"An evaluation of the effectiveness of a performance management system towards employee performance in a Local Authority. The case of City of Harare from 2009 to 2013”.

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The research evaluated the effectiveness of a performance management system in enhancing employee performance in a Local Authority (LA) using the City of Harare from 2009 to 2013 as a case study. The objectives of the study were to determine the performance management system used in Harare Municipality, to examine options available for the organisation to improve employee recognition and reward, to establish strategies the organisation should adopt to promote employee loyalty and satisfaction, to evaluate the effectiveness of feedback methods in the Harare municipality performance management system and to draw conclusions and make recommendations to Harare City Municipality regarding its performance management system.

The methodology employed includes document analysis, open-ended questions and face to face interviews. The sample was then selected from each spectrum using systematic, stratified and purposive sampling and a total of one hundred (100) general staff and managers obtained to respond to questionnaires with closed questions. Ten (10) directors were selected for interviews using census sampling technique.

The research concluded that there was a performance management system in place called Results Based Management at Harare Municipality. The research findings also concluded that the system was not properly adopted by the organisation to maximise on employee performance. There was no linkage between performance and rewards. That is turn affected employee morale and job satisfaction. The researcher recommended that Harare Municipality management should review performance regularly to ensure achievement of results. The researcher also recommended training of senior managers so that they can be able to implement the performance management system effectively. Salaries and benefits were also recommended to be linked to performance in addition to the system being monitored and reviewed from time to time.

**Key words:** Performance management system, Employee performance, Reward and Recognition, Satisfaction and loyalty, Monitoring and Evaluation.
CHAPTER ONE
INTRODUCTION

1.1 Introduction
The researcher sought to do an evaluation of the effectiveness of a performance management system in enhancing employee performance in a Local Authority (LA) using the case of City of Harare from 2009 to 2013. Effectiveness being evaluated by way of assessing the level to which results which is outputs, outcomes, or impacts are being achieved as planned or targeted. The study was carried out from January 2014 to June 2014, in the Municipality of Harare. The methodology employed includes document analysis, open-ended questions and face to face interviews. The introductory part of the research provides the background on the need for performance management in LAs in general and Harare Municipality in particular, deriving information from what some sources have written and what has come out in the press. An environmental analysis using PESTELG and industry analysis using Porter’s five forces model is also done. In this same chapter research objective, research questions, justification of the study and the scope of the study are also looked at.

1.2 Background
A number of sources have noted that local authorities are under great pressure to provide results that matter to the public, often within severe resource constraints (Madhakani 2012; Matiza 2001; Kiragu 1998). At the same time, officials and managers are challenged to overcome the public’s lack of trust in governments at all levels. Performance Management systems in local authorities help these public-sector organizations address these challenges. The primary motive driving performance management in LAs is the conviction that the local authorities must improve their focus on producing results that benefit the public, and also give the public confidence that they produced those results. White (2013) noted that the emphasis on process and compliance that has typified traditional public sector management has not been sufficient to make this happen. Therefore, LAs are called upon to change their approach by embracing effective performance management systems.

It is further noted that LA management must become synonymous with performance management. Madhakani (2012) also contends that, now is the time for LA leaders to ensure that the organizations they lead are taking responsibility for achieving results that matter to the public – by practicing performance management.
LAs, being part of democratic governments are also obligated to be accountable to their owners – the citizenry. Armstrong (2012) indicated that performance management principles and practices give LAs the ability to provide easily understood and timely information to the public so citizens can assess the results their LA is producing and fulfil their role as collective owners of their towns and cities.

Bussim (2012) noted that Performance management has to be the core of all organisations since it gives strategic direction on how resources are going to be distributed towards the achievement of set goals and objectives. The aim of performance management is to improve employee performance and hence service delivery through effective and efficient application of resources.

Ineffective performance management systems or lack of any performance management systems in local authorities in Zimbabwe has attracted a lot of public and press attention in recent months (The Herald 24 January 2014, Newsday 23 January 2014, and Daily news 27 January 2014). These press releases and general public outcry form a strong background to the need for local authorities to evaluate the effectiveness of their performance management systems. This research is therefore going to play a part and make a contribution to this important area of local governance. Zvavahera (2013) noted that there has also been a growing movement of ratepayer associations, non-governmental organisations and other civic groups who urge local authorities to adopt the use of performance management systems that are effective. According to Kiragu (1998) the benefits of using effective performance management systems go beyond public relations, to include positive impacts on local citizens, the local economy, and the financial performance of the local authority itself. Table 1.1 below summarises press attention to performance management in Zimbabwean local authorities in recent months.

**Table 1.1 Press attention to problems relating to ineffective performance management encountered in urban local authorities in Zimbabwe.**

<table>
<thead>
<tr>
<th>Problem</th>
<th>City/ Town</th>
<th>Media Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>No performance based contracts for top managers</td>
<td>Harare, Chitungwiza, Kwekwe</td>
<td>Herald 24 Jan 2014</td>
</tr>
<tr>
<td>Salaries that are not synchronised to performance</td>
<td>Harare, Chitungwiza,</td>
<td>News Day 24 Jan 2014</td>
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</tbody>
</table>
1.2.1 Harare Municipality Background

Harare is the capital City of Zimbabwe. The city was founded in 1890 by a Pioneer Column, which was a military volunteer force. Harare was given the status of a fort at that time. It was then known by the name of 'Fort Salisbury'. Figure 1.1 indicates the institutional location of Harare as part of the local government system in Zimbabwe.

![Local government structure diagram](image)

**Figure 1.1 Local government structure**

**Source: Harare Municipality website (2014)**

Harare Municipality (HM) is ordinarily run by an elected Non-Executive Mayor, Deputy Mayor and forty-six (46) elected Councillors. The 46 Councillors represent the residents of the wards in which they are elected. Harare Municipality provides local government services such as education, health, recreation, housing, water and sanitation, fire and ambulance, road construction and maintenance, burial and cremation services among others through its departments which are headed by Directors. All the Directors report to the Town Clerk.

- **Corporate Vision**

Harare to achieve a WORLD CLASS CITY STATUS by 2025.
• Corporate Mission Statement

HM is committed to providing first class service and promoting a conducive environment for investment through stakeholder participation and a high performance team.

1.2.2 Business Environment Analysis

The researcher looked at the business environment that the Harare Municipality is operating in. The researcher used the PESTLEG framework of analysis to assess the environment. The acronym stands for Political, Economic, Social, Technology, Legal and the Global environment.

i) Political

The Municipality is operating in a highly volatile political environment. Political changes have a bearing on the operations of the council since it is headed by an elected Mayor and Councillors. The elected Mayor and councillors are selected from different political parties registered in the country that is ZANU PF, MDC-T and MDC only to mention a few. The operations are not divorced from the operations of the government. A notable example of government interventions in LAs is that in 2013 towards the elections, the government made a decree to cancel all debts for the ratepayers of all local government councils.

ii) Economic

Since 2009 the country adopted the multi-currency system. The council started charging rate payers in United States dollars and other currencies which brought stability to their budgets which had been affected by a very volatile economic environment. This brought a great improvement in the operations of the Municipality. There are still some challenges the change in currency regime brought into the economy, for example some organisations closed shop in addition to HM’s inability to collect Zimbabwe-dollar debts which were owed. The Municipality was affected by these defaulters. The council to date is also still owed huge sums of money that emanate from household and industrial ratepayers who are failing to pay due to the prevailing hard economic environment characterised by severe liquidity constraints.

iii) Social

The Council has been blamed for failing to provide basic social necessities such as water, sewage, health and schools. This has been blamed on strained financial resources which the Council is failing to improve. The social amenities cannot meet the expansion of the
population of the city which now has grown to 2 million residents. Due to political interference and corruption there is an increase in mismanagement of resources and poor allocation of stands. The municipality is now faced with growing illegal settlements and general lawlessness around the city. This is a threat towards the social well-being of the residents of the city of Harare.

iv) Technology

Due to lack of financial resources the Municipality has not managed to adequately acquire state of the art equipment in all its departments. For example, the Morton Jeffrey water treatment unit was built in 1965 when the City was serving around 500,000 residents and the same plant is presently serving more than 2 million residents. The ambulance and fire departments are poorly equipped with obsolete equipment while employees still use manual means of production in this digital era.

The council has managed to acquire some vehicles and equipment for refuse collection and this has improved refuse collection in the city. Through partnerships with Easy Park and City Parking the municipality has come up with innovative ways to manage parking in the city centre although this initiative is still fraught with many challenges. Vehicle users had a tendency to park vehicles in critical business areas for a long time and there were no systems to assess how much business was being lost. Since the introduction of the parking system car users now prioritise where and when to park in the central business district.

v) Legal

Urban councils are local government authorities that are involved in the administration of towns and cities in Zimbabwe and other parts of the world (Kiragu, 1998). They are an arm of Central Government and are accountable to both government and the people they serve. In terms of the Urban Councils Act Chapter 29:15 an urban local authority has four categories which are; Municipal Cities, Towns, Local Boards and Growth Points in descending order of size, autonomy and influence. Urban councils are more autonomous compared to their rural counterparts in terms of the Urban Councils Act.

vi) Global

With global population expected to grow to over nine billion by 2050, nations will continue to see a trend toward urbanization worldwide. With this significant increase in population, the importance of land-use planning, policy development and land management at a municipal
level will become paramount. As municipalities continue to grow globally, the ability to efficiently manage land and other resources will become increasingly difficult. Due to globalization Municipalities from all over the world now inevitably compete with each other to attract investment and capital. Harare competes with New York and any other city in the world for investment.

1.2.3 Harare Municipality Performance Management System

The performance of the HM has improved significantly since the introduction of the multi-currency system in the Zimbabwe Economy. The economy became stable and the Municipality started to receive a significant increase in cash flow. Various projects have been embarked on to improve the status of the City, however there is still a lot to be done so that Harare can achieve the world class city standard by 2025 as per its vision. One of the key elements that will assist in the achievement of this goal is that of performance management.

Harare, like most cities in developing countries, has been facing serious socio-economic challenges which led to the poor performance by its employees. An article in the Daily news (27 January 2014) highlighted that although the City boasts of more than 10,300 employees and 64 managers, the general public has been complaining about poor service delivery by City of Harare employees. This is in agreement with Binnendijk (2000) who noted that most African countries have been offering poor services to the general public.

Harare municipality is currently using the Results Based Management System (RBM) to measure the performance of both human and financial resources. Before the introduction of RBM, the municipality attempted various systems such as the Public Finance Management System, Mission Statements, Client Charters and the Performance Appraisal System (Ministry of Public Works, 2006). The former performance management systems failed to yield the desired results, which is delivery of quality service to the general public. Performance appraisals were used to evaluate performance of employees for promotions and salary reviews. The system had no objectives linked to better performance by employees to be achieved thus this affected the performance of the Municipality.

According to Zvavahera (2013) the RBM system was introduced in the Zimbabwe public service in 2006, and was fully embraced by Harare municipality in 2010. Musingafi (2013) noted that this is the fourth attempt to bring some reforms to the Zimbabwean public service
since independence in 1980. He further found that the implementation of the current performance management system in Zimbabwe has been an area of controversy with regard to issues of applicability and benefits. According to him the system is not understood and appreciated by most employees.

According to Matiza (2001) traditionally performance management in local authorities in Zimbabwe has been dominated by government regulation, minimum wage determination, negotiation with unions, decisions of arbitration or labour courts and the individual contracts of employment. Other factors or criteria which have influenced performance management include the employer’s ability to pay (but generally unrelated to individual or group performance), job evaluation, seniority, cost of living, manpower shortage or surplus, negotiating strength of the parties and skills. According to Madhakani (2012) performance measures such as productivity related to the performance of a group or individual have been of less importance in human resources management in local authorities in Zimbabwe particularly Harare Municipality.

The Harare workers’ union as quoted by the Daily news (27 January 2014) indicated that the least paid employee in Harare Municipality gets a basic salary of $163 while directors are getting in excess of $36,999 per month an indication that the City’s performance management system needs attention. Though skills have been reflected in remuneration differentials, remuneration systems have been seldom geared to the encouragement of skills acquisition and application. Increased earnings are secured and performance rewarded partly through promotions.

There has been growing concern from government, rate payers and other stakeholders with regard to the fact that salaries and wages in local authorities especially Harare takes up a very high percentage of the revenue collected at the expense of service delivery. As much as 80% of revenue in Harare goes towards salaries and wages (Daily News 27 January 2014) and (The Herald 24 January 2014) in contravention of recommendations by the Ministry of Local Government which suggested that salaries and wages should take up not more than 30% of revenue. An effective and robust performance management system assists in resolving the highlighted problems, hence maintaining a correct balance between performance and service delivery.
1.3 Statement of the Problem
Although the Harare Municipality has a performance management system in place known as the RBM, there is no evidence on the ground to show that the system has been properly utilized to improve the performance of employees within HM. What is evident is that there are many complaints with regard to huge salary discrepancies between executives and the low level employees. On the face of it, it appears that the municipality structures do not support the implementation of the performance management system. Management support on performance related issues appears limited. This has therefore has supposedly affected the behavior of employees in the organization. When appraisals are carried out, the employees complain that they did not receive the results. The problem is bound to affect stakeholder expectations since the complacency of the employees has led to poor water, sewer and other service delivery. Potholes in the roads, corruption in housing delivery and the general negative perception of HM employees by the general public calls for an evaluation of the effectiveness of its performance management system. HM employees are generally seen as lazy, corrupt and lacking in supervision. The evidence has led the researcher to believe that if HM does not improve its performance management system it is not likely to achieve its vision of achieving a World Class City Status by 2025. The attainment of the vision is dependent on the employees, ratepayers and all other stakeholders. While books, journals and other sources put the problem into the general or global perspective, Zimbabwean Acts and media reports reflect the current developments in the country from 2009 to 2013.

1.4 Objectives of the Study
The main objective is to evaluate the effectiveness of the performance management system used by Harare municipality. The specific objectives of this study are:

1.4.1 To determine the effectiveness of the performance management system used in Harare City Municipality.
1.4.2 To examine options available for the organisation to improve employee recognition and reward.
1.4.3 To establish strategies the organisation should adopt to promote employee loyalty and satisfaction.
1.4.4 To evaluate the effectiveness of feedback methods in the Harare municipality performance management system.
1.4.5 To draw conclusions and make recommendations to Harare City Municipality regarding its performance management system.
1.5 Research Questions
1.5.1 What is the effectiveness of the performance management system used in Harare City municipality?
1.5.2 What options are available for the organisation to improve employee recognition and reward systems?
1.5.3 What strategies should the organisation adopt to promote employee loyalty and satisfaction?
1.5.4 What are the feedback methods in the Harare municipality performance management system?
1.5.5 What conclusions and recommendations on employee performance can be drawn from Harare Municipality regarding its performance management system?

1.6 Proposition
The researcher makes a proposition that, the proper application of the performance management system used by Harare municipality can lead to improved employee performance and better service delivery.

1.7 Scope of the Research
The research will be conducted at Harare City Municipality Head Offices and District offices in and around the City of Harare and will be conducted over a period of six months from January to June 2014.

1.8 Justification of the Research
As an organisation that desires to strive in this ever changing competitive environment Harare will need to put in place a Performance Management System that will enable it to attract, motivate and retain the best employees in the sector. This research is, therefore, undertaken to look at the administration of the Performance Management System at Harare City Municipality. To this end the study will benefit the organisation with insights on how to improve the existing system.

The study also seeks to contribute to the literature available on the subject of Performance Management thus enhance awareness and appreciation of the subject. Currently there is a plethora of research on performance management in respect of profit making organisations but very limited research in local authorities. This research also seeks to present the challenges faced specifically within HM in implementing a Performance Management System. It is hoped that at the end of the study recommendations will be put forward in terms
of the best Performance Management Practices and how these can be implemented within Harare Municipality.

The recommendations that will be adopted on Harare Municipality performance management can also be used to improve the systems in other local authorities in the country, region and internationally.

The research also seeks to contribute to the body of academia knowledge that can be used by other researcher to draw conclusions that can be used in different organisations in Zimbabwe, regionally or internationally.

The problem of performance management has been persisting for a long time at Harare Municipality and no research has been done in this area. This research will seek to come up with a solution that will bring about increased performance by employees at Harare Municipality.

1.9 Dissertation Outline
The dissertation will be structured as follows:

- **Chapter one** will look at the introduction and background of the HM.
- **Chapter two** will review literature of the area of performance management. This information will be gathered from different sources who have written on Performance management and in addition review a similar case study.
- **Chapter three** will look at the methodology that was used to gather the primary data from HM employees and managers.
- **Chapter four** will analyse and discuss the results obtained from the primary data.
- **Chapter five** will provide the conclusions, recommendations and validation of the proposition.

1.10 Conclusion
This chapter was the introductory part of the research, which sought to do an evaluation of the effectiveness of a performance management system towards employee performance in a Local Authority using City of Harare from 2009 to 2013 as a case study. This chapter provided the back ground on performance management in local authorities in general and
Harare Municipality in particular. The researcher also came up with the research objective, questions, justification and the scope of the study. The next chapter will review literature on performance management from different sources of literature.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction
In line with the objectives of this research and the research questions, this chapter looks at other studies that have been done in the area of performance management. The researcher will look at the definition of performance management and systems as given by various sources and scholars. Models which look at the stages in a performance management system will also be reviewed. Another important area to be reviewed for this research is the relationship between Performance Management Systems and employee performance. Performance management feedback methods are also critical since they determine the effectiveness of a system so literature on this area of performance management will again be reviewed. RBM system being the system that HM uses is critical for this study so literature on it will be reviewed as well in addition to a similar case study.

2.2 What is Performance Management?
Fletcher (1997) notes that for many organisations performance management is synonymous with performance appraisal or with performance related pay, although studies have revealed that performance management is much more than either or both of these. Bussim (2012) highlighted that performance management can be defined as an on-going process of improving individuals, teams and organisational performance. The sources agree that performance management has to be the core of all organisations since it gives strategic direction on how resources are going to be distributed towards the achievement of set goals and objectives. According to Fletcher and William (1992) it is the process of creating a shared vision of the purpose and aims of the organization, helping each individual employee to understand and recognize their part in managing and enhancing the individual and organizational performance. White (2008) outlines the building blocks of a performance management system as

- The development and production of a mission statement to support organizational objectives
- The crafting of a business plan (business in a broad sense)
- Effective communication, to communicate and operationalize the objectives, business plan and individual in puts
• Clarified and streamlined individual responsibilities and accountabilities through clear job descriptions and job roles.
• Identifying and measuring individual performance against individual objectives rather than comparison with others
• Crafting and implementing appropriate reward strategies
• Training and developing staff to improve performance and future career progression

Performance management therefore emphasizes agreement of objectives and development needs and the importance of self-assessment and self-development (Armstrong, 1991), mainly focusing on the evidence provided by the analysis of what individuals and their managers did or did not do as an explanation of the results achieved. Armstrong (1991) further found that performance management provides more opportunities for individuals to discuss their work with their managers in an attractive atmosphere. An important feature of performance management is its aspect of being a continuous process and a natural aspect of management. According to Fletcher (2008) the objectives may be expressed in terms of targets, standards of performance or tasks or targets to be accomplished within a period of time based on an agreed specification. Medlin (2013) highlighted that performance management gives direction to the employees through guidance from management. In a nutshell, managing organisations is about managing the performance of people who work in those organisations.

The aim of performance management in Local authorities is to improve service delivery through effective and efficient application of human and other resources. The South African Performance Management Guide for Municipalities (2006) regards performance management as a continuous process which is aimed at improving individual performance through consistent feedback. Zvavahera (2013) noted that, the general public is interested in local authority employees with better attitude and more responsive services, which should translate to improved quality of life. Kiragu, (1998) found that poor service delivery in local authorities is caused by unskilled labour, poor compensation and poor working conditions in addition to lack of evaluation and feedback from management. The study by Kiragu (1998) further cited lack of targeted training and corrupt tendencies by some senior officials as major challenges. Accordingly most of the problems related to salary increases and promotions are as a result of patronage and corruption. The South African Government Performance Management Guide for Municipalities also indicates that governments require a results
driven public sector where staff knows what is expected of them and how they will be supported. In all these instances the approaches recognise that results are achieved through teams and that there is need to have appropriate incentives in place, which is the essence of performance management.

2.3 The Relationship between Performance Management Systems (PMS) and Employee Performance

Clark (2005) reveals that performance management is two-fold; firstly; organisations need to evaluate the performance of managers in achieving strategic goals and secondly, evaluate how employees through guidance from management help in achieving both organisational and individual goals. Malaysian Civil Service Guide (2006) explains that establishment of clear links between organisational development, the delivery of quality services and the development of employees at work is important.

According to Bevan and Thompson (1992) PMS, which usually incorporates appraisals and human capital development, are perceived as the “Achilles’ heel” of HR management. Clark (2005) indicated that these systems are not perfect in many institutions, with management and employees frequently bemoaning their ineffectiveness. A study by Watson Wyatt as quoted by Clark (2005) showed that only thirty percent of workers from different organizations acknowledge that their company’s PMS assists in improving performance. Four out of ten employees acknowledged that their organization’s PMS pronounced clear performance goals and generated honest feedback in addition to using appropriate technology to direct the process; they however indicated that implementation challenges make the systems ineffective (White, 2014). These results may give the impression that many organizations have poorly designed PMS, however research has shown that, it is not poorly developed tools and processes that cause challenges with performance management. Rather, challenges arise because, essentially at its very core, performance management is a very personal and emotional matter; it is also a threatening process for both management and employees (Roberts, 2004). Candid feedback and honest discussions between managers and employees is always lacking because management fears reprisal or bad working relationships with the workers whom they count on to get results. Workers on the other hand believe that management is not skilled enough to assist in their performance and is also unable to
effectively coach them on how to develop their skills. Others are of the view that performance management systems have no value addition because in addition to being cumbersome, they are also bureaucratic and too time consuming and therefore negatively affect production (Bevan and Thompson, 1992). As a result both managers and employees treat performance management as an essential but difficult part of the work environment that should be limited rather than an important process that helps in the achievement of both individual and organizational goals (Neely, 2007).

In spite of these difficulties, performance management is an essential tool for high performing organizations, and it is one of a manager’s most important responsibilities (Clark, 2005). In addition, if well executed and well managed, performance management has the potential to bring out far reaching and important benefits for an organization and its human capital. The critical goal of performance management is to give human capital departments within organizations and (HR) professionals useful pointers in the development and implementation of effective systems (Roberts, 2004).

2.4 Stages in a PMS
Figure 2.1 shows the main stages in a typical performance management system, incorporating development and reward aspects. The stages are discussed in detail below.

2.4.1 Business Strategy Development (Mission, Values, Objectives and Competencies)
It is important that before an organization is able to plan and manage individual performance, significant steps be made in identifying the competencies necessary for the whole organization (Roberts, 2004). In most organizations this involves the development of a mission statement in order for performance to be understood within the context of a common overriding theme. Organizations may also develop the strategic business objectives required to be competitive in the present business setup. The objectives have to be aligned with the organization’s mission statement, Clark (2005). In addition organizations may also develop core values and the key competencies required. These form important components of the business strategy and play important roles in managing and directing individual performance.
Armstrong (1991) noted that objectives are particularly important since for many organizations, such objectives are commonly cascaded down to the individual level to ensure that all individuals contribute to their achievement.

Non-management employees tend to have very little input in overall decisions of an organization. This lack of engagement can have a negative impact on employee loyalty where non-management employees may view their job as “just a paycheck” rather than working for an organization where they feel they are valued, (Gilley and Gilley, 2007). Employees should be given a chance to voice their comments, opinions, and suggestions on how the organization is currently run and where they see it going. This can be done easily by creating an online survey to capture this information. Employees may share some great ideas for the business. According to Wisner and Stanley (2007) engaging with employees gives them a personal stake in the outcomes of the organization. Employees want to feel that they are contributing and making a difference (Armstrong and Murlis, 2007). This will also empower employees to make decisions and improve employee satisfaction.
2.4.2 Planning Performance: A Common View of Expected Performance

Individual objectives should be developed from organizational and team objectives. Roberts (2004) suggests that it may be necessary for a manager and employee to devise and come up with an agreed job description that enables the achievement of results rather than task oriented objectives. It is also critical for the objectives to define the measures to be assessed (Bevan and Thompson, 1992). The objectives should be designed in such a way that the individual is stretched offering challenges and potential development in addition to meeting the organizational business needs. The organization and the individual both benefit if objectives are prioritized (Clark, 2005).

Target setting is more suitable in some parts of the organization than others (Roberts, 2004). Technical departments, such as engineering and computer systems, tend to develop technical targets, indicating the heavy task emphasis which is in their jobs. Clark (2005) also noted that it is important for the performance management process to make staff understand how their personal objectives contribute to team and organizational objectives. Incorporating employee input in the process will most likely generate a higher degree of employee ownership and commitment.

2.4.3 Delivering and Monitoring Performance

The manager and employee both play an important role in the achievement of organizational objectives. The employee works to produce the agreed output while the manager plays an enabling role. The manager has to be accessible to organize the resources and provide on and off-job training. If there are any unforeseen barriers to the agreed performance the manager has to deal with that and where necessary may need to revise the expected performance needs (Bevan and Thompson, 1992). Where the employee may want to sound out possible courses of action with the manager before proceeding, or further information is required, the manager has to be available. Sharing information that will enhance the employees’ work is critical (Clark, 2005). Managers by their training are able to identify information sources and other people with helpful input.

According to Institute of Employment Studies (IES) (2003) coaching can be on-going during task implementation where managers guide employees through discussion and by constructive feedback. It is important for managers to harness practical job experiences and develop the needed employees skills and competencies. Identification of high achievers as
potential role models to employees can help managers to explain how high achievers perform (Clark, 2005).

Training is important and can be used to increase employee confidence. Cutting of training budgets by managers to save costs becomes counterproductive in that in the long run service delivery and morale suffer as a result. Macky and Wilson (2013) highlighted that employees need training to do their job confidently and to facilitate career advancement within the organization. The organization can establish mentoring programs where seasoned employees are trained and encouraged to train others. A mentoring scheme encourages skill growth and fosters a sense of community in addition to improving employee satisfaction and engagement (Bach and Edwards, 2012). Team building exercises among employees should be initiated to foster trust and acceptance. Strong and loyal teams provide one level of acceptance, while interaction among and between departments provides another (Armstrong and Murlis, 2007).

According to Bach and Edwards (2012) employees appreciate recognition and room for personal career growth. Gilley and Gilley (2007) noted that if an employee is doing a good job they need to be compensated for that without them having to initiate the recognition of a job well done. Many employees don’t expect a significant increase in their pay or a large bonus check as a result of good work but simple appreciation, recognition or additional responsibilities (Wisner and Stanley, 2007).

2.4.4 Formal Performance Review
Regular performance appraisals are needed to encourage employee development in addition to motivating them (Clark, 2005). Reviews and assessments are necessary, to establish the extent to which objectives would have been achieved. In some organizations, processes to assess employee achievements include requiring them to prepare documents outlining an initial draft of achievement against objectives (IES, 2003). In other organizations overall ratings continue to be used, which have to conform to a certain distribution, requiring each team/department to have a certain percentage of employees on the top, middle or lower point, and so on, such that an employee is rated relative to others rather than getting an absolute individual rating.

As noted by Roberts (2004) these ratings are however not popular, some organizations discourage their managers from giving overall rating to staff at all since research has suggested that such a process is demotivating (IES, 2003). In a research carried out by the same Institute for Employment Studies (IES) (2003) the findings indicated that employees
only see a review as fair if the targets set are perceived to be reasonable and achievable. Managers are perceived to be fair and objective if assessments are consistent throughout the organization. As a result some organizations encourage employees to give upward feedback to their managers as well (Roberts, 2004).

Measuring employee satisfaction plays a role in employee loyalty. Rose (2011) indicated that there is need to make sure that organisations consistently measure employee satisfaction. Employee satisfaction can be a main component in the success of an organization. Measuring employee satisfaction requires the use of employee surveys. Gilley (2005) indicated that employee satisfaction surveys are focused on the satisfaction of the employees and cover topics such as: overall feedback, teamwork, growth opportunities, mission and goals of the organisation, work/life balance, fairness and respect of management, respect of employees, communication, compensation, benefits, and workplace resources. According to Gilley and Gilley (2007) results of the survey should be shared with all employees and an action plan to increase employee satisfaction put in place where necessary.

Often times, managers may cause employees to feel valueless (Gilley, 2008) and this has to be avoided by giving managers themselves appropriate training on how to motivate employees and not make them feel worthless.

### 2.4.5 Reward and Feedback

Many performance management systems incorporate a link with pay; however Fletcher and Williams (1992) indicated that difficulties arise as a result of that link. Their contention is that some organizations found the merit value of pay too little to motivate employees, and sometimes regarded as insulting. Bevan and Thompson (1992) noted that organizations with performance management systems in place were more inclined to have performance-based pay. Armstrong and Baron (1998a) report that most employees would rather have pay that is not performance related, and a manager in one of their case study companies reportedly described ‘the whole process as an absolute nightmare’ (p. 172). Clark (2005) also provides a convincing discussion of the problems associated with linking performance with pay. The argument is that organization can use other forms of reward which are not necessarily monetary. Institute for Employment Studies (IES) (2003) carried out a study which established that employees got more satisfaction with a rewarding system where promotion and development, were given as rewards for good performance.
Not all business can afford monetary compensation. Surveys have indicated that employees are not satisfied with just monetary compensation. Employees appreciate non-monetary benefits just as much, if not more. Often times, they are more rewarding to employees (Rose, 2011).

Good benefits help to retain good employees (Bach and Edwards, 2012). For example, offers of: free or reduced-cost medical aid memberships, tuition reimbursement, employee stock options, paid community service, adoption assistance, incentive programs, retirement funds, and insurance can be viewed as more beneficial, they can make employees motivated and stay in order to continue to receive these great benefits (Macky and Wilson, 2013).

2.6 PERFORMANCE MANAGEMENT FEEDBACK METHODS
The terms 'performance management' and 'performance appraisal' are sometimes used synonymously, but they are different. According to Rogers, Rogers and Metlay (2002) performance management is a comprehensive, continuous and flexible approach to the management of organisations, teams and individuals which involves the maximum amount of dialogue between those concerned (Babin & Boles, 1996). Performance appraisal is a more limited approach which involves managers making top-down assessments and rating the performance of their subordinates at an annual performance appraisal meeting.

Table 2.1 Difference between performance appraisal and performance management

<table>
<thead>
<tr>
<th>Performance appraisal</th>
<th>Performance management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top to down evaluation</td>
<td>interactive process through dialogue and consensus</td>
</tr>
<tr>
<td>Yearly review meeting</td>
<td>Continuous assessment with more formal reviews</td>
</tr>
<tr>
<td>Assessment through ratings</td>
<td>Less use of ratings</td>
</tr>
<tr>
<td>Rigid and monolithic process</td>
<td>Flexible adjusting system</td>
</tr>
<tr>
<td>Sticks to rigid quantified objectives</td>
<td>Focus on soft factors such as values and behaviors in addition to the objectives</td>
</tr>
<tr>
<td>Directly linked to pay</td>
<td>Less likely to be directly linked to pay</td>
</tr>
<tr>
<td>Bureaucratic - complex paperwork</td>
<td>Less bureaucracy and minimal documents</td>
</tr>
<tr>
<td>Under custody of the HR department</td>
<td>Under custody of line managers</td>
</tr>
</tbody>
</table>
Source: DeCarlo & Leigh (1996)

Performance appraisal is seen by many organizations as a management tool that assists with improvement in performance (DeCarlo & Leigh, 1996) in addition to building job satisfaction and organizational commitment (Babin & Boles, 1996). In agreement with this assertion Yong (1996) defines it as “an evaluation and grading exercise undertaken by an organization on all its employees either periodically or annually, on the outcomes of performance based on the job content, job requirement and personal action in the position”.

Cleveland et al (1989) also gave varied reasons for carrying out appraisals in organizations. The reasons include giving employees feedback on strengths and weaknesses as well as getting information on whom to promote among other reasons. One of the best known classifications of performance objectives was done by McGregor (1987) who grouped them as:-

**Administration**– Giving the organization an orderly way of determining promotions, transfers and salary increases.

**Informative** - Providing the organization with information on the performance of the individual employees.

**Motivational**– Giving staff the zeal and learning experience that make them want to develop and improve themselves and their performance for the betterment of their organisation.

In agreement with McGregor, Butler (1991) defines performance appraisal in the broadest sense and acknowledges that it serves three purposes which are administrative, developmental and communication (Butler et al., 1991). The administrative function incorporates staffing, compensation, promotion, in addition to the rewarding and punishment system; the developmental function covers the identification of potential for future performance, linked to personal advancement. Communication provides feedback to employees about their performance and future goals. Babin & Boles (1996) proffered an additional view and rightfully point out that performance appraisal records help organizations to guard against cases of wrongful dismissal.
It is therefore clear from the above discussion as put forward by various sources that performance management is far much more than performance appraisal which is only one of its components.

The 360-degree performance feedback process shown in figure 2.3 below is another performance management tool that is now widely used and is recommended by a lot of literature sources.

2.6.1 360 Degrees Feedback

![360 degrees feedback model](source: Adapted from Armstrong, (2006).)

360-degree performance feedback is a system in which staff receives confidential, anonymous feedback from the people who they work with (Armstrong, 2006). According to Rogers, Rogers, and Metlay (2002) the process gives an all-round picture about the performance of an individual from their managers, supervisors, team leaders, team mates, external and internal customers. Torrington (2011) contents that the process works through questionnaires, which are confidential and the individual only receives a summary of aggregated results.
The feedback is anonymous and participants feel safe to share their straight opinions. The feedback is also balanced because it mirrors views of superiors, peers and subordinates as well as customers (Center for Creative Leadership, 2007).

According to Armstrong (2006) the potential problem with 360 is that after getting feedback the individual is expected to work together with the line-manager to identify necessary improvement measures and actions. Center for Creative Leadership (2007) also highlighted that the reason behind this observation is that employees have no obligation to share their feedback with the line-managers; it is left up to the individual employee to decide whether or not they want to share the feedback results.

Torrington (2011) divided the process into two approaches:

2.6.2. Behaviour Based Approach

This method factors in personal individual performance attributes to appraise the performance, such as:

- **Conventional Rating Scale** – The assessment is based the job description. Behaviour descriptions allow the line-managers to describe the individual skills that allow for the execution of the job (Roberts, 2004).
- **Behaviourally Anchored Scale** – the appraisal is based on the employee’s behaviours.
- **Behaviours Frequency Approach** - is based on the number of times employees show certain behaviours.
- **The weighted checklist** – a list of statements related to performance is given different weights. The performance of the individuals is rated on that scale.

According to Armstrong (2006) the disadvantages of these approaches is that they bring subjectivity to the appraisal process since there are no quantitative criteria used. In such cases line managers can be influenced by their own biases, in which case the ‘horns and halo effect’ can take over the process such that, everything discussed involves either positive or negative recent events (Roberts, 2004)

2.6.3 Results Focused Approach
This approach is based on employee results. It has advantages in that the appraisal is generally perceived as fair and easily understood by staff. Participation and enthusiasm for the process is therefore generally very high. An additional benefit is that the approach produces short and long term results in the achievement of organizational objectives (Roberts, 2004). The process is however extremely focussed on the results and is not a flexible tool to accommodate things like, effort where targets have not been achieved. The process also treats all results as measurable, when in fact it is common that some results may not be measurable. This means performance aspects which cannot be captured in, say, Specific, Measurable Achievable Realistic and Time frame (SMART) terms may not receive attention.

According to Grote (1996) the process compares the benefits and disadvantages. He identified techniques of evaluating result-focused approaches which are Management by Objectives (MBO) and Accountabilities and Measures.

Grote (1996) applauds the MBO process as one of the most accomplished and most advanced type of Results Focused approach. MBO measures outcomes rather than behaviours Drucker (1954). The process allows for participative goal setting, selecting the right courses of action and decisions. Measurement and comparison of the individual’s output with the standards set is also another component (Center for Creative Leadership, 2007). The idea behind is that, when employees have set the goal and choose the course of action themselves, they will put more effort towards attaining the results. Roberts (2004), notes that, comparing objectives and results is not an easy process since every individual employee has different objectives. MBO also requires a lot of time and paper work. On the positive side, MBO offers some advantages which are:

- **Clarity of goals** – SMART goals are specific, measurable and achievable, and so this motivates the employee and stimulates their performance. The linkage between organizational goals and employee performance targets is more amplified enabling the employees to understand their part in the achievement of organisational objectives.

- **Focus on the future** – There is periodic review of Goals and standards and performance feedback which are all set for future performance.

- **Motivation** – developing the employees by involving them in the process of goal setting to increase employee empowerment, job satisfaction and commitment.
Roberts (2004) contents that MBO can be combined with other different methods like ranking and forced distribution in one appraisal system to bring better results.

### 2.7 IMPROVING EMPLOYEE REWARDS AND RECOGNITION

Organizations today are plagued with low levels of employee engagement which need to be resolved by improved rewards and recognition programs. Cuts which call for retrenchments and cost reductions measures, coupled with technological advancement and rapidly changing global markets have led to job security concerns, high stress levels and a lesser sense of organizational and job loyalty. According to Cheese, Thomas and Craig (2008), as a result, HR professionals have to deal with challenges such as low productivity, negative attitudes, increased absenteeism and high employee turnover in the workplace. Employers that do have formal programs on the other hand see tangible benefits, including increased employee productivity, better attitudes and engagement as well as higher organizational and financial performance (Wisner and Stanley, 2007).

#### 2.7.1 Service awards moving towards early recognition.

Rather than traditional service anniversary awards such as long service awards, companies are now encouraged to implement early recognition programs that reward employees as soon as one year of employment or as and when they produce excellent results (Christensen, 2006). Combined with engagement, rewards, acknowledgement and a positive work culture, organizations are able to reduce employee turnover, resulting in decreased recruitment costs and hence increased productivity. Just being recognized as a ‘performing employee’ goes a long way in motivating an employee (Torrington, 2011)

#### 2.7.2 Creating a culture of recognition.

White (2014) acknowledges that developing a positive culture focusing on recognition may be difficult and may take time to implement. It however represents a large area of growth and tangible benefits for an organisation and its employees. Executive leadership, training of managers, as well as support and involvement of everyone within the organization is
critical. Performance-based rewards which show consistency and a clear linkage to core values are also important components (Graban, 2011).

2.7.3 Rewards and recognition with social media.
Studies as reported by White (2014) have revealed that a high percentage of companies do not currently include social media in their programs, neither are they planning to add it to future reward and recognition initiatives. It is estimated that it will take anything up to three years for adoption and integration of social media by reason of confidentiality.

2.7.4 Tying recognition to company values or goals.
Companies like Deloitte and Touche have recognition programs which focus on the company’s mission and goals (Pallister, 2007). So when someone is given an award to thank them, the award must be tied to the company’s strategy, which may be, customer service, innovation, teamwork, or even a revenue or cost-cutting goal.

Wisner and Stanley (2007) believe that although these assertions do not sound business-like, they work. They observed that many CEO’s and managers focus on results without thinking about how it feels for workers to work without anyone saying thank you.

2.7.5 Implementing peer to peer recognition.
Graban (2011) and supported by White (2014) point out that, recognition from leaders has less impact than many people may think. HR managers wrongfully believe that this is a key criterion for success, contrary to assertions by many employees who feel better motivated when they are recognized by their peers. Peers understand each other’s daily activities, so their acknowledgement of the other party’s efforts is much more meaningful. Top-down recognition is often viewed with cynicism as political since it is the loud, low performers who usually clamour for the bosses ‘attention while the “quiet but critical high-performers” in the company may remain in the background (Graban, 2011).

For high-performance recognition programs to be visible and effective they have to be “social”, allowing anyone in the company to recognize anyone else. Points or dollars may be allocated and those with the highest achievement are rewarded. The rewards are totally public and are sometimes displayed on a “leader board” so that anyone can see them in addition to understanding how they are arrived at. Cloud-based computer platforms that make this easy are on sale in addition to traditional rewards companies who are moving in this direction as well (White, 2014).
2.8 IMPROVING EMPLOYEE LOYALTY AND SATISFACTION

Employee attitudes typically reflect the morale within the company. In areas of customer service and sales, happy employees are extremely important because they are the face of the company forming its important interface with the public (White, 2014). Satisfaction, however, is not linked solely to compensation. Salary increments and benefits will probably improve employee contentment, at least temporarily, but small, inexpensive changes which show the employer’s gratitude can have a better long-term impact (Pallister, 2007). As mentioned above, the way to improve employee loyalty is for the employer to make efforts directly toward employees.

2.8.1 Listening to Employees

Employees work better, feel their worth if they are making contributions that make a difference, they have to be assisted to see the big picture and how their contribution is important to the functioning of the organization as a whole. When employees are empowered to make decisions the process improves their job satisfaction (Pallister, 2007).

The design of many organizations is such that non-management employees tend to have very little input in overall business decisions. This lack of engagement can have a negative impact on employee loyalty where the non-management employees view their job as “just a paycheck” rather than working for a company where they feel they are valued (Gilley and Gilley, 2007). Employees must be given a chance to voice their comments, opinions, and suggestions on how the business is currently run and where they see it going. Online survey to capture this information can easily be created where employees may share some great ideas for the business (Wisner and Stanley, 2007). Management or Employer’s engaging with employees gives them a personal stake in the outcomes of the company.

2.8.2 Impromptu Promotions

Employees appreciate it when they get recognition and are given opportunities for personal career growth. Often times, employees find that they have to ask their employer for a promotion or salary increment. If an employee is doing a good job, management must compensate that employee without them having to initiate the recognition for a job well done. It is not that employees expect such a significant increase in their pay or a large bonus; they simply appreciate the recognition or welcome additional responsibilities (Wisner and Stanley, 2007).
2.8.3 Measure Satisfaction
Measuring employee satisfaction plays a role in employee loyalty. Rose, (2011) advises that employers need to make sure that their business is consistently measuring employee satisfaction. Employee satisfaction can be a main component in the success of a business. Measuring employee satisfaction requires the use of employee surveys. Businesses may use questionnaires and surveys to measure employee satisfaction. Depending on the accessibility of employees, a mixed mode of online surveys and paper surveys may be necessary(White, 2014). Employee satisfaction surveys should focus on the satisfaction of the employees and cover topics such as: overall feedback, teamwork, growth opportunities, mission and goals of the company, work/life balance, fairness, and respect of management, respect of employees, communication, compensation, benefits, and workplace resources (Gilley, 2005). Results of the survey can be shared with all employees. Organizations should also create an action plan to increase employee satisfaction and share that plan with all staff.

2.8.4 Increased Benefits
Not all business can afford monetary compensation. Surveys have indicated that employees are not satisfied with just monetary compensation. Employees appreciate non-monetary benefits just as much, if not more. Rose (2011) agrees that employees find non-monetary benefits more rewarding. Good benefits help to retain good employees. For example, offer of free or reduced-cost gym memberships, tuition reimbursement, and employee stock options, paid community service, adoption assistance, incentive programs, retirement funds, and insurance. All of these are examples of good but small benefits that make a significant impact and can make employees stay with an organization in order to continue to receive these benefits.

2.8.5 Management Review
Managers may cause employees to feel valueless. A single unpleasant manager can cause a shortage of loyalty with many employees (Gilley, 2008). According to Rose (2011) results which show disloyal employees and low employee satisfaction reflect bad management practice. Employee loyalty is an important part of maintaining a successful organization therefore managers must develop business strategies to improve employee loyalty and to help retain a good, lasting workforce (Rose, 2011).

2.8.6 Training and development
Employees need training to do their job confidently and to facilitate career advancement within the company. Seasoned employees need to be trained and be encouraged to be mentors
of the newly recruited. A program that facilitates development and growth by foster a sense of community while improving employee satisfaction and employee engagement is necessary (Graban, 2011). Team Building is another important aspect that needs to be encouraged by promoting uniting team activities. Strong, loyal groups provide one important level of acceptance, while teamwork between departments in the organization provides another (Graban, 2011).

2.9 PERFORMANCE MANAGEMENT SYSTEMS MODELS

2.9.1 The Balanced Scorecard (BSC)

Kaplan and Norton introduced the BSC in 1992 after conducting a study entitled “Measuring Performance in the Organization of the Future”, motivated by the realization that the then existing performance measurement approaches relying on financial accounting measures were becoming obsolete. According to Armstrong (2007) the BSC puts strategy and vision at the center of the system, establishing goals and then expects employees to adapt their behavior to achieve those goals. It is arguably the best known and widely utilized performance measurement system. (Armstrong, 2012)

Torrington (2011) re-phrases and views the BSC as a multi-dimensional strategy conceptual framework that assists in describing, executing and managing an organization by linking, it through a logical structure. The objectives, initiatives, and measures are particularly given due attention since they are critical to the organization’s strategy. It is noted by the same source of literature that BSC augments the traditional financial measures with performance benchmarks in three other non-financial aspects by linking the organization’s performance to its relationship with customers, key internal processes and its learning and growth capabilities (Kaplan and Norton, 1996a). In the process, the framework provides a balance between short-term and long-term corporate objectives through:

- Translating vision into specific measurable goals which encompass clarity of vision and gaining consensus;

- Communicating and linking the corporate strategy with employee performance expectations to achieve the organizational objectives. “As the high level scorecard cascades down to individual Business Units, overarching strategic objectives and measures are translated into individual objectives and measures appropriate to each particular group,…. yielding personal scorecards when these are tied ...to individual performance and compensation systems.” Kaplan and Norton (1996a);1
The business planning process of the BSC seeks to integrate strategic planning and budgeting so that financial budgets support strategic goals; and providing a mechanism for strategic feedback and review which then facilitates learning propelling the organization forward.

The four building blocks of the BSC are depicted in figure 2.4 below:

Translating Vision and Strategy: Four Perspectives

Figure 2.4 Balanced Scorecard

Source: Kaplan and Norton (1996a):4

i) Financial Perspective
Kaplan and Norton (1996a) elaborated that the financial perspective relates to and provides answers to the needs and expectations of shareholders. The process relates to issues of profitability and is measured by financial ratios.

ii) Customer Perspective
Accordingly Kaplan and Norton (1996) view this perspective as one which identifies the importance of customers as a key stakeholder in business sustainability and growth. It
addresses the question of how an organization should be viewed by its customers. Critics of the traditional financial measurement perspective argue that it failed to clearly identify where future growth would come from and where the company should focus its attention for breakthroughs, and the customer perspective addresses that (Center for Creative Leadership, CCL 2007).

**iii) Internal Business Processes**

Internal business perspectives promotes inward looking in order to identify value propositions within the organization to attract and retain customers as well as satisfy shareholders with excellent financial returns.

**iv) Learning and Growth**

This perspective answers the question of how the organization can achieve its vision and sustain its ability to change and improve. The approach identifies the system the institution has to build and manage to create long-term growth and development through human resources and other, organizational procedures. Kaplan and Norton (1996):28,29 indicated that within this category, organizations “…invest in reskilling employees, enhancing information technology and systems, and aligning organizational procedures and routines”.

In agreement with Kaplan and Norton (1996a), Neely (2007) also points out that the BSC provides clarity on overall corporate objectives and what the organization aims to achieve for shareholders and customers, engaging in three activities which are communicating and educating, setting goals, and linking rewards to performance measures. When implemented in this manner and executed in its entirety, the BSC completes the performance management cycle (Neely, 2007)

Lardenoije, van Raaij and van Weele, (1996) observed that, sources assume a cause and effect relationship between improvements in organizational learning and growth. This envisages a situation where improvements in internal processes, precede improvements in the customer care systems, which in turn precede good financial measures. Institutional learning and growth measures are seen as in turn driving the measures of the internal processes (Center for Creative Leadership, 2007). This allows the measurements in non-financial areas such as customer base to be used to predict future financial performance.

The major criticism against the BSC is its perceived limited view of stakeholders(Neely, 2007). Lardenoije et al.,(2007) p6 however note that despite “…some criticism on the BSC (for example, Norreklit 2000) it has, according to Abran and Buglione (2003), the widest
application compared to all other Performance Management Systems and tackles performance at several levels, from the organizational level to the small Business Unit, and to the individual level”. Torrington (2011) quotes Butler et al., (1997) and states that the BSC is one of the most adopted application by many organizations because its format and content appear to meet several and varied management needs. Silk (1998) estimated that during that period 60% of companies on the prestigious Fortune 1000 list in the USA have in one way or another applied the Balanced Scorecard.

2.9.2 The RBM Performance Management System

Results-based management is defined according to UNDP (2009) as a strategy permitting all stakeholders, contributing to the achievement results, ensure that their systems, products and services assist in the desired results (outputs, outcomes and goals) as indicated in figure 2.5 below. Madhakani (2012) highlighted that successful implementation of RBM hinges on clearly defined accountability for results in addition to requiring monitoring and self-assessment of progress, including reporting on performance.

Fig 2.5 Resources processes and results

Source: Adapted from UNDP (2009)

According to Zvavahera (2013) the difference between RBM and the previous preceding era of implementation-based systems lies in the scope, foci and loci of public sector management. According to McKenzie (2009), RBM focuses the public sector agency on tangible results to be delivered and also clarifies programme clients and their needs/problems, while promoting systematic performance analysis and benchmarking to drive performance and improvement. According to Mayne (2007) it emphasizes value for money from usage of limited resources and move agencies away from input-driven incremental budgets towards results-driven performance budgets. Organizations are also directed away from workload and activity-completion, personnel performance towards results-oriented performance and from
activity and output-based monitoring to outcomes and impact evaluation. McKenzie (2009) highlighted that unlike the “business as usual” approach in the traditional implementation-focused systems, the Results Based Management system calls for institutions to take responsibility for their actions and demonstrate the impact of that action. Organizations are called upon to articulate how public funds will be spend on services and products that have an impact on people's lives, monitor how effectively and efficiently these programmes work, and take action to improve programme results where possible, (Neely, 2007).

Accordingly the UNDP, (2009) view RBM as a life-cycle system which starts with elements of planning, such as setting the vision and defining the results framework and continuously revolves as seen in figure 2.3. McKenzie (2008) noted that once the organization reaches consensus to pursue a set of results through a project, implementation starts while monitoring becomes an essential continuous task to ensure that results are being achieved. Monitoring and evaluation is essential and provides invaluable information for present decision-making and lessons for the future.
According to the Government of Zimbabwe RBM Handbook (2006), The Zimbabwean Government chose RBM to be implemented in local authorities because it covers the following critical areas of local government, Planning (done collectively with all stakeholders), Results Based Budgeting (RBB) (looking at financial aspects), Personnel Performance System (PPS) (evaluation of actual performance of all members in the organisation against set targets) and Monitoring and Evaluation (continuously looking at the performance of all aspects). Areas which need improvement during the performance cycle are highlighted and appropriate action taken. This approach helps the organisation to be systematic in its decision making process (Zvavahera, 2013). In agreement Grinstead (2009) notes that RBM integrates the human resource aspect with the financial aspect and link them to the outcomes with the aim of improving lives of communities through provision of superior service.
2.10 CONCEPTUAL FRAMEWORK

“A conceptual framework explains, either graphically or in narrative form, the main dimensions of an issue to be studied that is, the key factors, or variables and the presumed relationships among them. The relationships can be rudimentary or elaborate, theory-driven or commonsensical, descriptive or causal” (Miles & Huberman, 1984:28).

Figure 2.6 Conceptual framework Source: Nelet et al (2008) p493

The conceptual framework above, aligned to the PMS processes by Nelet et al., (2008): p493, summarizes the process into four main categories covering (i) performance planning, (ii) performance coaching and mentoring (iii) performance measurement and evaluation and (iv) performance feedback and documentation. Within these categories, employee performance is determined by the following variables Nelet et al., (2008):p493:

- Well communicated and clear organizational objectives;
- Alignment of individual and group goals with organizational objectives;
- Effective monitoring and unambiguous measurement of individual and group performance;
- Early detection and reporting of possible deviations;
- Development of additional action plans to correct the possible deviations;
- Developing coaching and mentoring programs for individuals and groups;
• Continuous review of individual and group performance, and the re-evaluation of organizational processes.

2.11 CONCLUSION
As noted in this Chapter many sources agree that performance management processes provide an important source of information on human capital and its contribution to the achievement of organizational goals (Baron and Armstrong, 2007). They further note that an effective performance management system should form a key building block of every organization’s human capital management system.

At the very basic level performance management processes should inform the organization on how well individuals are achieving their goals because they also ultimately affect the achievement of the organization’s own objectives. Of particular importance to the process are skills and experience that individuals bring to the job as well as outputs in the form of achievement of objectives. Organizations are also managing performance in terms of what people do and how they do it.

Performance reviews and 360-degree assessments outcomes are informing the performance management process, in terms of levels of capability, readiness for promotion or job expansion, match between required and actual behaviour as well as competence levels (Baron and Armstrong, 2007).

This Chapter also specifically reviews literature on RBM since it is the PM system that the case study organisation uses. A case study in a similar organisation with similar problems is also presented.
CHAPTER THREE

METHODOLOGY

3.1 INTRODUCTION
The Methodology looks at how the study is to be conducted. It explains the research approach, research design, sources of data, methods of data collection and analytical procedures used. Justification of the sampling method used is also provided. Specifically, the section describes the target population, sampling procedure and sample size of the study, the data collection instrument used and issues pertaining to its validity and reliability, the procedure followed to gather the data and the statistical techniques used to analyse the data.

3.2 RESEARCH PROBLEM AND OBJECTIVES RECAP

3.2.1 Statement of the Problem
Although the Municipality has a performance management system in place known as the RBM, the system has not been properly utilized to improve the performance of employees within HM. HM employees are generally seen as lazy corrupt and lacking in supervision. The researcher also believes that if HM does not improve its performance management system it is not likely to achieve its vision of achieving a World Class City Status by 2025. The attainment of the vision is dependent on the actions of management, employees, rate-payers and all other stakeholders.

3.2.2 Objectives of the Study
The main objective is to evaluate the effectiveness of the performance management system used by Harare municipality.

3.2.3 Research Proposition
The researcher makes a proposition that, the proper application of the performance management system used by Harare municipality can lead to improved employee performance and better service delivery.
3.3 METHODOLOGY FRAMEWORK

The researcher adopted the research onion framework which is made up six layers which are: philosophies, approaches, strategies, choices, time horizons, procedures and techniques.

3.4 RESEARCH PHILOSOPHY

According to Saunders et al (1997) the key idea of positivism is that the social world exists externally and its properties should be measured by objective methods rather than inferred subjectivity through sensation, reflection or intuition. Anti-positivists reject that, observing that behaviour can help understand it. According to McNeill (2005), phenomenology approach is based on the way people experience social phenomena in the world they live. It is characterised by focus or meanings that research subjects attach to social phenomenon, an
attempt by the researchers to understand what is happening and why it is happening using qualitative data.

Phenomenology and positivism philosophy was adopted for this research at Harare Municipality. The research aimed to see the effectiveness of performance management systems in enhancing employee performance in local authorities through the eyes of practitioners in the industry studied, allowing for multiple perspectives of reality rather than the “one reality” of positivism. This research took place in the public sector, which encompassed a qualitative and quantitative research approach. The research is to study a social phenomenon impacting on local governance, service delivery and public sector performance, seeking to uncover trends in thought and opinions, and dive deeper into the problem.

3.5 RESEARCH APPROACH
This research used an inductive approach where it will sought to understand if the performance management system used by Harare municipality is effective in addressing problems related to employee performance. The researcher began by understating the performance system in use and went further to assess its effectiveness. Data was collected and analysed to support or disprove assumptions about the effectiveness of the performance management system put forward in the researcher’s propositions.

3.6 RESEARCH DESIGN
Ghauri & Gronhaug, (2005) postulated that the quality of empirical research is greatly influenced by the research design. Research design is defined as the overall plan for relating the conceptual research problem to relevant and practicable empirical research. It is made up of three layers of the research onion that is, research strategies, research choices and time horizons. It is turning your research question into a research project (Robson, 2002).

This research adopted the research design as illustrated in figure 3.1 where the three layers are shown on the research onion (Saunders, Lewis and Thornhill, 2009).

3.7 RESEARCH STRATEGIES
3.7.1 Survey
A survey is where empirical study involves collecting information from a larger number of cases, using questionnaires. Survey responses enable the researcher to tap into subjective attitudes and orientations, as well as more external indicators of the respondents’ personal
situation. Surveys are most economical and useful when there is need to easily gather and analyse lots of information from a sizeable population in this case, the case of Harare Municipality which has more than 10300 employees.

3.7.2 Case study
A case study is defined as a strategy for carrying out a study which focuses on an empirical investigation of a particular contemporary phenomenon within its real life context using many sources of evidence (Saunders et al, 1997). This may include various data collection methods such as questionnaires, interviews, observations and document analysis.

This research adopted the case study and survey strategy in addition to document analysis. The researcher used the case study because of the various techniques that can be employed considering the size of the organisation and the scatteredness of the respondents. The researcher used the research interviews and questionnaires to collect data from the respondents from Harare Municipality. Furthermore, the technique allowed the researcher to probe deeper into the problem of performance management at Harare Municipality that was under study.

3.8 TIME HORIZONS
This researcher used cross sectional studies as it is an academic research which is supposed to be accomplished within a specified period of six months. This is a research study of a particular known phenomenon at a particular time. Most research projects are undertaken for academic purposes and they are necessarily time constrained.

3.9 POPULATION
A population is the entire group of people, events or things of interest that the researcher wishes to investigate. The population of employees in Harare municipality will be used as a sample from which sampling was applied to identify respondents.

In this study Harare Municipality had a population of 10364 employees. The population was composed of sixty four (64) managers of which ten (10) were Directors and ten thousand three hundred General staff (10300). The data is summaries below:

<table>
<thead>
<tr>
<th>Category</th>
<th>Population size</th>
<th>No targeted for sampling</th>
</tr>
</thead>
</table>

Table 3.1 Population size and sample
### Directors

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors</td>
<td>10</td>
</tr>
<tr>
<td>Management</td>
<td>54</td>
</tr>
<tr>
<td>Non-managerial</td>
<td>10300</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>10364</strong></td>
</tr>
</tbody>
</table>


#### 3.10 SAMPLING METHOD

There are two ways of coming up with a sample. These are probability and non-probability sampling method. Probability sampling method was used in the research.

##### 3.10.1 Probability Sampling Method

Probability Sampling ensures that the probability of each case being selected from the population is known and is usually equal (Saunders et al, 1997). Normally the choice of components for the sample is by randomisation (Leedy, 1992). Summarised below are the random selection methods:

- **Simple Random Sampling** - This method ensures that each item in the entire population has an equal chance of being included in the sample. The method is normally used when it is assumed that the population is relatively homogenous with respect to random variable.

- **Systematic Sampling** - Elements are selected from the population at a uniform interval that is measured in time, order or space. The first sample is selected randomly. This method differs from the simple random sampling in that each element does not have an equal chance of being selected.

- **Stratified Sampling** – Stratified sampling, divides the population into segments or strata. Each stratum has relatively homogenous elements and from each stratum random samples can be selected. A specific number of elements can be selected at random from each stratum that corresponds to the proportion of that stratum in the population. Stratification can be worthless unless the population can be classified into strata that are homogenous in the state being investigated.

##### 3.10.1 Harare Municipality Sample Size and Selection

For Line managers (54) systematic random sampling was used. The first manager picked from a piece of paper with names in a box was done so through systematic random sampling. Elements are selected from the population at a uniform interval that is measured in time, order or space. Thereafter the every second (2nd) manager was picked from a hat until the
sample size of fifteen (15) was reached. The general staff (10300) was sampled using the stratified technique so as to represent all the branches around Harare. Stratified sampling, divides the population into segments or strata. Each stratum has relatively homogenous elements and from each stratum random samples can be selected (Leedy,1992). Stratified random sampling was used to ensure that all business units of the municipality were included in the research. The sample was then selected from each spectrum using purposive sampling and a total of eighty-five (85) general staff obtained. Each strata contained workers committee representatives who had knowledge about the issue of performance management. They were selected specifically so that they could give their insight of the problem under study.

In summary, the researcher used simple random, systematic random and stratified sampling techniques in selecting the respondents of this study. The 10 ten directors were selected for interviews using census because they had more insight into the problems that were affecting the performance management system at Harare Municipality. The total sample for the research was 100 for questionnaire and 10 for the interviews. This method ensures that each item in the entire population has an equal chance of being included in the sample.

3.11 DATA COLLECTION INSTRUMENTS
The data of this study was obtained from the texts that had significance and a bearing on the area under study, which is Performance Management. This enabled the understanding of the principles and theories that were to be explored and essential for this study.

The internet was used as a background source of information to bring to the fore practical issues that are faced in the implementation of performance management systems.

Research was done on performance management systems in Zimbabwe, the region and internationally. This material was referred to provide insight as well as an understanding of the practicalities of the implementation of the Performance Management Systems at Harare Municipality.

For the purpose of primary data research, interviews and questionnaire were used. The researcher noted that triangulation, which required the use of various data collection techniques to be applied was necessary. Triangulation increased the validity of data collected since the varied methods compensated and complemented to minimize the inherent
weaknesses in each approach. Primary data was collected from its original source (Saunders, 2009). The methods are explained in detail below:

3.11.1 Interviews
Interviews provide in-depth information about a particular research issue or question. Since the information is not quantifiable (i.e., not amenable to statistical analysis), the interview is often described as a qualitative research method. The advantages of using the interview technique approach at Harare Municipality is that the respondents can expand on areas of interest and also the researcher can make use of non-verbal cues such as facial expression to understand responses. The major disadvantage is that it is time consuming and costly. To increase the response rate the researcher used the structured interviews on the respondents using the questionnaire.

Interviews were used on the 10 Directors who are key drivers of the implementation of the PMS at HM and have in-depth and vast experience with systems change in the organization. Interviews were also suitable because of their status in the organization wherein they were most of the time not available in offices, and generally have no time on their own to complete questionnaires. The researcher had to make special appointments to get an opportunity to see them and interview them.

3.11.2 Questionnaires
Questionnaires were distributed to 100 respondents. The questionnaire comprised of closed ended questions to allow quick response to the issues of performance management at Harare Municipality. The questionnaire had closed question which sought yes and no opinion and this allowed the researcher to give a numerical value to each response. The Likert scale of the responses went up from 2 to 5. The major advantage was that the responses could be quantified and that was easy for data analysis.

3.11.3 Pre-test of the questionnaire
The researcher pre-tested the questionnaire to ensure that all irrelevant data was removed from the questionnaire. The pre-test was conducted on 10 employees in the Harare Municipality. The researcher collected the results and made corrections in areas that were not well structured. The final questionnaire was developed and it was the one that was used to collect the data from the respondents. The respondents that were used in the pre-test were excluded in the final sample that was selected for the study.
3.12 DATA ANALYSIS AND PRESENTATION
After the researcher had collected data using interviews and questionnaires, the responses were analysed using Statistical package for Social Sciences (SPSS) version 20. The data was presented in the form of graphs and tables. The researcher also used Microsoft excel to analyse data that was collected from the SPSS software (Pallant, 2005).

3.13 VALIDITY AND RELIABILITY
Validity is the extent to which an instrument measures what it seeks to measure. The researcher pre-tested the research instrument to ensure validity. The pre-test was done on employees that were not selected for the sample of the research. The research supervisor also assessed the validity of the content through his expect view of the research instrument.

3.14 ETHICAL CONSIDERATIONS
The researcher exercised ethical responsibility when conducting the research. The following considerations were accounted for:

i) The researcher used the information that was gathered from the respondents for academic consideration.

ii) The information was kept with high confidentiality as a moral obligation to the respondents.

iii) The researcher did not disclose any names of the participants of the research.

iv) The researcher also sought approval from the relevant authorities to carry out the research.

3.15 CONCLUSION
The Methodology looked at how the study was conducted. It explains the research approach, research design, sources of data, methods of data collection and analytical procedures used. The next chapter will focus on the results and analysis.
CHAPTER 4

RESEARCH RESULTS AND ANALYSIS

4.1 INTRODUCTION
Data display is an organised assembly of information. It makes data compact and immediately accessible so that a large amount of data can be seen at once to enable the researcher to begin to understand what is happening and start to draw justified conclusions (Miles and Huberman, 1994)

This chapter focuses on displaying and presentation of the data gathered from the respondents at HM. The researcher used tables and figures to interpret results on the questionnaire and discussed the results of the interviews. Literature review was used to discuss the findings of the research.

4.2 RESPONSE RATE
The researcher distributed 100 questionnaires to the respondents that were selected for the research. Of the 100 questionnaires, 93 which were completed and returned are the ones to be used for data analysis for this research. The response rate of 93% meant great reliability of the response that was coming from the respondents. The table 4.1 below shows the response rate.

<table>
<thead>
<tr>
<th>Sample</th>
<th>Responded</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>MANAGERIAL</td>
<td>15</td>
<td>14</td>
</tr>
<tr>
<td>NON MANAGERIAL</td>
<td>85</td>
<td>79</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100</td>
<td>93</td>
</tr>
</tbody>
</table>

The following 28 figures and tables which are appropriately labelled are presented to summarise and present the data which was gathered using the questionnaire. Explanations accompany each of the figures or tables.
4.2.1 Demography by sex

The figure above shows that 63.4% of the respondents were male while 36.6% were female. This shows that there was representation of both sexes in the research at Harare Municipality. The response pattern also confirms the gender composition of HM managers and employees.

4.2.2 Demography by level in the organization

<table>
<thead>
<tr>
<th>Level</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>14</td>
<td>15.1</td>
<td>15.1</td>
<td>15.1</td>
</tr>
<tr>
<td>Non-management</td>
<td>79</td>
<td>84.9</td>
<td>84.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>93</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The table above shows that 15.1% respondents were in the management level and 84.9% were non-management. The non-managerial respondents were the employees who were involved in the implementing of the performance management system at Harare Municipality. This suggests that most of the responses came from the non-managerial employees who were the ones who were affected by the performance management system.

4.2.3 Demography by qualification
Figure 4.2 Demography by qualification

The figure 4.2 shows the demography by qualification of the respondents at Harare Municipality. The statistics show that 23.7% had secondary/high school, 45.2% were at diploma level, 29.0% had bachelor’s degrees and 2.2% had Masters degrees and above. The respondents were educated enough to understand the problem of performance management system that was being researched on.

4.2.4 Demography by experience

Figure 4.3 Demography by experience

The figure 4.3 shows the demography by experience of the respondents at Harare Municipality. The statistics show that 25.8% had above 10 years’ experience, 21.5% had 6 to 10 years’ experience, 37.6% had 1 to 5 years’ experience and 15.1% had less than 1 year
experience. This shows that most employees have been in the organization for long time and this suggests that they had been with the organisation enough to understand the performance management system at Harare Municipality.

4.2.5 Demography by age

![Demography by age chart]

**Figure 4.4 Demography by age**

The figure 4.4 shows the demography by age of the respondents at Harare Municipality. The statistics show that 29.0% were 25 years and below, 26.9% were between 26 to 30 years, 26.9% were between the ages of 31-40 years, 1.1% were between 41 to 50 years of age and 16.1% were 55 to 65 years. The results show that most of the respondents were in the middle age, suggesting that they understood the current business trends where performance management is paramount to achieving results in an organisation.

4.3 PART 2 QUESTIONNAIRE RESPONSES

**Objective 1:** To determine the performance management system used in Harare Municipality.
4.3.1 Awareness of the Performance management system at Harare Municipality

Figure 4.5 Awareness of the performance management system at Harare Municipality

The figure above shows that 51% were aware while 11.8% were not aware that there is a performance management system at Harare Municipality. The remaining 36.6% were not sure. The data show that about half of the respondents (51.6%) knew that the organization had a performance management system in place and a significant 47.4% are either not sure or not aware. Bussim (2012) highlighted that performance management is a continuous process of improving individuals, team and organisational performance therefore employee awareness of the process is important.

4.3.2 Rating the performance management system at Harare Municipality

Figure 4.6 Rating the performance management system at Harare Municipality
The figure above show that 15.1% of respondents indicated that the performance management system at Harare Municipality is excellent and 12.9% rated it as average, 62.4% indicated that it is poor while 9.7% were not sure. The highest percentage of respondents indicated that the performance management system was poorly administered at Harare Municipality. This might imply that the system was there on paper but not being implemented on the ground. According to Armstrong (2007) performance management has to be the core of all organisations since it gives strategic direction on how resources are going to be distributed towards the achievement of set goals and objectives.

4.3.3 PMS at Harare Municipality cascading the organization objectives to the individual objectives.

![Graph showing responses to PMS at Harare Municipality cascading the organization objectives to the individual objectives.]

Figure 4.7 PMS at Harare Municipality cascading the organization objectives to the individual objectives.

The figure above show that 8.6% of respondents strongly agreed and 25.8% agreed that the performance management system at Harare Municipality cascade the organization objectives to the individual objectives. About 15.1% were neutral while 43% disagreed and 7.5% strongly disagreed. This implies that the information on performance is not communicated down the system from top management to low levels of the organization. According to Armstrong (2007) it is important to incorporating employee input in the process so that it will most likely generate a higher degree of employee ownership and commitment.
4.3.4 Use of team objectives to determine individual objectives by management at HM.

Table 4.2 Planning for performance

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>8</td>
<td>8.6</td>
<td>8.6</td>
<td>8.6</td>
</tr>
<tr>
<td>Agree</td>
<td>12</td>
<td>12.9</td>
<td>12.9</td>
<td>21.5</td>
</tr>
<tr>
<td>Neutral</td>
<td>11</td>
<td>11.8</td>
<td>11.8</td>
<td>33.3</td>
</tr>
<tr>
<td>Disagree</td>
<td>47</td>
<td>50.5</td>
<td>50.5</td>
<td>83.9</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>15</td>
<td>16.1</td>
<td>16.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>93</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The table 4.2 above shows that 8.6% of respondents strongly agreed and 12.9% agreed that when planning for performance Harare Municipality management uses team objectives to determine individual objectives. About 11.8% were neutral while 50.5% disagreed and 16.1% strongly disagreed. The data suggests that team objectives are not given their necessary importance to determine employee performance. Literature from Clark (2005) noted that it is important for the performance management process to make staff understand how their personal objectives contribute to team and organizational objectives.

4.3.5 HM training programmes intended to equip its employees with work related knowledge.

Figure 4.8 HM training programmes intended to equip its employees with work related knowledge.
The figure 4.8 above show that 8.6% of respondents strongly agreed and 30.1 % agreed that the performance management system at Harare Municipality cascade the organization objectives to the individual objectives. About 14.0% were neutral while 39.8% disagreed and 7.5% strongly disagreed. The data show that there is almost a balance in statistics of employees who have gone for training and those who do not. This might suggest that there were training programmes for certain employees in the organization. White, (2008) indicated that employees need training to do their job confidently and to facilitate career advancement within the organization.

4.3.6 Relationship between organisation performance and individual performance.

Table 4.3 Relationship between organisation performance and individual performance.

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>2</td>
<td>2.2</td>
<td>2.2</td>
<td>2.2</td>
</tr>
<tr>
<td>Agree</td>
<td>19</td>
<td>20.4</td>
<td>20.4</td>
<td>22.6</td>
</tr>
<tr>
<td>Neutral</td>
<td>12</td>
<td>12.9</td>
<td>12.9</td>
<td>35.5</td>
</tr>
<tr>
<td>Disagree</td>
<td>51</td>
<td>54.8</td>
<td>54.8</td>
<td>90.3</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>9</td>
<td>9.7</td>
<td>9.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>93</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The table 4.3 above show that 2.2% of respondents strongly agreed and 20.4 % agreed that the performance management system at Harare Municipality cascade the organization objectives to the individual objectives. About 12.9% were neutral while 54.8% disagreed and 9.7% strongly disagreed. The findings show that there is a difference between organizational objectives and employee objectives. This suggests that there is no linkage between the strategy that is intended to be achieved and the performance standards of the employees in the organization. It is important according to Roberts (2004) that before an organization is able to plan and manage individual performance, significant steps be made in identifying the competencies necessary for the whole organization.

3. Objective 2: To examine options available for the organisation to improve employee recognition and reward.
### 4.3.7 Recognition for doing job well.

![Graph showing recognition for doing job well](image)

**Figure 4.9 Recognition for doing job well.**

The figure 4.9 above show that 8.6% of respondents strongly agreed and 25.8% agreed that employees received recognition for doing their jobs well. About 15.1% were neutral while 43% disagreed and 7.5% strongly disagreed. This suggests that the employees' performance were not being recognized by the management in the organization. This has the potential to negatively affect the overall performance of the Municipality.

### 4.3.8 Supervisor concern for employee welfare.

![Pie chart showing supervisor concern for employee welfare](image)

**Figure 4.10 Supervisor concern for employee welfare.**
The figures 4.9 above show that 6.5% of respondents strongly agreed and 22.6% agreed that supervisors were concerned about employee welfare at Harare Municipality. About 7.5% were neutral while 43% disagreed and 20.4% strongly disagreed. This implies that there was limited concern for the welfare of employees at Harare Municipality and it was conversely affecting the performance of employees and that of the organization. White (2014) acknowledges that developing a positive culture focusing on recognition may be difficult and may take time to implement. It however represents a large area of growth and tangible benefits for an organisation and its employees.

4.3.9 Rewarding high quality work with more pay.

![Figure 4.11 Rewarding high quality work with more pay.](image)

The figure 4.11 above show that 1.1% of respondents strongly agreed and 25.8% agreed that producing high quality work is rewarded with more pay at Harare Municipality. About 18.3% were neutral while 40.9% disagreed and 14.0% strongly disagreed. Although the organization had a performance management system in place it failed to address issues that adequate rewards to performance of the employees. Institute for Employment Studies (IES) (2001) carried out a study which established that employees got more satisfaction with rewarding system where promotion and development, were given as rewards for good performance.
4.3.10 Performance-based pay based on performance ratings is the most effective method for motivating employees to improve/sustain performance.

The figure shows that 7.5% of respondents strongly agreed and 44.1% agreed that performance-based pay based on performance ratings is the most effective method for motivating employees to improve/sustain performance. About 7.5% were neutral while 25.8% disagreed and 15.1% strongly disagreed. The respondents generally agreed that performance rating was a good system for resolving the problems related to employee performance. Literature from Bevan and Thompson (1992) noted that organizations with performance management systems in place were more inclined to have performance-based pay.
4.3.11 Employees’ salaries are determined by the performance and the performance management system at Harare Municipality.

The figure 4.13 above show that 4.3% of respondents strongly agreed and 20.4% agreed that employees’ salaries are determined by the performance and the performance management system at Harare Municipality. About 14.0% were neutral while 55.9% disagreed and 5.4% strongly disagreed. This might suggests that the salaries at Harare Municipality were not being determined by the performance management system of the organization. Armstrong and Clark (2005) also provides a convincing discussion of the problems associated with linking performance with pay. The argument is that organization can use other forms of reward which are not necessarily monetary.

3 Objective 3: To evaluate the effectiveness of feedback methods in the Harare municipality performance management system.
4.3.12 Performance feedback system at Harare Municipality.

There is a performance feedback system at Harare Municipality. The figure 4.14 above shows that 60.2% indicated yes while 28.0% indicated no to the notion that there is a performance feedback system at Harare Municipality. The remaining 11.8% were not sure. This suggests that there was a performance feedback system in place at Harare Municipality which most respondents are aware of. Performance appraisal is a more limited approach which involves managers making top-down assessments and rating the performance of their subordinates at an annual performance appraisal meeting (Armstrong, 2007).

4.3.13 Frequency of feedback on employee performance at HM

Table 4.4 Frequency of feedback on employee performance at HM

<table>
<thead>
<tr>
<th>Collected</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yearly</td>
<td>56</td>
<td>60.2</td>
<td>60.2</td>
<td>60.2</td>
</tr>
<tr>
<td>Bi-annually</td>
<td>16</td>
<td>17.2</td>
<td>17.2</td>
<td>77.4</td>
</tr>
<tr>
<td>Monthly</td>
<td>11</td>
<td>11.8</td>
<td>11.8</td>
<td>89.2</td>
</tr>
<tr>
<td>Weekly</td>
<td>2</td>
<td>2.2</td>
<td>2.2</td>
<td>90.3</td>
</tr>
<tr>
<td>None</td>
<td>8</td>
<td>8.6</td>
<td>8.6</td>
<td>98.9</td>
</tr>
<tr>
<td>Total</td>
<td>93</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
The table 4.4 sought to assess how regular feedback is on employee performance collected. The figure above shows that 60.2% indicated yearly and 17.2% Bi-yearly. About 11.8% indicated Monthly, 2.2% weekly while 8.6% indicated no feedback is collected. The research found out that the feedback was done at most yearly. This shows that the system was fostering no culture of performance at Harare Municipality. In addition, the varied and lack of consensus in answers for a question of this nature shows that there may be no collective corporate understanding of how the system is administered. Armstrong (2007) noted that there is need for periodic review of Goals and standards and performance feedback which are all set for future performance to be effective.

4.3.14 Incentives to good performers at HM after a performance review.

![Incentives to good performers at HM after a performance review.](image)

Figure 4.15 Incentives to good performers at HM after a performance review.

The figure 4.14 above show that 6.5% of respondents strongly agreed and 19.4% agreed that there are incentives to good performers after a performance review. About 19.4% were neutral while 39.6% disagreed and 15.1% strongly disagreed. This implies that there may be no reviews or monetary benefits after the review by the management at Harare Municipality. This may suggest that there is no motivation for the poor performers if they are being treated the same. Performance feedback is meant to motivate and give staff the zeal and learning experience that make them want to develop and improve themselves and their performance for the betterment of their organisation with material benefits (McGregor, 1987).
4.3.15 Opportunity to employees give own overview or suggestions on their performance

Figure 4.16 Opportunity to employees to give own overview or suggestions on their performance

The figure 4.16 above show that 6.5% of respondents strongly agreed and 15.1% agreed that employees are given an opportunity to give their own overview or suggestions on their performance. About 12.9% were neutral while 45.2% disagreed and 20.4% strongly disagreed. It therefore suggests that generally employees are not given an opportunity to give their own reviews or suggestions on their performance. According to Pallister(2007) employees better their worth feel if they are making contributions that make a difference, they have to be assisted to see the big picture and how their contribution is important to the functioning of the organization as a whole.

4.3.16 Focus on results of performance feedback system at Harare Municipality.
Table 4.5 Focus on results of the performance feedback system at Harare Municipality

<table>
<thead>
<tr>
<th>Results</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>3</td>
<td>3.2</td>
<td>3.2</td>
<td>3.2</td>
</tr>
<tr>
<td>Agree</td>
<td>24</td>
<td>25.8</td>
<td>25.8</td>
<td>29.0</td>
</tr>
<tr>
<td>Neutral</td>
<td>19</td>
<td>20.4</td>
<td>20.4</td>
<td>49.5</td>
</tr>
<tr>
<td>Disagree</td>
<td>34</td>
<td>36.6</td>
<td>36.6</td>
<td>86.0</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>13</td>
<td>14.0</td>
<td>14.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>93</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The table 4.5 above show that 3.2% of respondents strongly agreed and 25.8% agreed that the performance feedback system at Harare Municipality is results focussed. About 20.4% were neutral while 36.6% disagreed and 14.0% strongly disagreed. The results therefore suggest that most respondents are either neutral or do not think the Performance feedback system at HM is results focused. According to Armstrong (2006) the results based approach process is however extremely focussed on the results and is not a flexible tool to accommodate things like, effort where targets have not been achieved.

4.3.17 Assessment of change in the behaviour of employees caused by the PMS from time to time at HM.

Figure 4.17 Assessment of change in the behaviour of employees caused by the PMS from time to time at HM.
The figure 4.17 above shows that 7.5% of respondents strongly agreed and 19.4% agreed that the performance feedback system at Harare Municipality also assesses the change in behaviours of employees from time to time. About 7.5% were neutral while 44.1% disagreed and 21.5% strongly disagreed. Employee behavior is important for the effectiveness of a PMS (Armstrong, 2007). The results suggest that the system at HM does not link feedback with change in employee behavior. Roberts (2004) highlighted that behaviour descriptions can be developed in organisations to allow line-managers to describe the individual skills that allow for the execution of the job.

4. Objective 4: To establish strategies the organisation should adopt to promote employee loyalty and satisfaction.

4.3.18 Effect on employees at HM of open communication as regards clarity of direction and the organization’s future.

![Figure 4.18](image)

Figure 4.18 Effects on employees at HM of open communication employees as regards clarity of the direction and the organization future.

The figure 4.18 above shows that 3.2% of respondents strongly agreed and 21.5% agreed that through open communication employees are able to have a clear direction of the organization future. About 15.1% were neutral while 35.5% disagreed and 24.7% strongly disagreed. The results show that due to lack of open communication might suggest that employees do not understand the direction which the organization is taking or its future. This is likely to affect HM’s prospects of attaining its vision 2025. According to Clark (2005) when employees interact and share information with their managers enhance the employees’ work.
4.3.19 Top down communication of performance management issues at HM.

The figure 4.19 above shows that 3.2% of respondents strongly agreed and 28.0% agreed that there is a top down communication of performance management issues at Harare. About 18.3% were neutral while 37.6% disagreed and 12.9% strongly disagreed. This shows that there was top down communication at HM. This therefore suggests that the organization fails to benefit from information and feedback from the employees. According to Rose (2011) results which show disloyal employees and low employee satisfaction reflect is a bad management practices through the communication channel.

4.3.20 Conducting employee satisfaction surveys regularly at HM.
The figure 4.20 above shows that 7.5% of respondents strongly agreed and 16.1% agreed that Harare Municipality conduct employee satisfaction surveys regularly. About 9.7% were neutral while 47.3% disagreed and 19.4% strongly disagreed. The statistics suggest that Harare Municipality did not conduct employee satisfaction surveys. Rose, (2011) advises that employers need to make sure that their business is consistently measuring employee satisfaction.

4.3.21 Serious consideration of on the job ideas and opinions.

![Chart showing percentages of responses]

Figure 4.21 Serious consideration of on the job ideas and opinions.

The figure 4.21 above shows that 7.5% of respondents strongly agreed and 18.3% agreed that while on the job, employee ideas and opinions are taken seriously. About 8.6% were neutral while 44.1% disagreed and 21.5% strongly disagreed. This suggests that management does not give due consideration to the information from the employees. If that information is not considered seriously, Harare Municipality is likely to have problems with employee buy-in, which affects the effectiveness of individual performance and, in turn, that of the organization. According to Pallister (2007), employees must be given a chance to voice their comments, opinions, and suggestions on how the business is currently run and where they see it going.

4.3.22 Moulding of a culture of performance by the PMS at HM.

Table 4.6 Moulding of a culture of performance by the PMS at HM.
The Table 4.6 above show that 7.5% of respondents strongly agreed and 19.4% disagreed that the performance management system at Harare Municipality has managed to mould a culture of performance. About 18.3% were neutral while 35.5% disagreed and 19.4% strongly disagreed. This shows that the performance management system could not positively assist to shape the behavior of the employees at Harare Municipality. White (2014) acknowledges that developing a positive culture focusing on recognition may be difficult and may take time to implement but it is paramount to be to foster performance growth in the organisation.

4.3.23 Enhancement of the motivation of employees at HM by the PMS.

![Figure 4.22 Enhancement of the motivation of employees at HM by the PMS.](image)

The figure 4.22 above show that 3.2% of respondents strongly agreed and 21.5% agreed that the performance management system at Harare Municipality has assisted in enhancing the motivation of employees. About 15.1% were neutral while 35.5% disagreed and 24.7% strongly disagreed. This suggests that the performance management system was contributing towards that low morale of the employees of the Municipality.
4.3.24 Improvement of employee competencies at HM as a result of the PMS

Table 4.7 Employee competences have been improved as a result of the performance management system at Harare Municipality.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>7</td>
<td>7.5</td>
<td>7.5</td>
<td>7.5</td>
</tr>
<tr>
<td>Agree</td>
<td>18</td>
<td>19.4</td>
<td>19.4</td>
<td>26.9</td>
</tr>
<tr>
<td>Neutral</td>
<td>8</td>
<td>8.6</td>
<td>8.6</td>
<td>35.5</td>
</tr>
<tr>
<td>Disagree</td>
<td>40</td>
<td>43.0</td>
<td>43.0</td>
<td>78.5</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>20</td>
<td>21.5</td>
<td>21.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>93</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The Table 4.7 above show that 7.5% of respondents strongly agreed and 19.4% agreed that employee competences have been improved as a result of the performance management system at Harare Municipality. About 8.6% were neutral while 43.0% disagreed and 21.5% strongly disagreed. This implies that the employee competences had not been improved as a result of the performance management system of Harare Municipality. It is important for managers to harness practical job experiences and develop the needed employees skills and competencies (Armstrong, 2007).

4.3.25 The performance management system at Harare Municipality has created employee opportunities.
The performance management system at Harare Municipality has created employee opportunities. The figure above shows that 3.2% of respondents strongly agreed and 28.0% agreed that the performance management system at Harare Municipality has created employee opportunities. About 18.3% were neutral while 37.6% disagreed and 12.9% strongly disagreed. This suggests that the performance management system did not contribute in creating employee opportunities at Harare Municipality. Employees appreciate it when they get recognition and are given opportunities for personal career growth (Gilley, 2005).

4.4 PART 2 INTERVIEW RESPONSES

According to Miles and Huberman (1984) "...qualitative data are attractive. They are a source of well-grounded, rich descriptions and explanations of processes occurring in local contexts. With qualitative data one can preserve the chronological flow, assess local causality, and derive fruitful explanations. ... they help researchers go beyond initial preconceptions and frameworks. Finally, the findings from qualitative studies have a quality of “undeniability,” as Smith (1978) has put it" (Miles and Huberman, 1984:15) They further indicated that the most frequent form of display for qualitative data has been narrative text and this research has adopted same.

The methodology adopted for this research was triangulation, where a combination of quantitative and qualitative data was gathered and analysed. Miles and Huberman (1994) content that a good study uses triangulation during data collection, that is, collecting data on the same question in different ways. The first part of this chapter analysed quantitative data which was gathered using a questionnaire and this part is going to analyse information which was as a result of interviews carried out with 10 managers from HM.

4.4.1 HM Managers’ understanding of Performance Management
All managerial employees showed that they had an appreciation of the Performance management. They indicated that the system was called RBM. They indicated that they it was not being implemented in full to meet the requirements of the Municipality. Some respondent indicating that it was being used but the employees had problems in implementing it to produce the intended results.
4.4.2 Key objectives of a PMS
The majority of the respondents indicated that the key objective of a Performance management system was to measure individual and company performance through appraisals. According to literature from Fletcher (1997) for many organisations performance management is synonymous with performance appraisal or with performance related pay, although studies have revealed that performance management is much more than either or both of these (Baron and Armstrong 2007). Around 20% of the respondents indicated that the key objective of a performance management system was for determination of their remuneration. Bussim (2012) highlighted that performance management can be defined as a continuous process of improving individuals, team and organisational performance. This might suggest that a performance management system has to encompass the objectives of the three areas (individual, group and organisation).

4.4.3 The PMS in Harare Municipality
The respondents indicated that they were informed that of Resources based management performance management system. Results-based management is defined according to UNDP (2009)as a management strategy by which all actors on the ground, contributing directly or indirectly to achieving a set of development results, ensure that their processes, products and services contribute to the achievement of desired results (outputs, outcomes and goals). A sizable number of respondents were not aware that RBM is the performance management system being used by HM.

4.4.4 Understanding RBM
In spite of the assumptions from employees that performance management does not improve performance, this research found that RBM if well implemented can improve performance in Harare municipality. It further found that most Harare municipality employees do not clearly understand the Results Based Management System. The problems could be lack of training and feedback from management. Planning, communication and feedback are critical elements for the success of RBM in organisations (RBM Handbook, 2006).Madhakani (2012) also highlighted that the RBM rests on clearly defined accountability for results and requires monitoring and self-assessment of progress towards results, including regularly reporting on performance.
4.4.5 Correct implementation of the PMS

This system has been implemented but it has not been able to assist the Municipality to increase in its service delivery performance standard. Although the performance management system is in place there is lack of systematic and structured performance planning and use of performance frameworks. Since the Municipality does not have competition there is a tendency for complacency and business as usual approach.

The Municipality culture for performance is low and the problem is emanating from the top going down chain of command. Both individual and organisational performances are reviewed sometimes on a yearly basis, sometimes not at all and in some instances when someone is due for promotion or when they have to be moved into a higher notch within a grade. Furthermore it was noted that the performance management system does not have adequate system support for managers to manage for results. The Municipality has a tendency to adopt easy approach to budget management which focus on expenditure/activities. Thus, for the low level employees there is no motivation to perform or to produce results. The council has long service awards and different recognition programs in place but most of these programmes are not related to the performance management that is critical for the service delivery of the city. The grading system which has been in operation at HM for many decades was pointed out as another of the stumbling block to effective implementation of the PMS. Once employees are placed in certain grades they are entitled to certain uniform benefits regardless of their performance levels. There is no special public acknowledgement of good performers at HM if anything peers discourage and scoff at the hard workers for toiling for “nothing”. The employees have failed to get their salaries for months and thus the value is now on paper rather than for them attaining it.

Due to high staffing levels the council cannot differentiate between poor and good performers. The city council has more than 10,300 employees and about 64 managers (Madhakani, 2012). Managers are not fully focused on managing for results but more on inputs activities completion. Remuneration is based on standardized salary scales. There is lack of an integrated approach linking budgeting and systematic performance management.

4.4.6 PMS communication

The respondents indicated that HM adopted the Results Based performance management system but did not change the structure to meet the new objectives of the Council. There is high level of bureaucracy in the way information is communicated up and down the system.
of the Municipality. Non-management employees tend to have very little input in overall business decisions of the organisation.

This lack of engagement has a negative impact on employee loyalty and buy-in of the PMS. Non-management employees view their job as “just a paycheck” rather than working for a company where they feel they are valued (Gilley and Gilley, 2007). This has created limited systematic cascading of strategic macro development plans to delivery levels.

Thus there is limited buy in of the low level employees on performance related issue. This has affected the moral of employees who have adopted a wait and see behaviour. This behaviour is detrimental to the service delivery of the Municipality as a whole. Wisner and Stanley (2007) indicate that employees should be given a chance to voice their comments, opinions, and suggestions on how the business is currently run and where they see the business going. This can be done easily by creating an online survey to capture this information (Wisner and Stanley, 2007). Suffice to say HM is still not digitalised and Departments and Divisions are not networked to enable online surveys as envisaged by Wisner and Stanley (2007)

All respondents indicated that communication at HM is always from the top going down to the lower level employees or from the policy makers (Councillors and the parent government ministry) to management.

4.4.7 Feedback on employee performance.
The respondents generally indicated that they got feedback on performance on completion of probation or when they are earmarked for promotion. When the interview probed for timeframe some indicate it was supposed to be on a yearly basis while others disagreed and said the correct period is every 6 months. All respondents however concurred that sometimes there is no feedback at all because HR departments fail to make follow-ups. When this question was asked the researcher observed that some of the respondents would look up and think of the period they have had such feedback.

4.5 CONCLUSION
This chapter focuses on the responses that were gathered from the respondents. The researcher used tables and figures to interpret results of the questionnaire and discussed the findings from the interviews in order to evaluate the effectiveness of the performance management system at HM. Literature review was used to discuss the findings of the research in order to show how the results agree with researches that have been carried out elsewhere. The next chapter will come up with the conclusion and recommendation of the study.
CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter looks at the conclusion and recommendations of the study. The conclusions were drawn for the data that was gathered and analysed in chapter 4. The researcher also looks at whether or not the research validates the research proposition that was developed in chapter one. The recommendations and conclusions are especially drawn from the issues that were raised in the objectives of the study as well as the research questions. The researcher ends this chapter by recommending and highlighting areas for possible further study.

5.2 CONCLUSIONS

5.2.1 The PMS at HM is not well implemented.

The researcher concluded that there was a good performance management system in place at Harare Municipality which is called RBM. The major challenge that was being faced was that it was not extensively publicised and was also not being used to improve the performance of the employees. RBM system incorporates appraisal, in addition to other aspects such as a link to organisational objectives, emphasising on ongoing reviews, motivation, coaching and support, and reward for performance achieved. The researcher noted that this understanding of RBM is lacking at HM, thereby inhibiting proper application. The performance of Harare Municipality employees is directly linked with service delivery to the residents. It is therefore important that employees be fully aware of the PMS and its application. The researcher noted that the municipality was failing to deliver the services required by residents such as refuse, water and sewer because of its inability to properly implement the PMS. These services were now being provided by other private business players because of the non-performance of the Municipality further compromising its precarious position.

5.2.2 HM is failing to improve employee recognition and reward through its PMS.

The research concluded that Harare Municipality reward management system was not linked to the performance management system. It therefore was demoralizing the employees. The
system was failing to differentiate poor and good performers in the organisation. The respondents also complained that management was failing to look into the welfare of the employees. This had an effect on the behaviour of the employees affecting their commitment to the organisation and their zeal for work.

5.2.3 HM is failing to come up with strategies to promote employee loyalty and satisfaction through its PMS.

The researcher concluded that the loyalty and satisfaction of employees at Harare Municipality was low. The research found out that the management did not care much about the welfare of the employees. This means that the management of the Municipality is exposing the Municipality customers to disgruntled employees. This lack of satisfaction will then translate to poor service delivery from Harare Municipality. The employees are no longer loyal to the organisation. The researcher concluded that the RBM as a system per se is not the cause of this rather it is the way it is implemented by HM or lack of it that is a problem.

5.2.4 Poor feedback methods in the Harare municipality are affecting the effectiveness of the PMS.

The researcher concluded that there was a feedback system that was in place at Harare Municipality although it is poorly implemented at times with no follow ups from the HR department. The research found out that there was no consistency and uniformity in the way the PMS was being implemented. In some departments ratings were being done after a year while others were doing so after 6 months and not at all in some. These periods some of which are too long, considering that Municipality services require regular reviews are affecting service quality. The lack of regular performance reviews means that key issues are not being resolved in time. Thus, this is one of the issues that are causing poor performance by the Municipality’s employees and hence cascading to the organisation as a whole. There is no 360-degree feedback at HM which many sources regard as increasingly important and widely used in RBM to provide employees with a basis for changing behaviour and improving performance and be effective.
5.2.5 There is a rigid top-down structure at HM

Improper implementation of the PMS at HM introduces conflict in that the manager has a dual role as assessor and developer dictating and prescribing solutions from top management to lower levels. Current trends and indeed the RBM system include greater employee ownership emphasis and evidence collection.

RBM advocates for focus on the individual and team contributions and making sure that team, individual and organizational goals do not conflict. At HM there is no evidence of any institutional arrangements or clear concerted efforts to achieve this important milestone of the system.

5.3 PROPOSITION VALIDATION

In Chapter one the researcher makes a proposition that, the proper application of the performance management system used by Harare municipality can lead to improved employee performance and better service delivery. This proposition has indeed been validated by this research. The research has established that HM has adopted a PMS called RBM, which in itself is a good system, however its lack of effectiveness in enhancing employee performance is a result of poor implementation by Harare Municipality. The findings showed that there was poor feedback system that was affecting the how the employees performed. Therefore by putting the system performance management system into effect would improve the way the organisation operate in its processes.

5.4 RECOMMENDATIONS

This research has already managed to accomplish most of its objectives which were set out in Chapter one. In line with the last objective (making recommendations to HM with regard to its PMS) and in support of the other objectives, the researcher recommends that:

HM employees and managers should regularly go for training so that they can understand and be able to apply and implement the RBM system to enhance their skills in the organisation for the benefit of residents. The Municipality can conduct in-house training programmes to enhance awareness and application of the system. According to literature already reviewed in Chapter 2, managers who cut training budgets to save costs do not understand how service
delivery and morale can suffer as a result. Employees need training to do their job confidently and to facilitate career advancement within the organisation (Graban, 2011).

The researcher recommends that management at Harare Municipality should review the period it takes to conduct its performance reviews. 360 degree Performance reviews should be done within short periods, and for HM doing them on a monthly basis would be ideal. This reinforces what Clark (2005) observed that, regular formal reviews are needed to concentrate on developmental issues and to motivate the employee. Such reviews will assist to assess the organisation’s progress and make necessary adjustments on time.

The researcher recommends that HM reviews the system of paying salaries which is based on grades to one which is performance based in line with RBM. This will ensure that there will be a difference between poor performers and good performers. Management can put it as a variable pay scale that is determined by performance. When the monthly performance feedback review has been conducted management can provide a score percentage that can be used to pay the variable pay. According to Mayne (2007) RBM emphasizes value for money from usage of limited resources and requires organizations to move away from input-driven incremental budgets towards results-driven performance budgets.

In line with RBM council employees and managers also need to sign periodic performance contracts. Good performers need to be publicly acknowledged by HM. Introducing awards like Department Worker of the Month can go a long way in fostering a culture of hard work in HM. Literature has already revealed that not all business can afford monetary compensation. Other surveys as quoted by Rose (2011) have indicated that employees are not satisfied with just monetary compensation. Employees appreciate non-monetary benefits just as much, if not more.

The researcher recommends for HM to conduct employee surveys. Employee surveys assist Harare Municipality to gather information on the welfare of the employees giving the organization scope to assist in acquiring things like residential stands and other benefits at the municipality’s disposal.

In line with the findings of this study, reviewed literature and case studies elsewhere the HM is urged to adopt an all-encompassing conceptual framework for its PMS such as the one indicated in figure 5.1 below and consistently operationalize implement it.
5.5 AREAS FOR FURTHER STUDY

The researcher recommends a further study to be carried out to assess the effects of performance based pay on employee motivation and service delivery in local authorities. Another important and topical issue in Zimbabwe local authorities which requires investigation is the synchronization of salaries and benefits of executives and other general employees.
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APPENDICE 1: QUESTIONNAIRE

RESEARCH SURVEY INTRODUCTORY LETTER

June 5, 2014

Dear Sir/Madam

RE Research Study effectiveness of performance management system towards employee performance

The Researcher Priscila Ngwenyama is a final year student studying for the Master of Business Administration Degree with the Graduate School of Management at the University of Zimbabwe, undertaking a research project to evaluate the effectiveness of performance management system towards employee performance in Local Authorities. The case of City of Harare.

The research project is in partial fulfillment of the requirements for the Degree of Master of Business Administration at the University of Zimbabwe.

The researcher would appreciate if you could assist by completing and returning the attached questionnaire on or before the 15th of June 2014. Your response is of the utmost importance to me. Please do not enter your name or contact details on the questionnaire. All information provided will be totally confidential. This is purely an academic research and all information received will be treated accordingly.

Results of the research will be available at the graduate school and can be availed upon request.

Should you have any queries or comments pertaining to this survey, you are welcome to contact the researcher on the following numbers 0772 573 843.

Yours Sincerely

The Researcher
PART 1: PERSONAL INFORMATION

1. DEMOGRAPHY

1.1 Please indicate your sex by placing (X) in the appropriate box.

<table>
<thead>
<tr>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
</table>

1.2 Indicate your job description by placing (X) in the appropriate box.

<table>
<thead>
<tr>
<th>Management</th>
<th>Non-management</th>
</tr>
</thead>
</table>

1.3 Please indicate your highest qualification by placing (X) in the appropriate box.

<table>
<thead>
<tr>
<th>Master’s Degree and above</th>
<th>Bachelor’s Degree</th>
<th>Diploma</th>
</tr>
</thead>
</table>

Other (specify) ........................................................................................................................................

1.4 Indicate the period you have been employed by your organization by placing (X) in the appropriate box.

<table>
<thead>
<tr>
<th>Less than one year</th>
<th>1-3 years</th>
<th>4-6 years</th>
<th>7 years and above</th>
</tr>
</thead>
</table>

1.5 Please indicate your age group by placing (X) in the appropriate box.

<table>
<thead>
<tr>
<th>25 years and below</th>
<th>26-30 years</th>
<th>31-40 years</th>
</tr>
</thead>
</table>
2.1 Are you aware of the performance management system at Harare Municipality? *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Not sure</th>
</tr>
</thead>
</table>

2.2 How do you rate the performance management system at Harare Municipality? *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Excellent</th>
<th>Average</th>
<th>Poor</th>
<th>Not sure</th>
</tr>
</thead>
</table>

2.3 The performance management system at Harare Municipality cascade the organization objectives to the individual objectives. *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
</table>

2.4 When planning for performance Harare Municipality management uses team objectives to determine individual objectives. *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
</table>
2.5 The Harare Municipality has training programmes intended to equip its employees with work related knowledge. Please put an (x) in the appropriate box.

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
</table>

2.6 There is a relationship between organisation performance and individual performance. Please put an (x) in the appropriate box.

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
</table>

3. Objective 2: To establish strategies the organisation should adopt to promote employee loyalty and satisfaction.

4.1 Through open communication employees are able to clear of the direction of the organization future.

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
</table>

4.2 There is a top down communication of performance management issues at our organisation. Please put an (x) in the appropriate box.

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
</table>

4.3 Our organization conduct employee satisfaction surveys regularly. Please put an (x) in the appropriate box.

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
</table>
4.4 While on the job, my ideas and opinions are taken seriously. *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.5 The performance management system at Harare Municipality has managed to mould a culture of performance. *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.6 The performance management system at Harare Municipality has assisted in enhancing the motivation of employees. *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

4.7 Employee competences have been improved as a result of the performance management system at Harare Municipality. *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.8 The performance management system at Harare Municipality has created employee opportunities. *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4 Objective 3: To evaluate the effectiveness of feedback methods in the Harare municipality performance management system.

88
3.1 There is a performance feedback system at Harare Municipality. *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Not sure</th>
</tr>
</thead>
</table>

3.2 How regular feedback is on employee performance collected? *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Yearly</th>
<th>Bi-yearly</th>
<th>Monthly</th>
<th>Weekly</th>
<th>None</th>
</tr>
</thead>
</table>

3.3 There are incentives to good performers after a performance review. *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
</table>

3.4 Are employees given an opportunity to give their own overview or suggestions on their performance? *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
</table>

3.5 The performance feedback system at Harare Municipality is results focussed. *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
</table>

3.6 The performance feedback system at Harare Municipality also assesses the change in behaviours of employees from time to time. *Please put an (x) in the appropriate box.*
4. Objective 4: To examine options available for the organisation to improve employee recognition and reward.

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
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</table>

4.1 I have received recognition for doing my job well. *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
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4.2 My supervisor seems concerned about my welfare. *Please put an (x) in the appropriate box.*

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<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
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4.3 Producing high quality work is rewarded with more pay. *Please put an (x) in the appropriate box.*

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<th>Strongly agree</th>
<th>Agree</th>
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<th>Disagree</th>
<th>Strongly Disagree</th>
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4.4 Performance-based pay based on performance ratings is the most effective method for motivating employees to improve/sustain performance. *Please put an (x) in the appropriate box.*

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<tr>
<th>Strongly agree</th>
<th>Agree</th>
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<th>Disagree</th>
<th>Strongly Disagree</th>
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4.5 Employees’ salaries are determined by the performance and the performance management system at Harare Municipality. *Please put an (x) in the appropriate box.*

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
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THANK YOU
APPENDICE 2: INTERVIEW GUIDE

1. What is your understanding of Performance Management?
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   ........................................................................................................................................

2. What would you describe as the key objectives of a PMS?
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   ........................................................................................................................................

3. How would you describe your organisation's PMS?
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   ........................................................................................................................................
   ........................................................................................................................................

4. Are there any specific areas that you felt/feel strongly about with respect to the company's PMS implementation activities? What did you like most and what did you not like most?
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   ........................................................................................................................................
   ........................................................................................................................................

5. What do you consider to be the top three (3) things that the organisation did correctly or incorrectly during the implementation of the PMS?
   ........................................................................................................................................
   ........................................................................................................................................

6. How would you describe the way in which the PMS was communicated during the implementation phase? To what extend did management acknowledge employees’ genuine concerns.
   ........................................................................................................................................
   ........................................................................................................................................

7. Would you describe the communication methods employed as predominantly top to bottom or bottom-up or inclusive? Explain?
   ........................................................................................................................................
8 How regular is feedback on employee performance collected?

9 If you were in charge/ control of the organisation, what would you have done (or would you do) differently during the implementation process?

10 What monetary and non-monetary strategies can be adopted by Harare Municipality to enhance the performance of employees at Harare Municipality?

11 In your opinion, what areas require immediate attention to resolve the challenges faced with the organisation's PMS?

12 How do you see the organisation's PMS in future? Do you see it being a success or it will fail?

End of Questionnaire

Thank You for Your Valuable Time and Support.