

**AN EXPLORATION OF THE IMPACT OF A PERFORMANCE MANAGEMENT  
SYSTEM ON EMPLOYEE MOTIVATION AT AN ACADEMIC ADVISORY CENTRE**

**IN PINETOWN**

**By**

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## **ABSTRACT**

This study focused on the human resource management concept of the performance management system and its impact on employee motivation at an Academic Advisory Centre in Pinetown, Durban. The aim of the study was to explore the impact of a performance management system on employee motivation. A quantitative research design was applied for this study. A close-ended questionnaire was used for data collection purposes. A survey method was used for all the employees of the Academic Advisory Centre. The questionnaire was administered to all 80-targeted respondents with a response rate of 70 percent. The Statistical Program for Social Sciences (SPSS) was used to analyse the data. The initial analysis involved the use of descriptive statistical tools.

Arising out of the analysed data, a significant discovery revealed that a performance management system can be advantageous to employee motivation and can result in improved job performance and satisfaction. The reviewed data also revealed that a performance management system could be effective when employees are involved in the process. The importance of training supervisors involved in the performance management process was also acknowledged.

In addition, most respondents consider the performance management system to be a useful tool for employee motivation. The study offered informed recommendations on the need to train top management and supervisors in managing the performance management process and systems. The study concludes with directions for future research.

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## **DECLARATION**

I hereby declare that the dissertation submitted for the degree of Master of Management Sciences: Human Resources Management in the Faculty of Management Sciences at the Durban University of Technology is my own work and has not been previously submitted to any other institution of Higher Learning.

Samuel Bangura

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## **CHAPTER 1**

### **OVERVIEW OF THE STUDY**

#### **1.1 Introduction**

Competitive advantage and high productivity issues have prompted organisations to place an emphasis on employee motivation and performance. The employee's role in an organisation is very significant. Employees are the human foundation of an organisation. This human foundation supports the improvement of business processes and productivity. Equally important and owing to economics and the costs involved in business operations and processes, organisations are now obligated to manage the performance of their employees. Based on this premise, performance management systems play a critical role.

Although the importance of performance management systems is avowed at the literature review stage of this study, other studies have indicated that a performance management system is beset with challenges. Makhubo (2016:64) asserts that typical challenges faced by organisations, which influence employee motivation, include insufficient accountability and a lack of employee knowledge and involvement in the performance management systems.

#### **1.2 Background to the Study**

Generally, because of competitive advantage and for the achievement of predetermined aims and objectives, it is of the utmost importance that a well-planned and implemented performance management system be instituted at the academic advisory centre. The implementation of a well-planned performance management system is an imperative that mainly determines the compatibility of employees' output to that of organisational goals. This puts the focus on the role of strategic human resource management in organisational business operations. Corporate belief in recent times postulates that organisational human resource resources are the basis for an organisation's sustainable competitive advantage and success, provided that human resources management (HRM) policies and practices are aligned to the overall aims and objectives of the organisation.

Strategic human resources management (SHRM) emphasises the significance of integrating Human Resource Management (HRM) regulations and plans with the overall strategy of the organisation (Armstrong and Taylor, 2014:90). Singh and Twalo (2015:79) state that performance management systems offer valuable information about the compatibility of the work-integrated learning skills of employees with organisational aims and objectives.

A poorly planned and implemented performance management system will fail to motivate an organisation's employees and will lead to job dissatisfaction, low self-esteem, and a decrease in productivity levels and outputs. Based on the preceding statement, performance management is thus a very significant process. Khan and Ukpere (2014:662), contend that achieving the desired effect on employees to meet organisational aims and objectives is one the main importance of performance management system. This, and other major research findings regarding the impact of the performance management system on employee motivation, forms the main thrust of this study.

### **1.3 Problem Statement**

It has been asserted and acknowledged that a performance management system is an important factor that contributes to employee motivation. However, there have conversely been admissions and affirmations that the concept is a non-contributor to employee's motivation. This debate between the two positions is the main thrust of this research problem. In many organisations, especially the academic advisory centre understudy, performance management systems remain one of the great paradoxes of effective human resource management. Based on these assertions, Armstrong (2009:45) state that inaccuracies in performance processes can de-motivate employees. In addition, Khan and Ukpere (2014:90) assert that any performance management system fraught with problems and abuse makes its credibility questionable particularly as the main aim of performance management system is to promote and improve employee effectiveness, the performance management system at the Academic Advisory Centre in Pinetown however has not been prudent in its outcomes and employees at the Academic Advisory Centre in Pinetown are equally viewing the performance management system at the Centre as biased and retributive.

This have render the performance management system in the Academic Advisory Centre in Pinetown ineffective and have prompt discontent and demotivation amongst academic advisors working in the Academic Advisory Centre in Pinetown.

In addition, Wanjala and Kimutai (2015:334), assert that there has been less attention paid to the nature of performance management practices and employment motivation than on the impact of a performance management system on employee motivation. This study sought to explore the impact of the current performance management system on employee motivation at the Academic Advisory Centre and to describe the factors that motivate and demotivate employees.

#### **1.4 Aim of the Study**

The overall aim of the study is to explore the impact of a performance management system on employee motivation at an Academic Advisory Centre in Pinetown

#### **1.5 Objectives of the Study**

- To identify the impact of a performance management system on employee motivation.
- To determine the factors that influence the effectiveness of the performance management system.
- To offer ways to implement a performance management system to effectively overcome challenges.

#### **1.6 Research Questions**

- What impact does a performance management system have on employee motivation?
- What factors influence the effectiveness of the performance management system?
- What recommendations can be made for the effective implementation of a performance management system?

## **1.7 Significance of the study**

The significance of this study is driven by the fact that business processes are expensive, especially about the management of employees, and employee motivation is positive advantage for an organisation's success. On the one hand, performance management is vital for both individual and organisational success. On the contrary, however, a performance management system can have a costly effect on both the individual employee and on the organisation and can lead to a high level of conflict during the period of assessment (Makhubo, 2016:64).

By exploring the performance management system at the Academic Advisory Centre and its influence on employee motivation levels, this study will be able to offer informed recommendations to the management and staff of the Academic Advisory Centre in question. This research will further be of value to the overall management of the Academic Advisory Centre as the findings will give management ideas on how to improve their performance management system by taking into consideration its impact on employee motivation.

## **1.8 Scope of the Study**

The scope of the study is limited to an Academic Advisory Centre in Pinetown (Durban). The study plans to determine the impact of a performance management system on employee motivation.

## **1.9 Organisation of the Chapters**

**Introduction:** Discussion of the introduction/background of the problem, the purpose of the study, and the main research objectives/questions.

**Literature review:** A literature review was pursued to understand other researcher's views and thoughts on the research topic. A correlation was made between the literature review and the problem statement.

**Research methodology and design:** A discussion of the research design and methodology, the target population and sampling, as well as the processes of data collection and data analysis, is offered in this chapter.

**Results and discussion:** This section discussed the collection of the data, its analysis and the results obtained. A link was established between the problem statement and the research objectives/questions.

**Conclusion:** The dissertation was summarised premised on the results of the questionnaires issued to the member of the academic advisory centre. The contribution of this research to the concept of performance management was identified and recommendations and suggestions for areas for further research were made.

## **Conclusion**

In this chapter the introduction and background of the study was outlined and the research problem to be studied was articulated by means of a brief overview of the study. The aims and objectives/questions were clearly defined. The significance and scope of the study was stated.

The following chapter offers a literature review of published articles relating to the research topic and a problem statement is presented by building a constructive theoretical underpinning for the study. The literature review provides a detailed explanation of the two main variables of this study, namely, the performance management system and employee motivation. The study also draws on the broad conceptual models of various experts on the human resource management concept of performance management.



## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

Performance management is concerned with the consistent management of the employees in terms of attaining the goals of the organisation. In business operation, a performance management programme is considered as a process that documents the goals and objectives of an employee in an organisation. A good performance management system should be able indicate and measure that employee goals are linked with the organisation's strategy (Armstrong and Taylor, 2014: 71).

Generally, the process commences by taking the strategic objectives of the business and cascading it down to the subdivisions of the organisation and equally linking it to that of the individual employees through performance agreements. As a result, employee in the organisations will be directed towards the same goals, which will be required to achieve. An exploration of the impact of performance management system on employee motivation is the focus of the study.

In Chapter 2, the author will provide an overview of performance management systems. Commencing with a definition of performance management and taking into consideration the purpose of performance management system. The chapter also offers thoughts on the development and design of performance management and equally presents thoughts on the trends in the design and development of a performance management system.

Models for performance management and key performance indicators as a traditional method for engaging employees in a performance management process is discussed. Against this background, the chapter also outlined the importance of the performance management system is discussed. The critical success factors in the performance management system are outlined. These include: (i) Simplification; (ii) Alignment with organisational goals; (iii) and Integration with organisational culture. A discussion of performance management and employee motivation is averred. The chapter also present information on the concept of motivation. In this regard, content and process theories of motivation are discussed. In the concluding section, the impact of the performance management system on employee motivation is discussed.

## **2.2 Definition of a Performance Management System**

According to Aquinis (2013:2), a performance management system is the process of putting a manager in place to constantly identify, measure, and develop the performance of individuals and teams in an organisation. These performances should be aligned to the strategic goals of the organisation. Armstrong and Baron (1998), cited by Jose (2011:10), further explain that a performance management system is concerned with the integration of a system to increase organisational productivity.

According to these authors, the productivity of the organisation's human resource capital (and its resulting output) can be enhanced by improving the knowledge, skills, and individual capabilities of an organisation's employees. Nel, Van Dyk, Haasboek, Schultz, Sono, and Werner (2011:493) define a performance management system as a complete method of effectively controlling individuals and groups in an organisation to ensure that their shared goals and the organisation's strategic objectives are aligned. Similarly, Noe, Hollenbeck, Gerhart and Wright (2012:343), assert that a performance management system ensures that the activities and output of employees are compatible with the organisation's goals and objectives.

## **2.3 Purpose of a Performance Management System**

Generally, there are different purposes for performance management systems in organisations. Mansor, Chakraborty, Ke Yin, and Mahitapoglu (2012:586), state that the purpose of performance management is mainly to plan, develop, and organise business operations in organisations. The strategic purpose of a performance management system is related to the activities of the employee as aligned to the organisation's goals. It has been determined that a performance management system exhibits five characteristics. These involve the alignment of the employees performance with organisational aims and objectives; an articulation of the anticipated work culture; a clear specification of expected the results and competencies; behavioural style and management that inspires discretionary effort; and unpretentious procedures and documentation that allows line managers and employees to see performance management as part of the daily workplace strategy (Addis, 2016:23).

Finally, a performance management system provides managers with the ability to stimulate workforce performance, particularly when targets are strained or increased.

## **2.4 The Development and Design of a Performance Management System**

According to Mullins (2010:23), performance management is a continuous, sophisticated process. Armstrong (2009:23) proposes the following four main parts in the development and design of the performance management system:

### **(i) Defining the Performance Plan**

At this first stage, the strategic objectives of the business are identified. This generally entails defining the set role(s) of the individual employee by compiling a job description and a list of the competencies required for them to perform to the best of their ability.

### **(ii) Signing the Performance Agreement**

A performance agreement defines the expectations of both parties in the performance management process. Normally, personal development plans (PDPs) are drawn up and it is significant at this stage of the process for staff motivation to prevail (Aguinis, 2013:23).

### **(iii) Reviewing Performance**

Performance reviews are a formal part of the performance management system. These reviews are concerned with the assessment of the employee's performance based on the objectives previously agreed upon. Armstrong and Taylor (2014:67), state that this should take place on a continuous basis, with a formal review being held at least once a year.

## **2.5 Trends in the Design and Development of a Performance Management System**

McMahon (2009:89) claims that there are three common issues, which pertain to the design and development of a performance management system. These issues are: (i) a perfect performance management system does not exist; (ii) human resource managers should expect resistance; (iii) and that a performance system must receive full attention from top management.

### **(i) Perfect performance management does not exist**

According to Mathis and Jackson (2012:23), to each organisation the managing of employee performance and the system used is unique and cannot be duplicated from one organisation to the next. In designing performance management system various factors that may influence the system needs to be considered. These are but not restricted to leadership, internal management commitment, internal resources, performance-oriented culture, employee engagement, and maturity of performance management system.

### **(ii) Expectation of resistance**

Addis (2016:23), assert that when designing and developing a performance management system, it is vital for employers to prepare for eventualities. Such eventualities might include employees rejecting the performance management system rather than acknowledging its advantages to the organisation. Employees usually consider the negative aspect of it. In this regard, an effective performance management system needs to be designed which is cognisant of employees to get their buy-in and, support, and to minimise resistance.

### **(iii) The performance management system must receive full attention from top management**

Performance management systems are costly both in financial and non-financial terms. Therefore, constant efforts, commencing with its design and implementation by management, and then gaining support of it by top management, is instrumental to its success (Armstrong, 2009:56).

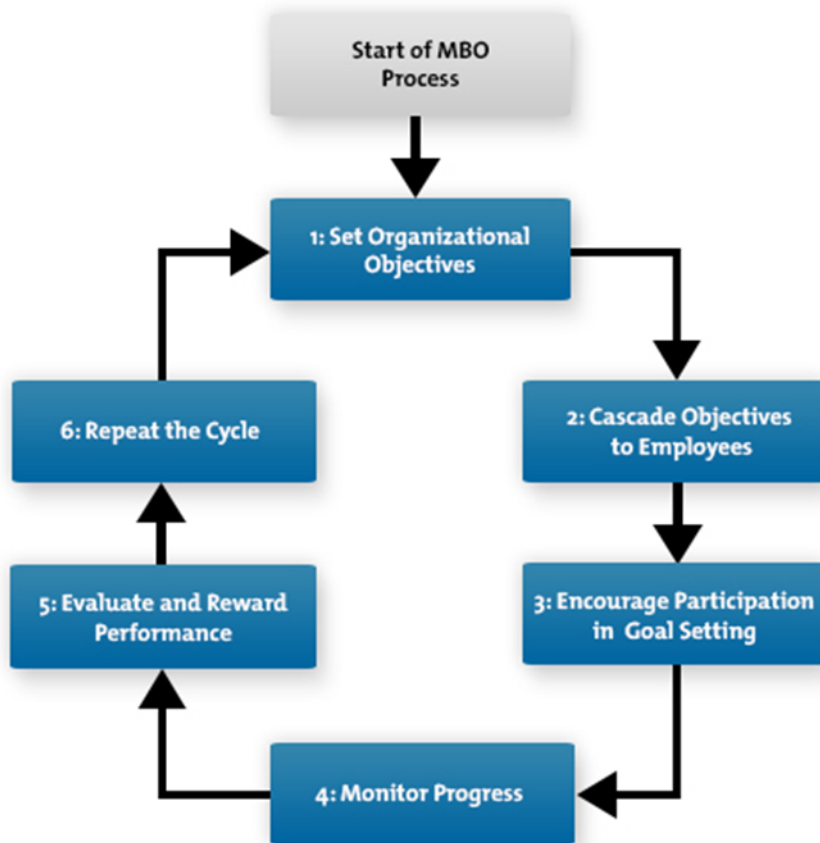
## **2.6. Models of Performance Management Systems**

According to Mwita (2006), cited in Kalashe (2016:30), performance management systems models are concerned with a data-orientated approach of systematically managing employees at work and to optimise their performance and daily work processes. It is a value-adding process of aligning employees and jobs to the strategic objectives of an organisation. Generally, with the effective use of a well-planned and

implemented performance management system grounded on a performance management model, the process will correlate with the aims of the organisation and the individual plans of employees. A discussion on various performance management models will be provided with an emphasis on the following models: The Six-Step Management by Objectives model, The Balanced Scorecard, 360-degree Feedback Assessment.

### **2.6.1 The Six-Step Management by Objectives (MBO) Model**

'Management by Objectives' is a well-articulated and publicised work by one of the world's leading management thinkers, Ifedilichukwu (2012:12), states that management by objectives (MBO) is concerned with the process of recognising the objectives of the organisation so that management and employees can agree on these objectives for performance enhancement. The essence of management by objectives is that it allows for participative goal setting, choosing the course of action, and decision-making. The MBO model is illustrated in Figure 2.1 on the following page.



**Fig. 2.1 The Six-Step Management (MBO) Process**

**Source: Armstrong and Taylor (2014:14)**

**Step 1: Set organisational objectives**

Addis (2016:34), assert that management by objectives (MBO) usually starts with the definite planned objectives of an organisation, articulated in easily understood Mission and Vision Statements. These declarations are goal specific in nature.

**Step 2: Cascade objectives down to employees**

To support the mission and vision statement, clear goals and objectives are needed for every unit, department, team, and employee in the business. These goals and objectives are then cascaded from the upper to lower levels of the organisation (Mathis and Jackson, 2012:56).

Armstrong and Taylor (2014:67), state that when designing goals for management by objective programs, it is of the utmost importance that the objective setting be effective. The use of the SMART acronym can assist in this regard.

SMART goals are:

- Specific
- Measurable
- Agreed
- Realistic
- Time-related

### **Step 3: Encourage participation in the goal setting process**

Daft (2010:45) has asserted that team members need to comprehend how personal goals and principles fit with the firm's objectives. This is most effective when the goals and objectives are collective and are discussed at each level. Rather than unthinkingly following orders, managers, supervisors, and employees in an management by objective (MBO) process need to know what needs to be done and the reasons for it to be done.

### **Step 4: Monitor Progress**

To be effective, managers and supervisors need to monitor their team members' progress toward the achievement of the goals, which have been set. The creation of a monitoring system needs to be timely so that issues can be dealt before they threaten the accomplishment of important goals (Kalashe, 2016:1).

### **Step 5: Evaluate and reward performance**

Armstrong and Taylor (2014:14), state that one of the main purposes of management by objectives (MBO) is to increase employee performance at all levels of the organisation. To ensure this happens, a comprehensive evaluation system should be in place. Similarly, giving constructive feedback to all employees on personal and organisational goals is vital.

## **Step 6: Repeat the cycle**

Armstrong and Taylor (2014:12), state that once the first five steps have been completed, the whole cycle needs to restart. This includes reviewing the objectives and goals of the organisation. As a guide, Daft (2010:78), states that when reviewing these objectives and goals and creating new ones, feedback should be solicited from employees on what went well and what could be improved.



## 2.6.2 The Balanced Scorecard

According to Armstrong and Taylor (2014:89), the balanced scorecard was developed by (Kaplan and Norton, 1996). The balanced scorecard comprises mainly four perspectives: a finance perspective, a customer perspective, an internal business process perspective, and a learning and growth perspective.



**Fig. 2.2 The Four Perspectives of the Balanced Scorecard**

**Source: Armstrong (2009:12)**

Mathis and Jackson (2012:34), state that the financial perspective plays the dual role of defining the financial performance and profitability evaluation of an organisation by using tools such as the Return on Investment (ROI) and the Economic Value Added (EVA).

The internal business process emphasises the internal operations of an organisation, permitting managers to assess businesses efficiency. In comparison with other

brands, this perspective is what makes the balanced scorecard unique (Armstrong and Taylor, 2014:23).

It is through the learning and growth perspective that the organisations areas of excellence or competency are identified. This involves identifying the capital – be it human capital, information capital, or organisational capital – that creates value for an organisation.

The customer's perspective is premised on an organisation's ability to evaluate customer satisfaction with the brands and services associated with them. In addition to attracting new customers, this also ensures consumer loyalty (Mathis and Jackson, 2012:23).

As a tool linked to strategic management, the balanced scorecard offers support in categorising organisational vision and strategic objectives into operational measures and critical drivers (Mathis and Jackson, 2012:23).

The integration of both financial and non-financial performance measurement using within the four perspectives contributes to a “balanced” approach in the monitoring of organisational performance (CIMA, 2005:90).

One of the notable features of the balanced scorecard is that it offers an overall view of a firm's performance by integrating measures derived from the company's strategy. Armstrong and Taylor (2014:56) assert that the balance scorecard allows top management to have a comprehensive view of the firm overall performance. Yang and Wang (2010), cited in Zin, Sulaima, Ramlic, and Nawawi (2013:199), state that the balanced scorecard therefore makes it possible to effectively communicate the organisational mission and objectives by providing a clear and a holistic picture of the company's progress.

### **2.6.3 The 360-Degree Feedback**

According to Meenakshi (2012:92), 360-degree feedback or assessment is a type of performance management process that collects data from 'all around' an employee his or her peers, subordinates, supervisors, and sometimes, from internal and external customers. Its main purpose is to assess employee needs regarding training and

development, at the same time able to offer and recommendation on competence-related succession planning.



**Fig. 2.3 The 360-Degree Feedback Process**

**Source: Armstrong (2009:12)**

The above image shows the 360-degree feedback of an employee based on reviews from peers, subordinates, suppliers, customers, managers and other team members. It is concerned with the process of an employee receiving feedback from all the people around him/her who are associated with the business. Nel, et al. (2011:499), posit that the main purpose of 360-degree feedback or assessment is to allow managers to understand the performance of an employee. They explain that it is generally used in the performance appraisal process. This feedback is part of the organisational process which is intended to increase the quality of employees in the workforce and organisations have found it to be extremely useful and effective (Khan and Ukpere 2013:80).

### **Importance of 360-degree Feedback**

Woyessa (2015:14), states that it is important for organisations to evaluate employee performance. If an employee is underperforming, a warning must be issued. When an

employee is doing well, a reward must be provided. The quality of an employee's performance can be determined using feedback. The importance of 360-degree feedback is that it may be used as an input to the performance appraisal. It can be used to identify competence gaps, which can determine what relevant training should be administered to the employee (Kundu, 2015:22).

The concept is so important that Nel et al. (2011:35), have outlined the advantages and disadvantages of 360-degree feedback. These will be outlined below.

### **Advantages of 360-degree Feedback**

There are several advantages of 360-degree feedback. Some of the benefits of the 360-degree feedback system are offered below:

1. It helps in evaluating the overall performance of an employee.
2. 360-degree feedback gives a complete view of the work that the employee has done and is not just based on a supervisors' review.
3. This feedback shows all the competencies of an employee across various domains of business.
4. Based on 360-degree feedback, new training programs can help develop the employee's competencies even further.
5. The employee can work on his or her shortcomings based on the feedback given by everyone.

### **Disadvantages of 360-degree feedback**

There are certain drawbacks to this type of a feedback system. Some disadvantages of 360-degree feedback include the following:

1. Favouritism can affect the feedback of certain employees.
2. 360-degree feedback mostly gives qualitative feedback and might overlook the quantitative performance of an employee.
3. Unfair feedback from some people may lead to an ambiguous rating of the employee's performance (Armstrong, 2009:45).

## **2.7. Key Performance Indicators (KPIs)**

According to Parmenter (2007:14), key performance indicators (KPIs) are measures and indicators that monitor the achievement of an objective or goal. Generally, key performance indicators are used in defining the outcomes that need to be met if the overall objective is to be achieved (Woyessa 2015:42).

As early as the 1960s, it was suggested that critical success factors could be identified and then quantified in the form of key performance indicators (Olve and Sjöstrand 2010:84). A key performance indicator is defined by Bauer (2014:56), as a measurable metric reflecting the performance of an organisation in achieving its goals and objectives. The concept allows firms to set targets, classify trends, look at potential problems and opportunities, and plan for future activities to help increase profits (Woyessa, 2015:12).

Accordingly, Parmenter (2007:3), states that key performance indicators represent a set of measures that emphasise key aspects of organisational performance, which are critical for the current and future success of the organisation. He further defines seven characteristics of key performance indicators:

- Non-financial measures are involved.
- They should be measured frequently.
- Acted on by the CEO and senior management team.
- Ties responsibility to the individual team.
- Should have a significant impact.
- Should have a positive impact.

In line with the discussion of key performance indicators, Bauer (2014:89), further contends that key performance indicators should be derived from the organisations strategic vision and objectives, and cascade to all levels of the organisation, as shown in Figure 2.4.



**Fig. 2.4 An Overview of the Key Performance Indicators (KPI) process.**

**Source: Armstrong (2009:90)**

In Figure 2.4, the strategic alignment of the pyramid translates the visions and mission of an organisation into key performance indicators and key action initiatives, which require several intermediary steps; namely, creating a vision, determining what strategies are required, identifying objectives and critical success factors, and deciding what action needs to be taken.

## **2.8 Importance of a Performance Management System**

A performance management system has many benefits for organisations if implemented effectively. These benefits include self-motivation of staff, and the provision of a basis on which to evaluate goals. The concept is very significant for an organisation, as maintained by Armstrong and Baron (2004), cited in Gautam and Jain (2014:6), who assert that a performance management system is a tool that offers managers the skills to manage effectively.

In addition, a performance management system allows for the challenges faced by organisations to be defined and measured while stimulating the performance of employees. This serves the ultimate purpose of improving the overall aim of the organisation. Hartog, Boselie, and Paauwe (2014:23), state that a performance management system can be associated with the creation of a common vision of the

organisation's purpose and aims. This in turn helps employees to recognise their role in contributing to these goals.

## **2.9 Critical Success Factors for an Effective Performance Management System**

According to Rothberg and Morrison (2012), cited in Woyessa (2015:16), critical success factors are vital activities grouped together to allow an organisation achieve its stated objectives, it ensures successful performance operations in both the present and future operations of a business. In addition, Skrinjar and Trkman (2013), also cited in Woyessa (2015:89), define critical success factors as the processes that are intended to support the realisation of anticipated outcomes, as specified by the objectives or goals of the organisation. They furthermore claim that these processes provide firms with competitive advantage upon which resources are focused.

### **2.9.1 Simplification**

Chubb, Reilly and Brown (2011:23) have acknowledged that simplification is among the mostly used measure to improve the effectiveness of performance management systems. Strebler, Robinson and Bevan (2011:23), state that the increasing complexity of performance management systems is an impediment to the achievement of an effective performance management process. To make the process more effective, the motivation of employees and managers to want to use it is essential.

### **2.9.2 Alignment with Organisational Goals**

To achieve continued success and improve effectiveness, Armstrong and Taylor (2014:23) state that an organisation's performance management system must be aligned to its strategy. The strategic links of competitive strategies with that of the operational function of the organisations are vital (Rhee and Mehra, 2010:90). In addition, the alignment of an employee's efforts with that of the organisation's goals and objectives is important. A lack of connection in this regard is found to be one of the main reasons for the failure of performance management systems (Bandara, Indulska, Chong and Sadig, 2016:67).

### **2.9.3 Integration with Organisational Culture**

The notion of organisation culture is renowned management concept. Mekonnen (2014:23) state that organisational culture is defined by the patterns of shared values and beliefs over time, which produce interactive norms that are espoused in solving problems. Accordingly, Kandula (2006), cited in Ahmed (2012:12), asserts that the key to effectively implementing performance management systems includes the creation of a positive and strong corporate culture. He further maintains that a strong and positive culture can increase the performance of an average individual; on the other hand, a negative, weak culture can be demotivating and result in under-performance, which consequently leads to a low level of achievement (Chubb, et al. 2011:23).

It is therefore apparent that the culture of an organisation can directly affect a performance management system. Therefore, Organisational culture and performance management are therefore interdependent and can influence each other (Armstrong and Taylor, 2014:67). As affirmed by Ahmed (2012:89), a key element to a successful performance management system lies in its integration with the organisation's culture. De Waal (2003), cited in Chubb et al. (2011:12), reported that a firm that focuses on the integration of its organisational culture with its performance management process is more likely to improve its business and achieve a competitive advantage.

In line with views on critical success factors for performance management systems, Mekonnen (2014:67), has asserted that several factors affect the effectiveness of a performance management system. These are but not limited to sound programming, with well-defined roles and responsibilities of managers, employees and departments. In addition, consultative and participatory processes are also considered as significant features of an effective performance management system. However, to attain a greater culture of fairness, equality, and transparency, to increase employee motivation, and to achieve goals, organisations must pay attention to the meticulous planning and implementation performance management system.



Woyessa (2015:4), asserts that the simple adaptation of a new performance management system, and procedures is not adequate for an effective performance management. He however indicates that for a successful performance management system to implemented, the following prerequisites should be satisfied:

- **Clear purpose:** A strong indication of critical success factors as well as performance management principles that stresses on individual accountability and results should prevail in the process.
- **Alignment:** Top management must ensure that every individual effort is aligned with the organisation's aims and objectives and that everyone understands the importance of their contribution.
- **Fairness:** Perceptions of fairness are based on comparisons. A key factor in ensuring that employees consider that the compensation they receive is fair and that procedural justice is followed is making employees feel that the method used to determine their relative pay is fair.
- **Commitment:** All levels of management, senior management, middle management and general employees must be committed to the performance management system.
- **System integrity:** Mechanisms for ensuring that the system is working should be put in place. This means ensuring that the performance management system is being used according to the defined procedures and at the correct frequency.

Pulakos (2009:102), cited in Ramataboe (2015:43), offered four best practices that are relevant to the implementation of an effective performance management system. These are: (i) adequate support of leadership for the system; (ii) gaining buy-in for the system from staff at all levels; (iii) a realistic assessment of the organisation's appetite for performance management; (iv) the development of an effective communications strategy.

In addition to the four best practices, **Aguinis** suggest that key steps are essential in the implementation stage of a performance management system. These steps include the systematising of the process. This can include implementing an effective human resource management information system, conducting pilot testing of the performance

management system, training staff on the usage of the system, evaluating the system, and using the results as the basis for improvements.

## **2.10 Performance Management and Employee Motivation**

Armstrong (2009:95) suggest that goal setting is a critical activity during the performance planning and agreement stages of performance management. The author asserts that the integration or alignment of performance management with individual goals of employees and organisational objectives is paramount and that performance management is highly premised on the notion of motivation, which impacts employee performance.

### **2.10.1 The Concept of Motivation**

Generally, an organisation's human resources are a major strategic asset. In the age of globalisation, if an organisation is to sustain and survive a turbulent business environment, the effective utilisation of its human resources is paramount. These resources, when motivated, can be vital to the success of business operations. Mathis and Jackson (2012:45), assert that motivation is a force that drives individuals to attempt to achieve specific goals that fulfil their need or expectation. Accordingly, Robbins and Judge (2013:202), state that motivation is concerned with the justification of an individual's strength, direction, and perseverance to achieve a goal, significantly motivation can be narrowed to organisational goals and that of individual employees to reflect on a singular interest of the both parties.

Pinder (2014:12), referred to motivation as a set of energetic forces, originating both within as well as beyond an individual's ability to initiate work related behaviour determine its form, direction, intensity and duration. Accordingly, Deckers (2010:90), averred that motivation is about the internal nature of humans and their approach to positive inducements, and the avoidance of negative incentives. Of utmost importance is that the study of motivation is concerned with the behaviour of an employee in a certain way. In general, it is concerned with why employees choose a certain course of action over others, and why there is a continuation of this chosen action for a long period of time even in the face of difficulties and problems (Mullins, 2010:23). Motivation is therefore a leverage in the enhancement of innovation and production in organisations (Bloisi, Cook and Hunsaker 2013:27).

### **2.10.2 Theories of Motivation**

According to Mullins (2010:259), numerous competing models attempt to offer an understanding of the concept of motivation. Some of these concepts may be partial in explaining the behaviour of people in an organisation. However, the same author contend that the issue of motivation is critically essential for the younger generation starting their career than mid-career employees, or for those who find restricted prospects for promotion or further advancement. For the most part, however it is challenging for employers to motivate their staff both in the longer term and in the short run, thus in this regard, it essential for managers to understand the different type's motivational theories (Mullins, 2010:259). Equally important, the complex nature of motivation and the lack of ready-made solution or single answer as to what motivates people, the acknowledgement of different theories of motivation by managers is important (Bloisi, Cook and Hunsaker, 2013:78). These theories provide the context upon which attention can be directed to the problem of how to motivate staff to work willingly and effectively (Mullins, 2010:34).

### **2.10.3 Content Theories of Motivation**

Mullins (2010:90), state that the typical method to the assess motivation is through an understanding of internal cognitive processes; that is, an understanding of how people feel and think. With these managers can predict the expected behaviour of employees situations. Cognitively, theories of motivation are generally divided into two opposing methodologies: content theories and process theories.

Content theories attempt to explicate specific issues that are essential in motivating an individual at work. These theories take into consideration the identification of the needs and relative strengths of people and the goals that they followed to satisfy their needs. On the other hand, process theories attempt to establish the connection between dynamic variables that make up motivation. These theories are built around the notion of how employee comportment is initiated, directed and sustained (Robbins and Judge, 2013:78).

An in-depth discussion of the preceding theories is expanded upon on the following pages. Premised on this study and the research problem Maslow hierarchy of needs is on the motivational theory used for this study. In context the general needs in

Maslow's hierarchy include physiological needs (food and clothing), safety needs (job security), belongingness and love needs (friendship), self-esteem, Aesthetic and cognitive needs and self-actualisation. Maslow's hierarchy of needs can be used by managers to better understand employees' needs and motivations, allowing them to best provide for employees' needs and generate high productivity and job satisfaction. An illustration of the Maslow needs theory is stated below.

## Maslow's Hierarchy of Needs

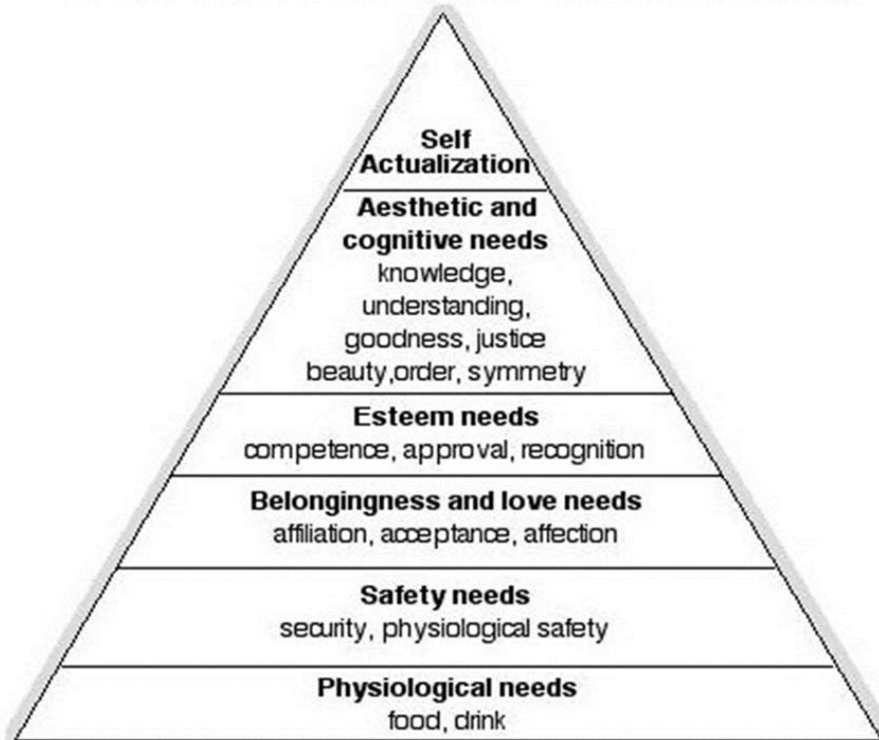


Fig. 2.5 Maslow's Hierarchy of Needs

Source: Robbins and Judge (2013:34)

### (i) Maslow's Hierarchy of Needs

According to Robbins and Judge (2013:202), one of the best-known theories of motivation is Abraham Maslow's hierarchy of needs. Maslow posited the notion that every human being has five hierarchical needs. His basic proposition is that human beings are wanting beings, who continuously need more, and their needs usually hinges on what have been already achieved. He equally averred that human needs are prearranged in sequence that ranges in importance from, physiological needs at the lowest level, through to safety needs, love needs and esteem needs, to the need for self-actualisation at the highest level, (see Figure 2.5 above). In his preposition, Maslow separated the five needs into higher and lower order needs. Physiological and Safety needs were termed as lower-order needs and Belongingness and love needs, Esteem, and Self-Actualisation as higher-order needs. The differentiation between the

two orders was made on the premise that higher-order needs are satisfied intrinsically and lower-orders are extrinsically satisfied.

- **Self-actualisation needs:** This level is concerned with the growth and recognition of the full potential of a person. The self-actualisation aspect of Maslow's theory postulates that needs are essentially not imaginative wish and may take various methods from one individual to another.
- **Aesthetic and cognitive needs:** Aesthetics denote the notion of being creative, it is concerned with the need to express oneself in fair way. Generally, Individuals are moved in meeting this need only after the previous five needs have been met.
- **Esteem needs:** These includes both self-respect and gaining the admiration of others. Esteem needs takes into consideration the desire for confidence, strength, individuality and independence.
- **Belongingness and love needs:** These comprise of affection, a sense of belonging, and both the provision and receiving of love.
- **Safety needs:** These include an individual's safety and security, liberty from threat of physical attack, safety from endangerment or deficiency, and the need for expectedness and orderliness.
- **Physiological needs:** This need is needs comprises of the instinctive efforts of an individual to retain the usual functioning of the body, these includes processes such as the gratification of hunger, thirst, and oxygen. On the same token, the need of being able to regulate and maintain one's temperature is highly linked to the physiological needs aspect of the Maslow hierarchy of needs.

In line with the above, Mullins (2010:23), cautioned that if a lower need has been met, it is significant to note that it will no longer offers a leverage for motivation. The next level need in the hierarchy therefore will mandate satisfaction and thus, become the influence for motivation. In other words, only unsatisfied needs motivate an individual.

## **(ii) Alderfer's Modified Need Hierarchy Model**

Another important motivation model in the content theory facet is that of Alderfer's modified need hierarchy model. Mullins (2010:264), contends that this model summarises Maslow's five levels of needs into three levels built around the core needs of existence, relatedness, and growth.

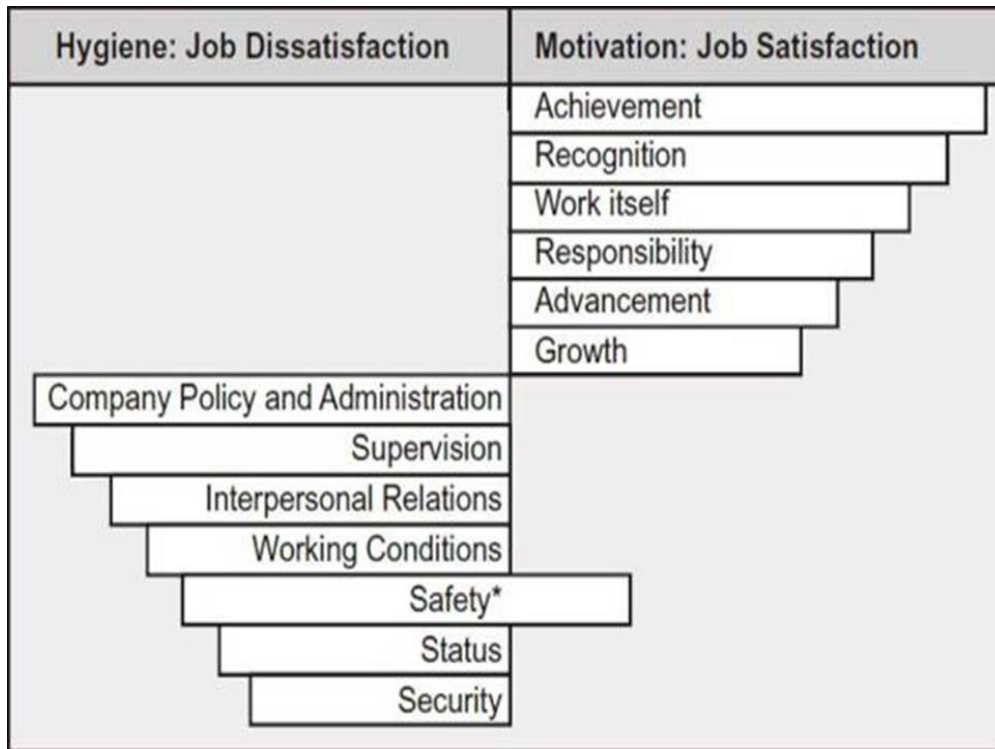
- Existence needs are concerned with the sustenance of human survival and existence and covers physiological and safety needs of a measurable nature.
- Relatedness needs are equally concerned with the relationships of an individual with his/her social environment. These involves an individual's essential needs regarding love and a sense of belongingness and the need for social affiliation and significant interactive relationships of a safety or esteem nature.
- Growth needs aspect of the model are concerned with the growth and expansion of a prospective cover of self-esteem and self-actualisation needs.

Mullins (2010:34), assert that like Maslow, Alderfer suggest that the need fulfilment of individuals progresses hierarchically; beginning with meeting one's existence needs before one's relatedness needs, and finally one's growth needs. Once again, the satisfaction of lower-level needs is important, and must be met, to meet the higher-level needs. The lower level needs therefore turn out to be the focus of the individual's efforts.

## **(iii) Herzberg's Two-Factor Theory**

According to Luthans (2011:16), the content theory of Herzberg makes another significant contribution to the theory of motivation. Herzberg used the critical incident method to investigate employees' by interviewing them during periods when they felt extremely good or extremely bad about their current and previous jobs. Generally, the responses to the interviews remained consistent, and established that two diverse sets of factors that influence motivation and work. This led to the two-factor theory of Hygiene: Job Dissatisfaction and Motivation: Job satisfaction. Premised on the ongoing discussion If organisational managers need to increase employees' job satisfaction, the nature of the work itself, the opportunities it presents to employees in gaining status, assuming responsibility, and achieving self-realisation is vital. On the other hand, if organisational managers wish to reduce dissatisfaction, then it must focus on the job

environment policies, procedures, supervision, and working conditions should be focus. To ensure a satisfied and productive workforce, managers must pay attention to both sets of job factors. An illustration of Herzberg two factor theory is offered below.



**Fig. 2.6 Herzberg's Two-Factor Theory**

**Source: Luthans (2011:23)**

In line with the statement on Herzberg's two factor motivational theory, Mullins (2010:23), claims that one set of factors are those which, if absent, causes dissatisfaction. These factors are known as Hygiene: Job Dissatisfaction and Motivation: Job Satisfaction. As stated in the Fig.2.6. The Hygiene: Job Dissatisfaction serve to prevent dissatisfaction within the job context and it extrinsic to the job itself. The other set of factors are those that, if present, can encourage superior effort and performance of an individual. These set of factors are premised on the job content of the work itself. They are the Motivation: Job Satisfaction. The strong point of these

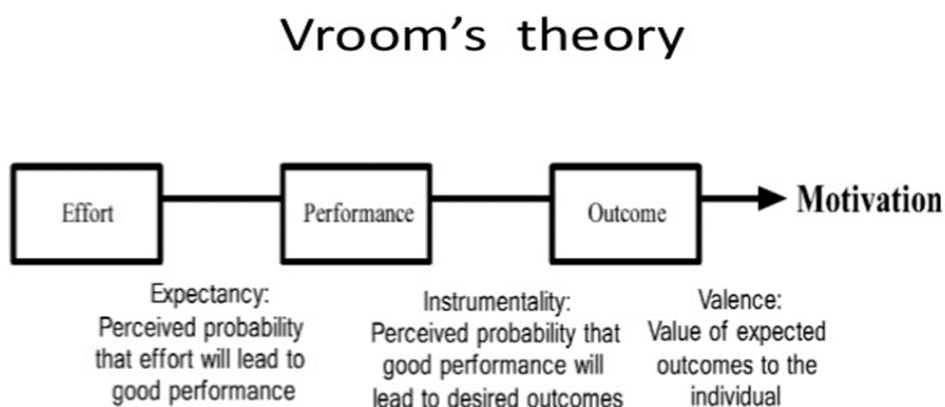


factors is that it influences the feelings of employees regarding satisfaction or no satisfaction, but not dissatisfaction (see Figure 2.6).

In line with the discussion on the Herzberg two factor motivational theory, Luthans (2011:166), state that to motivate workers, managers are obliged to pay meticulous consideration to motivators or growth factors. However, Herzberg cited in Mullins (2010:56) state that hygiene factors are not inferior. Their importance as motivators or growth factors are, but for diverse aims. Hygiene factors are essential to avoid unpleasantness in a work situation and aid in denying unfair treatment at the workplace (Mullins, 2010:90).

#### 2.10.4 Process Theories of Motivation

Process theories, or extrinsic theories, endeavours in establishing the interactions between the vigorous variables that comprises of motivational actions that are needed in influencing behavioural actions of an individual. Widely used methodologies within the facet of motivation comprises of expectancy-based models such as Vroom's expectancy theory and Skinner's operant conditioning theory.

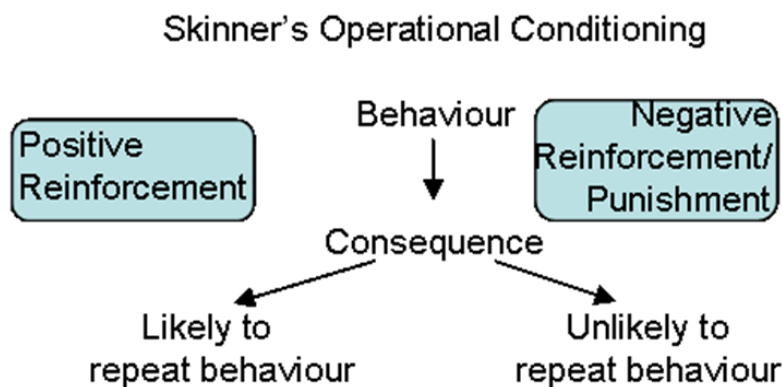


**Fig. 2.7 Vroom's Expectancy Theory**

**Source: Mullins (2010:23)**

### (i) Vroom's Expectancy Theory

The Vroom Expectance Theory is one the most widely known motivational theory applied in management studies. Luthans (2011:89) suggest Vroom's expectancy theory comprises of three factors - valence, instrumentality, and expectancy – which are built around the fact that effort on the part of an individual can lead to performance, in turn, can lead to rewards. Rewards can be either positive or negative. Generally, the further the positivity of the reward, an employee will mostly likely become motivated. However, the more likelihood of rewards to be more negative, the probability of the employee to be demotivated is high (Kirstein, 2010:18). An illustration of skinner's operational conditioning is offered below.



**Fig. 2.8 Skinner's Operant Conditioning Theory**

**Source: Mullins (2010:23)**

### (ii) Skinner's Operant Conditioning Theory

As maintained by Bisen and Priya (2010:27), theories of reinforcement in motivation are not based on need, but on the connection concerning behaviour and its consequences. The application of these theories in the workplace can aid in the modification of on-the-job behaviour concluded through rewards and punishments. Generally, reinforcement theories consider motivation and the environmental impact, concentrating on stimulus and response interactions.

Mullins (2010:80) averred that Skinner's operant conditioning theory is a well-known motivational theory that initiates a behavioural stimulus, this stimulus therefore acts as a behavioural antecedent. Through this, behavioural results would be generated; therefore, results in the context are penalties of behaviour. Skinner's operant theory simply states that employee behaviours leading to positive outcomes can be repeated and negative behaviours that lead to negative outcomes will be curtailed (Skinner, 1953) cited in Luthans (2011:56). In accordance with this theory, managers should positively strengthen behaviours of employees that points to positive outcomes. By the same token, employee behaviours that offers negative outcomes should be discouraged managers (Mullins, 2010:90).

## **2.11 The Impact of a Performance Management System on Employee Motivation**

There is little doubt that a performance management system is a tool, which is useful in leveraging employee and organisational performance. However, a poorly planned and executed performance management system will not motivate employees, and certainly lead to lack of job satisfaction by destructively influencing the self-esteem, productivity levels and output of an employee. This will ultimately result in the demotivation of the employee.

A well-implemented performance management system, however, may equally motivate employees. Mughal, Akram and Ali (2014:118) contend that performance management systems motivate employees on more productive tasks. Performance management, which is based on rewards, increases the efficiency and effectiveness of employees. Providing feedback during the process also provides employees with a guideline through which they can judge their performance and make proper improvements.

According to Ochoti, Maronga, Muathe Nyabwanga and Ronoh (2012:39), an employee's involvement in the performance management process is a motivator; involving employees in the performance management practice and system offers an opportunity for the employee to better understand the organisational goals and what is expected of them to achieve performance goals. Pulakos (2004), as cited by Addis (2016:90), contends that because of involving employees in the performance

management process, motivation and self-esteem is amplified, and managers can understand their subordinates. By the same token, an enhanced and sensible difference is made between good and poor performers, and organisational change is enabled. These consequences give an employee a greater sense of belonging within the organisation.

Kalash (2016:90), states that goal setting is a contributor to employee motivation and that of performance management. Equally important, the possibility of employee motivation and performance management process to be more effective is concerned with the participation of individual in contributing to goals setting rather than just being apportioned to them. This process allows for motivation. Based on the preceding discussion, it is therefore significant to identify issues such as design flaws in any performance management system that may lead to employee demotivation. Generally, a performance management system involves an appraisal process, which may review a list of objectives and organisational values, goals and strategies and then generate presumed target that an employee or individual might want to achieve. However, in most cases, the interdependence of individual objectives and organisational values, goals and strategies are not established, thus creating an opportunity for employee demotivation (Mullins, 2010:23).

The critical challenges to the planning and implementation of performance management in organisations are interrelated and involve poor executive commitment and implementation (Pace, 2011:34). Thus, a performance management system or process requires commitment from senior and line management; it is not possible to have a constructive performance management system without top management commitment. If senior and line management lacks commitment in the implementation process of a performance management system, the workers will be apprehensive about a performance management system. It is however important for senior and line managers to show a tangible sense of ownership during the preparation and implementation phase of a performance management system.

## **Conclusion**

In the preceding discussion, a definition of a performance management system was presented. Equally important was a discussion regarding the purpose of a performance management system. The development and design of the concept was also offered. The literature review outlined significant thoughts on the trends in the design and development of performance management, including models on performance management system and key performance indicators (KPI). In addition, views on the importance of performance management systems and the critical success factors for effective performance management systems were stated, and the relationship between performance management and employee motivation was posited. The second part of this discussion dealt with the concept of motivation, its meaning, and the theories associated with it. In summing up this chapter, the impact of a performance management system on employee motivation was also stated.

## **CHAPTER 3**

### **RESEARCH METHODOLOGY AND DESIGN**

#### **3.1 Introduction**

This chapter discusses the research methodology and design adopted in this research study. This chapter aims to answer and achieve the research objectives discussed in Chapter 1. It describes the research design, the data collection process, the reliability and validity of the data, the data analysis, and the overall research approach used in this study.

#### **3.2 Research Design**

Research, As stated by Pandey and Pandey (2015:8), is a scholarly process, which has evolved and changed in both its purpose and form, while always aiming to investigate truth. According to Rajesekar, Philominathan, and Chinnathambi (2013:2), research can be defined as the coherent, systematic search for new and valuable information on a topic. It follows that research is a systematic way to solve problems. Accordingly, Williams (2007:65) asserts that research is concerned with the process of gathering, evaluating, and understanding collected data to comprehend a phenomenon.

Thyler (1993:94), cited in Kumar (2011:94), has asserted that research design takes the form of a detailed plan or blueprint on how to complete and operationalise variables so that they can be measured. The research process is organised in that it defines objectives, manages the data, and communicates findings using well-known frameworks and in agreement with existing procedures. Du Plooy-Cilliers, Davis, and Bezuidenhout (2014:34) therefore state that research design is the well-organised process of answering research questions and problems accurately, objectively, correctly, and economically.

Another significant aspect of the research process refers to the research philosophies employed. The social science research process allows for two types of research philosophies, namely qualitative and quantitative research philosophies.

Johnson and Christensen (2012:18), assert that qualitative research is explanatory in nature and tends to investigate underlying views and trends in opinions to understand

a research problem on a deeper scale. A quantitative research philosophy, on the other hand, involves the investigation of a problem through the gathering of numerical information and converting it into statistical data. Unlike in qualitative research, the quantitative research philosophy allows for the use of a large sampling of the population. In this study, a quantitative research approach was used to investigate the impact of performance management on employee motivation.

### **3.3 Quantitative Design**

In Social Science research, the quantitative research philosophy is highly analytical in that it aims to arrive at a collective statement using analysed data. The quantitative research philosophy is considered objective and consistent and its findings can be generalised using statistical methods.

The overall aim of this study was to explore the impact of performance management systems on employee motivation. A quantitative research philosophy was most appropriate to the testing of the theories and hypothesis associated with the study. This is because quantitative studies allow for the relationships between variables to be identified and can establish cause and effect in a highly controlled condition (Saunders, Lewis and Thornhill 2012:45).

Since the relationship between a performance management system and employee motivation requires a detailed exploration, the positivist research paradigm which place emphasis on an objective approach to the studying of social phenomena and uses research methods such as quantitative analysis, surveys, and experiments was considered appropriate for the study (Cresswell, 2009:321).

### **3.4 Target Population**

In the Social Science research process, 'population' concerns the set number of peoples to be sampled. Saunders, et al. (2012:212), postulate that a population concerns the full set of cases from which a sample is to be taken. In other words, as stated Babbie (2011:514), asserts, the 'population' is the theoretically specified aggregation of the elements in a study.

The target population for this study consisted of 80 employees of an Academic Advisory Centre in Pinetown, and the sampling population included 60 academic advisors who are fully employed by the same centre.

### **3.6 Sampling Techniques**

In the Social Science research process, sampling is the process of choosing an adequate quantity of elements from a population. In terms of theory, the two basic types of sampling techniques available are probability and non-probability sampling. Probability sampling is based on the notion of random selection, a selection procedure that ensures each constituent of the research population has a known chance of being selected in a sampling process.

For this study, a probability sampling method of simple random sampling was used. Simple random sampling allows for the random selection of a sample from a sampling frame by means of random number or tables. The appropriateness of simple random sampling in a research as claimed by Saunders, et al. (2012:24), is that simple random sampling allows each element of the population to have an equal and independent chance of being selected as part of the sample. There is therefore no bias or predetermination in the selection process and this is based on the principle of randomness.

In using simple random sampling, the target population was divided into the different schools, or sub-groups within the academic advisory centre, and then randomly selected the final subjects and placed them into groups. The groupings used for the study consisted of job position; number of years employed; and gender. The importance of this grouping is that it allows the statistical difference among roles to be identified.

### **3.7 Survey Method**

According to Krishnaswami and Ranganathan (2007:49), the survey method is concerned with the method of collecting data directly from a population, or a sample thereof, at a time. Data's are collected by interviewing or mailing questionnaires. The consequent data analysis can be approached using a simple or complex statistical technique reliant on the objectives of the study.



Kothari (2011:149), asserts that surveys are conducted in cases of descriptive research studies where the experiment is part of experimental studies; the survey method is concerned with describing, recording, analysing, and interpreting conditions that either exist or existed. Burns and Bush (2010:266), state that a survey allows for many research participants to be interviewed using a pre-designed questionnaire. Since the target population of this study consisted of only 60 academic advisors at the Academic Advisory Centre, a simple random sampling technique was used to sample the respondents based on the various faculties they represented. However, the response rate was within the range of 48% as some of the questionnaires was spoilt.

### **3.8 Measuring Instruments**

According to Saunders, et al. (2012:145), a, questionnaires is a dependable tool which can be used for effectively and accurately measuring research responses. Shajahan (2011:146) has stated that a questionnaire allows for a convenient means to collect data from large and diverse social groups. Babbie (2011:250) has stated that questionnaires are useful in research process. Kumar (2011:141) confirms this by outlining the advantages of questionnaires, stating that questionnaires are less expensive and do not involve physically interviewing respondents. Questionnaires therefore save time, as well as human and financial resources.

For this study, the questions in the questionnaire were simplified to ensure that the respondents could easily understand them. Simple guidelines, with precise and direct terminology, were equally used. In addition, the questions in the questionnaire were formulated in a manner that directly addressed the research problem. For this study, a questionnaire was used as research measuring instrument.

### **3.9 Pilot Study**

According to Ruxton and Colegrave (2016:126), a pilot study is a smaller experiment designed in a research process to assess and collect information prior to the data collection process so that improvements to the quality and efficiency of the instrument to be used can be made. The outcomes of a pre-test or pilot study therefore inform a researcher on the practicality of research instrument and further aid the researcher in identifying potential adjustments to be made in the design of the ensuing study. It is for this reason that Leon, Davis, and Kraemer (2011:1) state that a pre-test or pilot

study is an essential preliminary step in the exploration of an innovative application of an intervention. For this study, a pilot study was conducted with five respondents of the target population to determine the viability of the questionnaire and the study in general.

### **3.10 Validity and Reliability of the Questionnaire**

In evaluating quantitative instruments, it is very important to consider their validity and reliability. Reliability is associated with consistency, while validity is associated with accuracy (Creswell, 2009:37). It is apparent that if any interpretations of the findings are to be made, the credibility of the questionnaire must be recognised through the fortitude of its reliability and validity (Walliman, 2014:82). In any research, the main objective is to investigate a problem area and present outcomes based on the data collected. Cooper and Schindler (2016:318), assert that the characteristics of a good questionnaire are the validity, reliability and practicality of the questionnaire tool. Achieving these three outputs will determine how well the data will be collected and analysed.

### **3.11 Validity of the Questionnaire**

In general, the validity of a questionnaire is concerned with the level to which it allows the research questions to draw an accurate conclusion on research problems (Leedy and Omrod, 2011:97). According to Lyons and Doucek (2010:126), validity is concerned with the level of measuring what the researcher set to measure.

Generally, two of the most widely accepted classifications of validity used in the research process are face validity and construct validity (Miller, 2011:309).

**The face validity technique:** refers to the degree to which the research questions are valid and measures all the elements of the research variable. In this study, the pilot study was used to ensure the validity of the questions posed. In addition, all questions asked were related to the research focus areas acknowledged in the literature review.

**The construct validity technique:** concerns the measurement of factors that may be deemed valid for one population or group, but not for another (Miller, 2011:30).

### 3.12 Reliability of the Questionnaire

According to Krishnaswamy, Sivukumar, and Mathirajan (2006:562), reliability is concerned with the ability of the research instrument to consistently provide a similar score for a set of participants. Tyler (2010:355), cited in Kumar (2011:23), posits that reliability is about ensuring the consistency of research findings; this means ensuring that the research could be replicated with similar results. Jackson (2008:69) stated that three types of reliability are widely used in a research process. These include test/retest reliability, inter-rater reliability, and split-half reliability.

**The technique of test/retest reliability technique:** allows for the reliability coefficient to be determined by measuring the correlation of scores between the same tests administered on two different occasions.

**The inter-rater reliability technique:** measures the reliability coefficient that assesses the agreement between observations made by two or more raters or judges.

**The split-half reliability technique:** allows for a reliability coefficient to be determined by associating a score on one-half of a measurement with the scores on the other half of the measurement.

After the pilot study was conducted, a few questions were rephrased to remove any vagueness in their design. The questionnaire was consequently refined for administration to the main sample respondents

### 3.13 Data Collection Methods

According to Cresswell (2009:22), data collection methods involve decision-making and action regarding the collection of the information needed to address the research questions. The most widely used survey research techniques are telephone surveys, personal interviews, and questionnaires (Zikmund, 2013:44). In this study, data was collected using a survey questionnaire, which was administered to the respondents who are employees at the Academic Advisory Centre. An appendix was attached to inform participants on the purpose and objectives of the research.

### **3.14 Characteristics of the Questionnaire**

In Social Science research, a questionnaire consists of questions which have been formulated to obtain valuable information on a given topic from individuals. Kothari (2011:100) states that when effectively constructed and administered responsibly, a questionnaire can be considered a vital instrument by which a statement can be made about specific groups of people or entire populations.

Generally, a good questionnaire should have the following characteristics: Firstly, questions should proceed in logical sequences. Secondly, personal and intimate questions should be left to the end. Thirdly, technical terms and vague expressions capable of different interpretations should be avoided (Kothari, 2011:102).

I ensured that no questions listed at the beginning of the questionnaire were sensitive or personal. The personal and intimate questions were left to the latter part of the questionnaire. This cautionary approach allowed respondents to feel at ease and encouraged their comfortable participation in the research collection process.

### **3.15 Questionnaire Construction**

Soap (2012:40) contends that questionnaire design should pay careful consideration to the type of questions asked as well as their format, wording, and sequencing. In this study, the questionnaire questions were simplified to ensure that respondents would be able to understand them. Simple guidelines and precise and direct terms were used.

The questionnaire was divided into three sections. A scale comprising of three choices of answers, ranging from (1) Agree, (2) Uncertain, (3) Disagree, was included in the questioning. Generally, in quantitatively measured surveys, scales allow respondents to indicate their level of agreement or disagreement with statements related to the research problem (Du Plooy-Cilliers and Cronje, 2014:159). For this study, all respondents were required to answer all the twenty-five questions of which the questionnaire was comprised.

### **3.16 Administration of the Questionnaire**

In this study, a self-administered questionnaire was distributed by hand and in person by the researcher to the respondents. Preceding the circulation of the questionnaires to the respondents, the researcher obtained an ethical clearance letter and offered the respondents a letter of informed consent (appendix) which respondents were requested to sign. The researcher also highlighted the purpose of the research and explained all sections of the questionnaire. Respondents were encouraged to ask questions where they did not understand. All questionnaires were collected on site immediately after their completion.

### **3.17 Data Analysis**

In Social Science research, processing a data analysis involves providing an explanation of the collected data. This entails making sense of the data in terms of the respondent's definition of the situation. In this regard, the responses to the questionnaires from this study were initially captured to form a data set and subsequently analysed statistically using Version 2.4 of the Statistical Package for Social Sciences (SPSS) for Microsoft Windows. The Statistical Package for Social Sciences Software computes the raw data into a simple quantitative and tabular form for an easy interpretation and adjustment. According to Burns and Bush (2010:552), statistical analyses are concerned with the tools that can primarily be used for mining, emphasising, and forming research information for the development of theories, the testing of hypothesis, and for drawing up inferences from investigations.

### **3.18 Ethical Considerations**

According to Krishnaswamy, et. al. (2006:114), whenever human subjects are involved in research two important aspects must be taken into consideration, namely: anonymity and confidentiality. According to Saunders, Lewis and Thornhill (2012:194), anonymity helps to protect the respondent's privacy and to avoid causing them any harm or intrusion. Within the Social Science, research premise it is clear that individual participants will provide data. It is consequently important for this collected data to be secured and kept privately. It should further only be revealed to third parties with explicit consent from the individuals from whom the information was obtained.

Confidentiality is furthermore concerned with the notion that the investigators or individuals conducting the research will only investigate information collected from research respondents.

In this study, the anonymity and confidentiality of the information obtained from its participants was ensured by means of the provision of a letter of informed consent (Appendix A) which stated the purpose of the study and that the information collected was to be used purely for academic purposes. Further to this, the right of voluntary participation was also stated on the letter. The ethical considerations outlined by the Durban University of Technology were equally taken into consideration. Generally, all students engaged in the postgraduate academic research process at the Durban University of Technology are obligated to complete various postgraduate documents as part of the research process. These documents include a PG2a form, which is the research proposal that is to be approved by the Faculty Research Committee (FRC), and the Institutional 72 Research Ethics Committee (IREC) prior to the commencement of the research.

The PG2a form has a section that deals with issues of ethical clearance, including obtaining letter of permission. For the sake of this study, a letter of permission was requested from the management of the Academic Advisory Centre. In addition, The IREC gave written permission to continue with the data collection. Both the PG2a form and the IREC demonstrate how ethics were considered on the part of the Durban University of Technology.

## **Conclusion**

This chapter offered insight into the research methodology and design applied in the study. The quantitative approached to the study and the particular research design used was explained. A structured questionnaire by means of a survey strategy was applied in collecting data. The questionnaire design aspect such as it content and format were equally affirmed. Walliman (2014:13) states that statistical analysis in a research process is assumed when a researcher wants to make sense of what has been collected. In this regard, the application of the SPSS (Statistical Package for Social Sciences) Version 24.0 was deemed accurate for data analysis. The chapter

resolved to reveal the importance of ethical considerations in the research process. Chapter Four is dedicated to the analysis of the collected data and a discussion of the findings arising from the empirical analysis.

## CHAPTER 4 ANALYSIS OF DATA AND DISCUSSION OF FINDINGS

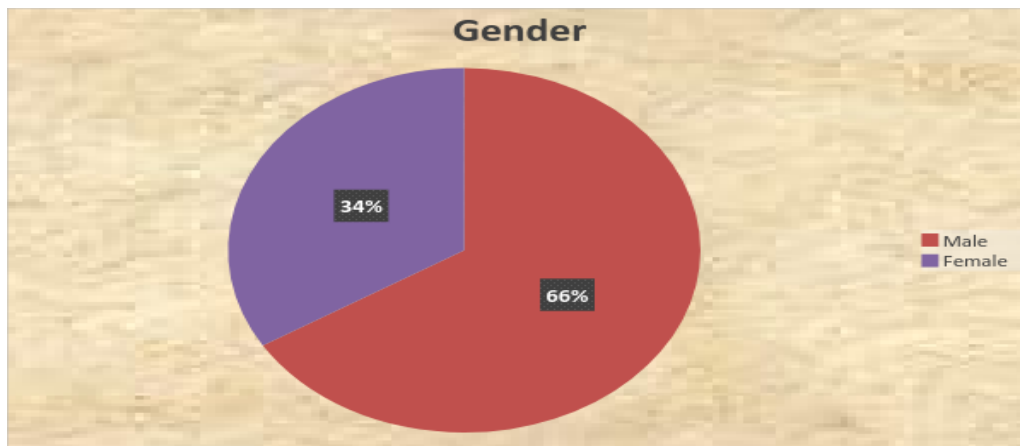
### 4.1 Introduction

This chapter addresses the data analysis, interpretation and results of the study are presented and discussed. Data collected from the responses were analysed with SPSS (Statistical Package for Social Sciences) Version 24.0. The results were presented with descriptive statistics in the form of graphs and other figures.

### 4.2 Analysis of Demographic Variables

#### 4.2.1 Biographical Information of the Target Respondents

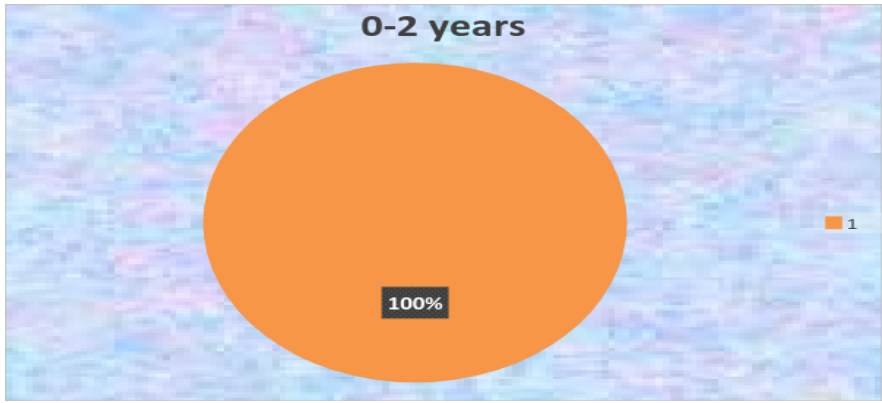
The first part of the questionnaire contained the biographical information of the target respondents. The questionnaires were completed anonymously and were received and involved in the analysis for the study. The response is illustrated in figures and table.



**Fig. 4.1 Gender**

Figure 4.1 depicts a pie chart that shows the gender of the respondents. The Figure demonstrates that there is a balance between males (66%) and females (34%) at the Academic Advisory Centre.





**Fig. 4.2 Number of years of employment with the academic advisory centre**

Figure 4.2 provides an indication of the work experience of the respondents involved in the study. It reveals that 100% of the respondents have less than 2 years working experience at the Academic Advisory Centre. This means that they have been employed at the Academic Advisory Centre for under two years.

**4.3. Section B: Descriptive Statistics**

**Reliability and Validity of the Scales**

A factor analysis with principal components was conducted to define the underlying structure of various constructs in the analysis. The Kaiser-Meyer-Olkin Test and Bartlett's Test were performed to ensure that the data was suitable for factor analysis. According to Table 4.1, the current data is suitable for factor analysis because KMO is .730 (which is above .6) and the Bartlett's Test of Sphericity is significant ( $p < .05$ ).

**Table 4.1 KMO and Bartlett's Test**

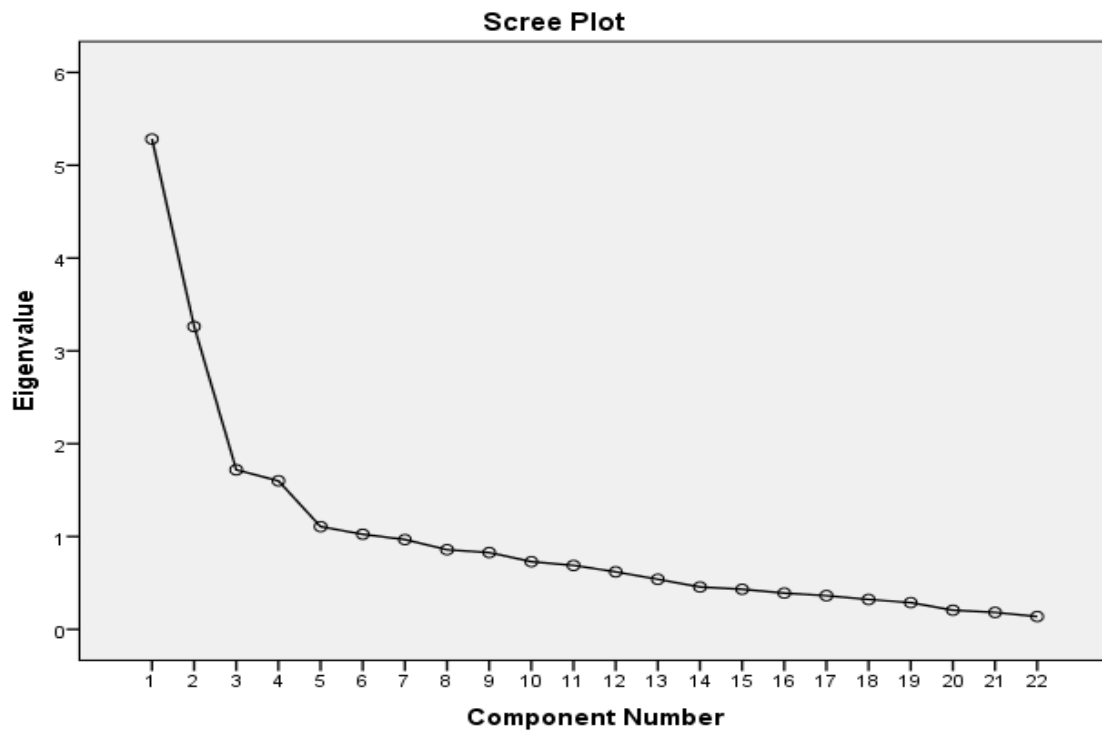
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.730
Bartlett's Test of Sphericity	Approx. Chi-Square	628.050
	Df	231
	Sig.	.000

**Table 4. 2 Total Variance Explained**

Component	Total	Initial Eigenvalues		
		% of Variance	Cumulative %	Total
1	5.283	24.012	24.012	5.283
2	3.263	14.830	38.841	3.263
3	1.719	7.812	46.653	1.719
4	1.600	7.271	53.924	1.600
5	1.107	5.031	58.955	1.107
6	1.025	4.658	63.613	1.025

The total variance explained (as illustrated in Table 4.2) indicates that six potential factors can be extracted from the set of items proposed by the researcher. These six potential factors can explain up to 63% of the total variance explained. However, there is still a need to test whether a six-factor solution is appropriate for the study.

**Fig. 4.3 Scree Plot**



The scree plot (Figure 4.3) indicates that a three-factor solution is more appropriate for the study because there is an elbow (break) on component number 3. Following this finding, the study will only focus on the first three factors determined by the factor analysis.

**Table 4. 3 Rotated Component Matrix<sup>a</sup>**

	Performance management system	Employee motivation 1	Employee motivation 2
Performance management improves performance			
The current performance management system in the Academic Advisory Centre is effective			
The AAC performance management system places focus on organisational goals		.609	
The AAC performance management system shows the weaknesses of employees			
The performance management system is linked to the employee goals		.615	
The performance management rating systems is flawed.			
The employees of AAC are positive about the performance management system's rating system.		.761	

The AAC performance management system provides recognition for employee efforts		.748	
Poor supervision by the ACC management affects the performance management system			
Prior knowledge of the particular performance management system is needed			
The AAC performance management system impacts employee morals positively			
My faculty head provides me with honest feedback that motivates me	.734		
My faculty head provides me with supportive performance feedback that motivates me on the job	.756		
I hold formal discussions with my faculty head to discuss my performance on an ongoing basis			
The current working conditions impact my level of motivation			.715
The AAC team spirit impacts my motivational level positively			.828
My work tools motivate my performance.			.763
Opportunities for career growth as a result of the performance management system impacts my level of motivation	.750		

My inclusion in the performance management planning motivates me	.847		
My motivational level impacts my job performance			
I am satisfied with my job output			
Performance management does not enhance employee motivation			

#### 4.4 Reliability of the Scales

Construct or scale reliability is the degree to which a set of items of a latent construct are internally consistent in their measurements. The Cronbach Alpha commonly measures the reliability of a scale.

**Table 4. 4 Reliability Statistics of Employee Motivation 1**

Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N=60 of Items
.850	.858	4

According to Table 4.4, the construct employee motivation 1 has good scale reliability as the selected items measure up to 85% (Cronbach alpha = .850 which is above .7) of the construct.

**Table 4. 5 Reliability Statistics of Performance Management System**

Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N =60 of Items
.738	.740	4

According to Table 4.5, the construct performance management system has good scale reliability as the selected items measure up to 73.8% (Cronbach alpha = .738 which is above .7) of the construct.

#### 4.5 Convergent Validity of the Scales

Convergent validity refers to the extent to which a set of indicators measure the construct they are supposed to measure. Convergent validity is commonly assessed through the correlation coefficients of the total items.

**Table 4. 6 Item-Total Statistics of Employee Motivation 1**

	Corrected Item-Total Correlation
My faculty head provides me with honest feedback that motivates me	.727
My faculty head provides me with supportive performance feedback that motivates me on the job	.750
Opportunities for career growth because of the performance management system impact my level of motivation	.686
My inclusion in the performance management planning motivates me	.653

According to Table 4.6, all the items used to measure employee motivation have good convergent validity because all their item-total correlation coefficients are above .5.

**Table 4. 7 Item-Total Statistics of Performance Management System**

	Corrected Item-Total Correlation
The AAC’s performance management system in place focuses on organisational goals	.50
The performance management system is linked to employee goals	.556
The employees of the AAC are positive about the performance management system’s rating system	.500
The AAC’s performance management system provides for the recognition of employee efforts	.593

Table 4.7 indicates that all of the items used to measure the performance management system have good convergent validity because all of their item-total correlation coefficients are equal or above .5.

#### 4.6 Discriminant Validity of the Scales

Discriminant validity refers to the extent to which a construct is truly distinct from another construct both in terms of how much it correlates with other constructs and how distinctly measured variables represent only this single construct. Generally, low correlation coefficients are indicators of good discriminant validity.

**Table 4. 8 Construct Inter-Correlations**

		Employee Motivation
Performance Management System	Pearson Correlation	.350**
	Sig. (2-tailed)	.002
	N	77

According to Table 4. 8, there is discriminant validity between both the performance management system and employee motivation because of the low construct inter-correlation coefficient ( $.350 < .80$ ). Now that the reliability and validity of the scales has been verified we can confidently address our research objectives.

**Fig 4.4 Research Objective 1: To Determine the Impact of a Performance Management System on Employee Motivation**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.350 <sup>a</sup>	.123	.111	.719

a. Predictors: (Constant), Performance Management System.

b. Dependent Variable: Employee Motivation.

**Table 4.9 Model Summary<sup>b</sup>**

Table 4.9 indicates the amount of variance explained by the performance management system in the model. Given the small sample size, only the adjusted R Square will be considered. According to the results, the performance management system accounts for 11.1% of the changes in employee motivation.

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5.419	1	5.419	10.485	.002 <sup>b</sup>
	Residual	38.767	75	.517		
	Total	44.187	76			

a. Dependent Variable: Employee Motivation.

b. Predictors: (Constant), Performance Management System.



**Table 4.10 ANOVA<sup>a</sup>**

Table 4.10 further indicates that the current model (“the performance management system predicts employee motivation”) statistically makes sense because the F value (10.485) is significant (.002<.05) at a 95% confidence interval. In other words, the current model is statistically valid.

Model		Unstandardised Coefficients		Standardised Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.766	.316		2.429	.018
	Performance Management System	.307	.095	.350	3.238	.002

a. Dependent Variable: Employee Motivation.

**Table 4.11 Coefficients<sup>a</sup>**

A linear regression was performed with SPSS (Statistical Package for Social Science) Version 24.0 to assess the impact of the performance management system on employee motivation. According to the results demonstrated in Table 4.11, there is a positive relationship between the performance management system and employee motivation because the Beta value (.350) is positive and significant (.002<.05). This implies that any improvement of the performance management system will lead to stronger employee motivation.

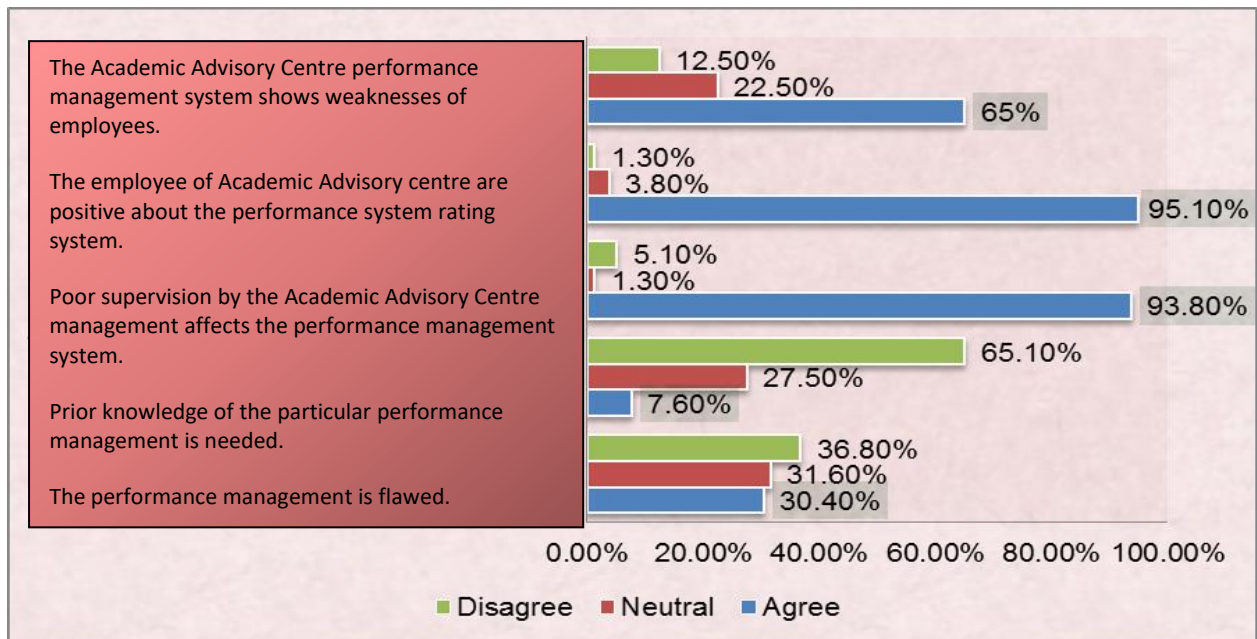
Chubb, et al. (2011:23), state that there has been better use of input measures in the performance management system, measures such as capabilities inputs increases implementation aspects of personal development, In this regard; linking the particular

performance management system at the Academic Advisory Centre to employee personal development and goals will lead to an improved system and employee motivation. This statement can be affirmed by the self-actualisation need phase of Maslow's hierarchy of needs that states that the development and realisation of one's full potential is possible through performance management practices.

**Fig 4.5 Research Objective 2: To Determine the Factors that Influence the Effectiveness of the Performance Management System**

	Agree		Neutral		Disagree	
	Count	Row N %	Count	Row N %	Count	Row N %
The Academic Advisory Centre performance management system shows the weaknesses of employees	24	30.4%	25	31.6%	29	36.8%
The employees of Academic Advisory Centre are positive about the performance management system's rating system	6	7.6%	22	27.5%	52	65.1%
Poor supervision by the Academic Advisory Centre management affects the performance management system	75	93.8%	1	1.3%	4	5.1%
Prior knowledge of the performance management system is needed	76	95.1%	3	3.8%	1	1.3%
The performance management rating system is flawed	52	65%	18	22.5%	10	12.5%

**Table 4.12 Research Objective 2: To Determine the Factors that Influence the Effectiveness of the Performance Management System**



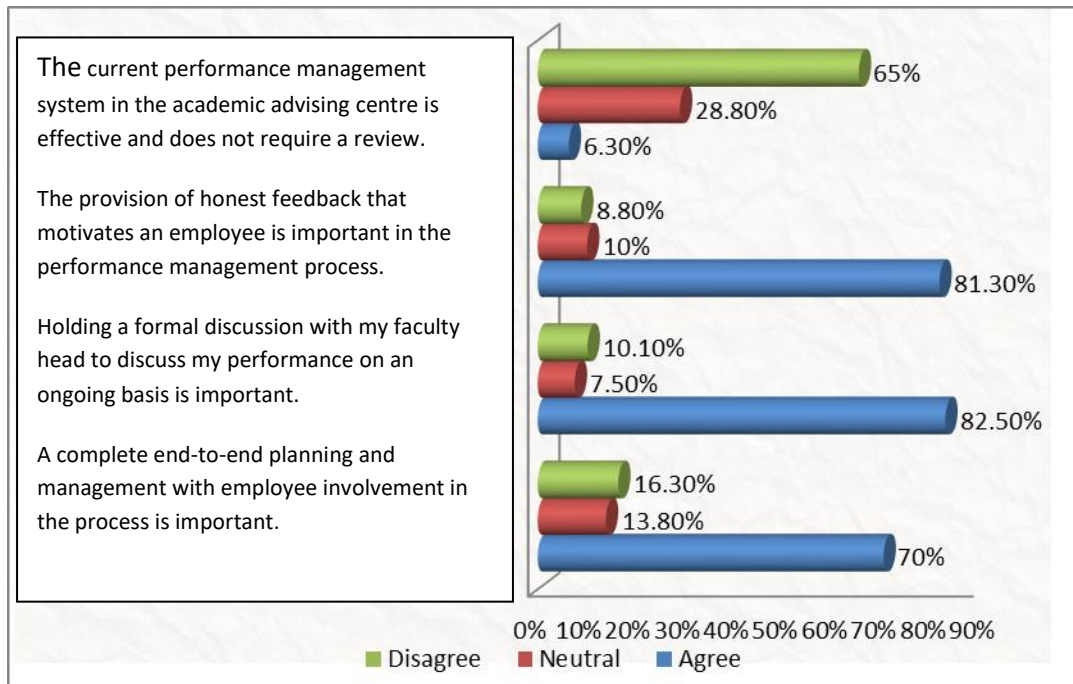
The results from the above Table 4.12 show that (12.50%) of respondents disagree with the statement that the Academic Advisory Centre performance management system shows the weaknesses of employees. (22.50%) of the respondents were neutral. With (65. %) agreeing to the statement. The statement on whether the employees of Academic Advisory Centre are positive about the performance management system’s rating system was tested, in this category, (1.30%) of the respondents disagree, (3.80.%) were neutral, and a majority (95.10%) agreed. A statement on whether the poor supervision by the Academic Advisory Centre management affects the performance management system was tested. In this category (93.80%) of the participants agreed that poor supervision affects the overall performance management system of the Academic Advisory Centre: a very low proportion of (5.10%) disagreed with this statement, (1.30%) of the response were neutral. This confirms that poor supervision affects the performance management

system at the Academic Advisory Centre. The statement on having a prior knowledge of the performance management at the Academic Advisory Centre was tested. In this category a small proportion of (65.10%), respondents disagree. (27.50%) of the responses were neutral and (7.60%) agreed. With the statement on whether the performance management-rating system is flawed, (36.80%) of the respondents disagree, (31.60%) were neutral and (30.40%) agreed revealing the need to need organise and plan an effective rating for the performance management system at the Academic Advisory Centre.

**Figure 4.6 Research Objective 3: To Offer Ways to Implement the Performance Management System to Overcome Challenges**

	Agree		Neutral		Disagree	
	Count	Row N %	Count	Row N %	Count	Row N %
The current performance management system in the Academic Advisory Centre is effective and does not need to be reviewed.	4	6.3%	23	28.8%	52	65%
The provision of honest feedback that motivates an employee is important in the performance management process	65	81.3%	8	10%	7	8.8 %
Holding a formal discussion with my faculty head to discuss my performance on an ongoing basis is important.	66	82.5%	6	7.5%	8	10.1%
A complete end-to-end planning and management with employee involvement in the process is important.	56	70 %	11	13.8%	13	16.3%

**Table 4.13 Research Objective 3: To Offer Ways to Implement the Performance Management System to Overcome Challenges**



The majority (65%) of the respondents disagreed that the current performance management system in the academic advisory centre is effective and does not require a review; 28.80% were neutral and 6.30% agree. The importance of the provision of honest feedback in the performance management was tested a small number (8.80%) disagree (10%) were neutral and the majority (81.30%) agree. The notion whether the holding of a formal discussion with my faculty head to discuss my performance on an ongoing basis is important was tested in this category (10.10%) of the respondents disagree, (7.50%) were neutral. A majority (82.50%) of the participants agreed. The idea of whether performance management improves performance was tested, in this category (16.30%) respondents disagree, (13.80%) were neutral on whether performance management improves performance. The majority (70%) agree that performance management improves performance. Hence there is need to improve on the current performance management system. Pulakos (2009:102), cited in Ramataboe (2015:43), claims that there are four widely used best practices which are

applicable to the effective implementation of a performance management system. These include ensuring that there is sufficient leadership support for the system, the gaining of buy-in for the system from staff at all levels, conducting a realistic assessment of the organisation's appetite for the performance management, and the development of an effective communications strategy.

#### **4.7 Limitations of the Study**

The study was limited to an academic advisory centre understudy. The study focused on all the academic advisors in the organisation. There were only 60 target respondents; therefore, the total number of 50 participants for the study was small. Targeting a larger population would have improved the generalisability of the results. Some participants complained of time constraints when answering the questionnaires. This was because of constant pressure from work-related activities. To help solve this problem, the participants were requested to answer the questionnaires at their own convenience. Adequate time was given to them to read the questionnaire and an appointment was made to collect the questionnaire at a time. The participants were given up to 2 days to submit the questionnaire. This concession helped in building confidence and a good rapport between the researcher and respondents. There were no major problems encountered whilst conducting the research. The management and staff of the Academic Advisory Centre were exceptionally helpful in the investigation.

#### **Conclusion**

This chapter offered information regarding the results of the fieldwork conducted amongst employees of the Academic Advisory Centre in Pinetown. It analysed and inferred the data gathered from the questionnaires. The service of a statistician was solicited to analyse the data for the study. The findings from the empirical analysis from the study was reliable and, at the same was aligned with the literature review as well as the problem statement. Generally, a literature review studies books, academic articles, and any other sources that may be specific to an issue or area of research. In doing so, a critical assessment of these works will offer a researcher an in-depth insight in relation to a research problem. Based on this, the next chapter highlights the deduction that have been made from the study. It will also highlight the

recommendations that can be made based on the interpretation of the results. Other scholars may find these findings useful for a similar study.

## **CHAPTER 5**

### **CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter offers conclusions and recommendations based on the findings of the study. It also offers suggestions pertaining to possible areas for further research on performance management system. The study, which was carried out at an Academic Advisory Centre, set out to determine the impact of a performance management system on employee motivation. Through a concise literature review, the researcher was able to offer an overview of how performance management system affects the motivation of an employee. It was equally explained that a quantitative research design was used; a closed-ended questionnaire was distributed to collect data. A survey method was used, as the target population - made up of 60 academic advisors was too small for sample selection. The data collection method was personal, and a 50% response rate was obtained. The data was analysed using the latest version of the Statistical Package for Social Sciences (SPSS) Version 24.0 for Windows.

#### **5.2 CONCLUDING THE STUDY**

In the following sections, the results of the quantitative study are revisited to address the problem statement and to formulate conclusions. The specific research objectives are outlined below.

##### **5.2.1 Research Questions**

- What is the impact of a performance management system on employee motivation?
- What factors influence the effectiveness of performance management systems?
- What recommendations can be made to ensure the effective implementation of a performance management system to overcome challenges?



### **5.2.2 What is the impact of a performance management system on employee motivation?**

According to Saudi (2014:23), a performance management system is concerned with a consistent set of planning and reviewing processes which are cascaded down management the hierarchy to correlate employee goals and that of the overall strategy of the organisation. Employee motivation is defined as a management process of inspiring employees to work better for the general benefit of the organisation.

The quantitative data analysis revealed that performance management systems account for 11.1% of changes in employee motivation. A linear regression performed by SPSS to assess the impact of the performance management system on employee motivation indicates that there is a positive relationship between the performance management system and employee motivation. Based on the assessment, it was apparent that the Beta value (3.30) is positive and significant ( $.0002 < .05$ ). One can therefore postulate that an improved performance management system can lead to stronger employee motivation.

### **5.2.3 What factors influence the effectiveness of a performance management system?**

An effective performance management system is a vital driver for the improvement of employee performance and productivity. A poorly implemented performance management system will lead to frustration, a lack of commitment, and demotivation (Maleka, 2014:39). Equally, important factors such as a performance management system not being able to identify employees' weakness can influence its effectiveness, (30.4%) of the respondents agree, (31.6%) were neutral; (36.8%) disagree.

The quality of supervision in a performance management process was used as a rubric to measure the influence of the effectiveness of performance management. (93.8 %) of the respondents agreed that poor supervision influences the effectiveness of a performance management system; (1.3%) were neutral in this regard, and (5.1%) of respondents disagreed with this notion.

The influence of having prior knowledge of the performance management process was determined to be important. In this regard, 95.1% of respondents agreed to this

proposition, 3.8% were neutral, and 1.3% disagreed. The weakness of the rating system was also assessed. (65%) of the respondents agreed, (22.5%) were neutral, and (12%) disagreed.

#### **5.2.4 What recommendations can be made for the effective implementation of a performance management system to overcome challenges?**

According to Armstrong and Taylor (2014:34), an effective performance management system can enhance organisational performance by managing the performance of teams and individuals, at the same time, ensuring that organisational ambitions and goals are achieved. In this regard, planning and managing the process is important. Woyessa (2015:76) states that the planning of performance, by outlining employee and group expectations to channel their efforts to achieve organisational objectives, is vital. Further, the involvement of employees in the performance management planning process allows them to recognise the organisation's goals and identify what needs to be done, why it needs to be done, and how well it should be done (USOPM, 2011).

The quantitative analysis offered information on ways to implement a performance management system in organisations to allow organisational challenges to be overcome. A quantitative assessment of a complete end-to-end planning and managing of the whole performance management system was conducted. (70%) of the participants agreed that it is important to plan and manage the whole performance management system (13.8%) were neutral and (16.3% disagreed).

The holding of a formal discussion with a faculty head to discuss ongoing performance is considered important. (82.50%) of respondents agreed to this; (7.50%) were neutral; and (10.10%) disagreed.

With regards to the provision of honest and motivational feedback, (81.3%) agreed that this is important to the performance management process. (10%) of respondents were neutral in this regard, and 8.8% disagreed with the significance of this. Reviewing of the performance management system in the Academic Advisory Centre were assessed. In this regard, (6.3%) agreed, (28.8%) were neutral, and (65%) disagreed.

The empirical findings of this study and the discussion of its results show that a minimal number of respondents considered a performance management system as useful in identifying employee strength and weaknesses in terms of job performance.

The findings of this study indicated that respondents were not content about the performance management ratings system. This is apparent, as a high number of respondents were not in favour of the ratings system associated with the performance management system in the Academic Advisory Centre. A high number of respondents were not happy with the rating system as they considered it flawed. A high number of respondents agreed that having prior knowledge of the performance management process had a significant impact on employee motivation.

### **5.2.5 Objectives of the Study**

The first objective was to identify the impact of a performance management system on employee motivation. Using the outcomes of the questions asked and the linear regression conducted, it can be deduced that there is a positive and significant relationship between an organisation's performance management system and employee motivation. This is evident as result of the Beta value and (3.50) (.000. <2.05) implies that a performance management system can be of vital use in motivating and influencing employee performance.

The second objective was to determine the factors that influence the effectiveness of performance management. With regards to this objective, there was only a limited acknowledgement of these factors. Because of this, the factors that influence the effectiveness of performance management is an area which would benefit from further research. From these assertions it can be inferred that to a large extent, this second objective would benefit from further investigation.

The third and final objective was to offer ways to implement a performance management system to overcome organisational challenges. To this end, there was a high response from participants acknowledging that the complete end-to-end planning and managing of performance management system is important. The significance of holding of a formal discussion with a supervisor before the commencement of the process was further identified in the findings as a significant factor in influencing the effectiveness of the performance management system. It was further identified in the

research findings that providing honest feedback in the process is vital. A high response rate to this question confirmed this.

Overall, it was acknowledged that the performance management system in place at the Academic Advisory Centre in question needs to be reviewed. In this regard, it is fair to say that the objective of seeking information on ways to improve a performance management system was successful.

### **5.3 RECOMMENDATIONS**

The results of the study point out the fact that performance management is an important influence for employee motivation. It is recommended that employee involvement in the process is paramount.

#### **5.3.1 Employee Involvement in the Performance Management Process**

The importance of involving employees in the process of performance management was discussed in Chapter 2. As stipulated in the literature review, it is particularly important to seek the input of employees when creating the performance management goals. It is therefore recommended that employees at all levels of an organisation be trained about and be involved in the performance management system process. It is equally important that the main purpose of the performance management system be provided to employees. In so doing, employees will have a better understanding and recognition of their role in contributing to the performance management process (Woyessa, 2015:81).

#### **5.3.2 Prior Knowledge of Performance Management System**

During this study, there was an overwhelming acknowledgement from respondents that having prior knowledge of the performance management system in place is important in determining its success. Woyessa (2015:90) states that employees must be knowledgeable of the purpose and reason for the performance management system utilised. This will ultimately result in the improvement of performance. It is therefore recommended that employees be informed about the performance management system to be put in place. Byron (2007:713), cited in Akinbowale

(2013:125), asserts that involving employees in a well-organised and well-executed performance management system is a significant source of motivation.

### **5.3.3 Weaknesses in the Rating Process**

There was statistical evidence to support the weakness of the rating process at the Academic Advisory Centre. Generally, employee performance in the areas of behavioural and resultant expectations should be measured accurately and be discussed on an ongoing basis throughout the rating period. Pulakos (2014:45) cited by Woyessa (2015:90), states that a critical concern for the manager is the measurement and evaluation of employee performance that can result in a perfect rating. 65% percent of the respondents of this study agree in this regard. It is recommended that training action plans in process must be provided to faculty heads at the Academic Advisory Centre.

### **5.3.4 Provision of Honest Feedback**

It is recommended that the Academic Advisory Centre employ monitoring systems to ensure that honest feedback is effectively provided. This can be done by incorporating the provision of honest feedback into the key performance areas (KPA) for all managers and supervisors throughout the performance management system.

### **5.3.5 Recommendations for Future Studies**

The recommendations outlined above are based on the empirical analysis of the results of a questionnaire issued to the staff of the Academic Advisory Centre in Pinetown. These recommendations may be of importance to the management and staff of this centre and may help them to improve the performance management system utilised there. The study was an in-house exploration; therefore, the findings can only be generalised to the employees of the Academic Advisory Centre.

It is recommended that future studies on the relationship between receiving honest feedback and rating system and motivation is essential. Additional research focussing on the factors that influence the effectiveness of performance management is needed.

## **Conclusion**

The findings of this study revealed that there is a direct correlation between performance management systems and employee motivation, and that significant factors such as employee involvement in the performance management system, prior knowledge of the performance management system, weakness in the rating process and the provision of honest feedback serve to influence the effectiveness of a performance management system.

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**Appendix A**

Room 102

The Saddles

34 Ismail Meer Street

Durban 4001

The Group Chief Academic Office

Educor Holdings

57 Underwood road

Pinetown 3610

Dear Sir/Madam

**INFORMED CONSENT LETTER TO CONDUCT RESEARCH**

An Informed Consent is hereby requested to conduct a research at Academic Advising Pinetown. The goal of the research is to explore the impact of performance management system on employee motivation in the Academic Advisory Centre.

I am currently studying a full Masters of Management Science Degree in Human Resources Management at the Durban University of Technology.

Therefore, it will be greatly appreciated if my request to conduct research in your reputable organisation is granted.

Thank you in anticipation.

Yours faithfully

Samuel Bangura

Tel: 0796881646

Email: [fannysisi39@gmail.com](mailto:fannysisi39@gmail.com)

## Appendix B Letter of Permission



DREAM I BELIEVE I  
ACHIEVE

Eclucor Holdings Proprietary Limited  
Reg No: 999/020356/07

Pinetown  
3610

TEL: +2731 7 1 3 3800  
FAX: +27 31713 3833  
Website  
[www.eclucor.co.za](http://www.eclucor.co.za)

5 September 2016

Mr S Bangura  
Academic Advising Centre  
Educor 57  
Underwood Road  
Pinetown  
3610

Dear Mr Bangura Re: Permission to Conduct Research

The research area as per your letter dated 2 September 2016 titled "An Exploration of the Impact of Performance Management system on Employee Motivation at an Academic Advising Centre in Durban" is acknowledged.

This letter serves to confirm that permission has been granted for you to conduct research at Educor's Academic Advising Centre towards your Masters programme at Durban University of Technology. We trust that the primary data collected will be treated with confidentiality and that the name of our institution will not be mentioned in your study. We also wish you well in your study.

Yours sincerely,



Prof Hay-Swemmer

Chief Academic Officer

Educor: Academic Department

## Appendix C Letter to Respondents

To All Respondents

Dear Sir/Madam

I am conducting a research to explore the impact of a performance management system on employee motivation at this academic advisory centre in Pinetown.

This study is for academic purposes and is a partial requirement for a Master's Degree in Management Sciences in Human Resources Management at the Durban University of Technology.

I am therefore kindly requesting that you answer this questionnaire. I shall treat the information with the utmost of confidentiality and your anonymity is guaranteed. The success of this research is fully dependent on your responses.

Thank you for your cooperation.

Samuel Bangura, Department of Human Resources Management Durban University of Technology Durban, South Africa

.....

Participation by respondents

I voluntarily wish to participate in this investigation as an employee of the Academic Advisory Centre.

.....

Participant Signature

.....

Date



## Appendix D Questionnaire

### QUESTIONNAIRE

#### Instructions

You are kindly requested to indicate your choice by putting an X

#### SECTION A

1. What is your current title job? *Mark with a (x)*

1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

2. Number of Years in Employment with the Academic Advisory Center?

6 months	12 months	18 months	24 months
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3. Gender

Male	Female
------	--------

#### SECTION B

4. Performance management improve productivity and employee. Do you agree?

1. Agree	2. Strongly Agree	3. Neutral	4. Disagree	5. Strongly Disagree
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5. The current performance management system in the Academic Advisory Center is effective.

1. Agree	2. Strongly Agree	3. Neutral	4. Disagree	5. Strongly Disagree
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6. Performance management system enhance focus on organisational goals.

1. Agree	2. Strongly Agree	3. Neutral	4. Disagree	5. Strongly Disagree
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