what is your main responsibility?
- How effective are you as a manager in managing the performance of staff?
- What do you expect from your staff?

<u>**For staff:**</u>

- What is the most important part of your job?
- What is expected from you? (For instance, time frame, quality and quantity).
- How will the implementation of performance management help you to fulfil your duties?

The development of employees

The theme was derived from the following questions.

<u>**For managers:**</u>

How effective are you as a manager in developing the people who report to you?

<u>**For staff:**</u>

What opportunities are there for you to learn and grow?

The measurement of performance

The theme was derived from the following question.

<u>**For managers:**</u>

What kind of rating scale would you prefer for example? ((1-3 = poor, 4-6 = satisfactory, 7-9 = good, 10 = excellent).

<u>**For staff:**</u>

What kind of rating scale would you prefer for example? ((1-3 = poor, 4-6 = satisfactory, 7-9 = good, 10 = excellent).

The evaluation of performance

The theme was derived from the following questions.

<u>**For managers:**</u>

How often do you want to conduct appraisals?

How often do you want to have an appraisal conducted with your manager?

Rewards

The theme was derived from the following question.

For managers:

How do you encourage and motivate your workers?

For staff:

What would encourage and motivate you?

At this stage, the research questions were reviewed to identify any other information that relates to similar concepts.

4.2.2 Data display

This step involved the method that was used to display the data and aimed to make sense of the collected data. Miles and Huberman (cited in Alhojailan, 2012:13) state that the purpose of displaying data is to: "display organised information into an immediately accessible and compact form so that the analyst can see what is happening and either draw justified conclusions or move on to the next step of analysis that the display suggests may be used." Furthermore, other advantages of displaying data include:

- it has the ability to project and enhance the data clearly;
- it minimises the data during the process of analysis; and
- it can give meaning to the collected data.

The study chooses to give a written account of the analysis. The decision to write a story was appropriate, as it aims to convey the thoughts and experiences of the participants regarding performance management. In addition, matrices were used to display the evidence and meaning of the data. This particular method best describes the phenomenon studied, presents direct quotations and allows for the reduction of qualitative data (Quinlan, 2011:432). Gibbs (cited in Alhojailan, 2012:12) states that matrices provide a suitable and easily accessible theme map to explain and compare data. The matrices also display the respective themes, as mentioned above and the following categories, namely managers; supervisors; the Finance Department, artisans and general workers.

Furthermore, the matrices captured three of the four stages of Quinlan's (2011:422) analysis, which include description, interpretation and conclusion (See Figure 4.1). The first stage described what is evident in the data; the second stage is the interpretation stage and presented the meaning of the data; and, lastly, the conclusion discussed the implications of the meaning of the data. The fourth stage, as indicated in Figure 4.1 below, is theorization. In the process of theorisation the study attempted to add to the body of knowledge. In so doing, the study tried to find a similar or different theory to the theory in the literature review. The theorisation stage is discussed in more detail without the matrices. These structures served to realise the aim and objectives of the study, as mentioned in Chapter one.

Figure 4.1: The four stages of analysis
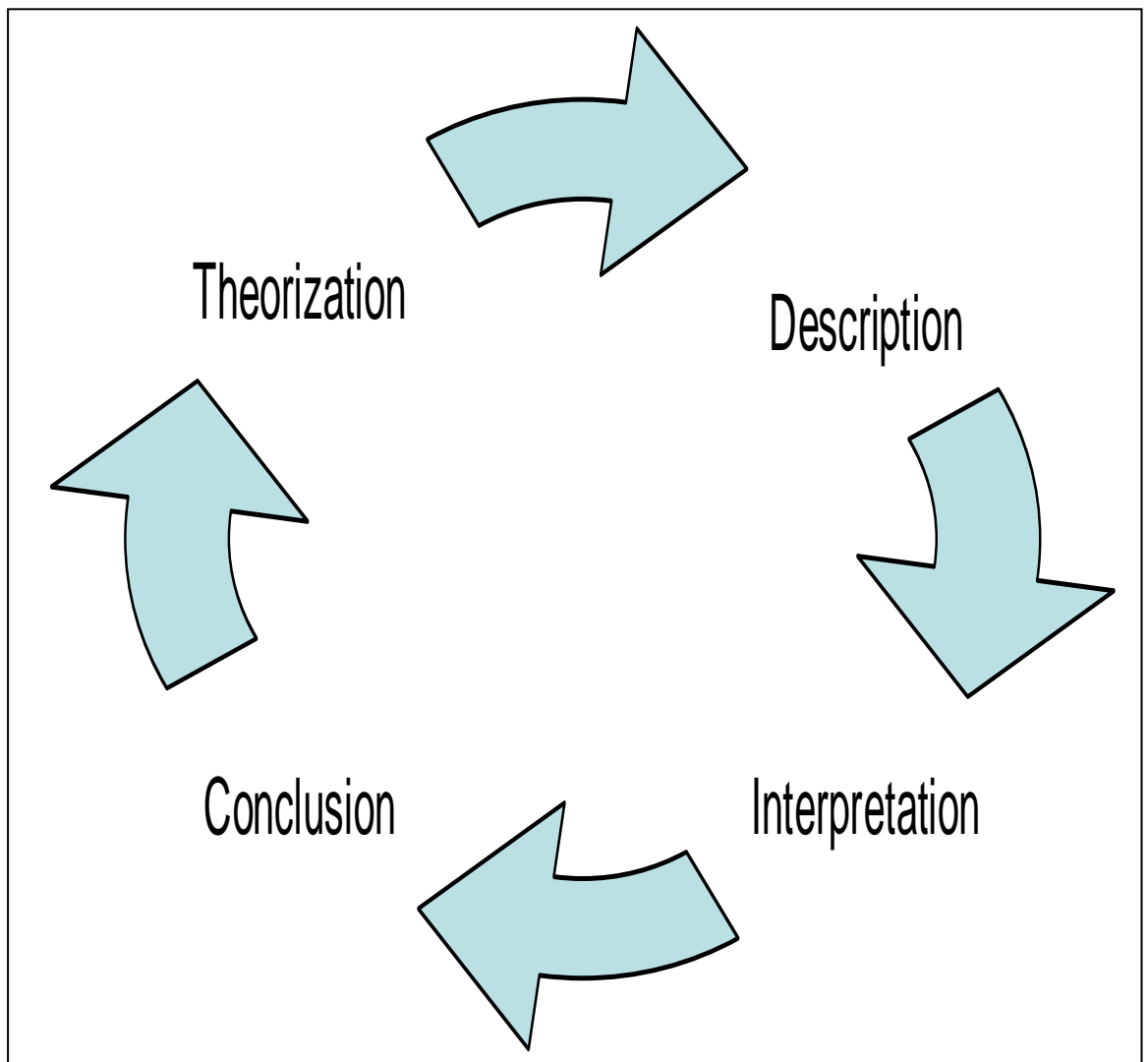
(Adapted from Quinlan, 2011:422)

Interpretations of the findings are descriptive of the various categories of participants, and are presented in the Table 1 below.

Table 1: Interpretations of findings

Respondents	Theme One: Planning work and setting expectations
Managers	**This category focussed on the views of managers.** The theme that emerged is the planning of work and the setting of expectations. Some statements bore evidence when the managers' responses were analysed. Some of the managers are effective with work planning as means to achieve the objectives of the organisation. **A respondent stated:** "Plan the activities of my division, organise, control and monitoring, evaluate". Some of the managers regard the achievement of organisational effectiveness as their main responsibility. **Statements to support this, are:** "To maintain organisational effectiveness in my apartment". "To manage the overall performance of the whole World of Windows operation". "To set goals and to see the job completed correctly and in timeframe". "To make sure productivity is constantly achieved". "To make sure the factory runs to its full potential and targets are met". Some managers also have the following responsibilities: **Two respondents stated the following:** "Ensuring that the financial side is done correctly". "To save cost, to train staff to do their jobs effectively". **One respondent stated:** "Ensure that metal is pulled as per order supplied as quickly as possible". **The same respondent went further and stated:** "Ensuring reasonable levels of hardware stock is available to World of Windows". **Some managers are not effective in managing the performance of their staff owing to the following problems, which they outlined.** **The absence of a performance management system.** **A respondent stated that:** "No system is in place, yet still in the process of do so". Another problem is that managers lack certain administrative skills to perform effectively. **One respondent stated that:** "Technically good, administrative less so". Furthermore, managers lack proper time management skills to perform their tasks effectively. **Some respondents stated that:** "Effective enough to get things done, although not timeously".

	"Reasonably effective, but there are time constraints". Another problem is that some managers find that their staff lacks motivation. **One respondent stated:** "To be self-motivated and work with little supervision giving feedback continuously on completion of projects". A few managers are effective and can manage the performance of their staff regardless of the challenges that they face. **Some respondents stated:** "Pretty good, looking at the challenges we face every day. Sometimes it feels like the only thing I do is putting out fires". "The staff and I do have a good understanding, but there is …" Most of the managers share a similar view, which is that they expect staff to perform to the best of their ability. **Some respondents stated the following:** "To give the full support in performing their duties". "To do their jobs, with the tools supplied to the best of their abilities". "I always push them to perform to the best of their abilities". "To perform at their best at all times". "Correct procedure and getting the job done". Some managers expect their staff to be honest. **Statements to support this, including the following:** "Honesty". A few managers expect their staff to be committed. **Some respondents stated:** "To give 100% all this time". "Total commitment". "Maintain overall discipline". "Diligent, hardworking and punctual". It seems that about half (50%) of the managers are effective in planning performance to achieve organisational objectives. The rest of the managers believe that the company's lack of structure and direction has hampered their effectiveness to manage their staff's performance. Some of these problems include: the absence of a performance management system; and managers also lack administrative and time management skills to perform. Furthermore, the perception exists that there is no standard job description for managers in place, as managers have different views of what is expected from them. The study shows that half of the managers (50%) expect their staff to perform to the best of their ability, while the rest of the managers also expect staff to be motivated, honest and committed.
Supervisors	**This category focused on the views of supervisors.** The theme that emerged here is the planning of work and the setting of expectations. Some statements bore evidence when the supervisors' responses were analysed. Most supervisors are effective in the planning of work in order to achieve the organisations' objectives.

	Some respondents stated the following: "Planning, motivating my team to meet deadlines". "To improve production". "Achieve a good goal, perform well". "Helping people to do the best job to manage them well that and to remove a poor performance". "To look after the job and orders are going well into the factory". "Pull the orders on time". **Some respondents stated:** "To ensure the production schedule is updated". "To step up with production in less time". "Looking in production". "To improve production; to ensure that production is as efficiently, as possible with the objectives of the organisation as the primary goal". "Achieve a target of productivity". "Setting targets". Some supervisors view the planning of work as important to produce quality work. **Three respondents stated the following:** "Looking at quality of work". "A good quality product". "To produce quality". Some supervisors believe that it is expected of them to motivate staff. **Two respondents stated:** "To motivate". Most of the supervisors are not effective in managing the performance of their staff owing to the following problems: The absence of a performance management system. Some supervisors believe a performance management system will clarify their duties. **Some respondents stated:** "Making clear of what a person job is". "At least I will then know what is expected from me, when where and how as well as whom I am to report to". Some supervisors' feel that a performance management system will enable them to reach targets. **Some respondents stated:** "It will set a standard that needs to be adhered to". "It will set targets and if these targets are reached it will provide a sense of accomplishment". "To achieve my goal in the work space with the people that work with me". "More targets will be set". Supervisors believe that a performance management system will assist with communication, and identify problems. **One respondent stated that:** "It can help you reach out to your team in terms of communication". **Some respondents stated:**

	"It can help to see where the problem in your department is".
	"Looking in the problems in my department".
	"To identify problem areas and implementing systems to improve these problem areas".
	Most supervisors share a similar view, which is that they consider relationships to be important in order to perform effectively.
	Some respondents stated that:
	"The most important part of my job is to have a good relationship with my staff".
	"The most important thing is to look after the people".
	"Setting an example to my colleagues that work with me".
	"To give my customers good service and to keep things well between us".
	However, not all supervisors know what it is that is expected of them in their respective jobs.
	One respondent stated:
	"Not too sure as I report to more than one manager. What is important to one manager may not be that important to the other ones".
	Another respondent stated the following:
	"I am not too sure as I have a very old job description which has never been updated or adjusted as the task changes. Everything appears to be urgent, from various people, thus I am unsure who to take what instructions from. I have never been advised what my work standard is and how I am achieving it".
	From the above one may deduce that more than half (60%) of the supervisors are effective in planning performance, which involves the setting of performance expectations and goals in order for groups and individuals to channel their efforts towards achieving the organisation's objectives. The rest of the supervisors believe that the company's lack of structure and direction has hampered their effectiveness to manage the staff's performance. The study shows that forty percent of supervisors do not know what is expected of them. The perception exists that a performance management system can provide supervisors with job descriptions; can assist them to achieve targets; and monitor and provide feedback on performance. A performance management system can also help to improve communication, and identify problems. The study also showed that almost half of the supervisors (40%) valued the following: quality products and good relationships with their team, colleagues and customers. A small percentage (20%) of the supervisors believes that they should motivate their staff.
Finance Department	**This category focused on the views of staff members in the Finance Department.**
	The theme that emerged is planning work and the setting expectations. Some statements bore evidence when the responses from staff in the Finance Department were analysed.
	Staff in the Finance Department had different views on what it is that is expected from them in order to achieve the objectives of the organisation.
	The accurate completion of invoices, orders and statutory documents for

timeous submission is an important part of the job description for staff in the Finance Department.

Six of the respondents stated the following:

"Ensuring results are accurate".
"Since there are legally required submissions, accuracy is of utmost importance".
"Ensuring results are accurate".
"Accurate management accounts".
"To ensure that all orders and invoices correspond".
"To complete accounts and statutory returns".

Five respondents stated that:

"To ensure that all recons are completed".
"The completion and analysis of management accounts for two companies".
"The preparation and processing of all relevant entries to ensure complete submission of statutory return".
"To ensure that all invoices are processed".
"To submit accounts, invoices and statutory returns''.

Two respondents stated that:

"Checked timeously invoices prior to payment".
"Timeous submission of various documents to SARS and CIPRO, as well as implementing cost saving measures".

Staff in the Finance Department is expected to prepare and process invoices, reconciliations, and manage accounts.

Five respondents stated that:

"To prepare and process the relevant entries".
"It is required that all invoices be processed throughout the month".
"Recons are to be completed in plus minus 4 days prior to payment".
"All outstanding invoices need to be requested, authorised and paid".
"Every month, management accounts must be compiled and analysed".

Staff in Finance Department is expected to meet deadlines.

Six respondents stated that:

"For my designated companies in the given time frame issued by our accountant or financial manager and to complete and submit timeously the statutory returns: VAT, PAYE, SDL and UIF".
"Timeous submission of various documents to SARS and CIPRO as well as implementing cost saving measures".
"The above are all deadline driven".
"To complete all my tasks by given deadlines".
"All aspects are important but working thoroughly to meet deadlines".
"To complete all my tasks by given deadlines".

Most staff members in the Finance Department have a job description.

One respondent stated:

"Every month, management accounts must be compiled and analysed – this is achieved through numerous tasks, mainly journals to bring in expenses and adjustments. The analysis normally occurs in the form of balance sheet recons as well as a breakdown of expenses incurred in the month. The above is the main activity but others include raising

invoices to customers and checking of suppliers' invoices etc.".

Another respondent stated that:

"To prepare and process the relevant entries for my designated companies in the given time frame issued by our accountant or financial manager and to complete and submit timeously the statutory returns, VAT, PAYE, SDL and UIF".

Another respondent stated:

"It is required that all invoices be processed throughout the month, after being checked. Recons are to be completed in approximately four days prior to payment. All outstanding invoices need to be requested, authorised and paid".

While another respondent stated:

"Ensuring results are accurate, timeous submission of various documents to SARS and CIPRO, as well as implementing cost saving measures".

Some staff members in the Finance Department do not perform effectively owing to the following problems.

The absence of a performance management system.

Staff in the Finance Department lack feedback on their performance, and believe that a performance management system will provide them with feedback on how they perform.

Some respondents stated that:
"Any feedback whether it is positive or negative will help to improve the working conditions".
"It will also give the individual insight as to how the production of their work is seen by management".

Some staff in the Finance Department believes that feedback on performance can solve problems and motivate them to improve their performance.

Some respondents stated the following:
"By receiving constructive feedback, we can target our problem areas and receive help in improving those areas (either by suggestions or further training)".
"One can only improve going forward".
"By looking every six months at my performance it could help me to improve on areas where things could be handled in a different and more efficient way – just by having another person's perspective".
"Work performance and attitude will be enhanced".

Not all of the staff members in the Finance Department know what it is that is expected of them.

One respondent stated the following:
"Also it will establish what is expected from us and by receiving positive feedback".

Some staff members in the Finance Department lack clear objectives to perform effectively.

One respondent stated the following:
"Also everyone will be working towards a common goal".

	Not all of the staff members in the Finance Department have clarity around their job descriptions. **One respondent stated the following:** "Making added duties clearer". From the above one can conclude that most (80%) staff members in the Finance Department know what is expected of them in order to achieve the organisation's objectives. However, the perception exists that owing to the absence of a performance management system, the majority of staff (90%) in the Finance Department experienced the following obstacles in fulfilling their duties. From this 90%, thirty percent (30%) lack feedback on their performance, while a small percentage (10%) of staff in the Finance Department have out-dated job descriptions. Another thirty percent (30%) of the 90% lack motivation to improve performance, and another small percentage (10%) have no clear objectives.
Artisans	**This category focused on the views of artisans.** The theme that emerged is the planning of work and the setting of expectations. The following statements bore evidence when the responses from the artisans were analysed. Artisans have different views about what it is that is expected of them in order to achieve the organisation's objectives. Most of the artisans view the planning of work as important in order to produce quality work. **Ten respondents stated:** "Quality". **Another respondent stated:** "To strive for excellence". **Some respondents stated:** "And also that I done it correctly". "To ensure that my work is properly done. And always to do recheck for ensuring that I am working according to what is required from me". "To do my job to my best ability". "Every part and aspect of my job is equally important". Some of the artisans view the planning of work as important in order to deliver quantities of products. **Four respondents stated:** "Quantity". Some of the artisans view time management as important to meet deadlines. **Three respondents stated:** "Time". **Some respondents stated:** "Required time frame". "Given time". **Two respondents stated:** "I finish it on time". **Another respondent stated:**

	"Attending to faults and breakdowns with minimum down time to production".
	Not all of the artisans are clear about what it is that is expected of them in order to achieve the organisation's goals.
	Some respondents stated: "I want to meet the requirements of my departments". "Making sure I am productive".
	Only a few artisans have job descriptions.
	Three respondents stated: "Glazing".
	Another respondent stated: "Offering technical backup for all machinery, general maintenance of such as basic plumping and electrical problems".
	A few artisans rely on their supervisors to give them instructions on what to do.
	Four respondents stated: "Follow instructions".
	Some artisans view punctuality as being important in order to achieve organisational goals.
	Two respondents stated: "My most important part of my job is to come to work on time and do my job as I was trained to". "Is to come early to work".
	Most of the artisans are not effective owing to a number of problems, which are outlined below.
	Some artisans believe that a system such as a performance management system will clarify their duties.
	From the above one can conclude that more than half of the artisans (60%) are effective in planning work to achieve the organisation's objectives. The perception exists that the rest (40%) lack structure and direction to perform effectively. Also, artisans should be evaluated to determine their contribution to the achievement of the organisation's objectives. There is no system such as a performance management system in place, which can assist with feedback on performance, and provide a clear understanding of what it is expected of them to achieve the organisation's objectives.
General workers	**This category focussed on the views of general workers.** The theme that emerged in this category is planning work and setting expectations. Some statements bore evidence when responses from the general workers were analysed. General workers have different views on what it is that is expected of them to achieve the organisation's objectives. Some general workers view punctuality as being important in order to achieve the organisation's goals. **Some respondents state that:**

	"My most important part of my job is to come to work on time and do my job as I was trained to". "To make sure I'm on time in my working place". **Two respondents stated:** "Is to come early to work". **Some respondents stated the following:** "We must punctual". "To be at work all the time". "To come in time". "I must be on time on site or immediately on site". Some general workers believe that keeping the working area clean is important. **Two respondents state that:** "The most important thing about my job is to keep the workplace neat and clean with all materials orderly packed". "Cleaning the floor and toilets". Some general workers view the most important part of their job as being the pull of orders, offloading containers, and packing material on shelves. **Four respondents stated the following:** "To pull orders". "To off-load the containers". "Packing material in the shelf". "To pull the hardware". **Another respondent stated:** "I work double job, I work hardware and I pulling orders and packing material". Some general workers view time management as being important in order to achieve the organisation's objectives. **One respondent stated:** "Is to make sure that I make a time to deliver and make sure I arrive on time at the place to deliver or collect". Some general workers believe that they are expected to perform effectively. **Seven respondents stated the following:** "I do my job as required". "I do the job well". "To do the right job". "To do my job nicely". "Doing my job according to the order". **Two respondents stated:** "To do the job". **Another respondent stated that:** "I am a hard working person". Some general workers believe that it is expected of them to show respect for the job and their supervisors. **One respondent stated:** "Must respect the job". **Another two respondents stated:** "Respect my supervisor".

"Don't have a bad attitude and must respect".

Some general workers believe that time management is important in order to achieve the organisation's objectives.
Three respondents stated:
"I must be on time".
"Everything is on time".
"In the right time".
Another respondent stated:
"Is to make sure I make time".

Some general workers view the planning of work as important in order to produce quality work.

Some respondents stated the following:
"To make sure I am checking everything is going right with the frame".
"I must make sure that the material are well prepared, the quality, is well done".
"To do the job correctly".

Most of the general workers are not effective in managing the performance of their staff owing to certain problems, which are presented below:

Some general workers believe that a performance management system will assist them to improve performance.

Some of the respondents stated the following:
"Improving performance".
"Improve myself that I do nice work".
"My goals achievement is well improve".
"improving".

Some general workers view a performance management system as important in order to assist them with their duties.

Another respondent stated:
"Performance management can help me by teaching me and show me how to fulfil my duties".

Some general workers view a performance management system as being important to assist them to meet their targets.

A respondent stated that:
"The performance of management helps me to complete the job in the right time".

Two respondents stated:
"He gives me the duties that I suppose to do immediately".

Some general workers view a performance management system as being important to assist them to be safety conscious.

One respondent stated:
"To buy our overall and helmet. To check every job is done. They check everybody wear safe things".
"

Another respondent stated:
"To check every job is done".

While another respondent state:

"They check everybody they wear safe things".

	Some general workers view a performance management system as being important to assist them to acquire skills. **Two respondents stated the following:** "Performance and skills". **Another respondent stated:** "To know what is the stuff is inside the department". Some general workers view a performance management system as being important to assist them to understand their job. **Two respondents stated the following:** "When I'm not understand what is needed to love my job". From the above one can deduce that more than half of the general workers (60%) are effective in planning their work to achieve the organisation's objectives. The general workers do have an understanding of what the most important part of their job is and what is expected of them. However, a majority (60%) are concerned about punctuality, while a small percentage (40%) of the general workers regard the "on time delivering and collection of material", as important. Other issues that are important to a small percentage (30%) of general workers are to show respect towards their work and their supervisors; time management; and to meet targets. The perception exists that the rest (40%) lack structure and direction to perform their jobs effectively. This is evident, since most (60%) of the general workers believe that a performance management system can benefit them. The following benefits were highlighted: improvement of performance; acquiring skills; to have a better understanding of their work; to meet targets; and a performance management system will force the company to evaluate its safety measures.
	Theme Two: The development of employees
Managers	**This category focussed on the views of managers.** The theme that emerged is developing of employees. Some statements bore evidence when the managers' responses were analysed. Some managers view on-the-job training as part of the development of the employee. **Some respondents stated the following:** "It is a continuous process showing people their mistakes and praising them when they perform well". "Make them understand and know how to carry out their duties". "Open door policy for all staff maintains 1 standard for all (no exception)". "Always teach them things they don't know or understand". "Always lead by example". "Again there is room for improvement. But there is progress". One manager expressed that part of the development of employees is to keep them up-to-date with changes and development in the industry. **One respondent stated:** "Keeping staff informed of changes and development in the industry". Furthermore, some managers held different views concerning how effective they are in developing their employees. **Two respondents stated:** "Very good".

	Another respondent stated: "Very effective". **And, another respondent stated:** "Reasonably effective". **While another respondent states:** 'Effective enough". **The same respondent stated:** "But I think people must also shout when they feel they need assistance in certain issues and also be prepared to listen and learn". A manager also believed that they should be developed. **One respondent stated:** "As a manager myself, I feel that myself need to be trained better to give back to the employees". From the above one can deduce that not all employees (30%) have the skills and knowledge, which are required to perform effectively. The study shows that more than half (60%) of the managers believe that they contribute to the development of their employees. This is evident, since the managers regarded themselves as mentors, as they provide on-the-job training. On the contrary, a small percentage (10%) of managers believe that they are not equipped to teach others, and that they should also be developed. The study shows that forty percent of managers lack the following: time- and quality management, and communication skills. The perception exits that there is no structured performance individual plan in place to assist employees or managers to develop their capacity or potential. It is also evident that the absence of a performance individual plan makes it complicated for managers to identify training and development needs.
Supervisors	**This category focused on the views of supervisors:** The theme that emerged is the developing of employees. The following statements bore evidence when the supervisors' responses were analysed. Some supervisors believed that there are no opportunities to learn and grow while others believed that there are such opportunities. **Two respondents stated the following:** "As far as I can see, no opportunities exist as nowhere has any management process (planning, organising, leading and controlling), been communicated with any staff member outside management". While some supervisors believed that there are opportunities to learn and grow. **Two respondents stated:** "I can be a manager". Some supervisors would like to study further. **Some respondents stated the following:** "I would like this company to send me to more courses and learn more about the aluminium company". "I would like to believe that there is an opportunity for self-development for example to study project management degree".

	From the above one can deduce that all (100%) of the supervisors lack career development and succession planning. This is evident, since amongst 80% of supervisors, 20% believe that there are no opportunities available in the company and 60% of them would like to study further. On the contrary, the rest of the supervisors (20%) believe that there are opportunities to be promoted to a managerial position. Based on the findings, it is evident that there is no structured performance individual plan in place to assist supervisors to develop their career. It is also evident that the absence of a performance individual plan has caused most managers (80%) to show no commitment to create opportunities for supervisors to develop and grow.
Finance Department	**This category focussed on the views of staff in the Finance Department.** The theme that emerged is the development of employees. The following statements bore evidence when responses of staff in the Finance Department were analysed. Some supervisors believed that there are opportunities to learn and grow in the company. **Some of the respondents stated the following:** "There is a lot to learn". "I am in the process of receiving various tasks. Therefore I am already learning every day". **Two respondents stated:** "Plenty". Some staff in the Finance Department stated that they learn from colleagues and their manager. **One respondent stated:** "I feel I can learn a lot from my colleagues and manager as they all have different levels of experience". **Another respondent stated:** "Working closely with your manager allows you to 'absorb" their knowledge and how to apply it". **While another respondent stated:** "From a practical point of view I have learnt and am learning a lot from people in my department and other departments who have more experience in what they do. I will continue to work closely with them to learn as much as I can". From the above one can deduce that all (100%) of the staff in the Finance Department have opportunities to develop and grow. This is evident, since all staff in the Finance Department believes that they learn from colleagues and their manager. Although this is the case, the perception exists that there is no structured performance individual plan in place to assist staff in the Finance Department to develop their career.
Artisans	**This category focused on the views of artisans:** The theme that emerged here is development of employees. The following statements bore evidence when responses from artisans were analysed. Some artisans believed that there are opportunities to learn and grow in their field of work, while others believed that there are no such

opportunities.

Some respondents stated the following:

"With the shortage of welders in the welding department I wish I could learn welding".
"Whenever I'm asked to do another job I do it with pride so that I can get to learn other jobs".
"Can be many as long as there is somebody to teach me new things and I am willing to learn".
"I am still yet to learn how to attend to complicated problems in machinery such as compressor and automatic machines".
"There are lots of opportunities".

While some artisans believed that there are no opportunities to learn and grow in their field.

One respondent stated that:

"I don't think our company think about people. They must get the opportunities I so many years in this company are never get happy in this side of opportunities".

Another respondent stated:
"No".

Some artisans want to excel in the glazing of doors and window frames.

Two respondents stated:
"I want to achieve the highest level possible in the glazing department".

While another respondent stated that he is open to learning new trades.

One respondent stated:
"Learn to be an assembler and another job".

Another respondent stated:
"I want to learn as much as possible".

Some artisans enquired about their job description and how their performances rated.

Two respondents stated the following:

"Learn how your specific job tasks and performance fit into the overall function of work unit or department and how you contribute to the company".

From the above one can deduce that the majority (80%) of the artisans believed that there are many opportunities to learn and grow, while a minority (20%) of the artisans believed that there are no opportunities to grow. Among the 80% of the artisans, the perception exists that 60% of the artisans want to be trained and developed in terms of product knowledge. While 20% of them want clarity on their job description, and are keen to receive feedback on their performance. On the contrary, 20% of the artisans believed that there are no opportunities for growth. This is evident, since two artisans claimed that they never received training since they began to work for the company. Based on the findings, it is evident that there is no system in place that can provide clear job descriptions and give feedback on performance. Furthermore, there is also no structured performance individual plan in place to assist supervisors to develop and train artisans.

General Workers	**This category focussed on the views of general workers.**
	The theme that emerged is the development of employees. The following statements bore evidence when responses from the general workers were analysed.
	Some general workers expressed that they would like to have an opportunity to learn "English".
	Four respondents stated: "To speak English".
	Some general workers expressed different views on the opportunities that there are to learn and grow. They are eager to learn more about their department, and want to improve themselves by studying further.
	Some respondents stated: "To know all the stuff is inside the factory one by one". "Improve training and development". **One respondent stated:** "I want to further my work/study".
	The same respondent went further and stated: "And I want to gain more experience and I want to gain knowledge".
	Another respondent stated: "Computer studies; Store management; Human Resource management; First Aid".
	Two respondents stated: "If you can give me work I can learn so I can grow".
	Some of the general workers agreed that there are many opportunities to learn and grow, while another respondent disagreed by stating that there are no such opportunities.
	Three respondents stated the following: "There are lots of opportunities".
	A respondent stated that there is no opportunity to learn and grow.
	One respondent stated: "Not available yet".
	From the above one can deduce that most of the general workers (80%) have a need for training and development in terms of product knowledge, and to speak "English". Amongst the 80% of general workers, 40% of them would like to learn English, while another 30% would like to gain more experience and knowledge either in their field or in another field. The rest of the general workers, namely 20% agreed that there are opportunities for growth, but did not elaborate on it. However, a small percentage (10%) of the artisans believed that there are no opportunities available for them to develop. Based on the findings, the perception exists that there are no structured performance individual plan in place to assist supervisors to develop the careers of general workers.

	Theme Three: Measuring performance
Managers	**This category focussed on the views of managers.** The theme that emerged is that of measuring performance. Some statements bore evidence when responses from the managers were analysed. Some managers preferred a descriptive numbered rating scale to measure performance. **Six of the statements were rated as follows:** "1 = poor; 2 = satisfactory; 3 = good; and 4 = Excellent". Some managers preferred a numbered rating scale to measure performance. **Two of the statements were rated as follows:** "10". From the above one can deduce that the managers have mixed views about what kind of rating scales should be used to measure performance. The perception exists that managers generally accepted the absolute standard approach above the non-descriptive rating scale. This is evident, since a large percentage (60%) of managers indicated that they preferred a rating scale, which is descriptive and numbered to measure performance. On the contrary, twenty percent of managers indicated that they preferred a non-descriptive rating scale that stipulates the number and excludes the description to measure performance.
Supervisors	**This category focussed on the views of supervisors.** The theme that emerged here is performance measurement. Some statements bore evidence when responses from the supervisors were analysed. Some supervisors preferred a numbered descriptive rating scale to measure performance. **Five of the statements were rated as follows:** "1-3 = poor; 4-6 = satisfactory; 7-9 = good; 10 = excellent". Furthermore, some supervisors preferred only a descriptive rating scale to measure performance. **Two of the statements were rated as follows:** "Excellent". One supervisor preferred only a numbered rating scale to measure performance. **One respondent stated the following:** "7-9". And another supervisor preferred content validation to measure performance. **One respondent stated the following:** "Content validation is used to show that the rating scale accurately measures performance or important job elements, and not measure traits or behaviour that are irrelevant to job performance". From the above one can deduce that all (100%) of the supervisors have

	mixed perceptions about the use of rating scales to measure performance. This is evident, since fifty percent of supervisors indicated that they preferred a rating scale, which is descriptive and numbered to measure performance. On the contrary, from the remainder of the 50% of the supervisors, only thirty percent of them indicated that they preferred the non-descriptive rating scale, which stipulates only the number to measure performance. The rest of this group, namely 20% indicated that they preferred content validation. The supervisors believed that content validation will ensure that performance is measured based on the job, and not on the character or behaviour of the person.
Finance Department	**This category focussed on the views of staff in the Finance Department.** The theme that emerged here is performance measurement. Some bore evidence when responses from the staff in the Finance Department were analysed. Some staff in the Finance Department viewed a descriptive rating scale, which is numbered as efficient to measure performance. **Three of the statements were rated as follows:** 1-3 = poor; 4-6 = satisfactory; 7-9 = good; 10 = excellent". Furthermore, some staff in the Finance Department held different views about performance measurement. **One respondent stated the following:** "No scale". **Another respondent stated the following:** "Perhaps just "poor, satisfactory, good, excellent" not any numbering specifically. Those ratings should be accompanied by a reason for the rating as well as suggestions how one could improve". From the above one can assume that there are no formal standards in place to measure performance. The perceptions of a majority of the staff in the Finance Department (80%) generally indicated that they accepted the absolute standard approach and preferred a rating scale, which is numbered and descriptive. Only twenty percent of staff in the Finance Department indicated that they did not prefer to have not a rating scale to measure performance. The rest of the staff in the Finance Department (20%) indicated that they preferred the rating scale to be descriptive and to provide recommendations for improvement. A few (20%) of the staff members in the Finance Department believed that the rating scale should state poor, good and excellent, and should not be numbered.
Artisans	**This category focussed on the views of artisans**: The theme that emerged here is performance measurement. Some statements bore evidence when responses from the artisans were analysed. Some artisans viewed a numbered rating scale which is descriptive as efficient to measure performance. **Five of the statements were rated as follows:** "1-3 = poor; 4-6 = satisfactory; 7-9 = good; 10 = excellent". Furthermore, some artisans view only numbered rating scales without the description as efficient to measure performance.

	Two of the statements were rated as follows: "7-9".
	Another artisan viewed a description rating scale without the numbers, as efficient to measure performance.
	One of the respondent stated the following: "Good".
	And another artisan did not prefer any of the descriptive and non-descriptive rating scales to measure performance.
	One respondent stated the following: "I think it doesn't come the way I prefer but the way somebody sees what I do and the criteria used for rating. Of cause everybody wants the best, but one has to earn it".
	From the above one can deduce that there are no formal standards in place to measure performance. The perceptions of half of the artisans (50%) generally indicate that they accepted the absolute standard approach and preferred a rating scale, which is numbered and descriptive. Only twenty percent of the artisans indicated that they preferred not to have a rating scale to measure performance. From the remainder of the artisans (30%), almost half of them (15%) indicated that they preferred the rating scale to be numbered. The rest of the artisans (15%) indicated that they preferred a descriptive rating scale.
General workers	**This category focussed on the views of general workers:** The theme that emerged here is performance measurement. Some statements bore evidence when responses from the general workers were analysed. Some artisans viewed a numbered rating scale, which is descriptive as efficient to measure performance. **Five of the statements were rated as follows:** "1-3 = poor; 4-6 = satisfactory; 7-9 = good; 10 = excellent". Five of the statements were rated as follows: "10 = excellent". A majority (100%) of the responses from the general workers clearly indicated that they preferred a numbered and descriptive rating scale.
	Theme Four: Evaluating performance
Managers	**This category focussed on the views of managers.** The theme that emerged here is the evaluation of performance. Some statements bore evidence when responses from the managers were analysed. Some managers held different views on when performance appraisals should be done. **One of the respondents stated the followings:** "Three times a year". **Two of the respondents stated the following:** "Every three months".

| | **Three of the respondents stated the following:**
"Once per month".

Two of the respondents stated the following:
"At least every six months".
"Twice a year".
Most managers viewed the evaluation of performance as important to improve the overall performance of employees.

Some of the respondents stated the following:

"To improve the overall quality of the workmanship at World of Windows".
"To improve the working system".
"To improve communication and response time".
"To bring performance in the department up".
"To improve efficiency and cut down on wastage".

One of the respondent stated the following:
"To keep to deadlines".

Some of the managers viewed the evaluation of performance as an opportunity to manage staff more effectively, to acknowledge staff for excellent work, and to identify underperformance.
One of the respondents stated the following:
"It would help to manage staff more effectively and to recognise them for doing well, as well as underperformance".

Another respondent stated the following:
"To monitor progress".

Managers also viewed the evaluation of performance as beneficial to both the company and its employees.

Some of the respondents stated the following:
"To save the company money".
"For the benefit of the people and the company".

Another manager viewed the evaluation of performance as an opportunity to determine how staff perform; to set standards; and to achieve goals.

One of the respondents stated the following:
"Opportunity of evaluating staff, setting standards and goals to be achieved".

From the above one can deduce that all managers have an understanding of how the performance evaluation can benefit them, the employees and the organisation. The perception exists that sixty percent of managers view the evaluation of performance as a yardstick for areas of improvement. Twenty percent of managers view the evaluation of performance as an opportunity to manage staff more effectively as a means to achieve targets.

While another twenty percent of managers view the evaluation of performance as an opportunity to acknowledge staff for outstanding performance, and to identity those employees who are underperforming. All managers agreed that performance appraisals should be done. A majority of managers prefer to have a performance appraisal conducted with their manager once a month. |

Supervisors	This category focussed on the views of supervisors.
	The theme that emerged here is performance evaluation. Some statements bore evidence when responses from supervisors were analysed.
	Some supervisors have different views about when performance appraisals should be done.
	Three of the respondents stated: "Three times a year".
	Two of the respondents stated: "Three months".
	Two of the respondents stated: "Once a month".
	One of the respondent stated: "Every day (end of every day)".
	Another respondent stated: "At least every quarter".
	One of the respondents stated: "Every six month's".
	Some supervisors view feedback as an opportunity to build relationships.
	Two of the respondents stated:
	"To communicate and ask questions about your job".
	Some supervisors view feedback as an opportunity to improve the performance of their workers.
	Two of the respondents stated: "To improve individual performance".
	One of the respondents stated: "To motivate the employee with feedback gained through the appraisal".
	Some supervisors view feedback as an opportunity to determine if they meet their production targets.
	One of the respondents stated: "Knowing that my goal is visible".
	Another respondent stated: "Ensure the goal is worthwhile so that I know what I'm doing is important and valued".
	Furthermore, another respondent stated: "To ensure that I am meeting the task needs and being as productive and efficient as expected".
	Some supervisors view feedback as an opportunity to identify problems.
	Two of the respondents stated: "Early problem identification".
	Some supervisors view feedback as an opportunity to identify training

	needs and to improve skills. **One of the respondents stated:** "To identify my training needs, to improve skills to the benefit of the company". **Another respondent stated:** "Using information gained through an appraisal to focus on career planning for the employee and his future growth in the organisation". Some supervisors view the evaluation of performance as an opportunity to find out what is expected of them. **Five of the respondents stated:** "You know what is expected from you". From the above one can deduce that all supervisors needed performance appraisals to evaluate and provide feedback about their performance and of those whom they supervise. It is also evident amongst the twenty percent of the supervisors who made the link between the evaluation of performance and the building of relationships, motivation, identification of problems, and training and development for themselves and their teams. Another thirty percent of supervisors perceived feedback to serve as a yardstick to determine the achievement of goals, and to improve performance. The perception also exists that supervisors are not certain about what is expected of them. Fifty percent of supervisors view the evaluation of performance as an opportunity to obtain clarity about their job description. All of the supervisors agreed that performance appraisals should be done. A majority (40%) of supervisors prefer to have a performance appraisal conducted with their manager three times a year.
Finance Department	**This category focussed on the views of staff members in the Finance Department.** The theme that emerged here is the evaluation of performance. Some statements bore evidence when responses from the Finance Department were analysed. Some staff members in the Finance Department held different views on when performance appraisals should be done. **Two of the respondents stated:** "Twice a year". **Another respondent stated:** "Once every six months". **Another respondent stated:** "Annually". **Another respondent stated:** "Quarterly". Some staff members in the Finance Department viewed feedback as an opportunity to find out what it is that is expected of them. **One of the respondents stated:** "To find out what is expected of me".

	One of the respondents stated: "It will help you to excel at what is required of you". **Another respondent stated**: "It will allow us to evaluate the role that we play in our department". Some staff members in the Finance Department viewed feedback as an opportunity to improve performance. **Some of the respondents stated:** "It's important because the feedback will inform you where you need to improve". "Without feedback it is difficult to know where you can improve, or set new goals". "It will improve individual and team overall performance". "So that one can know where one should improve and so that suggestions can be made on how to achieve a better result". Some staff members in the Finance Department viewed feedback as an opportunity to improve the relationship between themselves and their manager. **One of the respondents stated that:** "Feedback improves the interpersonal relationships between workers and their manager". **Another respondent stated:** "And we can learn how to help ourselves and others in the team". From the above one can deduce that all of the staff in the Finance Department needed performance appraisals to evaluate and provide feedback on their performance. Seventy percent of staff in the Finance Department shares the perception that feedback on performance can strengthen their relationships with each other, and improve their performance. The perception also exists that not all staff members in the Finance Department know what it is that is expected of them. This is evident since thirty percent of staff members in the Finance Department view the performance evaluation as an opportunity to obtain clarity about their job description. All of the staff in the Finance Department agreed that performance appraisals should be done. A majority (60%) of the staff in the Finance Department prefer to have a performance appraisal conducted with their manager at least twice a year.
Artisans	**This category focussed on the views of artisans.** The theme that emerged here is performance evaluation. Some statements bore evidence when responses from the artisans were analysed. Some artisans held different views about performance appraisals should be done. **Three of the respondents stated:** "Two times a year". **Two of the respondents stated:** "Whenever". **One of the respondents stated:** "Any time". **Four of the respondents stated:**

	"Once a month". **One of the respondents stated:** "Once a week". Some artisans viewed feedback on their performance as an opportunity to improve their performance. **Some of the respondents stated the following:** "It enhances improvement". "It will help to show me where I need to improve". "And see were improvement is needed". An artisan viewed feedback on their performance as an opportunity to motivate them to perform. **One of the respondents stated:** "To motivate". An artisan viewed feedback as an opportunity to build relationships between them and their supervisor. **The statement said:** "Employer relationship". An artisan viewed feedback on performance as an opportunity to determine how good or poor his performance is. **The statement said:** "So that you can know how your performance is". From the above one can deduce that the artisans are in need of performance appraisals to evaluate, and to provide feedback on how they perform. Seventy percent of the artisans viewed performance appraisal as an opportunity to strengthen relationships; motivate them; and provide them with feedback on their performance. The perception exists that artisans view the evaluation of performance as a tool that can assist them to improve their performance. For instance, thirty percent of the artisans mentioned feedback as important when it comes to the improvement of performance. All the artisans agreed that a performance appraisal should be done. A majority (70%) of the artisans prefer to have a performance appraisal to be conducted with their supervisor once a month.
General workers	**This category focussed on the views of general workers.** The theme that emerged here is the evaluation of performance. Some statements bore evidence when responses from the general workers were analysed. Some general workers held different views on when they would like to have an appraisal done. **Three of the respondents stated:** "Twice a month". **Three of the respondents stated:** "Every week". **Two of the respondents stated:**

	"Every day".
	Four of the respondents stated: "3 times a year".
	Some general workers viewed the evaluation of performance as an opportunity to obtain feedback on how they perform.
	One of the respondents stated: "Providing feedback on performance".
	Another respondent states: "To know how was the job, eg. Good".
	Some general workers viewed feedback as an opportunity to improve performance.
	Some of the respondents stated the following: "You must get feedback because you want to know where I was wrong and how can I solve this problem immediately". "Because I want to know where I was wrong and how I can do after". "It also makes me push harder at work".
	Some general workers viewed feedback as an opportunity to improve relationships.
	One of the respondents stated: "To improve our hospitality to each other".
	From the above one can deduce that the general workers are in need of performance appraisals to evaluate, and to provide feedback on how they perform. Seventy percent of the general workers view performance appraisal as an opportunity to strengthen relationships, to motivate them and provide them with feedback on their performance. The perception exists that general workers view the evaluation of performance as a tool that can assist them to improve their performance. This is evident, since thirty percent of general workers mentioned feedback as important when it comes to the improvement of performance. All the general workers agreed that performance appraisals should be done. A majority (80%) of the general workers prefer to have a performance appraisal to be conducted with their supervisor at least three times a year.
	Theme five: Rewards As mentioned in Chapter Two, although rewards are not linked to the problem statement, which is as indicated in Chapter One, rewards are an essential component of performance management.
Managers	**This category focussed on the views of managers.** The theme that emerged here is that managers want their employees to be rewarded for outstanding performance. The following statements bore evidence when responses from managers were analysed. Most managers (60%) viewed the acknowledgement of outstanding performance from employees as an important means to motivate them to perform effectively. **Three of the respondents stated:** "By acknowledgement of a job well done". **Three of the respondents stated:** "Recognition where it is due".

Two of the respondents stated:
"Thank you".

Another respondent stated:
"It is important to tap employees on the shoulder and thank them when targets are met".

While another respondent stated:
"I always encourage and motivate people by thank them after completion of work".

A manager viewed conducting a performance appraisal as an important means to motivate employees to perform effectively.

The statement said:
"Appraisal".

Another manager viewed recruiting the right candidate as an important step to motivate employees to perform effectively.

The statement said:
"The right person for the job".

Another manager viewed a challenging job as an important factor to motivate employees to perform effectively.

The statement said:
"Give them more responsibility".

Some managers viewed communication as an important tool to motivate employees to perform effectively.

Some of the respondents stated the following:
"Talking to staff".
"Understanding what is happening in the factory".
"Keep them inform about new developments".

Managers also viewed monetary rewards as an important factor to motivate employees to perform effectively.

Four of the respondents stated:
"Incentives".

However, it was mentioned by one respondent that there is nothing in place to motivate employees to perform effectively.

One of the respondent stated:
"At the time there is nothing in place".

From the above one can deduce that managers view monetary and non-monetary rewards as important factors to motivate employees to perform effectively. The perception exists amongst sixty percent of managers that they believe in the importance of a challenging job, the acknowledgement of employees, open communication and feedback. Fifty percent of the managers view non-monetary factors as an effort to meet employees' need to achieve, be recognised, and to develop them. On the contrary, forty percent of the managers view monetary rewards as an important factor to motivate employees to perform effectively. The study shows that managers view incentives as a direct reward for outstanding performance, and as an important factor to motivate employees to perform.

	However, the study shows that only ten percent of managers thank employees for completion of work, while another ten percent state that there is nothing in place to motivate employees to perform effectively.
Supervisors	**This category focussed on the views of supervisors.** The theme that emerged here is that supervisors want to be rewarded for outstanding performance. The following statements bore evidence when the supervisors' responses were analysed. **Some of the supervisors viewed non-monetary rewards as:** "Acknowledgement for outstanding performance as important to motivate them to perform effectively". **Two of the respondents stated:** "To receive recognition". **Another respondent stated:** "Being appreciated". **Furthermore, another respondent stated**: "A thank you". Some supervisors viewed monetary rewards as an important factor to motivate them to perform effectively. **Some respondents stated the following:** "Be paying nice money". "Management by looking at my salary". "Fair compensation for work done". "Monetary". "Incentives". Some supervisors viewed participative decision making as an important factor to motivate them to perform effectively. **Two respondents stated the following:** "To be involved in the decision making of management". "To establish a forum where sensitive/difficult issues can be routed to management and shareholders, and also this method to communicate any decisions made by management and shareholders". Some supervisors viewed understanding of the vision and objectives of the company as important factors to motivate them to perform effectively. **One of the respondents stated that:** "To understand what direction the company is moving towards and be able to assist with the execution of these plans accordingly, to the benefit of all employed by the company". **Another respondent stated:** "To see that the company is going forward". Some supervisors viewed relationships as an important factor to motivate them to perform effectively. **One of the respondents stated:** "Relationship serves as motivation".

	Another respondent stated: "To have a good relationship with management and boss". Some supervisors viewed management support as an important factor to motivate them to perform effectively. **Two of the respondents stated:** "Receive help from managers". Some supervisors viewed communication as an important factor to motivate them to perform effectively. **Two of the respondents stated:** "To communicate". From the above one can deduce that some supervisors perceive a clear linkage between performance and pay. Fifty percent of supervisors want to be rewarded financially for outstanding performance. A total of 40% of the supervisors believe that they are not paid enough and regard money as a critical incentive to perform effectively. Thus, it is evident that if pay is in line with performance, it would motivate supervisors to generate high levels of effort. On the contrary, another fifty percent of supervisors are intrinsically motivated, while 50% of supervisors want clarity on the objectives of the company. The study shows that by sharing an understanding of the vision of the company and having a clear set of objectives that contribute to the goals of their teams, will motivate supervisors to perform effectively. The study also shows that twenty percent of supervisors want to learn and grow. This is evident, as supervisors want to be involved in participative decision making; they value their relationships with their teams and managers, as well as also the support of their superiors and communication.
Finance Department	**This category focussed on the views of staff in the Finance Department.** The theme that emerged is that employees in the Finance Department want to be rewarded for outstanding performance. Some statements bore evidence when responses from staff members in the Finance Department were analysed. Some employees in the Finance Department viewed non-monetary aspects such as acknowledgement of work as an important factor to motivate them to perform effectively. **Some respondents stated the following:** "To know I am appreciated". "Acknowledgement of good work and to be treated equally". "A "Thank you" also boosts a person and makes a person feel good about what they do". "Recognition of a job well done". Some employees in the Finance Department viewed open communication as an important factor to motivate them to perform effectively. **One of the respondents stated:** "Open communication". Some employees in the Finance Department viewed teamwork as an important factor to motivate them to perform effectively. **One of the respondents stated:**

	"Better team spirit and co-operation".
	Another respondent stated:
	"A team that works together and puts in equal effort".
	From the above one can deduce that employees in the Finance Department are intrinsically motivated. Seventy percent of employees in the Finance Department believe that working in a team will result in achieving their goals. And, the employees in the Finance Department prefer communication that is open, which will allow them to share their skills and utilise it effectively to obtain the best results. The study shows that thirty percent of employees in the Finance Department believe that non-monetary awards such as acknowledgement for an outstanding performance will motivate them to continue to perform effectively.
Artisans	**This category only focus on the views of artisans:**
	The theme that emerged here is that artisans want to be rewarded for outstanding performance. Some statements bore evidence when the artisans' responses were analysed.
	Artisans also viewed monetary rewards as an important factor to encourage and motivate them to perform effectively.
	Five of the respondents stated: "Money".
	Whilst another respondent stated: "After a well done job and some incentives".
	Artisans viewed a pay rate that justifies their job description as an important factor to motivate them to perform effectively.
	One of the respondent stated: "If possible setting a corresponding pay rate".
	Another respondent stated: "Corresponding monetary value".
	Whilst another respondent states: "If I am paid properly". Artisans viewed an increase in their hourly rate as a motivational factor to perform effectively.
	Some respondents stated the following: "To have an increased hourly rate". "Have a pay raise". "Corresponding monetary value".
	Artisans viewed non-monetary rewards such as acknowledgement for outstanding work as an important factor to motivate them to perform effectively.
	Two of the respondents stated: "A simple thanks for a job well done".
	Another two respondents stated: "Being appreciated for the good I do".
	One of the respondent stated: "Acknowledgement of my effort by the management".

	Another respondent stated: "Recognition by management of the importance of my duties". **Furthermore, another respondent stated:** "To be respected and treated fairly". From the above one can deduce that a majority (80%) of the artisans is both monetary and non-monetary motivated, which may result in them being more efficient. The study shows that the pay for performance standard will encourage artisans to perform effectively. Eighty percent of the artisans link compensation to their performance, while twenty percent of the artisans prefer the non-financial option. The study shows that most of the artisans (80%) believe that non-financial rewards are important because it will serve to motivate them and will meet their need to be recognised, and to grow.
General workers	**This category focussed on the views of general workers.** The theme that emerged here is that general workers want to be rewarded for outstanding performance. Some statements bore evidence when responses from the general workers were analysed. Some general workers viewed monetary rewards as an important factor to motivate them to perform effectively. **One of the respondents stated:** "Be pay, nice money". **Another respondent stated:** "Nice salary". Two general workers viewed an increase in their wages as an important aspect to motivate them to perform effectively. **One of the respondents stated:** "Nice salary to do your job nicely and smooth". Some general workers viewed the time allocated to complete a job as an important factor to motivate them to perform well. **Two of the respondents stated:** "Is to give me a better time to do it". Some general workers viewed that to be appreciated by their supervisor is an important factor to motivate them to perform well. **One of the respondents stated:** "It would be when the boss appreciates my work and feel happy about it". **Another respondent stated:** "Being appreciated". Some general workers viewed being trained and developed as an important factor to motivate them to perform well. **One of the respondents stated:** "Training and development". From the above one can deduce that most (80%) of the general workers are both monetary and non-monetary motivated to deliver outstanding performance. The study shows that the pay-for performance standard

	will encourage general workers to perform. It is evident that sixty percent of general workers would like to earn a better salary, while forty percent of the general workers prefer the non-financial option. The study shows that general workers (80%) want to feel appreciated when they perform well; need more time to complete tasks; value teamwork; and view training and development as an important factor to deliver outstanding performance.

4.2.3 Data conclusions

In the next section of the data analysis, the study draws conclusions and theorises the data.

4.2.3.1 Theme One: Planning work and setting expectations

Nel *et al.* (2008:498) regard planning as the key to an effective performance management process. This study shows that less than half (50%) of the managers and more than half (60%) of the supervisors, respectively, lack planning, which has hampered their effectiveness to manage the performance of sub-ordinates. Forty percent of both the artisans and general workers are concerned about the planning of daily tasks and time management in order to accomplish tasks. Most (80%) of the staff in the Finance Department know what it is that is expected of them. The study confirms the statement by Nel *et al.* (2008:498) that planning involves the setting of performance expectations and goals for groups and individuals to channel their efforts towards achieving organisational objectives.

This study also shows that there is no standard job description for managers in place, while less than the half (40%) of the supervisors do not know what is expected of them. In the Finance Department twenty percent of the employees are not sure of their job description, because according to them, it keeps on changing. Furthermore, the study shows that eighty percent of artisans believe that it is expected of them to be productive during working hours, and that performance is based on behaviour. However, not one artisan mentioned anything about what their duties entail. The study also shows that eighty percent of the general workers know it is that is expected of them. Similar to the artisans, research shows that fifty percent of managers regard the following character traits as crucial to perform, namely: diligence, hard work, commitment, discipline and punctuality.

On studying the employment contracts, the researcher found that staff members are divided into two sections: salaried- and weekly earned staff. The salary staff falls under the company, which provides a job description or an appointment letter upon commencement. The weekly staff falls under the Building Industrial Bargaining

Council, and the employee's receive a standard contract upon commencement, which stipulates the employee's occupation, but excludes duties. The reason for this is that the Building Industrial Bargaining Council provides a standard summary of what the duties of an artisan and general worker entails. However, because of the nature of the manufacturing of aluminium, the duties should be adjusted to the job that is required to be performed by the employee. This is not attached to the employee's contract, and the person will start working under the guidance of a supervisor or mentor.

The general perception is that the absence of structure and goals, which is evident in the lacking of planned work and set expectations, results in de-motivated employees. However, under this theme, the study revealed a positive perception by managers, supervisors, artisans and general workers that performance management will assist in the planning of work and setting expectations, which will motivate staff to perform better. Armstrong (2006:90) notes the following areas in order for organisations to be effective: clear goals and strategies; the importance of performance, productivity; quality; customer service teamwork and flexibility; and a well-motivated, committed, skilled and flexible workforce.

4.2.3.2 Theme Two: The development of employees

The development of employees is an important characteristic of performance management. The study shows that not all of the employees (30%) are equipped with the skills and knowledge to perform effectively. Sixty percent of the managers believe that they contribute to the development of their employees by fulfilling the role of a mentor, and by providing on-the-job training. On the contrary, a small percentage (10%) of managers believes that they are not equipped to teach others, and should also be developed. The study shows that forty percent of the managers lack the following: time- and quality management; and communication skills. All of the supervisors (100%) mentioned that they lack career development and succession planning. The study shows that of the 80% of supervisors, 20% of them believe that there are no opportunities available in the company, and 60% of them would like to study further. On the contrary, the rest of the supervisors (20%) believe that there are opportunities to be promoted to a management position. However, the study shows that most of the managers (80%) show no commitment to creating opportunities for supervisors to develop and grow. Eighty percent of the staff in the Finance Department learns from colleagues and their manager, while one person in Finance believes that there are no opportunities for development and growth. The study

shows that more than the half (60%) of the staff in the Finance Department would like to know what the vision of the company is in order to grow with the company.

In addition, a majority (80%) of the artisans and a small percentage of the general workers (20%) believe that there are many opportunities to learn and grow. From the 80% of the artisans, 60% of them want to be trained and developed in terms of product knowledge. Furthermore, the study shows that the general workers (80%) have a need for training and development. Of the 80% of general workers, 40% of them would like to learn "English", while another 30% would like to gain more experience and knowledge either in their field or in another field. A small percentage (20%) wants clarity of their job description, and requires feedback on their performance. However, a minority (20%) of the artisans and (10%) of the general workers believe that there are no opportunities to grow. Two artisans claimed that they never received training, since they started to work for the company.

The result of the study has also shown the importance of having mentors and tutors. This coincides with the conclusion of Kaplan *et al.* (1996) that 'learning' is more than 'training'; it also includes aspects such as mentors and tutors within the organisation, as well as ease of communication among workers that allows them to readily receive help with a problem when it is needed.

The study made an observation that supervisors were promoted to managers and lack managerial skills. Therefore, it did not come as a surprise when one of the managers' expressed the need to be trained himself so that he can give back to the employees.

The study also confirms the statement made by Stone (2008:4) that an effective performance management would identify developmental needs, long term development plans and address shortcomings in performance.

4.2.3.3 Theme three: Measuring performance
From a brief analysis of the findings, it is clear that, except for the general workers, other employees, (managers and supervisors, the Finance Department, artisans) have mixed perceptions about the use of rating scales to measure performance. This is evident, since eighty percent of both managers and staff in the Finance Department, indicated that they preferred a rating scale that is descriptive and numbered to measure performance. Other responses were one hundred percent of the general workers; thirty percent of the supervisors and fifty percent of the artisans. On the contrary, a small percentage (20%) of managers and 15% of the general

workers indicated that they preferred the non-descriptive rating scale, which stipulates only the number and excludes the description to measure performance. Furthermore, the study shows that not all (20%) of the supervisors were in agreement with the measurement of performance based on the behaviour of a person, and hence prefer content validation, which measures performance, which focuses on the job.

The study shows that not all (20%) of the artisans and staff in the Finance Department want a rating scale to measure performance. A few (20%) of the staff in the Finance Department and 15% of the general workers believe that the rating scale should state poor, good and excellent, and should not be numbered. Furthermore, the study shows that the ratings should be accompanied by a reason for the ratings, as well as suggestions on how one can improve. The importance of meeting the objectives of the company was mentioned by staff in the Finance Department and supervisors.

The conclusion is similar to Kaplan *et al*. (1996) who considered a management and measurement system such as the balanced scorecard that enables organisations to clarify their vision and give feedback regarding internal business processes and external outcomes in order to improve performance.

4.2.3.4 Theme Four: The evaluation of performance

A dimension of performance management is the performance evaluation. The study shows that all (100%) employees (managers, supervisors, staff in the Finance Department, artisans and managers) embraced the introduction of appraisals. In addition, all (100%) of the employees have an understanding of how performance evaluation can benefit themselves, the employees and the organisation. Furthermore, the study shows that more than the half (60%) of the managers and less than the half (30%) of the supervisors and artisans viewed performance evaluation as a yardstick for areas of improvement. In addition, a small percentage (20%) of the managers' viewed performance evaluation as an opportunity to manage staff more effectively in order to achieve targets. Another small percentage (20%) of managers viewed performance evaluation as an opportunity to acknowledge staff for outstanding performance, and to identity those employees who are underperforming. Thus, the study shows that more than half (70%) of the supervisors and managers and a small percentage (20%) of both the artisans and general workers made a link between the evaluation of performance and the building of relationships, motivation, identification of problems, and training and development for themselves and their teams.

The study also shows that most (40%) of the staff in the Finance Department prefer to have a performance appraisal conducted with their manager twice a year, while a majority (40%) of both the artisans and managers prefer to have it done once a month. A majority (40%) of the general workers prefer to have a performance appraisal conducted with their supervisor three times a year.

The literature review shows that performance evaluation is aimed at motivating employees by encouraging them to improve performance. Grobler *et al.* (2006:10) assert that employees want to know how well they perform in their jobs. Therefore, performance appraisals are conducted to determine in which aspects the employee performs well, and where improvements should be made.

4.2.3.5 Theme Five: Rewards

Stiffler (2006:113) regards compensation as an important aspect of an effective performance management system. This study shows that there is a clear linkage between performance and pay. More than (60%) of the managers believe in the importance of a challenging job; the acknowledgement of employees', open communication; and feedback. On the contrary, forty percent of the managers viewed monetary rewards as an important factor to motivate employees to perform effectively.   Furthermore, managers viewed incentives as a direct reward for outstanding performance as an important factor to motivate employees to perform. However, the study shows that only small percentages (10%) of the managers' thank employees for completion of work, while another ten percent state that here is nothing in place to motivate employees to perform effectively.

The study shows that half (50%) of the supervisors want to be rewarded financially for outstanding performance. Forty percent of the supervisors believe that they are not paid enough and regard money as a critical incentive to perform effectively. Thus, it is evident that if pay is in line with performance, it would motivate supervisors to generate high levels of effort. On the contrary, more than half (60%) of the supervisors are intrinsically motivated while 50% of them want clarity on the objectives of the company. The study shows that by sharing an understanding of the vision of the company, and having a clear set of objectives that contribute to the goals of their teams, will motivate supervisors to perform effectively. In addition, supervisors want to be involved in participative decision making; they value their relationships with their teams and managers, and enjoy the support of their superiors and communication.

The study also shows that more than half (70%) of employees in the Finance Department believe that team work will assist them to achieve their goals. The study shows that thirty percent of employees in the Finance Department believe that non-monetary awards such as acknowledgement for an outstanding performance will motivate them to continue to perform effectively. Most (80%) of the general workers are both monetary and non-monetary motivated to deliver outstanding performance. The study shows that more than half (60%) of the general workers would like to earn a better salary. In addition, most (80%) general workers want to be acknowledged, as a result of a performance well done; require enough time to complete a task; value teamwork; and view training and development as an important factor to deliver outstanding performance.

The study confirms the statement by Snell *et al.* (2007:420) that the pay for performance standard will encourage employees to perform, and that rewards should be related to exceptional performance (Robbins *et al.,* 2004:165).

In conclusion, the findings of the study support the relationship between performance management and the lack of motivation that affects organisational performance. This has led the study to develop a framework for an effective performance management system for World of Windows, which is dealt with in Chapter Five.

4.3 SUMMARY

The main purpose of this chapter was to describe and analyse performance management. The qualitative data analysis method allowed the study to describe and interpret employees' perceptions regarding the phenomenon under study. The study also explained how the data analysis was done with reference to the four stages of data, which are description, analysis, conclusion and theorisation. The completed list of themes made the collection of data more manageable. To conclude, the chapter provides a comprehensive description of how employees perceived performance management. In addition, the study also made analogies to previous studies to confirm what emerged from this study and add to the body of knowledge

The next chapter, Chapter Five, presents conclusions and recommendations.

CHAPTER FIVE
CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter presents conclusions and recommendations of the study. The study has drawn conclusions from the findings and identified key problems that de-motivated employees at World of Windows in terms of their performance during 2007–2009. Thereafter, recommendations follow, which could eliminate the problems and meet the objectives of the study, as indicated in Chapter One. Furthermore, the chapter provides a framework for the implementation of a performance management system.

5.2 CONCLUSIONS

The main finding of this study supports the relationship between performance management and the lack of motivation that affects organisational performance. The following are key problem areas, which this study has pointed out, and that influence employees' performance negatively:

5.2.1 Main key problem: Lack of motivation

On many occasions staff has highlighted the lack of purpose and value, empowerment, communication and flexibility between the employee and employer relationship. These behaviours are typical of an organisation where employees' motivation is lacking.

Furthermore, employees are not committed to producing good results, and do not pride themselves on high standards and quality. Recognition and appreciation to motivate and enhance performance is missing, and is evident in the poor standards and quality of work. These factors emulate from a discussion with Mr Thekwane, a senior manager, in an employment equity meeting. The high rate of staff turnover has destabilized the business and de-motivated those who attempt to maintain levels of service and output.

Another example of the reason for poor motivation is the collective agreement of the Building Industrial Bargaining Council, which stipulates wage increases on a yearly basis (www.bibc.co.za/content). This resulted in employees not being motivated to work towards a personal goal. Management assumes that reasons for not being motivated are: employees are secure in knowing that they will receive increases, as

proclaimed by the collective agreement of the Building Industrial Bargaining Council, and are aware that they will not receive merit bonuses.

The lack of motivation has also had a negative effect on absenteeism. Bratton and Gold (2003:435) define labour productivity as the quantity of the major product that the organisation provides and expresses as a rate, that is, productivity per worker. In a manufacturing company such as World of Windows, absenteeism has adverse effects on the productivity of the business. If there are shortages of staff owing to absenteeism, the forecasted target of the expected outputs will be reduced, but pressure will be placed on employees who are present to produce the same quantities. This causes major pressure on staff, and also reduces the employees' morale and motivation. Some of the frustrations lead to increased absenteeism, which in turn, leads to absconding and resignations. This then leads to falling behind on targets and company costs are increased, as they have to pay overtime, which means that employees would be paid at time-and-a-half instead of normal time.

The lack of motivation has finally had an effect on costs. The associated overall cost of staff turnover is high and contributes to poorer company performance. Turnover costs include payroll costs and personnel administration; the direct cost of recruiting replacements (advertising, interviewing, testing), opportunity costs of time spent by the Human Resource Department and line managers in recruitment; costs of introducing replacements (induction training, cost of induction manuals, opportunity costs of time spent by the Human Resource Department and managers in introducing new recruits); direct costs of time spent by line managers and other staff to provide training; loss of output from those that they are replaced in terms of contributions, output, sales, customer satisfaction and support; and losses, which arise from reduced input from new recruits until they are fully trained.

The above-mentioned has major financial and social implications and affects business efficiency. All these negative consequences are most certainly owing to the absence of an effective performance management system.

The sub-problems, which are presented on the following page, were identified as elements that influence performance negatively.

5.2.2 Sub-problem One:

Employees are complaining that they lack training, guidance or even knowledge of the vision and mission of the company.

World of Windows' vision is to be a supplier of aluminum windows and doors and to provide excellence in every aspect. However, there seems to be a dichotomy, as management feels that employees do not adhere to these standards while employees feel they labour on without proper training, guidance or even knowledge of the vision and mission in some circumstances. This is another example of inefficiency, which is most certainly due to the absence of an effective performance management system.

5.2.3 Sub-problem Two: Incompetent supervisors

At World of Windows supervisors are recruited internally. An important criterion is that supervisors must know the product. However, they often lack leadership skills and although the company provides the necessary training and mentors, workers still complain. Because of incompetent supervisors, recognition and appreciation to motivate and enhance performance is missing, and is evident in the poor standards and quality of work. All these incompetence's experience by supervisors, are most certainly due to the absence of an effective performance management system.

5.2.4 Sub-problem Three: Managers are under increasing pressure to enhance the competitive position of the organisation.

The mission of the company is to be a supplier of core products, whilst providing excellence in every aspect. However, owning to employees' lack of motivation to produce quality products, managers are under pressure to keep ahead of intense competition from rivals such as Winlight and Manshur. By remaining static, the company is also in danger of losing its competitive edge, as competitors improve their manufacturing and restoring business processes. This situation is mostly owing to the absence of an effective performance management system.

The findings also indicate that employees support a performance management system that can:

• **Clarify and communicate the vision and mission of the company**

The study shows that more than the half (60%) of the staff in the Finance Department would like to know what the vision of the company is in order to grow with the company

- **Align individual goals with organisational goals**

Nel et al. (2008:498) regard planning as the key to an effective performance management process. This study shows that less than half (50%) of the managers and more than half (60%) of the supervisors, respectively, lack planning, which has hampered their effectiveness to manage the performance of sub-ordinates. Forty percent of both the artisans and general workers are concerned about the planning of daily tasks and time management in order to accomplish tasks. Most (80%) of the staff in the Finance Department know what it is that is expected of them. The study confirms the statement by Nel et al. (2008:498) that planning involves the setting of performance expectations and goals for groups and individuals to channel their efforts towards achieving organisational objectives.

This study also shows that there is no standard job description for managers in place, while less than the half (40%) of the supervisors do not know what is expected of them. In the Finance Department twenty percent of the employees are not sure of their job description, because according to them, it keeps on changing. Furthermore, the study shows that eighty percent of artisans believe that it is expected of them to be productive during working hours, and that performance is based on behaviour. However, not one artisan mentioned anything about what their duties entail. The study also shows that eighty percent of the general workers know it is that is expected of them. Similar to the artisans, research shows that fifty percent of managers regard the following character traits as crucial to perform, namely: diligence, hard work, commitment, discipline and punctuality.

On studying the employment contracts, the researcher found that staff members are divided into two sections: salaried- and weekly earned staff. The salary staff falls under the company, which provides a job description or an appointment letter upon commencement. The weekly staff falls under the Building Industrial Bargaining Council, and the employee's receive a standard contract upon commencement, which stipulates the employee's occupation, but excludes duties. The reason for this is that the Building Industrial Bargaining Council provides a standard summary of what the duties of an artisan and general worker entails. However, because of the nature of the manufacturing of aluminium, the duties should be adjusted to the job that is required to be performed by the employee. This is not attached to the employee's contract, and the person will start working under the guidance of a supervisor or mentor.

The general perception is that the absence of structure and goals, which is evident in the lacking of planned work and set expectations, results in de-motivated employees. However, under this theme, the study revealed a positive perception by managers, supervisors, artisans and general workers that performance management will assist in the planning of work and setting expectations, which will motivate staff to perform better. Armstrong (2006:90) notes the following areas in order for organisations to be effective: clear goals and strategies; the importance of performance, productivity; quality; customer service teamwork and flexibility; and a well-motivated, committed, skilled and flexible workforce.

- **Coach and mentor individuals and groups**

The development of employees is an important characteristic of performance management. The study shows that not all of the employees (30%) are equipped with the skills and knowledge to perform effectively. Sixty percent of the managers believe that they contribute to the development of their employees by fulfilling the role of a mentor, and by providing on-the-job training. On the contrary, a small percentage (10%) of managers believes that they are not equipped to teach others, and should also be developed. The study shows that forty percent of the managers lack the following: time- and quality management; and communication skills. All of the supervisors (100%) mentioned that they lack career development and succession planning. The study shows that of the 80% of supervisors, 20% of them believe that there are no opportunities available in the company, and 60% of them would like to study further. On the contrary, the rest of the supervisors (20%) believe that there are opportunities to be promoted to a management position. However, the study shows that most of the managers (80%) show no commitment to creating opportunities for supervisors to develop and grow. Eighty percent of the staff in the Finance Department learns from colleagues and their manager, while one person in Finance believes that there are no opportunities for development and growth. The study shows that more than the half (60%) of the staff in the Finance Department would like to know what the vision of the company is in order to grow with the company.

In addition, a majority (80%) of the artisans and a small percentage of the general workers (20%) believe that there are many opportunities to learn and grow. From the 80% of the artisans, 60% of them want to be trained and developed in terms of product knowledge. Furthermore, the study shows that the general workers (80%) have a need for training and development. Of the 80% of general workers, 40% of them would like to learn "English", while another 30% would like to gain more experience and knowledge either in their field or in another field. A small percentage

(20%) wants clarity of their job description, and requires feedback on their performance. However, a minority (20%) of the artisans and (10%) of the general workers believe that there are no opportunities to grow. Two artisans claimed that they never received training, since they started to work for the company.

The result of the study has also shown the importance of having mentors and tutors. This coincides with the conclusion of Kaplan et al. (1996) that 'learning' is more than 'training'; it also includes aspects such as mentors and tutors within the organisation, as well as ease of communication among workers that allows them to readily receive help with a problem when it is needed.

The study made an observation that supervisors were promoted to managers and lack managerial skills. Therefore, it did not come as a surprise when one of the managers' expressed the need to be trained himself so that he can give back to the employees.

The study also confirms the statement made by Stone (2008:4) that an effective performance management would identify developmental needs, long term development plans and address shortcomings in performance.

• **Monitor and measure each person's performance**
From a brief analysis of the findings, it is clear that, except for the general workers, other employees, (managers and supervisors, the Finance Department, artisans) have mixed perceptions about the use of rating scales to measure performance. This is evident, since eighty percent of both managers and staff in the Finance Department, indicated that they preferred a rating scale that is descriptive and numbered to measure performance. Other responses were one hundred percent of the general workers; thirty percent of the supervisors and fifty percent of the artisans. On the contrary, a small percentage (20%) of managers and 15% of the general workers indicated that they preferred the non-descriptive rating scale, which stipulates only the number and excludes the description to measure performance. Furthermore, the study shows that not all (20%) of the supervisors were in agreement with the measurement of performance based on the behaviour of a person, and hence prefer content validation, which measures performance, which focuses on the job.

The study shows that not all (20%) of the artisans and staff in the Finance Department want a rating scale to measure performance. A few (20%) of the staff in

the Finance Department and 15% of the general workers believe that the rating scale should state poor, good and excellent, and should not be numbered. Furthermore, the study shows that the ratings should be accompanied by a reason for the ratings, as well as suggestions on how one can improve. The importance of meeting the objectives of the company was mentioned by staff in the Finance Department and supervisors.

The conclusion is similar to Kaplan et al. (1996) who considered a management and measurement system such as the balanced scorecard that enables organisations to clarify their vision and give feedback regarding internal business processes and external outcomes in order to improve performance.

• **Review individual and group performance**

A dimension of performance management is the performance evaluation. The study shows that all (100%) employees (managers, supervisors, staff in the Finance Department, artisans and managers) embraced the introduction of appraisals. In addition, all (100%) of the employees have an understanding of how performance evaluation can benefit themselves, the employees and the organisation. Furthermore, the study shows that more than the half (60%) of the managers and less than the half (30%) of the supervisors and artisans viewed performance evaluation as a yardstick for areas of improvement. In addition, a small percentage (20%) of the managers' viewed performance evaluation as an opportunity to manage staff more effectively in order to achieve targets. Another small percentage (20%) of managers viewed performance evaluation as an opportunity to acknowledge staff for outstanding performance, and to identity those employees who are underperforming. Thus, the study shows that more than half (70%) of the supervisors and managers and a small percentage (20%) of both the artisans and general workers made a link between the evaluation of performance and the building of relationships, motivation, identification of problems, and training and development for themselves and their teams.

The study also shows that most (40%) of the staff in the Finance Department prefer to have a performance appraisal conducted with their manager twice a year, while a majority (40%) of both the artisans and managers prefer to have it done once a month. A majority (40%) of the general workers prefer to have a performance appraisal conducted with their supervisor three times a year

The literature review shows that performance evaluation is aimed at motivating employees by encouraging them to improve performance. Grobler et al. (2006:10)

assert that employees want to know how well they perform in their jobs. Therefore, performance appraisals are conducted to determine in which aspects the employee performs well, and where improvements should be made.

• **Rewards**

Stiffler (2006:113) regards compensation as an important aspect of an effective performance management system. This study shows that there is a clear linkage between performance and pay. More than (60%) of the managers believe in the importance of a challenging job; the acknowledgement of employees', open communication; and feedback. On the contrary, forty percent of the managers viewed monetary rewards as an important factor to motivate employees to perform effectively. Furthermore, managers viewed incentives as a direct reward for outstanding performance as an important factor to motivate employees to perform. However, the study shows that only small percentages (10%) of the managers' thank employees for completion of work, while another ten percent state that here is nothing in place to motivate employees to perform effectively.

The study shows that half (50%) of the supervisors want to be rewarded financially for outstanding performance. Forty percent of the supervisors believe that they are not paid enough and regard money as a critical incentive to perform effectively. Thus, it is evident that if pay is in line with performance, it would motivate supervisors to generate high levels of effort. On the contrary, more than half (60%) of the supervisors are intrinsically motivated while 50% of them want clarity on the objectives of the company. The study shows that by sharing an understanding of the vision of the company, and having a clear set of objectives that contribute to the goals of their teams, will motivate supervisors to perform effectively. In addition, supervisors want to be involved in participative decision making; they value their relationships with their teams and managers, and enjoy the support of their superiors and communication.

The study also shows that more than half (70%) of employees in the Finance Department believe that team work will assist them to achieve their goals. The study shows that thirty percent of employees in the Finance Department believe that non-monetary awards such as acknowledgement for an outstanding performance will motivate them to continue to perform effectively. Most (80%) of the general workers are both monetary and non-monetary motivated to deliver outstanding performance. The study shows that more than half (60%) of the general workers would like to earn a better salary. In addition, most (80%) general workers want to be acknowledged, as

a result of a performance well done; require enough time to complete a task; value teamwork; and view training and development as an important factor to deliver outstanding performance.

The study confirms the statement by Snell et al. (2007:420) that the pay for performance standard will encourage employees to perform, and that rewards should be related to exceptional performance (Robbins et al., 2004:165).

5.3 RECOMMENDATIONS

These findings have led the researcher to design a framework for an effective performance management system for World of Windows. As it is not a given that performance management is the answer to all problems, other strategies should also receive attention and be investigated.

Agere and Jorm (cited in Mashebela, 2010:93) state that many appraisal systems have failed because the appointed people to design the system have become occupied with the technical issues in respect of planning the system. Given this finding, World of Windows should make sure that its performance management system will accomplish its purposes.

In order to be successful, World of Windows would have to design a system that is:
1. effective;
2. user-friendly and practical;
3. accepted by the people;
4. utilized by the people; and
5. is linked to learning and development, as well as performance improvement.

Benefits of an effective system are mentioned by authors such as Poister (2003:12). He argues that apart from being a vehicle for culture change, performance management could also be regarded as a method, which is used to measure and improve employees' effectiveness by providing feedback. Wilson (2005:17) goes further and states that performance management allows assessment of work through an appraisal system, which could result in career development, compensation and promotion, movement within the organisation, and sometimes even termination of employment. Importantly, it links the performance of the individual with the objectives of the organisation. This indicates that a performance management system has a variety of advantages.

Therefore, World of Windows can also achieve individual and organisational goals by:

- developing a performance management system that is effective and easy to use;
- designing a performance management policy to guide employees through the performance management process; and
- implementing a performance management system that links individual goals to organisational goals, provide feedback on performance and make recommendations regarding development and training.

5.3.1 Development of a performance management system for World of Windows

This study shows that World of Windows was in need of an effective performance management system. The executives of World of Windows decided to develop its own performance management system with high level employee involvement. World of Windows recognised that a traditional performance management system would not work for the uniqueness of the company. The diversity of the organisation creates a number of challenges to develop the workplace feedback system. The employees are artisans, general workers, administrative staff, managers and supervisors. The system should be tailored to World of Windows' needs. The performance management system should support a culture, which is based on feedback and communication. The performance management system should also be prescriptive and able to measure performance. It should also be understood that the development of a performance management system is a costly and lengthy process. However, the executives at World of Windows support development of a performance management system, because it would enhance organisational performance.

Taking the above into consideration, it is clear that implementation of a performance management system would bring about change. As people are resistant to change, the Human Resource Manager recommended institution of a performance management committee that can assist to get people to participate. Implementing the performance management committee would enable employees to talk about problems related to performance effectively at all levels of the organisation, and provide staff with the necessary skills and confidence to address those problems. The outcomes were seen as being critical to World of Windows' strategies, which are aimed at improving the work environment, as well as the behavioural capabilities of the people.

The company formally constituted a performance committee in April 2010, which comprised fifty percent management representatives and fifty percent employee representatives for consultation on all matters related to performance. At that stage, the intention was to train the performance committee members, and to provide them with the necessary resources in order to ensure that they are fully competent to fulfill their role. It was also intended that the performance committee should meet on four

occasions over eight months to develop the system. The performance committee determined the policy, principles and guidelines that should guide the system, and also developed the overall implementation strategy, including the communication strategies and project steps. In this way, World of Windows' employees should be able to contribute positively, thoughtfully and in a balanced manner to the development of a system that would challenging, but beneficial at both personal and organisational levels.

A key tenet of the system should be that on-going feedback must occur in the workplace. There is no value in having a performance management discussion once or twice a year, whilst expecting an employee to value the feedback from their supervisor. Feedback must be timely, relevant and part of the normal daily work routine. In fact, World of Windows and its employees believe that general feedback is more important to performance feedback than summary discussions. For this reason, supervisors are not able to raise issues during summary discussions that have not already been discussed during a general feedback – it is critical that there are no surprises. The feedback is also intended to be two-way so that employees are also able to give their supervisors feedback on their working relationship and local work processes. This can then assist the relevant department to improve on its overall performance. Another area, which was identified as being critical for having people satisfied with the system, is bedded in maintaining the confidentiality of discussions. The intention was to provide specific guidance to ensure that only information that was agreed upon, or that is critical for the organisation, could be released.

One of the reasons that performance management systems are not successful is that they are too time-consuming or complex to use. The performance management committee recognised that World of Windows needed to keep the feedback system as simple and as flexible as possible. Hence, World of Windows needed to minimize the time commitment, that was required, as well as the amount of paper work and preparation. For this reason, flexibility was built into the system with a core set of requirements to tailor timing, forms and provision of a format for different work areas. One core requirement was that employees should evaluate themselves prior to the meeting, and that the supervisor would take the same action. This should encourage open, considered discussions and also serve as a motivator. All employees needed to be skilled in effective interpersonal communication, and not make judgements on others – listening, exploring and understanding are critical skills for the success of any effective interpersonal communication.

It was critical to first develop the skill, capacity and trust in the system, and have people at a stage where they can have skilful, meaningful conversations about matters in the workplace. For the same reason, feedback should be treated as a separate system to salary increases, promotion and discipline. It is difficult for supervisors and employees to be honest with themselves and each other when the outcomes are tied to salary increases or disciplinary outcomes. Finally, the provision of on-going training and development was also identified as a critical outcome; hence it is required of people to be satisfied, and to develop trust in the system.

5.3.2 The role of policy procedures in the process

The company should continuously develop its human and intellectual capital by capacitating employees with competencies that are based on its strategic business goals, as well as specific job requirements. The aim was that all performance management interventions should be aligned to business needs and strategies, comply with relevant legislation, and meet the highest possible quality standards. For example, the company's performance strategy and activities are aligned to both the spirit and provisions of the most important South African labour acts, namely:

- The Skills Development Act;
- The Skills Development Levies Act;
- The South African Qualifications Authority Act;
- The Employment Equity Act;
- The Broad Based Black Economic Empowerment Act;
- The National Skills Development Act; and
- Strategies of the Construction Sector Education and Training Authority.

Furthermore, the company should allocate financial resources towards performance management initiatives such as formal training for the performance management committee to encourage awareness and motivation; an updated employee booklet emphasizing the vision and mission of the company, as well as stipulating the performance management procedure to all employees. All budgets should be developed in consultation with the Human Resource Manager who should ensure that the performance management committee has had reasonable opportunity to provide input.

5.4 DESIGN OF THE PERFORMANCE MANAGEMENT SYSTEM FOR WORLD OF WINDOWS

On the next page, the following aspects are covered in the design of a performance management system for World of Windows.

5.4.1 Setting of goals

An initial meeting between the manager and the employee should be held to discuss the employee's departmental goals, which are derived from organisational goals. Departmental goals emphasise what is expected from employees and the department as such. It should take the employee's skills, knowledge and behaviour into consideration and the goals should be based on the SMART principles that is, specific, measurable, agreeable, and realistic and time bound.

5.4.2 Providing feedback

Managers, supervisors and employees are compelled to ask, receive and give feedback on performance. Feedback should be related to how an employee performed and recommendations should be given in a positive manner. It is important that managers, supervisors and employees should internalise the rating that relates to the performance areas.

5.4.3 Conducting the assessment

When conducting the assessment, the following <u>STEPS</u> should to be taken.

1. Complete or update the job description

A meeting should be held with the employee and his/her manager/supervisor to discuss the employee's current job position, job description and changes, should be made accordingly. Employee job descriptions should be linked to key performance indicators.

2. Self-appraisal

The employee summarises his/her performance of the past year, referring to areas in which he/she excelled over the past year, and what areas of work should be improved.

3. Performance review

The performance review is used to determine in which aspects the employee performed well; met the requirements of the job or did not meet the requirements of the job. A rating scale should be used to ascribe the work behaviour of the employee.

The supervisor or manager must complete the performance review, while taking into account the self-appraisal of the employee. During the review meeting, the supervisor and the employee must agree on and write down any training and development that the employee requires. In addition, the supervisor and employee must discuss the

changes, if any, that should be made to the objectives and priorities of the employee's individual performance planning. This should accommodate any problems which relate to his or her job performance.

4. Performance discussion

The manager and the employee should have a final discussion about the employee's self-appraisal and performance review, and should be signed off by the employee and manager. However, this does not mean that consensus was reached.

The four stages of the performance management system are contained in Annexure D.

5.5 IMPLEMENTING THE PERFORMANCE MANAGEMENT SYSTEM

The aim of the implementation of an effective performance management system is to align the performance of the employee to the goals of the company. Implementation of the performance management system should preferably commence in January, and reviews should be done in September. The reason is because October marks the month for wage increases from the building industry bargaining council. Furthermore, the period from November to the middle of December is used to complete projects, which were due for the year. Lastly, the construction industry usually has a shut-down period from the 15th of December till to the 15th of January the next year.

5.5.1 Accountability for the system

The Human Resource Manager is responsible for this procedure and ensures compliance with the performance management policy. Where problems arise, the Human Resource Manager is responsible for arbitrating and resolving issues that may arise from the use of this procedure. The employees are responsible to achieve goals; develop themselves and respond positively to feedback. Managers are responsible for setting clear goals; encouraging employee development; facilitating career plans; providing feedback-, and should be fair and accurate in assessing work. When the work performance of an employee who is on probation or permanent, is evaluated, the review interview must always be used initially. If the employee does not satisfy the requirements within a reasonable period, which is mutually agreed upon, the employer may terminate the service contract on the basis of poor work performance once a formal investigation has been conducted. The company ensures compliance with the performance management process by:

▪ furnishing employees with a performance contract that stipulates what is expected from the employee at the beginning of the year;

- furnishing bi-annual review meetings (frequent informal appraisals are encouraged and requested for appraisals from either the employee or supervisor, and will be honored);

- furnishing the meaning of measurements of performance assessments; and

- making sure that performance management is done in a fair manner.

Further recommendations

- To develop an induction programme to assist employees to function properly. The programme can play an essential part in introducing existing employees and new comers to the regulations, vision and mission of the company.

- To design a generic reward and recognition programme to provide standardised rewards to everyone.

5.5 SUMMARY

The aim of this chapter was to draw conclusions from the findings and to make recommendations. Essentially, the study successfully proves what was generally surmised, as indicated in Chapter One, that there is an inverse relationship between performance management and the lack of motivation that affects organisational performance. The chapter identified key problem areas, which influence employees' performances negatively. Furthermore, the findings showed that employees at World of Windows support implementation of a performance management system.

Therefore, based on the empirical facts that have been established, recommendations were made to eliminate the problems, and meet the objectives of the study, as indicated in Chapter One. This chapter discussed the development and the design of a performance management system. In addition, the study also focused on implementation of a performance management system and its accountability.

Finally, this chapter has confirmed the importance of having a performance management system. The study indicated that by using a performance management system, it is possible to address the lack of training and guidance, which is prevalent amongst employees. Furthermore, the study also showed that a performance management system has an ability to reinforce the mission and vision of the company and to enhance the competitive position of the company. Similar sentiments have been expressed by Armstrong (2004:500) that performance management can provide individuals with structure and direction.

However, O'Callaghan (2005:13) argues that notwithstanding the importance of performance management, the reality is that, in practice, the majority of organisations find it a perplex process. Therefore, it is imperative to ensure that, with the implementation of a performance management system, sufficient planning, evaluation and training is done that will sustain the process.

The next chapter, Chapter Six, is the final chapter, and provides a summary of the study.

CHAPTER SIX
SUMMARY

6.1 INTRODUCTION

The purpose of the study, as indicated in Chapter One, was to find out if there is a relationship between performance management and the lack of motivation that affects organisational performance. If so, the aim, as addressed in Chapter Four, is to highlight the relationship and to investigate the possibility of implementing an effective performance management system for World of Windows.

The four sub-objectives were:

1. To determine how a performance management system can be used to address the lack of training, guidance and to reinforce the vision and mission of the company;

2. To determine how a performance management system can be used to address the problem of incompetent supervisors that affect performance; and

3. To determine how a performance management system can assist managers at World of Windows to enhance the competitive position of the organisation.

A discussion of each of the sub-objectives follows below:

How a performance management system can be used to address the lack of training, guidance and to reinforce the vision and mission of the company.

The study found that an effective performance management system, which provides regular feedback, can identify training and development gaps related to employees' job performance. There was overall agreement that training interventions will assist employees to perform effectively in their current job or to develop in a more challenging role. These findings confirm Stone's (2008:4) statement that effective performance management can identify developmental needs, long term development plans, and address shortcomings in performance.

The results of the study have also shown the importance of having mentors and tutors. This coincides with Kaplan *et al.'s* (1996) conclusion that "learning" is more than "training." According to Nel *et al. (*2008:493), one of the key features of performance management is to coach and mentor individuals and groups. Mentors and tutors can offer advice, on-the-job support and guidance to assist the learning and development of a less experienced person. Price (2006:30) cites that coaching and mentoring are being more frequently used in organisations to help employers

empower and improve their talent pool. Furthermore, these strategies, according to Price (2006:30), are often used to assist to increase performance and improve leadership skills and competencies. Mentoring and coaching techniques assist talent pools to develop in their emerging roles and responsibilities. It also accomplishes personal key performance areas and specific goals and personal effectiveness and efficiency. Luecke (2002:110) states that mentors who possess the characteristics of setting high standards make themselves available to changes, and "orchestrate" development experiences, whilst playing an important role in facilitating career development.

Thus, coaching and mentoring have a powerful and specific role to play in the upgrading, empowering and capacitating of employees that need to grow towards a new position or responsibility at World of Windows.

There is evidence from the study that it is important for employees to know what is the company's mission and vision. Millmore *et al.* (2007:322) state that performance management can reinforce the organisation's mission and vision by linking the objectives of the organisation to those of the individual. Ross (2010:37) suggests that the vision, mission and goals for the company should be reviewed and translated into a strategic framework (vision, mission and objectives) for each team. Furthermore, Ross (2010:37) suggests that the opportunity should be used to clarify any misunderstanding or misconceptions regarding the vision, mission and objectives.

Ross (2010:33) defines a vision as a statement or aspiration for the company. It needs to be framed in words that capture the hearts and minds of the people in the company without too much interpretation. On the other hand, a mission speaks to the aim of the organisation, function, division or team in relation to the vision. Furthermore, Ross (2010:34) explained the following: the vision and mission worked together to provide the context in which to establish the strategic priorities for the company; shared goals are those target results that are relevant to delivering on the strategic priorities and are a shared responsibility across the company; goals should be define in the short, medium and long term, moving towards the vision. Once shared goals have been agreed, then each function can be clear about how to go about establishing its own role with specific goals aligned to the company's goal.

Kagioglou et al. (2001:5) view that in the construction industry key performance indicators should be based on the three perspectives of the balance scorecard: financial results, customer and internal processes. Ross (2010:37) emphasised that key performance indicators should be specific and clear so that over- and under-

performance can be identified without difficulty and earmarked for review; measurable in order to determine performance; achievable in terms of targets; relevant to the team and what it is destined to achieve. Also, it should be time bound in terms of deadlines or timing that each key performance indicator will be achieved. According to Ross (2010:38) the balance scorecard will be able to reflect the company's successes and could be validate if it is correct by testing it with historic and current data.

It can be deduced that performance management ensures the support and guidance that people need to develop and improve. Importantly, performance management strengthens employees' understanding of the company's vision and mission.

How a performance management system can be used to address the problem of incompetent supervisors who affect performance.

The study revealed that there is a need for supervisors to be equipped with the necessary skills to be effective in their jobs. If they are not equipped, supervisors should be developed. This can be done with a performance management system. Armstrong *et al.* (2004) suggest the following: a performance management system will enable supervisors to develop their abilities, increase their job satisfaction and achieve their full potential. This can be beneficial for both parties, namely the supervisor and the company.

Grobler *et al.*(2006:326)define performance development as the ongoing identification of those factors that inhibit good performance and the elimination of them through planned action. Performance development takes place throughout the performance management and development cycle, for instance:

- The manager should give regular feedback to the supervisor to improve performance at an early stage; and

- A rating below the level "acceptable" during the annual performance appraisal meeting should not be the first indication of a supervisor's shortcomings, as they should have dealt with earlier, during the performance review stage.

Steps in developing performance

1.1   The manager must inform the supervisor in writing of his or her areas for

development and give the he manager must establish the development needs of the supervisor. To do this, the following questions can be asked:

i. What knowledge and/or behavioural skills does the supervisor need in order for him or her to perform at an acceptable level in his or her current position?

ii. What are the supervisor's shortcomings? These can be identified by looking at the results achieved (or not achieved) and through observation and feedback.

1.2 The manager must inform the supervisor in writing of his or her areas for development and give the supervisor the opportunity to improve his or her performance.

1.3 Based on an agreement between the supervisor and the manager, the supervisor's independent development plan can be adjusted in terms of the following:
   i. What the supervisor needs to learn;
   ii. How the supervisor will acquire this learning;
   iii. What support the manager needs to give to secure the learning; and
   iv. How learning, once it is completed, is to be applied to secure practical development.

1.4 Monitor the supervisor's performance throughout the cycle and give regular feedback in order to rectify insufficient performance at an early stage.

1.   Correcting performance
   Corrective actions should take the form of
   i. Appropriate training;
   ii. Support and encouragement;
   iii. Provision of clear guidelines as to what improvement is expected by the next performance circle; and
   iv. Re-stating the performance requirements/agreements, and conducting work environment audits to establish if there are other factors affecting performance.

2.   The performance improvement plan

If a supervisor receives a rating of "unacceptable" on any of his or her performance outputs, a performance improvement plan must be developed.

2.1   The manager and the supervisor must develop an appropriate plan.

> i.   Any particular organisational or personal factor affecting the employee must be taken into account.

> ii.   The plan should contain a clear indication of the performance problem, an action plan for the development agreed upon between the supervisor and the manager, a target date, and monitoring remarks.

2.2   The manager and the supervisor must agree on holding a follow-up review within a reasonable period of time.

2.3   If after a period of 12 months, the supervisor's performance cannot be rated as at least "Acceptable" the manager should initiate steps that may lead to disciplinary procedures.

In summary, a performance management system will enable supervisors, with their managers, to have an improvement plan; while regular feedback from managers could assist to identify the lack of incompetence's. Furthermore, evidence of the importance of the use of performance appraisals was detected. Ban *et al.* (2002:187) emphasise the use of performance appraisals to determine in which aspects the employee performs well and, which area requires improvement.

Thus, it can be deduced that a performance management system can be used to address the problem of incompetent supervisors who affect performance.

How performance management system can assist managers at World of Windows to enhance the competitive position of the organisation.

Today's managers are not confined to their traditional roles of planning, organising, leading and controlling. Although, managers are still responsible through planning to establish objectives to achieve the company's goals; match the company's structure to its goals and resources; and direct, influence the attitude that employees have about their work and motivate them to perform. It is now imperative that managers

should take cognisance of globalisation when it comes to the competitive position of the company. South Africa's economy is now accessible to international competition, and the country competes with global and local markets. The construction industry is a key component of the country's infrastructure. This means that World of Windows should become more competitive and should improve their products or services, including their customer services to international standards. Robbins et al. (2004:19) mention that factors such as the price of the product, quality, customised products, and delivery on time, good customer service, as well as the fluctuation in exchange rates, play an essential part in determining the company's competitiveness. Arguably, for instance, a company's rivals can produce similar products, processes, locations and distribution channels (Robbins et al., 2004:25). Therefore, it is important for World of Windows to create a sustainable competitive advantage. In order for this to happen, the company should have a workforce that is more knowledgeable, more competent, more innovative and more enthusiastic about their job than the competition (Robbins et al., 2004:25). Furthermore, it is necessary to expand its ability to deliver quality products and services in a highly competitive industry.

The findings of the research suggest that a performance management system can assist managers to motivate employees to achieve organisational effectiveness. Organisational effectiveness is associated with the reaching of objectives in the form of targets and standard. However, the study shows that there are no clear objectives in place, while the mission of the company is not known to all employees. These shortcomings are de-motivational and impact on employees' performances. The findings are echoed by Ross (2010:36) who indicates that it is not unusual for people who are not part of management to be ignorant about the strategy of the company, its effectiveness and how it impacts on them on a daily basis. The result is operational inefficiency, while the company cannot complete with the market.

Authors such as Ross (2010:11) and Kagioglou *et al.* (2001:6) strongly emphasise the importance of goals or targets and objectives for future performance. For instance, Ross (2010:11) suggests drafting a written plan for the year that affirms the key performance objectives', stating clearly what it is that should be achieved, with a detailed key performance for each objective. Furthermore, to monitor progress and success, goals should be translated into a range of key performance indicators. Key performance indicators can be used to link the vision of the company to individuals who drive performance, and it should be part of their daily routine. Employees will know what their priorities are and what are not, and concentrate on the key performance indicators that have the biggest influence on what they are trying to

achieve. In other words, employees will know exactly where they stand, what the bottlenecks are, and how to eliminate them. Kagioglou *et al.* (2001:6) mention the following indicators that the United Kingdom construction industry uses for their "performance scorecard":

- Client satisfaction – product;
- Client satisfaction – service;
- Defects;
- Predictability – cost;
- Predictability – time;
- Profitability;
- Productivity;
- Safety;
- Construction cost; and
- Construction time.

These indicators, according to Kagioglou *et al.* (2001:6), are used by companies to benchmark itself against the national performance of the industry and highlight weak areas that should improve. Each key performance indicator is aligned to the overall company and team strategic frameworks, and in total make up a balanced set of financial and non-financial indicators, and current and predictive indicators.

This study reveals in Chapter Four that monetary and non-monetary rewards can motivate employees to achieve organisational objectives and make the company more competitive.

An effective performance management provides an excellent opportunity for managers to identify employees' developmental needs, long term development plans and to address shortcomings in performance (Stone, 2008:4). For example, managers should provide employees with training and developmental opportunities, encourage good performance, strengthen job-related skills and competencies, and help employees to keep up with changes in the workplace such as the introduction of new technology. Finally, Martin (2000:50) goes further and states that a performance management system will help managers to develop employees to increase their performance through training, develop new skills or higher levels of responsibility, and improve work processes or other methods.

Nel, van Dyk, Haasbroek, Schultz, Sono and Werner (2008:493) identify the aims of performance management, which are presented below:

- To clarify and communicate organisational strategic goals;
- To align individual and group goals with organisational goals;
- To monitor and measure individual and group performance;

- To identify and report changes at an early stage;
- To develop action plans to correct deviations;
- To coach and mentor individuals and groups;
- To review individual and group performance; and
- To re-evaluate organisational processes.

Thomas (2007:68) argued that obstacles in the performance management process such as excessive data collection; lack of support from management or the absence of leadership to maintain the process; lack of training, incentives or penalisation for complete or incomplete performance management processes for managers as the main reason why performance management processes fail.

Therefore, the Code of Good Practice on the Integration of Employment Equity into Human Resource Policies and Practices (South Africa, 2005:11) provides guidelines to eradicate barriers to effective performance management. It stipulates that an employer should ensure the following:

- Managers receive coaching and diversity training in order to objectively and consistently manage performance and provide honest feedback, whilst being sensitive to employee differences;

- Managers understand and are able to properly implement the performance management system; and

- Managers are able to provide the necessary coaching, mentoring and support in order to motivate employees towards performance excellence;

- The performance management system could also measure and incentivise managers for their leadership, mentoring and diversity skills, as well as for achieving employment equity objectives;

- By incorporating review processes, which may apply measures that relate to competencies of managers in diversity management, including feedback from employees and peers;

- Develop clear learning objectives for all employees, particularly from designated groups. This should be linked to the acquisition of additional skills

and competencies for challenging positions into which employees may be promoted or transferred; and

- Ensure that the performance management system is linked to the inherent requirements of the job, and is free of any unfair discrimination.

To conclude, World of Windows recognises that the skills of its employees are essential for future progress and prosperity, especially in the face of global competition. Therefore, performance management can play an important role to improve employees' skills to enhance the competitive position of the organisation.

6.2 LIMITATIONS

It might be argued that the small sample size did not justify the findings of the study and that a larger sample would provide more insight into the findings. However, the findings provide an indication of the perceptions of employees on performance management at a specific company in the construction industry, and not of the construction industry as a whole. As mentioned in Chapter 3, a fundamental limitation was the amount of data that was produced by the open-ended questions, which was time consuming to analyse in the limited time that was available for the study. When analysing large quantities of qualitative data by hand it is easy to make mistakes, to overlook data and to miss relevant or critical issues within the data. In utilising a computer software package to manage and store the qualitative data would have made the process safe and secure. Such a computer software package would have code the data and make the process more organised and less liable to mistakes.

The investigation of an effective management system at World of Windows was done when retrenchments and downscaling of employees took place. It would have been more satisfactory if the investigation was done in a more stable economic environment.

Semi-structured interviews, in addition to the open-ended questionnaires would have been an opportunity that allows participants, such as the general workers to give a comprehensive account of their understanding and experience of performance management.

6.3 CONCLUSION

The study sets out to determine whether there is a relationship between performance management and the lack of motivation that affects organisational performance. It was evident from this study that the following steps in managing performance were important to motivate employees to perform effectively:

6.3.1   Planning work and setting expectations

Nel et al. (2008:498) regard planning as the key to an effective performance management process. This study shows that less than half (50%) of the managers and more than half (60%) of the supervisors, respectively, lack planning, which has hampered their effectiveness to manage the performance of sub-ordinates. Forty percent of both the artisans and general workers are concerned about the planning of daily tasks and time management in order to accomplish tasks. Most (80%) of the staff in the Finance Department know what it is that is expected of them. The study confirms the statement by Nel et al. (2008:498) that planning involves the setting of performance expectations and goals for groups and individuals to channel their efforts towards achieving organisational objectives.

This study also shows that there is no standard job description for managers in place, while less than the half (40%) of the supervisors do not know what is expected of them. In the Finance Department twenty percent of the employees are not sure of their job description, because according to them, it keeps on changing. Furthermore, the study shows that eighty percent of artisans believe that it is expected of them to be productive during working hours, and that performance is based on behaviour. However, not one artisan mentioned anything about what their duties entail. The study also shows that eighty percent of the general workers know it is expected of them. Similar to the artisans, research shows that fifty percent of managers regard the following character traits as crucial to perform, namely: diligence, hardwork, commitment, discipline and punctuality.

On studying the employment contracts, the researcher found that staff members are divided into two sections: salaried- and weekly earned staff. The salary staff falls under the company, which provides a job description or an appointment letter upon commencement. The weekly staff falls under the Building Industrial Bargaining Council, and the employee's receive a standard contract upon commencement, which stipulates the employee's occupation, but excludes duties. The reason for this is that the Building Industrial Bargaining Council provides a standard summary of what the

duties of an artisan and general worker entails. However, because of the nature of the manufacturing of aluminium, the duties should be adjusted to the job that is required to be performed by the employee. This is not attached to the employee's contract, and the person will start working under the guidance of a supervisor or mentor.

The general perception is that the absence of structure and goals, which is evident in the lacking of planned work and set expectations, results in de-motivated employees. However, under this theme, the study revealed a positive perception by managers, supervisors, artisans and general workers that performance management will assist in the planning of work and setting expectations, which will motivate staff to perform better. Armstrong (2006:90) notes the following areas in order for organisations to be effective: clear goals and strategies; the importance of performance, productivity; quality; customer service teamwork and flexibility; and a well-motivated, committed, skilled and flexible workforce.

6.3.2 Measuring performance

From a brief analysis of the findings, it is clear that, except for the general workers, other employees, (managers and supervisors, the Finance Department, artisans) have mixed perceptions about the use of rating scales to measure performance. This is evident, since eighty percent of both managers and staff in the Finance Department, indicated that they preferred a rating scale that is descriptive and numbered to measure performance. Other responses were one hundred percent of the general workers; thirty percent of the supervisors and fifty percent of the artisans. On the contrary, a small percentage (20%) of managers and 15% of the general workers indicated that they preferred the non-descriptive rating scale, which stipulates only the number and excludes the description to measure performance. Furthermore, the study shows that not all (20%) of the supervisors were in agreement with the measurement of performance based on the behaviour of a person, and hence prefer content validation, which measures performance, which focuses on the job.

The study shows that not all (20%) of the artisans and staff in the Finance Department want a rating scale to measure performance. A few (20%) of the staff in the Finance Department and 15% of the general workers believe that the rating scale should state poor, good and excellent, and should not be numbered. Furthermore, the study shows that the ratings should be accompanied by a reason for the ratings, as well as suggestions on how one can improve. The importance of meeting the

objectives of the company was mentioned by staff in the Finance Department and supervisors.

The conclusion is similar to Kaplan et al. (1996) who considered a management and measurement system such as the balanced scorecard that enables organisations to clarify their vision and give feedback regarding internal business processes and external outcomes in order to improve performance.

6.3.3 Evaluation of performance

A dimension of performance management is the performance evaluation. The study shows that all (100%) employees (managers, supervisors, staff in the Finance Department, artisans and managers) embraced the introduction of appraisals. In addition, all (100%) of the employees have an understanding of how performance evaluation can benefit themselves, the employees and the organisation. Furthermore, the study shows that more than the half (60%) of the managers and less than the half (30%) of the supervisors and artisans viewed performance evaluation as a yardstick for areas of improvement. In addition, a small percentage (20%) of the managers' viewed performance evaluation as an opportunity to manage staff more effectively in order to achieve targets. Another small percentage (20%) of managers viewed performance evaluation as an opportunity to acknowledge staff for outstanding performance, and to identity those employees who are underperforming. Thus, the study shows that more than half (70%) of the supervisors and managers and a small percentage (20%) of both the artisans and general workers made a link between the evaluation of performance and the building of relationships, motivation, identification of problems, and training and development for themselves and their teams.

The study also shows that most (40%) of the staff in the Finance Department prefer to have a performance appraisal conducted with their manager twice a year, while a majority (40%) of both the artisans and managers prefer to have it done once a month.   A majority (40%) of the general workers prefer to have a performance appraisal conducted with their supervisor three times a year

The literature review shows that performance evaluation is aimed at motivating employees by encouraging them to improve performance. Grobler *et al.* (2006:10) assert that employees want to know how well they perform in their jobs. Therefore, performance appraisals are conducted to determine in which aspects the employee performs well, and where improvements should be made.

A dimension of performance management is the performance evaluation. The study shows that all (100%) employees (managers, supervisors, staff in the Finance Department, artisans and managers) embraced the introduction of appraisals. In addition, all (100%) of the employees have an understanding of how performance evaluation can benefit themselves, the employees and the organisation. Furthermore, the study shows that more than the half (60%) of the managers and less than the half (30%) of the supervisors and artisans viewed performance evaluation as a yardstick for areas of improvement. In addition, a small percentage (20%) of the managers' viewed performance evaluation as an opportunity to manage staff more effectively in order to achieve targets. Another small percentage (20%) of managers viewed performance evaluation as an opportunity to acknowledge staff for outstanding performance, and to identity those employees who are underperforming. Thus, the study shows that more than half (70%) of the supervisors and managers and a small percentage (20%) of both the artisans and general workers made a link between the evaluation of performance and the building of relationships, motivation, identification of problems, and training and development for themselves and their teams.

The study also shows that most (40%) of the staff in the Finance Department prefer to have a performance appraisal conducted with their manager twice a year, while a majority (40%) of both the artisans and managers prefer to have it done once a month. A majority (40%) of the general workers prefer to have a performance appraisal conducted with their supervisor three times a year

The literature review shows that performance evaluation is aimed at motivating employees by encouraging them to improve performance. Grobler *et al.* (2006:10) assert that employees want to know how well they perform in their jobs. Therefore, performance appraisals are conducted to determine in which aspects the employee performs well, and where improvements should be made.

6.3.4 Training and development of employees

The development of employees is an important characteristic of performance management. The study shows that not all of the employees (30%) are equipped with the skills and knowledge to perform effectively. Sixty percent of the managers believe that they contribute to the development of their employees by fulfilling the role of a mentor, and by providing on-the-job training. On the contrary, a small percentage (10%) of managers believes that they are not equipped to teach others, and should also be developed. The study shows that forty percent of the managers lack the following: time- and quality management; and communication skills. All of the

supervisors (100%) mentioned that they lack career development and succession planning. The study shows that of the 80% of supervisors, 20% of them believe that there are no opportunities available in the company, and 60% of them would like to study further. On the contrary, the rest of the supervisors (20%) believe that there are opportunities to be promoted to a management position. However, the study shows that most of the managers (80%) show no commitment to creating opportunities for supervisors to develop and grow. Eighty percent of the staff in the Finance Department learns from colleagues and their manager, while one person in Finance believes that there are no opportunities for development and growth. The study shows that more than the half (60%) of the staff in the Finance Department would like to know what the vision of the company is in order to grow with the company.

In addition, a majority (80%) of the artisans and a small percentage of the general workers (20%) believe that there are many opportunities to learn and grow. From the 80% of the artisans, 60% of them want to be trained and developed in terms of product knowledge. Furthermore, the study shows that the general workers (80%) have a need for training and development. Of the 80% of general workers, 40% of them would like to learn "English", while another 30% would like to gain more experience and knowledge either in their field or in another field. A small percentage (20%) wants clarity of their job description, and requires feedback on their performance. However, a minority (20%) of the artisans and (10%) of the general workers believe that there are no opportunities to grow. Two artisans claimed that they never received training, since they started to work for the company.

The result of the study has also shown the importance of having mentors and tutors. This coincides with the conclusion of Kaplan et al. (1996) that 'learning' is more than 'training'; it also includes aspects such as mentors and tutors within the organisation, as well as ease of communication among workers that allows them to readily receive help with a problem when it is needed.

The study made an observation that supervisors were promoted to managers and lack managerial skills. Therefore, it did not come as a surprise when one of the managers' expressed the need to be trained himself so that he can give back to the employees.

The study also confirms the statement made by Stone (2008:4) that an effective performance management would identify developmental needs, long term development plans and address shortcomings in performance.

6.3.4 Rewarding employees for outstanding performance done

Stiffler (2006:113) regards compensation as an important aspect of an effective performance management system. This study shows that there is a clear linkage between performance and pay. More than (60%) of the managers believe in the importance of a challenging job; the acknowledgement of employees', open communication; and feedback. On the contrary, forty percent of the managers viewed monetary rewards as an important factor to motivate employees to perform effectively. Furthermore, managers viewed incentives as a direct reward for outstanding performance as an important factor to motivate employees to perform. However, the study shows that only small percentages (10%) of the managers thank employees for completion of work, while another ten percent state that here is nothing in place to motivate employees to perform effectively.

The study shows that half (50%) of the supervisors want to be rewarded financially for outstanding performance. Forty percent of the supervisors believe that they are not paid enough and regard money as a critical incentive to perform effectively. Thus, it is evident that if pay is in line with performance, it would motivate supervisors to generate high levels of effort. On the contrary, more than half (60%) of the supervisors are intrinsically motivated while 50% of them want clarity on the objectives of the company. The study shows that by sharing an understanding of the vision of the company, and having a clear set of objectives that contribute to the goals of their teams, will motivate supervisors to perform effectively. In addition, supervisors want to be involved in participative decision making; they value their relationships with their teams and managers, and enjoy the support of their superiors and communication.

The study also shows that more than half (70%) of employees in the Finance Department believe that team work will assist them to achieve their goals. The study shows that thirty percent of employees in the Finance Department believe that non-monetary awards such as acknowledgement for an outstanding performance will motivate them to continue to perform effectively. Most (80%) of the general workers are both monetary and non-monetary motivated to deliver outstanding performance. The study shows that more than half (60%) of the general workers would like to earn a better salary. In addition, most (80%) general workers want to be acknowledged, as a result of a performance well done; require enough time to complete a task; value teamwork; and view training and development as an important factor to deliver outstanding performance.

The study confirms the statement by Snell et al. (2007:420) that the pay for performance standard will encourage employees to perform, and that rewards should be related to exceptional performance (Robbins et al., 2004:165).

Furthermore, these findings are supported by other studies in the literature. However, in spite of the research findings, the reality is that, in practice, managing performance management is not always well-received by managers. The uneasiness of managers to conduct performance appraisals is also echoed by Max et al. (2003:3) when they argue that although performance appraisal is not a task that managers enjoy, it is an essential part of a manager's job.

In conclusion, the findings of the study support the relationship between performance management and the lack of motivation that affect organisational performance. This has led to the development of a framework for an effective performance management system for a selected company in the construction industry.

6.4 FURTHER STUDIES

This study confirmed the important role that performance management plays to motivate employees to perform. This research can be extended and repeated in a similar environment. Other possible areas for research include finding out from construction companies how secure and comfortable they are with performance management and to invest in a computerized performance management system that can streamline the process

The study has also highlighted that people performance is imperative to be successful in a global competitive market. It is a global assessable world where internet, Google, Facebook, Youtube, the iPod, Sms, and Whatsapp brings speed, openness and connectivity. Preparing the ground for that level of performance, is a new challenge for today. A study should be conducted concerning the management of future performance through an emergent workforce.

In future, the cultural context related to performance management should be research. Also, an investigation in what kind of behavioural aspects is needed in implementing performance management in organisations, should be studied. An investigation in how organisations can increase economic value by implementing performance management, should also be studied.

BIBLIOGRAPHY

Agrere, S. & Jorm, N. 2000. Designing performance appraisals: assessing needs and designing performance management systems in the public sector. London: Commonwealth Secretariat.

Alhojailan, M. 2012. Identification of learners' attitudes regarding the implementation of read/write web, blog tools: a case study in higher education. 7th Disco conference reader: new media and education. Prague: Centre for Higher Education Studies.

Armstrong, M. 2004. How to be an even better manager: a complete A to Z of proven techniques and essential skills. 6th Edition. London: Kogan Page.

Armstrong, M. 2002. Employee reward. 3rd Edition. London: Chartered Institute of Personnel and Development.

Armstrong, M. 2006. Performance management: key strategies and practical guidelines. 3rd Edition. London: Kogan Page.

Armstrong, M. 2006. Strategic human resource management: a guide to action. 3rd Edition. London: Kogan Page.

Armstrong, M. 2007. A handbook of employee reward management and practice. 2nd Edition. London: Kogan Page.

Armstrong, M. & Baron, A. 2005. Managing performance: performance management in action. London: Charted Institute of Personnel and Development.

Ban, C. & Riccucci, N. M. 2002. Public personnel management: current concerns, future challenges. 3rd Edition. New York: Longman.

Bless, C. & Higson-Smith, C. 2000. Fundamentals of social research methods: an African perspective. 3rd Edition. Cape Town: Juta.

Bratton, J. & Gold, J. 2003. Human resource management: theory and practice. 3rd Edition. Hampshire: Palgrave Macmillan.

Building Industrial Bargaining Council. [Online] Available at: http://www.bibc.co.za/attachments/article/124/Collective-Agreement-1Nov10.pdf [12 June 2010].

Coens, T. & Jenkins, M. 2000. Abolising performance appraisal: why they backfire and what to do instead. Calfornia: Berret-Koehle.

Compact Oxford English Dictionary. 2003. 2nd rev. Edition. Oxford: Oxford University Press.

De Vos, A. S. 2002. Research at grass roots: for the social sciences and human services professions. 2rd Edition. Pretoria: Van Schaik Publishers.

Denscombe, M. 2010. Ground rules for social research: guidelines for good practice. 2nd Edition. Maidenhead: Open University Press.

EconomyWatch. 2010. Construction Industry. [Online] Available at: http://www.economywatch.com/world-industries/construction [4 September 2012].

Fisher, J.G. 2005. How to run successful incentives schemes. 3rd Edition. London: Kogan Page.

Fox, W. & Bayat, M.S. 2007. A guide to managing research. Cape Town: Juta.

Gaus, G. G., Camp, S. D., Nelson, J. B. & Saylor, W. G. 2004. Measuring prison performance: government, privatization & accountability. California: AltaMira Press.

Goddard, W. & Melville, S. 2001. Research methodology: an introduction. 2rd Edition Cape Town: Juta.

Gravetter, F .J. & Forzano, L.B. 2009. Research methods for the behavioural sciences. 3rd Edition. Belmont: Wadsworth Cengage Learning.

Grobler, P. A., Carell,M.R., Elbert, N.F.,Hatfield,R.D., Marx, M. & van der Schyf, S. 2006. Human resource management in South Africa. 3rd Edition. London: Thompson Learning.

Haupt, T. C. & Smallwood, J. 2005. Rethinking and revitalizing construction safety, health, environment and quality. Proceedings of the 4th Triennial International Conference for Building Research, Studies and Documentation. Working Commission W99 held in Port Elizabeth, South Africa. 17 -20 May. Walmer, South Africa: Construction Research Education and Training Enterprises.

Henning, E., Van Rensburg, W. & Smit, B. 2004. Finding your way in qualitative research. 1st Edition. Pretoria: Van Schaik Publishers.

Kaglioglou, M., Cooper, R. & Aouad, G. 2001. Performance management in construction: a conceptual framework. Salford: University of Salford.

Kaglioglou, M., Cooper, R. & Aouad, G. 2000. Performance management in construction: a conceptual framework. Construction management and economics. 19(1). http://www.tandfonline.com/doi/pdf/10.1080/ [15 November 2012].

Kaplan, R. & Norton, D. 1996. The balanced scorecard: translating strategy into action. Boston: Harvard Business School Press.

Kirkpatrick, D.L. 2006. Improving employee performance through appraisal and coaching. 2rd Edition. New York: American Management Association.

Langdon, D.G. 2000. Aligning performance: improving people, systems, and organizations. San Francisco: Jossey-Bass.

Lloyd, L. 2009. Performance appraisals & phrases for dummies. Indiana: Wiley Publishing Inc.

London, M. 2003. Job feedback: giving, seeking and using feedback for performance improvement. 2rd Edition. New Jersey: Lawrence Erlbaum Associates.

Luecke, R. 2002. Harvard business essentials: hiring and keeping the best people. Massachusetts: Harvard Business School Publishing Corporation.

Maphupha, P. 2007. World of Windows Employee Booklet. Cape Town: World of Windows.

Marks, D. & Yardley, L. 2004. Research methods for clinical and health psychology. Miles: SAGE.

Marr, B. 2006. Strategic performance management: leveraging and measuring your intangible value drivers. 1st Edition. London: Butterworth-Heinemann.

Marr, B. 2009. Managing and delivering performance: how government, public sector; and not-for-profit organizations can measure and manage what really matters. Boston: Butterworth-Heinemann.

Martin, J. 2009. Human resource management. Los Angeles: Sage.

Mashabela, M. P. 2010.   A model of performance management for parole boards in South Africa: a penological perspective. Unpublished PhD thesis, University of South Africa. Pretoria. http://uir.unisa.ac.za/bitstream/handle/10500/4104/thesismashabelam.pdf?sequence=1 [15 November 2012]

Max, D. & Bacal, R. 2003. Perfect phrases for performance reviews: hundreds of ready-to-use phrases that describe your employees' performance (from unacceptable to outstanding). New York: McGraw-Hill.

McDavid, J. C. & Hawthorn, L. R. L. 2006. Program evaluation and performance measurement: an introduction to practice. Thousand Oaks: Sage.

Meyer, M.W. 2002. Rethinking performance measurement: beyond the balance scorecard. Cambridge: Cambridge University Press.

Millmore, M., Lewis,P., Saunders, M., Thornhill. A. & Morrow, T. 2007. Strategic human resource management: contemporary issues. London: Ashford Colour Press.

Mouton, J. 2001. How to succeed in your master's and doctoral studies: a South African guide and resource book. Pretoria: Van Schaik Publishers.

Namey, E., Guest,G.,Thaira, L. & Johnson, L. 2008. Data reduction techniques for large qualitative data sets. Handbook for team-based qualitative research. Rowman: Altamira.

Neely, A., Adams, C. & Kennerly, M. 2002. The performance prism: the scorecard for measuring and managing business success. London: Prentice Hall.

Nel, P.S.,van Dyk,P.S.,Haasbroek,G. D.,Schultz, H.B.,Sono,T.& Werner, A. 2004. Human resources management. 6rd Edition. Cape Town: Oxford University Press.

Nel, P.S.,van Dyk,P.S.,Haasbroek,G.D.,Schultz,H.B.,Sono,T.& Werner, A. 2008. Human resources management. 7th Edition. Cape Town: Oxford University Press.

O'Callinghan, A. 2005. Performance management: SDFs in the fasset sector. www.fasset.org.za/downloads/SDF [27 September 2008].

Poister, T.H. 2003. Measuring performance in public and non-profit organisations. 1st Edition. San Francisco: Jossey-Bass.

Price, A. 2000. Principals of human resource management: an active learning approach. Oxford: John Wiley & Sons.

Price, A. 2004. Human resource management in a business context. 2rdEdition. Melbourne: Thomson Learning.

Price, B. 2006. Coaching: Ready to be coached to the next level? People Dynamics, 30 April.

Quinlan, C. 2011. Business research methods. Hampshire: South- Western Cengage Learning.

Robbins, S.P., Odendaal, A & Roodt, G. 2004. Organisational behaviour: global and Southern African perspectives. 5th Edition. Cape Town: Pearson Education.

Robbins, S.P. & Coulter, M. 2003. Management: traditional approach/balance coverage. 7th Edition. New Jersey: Prentice Hall.

Robbins, S.P., Odendaal, A. & Roodt, G. 2003. Organisational behaviour: global and Southern African perspectives. Cape Town: Pearson Education.

Ross, D. 2010. Fast track to success. Managing people & performance. 1st Edition. London: Pearson Education.

Roux, A. 2008. Everyone's guide to the South African economy. 9rdEdition. Cape Town: Zebra Press.

Shepard, G. 2005. How to make performance evaluations really work: a step-by-step guide complete with sample words, phrases, forms and pitfalls to avoid. New Jersey: John Wiley & Sons.

Snell, S. & Bohlander, G. 2007. Human resource management. Melbourne: Thomson Learning.

South Africa. 1998. Skills Development Act, no 97 of 1998. Pretoria: Government Printers.

South Africa. 2005. Code of good practice on the integration of employment equity into human resource policies and practices. Notice 1358 of 2005. Government Gazette, 482(27866): 1-21, August 04.

South Africa. 1995. Labour Relations Act, no 66 of 1995. Pretoria: Government Printers.

South African Concise Oxford Dictionary. 2002. Cape Town: Oxford University Press.

South African Construction Industry – status report. 2004. Synthesis review on the South African construction industry and its development [Online] Available at: http://www.cidb.org.za/default.aspx   [10 May 2010].

Stiffler, M.A. 2006. Performance: creating the performance-driven organization. New Jersey: John Wiley & Sons.

Stone, R. 2008. Human resource management. 6rdEdition. Melbourne: John Wiley & Sons.

Swanson, R. A. 2007. Analysis for improving performance: tools for diagnosing organizations and documenting workplace expertise. 2nd Edition. London: McGraw-Hill.

The Dinaledi Schools Project. 2009. Report from a strategic engagement between the national Department of Education and business on increasing support for mathematics and science education in schools. http://www.nbi.org.za/SiteCollectionDocuments/report_doe-businessengagementdinaledi.pdf [15 November 2012].

Thekwane, C. 2009. Interview held on 26 September 2009 at World of Windows, Montague Gardens, Cape Town.

Thomas, M. 2007. Mastering people management. 2rdEdition. London: Thorogood.

Ukpere, W. 2009. Distinctiveness of globalisation and its implications for labour markets: an analysis of economic history from 1990 – 2007. The Indian Economic Journal. 56 (4): 1-20.

Van Aswegen, L. 2010. Library research and the Harvard method of bibliographic citation: a research writing and style guide for postgraduate students. Cape Town: Cape Peninsula University of Technology.

Werner, J.M. & DeSimone, R.L. 2006. Human resource development. 4th Edition. Mason OH: Thomson Learning.

Williams, R.S. 2002. Managing employee performance: design and implementation in organizations. Melbourne: Thomson Learning.

Wilson, J. P. 2005. Human resource development: learning & training for individuals & organizations. 2rdEdition. London: Kogen Page.

ANNEXURES

ANNEXURE A: An introduction of performance management

<div style="border: 1px solid black; padding: 20px;">

You are required to attend:

An introduction of Performance Management

When: <u>Today, the 26th August 2009</u>

Where: <u>Training Room</u>

What Time: <u>13:00 – 13:30</u>

</div>

ANNEXURE B: Letter

Cape Peninsula
University of Technology

P O Box 652
Cape Town
8000
14 August 2009

Dear Sir/Madam

I am embarking on research to implement a performance management system in order to achieve organisational goals.

Please complete this questionnaire honestly. Each completed questionnaire will be treated with confidentiality, so your anonymity is guaranteed.

Once the questionnaire has been analysed, a report will be drawn up and the results will be ready in September 2009. Management will receive the report and the results will be communicated to all employees both via e-mail and on the notice boards.

Your co-operation will be highly appreciated.

Yours faithfully

M.VIGARO
Business Faculty: Human Resource Management

ANNEXURE C: Questionnaire for Managers

Performance Management
An introductory guide

Performance management is a term used to improve team performance, based on the principles of measurement, appraisal and action and monitoring.

- It involves the training and development of employees.
- Performance management is the key tool in the process of making clear to staff what their jobs are and how the job links up to the company values, principles and policies.
- It is about establishing mutual understanding about what employees are expected to do and how a manager or supervisor can help them to do it.

WHAT IS THE PURPOSE OF PERFORMANCE MANAGEMENT?

- To improve organizational effectiveness;
- Motivate employees;
- Improve training and development; and
- Set objectives or targets and provide feedback on performance, change the organizational culture and link pay to productivity.

BENEFITS THAT YOU CAN GAIN FROM BEING AN ACTIVE PARTICIPANT IN THE REVIEWING OF PERFORMANCE

- Learn what is expected from you in specific terms (reduces guessing and helps to steer your own work and job performance).
- Know where you stand (this should be throughout the entire year).
- Receive help from your manager in terms of improving performance (performance reviews are not just about going over the past).
- Have your questions answered about your job.
- Learn how your specific job tasks and performance fit into the overall function of the work unit or department and how you contribute to the company.
- Receive recognition for what you have achieved and done well.

Performance management can be manifest in different forms depending on whether the aim is to further improve good performance or deal with underperformance.

QUESTIONNAIRE TO DETERMINE IMPLEMENTATION OF A PERFORMANCE MANAGEMENT SYSTEM

PLEASE ANSWER THE FOLLOWING QUESTIONS:

1) As a manager, what is your main responsibility?

_____

_____

_____

_____

2) How effective are you as a manager in managing the performance of staff?

_____

_____

_____

_____

3) What do you expect from your staff?

_____

_____

_____

_____

4) How effective are you as a manager in developing the people who report to you?

_____

_____

_____

_____

5) Why should you consider introducing performance management?

_____

_____

_____

_____

6) What kind of issues would you want to cover?

_____

_____

_____

_____

7) How often would you want to conduct appraisals?

_____

_____

_____

_____

8) What kind of rating scale would you prefer, for example?
(1-3 = poor, 4-6 = satisfactory, 7-9 = good, 10 = excellent)

_____

_____

_____

_____

9) What goals/objectives would you want to achieve in your department?

_____

_____

_____

_____

10) What, in your opinion are the essential ingredients of an effective performance management system?

_____

_____

_____

_____

11) What kinds of preparation do you need to make this system work?

_____

_____

_____

_____

12) How do you celebrate achievements (achieve small goals, achieve major goals, mid-way completion of projects, final completion of projects?

_____

_____

_____

_____

13) How do you encourage and motivate your workers?

_____

_____

_____

_____

ANNEXURE D: Questionnaire for staff

Performance Management
An introductory guide

Performance management is a term used to improve team performance, based on the principles of measurement, appraisal and action and monitoring.

- It involves the training and development of employees.
- Performance management is the key tool in the process of making clear to staff what their jobs are and how the job links up to the company values, principles and policies.
- It is about establishing mutual understanding about what employees are expected to do and how a manager or supervisor can help them to do it.

WHAT IS THE PURPOSE OF PERFORMANCE MANAGEMENT?

- To improve organizational effectiveness;
- Motivate employees;
- Improve training and development; and
- Set objectives or targets and provide feedback on performance, change the organizational culture and link pay to productivity.

BENEFITS THAT YOU CAN GAIN FROM BEING AN ACTIVE PARTICIPANT IN THE REVIEWING OF PERFORMANCE

- Learn what is expected from you in specific terms (reduces guessing and helps to steer your own work and job performance).
- Know where you stand (this should be throughout the entire year).
- Receive help from your manager in terms of improving performance (performance reviews are not just about going over the past).
- Have your questions answered about your job.
- Learn how your specific job tasks and performance fit into the overall function of the work unit or department and how you contribute to the company.
- Receive recognition for what you have achieved and done well.

Performance management can be manifest in different forms depending on whether the aim is to further improve good performance or deal with underperformance.

QUESTIONNAIRE TO DETERMINE IMPLEMENTATION OF A PERFORMANCE MANAGEMENT SYSTEM

PLEASE ANSWER THE FOLLOWING QUESTIONS:

1) What is the most important part of your job?

_____
_____
_____
_____

2) What is expected of you? (For instance, time frame, quality and quantity).

_____
_____
_____
_____

3) How will the implementation of performance management help you to fulfill your duties?

_____
_____
_____
_____

4) What kind of issues would you like to cover?

_____
_____
_____
_____

5) How often do you want to have an appraisal conducted with your manager?

_____
_____
_____
_____

6) What kind of rating would you prefer, for example?

     (1-3 = poor, 4-6 = satisfactory, 7-9 = good, 10 = excellent)

_____

_____

_____

_____

7) Why is it important to obtain feedback from your manager following your appraisal?

_____

_____

_____

_____

8) What goals would you want to achieve in your area of work?

_____

_____

_____

_____

9) What opportunities are there for you to learn and grow?

_____

_____

_____

_____

10) What would encourage and motivate you?

_____

_____

_____

_____

ANNEXURE E: The performance management system

The purpose of the performance management system is to improve organisational performance. When conducting the assessment, the following should be done:

Firstly, self-appraisal

The employee evaluates and reflects on his/her performance over the past year in terms of improvements, problem solving and recommendations. The form should be handed to the supervisor by a certain date.

Secondly, performance review

Rating points on a scale of 1 – 5 represents a quality ascribed to performance areas. The supervisor/manager is responsible to complete the performance review taking the self-appraisal of the employee into account; and

Lastly, performance discussion

The manager/supervisor and employee discuss the employee's self-appraisal and the performance review, and decide on a plan of action to improve the employee's performance. Both manager/supervisor initial the document.

Prior to the appraisal process, managers/ supervisors and employees should address the following: Updating of the job description; key performance areas and competency profile should be made clear.

SELF-APPRAISAL

The purpose of the self-rating form is to obtain your input as an employee, as it concerns your performance. It is important that you should display the following characteristics:

- ✓ Integrity;
- ✓ Objectivity;
- ✓ Innovation; and
- ✓ Helpfulness – sharing advice.

Describe how you enhanced performance.

Describe how you solved problems.

Your recommendations concerning the following:

HOW TO ELIMINATE PROBLEMS	HOW TO PERFORM BETTER	HOW TO MAINTAIN GOOD PERFORMANCE

CIRCLE YOUR ANSWER:

Did you find it **EASY/NOT EASY** to achieve your objectives of the previous year?

PERFORMANCE REVIEW

Name of Company: _____   **Department:** _____

Current role: _____   **Branch:** _____

Supervisor/Manager: _____

PERFORMANCE AREA

Mark with X

	1	2	3	4	5	REMARKS
1. Quality of work: Is the work error free, neat and accurate?	1	2	3	4	5	
2. Quantity of work: Does the person produce the amount of work?	1	2	3	4	5	
3. Job knowledge: Consider what the person presently knows and his/her specialization	1	2	3	4	5	
4.Housekeeping: Does the person consider person safety awareness?	1	2	3	4	5	
5. Ability to learn: Does learning come easy to the person?	1	2	3	4	5	
6. Performance under pressure: Can the person stay calm and make realistic decisions?	1	2	3	4	5	
7. Reliable: Can the person take responsibility?	1	2	3	4	5	

1. =   Unacceptable 2. = Needs improvement   3. = Satisfactory

4. =   Above average   5. = Outstanding

Employee signature: _____   Date: _____
Employer signature: _____   Date: _____

Employee agree	
Employee disagree	

PERFORMANCE DISCUSSION

The purpose of the performance discussion form is to transfer the strengths and developmental needs that were highlighted in the performance review for future reference.

STRENGTHS	AREAS OF DEVELOPMENT

PROCESS TO ACHIEVE OBJECTIVES	DATE STARTED	DATE TO BE REVIEWED	DATE FINISHED