

**ASSESSING THE IMPACT OF THE PERFORMANCE MANAGEMENT SYSTEM
ON THE PERFORMANCE OF EMPLOYEES OF ERONGO RED**

**A THESIS SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS
FOR THE MASTER OF BUSINESS ADMINISTRATION DEGREE**

OF

THE UNIVERSITY OF NAMIBIA

BY

JENNY CHANDY HOEBES

200721020

APRIL 2019

**MAIN SUPERVISOR: PROFESSOR ZORORO MURANDA (CHINHOYI UNIVERSITY
OF TECHNOLOGY)**

ABSTRACT

The performance of employees impacts overall organisational performance, hence the premise for Erongo Regional Electricity Distributor Company Pty (Ltd) utilising the performance management systems (PMS) tool to set targets and benchmarks for its employees' performance. The PMS is also a means to motivate them to achieve organisational goals and objectives. According to Bourne, *M.*, Neely, *A.D.*, Mills, *J.F.*, and Platts, *K.*, (2003a) there is evidence that many organisations that attempt to implement PMS have not been successful. One reason for the low success rate is a lack of guidance on implementation. This study presents an investigation into the impact that the Erongo RED Performance Management System (PMS) has on employees' performance. During this investigation, special attention is paid to the employees' attitudes and in establishing how Erongo RED Executives and staff perceive the principle of linking performance bonuses to performance. The study further looked at determining challenges faced during the implementation phase. The study adopted a quantitative research method with data being analysed using descriptive statistics to gain more understanding on the research participant's perspectives on the PMS in terms of their skills and knowledge. The population of the study was ninety-three (93) respondents who consisted of executives, senior managers, middle management, specialised or senior supervisory, skilled or semi-skilled and unskilled staff. Data was collected using standard self-administered questionnaires. It was coded, entered and analysed through the Statistical Package for Social Sciences (SPSS). The study was set up after witnessing that the performance management system created strains between those who manage the services and those who are managed within them. This trend has prompted a debate for and against the objectivity and compatibility of the impact of performance management systems on

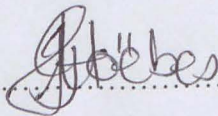
employee performance. To conclude this debate the researcher carried out this research, studying the perception of employees on the PMS. The study revealed that the benefits of goal setting were not well proven and that the organisation needs to recognise that to improve the effectiveness of goal setting, one needs to start from the top. It was noted that more top management commitment on the PMS was required. Senior management “buy-in” to the system is likely to have a direct effect on the success of the PMS. Leadership must walk the talk and lead by example on performance. Executives and employees, particularly thought that the company’s focus was more on business processes to improve alignment of goals to business strategy and enhance the quality of those goals only. Overall, the study also found that the line managers are not prioritising performance management conversations and feedback satisfactorily. There is a general observation that the performance management system in Erongo RED de-emphasises the continuous reviews and assessments to encourage more regular feedback. There is also a perception that the Erongo RED performance management system is like a penalising tool used by supervisors on their subordinates and that the employees’ performance is not duly acknowledged as it is supposed to be.

DECLARATION

I, Jenny Chandy Hoebes, hereby declares that this study is my own work and is a true reflection of my research, and that this work, or any part thereof has not been submitted for a degree at any other institution.

No part of this thesis/dissertation may be reproduced, stored in any retrieval system, or transmitted in any form, or by means (e.g. electronic, mechanical, photocopying, recording or otherwise) without the prior permission of the author, or The University of Namibia in that behalf.

I, Jenny Chandy Hoebes, grants The University of Namibia the right to reproduce this thesis in whole or in part, in any manner or format, which The University of Namibia may deem fit.



Jenny C. Hoebes

2019.03.26

Date

DEDICATION

This work is dedicated to my parents, my husband and to the Almighty God.

ACKNOWLEDGEMENTS

In various ways many people have contributed to making this study possible:

First and foremost, I would like to thank the Erongo Regional Distributor company, my employer for awarding me financial assistance to pursue my postgraduate studies.

Secondly, the Namibia Business School for granting me the admission to do my Master of Business Administration degree.

I am indeed indebted to my Supervisor, Professor Zororo Muranda, whose support and motivation throughout this study is much appreciated. I wish to thank all other staff at Erongo RED who shared various views with me especially during the carrying out of the survey.

Writing this thesis was extremely difficult and almost impossible without the assistance of Prof Muranda who took me out of the shell to make my dream a reality. I would like to especially thank The Rev. Dr. Greenfield Mwakipesile for editing my thesis.

Lastly, I am indebted to my dear husband Henry Dennis Hoebeb for all his support, persistence and endurance. Further appreciation goes to my dearest parents, Ben and Lisethe Uiseb for keeping me in their prayers and guiding me throughout the entire study process. Despite the difficult moments, I am happy that we can share the fruits all together.

Table of Contents

ABSTRACT

ABBREVIATIONS AND ACRONYMS

ERONGO RED	Erongo Regional Distributor Company
PMS	Performance Management System
PA	Performance Agreement
IDP	Individual Development Plan
HRM	Human Resources Management
BBC	British Broadcasting Corporation
NDP	National Development Plan
MTP	Medium Term Plan
OPM	Office of the Prime Minister
BSC	Balance Score Card

Table of Contents

ABSTRACT.....	i
---------------	---

DECLARATION	iii
DEDICATION	iv
ACKNOWLEDGEMENTS	v
ABBREVIATIONS AND ACRONYMS	vi
CHAPTER ONE	1
1. INTRODUCTION	1
1.1 Background of the study	1
1.2 Statement of the problem	5
1.3 Research objectives	6
Research Questions	6
1.4 Significance of the study	7
1.5 Limitations of the study	7
1.6 Delimitations of the study	8
CHAPTER TWO	9
2. LITERATURE REVIEW	9
2.1 The Performance Management Process	9
2.1.1 Performance Reviews and Assessments	14
2.1.2 Performance Reviews and Assessments in Erongo RED	16
2.1.3 Performance Evaluation	18
2.1.4 Performance Agreements	19
2.2 Impact of Performance Management System on Employees	21
2.3 Performance Measures	22
2.4 Employee Attitude	23
2.5 Organisational Commitment	30
2.6 Drawbacks associated with the implementation of a Performance Management System.	33
2.6.1 Feedback System	34
2.6.2 Leadership Commitment	34
2.6.3 Training and Awareness	36
2.6.4 Cultural Change Aspect	36
2.6.5 Regular Review of Performance Management	37
2.6.6 Agreement on Performance Metrics	37

2.7 Summary	39
CHAPTER 3	41
3. RESEARCH METHODS	41
3.1 Research design and methodology	41
3.2 Population of the study	42
3.3 Sample.....	42
3.4 Research instruments	44
3.5 Procedure.....	44
3.5.1 Administration of the questionnaires	45
3.6 Data Analysis	45
4. Research Ethics	46
CHAPTER FOUR.....	47
4. DATA ANALYSIS AND DISCUSSION OF RESULTS	47
INTRODUCTION	47
4.1 Demographic Characteristics.....	47
4.2 Employee perception on the Performance Management System	54
4.3 Measuring employee performance for reward / bonus	71
CHAPTER FIVE.....	86
DISCUSSION AND FINDINGS	86
5.1 Introduction	86
5.2 Restatement of the objectives of the study.....	86
5.3 Demographic information of the respondents.....	87
5.4 Performance management system on employee attitude in Erongo RED?.....	87
5.5 Assessment of PMS on performance of employees in Erongo RED	88
5.6 Perception of Executives and employees on the principle of linking incentives (performance bonuses) to performance.....	90
5.7 Drawbacks of the performance management system at Erongo RED	91
CHAPTER SIX.....	93
CONCLUSIONS AND RECOMMENDATIONS.....	93
6.1 Conclusions.....	93
6.2 Recommendations	95
6.3 Areas for Future Study	98

6.4 Summary of the thesis.....	98
REFERENCES.....	101

LIST OF FIGURES

FIGURE 1: ERONGO RED PERFORMANCE ASSESSMENT PROCESS	11
FIGURE 2: PERFORMANCE SCALE.....	18
FIGURE 3: ORGANISATIONAL BEHAVIOUR: INTEGRATED SKILLS APPROACH	24
FIGURE 4: SAMPLE SIZE	42
FIGURE 5: RESPONDENTS BY GENDER	47
FIGURE 6: RESPONDENTS BY AGE	48
FIGURE 7: RESPONDENTS BY RESIDENTIAL AREA	49
FIGURE 8: RESPONDENTS BY RANK AND LEVEL OF SKILLS.....	50
FIGURE 9: RESPONDENTS BY EXPERIENCE IN THEIR JOBS	51
FIGURE 10: PERFORMANCE APPRAISAL/ASSESSMENT DISCUSSION	52
FIGURE 11: FINAL ASSESSMENT ON PERFORMANCE FROM MY SUPERVISOR THIS YEAR	52
FIGURE 12: PERFORMANCE LEVEL EXPECTATION.....	53
FIGURE 13: INTEREST ONLY IN EMPLOYEES' WORK DELIVERY	54
FIGURE 14: LITTLE CONCERN FOR PERSONAL RELATIONS.....	55
FIGURE 15: ACCESS TO INFORMATION	56
FIGURE 16: CONSCIOUSNESS TO COST OF TIME AND RESOURCES	57
FIGURE 17: CENTRALISATION / DECENTRALISATION OF DECISION MAKING	58
FIGURE 18: TREATMENT OF EMPLOYEES' PRIVATE LIFE	59
FIGURE 19: EMPLOYEE OPINION ON COMPANY.....	60
FIGURE 20: BUREAUCRATIC ORGANISATION CLOGGED IN RULES AND PROCEDURES.....	61
FIGURE 21: PRIORITY ON CUSTOMER NEEDS	62
FIGURE 22: ETHICS AND FAIRNESS IN DOING BUSINESS.....	63
FIGURE 23: PRIORITIES IN ACHIEVING THE RESULTS	64

FIGURE 24: EMPLOYEES DEALS WITH EACH OTHER IN AN INFORMAL STYLE.....	65
FIGURE 25: ABILITIES.....	66
FIGURE 26: FREEDOM TO USE MY OWN JUDGEMENT	67
FIGURE 27: CHALLENGING JOB	68
FIGURE 28: JOB SATISFACTION	69
FIGURE 29: CONSULTATION ON SOLUTIONS	70
FIGURE 30: CLEAR AND SPECIFIC WORK OBJECTIVES	71
FIGURE 31: IMPROVEMENT OF FEEDBACK IN PERFORMANCE ASSESSMENT.....	72
FIGURE 32: LINKING PAY TO PERFORMANCE.....	73
FIGURE 33: APPROACH TO MEASURING EMPLOYEE PERFORMANCE	74
FIGURE 34: CONDUCT THE PERFORMANCE INTERVIEW.....	75
FIGURE 35: POSITIVE ATTITUDE TOWARDS THE PMS.....	76
FIGURE 36: FAIRNESS OF PERFORMANCE MANAGEMENT SYSTEM	77
FIGURE 37: JUSTIFICATION OF REWARD.....	78
FIGURE 38: TEAM SPIRIT AND COOPERATION AMONG.....	79
FIGURE 39: SHORT-TERM QUANTIFIABLE GOALS AND NEGLECTING LONG-TERM ISSUES.....	80
FIGURE 40: FAILURE TO IMPROVE EMPLOYEE MOTIVATION	81
FIGURE 41: PMS ASSUMES THAT MONEY IS THE REWARD	82
FIGURE 42: PMS USED AS PUNISHMENT	83
FIGURE 43: UNCLEAR PMS AREAS FOR MEASUREMENT	84
FIGURE 44: FAVOURITISM.....	85

CHAPTER ONE

1. INTRODUCTION

1.1 Background of the study

In present day corporations, performance management is widely discussed. Even in the sporting arena, football in particular, a run of bad results often leads to the dismissal of the manager as performance is always under scrutiny. The British Broadcasting Corporation. write out the acronym when used for the first time.

News reported that the League Managers Association Chief Executive, Richard Bevan urged clubs to stop “scapegoating” their managers, suggesting that it might be time for managers to undergo formal appraisals. He noted “in these, the strengths and weaknesses of how the football-side of the club is performing might be assessed against realistic expectations and previously, mutually agreed goals. In any other sector, there is recognition that the highest performing organisations are those who build winning organisational culture – shared beliefs, goals and ways of behaving – coupled with a long-term vision” (British Broadcasting Corporation [BBC], 2005)p.

Significant challenges continue to be encountered by organisations that try to implement a Performance Management System for the first time or those attempting to change from one system to another (Kaplan and Norton, 1996). As observed by Bratton and Gold (2007:288) the reality is that appraisal(s) may be less effective in achieving their purposes. PMS therefore appears to be rarely well understood, let alone properly implemented, with

many institutions facing challenges during its implementation especially when measures must be cascaded down to employees. Numerous organisations have implemented the PMS. However, according to Bourne, M., Neely, A., Mills, J. and Platts, K. (2003:2a) researchers have claimed that 70% of attempts to implement performance measurement systems fail. Bourne, M., Neely, A., Mills, J. and Platts, K. (2003b) also found that one reason for the lack of success is that the published processes create the desire for change and provide the first steps for change but give little guidance on implementation.

Erongo RED is considered a dynamic and efficient commercialised electricity distributor for the Erongo Region, the Erongo Regional Electricity Distributor Company (Pty) Ltd commonly known as Erongo RED, started trading on 1 July 2005, within the context of the Namibian Government's National Development Plan.

Erongo RED was formed by merging the services of electricity distribution that were previously carried out by the various municipalities and town councils in the Erongo region, namely: The Municipality of Walvis Bay, Swakopmund, Henties Bay and Omaruru; the Town Council of Karibib, Usakos and Arandis; Erongo Regional Council; and NamPower. All these individual institutions are shareholders of Erongo RED. The initiative to create REDs was part of the Electricity Supply Industry (ESI) and Electricity Distribution Industry (EDI) restructuring Policy to distribute and supply electricity through economies of scale, the pooling together of human and operational capital resources to ultimately stabilise electricity prices and ensure reasonable, affordable and cost-effective tariffs to electricity consumers.

Organisations like Erongo RED utilise performance management systems and methodologies for the execution and achievement of their strategic objectives. However,

there are very few organisations that utilise their existing performance management systems in productive ways (Aguinis, 2009). As inferred from Aguinis (2009) it appears that managers and employees only view performance management systems as a paper exercise and nothing else. This means that they only comply and complete their performance contracts because it is required by their human resources (HR) departments for their annual salary increases and short-term incentive bonuses. They tend to overlook other critical phases of the performance management process.

According to Bussin (2011) a performance management tool is still viewed by most managers and employees, as a reward tool instead of being seriously taken as a tool to assist managers in identifying competencies required for the successful execution of the strategic objectives of an organisation. Performance management starts with the development and understanding of organisational strategy and then becomes a series of steps that involve the identification of individual performance expectations, providing performance direction, encouraging employee participation, and conducting performance appraisals (Mathis & Jackson, 2012). Some managers still use the performance management system as a punitive measure to deal with lack of performance. The reality is that, with sound use, performance management can become a positive, daily conversation that leads to better results and performance throughout the organisation. Bluen and Binedell (2013) were of the view that objectives of performance management included the setting of performance goals that are aligned with the strategic objectives of the organisation, determining performance standards, evaluation of work, providing each employee with frequent feedback, determining training and development, and rewarding them for achieving the strategic goals.

Traditionally, Erongo RED introduced its performance management system in 2014 and its main focus was on four integral parts: firstly the performance management system that specifies which aspects of performance are relevant to the organisation, primarily through job analysis. Secondly, it measures those aspects of performance through performance review and assessment, which is only one method for managing employee improvement. Thirdly, it establishes mechanisms for performance improvement and lastly, provides feedback to employees through performance feedback sessions so they can adjust their performance to the organisation's goals and objectives (Erongo RED Performance Management Policy & Procedures, 2014). The Erongo RED Performance Management Policy & Procedures, (2014) emphasised that the Erongo RED performance management objective seeks to support the development of all employees in an effort to improve performance and to raise the standards in all spheres of its business. Performance Management sets a framework for all employees to agree and review priorities and objectives within the context of Erongo RED's development plan and their own professional needs. Therefore, Erongo RED regards performance management as a business process that links what individuals and teams do daily with the larger goals, values and cultural practices of Erongo RED and the needs of its customers. It is a process of establishing a shared understanding regarding what is to be achieved and how it is to be achieved; and it is an approach for managing people that, when done well, contributes to an enduring, sustainable and healthy organisation.

It is against this background that the challenges faced during the implementation phase and the impact on the employees had not been investigated to date. It is imperative for Erongo RED management to understand how employees perceive the effectiveness and implementation of the Performance Management System, for positive employees' work

output. The results or the outcome of the study will be used to improve the Performance Management System at Erongo RED and thus enable an understanding of the relationship between the performance management system and employee performance.

1.2 Statement of the problem

Performance Management is important for an organisation, as it helps organisations ensure employees are working hard to contribute to achieving the organisation's mission and objectives (Ying, 2012, p. 5). The Erongo RED Performance Management Policy (2014) guidelines stresses that the performance management system is not a stand-alone process. It must be integrated with Erongo RED's vision, mission, values, strategies, operational plans and budgets. Armstrong and Murlis (1994:205) observed that often PMS(s) are crudely developed and hastily implemented with the result that they fail to deliver the results people expect from them. Despite the Performance Management policy referring to the company's desire to deploy a PMS to support the implementation of the process, this study found that attempts to introduce a PMS in Erongo RED commenced as early as 2012, before the development and finalisation of the Policy. However, the company managed to go through its first full PMS cycle of performance, contracting in 2014 with all Paterson grades C4 and upper.

Some progress has thus been made, but the process was not without its own challenges. Whilst it was important to be conversant with the technical matters relating to the PMS that Erongo RED had implemented, it was equally important that an appropriate implementation and change process be executed to ensure success. Burnes, (2009:455), noted that, increasingly, the objective of change is to modify the attitudes and behaviours of individuals and groups. Change theorists, such as Johnson and Scholes (1997) and Kotter (2007) concur that for change to be successfully implemented, it is essential to gain

people's buy-in, and ownership of, the change process. There is, therefore, a "...need to focus as much on people aspects as the technical considerations..." (Burnes, 2009, p. 448).

Based on the above, the research problem in this study is centred on how attitudes impact on outcomes of a PMS process. This case study seeks to investigate how such attitudes affect perception towards the PMS and its acceptability as a performance measure. The research problem also interrogates the genesis and impact of the challenges of implementing a PMS.

1.3 Research objectives

- To assess the impact of the performance management system on the performance of the employees of Erongo RED
- To identify the impact of the performance management system on employee attitude in Erongo RED.
- To determine how Erongo RED Executives / Employees perceive the principle of linking incentives (performance bonuses) to performance.
- To identify the drawbacks of the Performance Management System at Erongo RED.

Research Questions

- What is the attitude of Erongo RED employees on PMS implementation?
- Do employees regard PMS targets and benchmarks as a fair basis for measuring performance and award of bonuses?
- What drawbacks are associated with the implementation of PMS?

- What lessons can be drawn from the Erongo RED PMS case for improvement in the corporate sector?
- What lessons can be drawn from the Erongo RED PMS case for future research?

1.4 Significance of the study

The study will help Erongo RED executives to improve on the existing mechanisms to effectively run the performance management system. Employees will be made to understand the role they will play to achieve the organisation's objectives, their level of participation in the PMS process, from strategy development and goal setting to performance reviews. The benefit is that the system will help employees and supervisors have a cordial relationship and address the outcomes of performance management. Consequently, this study will offer a comparative position for other Companies in Namibia who are planning to implement an effective performance management system. The study is expected to generate data that could be used to improve performance management systems in many organisations in Namibia. It will also enable companies to establish whether employees, whose productivity and development is expected to be enhanced, feel that the PMS is being implemented in a manner that is inclusive and likely to improve organisational processes and employee morale, thereby encouraging the achievement of better results.

1.5 Limitations of the study

There might be difficulties in accessing useful information from the participants, as they might be reluctant to participate or provide useful information and documents required in this study. Personnel attitudes or reactions from the respondents can also be another

possible limitation during the data collection process. Some Executives were not comfortable with the nature of the study as it was bound to reveal their weaknesses.

1.6 Delimitations of the study

Ideally this study could have been conducted to cover all the RED's in the different regions, but due to limited time prescribed to complete the research, it was only confined within the Erongo Regional Distributor Company (Erongo RED) in the Erongo Region.

The Erongo RED Distributor was selected for one main reason, that all branches are located in the same Region and no long journeys were required for the study.

The fact that management are responsible for the assessment of performance to their subordinates, this may have contributed to the poor level of cooperation with the researcher.

CHAPTER TWO

2. LITERATURE REVIEW

2.1 The Performance Management Process

Managing employee performance is an integral part of the work that companies need to do for continuous improvement. PMS has become more important in recent years because managers, be they in the public or private sector, are under constant pressure to continuously improve the performance of their organisations. Armstrong (2006) argues that PMS exists to align employee performance with the company's needs and to ensure that the effort is not only sustained and improved, but that it also provides the results to fulfil the company objectives and carry out the strategy required at every level, thus safeguarding and increasing shareholder value. However, Stredwick (2000) argues that if a company can achieve the results desired of the organisation, it shows that employees are achieving their objectives optimally. Hence employee performance or the lack thereof has a profound effect on both the achievements of strategic objectives / goals and the overall performance results of any organisation.

Studies have revealed that performance management can assist organisations to discover gaps in their system and to take corrective action when the need arises to address identified deficiencies. A study conducted by PWC, in June 2013 corroborated this observation. The performance of an organisation depends largely on the performance of individual employees; hence it is critical to ensure effective implementation of the PMS. It is a fact that high performing organisations contribute immensely to the development of

employees, which subsequently leads to increased motivation and productivity. (Closing the gap in performance management, 2013).

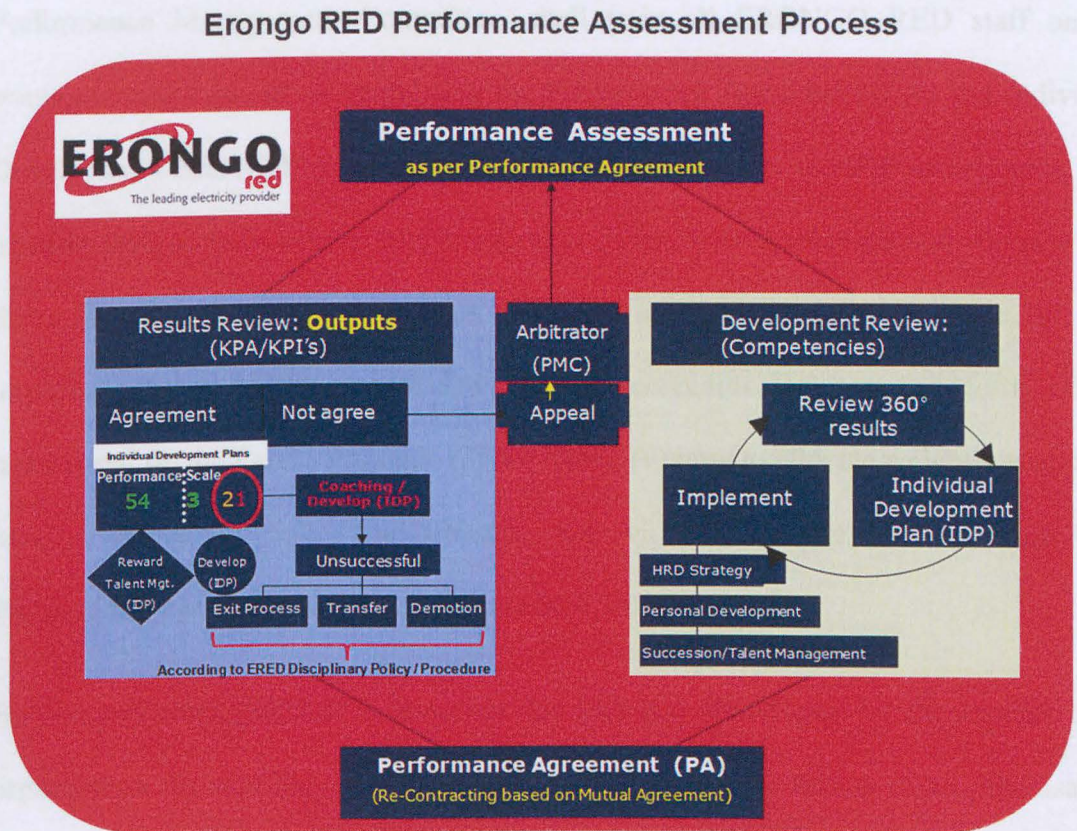
Performance management can at best be a process that supports the achievement of business strategy through the integration of corporate, functional, departmental, team and individual objectives. (Armstrong & Murlis, 1994) within this process, the organisation establishes an environment that allows for the clear communication of its mission and goals to employees and in which they are also encouraged to contribute to the formulation of these objectives. In this respect, performance management integrates both top-to-bottom and bottom-up approaches to strategy formulation and implementation. As noted by Bratton and Gold (2007:278) “the adoption of a PMS represents an attempt by an organisation to show a strategic integration of HRM processes, which can together be linked to the goals and direction of an organisation”.

The Erongo RED Performance Management Policy & Procedure (2014) discusses the performance management process by stating that its process hinges on sound leadership or supervisory practices with the primary emphasis being placed on continuous performance feedback between the employee and supervisor during the performance cycle. The Policy further states that the best performance management systems cannot substitute good communication and feedback between an employee and his/her supervisor. An employee needs to know what is expected of him/her at every step of the performance cycle. He/she should be made aware of “how he/she is doing” during the performance cycle and measures should be instituted to improve performance if it is found that a relevant employee is not performing as he/she should. Throughout the performance management cycle, the supervisor is encouraged to periodically assess progress towards

meeting expected objectives and outcomes and to communicate these assessments when appropriate.

The Erongo RED performance assessment process is illustrated hereunder:

Figure 1: Erongo RED Performance Assessment Process



At the beginning of the performance management process, the employee and the supervisor should meet to discuss the employee's key job responsibilities, review expected outcomes, and set performance objectives and targets for the review period. This meeting can also be used to identify plans for training or development and for future performance planning. At the end of the cycle, the employee's supervisor prepares a written assessment of the employee's progress (on the official templates) towards meeting previously defined expectations. Supervisors are strongly encouraged to initiate discussions with the

employee in preparation for the written performance assessment. The employee and supervisor should meet to discuss the assessment and allow the employee to provide feedback. The supervisor must ensure that the employee has the opportunity to ask questions and to comment on the appraisal outcome.

It should be emphasised that the Human Resources Division, with the assistance of the Performance Management Committee, shall train all ERONGO RED staff on the principles and methods of completing the Performance Agreement (PA) and Individual Development Plan (IDP) prior to the relevant due date for PA and IDP submissions. This training shall include; clearly explaining what (i) key results areas are and where to find these, (ii) what performance measures / indicators are and how to develop these, (iii) how to define relevant targets as cascaded from the scorecards, (iv) how to identify critical tasks based on the Pareto Principle (20/80 Rule), (v) how to allocate weightings and (vi) how to objectively assess performance and (vii) manage the IDPs (Erongo RED Performance Management Policy & Procedure, 2014).

Bratton and Gold (2007:278) observed that PM is a vital factor for the success of an organisation because human resources shape the success or failure of an organisation. Employees should know from the beginning of the year, their set goals, objectives and targets so that during the year they direct their effort to the achievement of the goals. All the employees should know that at the end of the year, their supervisors are going to check their performance by comparing the actual results with the desired results and based on this they can be judged as the over performed, satisfactory or underperformed worker. Employees should also know that their pay and package is dependent upon their performance and the employees who are performing well in the current year get a pay rise after their performance appraisal.

In 2005 and 2011 the Namibian Office of the Prime Minister had a different approach to their PMS process. They started with strategic plans at offices, ministries and agencies, O/M/A level, which are aligned to Vision 2030, the National Development Plan(s) (NDPs) and the Medium-Term Plan(s) (MTPs). The strategic plans were then cascaded down through departmental, directorate, divisional and/or sectional plans (unit plans) to the individual level where each staff member and his/her supervisor/manager entered into an annual performance agreement. Apart from the strategic plans, organizational systems and processes played a key supporting role and should be in place in O/M/As for the optimal implementation of the PMS. These systems and processes include human resource policies, the competency framework, the organizational structure and establishment, job evaluation and grading. Human resource plans, human resource development plans, job descriptions for all positions in the O/M/A and management information systems. Performance agreements form the basis for performance assessments of individual staff members. The outcome of the performance assessments serves as a feedback loop into the strategic planning, organizational and human resource processes.

One of the commonly used types of performance management systems in Erongo RED is the 360-degree feedback appraisal, which is a powerful developmental method and is quite different compared to the traditional manager-subordinate appraisals. This method does not replace the traditional one-to-one process and can be used as a stand-alone developmental method. This method involves the appraisee receiving feedback from people whose views are considered helpful and relevant. The feedback is typically provided on a form showing job and skills criteria and scoring or value judgment system. The appraisee should also assess himself or herself using the same feedback instrument or form (Gold, 2010)

The Balanced scorecard is another commonly used type of performance management system. It is increasingly being used as a strategic performance management tool in both public and private sectors. This adoption has encouraged the evolution of the balanced scorecard methodology over the last two decades. Although, the available generations of this methodology are readily adoptable for private sector organisations, public sector organisations present diverse challenges for the balanced scorecard system. This is further complicated by the fact that scholarly works on strategic performance management have predominantly focused on private sector organisations (Foss, 2007)

The model for performance evaluation and control known as the Balance Score Card (BSC) came to collaborate with SI and continuous improvement of processes, enabling organisations to establish actions aligned to their strategy aiming to create value. The BSC has contributed to meet shareholder, employee and customer expectations, to the achievement of strategies and, still, to the improvement in services, internal processes, learning and innovation. Such a model can help to disseminate the strategic plans of an organization at all levels, aiming to guide people's actions towards the improvement of present and future performance (Julnes, 2008).

2.1.1 Performance Reviews and Assessments

According to Zewotir (2011) the aim of the performance reviews is to induce employees to be more efficient and effective and to assist supervisors to become more transparent in the way they interact with their employees. This results in employees having a greater sense of ownership of their duties and thus improved work performance. According to Aguinis (2009) performance reviews occur when the employee and manager meet to discuss the employee performance and this meeting is usually called an appraisal meeting.

This meeting typically emphasises the past, what the employee has done and how it was done.

According to Bratton and Gold (2012) objectives and performance are reviewed, perhaps every quarter or half yearly to monitor progress and make any adjustments. During the year, feedback might be obtained from different sources, this being used to improve performance as well as being fed into the end of the year review, at which an overall assessment and appraisal might also be carried out.

Sebashe (2010) found that as a supplement to the on-going communication, performance review is the opportunity for the manager and the subordinate to have a performance conversation in relation to the targets set for the period under review. It is also a continuous process of formal feedback aimed at risk management, problem solving and tactical reflection. Aguinis (2009) corroborated that the involvement of the employee in this process increases ownership and commitment to the system in the performance assessment.

“Others have described annual reviews as a last-century practice and blamed them for a lack of collaboration and innovation. Employers are also finally acknowledging that both supervisors and subordinates despise the appraisal process—a perennial problem that feels more urgent now that the labour market is picking up and concerns about retention have returned” (Cappelli & Tavis, 2016, p 4).

“But the biggest limitation of annual reviews—and, we have observed, the main reason why more and more companies are dropping them—is this: With their heavy emphasis on financial rewards and punishments and their end-of-year structure, they hold people accountable for past behaviour at the expense of improving current performance and

grooming talent for the future, both of which are critical for organizations' long-term survival" (Cappelli & Tavis, 2016, p 5).

2.1.2 Performance Reviews and Assessments in Erongo RED

According to the Performance Management Policy and Procedures of Erongo RED (2014) the performance is assessed in writing at least two times a year (bi-annually), of which the final assessment is preferably before the annual salary review date, mainly to help determine whether the employee is eligible for a salary increase. The probationary employee is assessed at least once during a full probationary period. More frequent assessments may be conducted if the supervisor determines they would be of value. The formal bi-annual assessment takes place as follows:

Performance Review :	January (the period to be assessed is July - December)
Performance Assessment:	July (the period to be assessed is January – June)

The written performance assessment is an opportunity for the supervisor and employee to review whether previously discussed performance expectations and objectives have been met; to discuss professional development opportunities; and to identify options for the acquisition of additional skills and knowledge to foster career growth. This assessment discussion should also include a discussion about the relevant employee's behaviour during the review period in order to determine congruence with the values of Erongo RED.

The performance assessment shall be written / completed on the official Performance Agreement/Assessment Template (refer to Annexure A) to be supplied by the Human Resources Division and shall include:

- Information on the employee's job duties and key areas of responsibility;
- Comments and ratings on specific areas of responsibility and overall performance in relation to previously established outcomes and objectives;
- Feedback on any areas of concern outlining where performance improvement is needed;
- Assessment of the employee's good faith efforts in situations where an employee has responsibility for meeting established objectives in equal employment opportunity and affirmative action;
- Future plans and objectives;
- Signatures of the employee and the supervisor.

General Managers / Managers / Supervisors are also encouraged to address the following during the written performance assessment process:

- Identify opportunities for professional development and options for acquiring additional knowledge and skills to support career growth;
- Outline future steps necessary to meet professional development and job-related goals;
- Indicate behavioural improvement areas.

The employee shall be given a copy of the final assessment and be allowed time (3 working days) to reflect on the document and respond in writing if he/she has any objections to the assessment. The employee should be asked to sign the assessment, being advised that a signature acknowledges discussion of the contents of the form, not

necessarily agreement with it. A copy of the final assessment document shall be placed on record at the official Human Resources filing system. Erongo RED shall use a five-point performance scale which contains qualitative and quantitative descriptors to assess employees' actual achievement of mutually agreed targets as captured in the Performance Agreement. This performance scale is illustrated hereunder:

Figure 2: Performance scale

1	2	3	4	5
Less than 50%	50-89% of Target	90-100% of Target	101-110% of Target	110%+ of Target
Unsuccessful	Room for Improvement	Target Achieved	Target Exceeded	Superior Performance

Source: ERONGO RED Performance Management System Policy and Procedure, p.16.

The written performance assessment is an opportunity for the supervisor and employee to review whether previously discussed performance expectations and objectives have been met; to discuss professional development opportunities; and to identify options for the acquisition of additional skills and knowledge to foster career growth. This assessment discussion should also include a discussion on the relevant employee's behaviour during the review period in order to determine congruence with the values of Erongo RED.

2.1.3 Performance Evaluation

It is imperative to evaluate the performance of employees within an organisation as this process involves judging the performance of employees whether they are performing in relation to the standards of the organisation. Nel *et al.*, (2009, 2004, pp.477-478) illustrates that employee performance can be measured based on whether the type of judgment called for is relative or absolute. Relative judgments require supervisors to compare an employee's performance to the performance of other employees doing the same job.

meet to discuss and agree on the results and performance criteria for the ensuing year, i.e. the performance cycle. After such a discussion they both sign the performance agreement which forms the basis for the assessment of the staff member's performance for the performance cycle.

However, the Erongo RED performance management process will be based on reasonable objectives and expectations of each employee. It will involve a bi-annual review process. The performance management cycle will run concurrently with the financial year of Erongo RED: 1 July – 30 June (Erongo RED Performance Management Policy & Procedure, 2014, p.7).

The objectives of the performance agreement are to:

- Inculcate the culture and management of performance;
- Focus on results (outputs and/or outcomes) by linking ministerial, departmental, directorate, divisional and or sectional performance objectives to results expected of individual staff members at different levels;
- Determine the results and performance criteria that each staff member should meet during the performance cycle;
- Provide the basis for the assessment of the overall performance of the staff member. The performance agreement should reflect the unit objective key results, performance indicators and targets, assumptions, resource requirements values and organisation contribution that are related to the O/M/A's strategic plan cascaded through individual levels (OPM, 2005, P43).

2.2 Impact of Performance Management System on Employees

Performance management systems have been found to contribute to the overall effectiveness of organisations in that they lead to beneficial outcomes at the employee and organisational level (den Hartog, Boselie, & Paauw, 2004). Namely, performance management systems motivate performance, facilitate employee development, help organisations make administrative human resources decisions (e.g. promotion, terminations), and support the overall business strategy (Lawler, 2003). Furthermore, organisations that manage their employees' performance outperform other organisations that do not manage their employees' performance on various measures, including finances and productivity (Armstrong, 2000). In order for organisations to actualise these desirable outcomes, it is essential to know which characteristics of a performance management system are most predictive of organisational effectiveness.

Dewettinck (2008) and Dewettinck and Dijk (2013) have defined performance management system effectiveness as the ability of the system to improve individual employee outcomes, including performance, motivation, collaboration, self-esteem, functioning on the job, and comfort in performing job duties. Other researchers have defined the effectiveness of performance management systems by examining the extent to which they produce beneficial outcomes for the organization. For example, Glennding (2002) and Haines and St-Onge (2012) considered performance management systems to be effective if they lead to the achievement of business goals, improved morale, increased customer satisfaction, better retention, and increased ease in adapting to organizational change.

In addition to actual effectiveness of performance management systems, researchers have also examined perceived effectiveness. Perceived effectiveness of performance

management systems is defined as individuals' perception regarding the effectiveness of their performance management system in bringing about desirable organisational and individual employee outcomes. Given that the main goals of performance management systems are to enhance organizational effectiveness and improve employee and organizational performance (DeNisi, 2000), it is important to examine perceived effectiveness of the system as a means to assess how successful the system is. In addition, perceived effectiveness of performance management systems is important to measure as the attitudes of employees are expected to mediate the relationship between performance management system characteristics and organisational performance (den Hartog et al., 2004), such that the presence of performance management characteristics increases perceived effectiveness of the system, which in turn leads to increased organizational performance.

Existing research has examined the impact performance management system characteristics have on perceived effectiveness of performance management systems. Specifically, research has explored how the purpose of performance management systems, evaluation of performance, performance management system activities, and structural components of performance management systems influence how effective the system is perceived to be. The following sections summarize and evaluate previous research that has examined the relationship between characteristics of performance management systems and perceived effectiveness of the system. Purpose of the performance management system.

2.3 Performance Measures

Scarce research has been dedicated to studying the relationship between performance measures and perceived effectiveness of performance management systems. Only one

study examined one performance measure characteristic; Collins-Camargo, Chuang, McBeath, and Bunker (2014) found that the presence of relevant performance measures made agency directors of non-profits more likely to perceive their performance management system to be effective. This demonstrates that performance should be evaluated with the use of appropriate performance measures that relate directly to the desired outcomes of the job. Although Collins-Camargo et al. demonstrated the importance of the relevance of performance measures on perceived effectiveness of the performance management system, they failed to comprehensively examine all performance measure characteristics. In order to gain an understanding of which performance measure characteristics are most important in enhancing perceived performance management system effectiveness, it is necessary to collectively examine all characteristics in one study

2.4 Employee Attitude

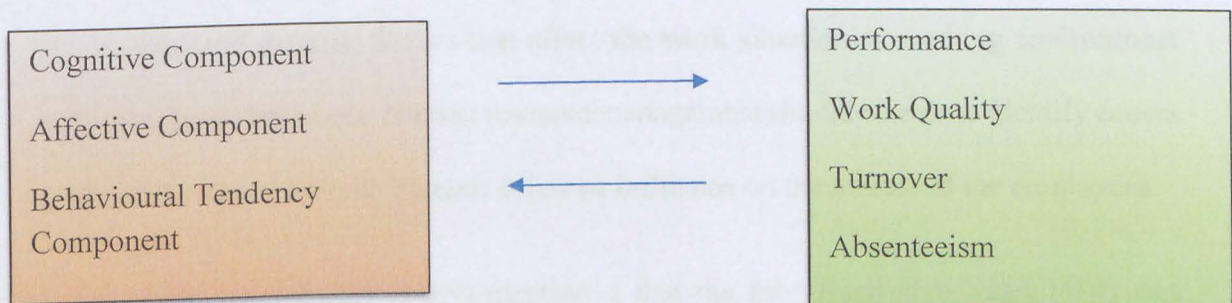
Employee attitude has been found to play a vital role in determining organisational performance, eventually because it could lead to the desired employees' behaviour and attitudes that are needed to achieve the objective, mission and vision of the organisation (Moorhead & Griffin, 1992). Kreitner and Kinicki (1992, p. 98) stated that attitude could be defined as 'a learned predisposition to respond in a consistently favourable and unfavourable manner with respect to a given object'. Moorhead and Griffin (1992) noted that attitude could arise from three major factors, namely organisational factors, group factors and personal factors.

Baron and Greenberg (2003) believe that the tendencies to behave in a certain way is the attribute to the work-related attitude and thus they describe attitudes as the stable clusters of beliefs, feelings and behavioural tendencies directed towards some aspects of the

external world. Thus, there are reasons why managers should care about employee attitude.

- First, attitude may affect work outcomes such as performance, turnover and absenteeism.
- Second, employee attitudes are important because they can influence productivity and satisfaction (Aldag, R. &Kuzuhara, L., 2002),

Figure 3: Organisational Behaviour: Integrated skills approach



Source: Aldag, Ramon, Kuzuhara, 2002, p.108

Attitude could be recognised as consisting of three major components; affective, cognitive and behavioural components.

- First, the evaluative or affective component refers to our liking or disliking of any item, person or event.
- Second, the cognitive component refers to the things people believe about an attitude or objects
- Third, the behavioural tendency component refers to the influence on behaving in a way consistent with our beliefs and feelings about an attitude object (McGuire 1985).

Employee attitudes are associated with many vital aspects of organisational behaviour such as job performance. Nevertheless, despite the increasing attention among scholars on employee attitude, the research by Mowday, Porter and Steers (1982) shows a negative relationship between job satisfaction, absenteeism and turnover. However, positive attitudes should occur when the workers have high job satisfaction towards job factors such as opportunity for promotion and recognition (Du Brin 2005).

Saari and Judge (2004) stated that management must be able to understand the relationship between business performance and the work environment through the employee attitude. The internal and external factors that affect the work situation or working environment include cultural influences. Human resource management should be able to identify causes of the work-related attitude because it has an influence on the morale of the employees.

Smith, Hulin and Kendall (1969) mentioned that the Job Descriptive Index (JDI) was identified as the most intensive and validated employee attitude survey which extensively evaluated five job areas namely: pay, promotion, co-workers, supervision and work itself. Hence, the organisational program could be developed in enhancing the management operations and practices by way of identifying the right employee attitude because the future direction of the firm could depend heavily on the relationship between employee attitude and performance of the firm (Macey, 1996).

Employee attitude can be improved by taking the necessary action by way of interpretation and an analysis of employee attitude survey data. Moreover, some empirical studies have proved that the field of psychology has emphasised on the importance of research on employee attitude measurement and statistical analysis (Edwards 2001; Macey 1996; Saari & Judge 2004). Management must take the responsibility to enhance the level of

performance by improving the work-related attitude of their employees. Messersmith, Patel and Lepak (2011) studied 119 service departments of local government in Wales and found that an effective HR system could have a powerful influence on the employee attitude. The employee attitude can create a positive workplace environment that could lead to better firm performance. Some empirical studies have shown that the employee attitude (EA) has been one of the best indicators of employee performance in the organisation (Moorhead & Griffin 1992; Misener *et al.*, 1996; Aldag & Kuzuhara 2002).

2.4.1 Job Satisfaction

Locke (1976, p.1304) has defined job satisfaction as ‘a pleasurable or positive emotional state resulting from the appraisal of one’s job or job experience’. What is implied in Locke’s definition is vital because it encompasses feelings, cognition or thinking. Employees view their work with emotional feelings of likes or dislikes which could contribute to job satisfaction (Newstrom & Davies 2005).

The childhood temperament or childhood experience was identified as having a certain impact or correlation towards job satisfaction up to a period of forty years (Staw & Ross 1985; Staw, Bell & Claussen 1986). According to Erez (1994) despite its contribution to our understanding of the causes and effects of job satisfaction, it is not known for a person’s character to affect job satisfaction and this has represented a gap in the literature.

The differences in job satisfaction could also be identified through their character (House, Shane & Herold 1996). Thus, continuing from this theoretical development, Judge and his colleagues (Judge & Bono 2001; Judge, Locke, Durham & Kluger 1998) confirmed that the perception of the job itself was one of the primary causes of job satisfaction. However, Judge and Church (2000) comment that the most important job facet is the nature of the

job itself. Other job areas such as pay, promotion, supervision have also been deemed as important by many social science researchers for many years. Furthermore, according to Rowden and Conine (2005), the subjective perception of job satisfaction has made the subject matter to be the least understood phenomenon in social science research.

Thus, according to some empirical studies, autonomy, job variety and the nature of work itself have all been major job satisfaction areas which could best predict overall job satisfaction (Fried & Ferris 1987; Parisi & Weiner 1999; Jurgensen 1978). However, in terms of other factors that could affect job satisfaction, the influence of employee attitudes and the corporate culture are inevitable. The continued globalisation of organisations has therefore provided a new test for management, especially human resource personnel to promote a better understanding in shaping the behaviour and work-related attitude of the employees (Erez 1994; House 1995). Empirical studies throughout the years note that job satisfaction as an area of inquiry has had a great impact on influencing the people at the work place and the work place towards the people (Rowden & Conine 2005; Smith, Kendall & Hulin 1969; Misener, Haddock, Gleaton & Ajamieh 1996).

Workers who are more satisfied are more focused than those who are dissatisfied. In addition, the staff turnover is found to be correlated with job satisfaction. Furthermore, it is costly for the firm to lose a worker because of the training and recruitment expenses (Schermerhorn 2001). This is because the same skills for the new recruit needs to be developed by the organisation and the time taken for newcomers to be as skilful as the senior worker.

According to Robbins (1991) employee dissatisfaction manifests itself in employees leaving the organization, their attempts to actively voice their opinions (proposals for

improvements, activity in trade unions, conversations with superiors etc.), passive loyalty (waiting for the situation to improve and being confident that the management will take the right decisions) and negligence (absenteeism, being late, many errors etc.). Other areas influenced by low employee satisfaction include, absenteeism, performance (Lambert, Edwards, Camp & Saylor, 2005), motivation and organisational commitment (Locke, 1997; Meyer & Allen, 2004) as well as burnout (Whitehead, 1989).

A) Elements of employee satisfaction

Employee satisfaction is the satisfaction of employees with their jobs or the degree to which employees like their jobs (Spector, 2011).

B) Theoretical foundations of the development of employee satisfaction

A person's feeling of (dis)satisfaction at work is influenced by several factors that differ from one individual to another. According to George and Jones (1999) these factors include personality, the influence of society, the situation in the workplace and values. In the opinion of Sakanovic and Mayer (2006) the same things do not satisfy all employees. What may satisfy one person in their work may dissatisfy another. Satisfaction is a complex phenomenon as every individual enters an organization in their own unique fashion, with their own expectations, beliefs, values, views, endeavours and longings. However, the feeling of satisfaction being shared by a larger number of employees is undoubtedly to the advantage of any organization. Gorenak and Pagon (2006) claimed that a person is satisfied when their needs have been fulfilled, when their acts have been approved or commended and when they feel needed and important.

Spector (2003) define job satisfaction as “the extent to which people like their job” (p. 210). According to Weiss (2008) job satisfaction is an attitude towards one's job resulting

from the net sum of the individual's positive and negative emotions experienced at work. Job satisfaction is a pleasant feeling a person has when their expectations from work have been fulfilled (Spector, 2003). Henceforth, the term "employee satisfaction" will be used as it encompasses the notion of satisfaction with the job itself (duties, working conditions, salary) as well as other facets such as leadership, relationships, autonomy, the reward and promotion system, possibilities of professional development, trade union activities, job security, internal and external communications, possibilities of a work-life balance and the organisation as an institution, sometimes also environmental facets like the attitude of the public towards the police etc. (Weiss, 2008).

Empirical studies also found that absenteeism and retention are the two major factors that have a significant impact on unsatisfied workers (Hackett & Guion, 1985; Hulin, Roznowski & Hachiya, 1985; Kohler & Mathieu, 1993). Lateness, unionisation and retention as well as other unhealthy attitudes could be found through the evaluation of job satisfaction which has acted as the predictor to such behaviour (Cascio 1986; Mirvis & Lawler 1977).

However, for employees, job satisfaction (JS) is a spill-over of their own life satisfaction. The well-being of employees is addressed through the evaluation of job satisfaction and thus would affect the organisational effectiveness and productivity (Saari & Judge 2004). Judge *et al.*, (2001) through their studies of 300 companies found that a job with high complexity would contribute to a higher level of relationship between JS and performance, compared to a less complex job. Saari and Judge (2004) stated that organisational commitment has a similar relationship with job satisfaction because both have elements of the employees' attitude which act as a predictive factor to performance.

2.5 Organisational Commitment

According to Mottaz (1988) high organisational commitment is usually derived from positive outcomes at work. An employee with high job commitment will be able to generate or produce a high level of work performance (Bashaw & Grant 1994). Thus, the creation of a good or appropriate atmosphere in the workplace increases the organisational commitment among the employees (Awamleh 1996). Furthermore, empirical studies over the past two decades have found that job outcomes such as adaptability, performance and job satisfaction have produced a strong and positive association with organisational commitment (Mowday, Porter & Durbin 1974; Angle & Perry 1981; Hunt 1985; Benkoff 1997; Wong, Hui & Law 1995; Fletcher & William 1996).

Mathieu and Zajac (1990) in their research found that organisational commitment was influenced by job characteristics, personal characteristics, group or leader relations, motivation and job satisfaction. There is therefore growing literature on the relationship between organisational commitment and employee turnover, attendance, management of change and most importantly, the overall performance of an organisation (Sommer, Bea & Luthans 1996).

Bateman and Strasser (1984) noted that the reason for researching organisational commitment has been there since the relationship between employee behaviour and performance effectiveness existed. Moreover, Kotter and Heskett (1992) commented that managers and subordinates shared similar norms and values in organisational culture. The norms and characteristics of the work situation, individual integrity and commitment to customer satisfaction described as an essence for high performance and productivity in the organisation.

Consequently, organisational culture strongly correlates with positive outcomes which could affect job satisfaction and organisational commitment (Sheridan 1992). The characteristic of organisational commitment which include personal, supportive and people-oriented values are believed to generate a great impact towards the outcome or performance in the organisation. Niehoff, Enz and Grover (1990) proposed that the level of relationship between organisational commitment and management culture, which was driven by the top management is relatively strong and positively correlated.

Furthermore, according to Peters and Waterman (1982), there is empirical evidence to prove that the relationship between organisational culture and organisational commitment is strong, particularly in the area of commitment and performance of the organisation. Meyer and Allen (1991) stated that organisational commitment would produce a sense of belonging among the employees towards the organisation. The psychological effect could play a vital role in determining the degree of personal commitment. However, the organisational commitment has been the most reliable and desirable form of commitment which could determine the organisational behaviour of the people in the organisation (Meyer & Allen 1991). In other words, according to O'Reilly (1989), the organisational commitment could act as the psychological bond linking or associating the employees with the organisation.

Research shows that there are two schools of thought, namely, attitudinal and behavioural (Reicher 1985). The attitudinal perspective refers to an emotional attachment of the employee towards the organisation. In addition, the behavioural perspective concerns the manifestation of commitment whereby the cost of leaving the company is identified as the major obstacle for employee to leave (Blau & Boal 1987). Thus, employees will not be able to leave the firm because it will become too costly due to the fringe benefits and

salary. Moreover, the behavioural perspective has also taken into consideration the individual past behaviour which has bound them to the organisation.

These two schools of thought have a great impact on the research on organisational commitment because the development and consequences of analysing the employee attitude depends highly on the level of organisational commitment. Clugston, Howell and Dorfman (2000) firmly supported the notion that culture was associated with organisational commitment. In contrast, Lahiry (1994) found a weak correlation between organisational culture and organisational commitment in his research on a large Indian public sector.

Chow, Harrison, McKinnon and Wu (2001) suggested that if the preferred culture was like the organisational culture, then the level of commitment could increase. Thus, through their research, directly or indirectly, the association or relationship between organisational culture and organisational commitment was confirmed. Hence, an ideal culture could create a sense of direction to employees, could facilitate communication between managers and subordinates and could stimulate the cohesion of teams or teamwork which could enhance the strength of organisational commitment (Chow *et al.*, 2001).

Furthermore, employee attitude could serve as a yardstick to measure the level of acceptance for Erongo RED employees in using the BSC in the PMS and thus, would be able to predict or determine the work outcome of the employees in the organisation. The influence of organisational culture that could moderate the relationship between the PMS and EA will also be discussed further in this research. Nevertheless, based on empirical studies, the role of employee attitude, namely job satisfaction in determining the work outcome or performance was undeniable (Misener *et al.*, 1996).

This study confirmed the findings of a research made by Messersmith, Patel and Lepak (2011) on the public service organisation in Wales. The scholars found that an effective HR system would affect the employee attitude that could lead to better performance. Hence, it is critical to research the role of attitude and behaviour of employees to produce better results rather than concentrating on managing the organisation. Empirical studies confirmed that employee attitude such as job satisfaction was related positively with the work outcome or performance (Misener *et al.*, 1996; Moorhead & Griffin 1992).

2.6 Drawbacks associated with the implementation of a Performance

2.6.1 Management System.

In the case of the public sector, challenges on the management style of entrepreneurship, market orientation, learning orientation and organisational flexibility have existed (Barrett, Balloun & Weinstein 2005). In the case of the private sector organisations such as Erongo RED, the organisational flexibility, especially leadership commitment would be one of the critical major issues to implement the BSC in the organisation. Almost all the literature reviewed supports the fact that top management commitment or leadership has been one of the challenges that has been found to be critical for the successful implementation of performance metrics (Chakrabarty & Tan 2007).

Another challenge in performance metrics implementation has been training and awareness. This is because not all employees accept the changes that have occurred in their workplace (Johnson & Swisher 2003). The cultural change aspect has also been another major element that has required attention from the management of organisations. Studies have found that cultural changes have a major impact on any implementation of performance metrics (Coronado & Anthony 2002). Organisational understanding of the

work processes has been another major characteristic affecting implementation, and ultimately customer satisfaction has been the main priority for most private organisations.

2.6.2 Feedback System

Employees' engagement behavior should be included in the performance management system (Armstrong, 2012). He goes on to state that the behaviours of the employee include persistence, the ability to be proactive, role expansion and adaptability. The main activities of this component are performance appraisals and feedback from the supervisor. However, to enhance feedback, Julnes, (2008) argues that it is important that the employee feel that there is trust and justice in the system.

A competence-based performance appraisal system was designed for higher education institutions by Gilmore & Williams, (2009). They found out that there were three competencies, namely: core competency, managerial competency, and technical competency. According to Parker, (2013) appraisal is "the process of periodically reviewing one's performance against the various elements of one's job". His study described the purpose and developmental criteria of a performance management program that assessed the performance of hospital employees on a regular basis. Slavin, (2014), examined the effect of performance appraisal politics on job satisfaction. The results confirmed that performance appraisal politics acted as important predictors of job satisfaction in the studied organisation. Martin, (2009) examined the effects of performance appraisals on the individuals as well as on the organisations.

2.6.3 Leadership Commitment

Top management should strive for servant leadership. This is virtuous, highly ethical and based on the premise that service to followers is at the heart of leadership (Greiner, 2013)

Servant leaders exhibit the qualities of vision, caring for other people, selflessness, integrity, humility, trustworthiness and interpersonal acceptance (Clardy, 2013). It can be realised from different conceptualisations of servant leadership that service to followers and valuing followers are the basic principles of a servant leader. When members of a team perceive that their leader is concerned about their welfare, they will become more committed to the organisation.

Organisations have a need for leadership styles that create favourable environments for teams to function optimally. According to the findings of Palethorpe, (2011), team leadership is a fundamental process, focusing around the satisfaction of critical needs of a team with the goal of enhancing team effectiveness. Clear performance by increasing resilience and productive time reduce the negative factors such as exhaustion and absenteeism.

In the context of performance contracting, commitment is at two levels; top management and the level of employees. Top management commitment may be viewed from willingness to be loyal and focus all the energies to the implementation process. Expectancy theory by Victor Vroom tells us that employee commitment to organisational goals depends on the strength of expectation that doing so will be followed by favourable outcomes and the value that the individual attaches to the reward. Muthaura, (2010) in a presentation on the role of Kenya's public service in a changing environment, argued that people will oppose change if they do not see clear and reliable gains. They look at what is in it for me? This means that the commitment of the employees is dependent on their perceived gains from implementing the system. Trakoli, (2011) argues that unless the performance management system gains acceptance through encouraging people to collaborate because they want to not because they must, the performance management

system may lead to suboptimal performance by making figures look appealing only on paper.

2.6.4 Training and Awareness

Another element of challenges in performance metrics implementation has been training and awareness, because not all employees accept the changes that have occurred in their workplace. Therefore, communication between supervisors and subordinates must be good to enable the organization to realise the desired mission of the organisation. Training and awareness have been found to play an important role in ensuring the success in the performance management implementation (Tobin, 2008).

2.6.5 Cultural Change Aspect

The cultural change aspect is also a major element that has required attention from the management of organisations. Most literature reviews have stated that cultural changes could have a major impact on any implementation of performance metrics as argued by (Vukotich, 2014). The organisational understanding of the work processes is an important characteristic in the Balance Score Card (BSC) implementation as well as ultimately, customer satisfaction that has been the main priority for most organizations. Therefore, the PMS used should be capable of tracking the customer needs and wants according to (Bogetoft, 2012). In addition, Berry, (2004) stated that organisations should attach the success of any performance metrics implementation to the financial benefits accrued. This is because it has been one of the four critical perspectives in the BSC framework. However, Clardy, (2013) proposed that clear performance metrics is an equally important characteristic because quite often, the difficulty and problems in identifying what to measure has created problems in the implementation of the performance metrics.

2.6.6 Regular Review of Performance Management

Lack of constant review of a performance management system to align with changes in the organisation is a common phenomenon in many organisations. The performance management system can be a good mechanism for quality assurance if implemented in the right manner and enabling environment. According to Newstrom, (2011) study, though limited in scope, clearly showed that performance management systems need to be reviewed on a regular basis to make them compatible with international trends of making businesses more responsive to the needs of the clients. Most performance management systems, while well-intentioned, are fraught with numerous challenges that impact on its implementation. This range from lack of regular system review, lack of training on performance management, shortage of resources in organizations, abuse of the system as well as lack of reward. These impediments need to be addressed with a sense of urgency if at all the performance management system is to remain credible in the eyes of the stakeholders (Robbins, 2007).

2.6.7 Agreement on Performance Metrics

Management and employees depend heavily on the agreement of the performance metrics to be used. Therefore, it has been found to be quite paramount for the employees especially at the managerial level in organisations to understand the metrics before involving themselves in the implementation processes. According to Aguinis, (2009), one of the critical success factors in the performance metrics implementation must be the satisfaction of the customers and the quality characteristics have been found to be emphasized upon.

Therefore, organisations should give priority to the clients by way of increasing the level of service quality and improving work related attitude among the employees. According to Sparrow, (2012), there are several reasons for the failure of Performance Management

Systems. Often, systems are used and supported by top management. Supervisors view the system as an administrative burden and do not see the benefits of energy invested in making the system work.

Performance objectives are written so subjectively that measurement is not possible. Performance objectives set at the beginning of the year appear to be less important by end of the year if linked to certain projects that were not deemed to be critical success factors. Managers are unable to give feedback and deal effectively and constructively with the conflict generated by the assessment of employees' performance.

During the last two decades, an increasing number of organisations have implemented Performance Management Systems that are based on Critical Success Factors and Balanced Scorecards. Hetty, (2008) describe the results of a study that confirms organisations that balance financial and non-financial measurements, but also link strategic measures to operational ones, they update their strategic scorecard regularly and communicate measures and progress to all employees, are better performers.

Armstrong, (2003) stated that, 'Performance management is not static. It will change as performance issues vary, as marketing strategy changes, technologies and the means to measure and record performance change over time'. Thus, the statement asserts that the knowledge of the BSC needs to be disseminated to Top management because they are responsible for planning and organising the company's strategy. Hence, once the top management is familiar with the BSC concept, only then are they able to utilise the company's financial and operational information to link its mission, vision, objectives and goals to develop the organisation's KPIs (Drewitt, 2013). This is one of the practical problems that have been raised in this research.

2.7 Summary

The Performance Management System as it is, is new in the Erongo Regional Electricity Distributor Company. However, there is an increasing awareness in terms of implementation which could pose a challenge. As Armstrong (1995) indicates, Performance Management Development is a process and is as such an integrated process that has good management practices of setting direction, monitoring, measuring performance and taking adequate action. Moreover, it is critical that the executives and employees of Erongo RED understand what to perform, as well as how, when and why to deliver the expected results. The performance management system should not solely be regarded as an incentive tool or for compliance purposes. It is critical that supervisors and subordinates discuss what is expected, to develop goals, standards and critical behavior.

This research is in line with the statement made by Moorhead and Griffin (1992), which suggested that eventually employee attitude plays a vital role in determining organisational performance - because it could lead to the desired employee behaviour required to achieve the mission and objective of a firm. The literature further examined the drawbacks associated with the implementation of a performance management system, the conclusion derived from the preceding literature reviews are that:

- The system is not used and supported by top management.
- Line managers view the system as an administrative burden and do not see the benefits of energy invested in making the system work.
- Performance objectives are written so subjectively that measurement is not possible.

- Managers are unable to give feedback and deal effectively and constructively with the conflict generated by the assessment of employees' performance.

7. RESEARCH METHODS

The next chapter presents the Research Methods applied for this study.

7.1 Research design and methods

This chapter will define the research design and methodology adopted to address the research objectives. It will also explain a quantitative survey design to evaluate both employees' satisfaction and managers' perception of the PMS on employees' performance at George P&C. According to Burns (1999), a quantitative design focuses on a study of one point in time. It uses statistical analysis to represent or interpret data, needs less formalized about participants, and does not require as many activities related to finding and recruiting a sample population.

The quantitative approach is chosen as the primary method because it is limited to what we measure and require structure (Yin, Graub, Kruger & Mitchell, 2005). According to Alford and Ghera (2010), quantitative research methods require procedures by gathering numerical data that can be analyzed using mathematical based methods (statistics). The quantitative approach also is closely related to observation, which does not include history and explanations, but facts.

The study adopted a quantitative approach to the collection of primary and secondary data, therefore, a quantitative research will be used produce the evidence gathered from the participants will lead. The quantitative research was chosen during this study to present the findings. The aim of quantitative research was to describe and document aspects of human and social world (Burns & Morgan, 2003).

CHAPTER 3

3. RESEARCH METHODS

3.1 Research design and methodology

This chapter will define the research design and methodology assumed to address the research questions. This study applied a cross-sectional survey design to evaluate both employees' and executives' views on the impact of the PMS on employee performance at Erongo RED. According to Hagen (2006) cross sectional studies focus on a group at one point in time. Cross sectional designs, as opposed to longitudinal designs, need less commitment from participants, take less time to complete, and do not comprise as many difficulties related to finding and maintaining a sample population.

The quantitative approach is based on the premise that research must be limited to what we can observe and measure objectively (Welman, Kruger & Mitchell, 2005). According to Aliaga and Gunderson (2000) quantitative research methods explain phenomena by collecting numerical data that is analysed using mathematically based methods (statistics). The quantitative approach aims to obtain objective information which does not include feelings and attachments, but facts.

The study adopted a quantitative approach in the collection of primary and secondary data; therefore, a quantitative technique to gather and produce the evidence gathered from the questionnaires was used. Descriptive statistics were utilised during this study to present the findings. The aim of descriptive research was to describe and document aspects of situations that occur naturally (Polit & Hungler, 1999).

3.2 Population of the study

The population for this study was 286, all being permanent employees of Erongo RED from the 7 Erongo RED offices i.e. Walvis Bay, Swakopmund, Arandis, Henties Bay, Usakos, Uis, Karibib and Omaruru.

3.3 Sample

Out of an overall population of 286 employees who were using the PMS at Erongo RED, a convenience sample of 93 permanent employees participated in this study. This included executive managers, middle management, specialised/supervisory, skilled, semi-skilled and unskilled employees. Stratified random sampling was used to obtain a total sample of 93 participants. Moore, David and McCabe (2006) define stratified random sampling as a sampling technique in which the total population is divided into smaller groups or strata to complete the sampling process. The strata is formed based on some common characteristics in the population data. After dividing the population into strata, the researcher randomly selected the sample proportionally. For this study, the final sampling frame comprised potential respondents from the various divisions of the Erongo RED branches in the Erongo Region.

Different groups were sampled as shown below:

Figure 4: Sample size

Branches / Areas of employment	Area 1 (Walvis Bay)	Area 2 (Swakopmund, Henties Bay and Arandis)	Area 3 (Usakos, Karibib and Omaruru)	Total

Frequency	55	23	15	93
Percentage	59.1	24.7	16.1	100

The researcher wanted to generate a 95% confidence interval estimate for the population of 286.

The sample size was calculated using the 95% interval as illustrated below:

$$n = \frac{Z^2 * pq / e^2}{1 + (Z^2 * pq / e^2 N)}$$

Where:

N= Population = 286

n= Sample size

e= 5% = 0.05

p = proportion of population with desired characteristics = 0.9 CL = 95%

= 0.05 Z = 1.96

Therefore:

$$n = \frac{Z^2 * pq / e^2}{1 + (Z^2 * pq / e^2 N)}$$

$$n = \frac{1.96^2 * (0.9 * 0.1) / (0.05^2)}{1 + [(1.96^2) * (0.9 * 0.1) / (0.0025 * 286)]}$$

$$n = \frac{3.8416 * (0.09) / (0.0025)}{1 + [(3.8416) * (0.09) / (0.0025 * 286)]}$$

$$1 + [(3.8416) * (0.09) / (0.0025 * 286)]$$

$$n = \frac{138.2976}{1.48356}$$

$$1.48356$$

$$n = 93.22009$$

$$n = 93$$

Sample Size = 93 employees

3.4 Research instruments

The researcher used a questionnaire as the research instrument for the study. The questionnaire format was adopted based on previous studies regarding performance management systems and on the perception of employees in an organisation. The adaptations considered the situation in Erongo RED. After gathering the data, it was analysed using the Statistical Package for Social Sciences (SPSS) programme.

3.5 Procedure

The researcher wrote a letter to the Chief Executive Officer of Erongo RED to gain permission for employees to participate in the study on the performance management system on employee performance. After the permission had been granted, the researcher

visited the 7 branches and distributed the questionnaires to the randomly selected employees.

Data was collected using a self-administered questionnaire. All 93 employees from the 7 areas (branches), received the questionnaire. The questionnaires were collected after two weeks.

3.5.1 Administration of the questionnaires

The questionnaires were handed to individual employees including supervisors in their work stations. Face to face administration of questionnaires assisted in clarifying questions for the respondents, while also ensuring that the questionnaires were completed in full. Ethical issues of participants' rights, privacy and confidentiality of information were emphasised to the respondents during the data collection process.

3.6 Data Analysis

The quantitative data analysis process involved the stages of checking, editing, handling blank questionnaires, coding, categorising, transcribing and data cleaning (Malhotra 1999).

- First, during the editing process the questions were reviewed to increase accuracy and the precision level and the questionnaire was screened to avoid any incomplete sentences and reducing inconsistency during the feedback.
- Coding involved ensuring that the researcher coded all questions for computer analysis.
- Thirdly the researcher did the transcribing through converting the survey responses into a format that was analysed by the researcher using the Statistical Package for

Social Sciences (SPSS). The researcher then cleaned the data for consistency and treatment of any missing data. The researcher did this using descriptive statistics.

4. Research Ethics

The researcher obtained permission to conduct the study from the Chief Executive Officer of the Erongo Regional Distributor Company (Erongo RED) after approval by the University of Namibia (UNAM)'s Ethics Committee. The researcher sought Informed consent and explained to the respondents their rights not to answer questions they felt were sensitive and to withdraw from the survey at any time. The study upheld all ethical principles of integrity and respect of the respondent's dignity throughout the entire study. The researcher ensured that all questionnaires were accompanied by a statement of intent where the researcher assured the respondents that the information and data collected would be used solely for the research and the respondents would have open access to the results once published. Anonymity of all respondents' characteristics was also highly maintained. The researcher did not intentionally mislead subjects either by withholding or giving incorrect information that would have influenced them to participate in the study. The researcher correctly acknowledged the work of others and adhered to all rules pertaining to plagiarism by referencing and appropriately indicating all quoted texts from all sources. The information and data collected is being kept in a lockable cabinet in the researcher's office for a period of at least five (5) years. The researcher will destroy it by shredding thereafter.

CHAPTER FOUR

4. DATA ANALYSIS AND DISCUSSION OF RESULTS

INTRODUCTION

Chapter 4 presents the findings drawn from the questionnaires that were administered to the employees of Erongo RED. Since these questionnaires were being administered within the company, the return rate was 100 percent. A total number of 93 questionnaires from Walvis Bay, Swakopmund, Arandis, Henties Bay, Uis, Usakos, Karibib and Omaruru were collected.

4.1 Demographic Characteristics

Figure 5: Respondents by gender

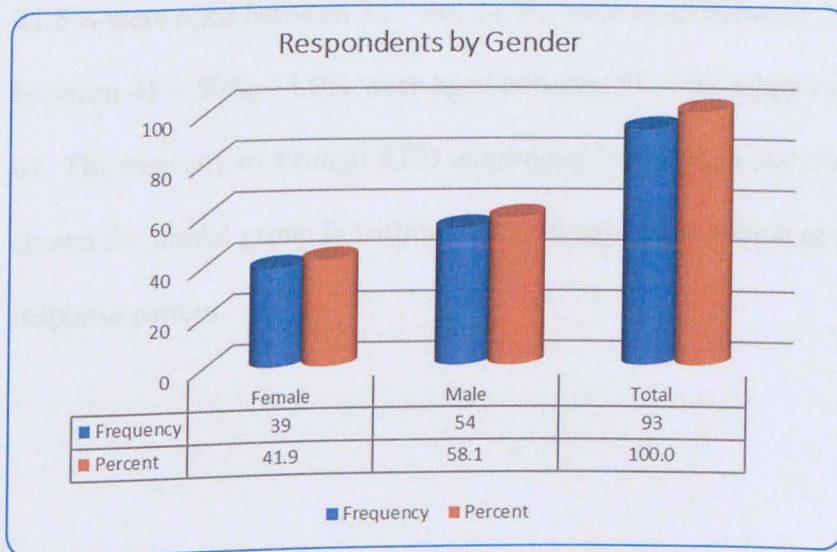
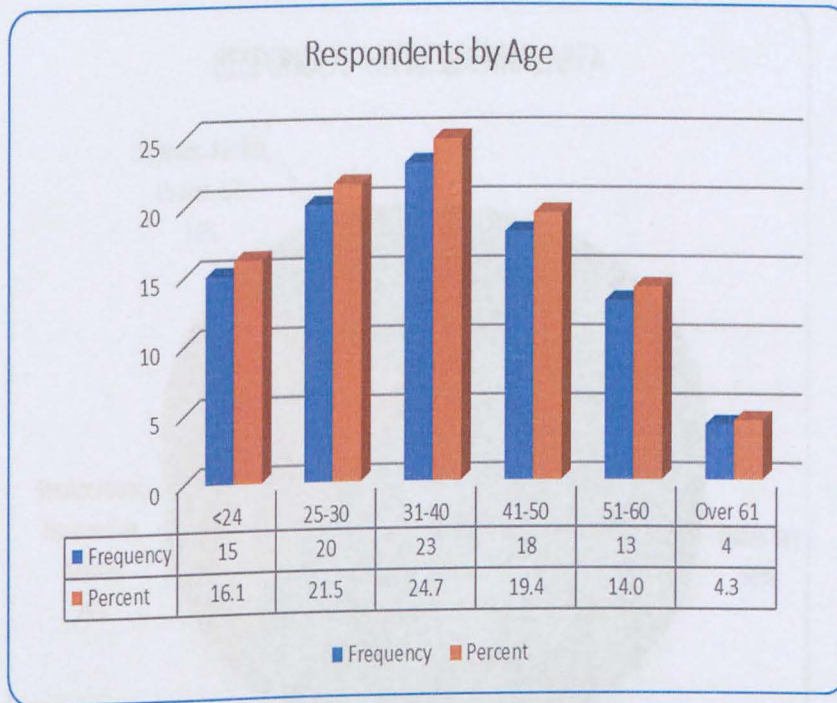


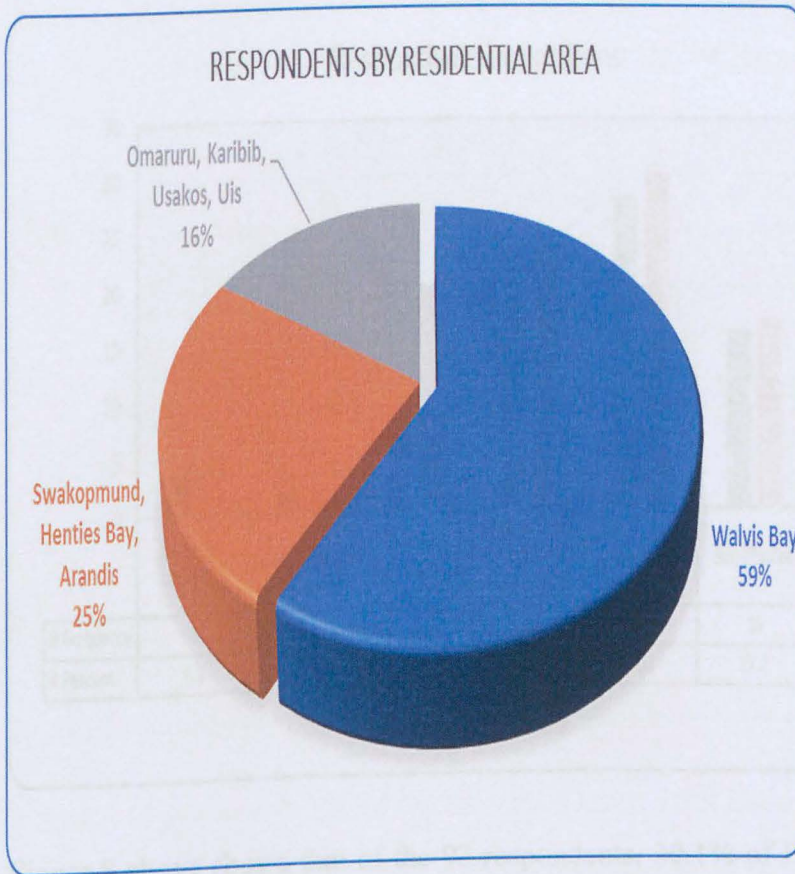
Figure 5 above shows that the study comprised of 41.9% female and 58.1% male employees. The responses in this study will therefore incorporate the gender proportionality.

Figure 6: Respondents by Age



In figure 6 above, one can see that 16.1% of respondents were below the age of <24, 21.5% were aged between 25 – 30, 24.7% were aged between 31 – 40, 19.4% were aged between 41 – 50%, 14.0% were aged between 51 – 60, while only 4.3% were aged over 61. The majority of Erongo RED employees included in the study was middle-aged. As shown the modal group is within the 31-40 age group which could have influence in the response pattern.

Figure 7: Respondents by Residential Area



From Figure 7 above, one can observe that the majority (59% of the employees) were from the Walvis Bay Head Office, 25% were from Swakopmund; Henties Bay and Arandis, and the remainder i.e. 16% was from Omaruru, Karibib, Usakos, and Uis. The results above show that most of the respondents were from Walvis Bay because the largest proportion of the Erongo RED employees reside within the Walvis Bay area.

Figure 8: Respondents by rank and level of skills

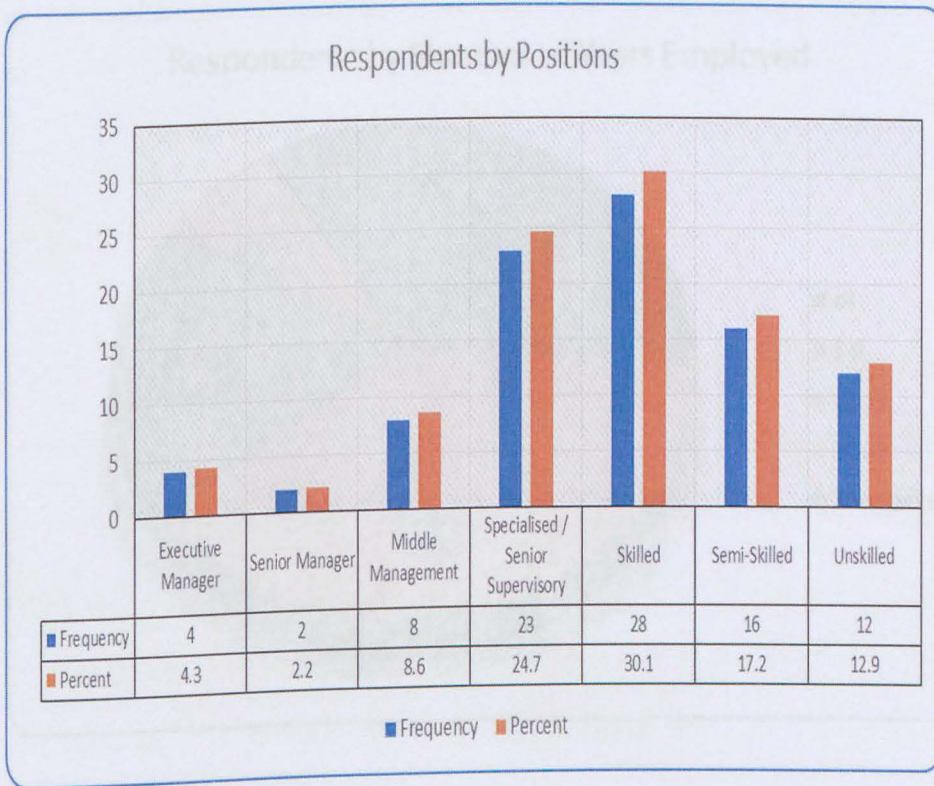


Figure 8 above shows that of the 93 respondents, 30.1% of Erongo RED employees are skilled workers, 24.7% of employees are Specialised / Senior Supervisory, 17.2% are Semi-Skilled, 12.9% are Unskilled, 8.6% are Middle Management, whereas 4.3% are Executive Managers and 2.2% reflect Senior Managers. These results indicate that there are more skilled workers compared to non-skilled workers. This is due to Erongo RED's core business being the only Electricity provider within the Erongo Region. It is also worth noting that few employees are in senior positions. Erongo Red has a lean structure.

Figure 9: Respondents by experience in their jobs

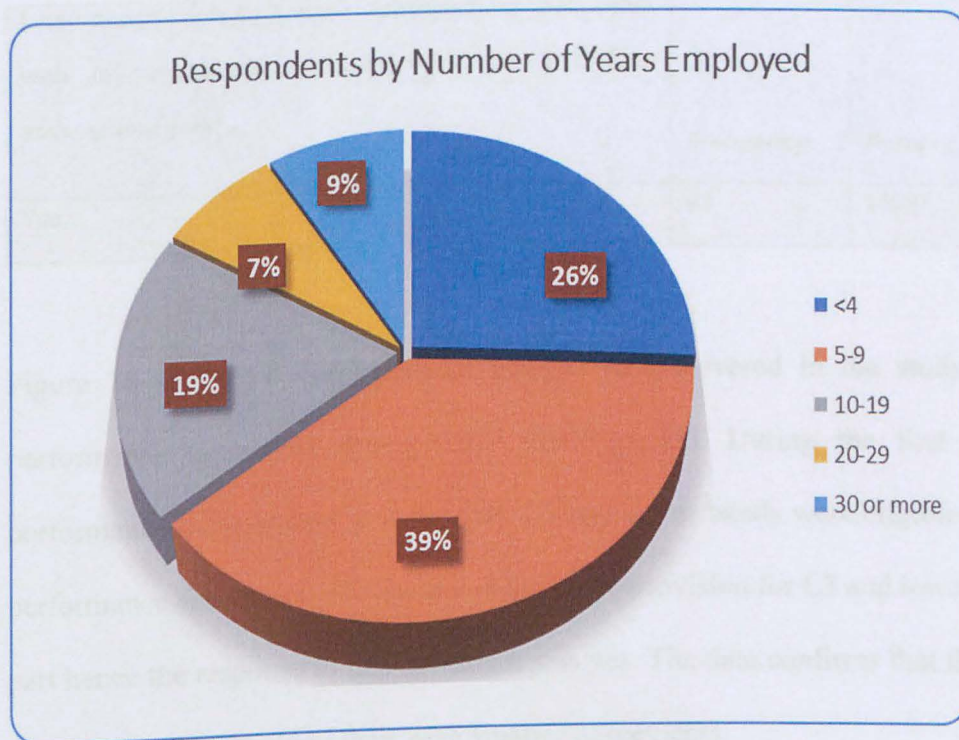


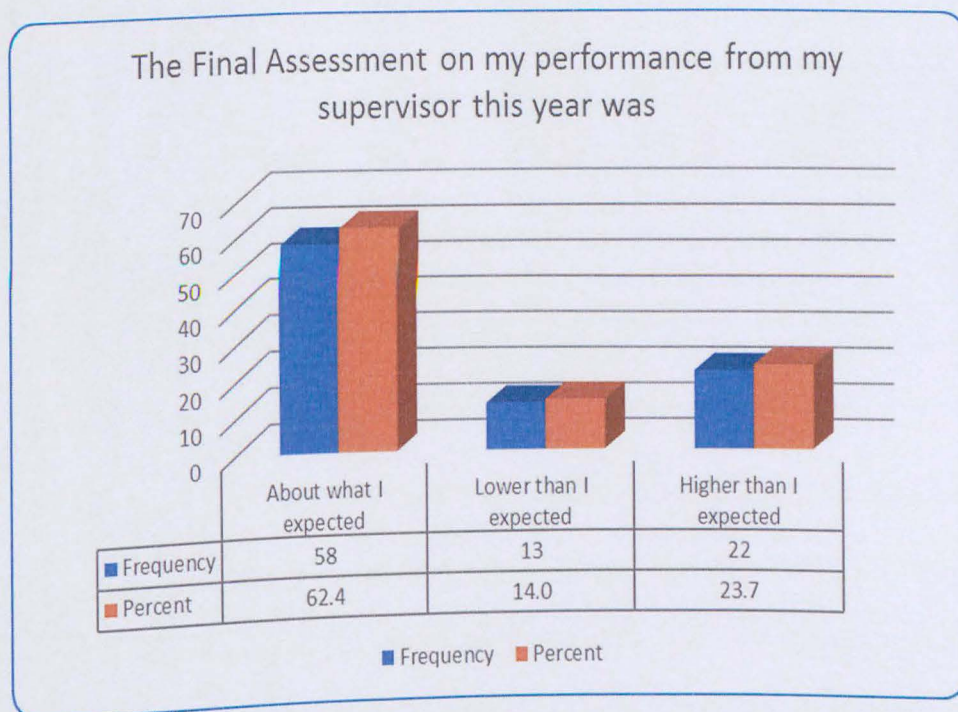
Figure 9 above shows that of the 93 respondents, 39% have been employees of Erongo RED for 5 years – 9 years. This constitutes the modal group. Twenty six percent (26%) for less than 4 years, 19% for 10 years – 19 years, 9% for 30 years – or more, and 7% for over 20 years – 29 years. Results show Erongo RED has a higher proportion of younger and middle-aged employees. However, failure by the Company to retain older and experienced employees might be because of employee dissatisfaction such that they leave the organisation without serving it for many years. Erongo RED as mentioned in the introduction of this study was established in 1995. At the time of establishment some of the employees migrated from the Municipalities, hence those in the long service of 30 years and more.

Figure 10: Performance Appraisal/Assessment discussion

I had a performance appraisal/assessment discussion with my immediate supervisor for the 2017/2018 assessment year	Frequency	Percent
Yes	93	100.0

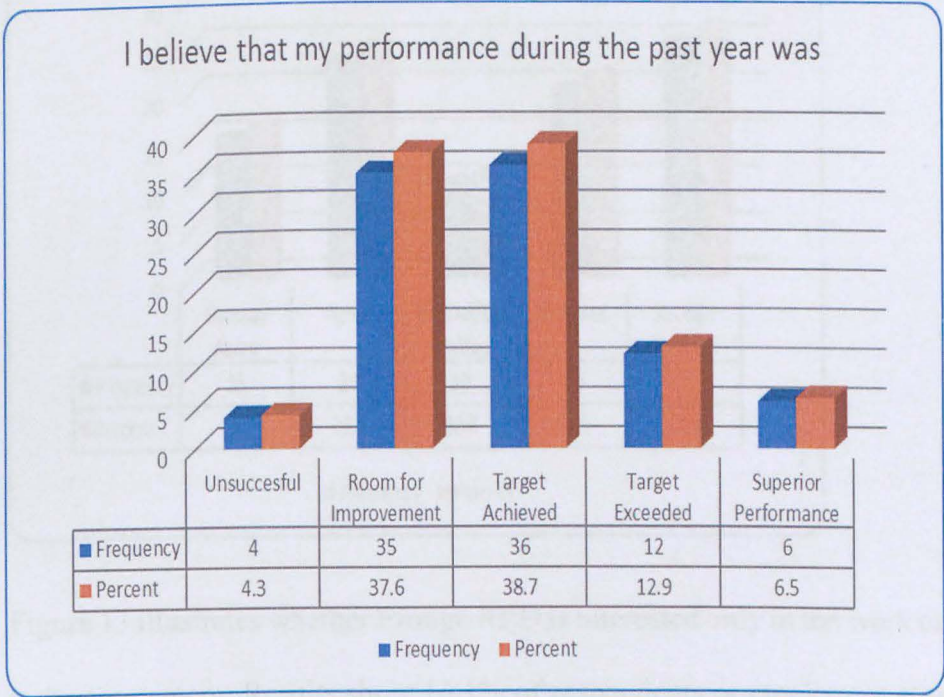
Figure 10 shows all employees of Erongo RED covered in the study completed a performance agreement during 2017 /2018 period. During the first phase of the performance management system, only C4 and upper bands were eligible to complete a performance agreement. The second phase made provision for C3 and lower bands to take part hence the response to this statement was yes. The data confirms that the respondents discussed and understood their performance agreements.

Figure 11: Final Assessment on performance from my supervisor this year



From Figure 11 above, 62.4% of the employees responded that their final assessment was about what they expected and 23.7% had results higher than expected. Only 14.0% had an assessment lower than expected. Results above show that most of the respondents, after being assessed by their respective supervisors, felt that their performance was what they expected, which according to the Erongo RED performance agreement is an average rating which could lead to a performance bonus at the end of the assessment period. From the above, it is clear that the respondents performance was assessed more than their expectations.

Figure 12: Performance level expectation



From figure 12 above, 38.7% of the employees responded that they believe that their performance during the past year was target achieved and 37.6% believed that there is room for improvement. Results show that 12.9% of the employees exceeded their target, while, 6.5% believed their performance was superior and only 4.3% responded

unsuccessful. The results demonstrate that a higher rate of employees or respondents believed that they achieved their targets and could be interpreted by them as qualifying for a performance bonus or incentive.

4.2 Employee perception on the Performance Management System

In this section:

Figure 13: Interest only in employees' work delivery

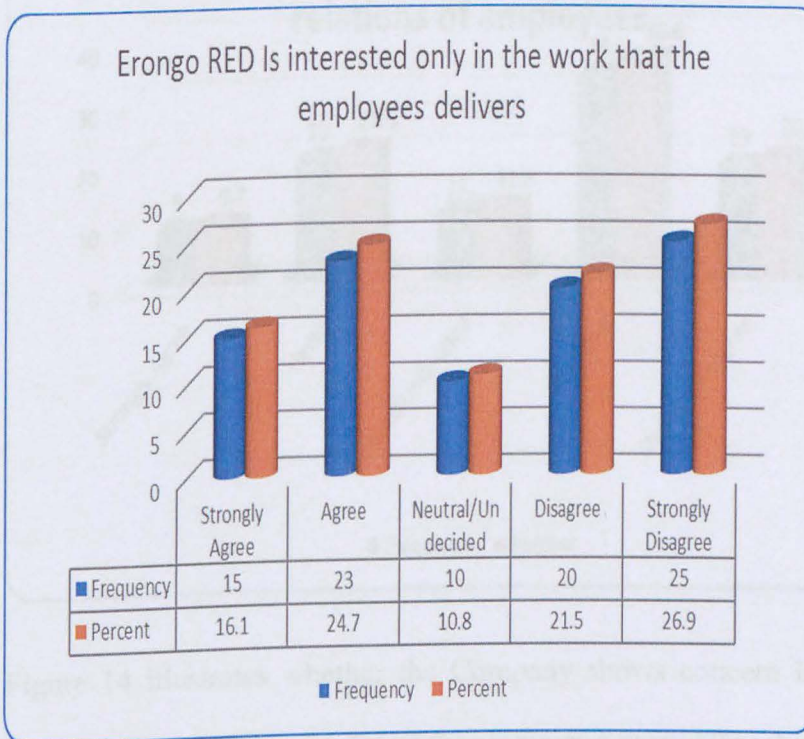


Figure 13 illustrates whether Erongo RED is interested only in the work employees deliver in its assessment. Results show 16.1% of respondents or employees strongly agreed and 24.7% agreed to the perception that the company is more interested only in the work they deliver while 10.8% were neutral. About 21.5% disagreed and 26.9% strongly disagreed with the statement. Results show employees consider the PMS at Erongo RED as assessing more than just the work people do. Since the occurrence of those that agree with the statement is close to those that disagree, the company needs to further review the

assessment instrument and the principles incorporated in the instrument. With 40.8% feeling the company is more interested in the work delivered there is need to find out from employees what else needs to be included in the instrument to improve balance in the assessment instrument to cover all areas of concern.

Figure 14: Little concern for personal relations

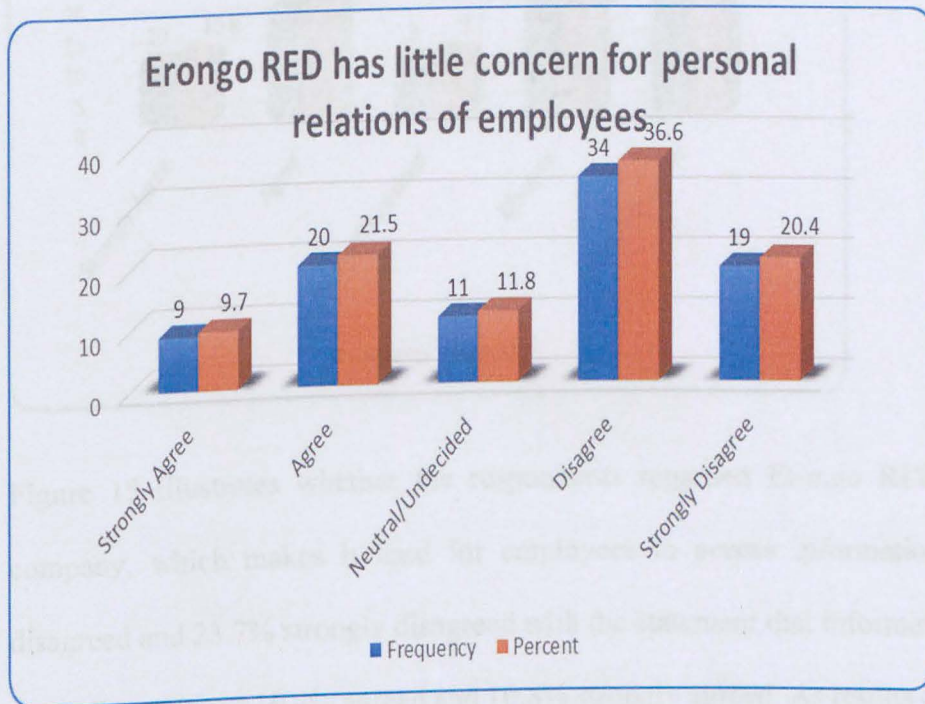


Figure 14 illustrates whether the Company shows concern in the employees personal relations. Results show 21.5% of the employees agreed that there is little concern for their personal relations, whereas most employees i.e. 60% overall felt the company is concerned with their personal relations. The organisation may not need to be fully aware of all the employees' personal lives, showing care can go a long way towards keeping talent.

Figure 15: Access to Information

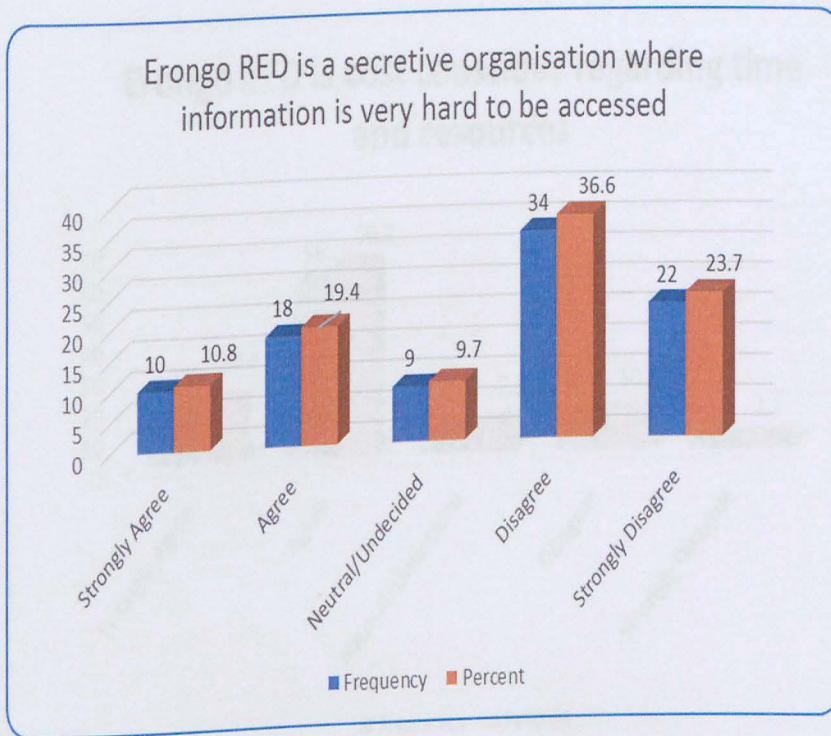


Figure 15 illustrates whether the respondents regarded Erongo RED as a secretive company, which makes it hard for employees to access information. About 36.6% disagreed and 23.7% strongly disagreed with the statement that information is not readily accessible. Almost 19.4% agreed and 10.8% strongly agreed. As results demonstrate most employees in Erongo RED felt that the company is not secretive with information related to what is assessed and how improvements may be made in future assessments of the employee.

Figure 16: Consciousness to cost of time and resources

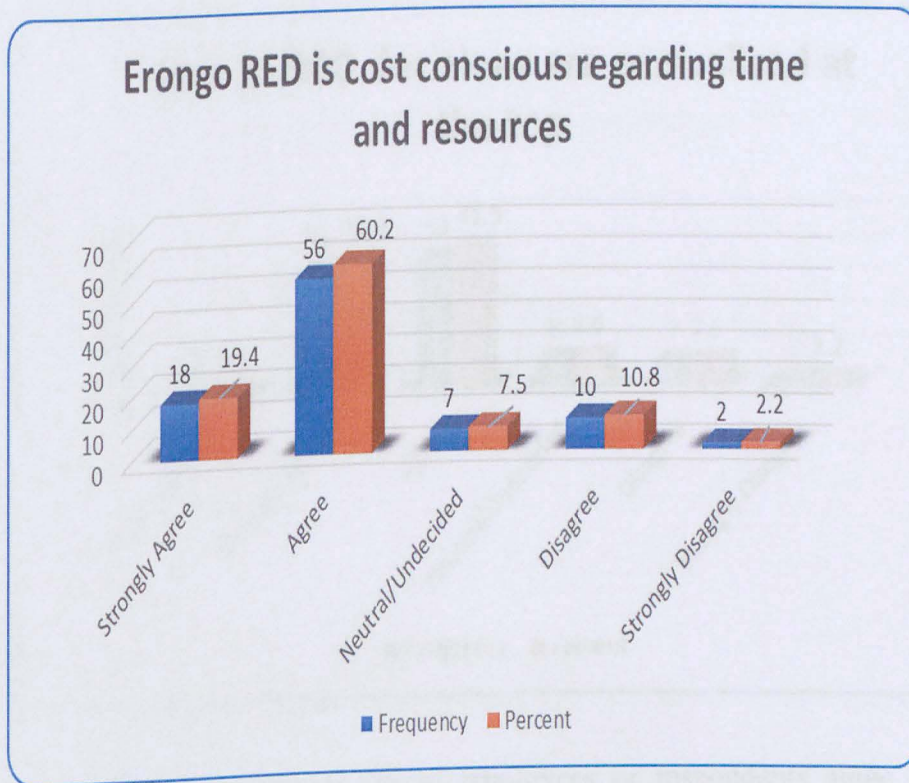


Figure 16 presents the responses of the employees when asked whether the company is highly conscious regarding costs of time and resources. The majority 79.6 % concur that Erongo RED is cost conscious regarding time and resources. Employees may have changes in their family situation or needs that call for flexibility. Although the company is behaving as expected in a corporate set-up, it needs to be conscious of the need for flexibility.

Figure 17: Centralisation / decentralisation of decision making

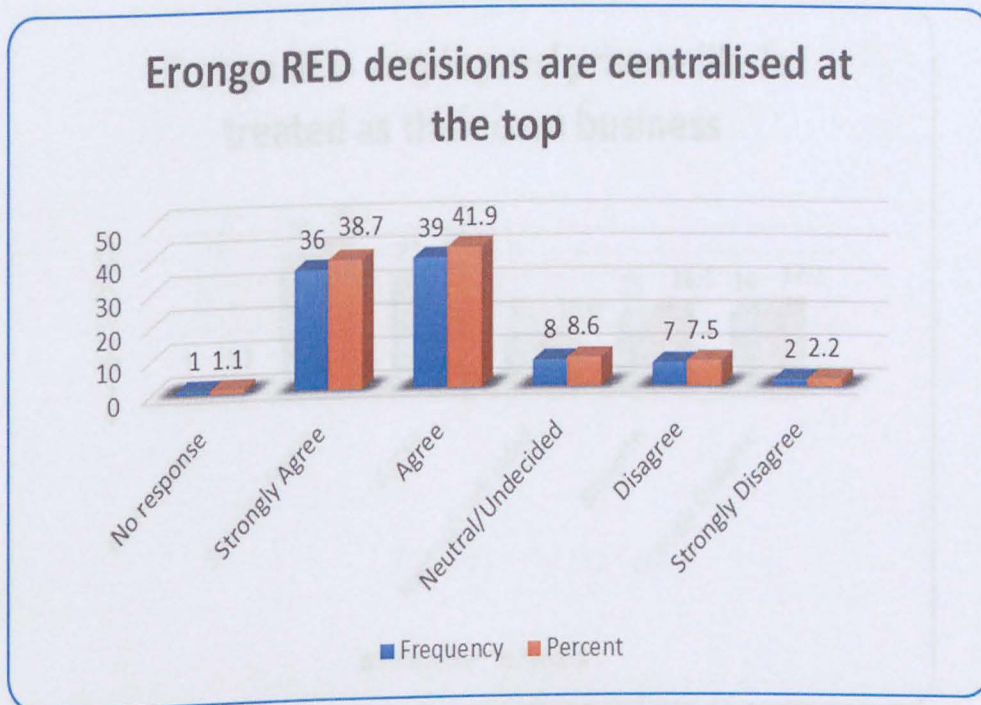


Figure 17 shows that 41.9% of employees or respondents agree that decisions are centralised and 38.7% strongly agreed with the perception of centralisation. The overall perception is that of centralized decision making at Erongo RED. The perception may be a result that employees at subordinate level feel that they cannot take decisions on issues in the absence of a lead. Employees see no growth or motivation in the company, hence results into him/her being disloyal.

Figure 18: Treatment of employees' private life

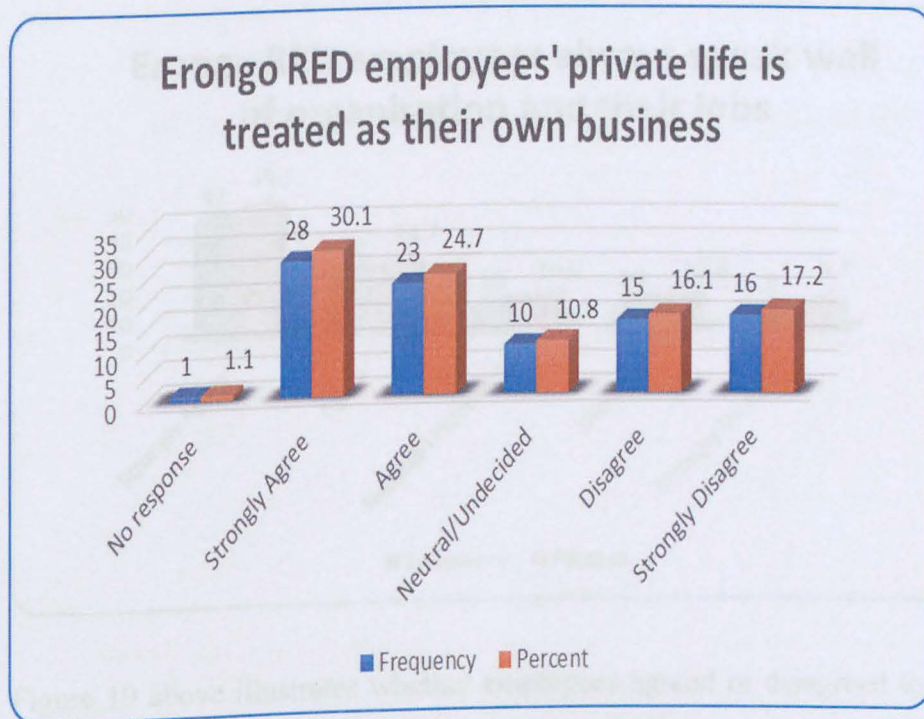


Figure 18 shows that 30.1% strongly agreed and 24.7% agreed that employees' private life is treated as their own, 17.2% of the employees strongly disagreed, 16.1% disagreed, 10.8% were neutral and 1.1% had no response. The majority (54.8%) generally agreed with the notion above while 33.3% generally disagreed. The results demonstrate that the company does not normally involve itself in the private life of its employees.

Figure 19: Employee opinion on company

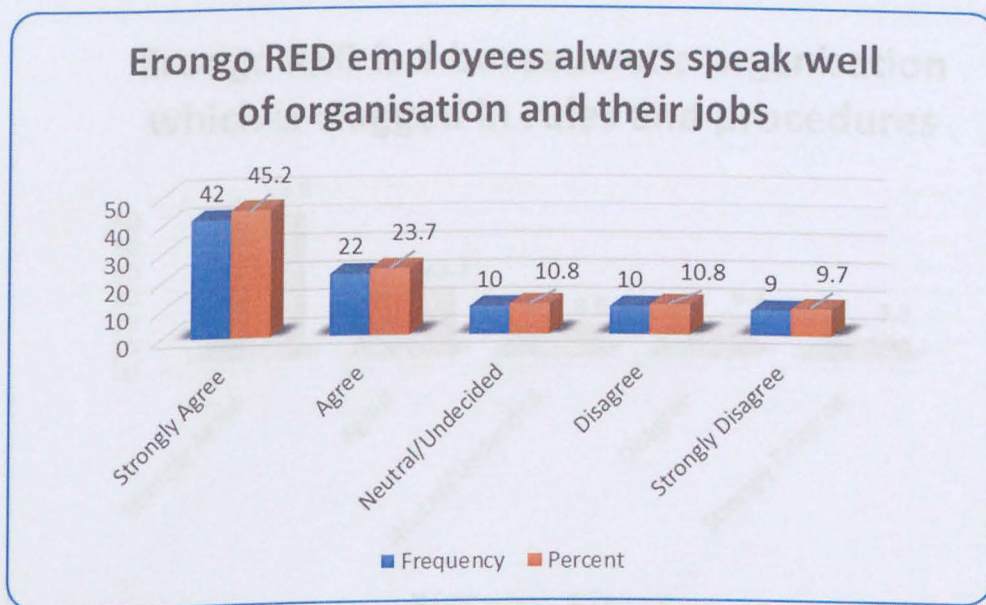


Figure 19 above illustrates whether employees agreed or disagreed to always speaking well of the company and their jobs. About 69.8% of Erongo RED employees concurred to a positive opinion of their company and that they do speak well of their organisation and jobs whereas only 9.7% strongly disagreed. The neutrality and disagreement can be interpreted as employees not knowing where they stood regarding always speaking well of the organisation and their jobs.

Figure 20: Bureaucratic organisation clogged in rules and procedures

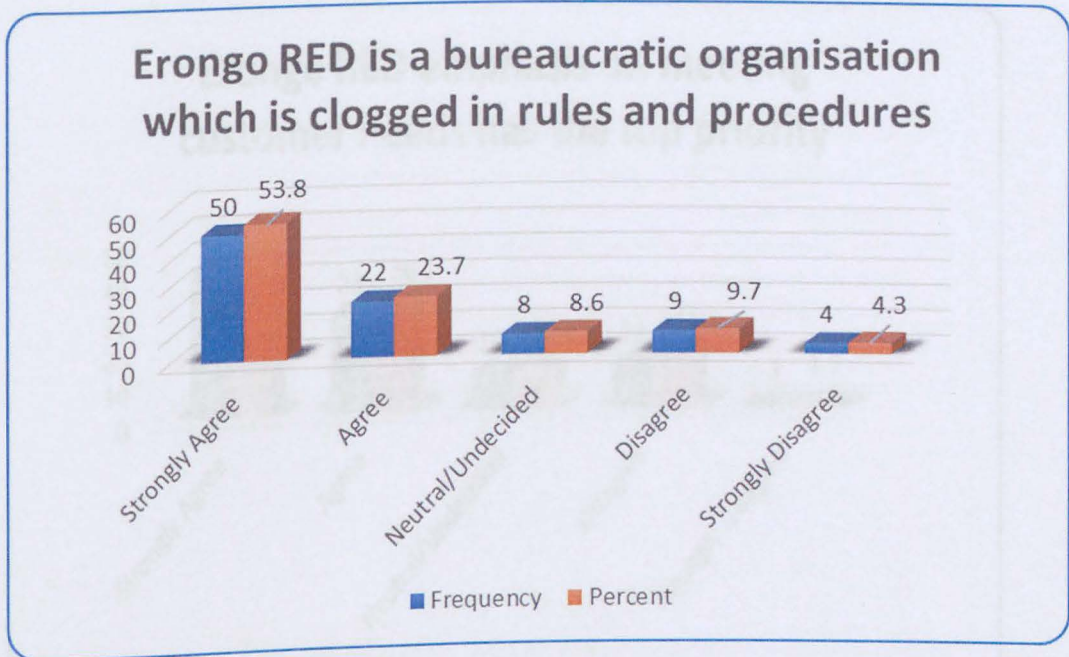


Figure 20 above, shows that 53.8% of the employees strongly agreed that Erongo RED is bureaucratic and 23.7% agreed. Only 14 % disagreed with the perception on bureaucracy. As can be observed, the majority (77.5%) generally agreed that Erongo RED is a bureaucratic organisation which is bogged in rules and procedures. The high level of the perception of bureaucracy is lack of accountability and responsibility by management. Management may have the habit of pushing the burden of responsibility downward.

Figure 21: Priority on Customer needs

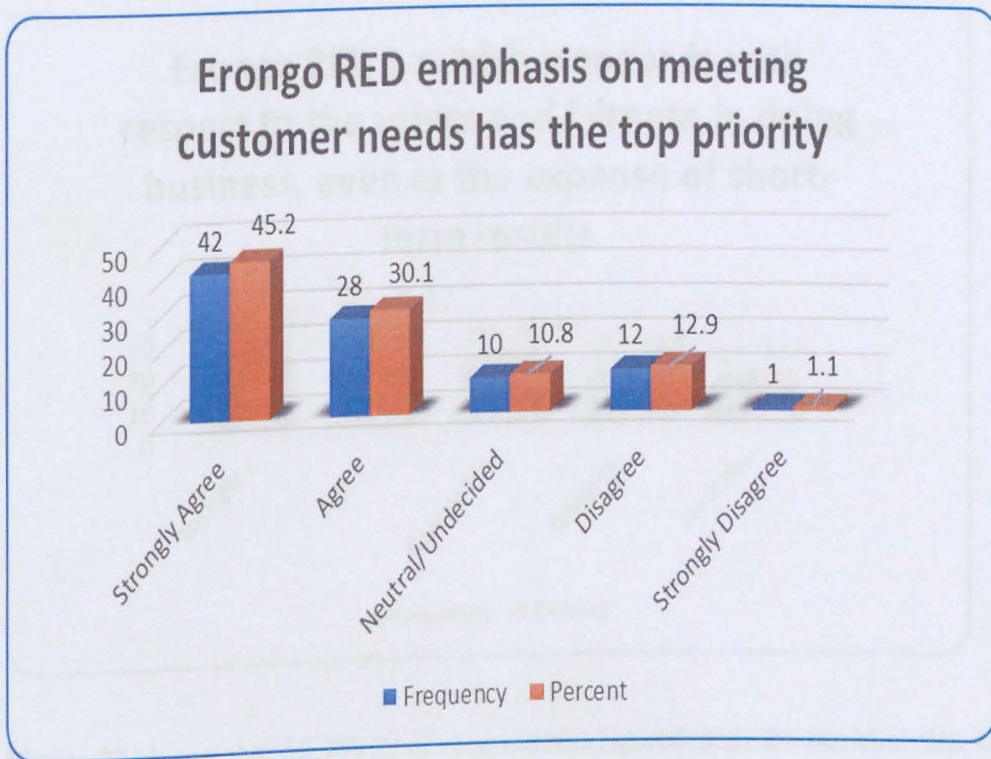


Figure 21 presents the responses of the employees when asked whether Erongo RED places emphasis on meeting customer needs as top priority. About 75.3% concurred that emphasis on meeting customer needs has top priority for Erongo RED. If employees feel they have real power to address problems when they detect them, and they are given the necessary tools to act as well as understand how their performance affects the customers and the business, they are more likely to make customer focus an integral part of their routine.

Figure 22: Ethics and fairness in doing business

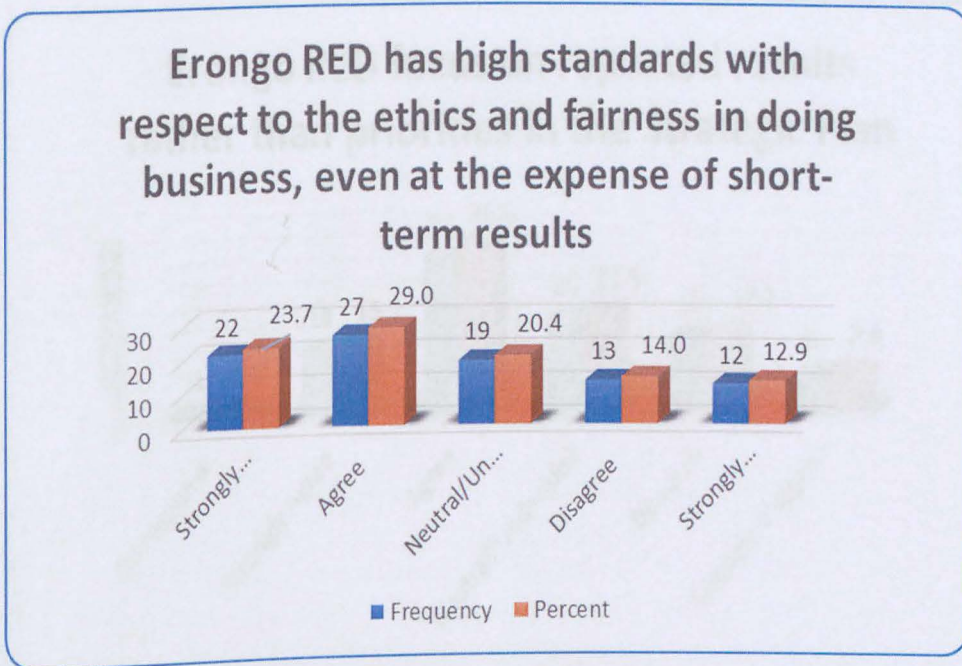


Figure 22 shows that 52.7% of respondents agreed with the position that Erongo RED has high standards with respect to the ethics and fairness in doing business, even at the expense of short-term results. About 12.9% of the employees strongly disagreed or just 14% disagreed. Although Erongo RED is very conscious of the need for results it still insists on ethically achieved results.

Figure 23: Priorities in achieving the results

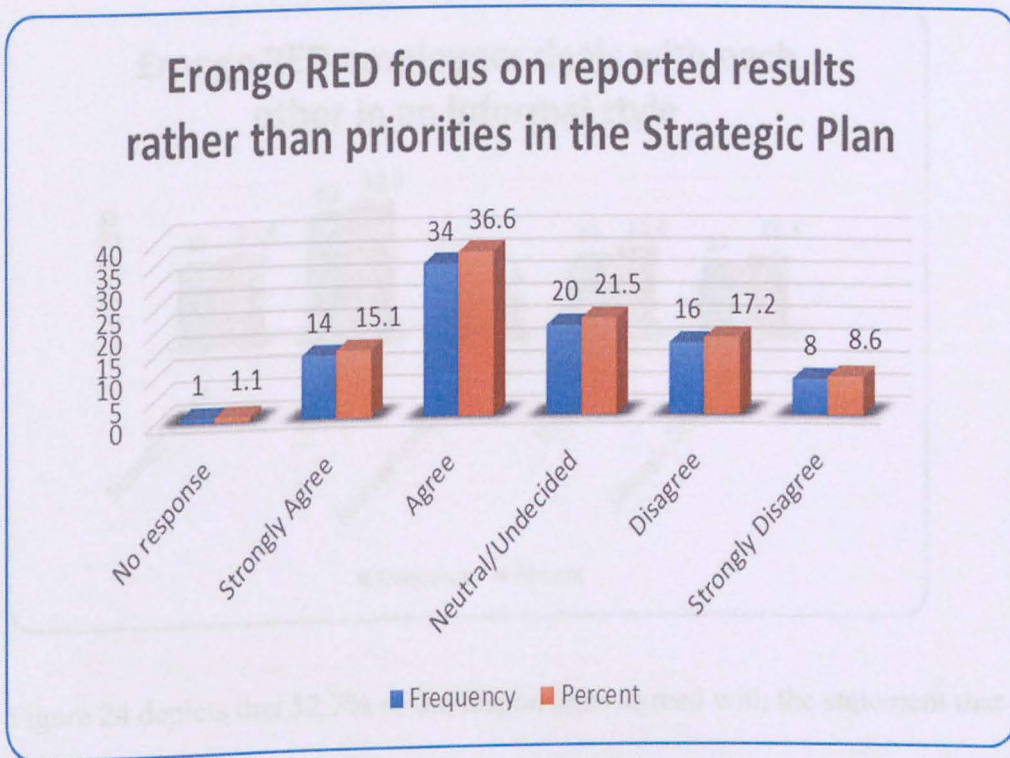


Figure 23 shows that 51.7 % concur with the assessment that the company focus is on reported results rather than priorities in the strategic plan while 25.8 % disagree. The majority (36.6%) of the employees who strongly agreed to the above illustrated notion felt that the business planning process and the strategy itself should be well understood across the organisation. Staff members felt that they are given tasks to support business planning without adequate context to allow them to effectively make decisions. Employees should be provided with room and adequate resources to work and make decisions within the right context.

Figure 24: Employees deals with each other in an informal style

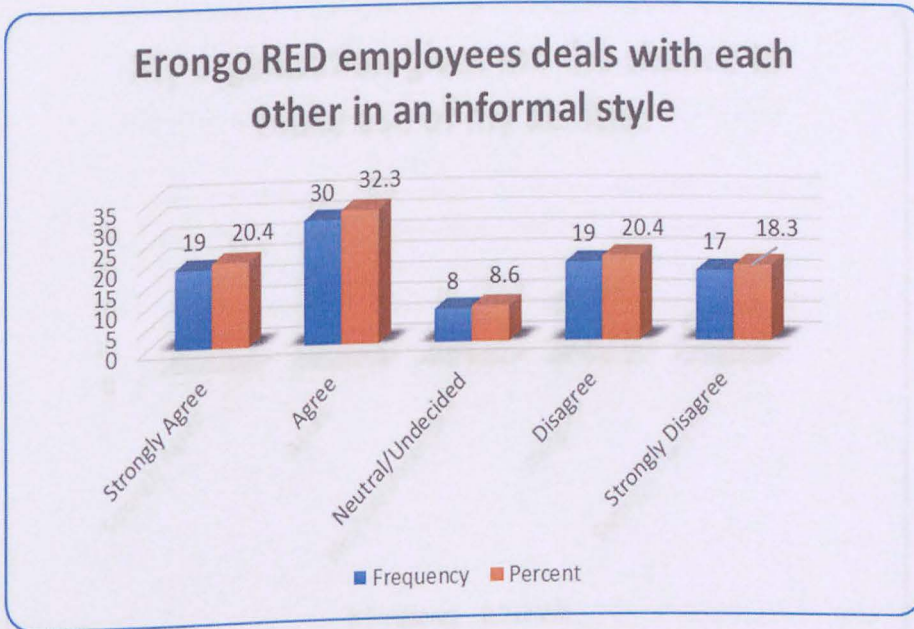


Figure 24 depicts that 52.7% of the respondents agreed with the statement that employees deal with each other in an informal style, while 48.7% disagreed and about 8.6% felt neutral to whether employees deal with each other in an informal style. Results show that the number for those who agree with the statement is close to that for those that disagree. Therefore, the company needs to consider a team work orientated style approach as team work is considered as one of those factors that can result in better performance for the company.

Figure 25: Abilities

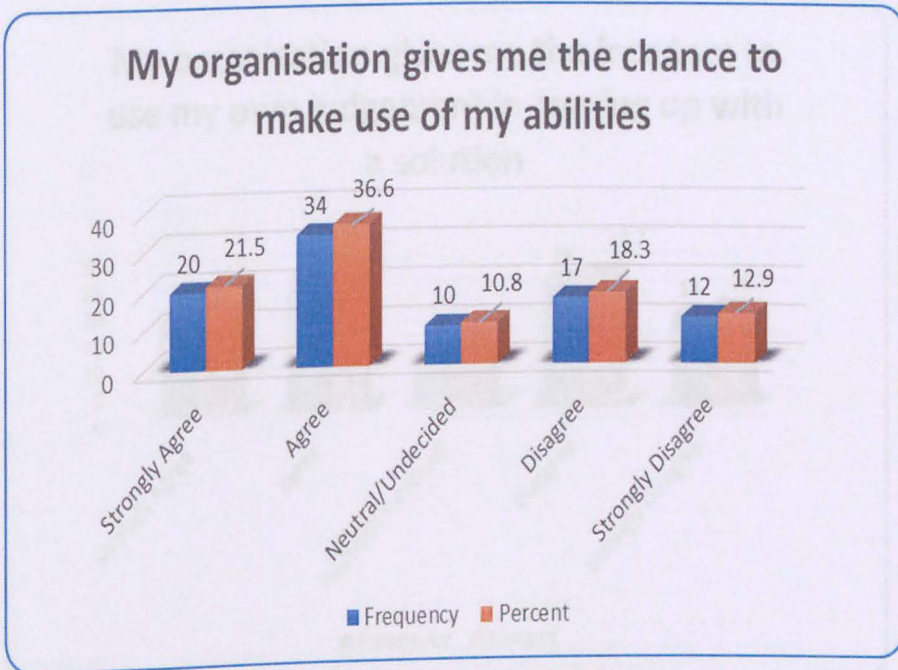


Figure 25 illustrates, whether the organisation gives the employee the chance to make use of their abilities. Results show 36.6% of employees agreed and 21.5% strongly agreed to the statement that they are given the opportunity to use their abilities. Almost 18.3% disagreed and 12.9% strongly disagreed. As results demonstrate, most employees were relatively happy with the company giving them the opportunity to use their abilities and felt that it is an important quality for them being more effective at work.

Figure 26: Freedom to use my own judgement



Figure 26 presents responses of the employees when asked whether the company provides the freedom to use own judgement to make solutions or decisions. About 46.3% concurred that the company gives them the freedom to use own judgement and come up with possible solutions. While 43% disagreed with this statement and an overall 10.8% of the employees were neutral to this perception. Results show that the occurrence of those who agree with the statement is close to those that disagree. Leaders or supervisors should implement mechanisms to engage employees in decision making and create the necessary platform for them to feel part of important tasks or activities

Figure 27: Challenging job

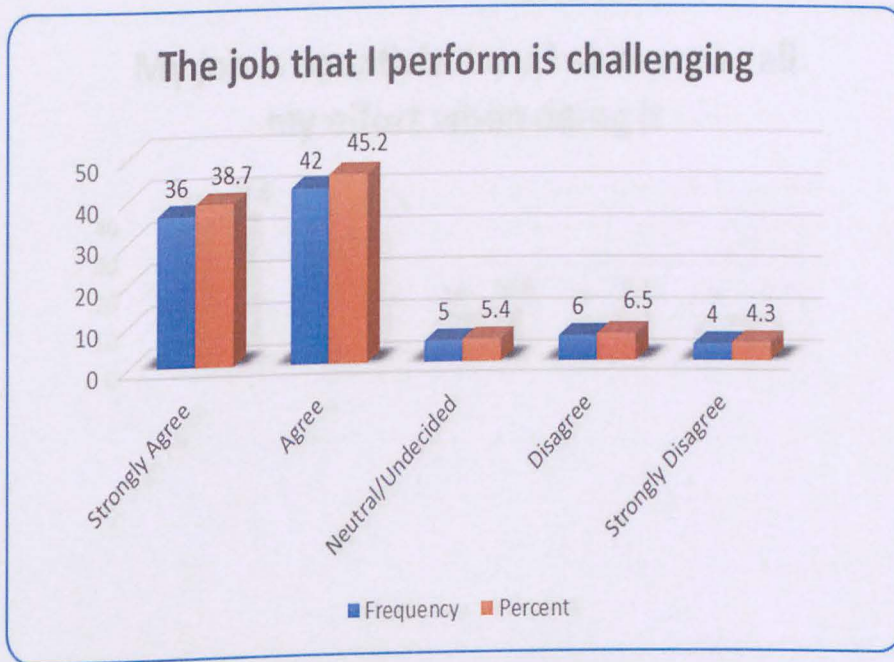
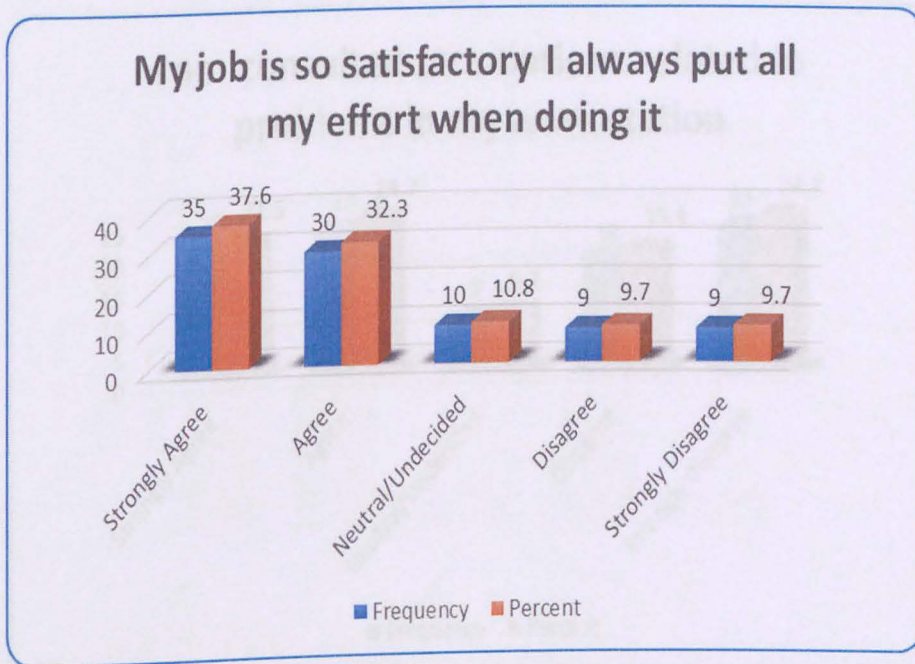


Figure 27 shows, that most of the participants, (83.9%) concurred that the jobs they are responsible for are challenging. Relatively few respondents (10.8%) disagreed and 5.4% of respondents were undecided to the statement that the job they perform is challenging. Results show that employees' challenges of their jobs were likely to be intrinsic to the role, however the company should ensure that all staff know how to access training and support when faced with the more difficult tasks.

Figure 28: Job satisfaction



From figure 28 above, 37.6% of the employees strongly agreed and 32.3% agreed to the statement that their job is satisfactory and always put all effort when doing it. About 19.4% disagreed and 10.8% felt neutral to this statement. Although the majority (69.9%) of employees agreed to their jobs being satisfactory. The aim of leadership should be to strive for the improvement of employee performance, quality of work, to increase quality and at the same time to bring pride of workmanship to the employees.

Figure 29: Consultation on solutions

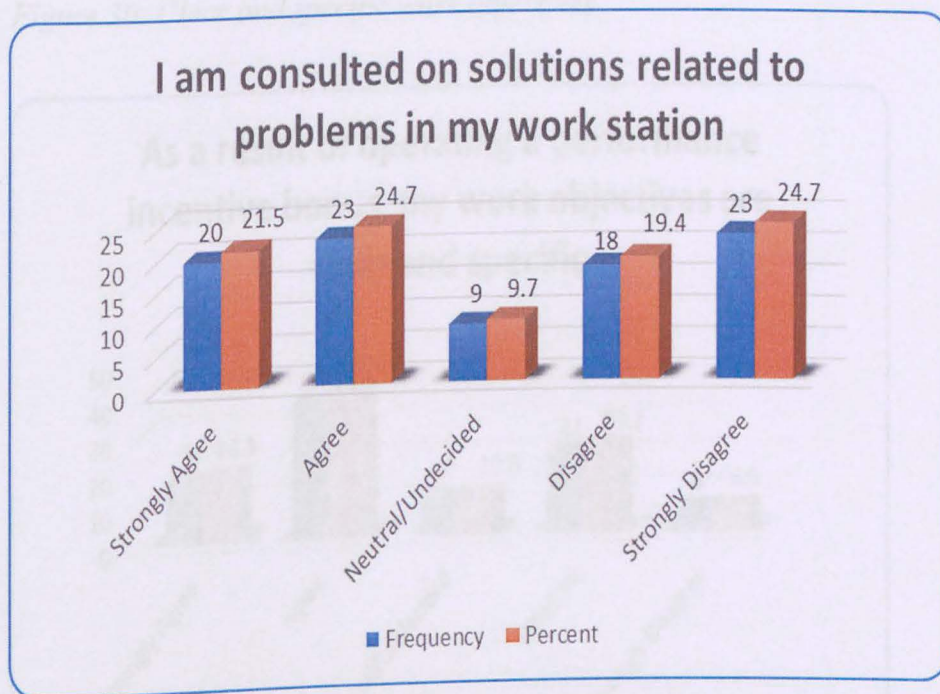


Figure 29 display that 44.10% of respondents or employees disagreed to the notion of being consulted on solutions related to problems in their work station. Overall 46.2% of employees concurred to being consulted on solutions related to problems in their work station, while 9.7% was undecided. As results corroborate, the occurrence of those that disagree with the statement is close to those that agree, the supervisors or managers need to establish new processes in such a way that employees can also contribute their ideas and suggestions.

4.3 Measuring employee performance for reward / bonus

Figure 30: Clear and specific work objectives

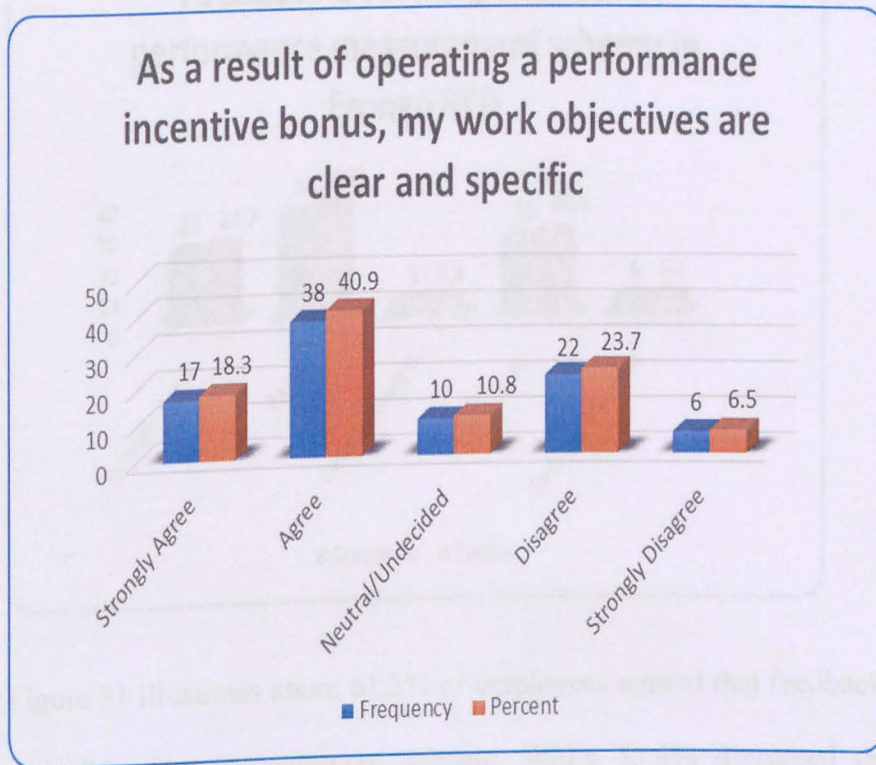


Figure 30 show 59.2% of employees concurred that because of operating a performance incentive bonus, the work objectives are clear and specific. About 30.2% of employees disagreed to the view. Results illustrate that most employees believed that operating a performance incentive bonus ensures that their work objectives are clear and specific, thus the general perception of employees is that they understand what is expected of them to the assessment criteria.

Figure 31: Improvement of feedback in performance Assessment

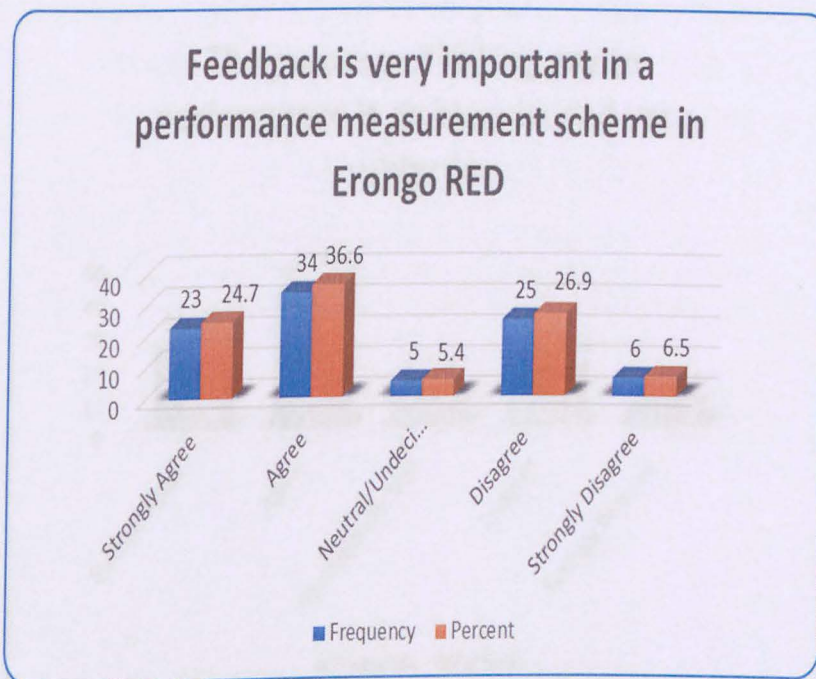


Figure 31 illustrates about 61.3% of employees agreed that feedback is very important in a performance measurement scheme. While 33.4% disagreed that feedback is very important in a performance measurement scheme. Results show that most employees felt that the scheme helps them to see how their work contributes to the organisation and they also thought that feedback helps to increase communication with their line managers or supervisors.

Figure 32: Linking pay to performance

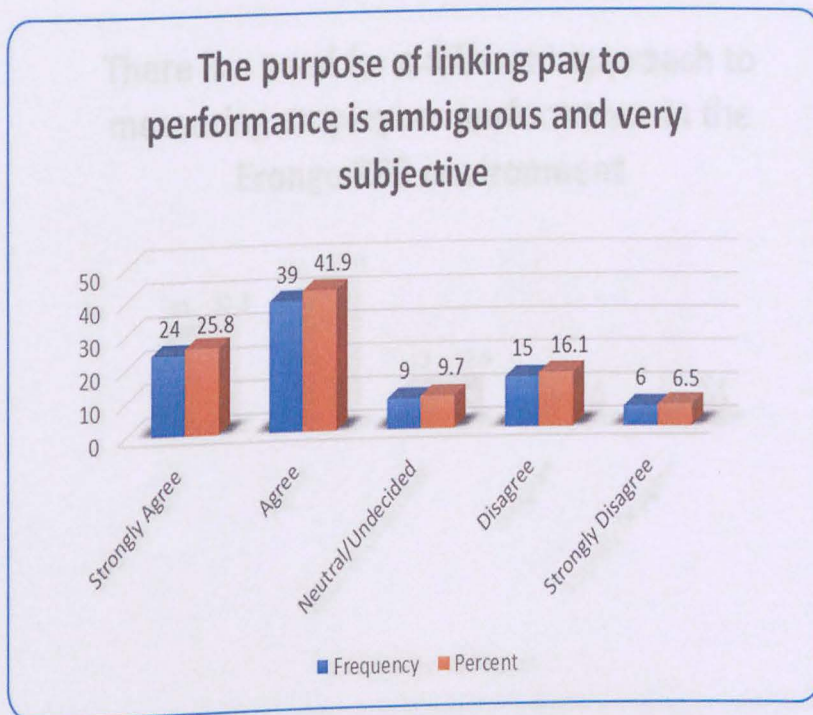


Figure 32 illustrates whether the purpose of linking pay to performance is ambiguous and very subjective. Results indicate 41.9% of respondents or employees agreed and 25.8% strongly agreed to the perception that the statement of linking pay to performance is ambiguous and very subjective. While 9.7% felt neutral. About 16.1% disagreed and 6.5% strongly disagreed with the statement. Results show that there is a general perception that the process of linking pay to performance is ambiguous and subjective. Besides, it is beyond the scope of this study to evaluate whether this principle is effective or not.

Figure 33: Approach to measuring employee performance

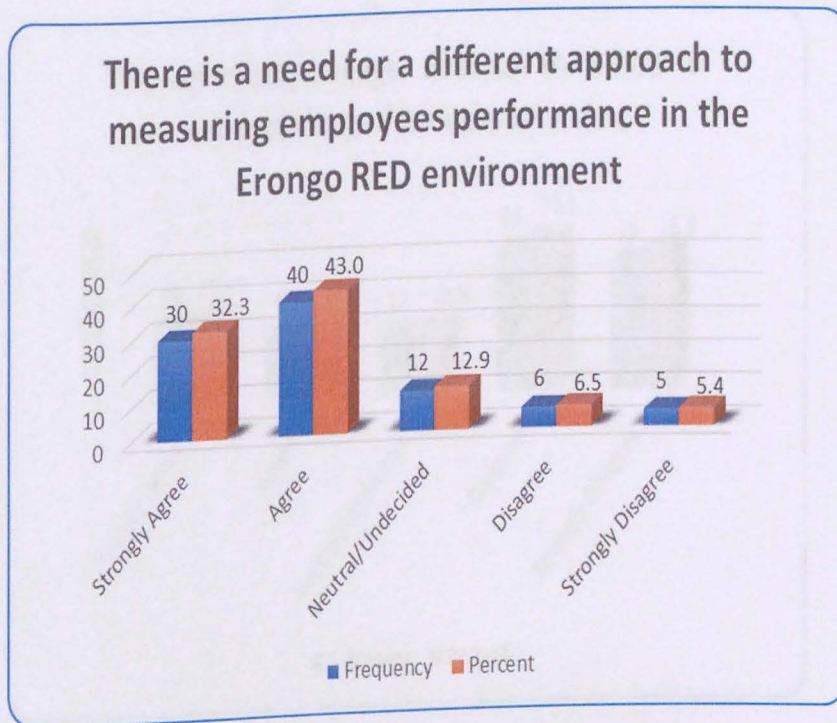


Figure 33 illustrates the majority (75.3%) of respondents concur that there is a need for a different approach to measuring employee performance. While 11.9% of respondents disagreed and 12.9% were neutral to the notion of whether there is a need for a different approach to measuring employee performance. Results demonstrate that the company need to review different approaches to measuring employee performance. Employee buy-in is required to find out what approaches can be more effective.

Figure 34: Conduct the performance interview

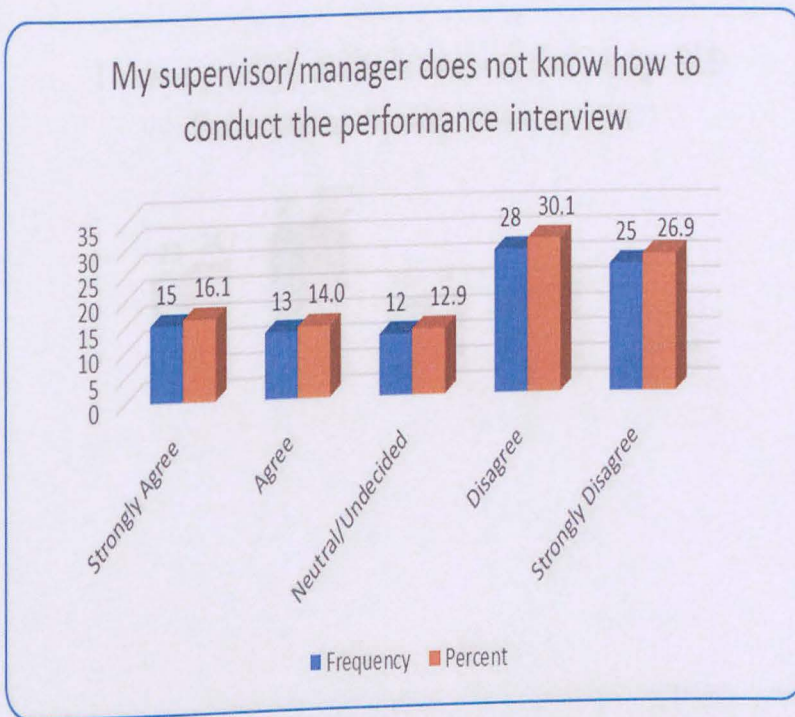
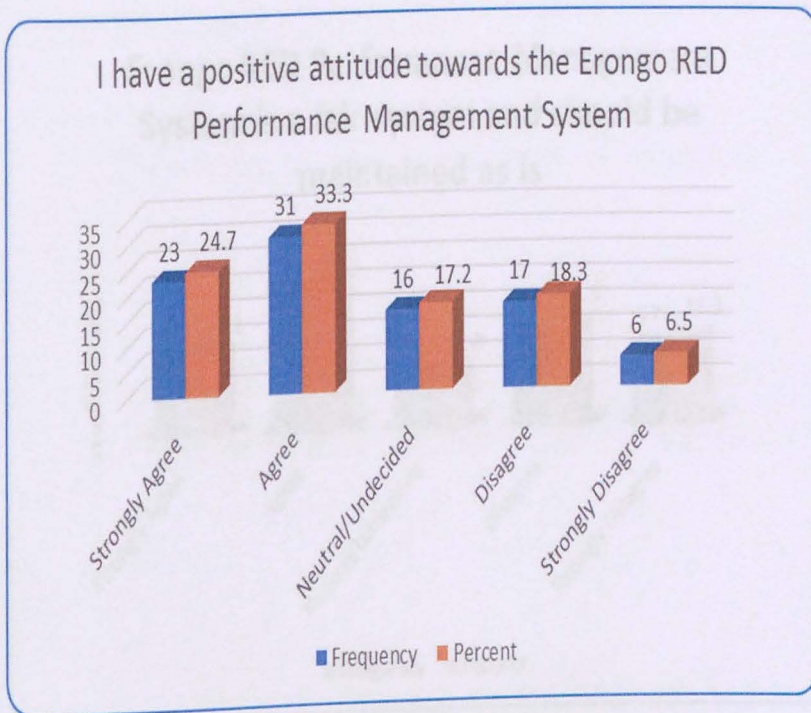


Figure 34 above presents the majority (57%) of employees who disagreed to the statement that supervisor or manager does not know how to conduct the performance interview. About 30.1% of employees concurred that the supervisor or manager does not know how to conduct the performance interview. The results show that most employees disagreed to the statement and could be brought by the fact that employees were protecting themselves.

Figure 35: Positive attitude towards the PMS



From figure 35 above, the respondents' perception on whether they have a positive attitude towards the company's PMS. The majority 58% of respondents concur to the notion of having a positive attitude toward the Erongo RED PMS. While 24.8% of respondents disagreed and 17.2% felt neutral. Results reveal that the majority (58%) of employees have expressed general support and acceptability of the PMS in the company.

Figure 36: Fairness of performance management system

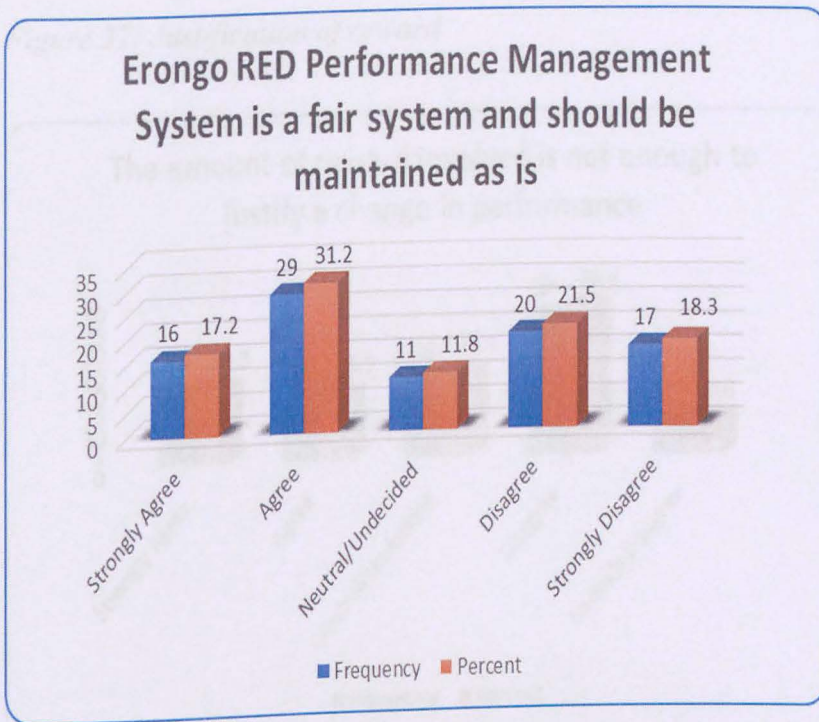
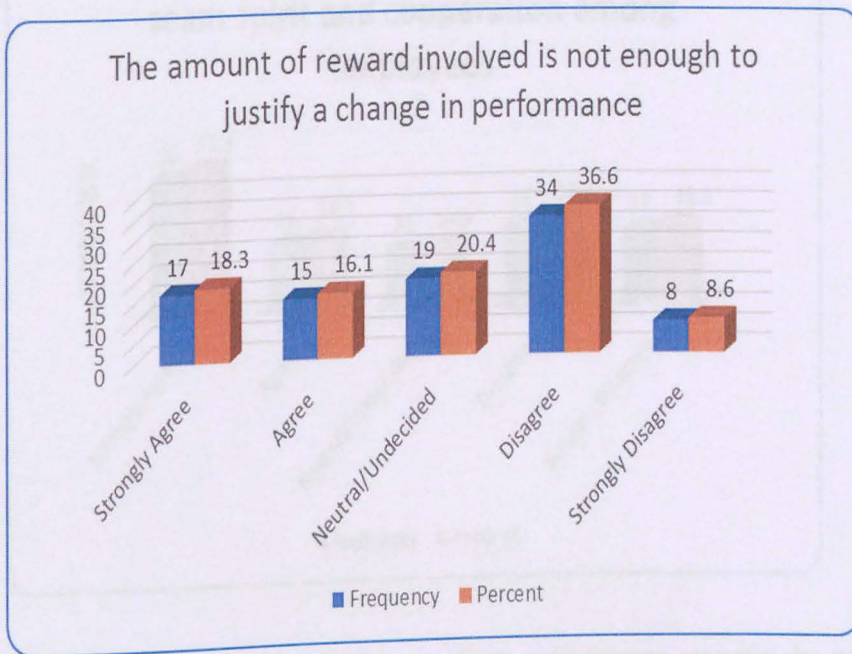


Figure 36 shows that 48.4% of employees concurred that the company's PMS is a fair system and should be maintained as is. About 39.5% of employees disagreed to the statement. Results demonstrate the majority (48.4%) perceive the PMS to be fair and should be maintained, this could be due to the fact that the company ensures its expectations and evaluation criteria is clear and known to employees.

4.4 Erongo RED performance management system, rewards determination and drawbacks

Figure 37: Justification of reward



From figure 37 above, respondents were asked whether the amount of reward involved is not enough to justify a change in performance. About 45.2% disagreed that the amount of reward involved is not enough to justify a change in performance. While 34.4% of employees concurred to the statement and an overall 20.4% were undecided. The majority (45.2%) could be concluded as those employees who regard reward as not enough or sufficient basis to justify a change in performance. The company need to explore other means to motivate employees.

Figure 38: Team spirit and cooperation among employees

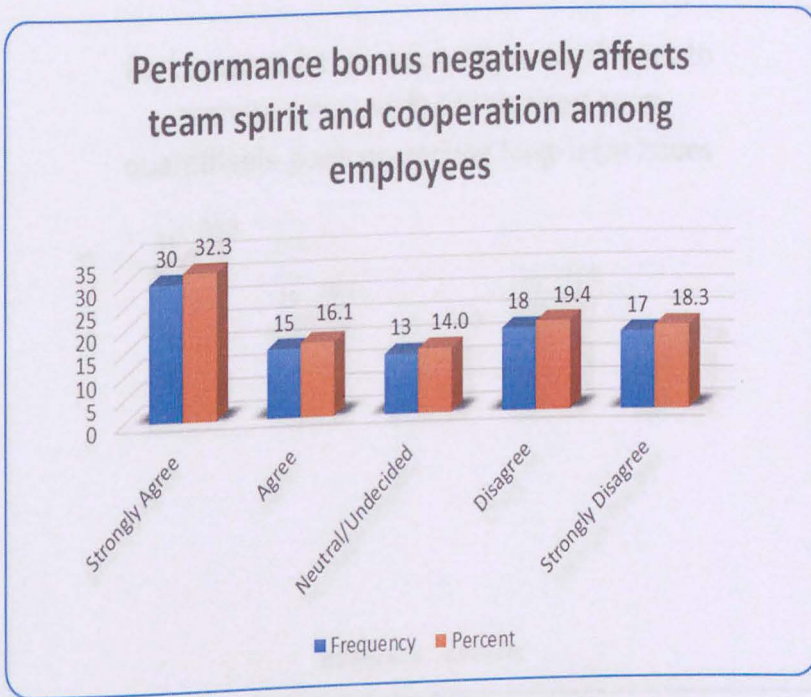
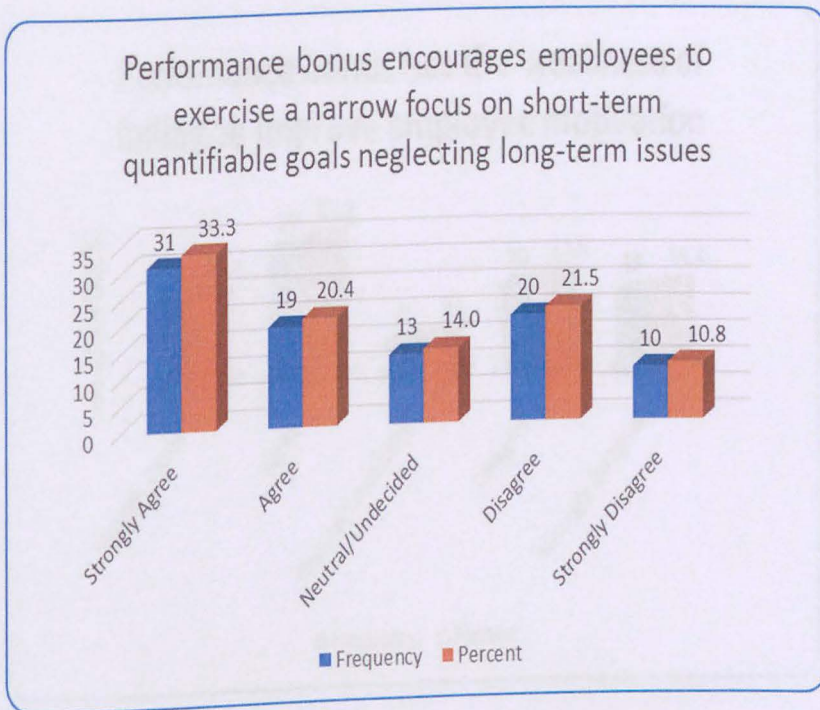


Figure 38 illustrates whether performance bonus negatively affects team spirit and cooperation among employees. Most respondents (48.4%) concurred with this notion, an overall 37.7% of respondents' disagreed and just about 14% was undecided. Results show that the majority of employees are however not pleased with the team spirit and cooperation among employees due to the fact that the performance bonus negatively affects those areas.

Figure 39: Short-term quantifiable goals and neglecting long-term issues



From figure 39 above, the majority (53.7%) of employees or respondents concurred to the statement that performance bonus encourages employees to exercise a narrow focus on short term quantifiable goals neglecting long term issues. About 32.3% of employees disagreed to the statement and an overall 14% felt neutral. Results show that employees perceive that money is not the best reward which is on the other hand perceived or assumed as the best measurement tool. This statement concurs with the concern reiterated in literature that pay being an extrinsic reward system, will only have a significant impact on performance as a motivational device for a short period of time.

Figure 40: Failure to improve employee motivation

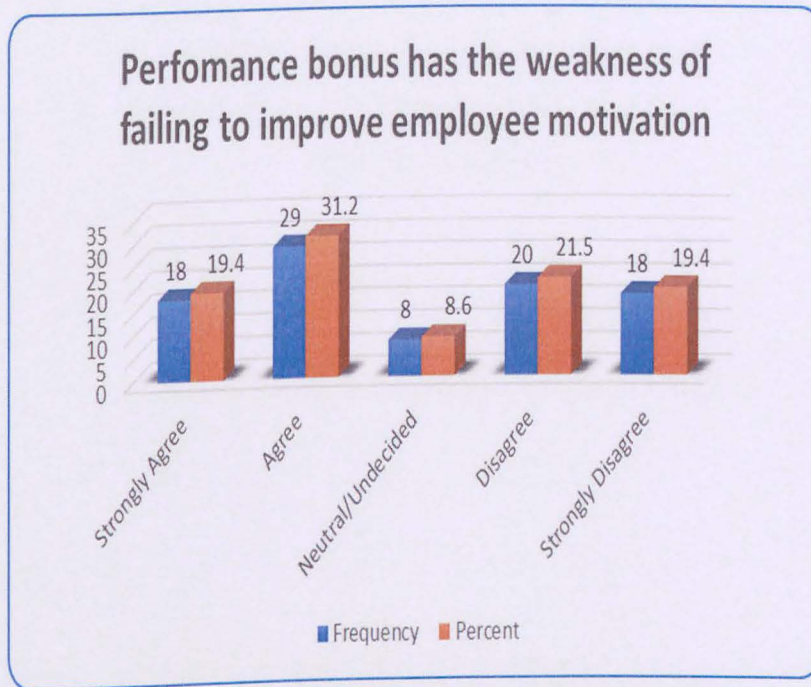


Figure 40 show 50.2% of respondents agreed that performance bonus has the weakness of failing to improve employee motivation. Overall 40.9% disagreed to this notion and 8.6% were neutral. Employees believe that the company's performance bonus scheme can fail to improve employee motivation, therefore Erongo RED should review the assessment criteria and investigate in detail what motivates employees in order to choose the appropriate measuring tool which leads to a greater employee motivation.

Figure 41: PMS assumes that money is the reward

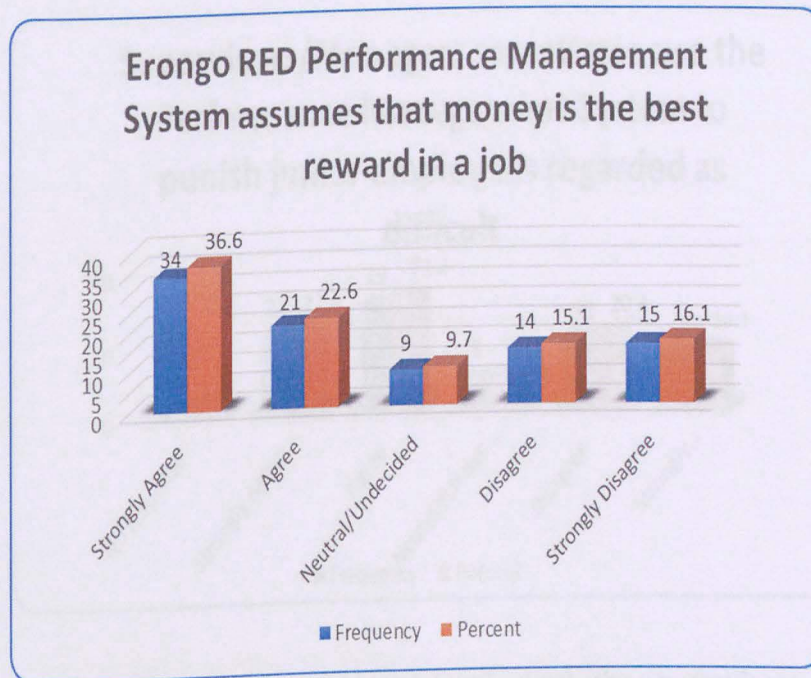
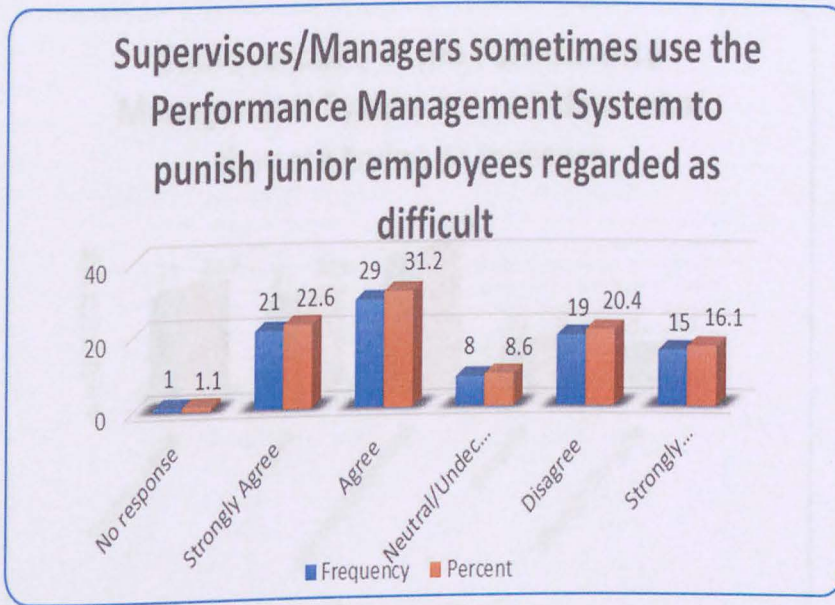


Figure 41 illustrate 36.6% of employees that strongly agreed and 22.6% agreed when asked whether Erongo RED performance management system assumes that money is the best reward in a job. While 15.1% disagreed, 16.1% strongly disagreed and about 9.7% felt neutral to this statement. As much as the company views money as the best reward in a job, it does not indicate how big a motivating factor money really is once employees' basic needs are met. The company should therefore encourage learning and development opportunities frequently and this can result in employee motivation.

Figure 42: PMS used as punishment



From figure 42, respondents were asked whether supervisors / managers sometimes use the performance system to punish junior employees. About 53.2% concurred with the statement, while just about 36.5% disagreed and 8.6% was undecided to the statement that supervisors or managers using the PMS to punish junior employees. Results demonstrate that the majority (53.2%) of the employees are of the opinion that the PMS is used to punish junior employees. Therefore, supervisors or managers should clarify employee roles and responsibilities in such a way that employees understand what is expected of them before an assessment is conducted.

Figure 43: Unclear PMS areas for measurement

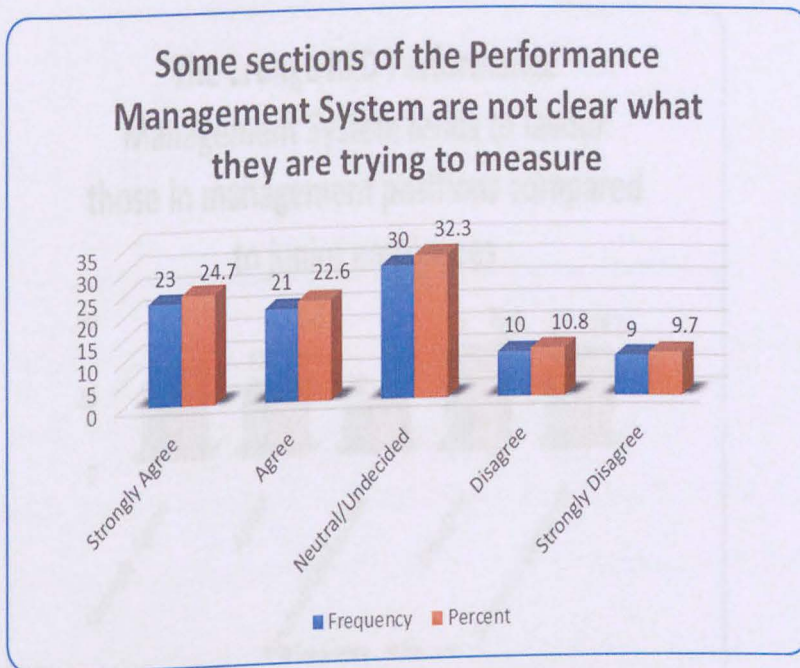


Figure 43 demonstrates that 47.3% of employees agreed to the view that some sections of the PMS are not clear what they are measuring. While 32.3% of employees were surprisingly undecided on this statement. About 20.5% of the employees disagreed to the view. It is evident from the results shown that the majority (47.3%) of employees do not understand the measurement process within the Erongo RED performance management system. Thus, it is important as alluded in the literature review of this study that operating an effective performance management system the employees work objectives should be clear and specific and employees should know exactly what is required from them.

Figure 44: Favouritism

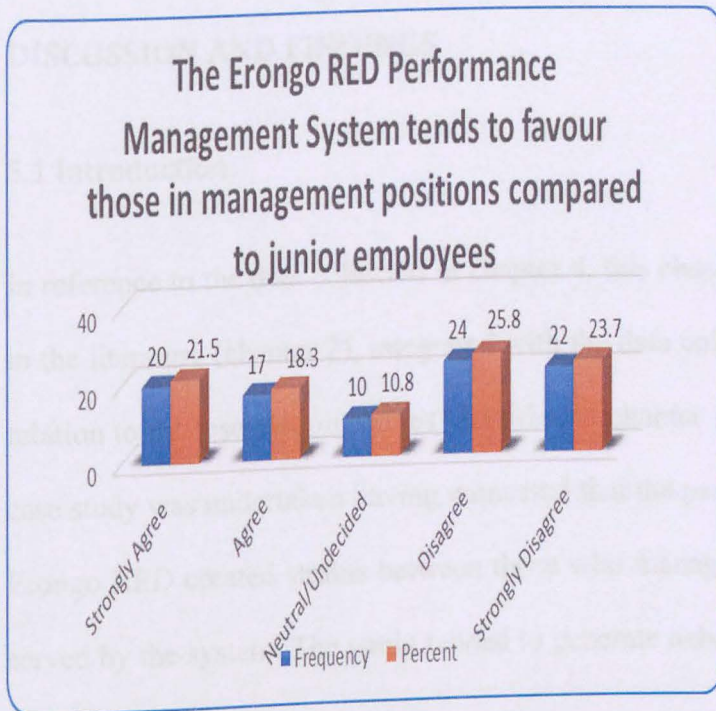


Figure 44 illustrates, whether the Erongo RED performance management system tends to favour those in management positions compared to junior employees. Results show that 25.8% of the participants or employees disagreed and 23.7% strongly disagreed, while 10.8% were neutral. About 21.5% strongly agreed and 18.3% agreed to the notion. The majority (49.5%) of the employees tended to disagree with this view, thus results demonstrate that the perception of these employees is that the system is transparent, which is contrary to what is perceived by other employees in that the system is not transparent.

CHAPTER FIVE

DISCUSSION AND FINDINGS

5.1 Introduction

In reference to the data collected in chapter 4, this chapter discusses the main arguments in the literature (chapter 2), integrated with the data collected from the questionnaires in relation to the research objectives identified in chapter 1. It is worth mentioning that this case study was undertaken having witnessed that the performance management system at Erongo RED created strains between those who managed the system and those who are served by the system. The strain tended to generate debate for and against the objectivity of the system.

5.2 Restatement of the objectives of the study

- To assess the performance management system on the performance of the employees of Erongo RED
- To identify the impact of the performance management system on employee attitude in Erongo RED
- To determine how Erongo RED Executives / Employees perceive the principle of linking incentives (performance bonuses) to performance.
- To identify the drawbacks of the Performance Management System at Erongo RED

5.3 Demographic information of the respondents

The demographic evidence of this study revealed that the majority of respondents are male. Questionnaires reflected 58% as shown in figure 5. The higher percentage of male respondents indicates the gender disparity in Erongo RED. This is because of the expertise of technical requirements, which is not commonly found in women. This also reflects that the main drivers of the implementation of PMS in Erongo RED are male. The researcher was interested with the distribution of sex, because it would ensure a balanced (of both male and female) to the response of the research questions.

In addition to the above, the demographic findings of this study reveals that the majority of the age group of the population sample that the researcher had administered the questionnaires were between 31-40 years, which mostly 30% comprised of skilled. Reflections from the findings are also that the majority implementers of PMS in Erongo RED are mostly skilled staff members.

Furthermore, the data presented in Chapter 4 demonstrated that 39% of the respondents had been working in Erongo RED for 5-9 years. This means that most of the respondents have been employed in the company for long, and therefore, their view of PMS was based on their long experience. The issue of longer serving personnel thus worked in the advantage of this study in terms of providing accurate data.

5.4 Performance management system on employee attitude in Erongo RED?

Figure 36, in chapter 4 indicated that employees think that PMS in Erongo RED is a fair system and should be maintained as is. The presented data in Chapter 4 indicate that the majority 48% of employees think that PMS is a fair system. Employees further felt that

performance appraisal. The study concluded that employee perception of the performance management system was not necessarily influencing individual performance.

Perceptions principally relate to social contacts rather than to procedures. In order to develop positive perceptions, organisations should ensure that their processes are clear in relation to the key performance indicators and rewards, consistent feedback and clear explanations about performance management processes by Managers (Palethorpe, 2011). Recognition and rewards are one of the primary objectives that need to be aligned with the overall organisational strategy. In order for a performance management system to be successful, there is need for a collaborative process between supervisors and employees. A performance management cycle should begin with a discussion of the results by the employee and the supervisor. Also, the expected behaviours and developmental aspects for better future performance (Aguinis, 2009). This collaborative aspect of the performance management process lets supervisors understand the story from a subordinate's perspective (Robbins, 2007). This would therefore provide a forum to elaborate the expectations of employees. It also provides information for future decisions regarding promotion or rewards as well as providing a platform to attain the desired employee behaviours for better performance.

Human Resource tasks such as performance management, impact and include employees as well as supervisors. This inclusion would influence the quality of the relationship and also improve on perceptions as pointed out by (Manville & Greatbanks, 2013). As researched by Greenberg & Haviland, (2008) the employee perceptions on the organisation are largely determined by the behaviour of supervisors. This can be a key factor in communicating an organisation's perceptions to outsiders as well as stakeholders (Reynolds, 2009).

5.6 Perception of Executives and employees on the principle of linking incentives (performance bonuses) to performance.

The purpose of this aspect in the questionnaire is to understand whether the managers understand their role of PMS in Erongo RED. This is viewed as important in the context of the study because their role suggest their involvement, which is crucial in the PMS process. The findings reveals that managers do not have the ideal knowledge of their role in the process. Most of the managers focused on awareness (aspects such as informing employees, teaching employees) and resources (budget, human resources, equipment's, facilities). However, the findings in figure 40, also illustrates that Managers perceive linking incentives to performance as failing to contribute to motivation and leading to poor organisational performance. Overall, there is a general perception that the process of linking pay to performance is ambiguous and subjective. Besides, it is beyond the scope of this study to evaluate whether this principle is effective or not. Figure 41, illustrates that employees viewed that there is a general perception that individual efforts and achievements are recognised. Employees felt that the principle helps them to see how their work contributes to the organisation as a whole. However, a shortcoming was also found that employees felt that the principle does not aid in increasing openness, communication and feedback with their supervisors.

Both the respondents from the staff and management agreed that the task of measuring employee performance is not clear, hence the need for a different approach to measuring employee performance in Erongo RED. This further led to both respondents agreeing on the opinion of linking bonuses or incentives to performance as an irrelevant motivator.

5.7 Drawbacks of the performance management system at Erongo RED

In accordance with the above-mentioned objective, this study reveals various setbacks experienced during the PMS process. However, one of the challenges that came out strongly was lack of trust between managers and employees on agreed expected outcomes or assessments in Erongo RED. Figure 43 indicates that 47% of the respondents mostly agreed that the PMS measurements were not clear with regards to the expected outcomes.

The findings in this regard are that the main challenges experienced in the PMS of Erongo RED are namely:

- (a) In figure 39, the majority of respondents agreed that the performance bonus or incentive scheme encourages employees to exercise a narrow focus on short-term quantifiable goals, neglecting long-term objectives; and
- (b) It is difficult to measure individual performance objectively.

Some of the challenges encountered in administering the performance management system were found to be:

- The absence of proper performance management guidelines. Supervisors found it difficult to evaluate the employees as there was no properly understood guidelines to assist the supervisors on the aspects that needed to be evaluated.
- Lack of leadership support and commitment towards the performance management system causes supervisors to not wanting to take up the responsibility of administering the PMS as they see it as extra work which requires time and therefore it would be time consuming.

- It was also alluded that there is a lack of monitoring within the process of the PMS, thus, relevant information on the implementation process was lacking, resulting in little effort being made as there was no room for decision making with limited information.
- Lack of training and a clear understanding of the PMS is one challenge that was being encountered as many employees did not receive proper training on the PMS.

Finally, the findings are an affirmation that in the new quest to improve employee performance at Erongo RED, the managers and the employees need to reach an agreement on a set of performance objectives. These objectives are closely related to the business goals of the company. The goals are subject to adjustment as required at any time. Feedback involves an ongoing process, with reviews undertaken at mid-year and the end of the year, providing a lot of opportunities for spontaneous mentoring and suggestions. The joint goal-setting has strengthened cooperation between the manager and the employees, while measuring performance against standards has reduced the competition amongst the employees. This was in agreement with the findings of Griffin & Moorhead (2010).

The next chapter presents the conclusions on the research, makes recommendations and identifies research gaps or areas for future study.

CHAPTER SIX

CONCLUSIONS AND RECOMMENDATIONS

6.1 Conclusions

The researcher made conclusions based on the findings of the study that the absence of PMS common understanding, lack of consistency in the PMS process, not aligning the strategic plan and performance agreements are the common perceptions that are found to exist in Erongo RED, and that they are caused by employees not being fully involved in the PMS.

In addition, employees in Erongo RED perceive the PMS as moving towards ineffectiveness due to mentioned factors of poor leadership and commitment of executives. Reviews and assessments are not being conducted on a regular basis as per the Erongo RED PM policy. These findings are similar to Ehlers and Lazenby (2010), who found that PMS strategies are not properly implemented due to strategy implementation barriers of the clarity of institutions' vision management commitment and resources barriers.

The researcher further concludes from the findings of this study that employees are not clear on how performance is being measured against the expected outcome. However, surprisingly, managers also lacked the same understanding of these expectations. It is vital for managers to have skills and understanding on matters resolving PMS in order to provide accurate ratings or assessments. It is needed for the researcher to emphasise that the main challenges of lack of training, lack of trust between managers and employees faced by Erongo RED, need an innovative strategic approach in order for PMS to operate smoothly.

Therefore, this study suggests solutions to the managers of Erongo RED to engage in change management programs and to re-familiarise themselves on objectives of PMS according to the current PMS policy that guides Private entities in Namibia through training interventions. It is learned from this study that to successfully conduct the PMS, managers / executives must possess innovative knowledge and apply advanced strategies on how to best fit and adapt the PMS effectively within Erongo RED.

The researcher has realised that the need for Erongo RED to recognise that to improve the effectiveness of goal setting the system to work effectively, there is need for management commitment. Executives and employees particularly thought that the company's focus was more on businesses processes to improve alignment of goals to business strategy and enhance the quality of those goals only.

Overall, employees felt that line managers were not giving adequate recognition and significance to performance management conversations and feedback. There was a general observation that the PMS in Erongo RED discourages the continuous reviews and assessments to encourage more regular feedback. There is a perception that the Erongo RED PMS is a penalising tool, in other words which is a punitive tool that is used by supervisors on their subordinates and that the employees' performance is not duly acknowledged as it should be.

The respondents felt that the principle of linking incentives or bonus to performance does not support them in realising how their work contributes to the organisational objectives as a whole. In its current form, the system fails to create openness, communication and proper feedback between subordinates and their supervisors. The equity dimensions emphasise that it is essential to relate pay to performance. Bonus is alleged to be an

irrelevant motivator if the package is unattractive and feedback is ineffective. The main purpose of linking incentives to performance is to nurture the culture of organisational achievement and its main drawback is attributable to encouraging employees to exercise a narrow focus on short-term quantifiable goals.

Organisational culture is an important aspect, because it has influence on performance. If the culture is managed accordingly it encourages employees to internalise corporate values and attitudes and strengthen their association with the organisation.

Ethical standards should be taken into consideration when carrying out the PMS as all parties involved in the performance management process should respect each other's needs and the process should be underpinned on mutual respect.

Finally, despite the weakness that the study cannot be generalised to other RED's, the study addressed the research problem within Erongo RED. The study can also assist to inform and make the Erongo RED employees and executives and its stakeholders to become aware of employees' perceptions, the identified challenges and overall findings of the study. This study has also achieved its objectives, and recommendations are provided to improve limitations of the PMS in Erongo RED.

6.2 Recommendations

Based on the findings, this study recommends the following:

If both employees and executives are involved in the setting of organisational objectives, this could motivate and encourage employees to cooperate in the performance management system processes. This approach could be applied at Erongo RED and all other organisations in a similar situation. Goal-setting can also play a crucial role in

satisfying the need of employees. Executives can help employees set career goals and support them in achieving their objectives. This was corroborated by the findings of Gupta & Singhal (1993) who revealed that organisations that are able to implement appraisal systems, establish reward mechanisms and find methods to negotiate between the employees' career goals and the needs of the organisation are far more likely to be transformed. Therefore, it is imperative for managers/supervisors to give each employee a clear picture of the behavior required for excellent performance; this would assist the organisation to produce excellent performers for self-improvement.

There is need to introduce a scalable tool to publish executive and employee goals as well as a balanced scorecard to cascade goals in a cost-effective manner. The Erongo RED performance review and assessment chart indicated in the literature review of this study requires that an individual development plan (IDP) should be encompassed during the review and assessment. However, the implementation and execution thereof remains unknown and needs to be investigated. Hence, the suggestion for management to ensure that the individual development plans of employees are implemented and executed.

The IDP's should be accommodative for employees to divert to any other careers/discipline that is aligned to the organisational goals through the proper utilisation of the IDP plans. It is therefore also important to provide additional support and conduct spot audits to ensure quality of goals and associated targets. Overall, a performance management system becomes useful when there is a buy-in and if employees are engaged in crafting their own objectives, it will be a successful strategy to motivate employees and offers an opportunity to reward performance. Supervisors should be held accountable to ensure clear and consistent messages and objectives. It is also imperative to invest in increasing management capability to increase team and employee engagement.

Reviews on the current performance management system should be carried out as there are a number of issues that need to be addressed for the PMS to be functional. Currently the system is moving at a slow pace. Rationale for more frequent feedback sessions (e.g. monthly performance/development topics) can be created. Erongo RED can also consider using technology to enable providing feedback instantly and more frequently.

The training on the PMS should not only be confined to the managers/supervisors' task at performing the assessment of employees. It is necessary to institute a culture of knowledge; this would help enhance skills and assist managers/supervisors to manage the PMS and the employees for the growth and success of the organisation.

It is recommended that the PMS policy be reviewed in accordance with the Electricity Control Board of Namibia and a performance audit be conducted on a regular basis in order to set a clause on penalties to be given to private entities that under perform in terms of PMS, which might lead to PMS to be taken seriously.

In reference to the findings of this study of employees' lack of trust towards their managers in the PMS, it is recommended for the managers to apply the principle rule of transparency plus accountability equals trust, for managers to regain employees' trust and ensure effective PMS. Managers should move away from bureaucratic administrative methods of management to more human relation approaches that engage employee and where focus is towards employee satisfaction. This will improve individual and organisational performance.

6.3 Areas for Future Study

This study has examined the perception of employees toward the performance management practice in Erongo RED. To this end therefore the same study should be carried out in other organisations to find out if the same results would be obtained.

Ideally the PMS's are not an end in themselves, they need constant monitoring, evaluation and updating in order for them to help organisations reach their performance objectives.

In addition, the researcher suggests that, in future a qualitative and a more bigger study be undertaken on the same topic in all Electricity Distributor Companies operating in the various regions with a representative sample in order to enhance the generalisability.

Further to this, the researcher suggests that the participants should be from cultures with a diverse sample.

6.4 Summary of the thesis

The purpose of this study was to assess the impact of the PMS on the performance of the employees of Erongo RED. The study was guided by the following research questions. What is the attitude of Erongo RED employees on PMS implementation? Do employees regard PMS targets and benchmarks as a fair basis for measuring performance and award of bonuses? What drawbacks are associated with the implementation of PMS? and What lessons can be drawn from the Erongo RED PMS case for improvement in the corporate sector?

The study used the descriptive research design to obtain information concerning the impact of the performance management system on the performance of employees. This was done by describing in detail the perception of employees towards the performance

management system and whether employees and executives regard the PMS targets as a fair basis of measuring performance and reward.

This study was a case study on the employees of the Erongo Regional Distributor Company named in short as Erongo RED, which is the only electrical distributor in the Erongo Region, whose total number of employees are 286, and made up the target population of the study. The essence of this study was to get the perceptions and views of the employees of Erongo RED on matters pertaining to the performance management system that they have been exposed to by their organisation and how it affected their overall performance and the levels of rewards or bonuses.

The study used a survey method to collect data from the field. The data was coded after editing and entered into the statistical programme SPSS for analysis. The study used descriptive statistics to get meaning out of the data. Descriptive statistics such as percentages and frequency distributions were used to analyse the perception of the performance management system on the employees' performance. The data was presented using graphs to give a pictorial presentation of the research findings at a glance.

The results indicated that the performance management system has shortcomings such as the bonus or incentive scheme that encourages employees to have a narrow focus on short-term quantifiable goals, neglecting long-term objectives; and it is difficult to measure individual performance objectively. Therefore, managers and employees need to reach an agreement on a set of performance objectives which should be closely related to the business goals of the company.

It was also found that management felt that PMS can improve performance even though the PMS of Erongo RED has shortcomings; executives still have positive future prospects

towards the PMS. Contrary, employees prospects of the PMS to be a failure are due to lack of trust, ownership and favouritism. This means that unless employees change their mind-set towards finding innovative ways to deal with the PMS process and procedures, successful operation of the PMS will not be realised.

Any organisation that aspires to get the best from their employees should consider motivating and encouraging employees to cooperate in the performance management system processes through setting clear organisational objectives and a need to introduce a scalable tool to publish executive and employee goals as well as a balanced scorecard to cascade goals in a cost-effective manner. These measures were amongst many found to drastically improve the employee efficiency of any organisation.

REFERENCES

- Aguinis, H. (2013). *Performance Management (3rd ed.)*. New Jersey: Prentice Hall.
- Aguinas, H. (2013). *Performance Management, Edinburgh Business School*. UK: Harriot-Watt University.
- Aldag, R., & Kuzuhara, L. (2002). *Organisational behaviour and management: An integrated skills approach*. South Western: Ohio, p.108.
- Aldag, R., & Kuzuhara, L. (2002). *Organisational behaviour and management: An integrated skills approach*. South Western: Ohio.
- Angle, H., & Perry, J. (1981). An empirical assessment of organisational commitment and organisational effectiveness. *Administrative Science Quarterly*, 26, 1-14.
- Armstrong M., & Murlis H. (1994). *Reward management: A handbook of remuneration strategy and practice*. London: Kogan Page Limited.
- Armstrong, M. (2006). *A handbook of human resource management practice (10th ed.)*. London: Cohen.
- Armstrong, M. (2009). *Performance management (4th ed.)*. *An Evidence - Based Guide to delivering high performance*. London: Kogan Page Limited.
- Awamleh, N. A. H. K. (1996). Organisational commitment of civil service manager in Jordan: a field study. *Journal of management development*, 15, 65-74.
- Baron, R., & Greenberg, J. (2003). *Behaviour in organisations (8th ed.)*. Pearson Education Inc: Upper Saddle River.

- Barrett, H., Balloun, J., & Weinstein, A. (2005). Success factors for organisational performance: Comparing business services, health care and education. *Sam advanced management*, 70(4), retrieved on 14 March 2017 from <http://www.factiva.com>.
- Bashaw, E. R., & Grant, S. E. (1994). Exploring the instinctive nature of work commitment: their relationship with personal characteristics, job performance, and propensity to leave, *Journal of Personal Selling & Sales Management*, 14(2), 1-16.
- Bateman, T., & Strasser, S. (1984). A longitudinal analysis of the antecedents of organisational commitment. *Academy of Management Journal*, 21, 95-112.
- Benkoff, B. (1997). Ignoring commitment is costly: new approaches establish the missing link between commitment and performance. *Human Relations*, 50, 701-726.
- Berry, B. (2004). Organizational Culture: A framework and strategies for facilitating employee whistleblowing. *Employee responsibilities and rights journal*, 16(1), 1-11.
- Blau, G., & Boal, K.B. (1987). Conceptualizing how job involvement and organisational commitment affects turnover and absenteeism. *Academy of management review*, 12(2), pp. 288-300.
- Bluen, S., & Bindell (2013). *Talent management in emerging markets* (1st ed.). South Africa.
- Bogetoft, P. (2012). *Performance benchmarking*. New York: Springer.

- Bourne, M. (2010). & Bourne, P. (2009). *Instant manager taking control of work and life: Balanced Scorecard*. Reading, UK: CPI Cox & Wayman.
- Bourne, M., Neely, A., Mills J., & Platts K. (2003a). Why some performance measurement initiatives fail: Lessons from the change management literature, *International journal on business performance management*, 5, 2-3.
- Bourne M., Neely A., Mills J., & Platts K. (2003). Implementing performance measurement systems: A literature review, *International journal on business performance management*, 5(1).
- Bratton, J. & Gold, J. (2007). *Human resources management (5th ed)*. Theory and Practice. Palgrave Macmillan.
- Burnes B. (2009). *Managing change: A strategic approach to organisational dynamics (5th ed.)*. Harlow: Prentice Hall.
- Bussin, M. (2011). *The remuneration handbook for Africa (2nd ed.)*. A practical and informative handbook for managing reward and recognition in Africa. Randburg: South Africa.
- Cappelli, P., & Tavis, A. (2016). *The performance management revolution*. Retrieved on 14 March 2017 from <https://hbr.org/2016/10/the-performance-management-revolution>.
- Cascio, W. F. (1986). *Managing human resources: Productivity, quality of work life, profits*. New York: McGraw-Hill.

- Chakrabarty, A., & Tan, K. C. (2007). *The current state of six sigma application in services*, 17(2), pp 194-208. Emerald Group Publishing Limited.
- Chow, C. W., Harrison, G. I., McKinnon, J. L., & Wu, A. (2001). *The organisational culture of public accounting firms. Evidence from Taiwanese local and U.S. affiliated firms*. Centre for International Business Education and Research: San Diego.
- Chow, C., Kato, Y., & Merchant, K. (1996). The use of organisational controls and their effects on data manipulation and management myopia: a Japan vs. U.S. comparison. *Accounting, organisations and society*, 21, 175-192.
- Clardy, A. (2013). A general framework for performance management systems: *Structure, design, and analysis*. *performance improvement*, 52(2), 5-15.
- Clarke, A. (2011). *An Invitation to social research: How it's done*. (4th ed.). USA: Wadsworth Cengage Learning.
- Closing the gap in performance management, 2013. Price Water House Coopers. Retrieved on 14 March 2017 from [http:// www.pwc.co.uk/consulting](http://www.pwc.co.uk/consulting).
- Clugston, M., Howell, J., & Dorfman, P. (2000). Does cultural socialization predict multiple bases and foci of commitment? *Journal of management*, 26(1), pp. 5-20.
- Coronado, R. B., & Antony, J. (2002). Critical success factors for the successful implementation of six sigma projects in the organisations, *The TQM magazine*, 14(2), p 92-99. doi: 10.1108/09544780210416702.

- Culbertson, S.S., Henning, J.B., & Payne, S.C. (2013). Performance Appraisal Satisfaction. *Journal of Personal Psychology*, 12 (4), 189-195. <http://dx.doi.org/10.1027/1866-5888/a000096>.
- De Vos, A. S., Strydom, H., Fouche, C. B. & Delpont, C.S.L. (2011). *Research at grass roots. For the social sciences and human service professions (4th ed.)*. Pretoria: Van Schaik.
- Drewitt, T. (2013). *A manager's guide to ISO22301*. Ely, Cambridgeshire, U.K: IT Governance Pub.
- DuBrin, A. (2005). *Fundamental of Organisational Behaviour (3rd ed.)*. Thompson, South Western, Mason OH.
- EA Locke (Eds.) *Industrial and organisational psychology: Linking theory with practice* (pp. Incomplete Reference.
- Erez, (1994). Toward a model of cross-cultural industrial and organisational psychology, In H.C. Triandis, M. D. Dunnette & L. M. Hough (Eds.). *Handbook of industrial and organisational psychology* 4, pp. 559-608. Palo Alto, CA: Consulting Psychologists Press.
- Fletcher, C., & Williams, R. (1996). Performance Management, Job satisfaction and organisational commitment, *British journal of management* 7, 169-179.
- Foss, N. (2007). Strategic belief management. *Strategic Organization*, 5(3), 249-258.
- Fried, Y., & Ferris, G. R. (1987). The validity of the job characteristics model: A review and meta-analysis', *Personnel Psychology*, 40(2), 287-322.

- George, J., & Jones, G. (1999). *Understanding and managing organizational behaviour*. (2nd ed.). Addison Wesley, Reading.
- Gilmore, S., & Williams, S. (Eds.) (2009). *Human resource management*. Oxford: Oxford University Press.
- Gold, J. (2010). Personal interview about General Mills performance appraisal approach by email. March 5.
- Gorenak, I., & Pagon, M. (2006). Vpliv organizacijskega komunikiranja na zadovoljstvo policistov pridelu. *Organizacija*, 39 (4), 247-253.
- Greenberg, M., & Haviland, A. (2008). *Issues and performance in the Pennsylvania workers' compensation system*. Santa Monica, CA: RAND Corp. /Center for health and safety in the workplace.
- Greiner, C., & Sakdapolrak, P. (2013). Translocality: Concepts, Applications and Emerging Research Perspectives. *Geography Compass*, 7(5), 373-384.
- Gupta, A., & Singhal, A. (1993). *Managing Human Resources for Innovation and Creativity*. Research Technology Management. Incomplete Reference
- Hackett, R. D., & Guion, R. M. (1985). A re-evaluation of the absenteeism-job satisfaction relationship, *Organisational Behaviour and Human Decision Processes*, 35, 340-381.
- Hetty van Emmerik, I., Bakker, A., & Euwema, M. (2008). What happens after the developmental assessment centre? *Journal Of Mgmt. Development*, 27(5), 513-527.

- House, R. J., Shane, S. A., & Herold, D. M. (1996). Rumours of the death of dispositional research are vastly exaggerated, *Academy of Management Review*, 21, 203-224.
- House, RJ 1995, Leadership in the twenty-first century: A speculative inquiry. In A. Howard (Ed.), *The changing nature of work*: San Francisco: Jossey-Bass.
<http://news.bbc.co.uk/sport2/hi/football/9346616.stm>.
- Hulin, C. L., Roznowski, M., & Hachiya, D. (1985). Alternative opportunities and withdrawal decisions: Empirical and theoretical discrepancies and an integration, *Psychological Bulletin*, 97, 233-250.
- Jasmi, S. A. L. (2012). A Study on Employees Work Motivation and its Effect on their Performance and Business Productivity. Incomplete Reference.
- Johnson, A., & Swisher, B. (2003). How six sigma improves R & D. *Research Technology Management*, No. March-April, pp. 12-15.
- Johnson, G., & Scholes, K. (1997). *Exploring Corporate Strategy* (4th ed.). Prentice Hall Europe, UK.
- Judge, T A., & Church A.H. (2000). Job satisfaction: Research and practice. In CL Cooper &
- Judge, T. A., & Bono, J. E. (2001). Relationship of core self-evaluation traits-self-esteem, generalized self-efficacy, locus of control and emotional stability-with job satisfaction and job performance: A meta-analysis. *Journal of Applied Psychology*, 86, 80-92.

- Judge, T. A., Locke, E. A., Durham, C. C., & Kluger, A. N. (1998). Dispositional effects on job and life satisfaction: The role of core evaluations. *Journal of Applied Psychology*, 83, 17-34.
- Julnes, P. (2008). *Performance - Based Management Systems: Effective Implementation and Maintenance*. CRC Press.
- Jurgensen, C. E. (1978). Job Preferences (What makes a job good or bad?), *Journal of Applied Psychology*, 63, 267-276.
- Kaplan, R. S., & Norton, D. P. (1996). *The Balanced Scorecard: Translating Strategy into Action*. Boston, Mass: Harvard Business School Press.
- Kohler, S. S., & Mathieu, J. E. (1993). An examination of the relationship between affective reactions, work perceptions, individual resource characteristics, and multiple absence criteria, *Journal of Organisational Behaviour*, 14, 515-530.
- Kotter, J. P., & Heskett J. L. (1992). *Corporate culture and Performance*. New York: Free Press, p.12.
- Kotter, J.P. (2007). *Leading Change: Why Transformation Efforts Fail*. Harvard Business Review.
- Kreitner R., & Kinicki, A. (1992). *Organizational Behavior* (2nd ed.). Illinois, Irwin.
- Lahiry, S. (1994). Building commitment through organisational culture, *Training and Development*, 48(4), pp. 50-52.
- Matta, J. (2007). *Human resource management*. Los Angeles, USA.

- Locke, E. A. (1976). The nature and causes of job satisfaction, in M.D. Dunnette (ed.), Handbook of industrial and organisational psychology (pp. 1297-1349). Chicago: Rand McNally.
- Locke, E. A. (1997). The motivation to work: what we know. In Maehr, M. L., & Pintrich, P. R. (Eds), Advances in Motivation and Achievement, 10, JAI Press, Greenwich, 375-412.
- Macey, W.H. (1996). Dealing with the data: Collection, processing and analysis, in A.I. Kraut Incomplete Reference.
- Maina, M. (2015). Effect of Performance Management System on employee performance: A study of food and agriculture organization: United States International University Africa.
- Maleka. M. S. (2014). Critical Assessment of the Effectiveness of Performance Management System of the Department of Communications (DOC): Management College of Southern Africa.
- Malhotra, Y. (1999). Knowledge Management for Organisational White-Waters: An Ecological Framework, Knowledge Management, March, pp. 18-21.
- Manning, M. L., & Munro, D. (2004). Analysing Survey Questionnaires in SPSS, Southern Cross University Handout.
- Manville, G., & Greatbanks, R. (2013). Third sector performance. Farnham, Surrey, England: Gower.
- Martin, J. (2009). Human resource management. Los Angeles: SAGE.

- Mathieu, J. E., & Zajac, D. M. (1990). A review and meta-analysis of the antecedents, correlates and consequences of organisational commitment, *Psychological Bulletin*, 108, 171-194.
- Mathis, R. L., & Jackson, J. L. (1999). *Human Resource Management Essential Perspectives* (5th ed.). United States of America.
- Mathis, R. L., Jackson, J. L. & Valentine, S. R. (2012). *Human Resource Management*, (14th ed.). United States of America.
- McGuire, W. J. (1985). Attitudes and attitude change, in G Linsey, & E Aronson, (Eds.) *Handbook of Social Psychology*, 3rd Edition, Vol. 2, pp. 233-346. New York; Random House.
- Messersmith, J. G., Patel P. C., & Lepak D. P. (2011). Unlocking the Black box: Exploring the Link Between High-Performance Work Systems and Performance: *Journal of Applied Psychology*. November, Vol. 96 (6). Pp 1105-18.
- Meyer, J. P., & Allen, N.J. (1991). A three-component conceptualisation of organisational commitment, *Human Resource Management Review*, 1(1), pp 61-98.
- Mirvis, P. H., & Lawler, E. E. (1977). Measuring the financial impact of employee attitudes, *Journal of Applied Psychology*, 62, 1-8.
- Misener, T. R., Haddock, K. S., Gleaton, J. U., & Ajamieh, A. R. A. (1996). Toward an international measure of job satisfaction, *Nursing Research*, 45, 87-91.
- Moore, P., David S., & George, P. M. (2006). *Introduction to the practice of statistics*. 5th (ed.). Freeman.

- Moorhead, G & Griffin, RW 1992, *Organisational Behaviour*, Third Edition, Boston: Houghton Mifflin Company.
- Mositadi, B. L. (2007). *Evaluation of performance Management in the Public Services*. University of Johannesburg. South Africa.
- Mowday, R., Porter, L., & Durbin, R. (1974). Unit performance, situational factors and employee attitudes in spatially work units, *Organisational Behaviour and Human Performance*, 12, 231-248.
- Mowday, R.T., Porter, L.W., & Steers, R.M. (1982). *Employee-Organisation Linkages*. Academic: NY.
- Newstrom, J. (2011). *Organizational behavior*. Boston: McGraw-Hill/Irwin.
- Reynolds, D. (2009). Proving the power of social marketing: The UK's growing evidence base. *Perspectives in Public Health*, 129(6), 255-256. Doi: 10.1177/1757913909347662.
- Niehoff, B. P., Enz, C. A., & Grover, R. (1990). The impact of top-management actions on employee attitudes and perceptions' *Group & Organisation Studies*, 15 (3), pp. 337-352.
- Nyembezi, V. (2009). *Development of a Performance Management System*: MBA Thesis. Nelson Mandela Metropolitan University Business School.
- O'Reilly, C. A. (1989). Corporations, culture and commitment: Motivation and social control in INCOMPLETE REFERENCE
- Office of the Prime Minister. (2009). Retrieved from <http://www.opm.gov.na/pms/>.

- Office of the Prime Minister. (2011). Approaches being used to institutionalize performance management in the public sector, Windhoek OPM. organisation, California Management Review, 31 (4): 9-25.
- Palethorpe, R. (2011). Learning and Development (fifth edition) 2011 Rosemary Harrison. Learning and Development (fifth edition). London: Chartered Institute of Personnel and Development Published 2009. 400 pp., ISBN: 978 1 84398 216 6 UK £41.99. Industrial and Commercial Training, 43(6), 394-395.
- Parisi, A.G., & Weiner, S. P. (1999). Retention of employees: Country-specific analyses in a multinational organisation, Paper presented at the Fourteenth Annual Conference of the Society for Industrial and Organisational Psychology, Atlanta, GA, May 1999.
- Parker, D., Waller, K., & Xu, H. (2013). Private and public services: productivity and performance migration. What is this? Productivity & Perf Mgmt., 62(6), 652-664.
- Peljan, J. Z. (2012). Effective performance management system for enhancing growth: Global management journal. Incomplete Reference
- Performance Management & Productivity Measurement. (2012). Polytechnic of Namibia. Windhoek.
- Performance Management Policy. (2010). Public Service of Namibia. Republic of Namibia. Government printer. Windhoek.
- Performance Management Policy. (2014). Erongo Regional Electricity Distributor Company. Walvis Bay. Namibia.
- Polit, D. F., & Hungler, B. P. (1999). Journal of Nursing Research, 7 (2), 201-209.

- Reichers, A. (1985). A review and re-conceptualization of organisational commitment, *Academy of Management Review*, 10(3), pp. 465-76.
- Reward and Recognition Policy. (2012). Erongo Regional Electricity Distributor Company. Walvis Bay. Namibia.
- Robbins, S. P. (1991). *Organizational behaviour*. Englewood Cliffs: Prentice Hall International.
- Robbins, S., & Judge, T. (2007). *Organizational behavior*. Upper Saddle River, N.J.: Pearson/Prentice Hall.
- Rowden, R. W., & Conine, Jr. (2005). The impact of workplace learning on job satisfaction in small US commercial banks' *Journal of Workplace Learning*, 17(4), 215-230.
- Saari, L.M., & Judge, T.A. (2004). Employee Attitudes and Job Satisfaction: *Human Resource Management*, vol. 43, No.4, pp. 395-407.
- Sakanovic, Z. J. (2006). Nekaterividikivodenjainnjihovvplivnaorganizacijskoklimo in zadovoljstvo zaposlenih v slovenskipoliciji. *Organizacija*, 39 (4), 247-253.
- Saunders, M., Lewis, P., & Thornhill, A. (2012). *Research methods for business students* (6th ed.). Essex Pearson.
- Schermerhorn, J. R. (2001). *Management* (6th ed.). John Wiley & Sons Inc. New York, USA.

- Sebashe, S. S., & Mtapuri, O. (2011). Implementation of a Performance Management System: A Case Study of Ba-Palaborwa Municipality in Limpopo. University of South Africa.
- Sheridan, S. (1992). Organisational culture and employee retention, *Academy of Management Journal*, 35(5), pp. 1036-56.
- Slavin, S., Matheson, W., Millar, K., & Van Dyk, C. (2014). Performance Evaluation in the Human Services. Hoboken: Taylor and Francis.
- Smith, P. C., Kendall, L. M., & Hulin, C. L. (1969). The Measurement of Satisfaction in Work and Retirement. Chicago: Rand McNally.
- Sparrow, P. (2012). Human Resource Management in Context: Strategy, Insights and Solutions, 3rd edition, By David Farnham, London: Chartered Institute of Personnel and Development, 2010, 506th pp., ISBN: 978-18439-8259-3. *Relations Industrielles*, 67(1), 163.
- Spector, P. E. (2003). *Industrial and organizational psychology: Research and practice*. (3rd ed.). New York. John Wiley & Sons.
- Spector, P. E. (2011). Job satisfaction: Application, assessment, causes, and consequences. Cape Town: Sage Thousand Oaks.
- Staw, B. M., & Ross, J. (1985). Stability in the midst of change: A dispositional approach to job attitudes, *Journal of Applied Psychology*, 70, 469-480.
- Staw, B. M., Bell, N. E., & Clausen, J.A. (1986). The dispositional approach to job attitudes: A lifetime longitudinal test, *Administrative Science Quarterly*, 31, 437-453.

- Stop scapegoating from managers – LMA, (2011). *British Broadcasting Corporation*.
Retrieved from
- Stredwick, J. (2000). *Introduction to Human Resource Management*. Butterworth-Heinemann. Incomplete Reference.
- Tobin, D., & Pettingell, M. (2008). *The AMA guide to management development*. New York: AMACOM/American Management Association.
- Trakoli, A. (2011). Occupational Health Psychology. *Occupational Medicine*, 61(2), 139-139.
- Vukotich, G. (2014). 360° Feedback: Ready, Fire, Aim-Issues with Improper Implementation. *Perf. Improv., Write it out*. 53(1), 30-35.
- Weiss, H. (2008). Deconstructing job satisfaction: Separating evaluations, beliefs, and affective experiences. *Human Resource Management Review*, 12 (2), 173-194.
- Welman, C., Kruger, F., & Mitchell, B. (2005). *Research methodology*. (3rd ed.). Cape Town: Oxford University.
- What inhabits performance in Public Service Institutions? (2009, December 11). *The Namibian Newspaper*.
- Whitehead, J. T. (1989). *Burnout in probation and corrections*. New York: Praeger.
- Wong, C., Hui, C., & Law K. S. (1995). Causal relationship between attitudinal antecedents to turnover, Best Paper Proceeding, *Academy of Management Journal*, 342-346.

Ying. Z. Y. (2012). Impact of Performance Management System on Employee' Performance: Analysis with WERS 2004.

Zewotir, T. (2011). On Employees' Performance Appraisal: The Impact and Treatment of the Ratters' Effect. Sajems NS, 15 (1).

APPENDICES

Appendix 1

SECTION A: BIBLIOGRAPHICAL INFORMATION

Instructions: Please mark with an (X) sign in the appropriate box (s).

1. Gender:

Female	
Male	

2. Age group:

25-30	
31-40	
41-50	
50-60	
Over 61	

3. Which area are you residing:

Area 1 – Walvis Bay	
Area 2 – Swakopmund, Henties Bay, Arandis	
Area 3 – Omaruru, Karibib, Usakos, Uis	

4. Position:

Executive Manager	
Senior Manager	
Manager	
Middle Management	
Lower Management	
Administration/Clerical	
Semi-Skilled Workers	
Skilled-Workers	
General Workers	

5. Number of years employed:

0-4	
5-9	
10-19	
20-29	
30 or more	

6. I had a performance appraisal/assessment discussion with my immediate supervisor for the 2017-2018 financial year

Yes	
No	

7. My worth assessment this financial year was:

About what I expected	
Lower than I expected	
Higher than I expected	

8. I believe that my performance during the past year was:

Below average	
Average	
Above Average	

SECTION B – Employee perception on the Performance Management System

Instructions: Please indicate the extent to which you agree or disagree with each statement by circling the corresponding numeric value on a scale of 1 to 5 that is closest to your response. Please use the following key to understand the scale

(1 = strongly agree, 2 = agree, 3 = neutral/Undecided, 4 = disagree and 5 = strongly disagree)

9. Erongo RED

	SA	A	N	D	SD
Is interested only in the work that the employees deliver.	1	2	3	4	5
Has little concern for personal relations of employees.	1	2	3	4	5

Is a secretive organization where information is very hard to be accessed.	1	2	3	4	5
Is cost conscious regarding time and resources.	1	2	3	4	5
The decisions are centralized at the top.	1	2	3	4	5
Employees' private life is treated as their own business	1	2	3	4	5
Employees always speak seriously of organization and job	1	2	3	4	5
Is a bureaucratic organization which is clogged in rules and procedures	1	2	3	4	5
Emphasis on meeting customer needs has the top priority.	1	2	3	4	5
Has high standards with respect to the ethics and fairness in doing business, even at the expense of short-term results.	1	2	3	4	5
Focus on reported results rather than priorities in the Strategic Plan	1	2	3	4	5
Employees deals with each other in an informal style	1	2	3	4	5

10. Job satisfaction

Listed below are a series of statements that represents feelings that you may have about your present job.

	SA	A	N	D	SD
My organization gives me the chance to do something that makes use of my abilities.	1	2	3	4	5
My organization gives me the freedom to use my own judgement.	1	2	3	4	5

The job that I perform is challenging	1	2	3	4	5
My job is so satisfactory I always put all my effort when doing it	1	2	3	4	5
I am consulted on solutions related to problems in my work station	1	2	3	4	5

SECTION C: MEASURING EMPLOYEE PERFORMANCE FOR REWARD / BONUS

	SA	A	N	D	SD
As a result of operating a performance incentive bonus, my work objectives are clear and specific.	1	2	3	4	5
Feedback is most important in a performance measurement scheme in Erongo RED.	1	2	3	4	5
The task of measuring employees' performance is a difficult one.	1	2	3	4	5
The purpose of linking pay to performance is ambiguous and very subjective.	1	2	3	4	5
There is need for a different approach to measuring employee performance in the Erongo RED environment	1	2	3	4	5
My supervisor/manager does not know how to conduct the performance interview	1	2	3	4	5

Erongo RED Performance Management System is a fair system and should be maintained as is	1	2	3	4	5
--	---	---	---	---	---

Drawbacks with the Erongo RED Performance Management System and rewards

	SA	A	N	D	SD
The amount of reward involved is not enough to substantiate a change in performance.	1	2	3	4	5
Performance bonus negatively affects team spirit, and cooperation can be jeopardized.	1	2	3	4	5
Performance bonus encourages employees to exercise a narrow focus on short-term quantifiable goals, neglecting long-term issues.	1	2	3	4	5
Performance bonus has the weakness of failing to improve employee motivation					
Performance bonus is not successful in improving employee motivation.	1	2	3	4	5
Assumes that money is the best reward.	1	2	3	4	5

Appendix 2

Jenny Uises
P.O. Box 4199
Vineta
Swakopmund
10 June 2016

To: Mr Robert Kahimise
Title: Chief Executive Officer
Address: P.O. Box 2925
Walvis Bay
Tel: 064 214 600

**REQUEST FOR PERMISSION TO CONDUCT A STUDY ON THE PERFORMANCE
MANAGEMENT SYSTEM ON EMPLOYEE PERFORMANCE OF ERONGO RED**

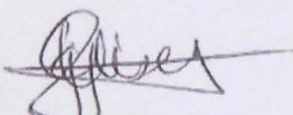
Dear Mr Kahimise

I Jenny Uises am a MBA: Strategy Management student at the Namibia Business School under the administration of the University of Namibia. The research I wish to conduct for my Master's dissertation involves "The impact of performance management system on employee performance: A case study of Erongo RED". This project will be conducted under the supervision of Professor Zororo Muranda (Acting Pro Vice Chancellor: Academic Affairs, Research and Administration, Chinhoyi University of Technology, Zimbabwe). I am hereby seeking your consent to approach a number of staff members to provide participants for this project. Upon completion of the study, I undertake to provide the Office of CEO with a bound copy of the full research report.

If you require any further information, please do not hesitate to contact me on 081 280 2328, email: juis344@gmail.com or juis344@erongored.com.na.

Thank you for your time and consideration in this matter.

Yours sincerely,


Jenny Chandy Uises



The Rev. Dr. Greenfield Mwakipesile

ThD: MBA, HBS | mwakipg@outlook.com

CONTACT

PO Box 40529,
Ausspannplatz,
Windhoek,
Namibia

LANGUAGE & COPY-EDITING CERTIFICATE

25th May 2018

RE: LANGUAGE, COPYEDITING AND PROOFREADING OF JENNY HOEBES'S THESIS FOR THE MASTER OF BUSINESS ADMINISTRATION DEGREE OF THE NAMIBIA BUSINESS SCHOOL OF THE UNIVERSITY OF NAMIBIA

This certificate serves to confirm that I copyedited and proofread **JENNY HOEBES'S** Thesis for the degree of **MASTER OF BUSINESS ADMINISTRATION DEGREE** entitled: **ASSESSING THE IMPACT OF THE PERFORMANCE MANAGEMENT SYSTEM ON THE PERFORMANCE OF EMPLOYEES OF ERONGO RED**

I declare that I professionally copyedited and proofread the thesis and removed mistakes and errors in spelling, grammar, and punctuation. In some cases, I improved sentence construction without changing the content provided by the student. I also removed some typographical errors from the thesis and formatted the thesis so that it complies with the University of Namibia's guidelines.

I am a trained language and copy editor and have edited many Postgraduate Diploma, Masters' Thesis, Dissertations and Doctoral Dissertations for students studying with universities in Namibia, Zimbabwe, Swaziland, South Africa and abroad. I have also copy-edited company documents for companies in the region and abroad.

Please feel free to contact me should the need arise.

Yours Sincerely,

A handwritten signature in black ink, appearing to read "Dr. Greenfield Mwakipesile".

The Rev. Dr. Greenfield Mwakipesile



Greenfield.mwakipesile



@mwakipg



+264813901701



Dr. Greenfield Mwakipesile