

CHALLENGES OF PERFORMANCE MANAGEMENT SYSTEMS  
IMPLEMENTATION IN SELECTED ZAMBIAN PUBLIC  
INSTITUTIONS

BY

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## DECLARATION

I, **Kelvin S. Shamizhinga** do hereby declare that this work represents my original work achieved through personal reading and research. This work has never been previously submitted for a degree at the University of Zambia or any other university. The data sources and literature used in this dissertation have been. If any omission has been made, it is purely by error and not by choice.

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## APPROVAL

This dissertation by **Kelvin S. Shamizhinga** has been approved as a fulfilment of the requirement for the award of the Degree of Master of Science in Human Resource Management.

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## **ABSTRACT**

Employee Performance Management Systems are an important element of any organization in today's competitive business environment where organizations are constantly working to improve their performance and profitability. This study aims to find out the challenges that organizations face in implementing performance management systems in public institutions. The study employed a descriptive design, in which primary data was collected from parastatal organizations in Zambia, using a structured questionnaire. The collected data was analysed using Statistical Package in Social Sciences (SPSS V.16).

The study established that the processes of performance management systems are followed in these organizations under study. However, majority of employees are aware of these processes, but they do not understand the basis upon which their performance is judged. The study further found that setting up of performance goals among others was done by supervisors, appraisee and in some cases some performance goals or requirements for individuals were set by line managers and human resource professionals. A number of challenges were identified by the study including minimum involvement of employees in the Planning and Implementation of Systems, inadequate evaluation systems, as well as ineffective communication between management and employees, which resulted in lack of clarity, poor management as well as defective reward system.

The study concluded that addressing such challenges requires a holistic approach to performance management systems ranging from performance planning to appraisal. Failure to adhere to these principles will result in the persistence of such challenges including overall organization performance. The study recommended improvement of communication systems, participation of all stakeholders in performance management systems linked to career development and succession planning.

*Key Words: Performance Planning, Performance Monitoring, Performance Appraisal, Performance Management Systems.*

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I dedicate this work to the following people:

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## **ACRONYMS**

ACC	Anti-Corruption Commission
APAS	Annual Performance Appraisal System
GRZ	Government of the Republic of Zambia
MCTI	Ministry of Commerce Trade and Industry
OPM	Operational Performance Management
PM	Performance Management
PMP	Performance Management Package
PMS	Performance Management System
RBM	Results Based Management
TQM	Total Quality Management
ZABS	Zambia Bureau of Standards
ZPPA	Zambia Public Procurement Authority

# **CHAPTER ONE**

## **INTRODUCTION AND BACKGROUND OF THE STUDY**

### **1.0 Introduction**

In a competitive business environment, Performance Management Systems (PMS) are an important component for all institutions. This is because it entails performance planning, performance monitoring and performance appraisal, which in turn ensures that employees are committed to organizational values and are contributing to the attainment of its business goals and objectives (Deanne et.al, 2004).

Failure to manage Performance Management at any point along the process has a potential to deter the organization from efficient attainment of its business goals and objectives. Therefore, understanding the challenges of PMS in an organization, as well as ensuring the full participation of all employees in this process is a key element towards organizational success.

Although there is plenty of performance management manuals and tools, implementation of PMS to measure performance in many public and private organizations seems to be a challenge. This situation is likely to have adverse effects on the overall performance of such Organizations if not adequately addressed. It was against this background that the study on challenges of performance management systems implementation in public institutions was specifically undertaken.

### **1.1 Background**

In managing performance, institutions should have the capacity and ability to measure their performance. This fact therefore, underpins the rationale for most organizations having comprehensive performance measurement systems meant to monitor their individual and organizational performance. A number of Performance management systems are used by different Organizations depending on the type of institution. Every organisation has its own version of the complex process of performance management systems through which employee performance is measured. Performance Management measurements depend mostly on the management, employees and all the stakeholders providing and displaying support and commitment for the implementation of successful PMS.

Performance Management as a measuring tool was developed out of merit rating, which originated in the early 20<sup>th</sup> century and was influenced by the scientific management movement. This was followed by performance appraisal and management by objectives, then the 360-degree feedback, also known as multi-source feedback according to Armstrong (2010). Many other tools used in performance management have been developed including the Balanced Scorecard developed by Kaplan and Norton (1992) which today has gained significance as a performance measurement tool.

The concept of Performance Management has presented different meanings to different people overtime. While some scholars understood the concept as that of an appraisal process, others understood it as performance-related pay. Other scholars however understood the term as training and development (Armstrong & Baron 2005).

According to Armstrong and Baron (2005), there is now a commonly agreed definition to the term ‘performance management’, i.e. Performance management is a natural process where management contributed to the effective management of individuals and teams to achieve high levels of organisational performance. Consequently, performance management is seen to establish shared understanding about what was to be achieved and an approach to leading and developing people which would ensure that it was achieved.

Walters (1995) as cited by Armstrong & Baron (2005) stated that performance management is “directing and supporting employees to work as effectively and efficiently as possible in line with the needs of the organization”. In this view, organizations are seen to have certain goals which they want to achieve. However, the employee could not help the company to achieve those goals without knowing how to get there. Thus, the organization should guide the employees or teams with instructions on how to achieve the goals. This meant that managers, needed to show employees what job tasks they needed to perform in an effective way to achieve the goals.

Performance management in many organizations especially the public sector seems not to have been effectively implemented. This on a large scale has often led to poor service delivery in many sectors. Reasons leading to poor service delivery have not been adequately explored. However, challenges in performance management implementation partially contribute to the failure by these public service institutions to deliver services in a desired manner. To adequately understand the challenges associated with performance management implementation in public institutions, it was important to address the meaning of performance

management and its nature today. In their assessment of service delivery in the public service and launch of the Performance Contracts, GRZ, Cabinet Office (2016) revealed that despite improved conditions of service for civil servants, the public had continued to bemoan the poor performance by the public service. This was despite the improvement in the conditions of service, high academic credentials possessed by most public service workers and other reform initiatives progressively implemented by previous administrations including the Annual Performance Appraisal System (APAS). During the assessment, it was revealed that the program would cascade to other levels of the public service and that the launch was the beginning of the preferred option for improving the quality of services across the country. The rollout of the program started with Permanent Secretaries and District Commissioners. Thereafter, it would be cascaded to other levels of the public service including Ministers, Boards with their Chief Executive Officers and Local Authorities with their Chief Executives.

According to Fletcher (2001) performance management means an approach aimed at creating a shared vision of the purpose and aims of the organization, helping each individual employee understand and recognize their part in contributing to them, and in so doing manage and enhance the performance of both the individual and the organization. In this definition, a comprehensive explanation is given to show efforts put in place by management through the human resource department to implement performance management aimed at enhancing individual and organizational performance.

Mullins (2010) on the other hand defined performance management (PM) as a process which brought together many aspects of people management. In addition, he argued that it was about performance improvement at individual, team, department and organizational levels. Performance management is also viewed as being about staff development as a means to improve and enhance performance, managing behavior and attitudes of employees. It can also be understood as a continuous process of identifying, measuring and developing performance in organizations by linking each individual's performance and objectives to the organization's overall mission and goals (Aguinis, 2005). In this definition, two main components namely continuous process and link to mission and goals are critical in further understanding the meaning of performance management. As a continuous process, performance management is on-going and involves a never-ending process of setting goals and objectives, observing performance, giving and receiving on-going coaching and feedback. On the other hand, performance management as a link to mission and goals requires that managers ensure that employees' activities and outputs are congruent with the organization's goals and, consequently, help the organization gain competitive business

advantage in the market. Meanwhile, Shields (2007) argues that PM is regarded as a continuous, future-orientated and participative system; as an ongoing cycle of criteria setting, monitoring, informal feedback from supervisors and peers, formal multi-source assessment, diagnosis and review, action-planning and developmental resourcing. Pritchard et.al (2006) concluded that PM is a broad set of activities aimed at improving employee performance. In view of the foregoing, PM does not only does cover the fundamental issues of performance, but more importantly, to achieve sustainable results, PM should be considered as a systematic process, which requires follow up to make it useful. Further, Armstrong (2014) argues that PM should be integrated with the human resources management; therefore, it can be a powerful instrument to drive the culture change and achieve organization's strategic goals.

Performance management is also viewed as the process of creating a work environment in which people can perform their jobs to the best of their abilities according to Snell and Bohlander (2007) as cited by Toppo & Prusty (2012). Often time, performance management is interchangeably used with performance appraisal. However, the two terms have different meanings and performance appraisal is one of the steps in the performance management process. Aguinis (2005) holds that performance management utilizes performance appraisal to evaluate employees once a year and not an on-going process which involved planned efforts to provide feedback and coaching so that performance can be improved. He further argues that although performance appraisal i.e., the systematic description of an employee's strengths and weaknesses is an important component of performance management, it is just a part of the whole performance management process. Compared to performance appraisal, performance management was viewed as a continuous process of identifying, measuring and developing performance in organisations by linking each individual's performance and objectives to the organisation's overall mission and goals. This view brings into perspective the understanding of performance appraisal as an element or activity under performance management.

## **1.2 Statement of the Problem**

Evidence from literature suggests that appropriate PMS implementation has direct influence on institutional performance (Kluger and DeNisi 1996; Baron and Armstrong, 1998). The Government of the Republic of Zambia introduced the Annual Performance Appraisal System (APAS) in 1997 as an integral part of the Performance Management Package, with

the principle objective of introducing a culture of work planning and target setting in Government Ministries and other Government Spending Agencies (Cabinet Office, 2016).

With the implementation of such Performance Management Systems in most public Organizations in Zambia, it would ideally be expected that there would be improved performance and attainment of organizational goals in all public institutions where the system has been introduced. However, the actual situation on the ground is such that service delivery has remained a challenge in many institutions even when PM systems have been implemented to actualize Strategic Plans through Performance Management tools.

This is evidenced by a number of researches carried out in some of these public institutions. Chidwala (2013) for example, undertook a study on the implementation of the PMS policy and found that its implementation was hampered because of the complex nature of the public service, absence of follow ups and management support, lack of consultations and motivation factors in the process. Zvavahera (2013) in a similar study found that the performance management system was fraught with challenges due to its complexity and non-adherence to its tenets by the employer. Evidence from documentary analysis showed that performance related awards were never implemented due to financial constraints and employees' final ratings were not submitted to the Civil Service Commission for payment purposes. Mate (2006) undertook an evaluation of the Performance Management Package (PMP) in the Zambian civil service by examining the key elements of the PMP and its implementation. The study found that although the PMP was launched, briefing meetings and installation workshops were carried out in the sampled organizations, employees were found without work plans to follow and targets to achieve.

A performance evaluation of the Ministry of Commerce Trade and Industry (MCTI) conducted on the implementation of the Strategic Plan for the period 2006 – 2010, revealed that institutional performance was below average and only a third of the performance indicators were attained (Mulimbika, T. and Waal, A., 2014). In another Joint Evaluation of Support to Anti-Corruption Efforts, Zambia Country Report by the Norwegian Agency for Development Corporation (NADC), (2011) showed that performance of the Anti-Corruption Commission was below expectation with regard to prosecution, communication, research, monitoring and evaluation and feedback mechanisms.

In view of the foregoing, it is unclear why these institutions are still performing poorly even though they have implemented Performance Management Systems, further raising concerns that the implementation of these systems might have some unexplored challenges, particularly related to performance planning, monitoring and assessment.

The purpose of this research therefore, was to understand the challenges being faced in the implementation of performance management processes in selected public institutions in Zambia.

#### **1.4. Research Objectives**

The research was guided by the following objectives:

##### **1.4.1. General Objective**

The main objective of this study was to establish challenges that are faced by Parastatal Institutions in relation to performance management system implementation.

##### **1.4.2. Specific Objectives**

1. To assess employees' awareness and involvement in the performance management process.
2. To identify the performance management processes that are used in the selected public institutions.
3. To evaluate the challenges being faced by staff in the implementation of the performance management system.

#### **1.5 Research Questions**

The research attempted to answer the following questions:

1. How well versed and involved are employees in Performance Management Systems Implementation?
2. What are the performance management processes being used in the selected public service institutions?

3. What challenges do management and employees face in implementing performance management systems?

## **1.6 Significance of the Study**

The significance of this research has several aspects. The findings will help the institutions under study to unravel challenges related to their performance management systems so as to specifically address such challenges. According to the resource-based view, employees are the resources and assets of an organization and consequently, organizations need to figure out strategies for identifying, encouraging, measuring, evaluating, improving and rewarding employees' performance at work (Deanne et.al, 2004). The study is important as human resource management practices influence the behaviors of individual employees in an organization. This implies that performance management improves organizational performance. The findings will therefore help to contribute to the existing body of knowledge, as well as help develop relevant theories and models in performance management.

Further, the research is important with respect to the “one size fits all” performance management system approach to include the Zambia Public Procurement Authority (ZPPA), Anti-Corruption Commission (ACC) and Zambia Bureau of Standards (ZABS). Further, there has not been any similar research on challenges of performance management implementation carried out in the institutions under study. Thus, the researcher was presented with an opportunity to undertake such research. Once the challenges are established, appropriate recommendations/solutions would be made in order to contribute to the growth of these organizations, add new knowledge in the human resource field and broader opportunity for undertaking similar research in other organizations in Zambia and beyond.

## **1.7 Scope of Study**

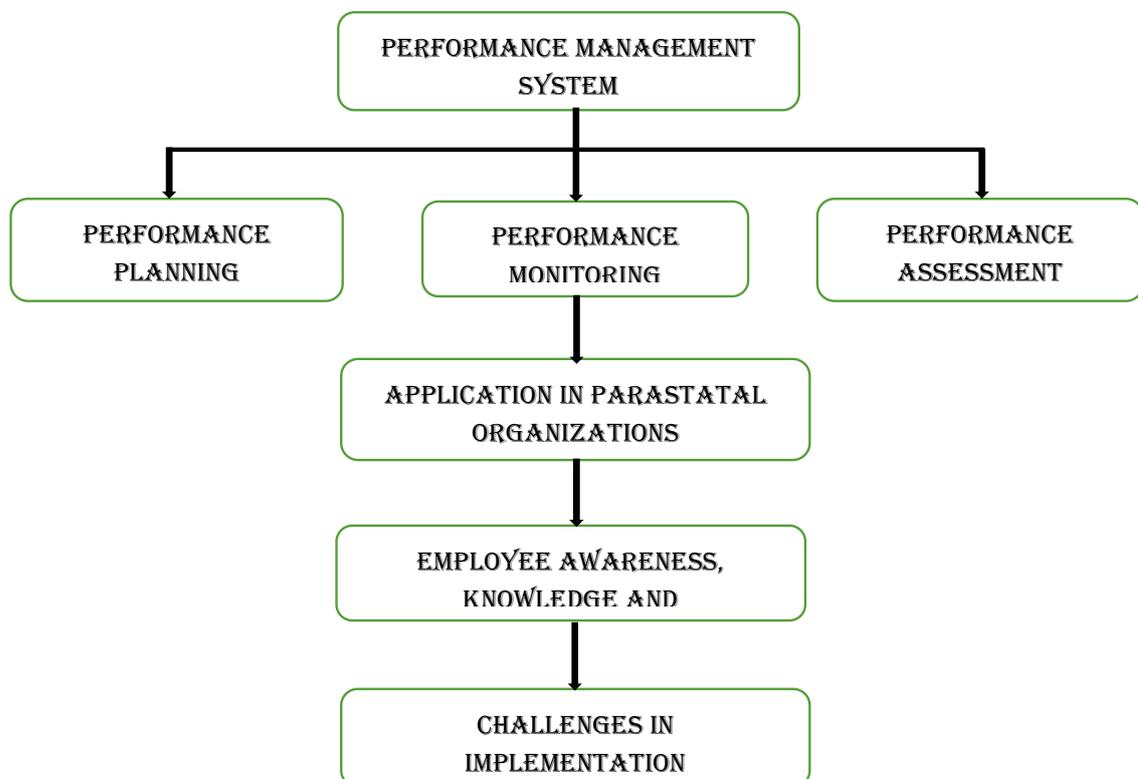
This research was undertaken within the field of human resource management and was restricted to three public institutions namely the Zambia Public Procurement Authority, Anti-Corruption Commission and Zambia Bureau of Standards. The study was confined to providing practical solutions to the challenges being faced by these institutions in the implementation of performance management. Management and Non-Management staff of

these institutions were considered in undertaking the research. The reason for choosing both Management and Non-Management employees was among others to collect various views and understand various employee experiences and perceptions related to the challenges being encountered in the implementation of performance management.

### 1.8 Limitations of the Study

The research was limited in terms of time and sample size that was used. As such the study did not disaggregate the analysis per institutions, but rather a holistic analysis for all the three parastatals was undertaken. Further, because it was descriptive in nature, the study was only able to describe processes, and identify challenges experienced in these processes. However, the study did not go into quantitative analysis that would require statistical and regressions and tests, where factors influencing the failure by the institutions to adhere to the principles of performance management systems among parastatal institutions could be determined.

### 1.9 Conceptual Framework



**Fig 3: Conceptual Framework**

**Source:** Author's own construction

The framework above illustrates the components of Performance Management System that include performance planning, monitoring and assessment. These components are necessary in ensuring effective operations of human resource management, which in turn result in improved overall performance of the organization. This study intends to determine the extent to which the selected parastatal organizations apply these principles in their day to day operations, as well as the extent to which their employees understand the application of these principles in their organizations. In so doing, the study further investigates challenges encountered by these institutions in implementing the Performance Management Systems principles.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter presents the literature review on performance management and the processes involved in implementing performance management in an organization. The literature highlights various view points and explanations of performance management and the potential gaps that exist in successfully implementing performance management.

#### **2.1 History of Performance Management**

Performance management as a tool of managing human resource has been in existence for some time and has been implemented differently by different organizations. Research shows that performance management according to Daniel International website (2016), the phrase performance management was coined by Daniels in the 1970s. In his book 'Performance Management (1982), the purpose of performance management was to serve as an introduction and guide to understanding the principles of performance management. This was meant for managers and supervisors who apply the science and technology daily in real-world interactions with people in their organizations, as well as in many academic institutions for both undergraduate and graduate studies. The original purpose of performance management was not about performance reviews, but was rather about the scientific approach to managing behavior rooted in the field of behavior analysis to ensure proper behaviors are being executed to produce favorable results by employees.

In Japan for example, Performance management was first viewed strategic performance management which is traced to the 1940s when Japan's post-war reconstruction efforts began. During this period, the Japanese Union for Scientists and Engineers and the Japanese Standards Association started to develop the total quality concept. This led to the development of the total quality management (TQM) philosophy and the establishment of quality circles and focus groups in business institutions (Massey, 1999). The TQM brought impressive results for Japanese industry as it reduced wastage in production and delivery processes, increased manufacturing innovations and produced high quality goods which were exported to North American and European markets. The TQM approach emphasised economy and efficiency, meeting customer needs, linking organisational decisions to

customer driven processes and recognising the contribution of all employees. The TQM concepts were later popularised to North American and European businesses by W. Deming, J. Juran and Crosby (Massey, 1999).

Further, the origin of operational performance management (OPM) is traced back to the emergence of accounting and management as a new field of study in the 13<sup>th</sup> century (Brudan, 2009). OPM was concerned with improving methods of operations. It initially used financial indicators and later non-financial indicators to measure performance. Performance measurement and management focused on quantity, price, economy, efficiency and effectiveness (Brudan, 2009; Brudan, 2010). Between 1540 and 1560, Ignatius Loyola established a formal rating system for members of the Society of Jesus or the Jesuits (Baron and Armstrong, 1998; Brudan, 2009). In 1648, the Dublin (Ireland) Evening Post reportedly assessed legislators using a rating scale based upon personal qualities (Wiese and Buckley, 1998; Brudan, 2009).

However, performance management in the later years was associated with interactions of people whether in a formal or informal setting which when offered proper training, management could manipulate the conditions of the workplace (e.g. policies and procedures, available skills to train and motivate employees) in order to measure the true success of the business. Notwithstanding the general rules on performance management, research shows that there are no agreed upon principles on how performance management could be implemented. For instance, Fletcher (2001) suggests that the content of performance appraisal in modern days exceeds task performance and incorporates contextual performance. In his view, the challenge was determining what constitutes good performance. Deanne et.al (2004) further indicates that “the context of performance management was changing”. Fletcher (2001) indicates that the change of performance management was as a result of cultural differences and technology which in his view was a new area of future research. Other scholars have argued that performance management was a broad term that became popular in the 1980s as a performance appraisal tool rather than a system (Carrel, Elbert & Hatfield, 1995).

## **2.2 Nature of Performance Management**

The traditional view of performance management was that leaders and managers are used to thinking that it involves setting goals, monitoring the employee's achievement of those goals,

sharing feedback with employees, evaluating employee's performance, rewarding performance or firing the employees (Deanne et al., 2004). This model is applicable to many organizations and includes recurring activities to establish organizational goals, monitor progress in pursuit of goals, and create adjustments to achieve the mentioned goals more effectively and efficiently. Other researchers such as Grobler et.al (2004) argued that performance management involved the use of other management tools such as reward system, job design, leadership, coaching, training and development together with performance appraisal as a comprehensive approach to improving performance. These scholars claim that performance management played a vital role in helping an institution achieve its goals and the implementation of performance appraisal gave ground to performance management. They further stated that performance appraisal was a broader process in which most organizational aims and objectives were used as a starting point for the setting of objectives for divisions, departments, teams and individuals. This is critical even in modern Zambian public sector organizations. Performance appraisal is undertaken in different ways in order to hold their employees and management accountable.

For performance management to help yield actionable results, it relies on performance appraisal or assessments. According Bratton and Gold (2003), performance appraisal was viewed as a tool for performance management process that provided an analysis of a person's overall capabilities and potential and allowing informed decisions to be made for particular purposes. They further stated that more emphasis was placed on assessment in which information on an individual's past and current work behavior and performance were collected and reviewed. According to Grobler et al (2004), performance appraisal serves two main objectives, which include evaluative and developmental. From this perspective, performance appraisal is used to evaluate the performance of an employee against set targets or expectations from the employer. Based on the results of the evaluation, an individual, departmental and institutional development plan is then populated to help in managing capacity building of needy areas.

### **2.3 Performance Management Theories and Models**

Different theories and models of performance management exist. The theories or models generally highlight the importance of managing employee performance, organizational performance, or for integrating the management of organizational and employee

performance. Kluger and DeNisi (1996) hold that performance management models involve a range of activities engaged in by an organization to enhance the performance of a person or group, with the ultimate purpose of improving organisational effectiveness. Baron and Armstrong (1998) also emphasized the strategic and integrated nature of performance management. They hold that performance management focused on increasing the effectiveness of organizations by improving the performance of employees who worked in them and by developing the capabilities of teams and individual contributors. Performance management models and theories attempt to highlight how employees are engaged and integrated to contribute to organizational performance. This study is motivated and supported by Locke and Latham's "Goal Setting theory and Eisenhardt Agency theory among others. The foregoing theories attempt to explain performance management and detailed below:

### **2.3.1 Goal Setting Theory**

The goal setting theory coined based on the accumulated research findings of literally hundreds of studies by Locke & Latham (1984) is critical to this study. According to the foregoing scholars, goal setting is based on the simplest of introspective observations, namely, that conscious human behavior is purposeful. It is regulated by the individual's goals. The goal setting theory focuses on purposefully directed action in an organization and the question of why some people perform better on work tasks than others. According to the theory, if employees are equal in ability and knowledge, then the cause for performance levels must be motivational.

The theory further states that the simplest and most direct motivational explanation of why some people perform better than others is because they have different performance goals (Locke & Latham, 1990). Therefore, the attainment of performance goals in any organization should be managed and motivated. Specific goals do not, however, necessarily lead to such desirable personal and organizational outcomes. Rather, the results from goal setting depend critically on issues pertaining to goal commitment, task complexity, goal framing, team goals and feedback.

The goal setting theory is important to this study because performance management involves initiatives which drive managers to guide and motivate high performance among employees. Such initiatives among others include employee participation in goal or target setting, employee performance monitoring and feedback, coaching and development, formal

employee performance appraisals. Others include employee rewards for good performance and taking remedial action to address performance deficiencies. The theory further helps in understanding the possible challenges that might arise from not implementing the performance management process well and the solutions thereof.

### **2.3.2 Agency theory**

The Agency theory was coined following a research conducted by economists in the 1960s and 1970s who were at the time exploring risk sharing among individuals and groups. Risk sharing involved such things as the relationship between insurers and customers but the scope of investigation expanded from risk to cooperation and division of labour between parties with different goals (Eisenhardt, 1989). According to Ross (1973), division of labour in the theory is evidenced by the agency relationship between two or more parties where one, designated as the agent, acts for, on behalf of or as a representative for the other, designated as principal. The relationship between employer and employee is one such example of the Agency theory. Therefore, the theory applies to this study because performance management in an organizational context relies on the objectives of individuals, teams and the entity as a whole.

Thus, alignment between employee and employer objectives in as far as performance management is concerned is important for to reduce potential challenges in its implementation. Therefore, balancing and harmonizing the interests of the principal (employer) and the agent (employee) is inevitable if performance management is to be implemented well. A network of relationships between employers and the employees who are wealth seeking “economic men” and pursue their own self-interest needs to be managed for performance management to yield results (Tiessen and Waterhouse, 1983). Therefore, the principal must agree with the employee on what targets need to be met and how the employee would be rewarded in order for the principal-agent relationship to work.

### **2.3.2 Competency based models**

In modern day organizations, some organizations are using competency models as a basis for their performance management systems (Spencer & Spencer, 1994). These models explain focus on knowledge, skills, abilities and other characteristics that are deemed to be most instrumental for achieving positive organizational outcomes. Job analysis techniques, such as job observations, interviews, focus groups and surveys, are used to identify key competencies

and associated critical work behaviours. An effective process for identifying and defining competencies is discussed by Schippmann (1999) in his book on strategic job modelling. According to Schippmann (ibid), the strength of competency definition is that they are often linked to the business goals and strategies of the organization. Additionally, the competency model that an organization chose to adopt or customizes to meet its needs provides insight into core competencies that are common to multiple jobs within an organization for work improvement. Rodriguez et.al (2002) additionally argued that in rapidly changing business environments, organizations are recognizing the value of a workforce that is not only highly skilled and technically skillful, but more importantly, a workforce that can learn quickly, adapt to change, communicate effectively, and foster interpersonal relationships. According to the research, these competencies are critical to organizational survival, productivity, and continuous improvement. In their view, by focusing on the full range of competencies or whole-person assessment, the emphasis is on potential, or what the person can bring to the organization, rather than on a set of narrowly defined tasks based on job requirements.

In India for example, some organizations have implemented competency-based models where recruitment of staff is premised on the best ability fit into their organization and regularly review individual competences using the performance management processes. In 2010, the HR guidelines issued by the Department of Public Enterprises (DPE) of India highlighted the need for competency-based HR practices as one of the four pillars of the HR function (Raju & Sarkar, 2015). The HR guideline highlights the need to have a robust and transparent performance management system (PMS) with the objective of judging the ability of an individual employee to perform assigned tasks (ibid). The objective here is to assess individual's strengths and weaknesses so that future development required is identified. Competency, as a measurement tool, identifies behavioral factors relevant to performance in the job. The performance management process becomes stronger when employees are appraised on both objectives (what) and behavioral performance (how), referred to as the "mixed model". The "mixed model" provides a shared understanding of what will be monitored and measured, and ensures an understanding of how the work gets done in addition to what gets done (Ozcelik & Ferman, 2006).

In summary public institutions in Zambia need to develop competency models which they should be employing to ensure employees are kept in check on their various skills to foster organizational performance.

### 2.3.3 Performance Pyramid model

The performance Pyramid model which is also known as the Strategic Measurement and Reporting Technique (SMART) by Cross and Lynch (1991) according to Neely, Mills, Platts Richards, Gregory, Bourne and Kennerley (2000) was one such performance management model that linked business strategy to operations. The model links business strategy with every day operations where employees must be involved in order to meet the institutional goals at the apex of the pyramid by performing different roles. The figure below illustrates performance management integration in the model:

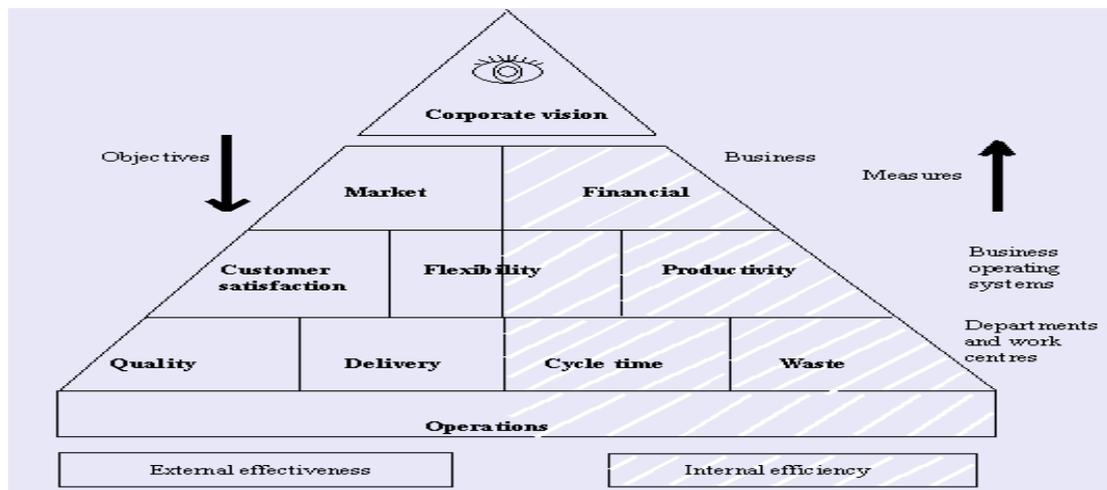


Figure 1: Performance Pyramid Model. (Source: Adapted from Neely et al, 2000)

From the model above, operations at the very bottom are highly influenced by the corporate strategy which included the corporate vision and objectives at the apex of the pyramid. In this model, the challenge which most organizations faced was weaving the different roles and setting objectives which would not be in conflict with one another at departmental and functional levels together to achieve the common goal. This in performance management remained a challenge thus, the multiplicity of performance management models.

### 2.4 Performance Management process

Performance management over time has significantly grown and the systems have been increasingly getting complex in terms of the range. Corporate information which managers and employees are expected to understand to implement performance management and stimulate organizational growth have also been increasing according to Wendy et.al (2011). As a result of this continued growth, managers and employees not only find performance

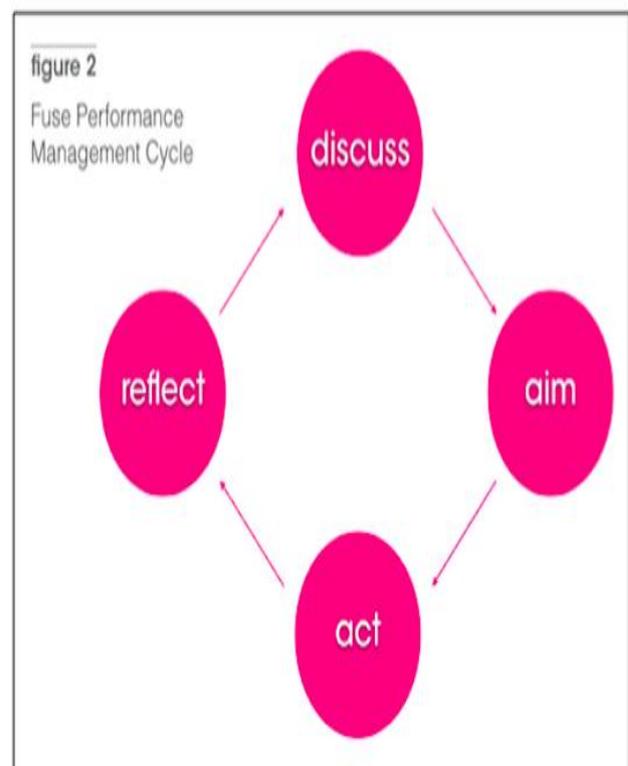
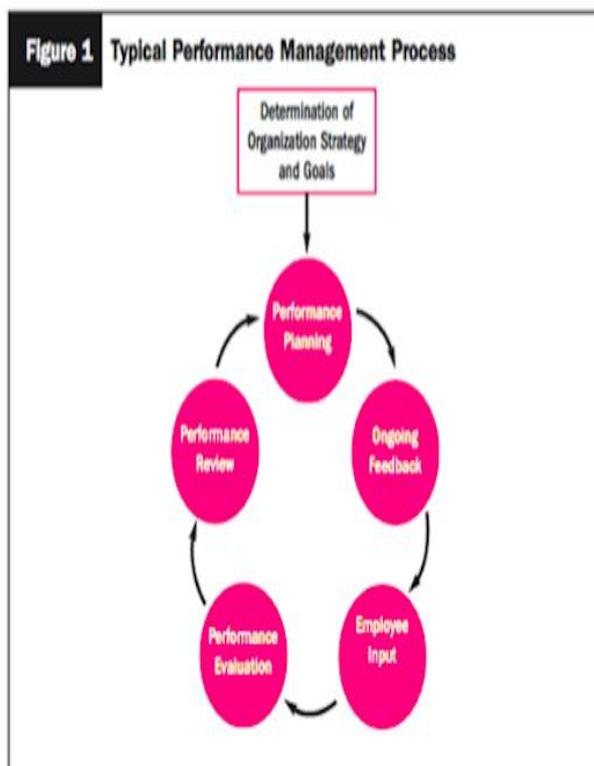
management complex but overly-bureaucratic. This is because the complexity of the process disguised its primary purpose which in most cases is not adequately communicated by human resource managers in organizations. Although no universal model for performance management exist, a review of literature and practice suggested a number of elements which might typically be found in a performance management system. These elements are often portrayed as a performance management cycle (Income Data Services (IDS), 2009).

Therefore, performance management models generally, place objective-setting and formal appraisal systems at the epicenter of the cycle. Literature further suggests that these two areas might particularly be affected by the cultural context in an organization operates (Milliman et al, 1998). Fletcher and Perry (2001) in addition stated that although competitive pressures have been the driving force in the increased interest in performance management, organizations have also used the processes involved to support or drive culture change and to shift the emphasis to individual performance and self-development. The duo further argued that firstly, performance management is a strategic process in that it is aligned to the organization's wider objectives and long-term direction. Secondly, it was integrative in nature, not only aligning organizational objectives with individual objectives but also linking together different aspects of human resource management such as human resource development, employee reward and organizational development, into a coherent approach to people management and development. In addition, they argued thirdly, that it is concerned with performance enhancement in order to achieve both individual and organizational effectiveness. Performance enhancement is underpinned by two further principles: the ideas that employee effort should be goal-directed and that performance improvement must be supported by the development of employees' capability.

A further feature relates to communication and understanding and the fact that performance management is based on an agreement between a manager and an individual. This means that there should exist a shared understanding of and continuing dialogue about an individual's goals and the standards expected and the competencies needed, together with an appreciation of the organization's wider mission, values and objectives (Fletcher and Perry, 2001). This view according to Fletcher and Perry is linked to a final point about the process, which was that performance management unlike performance appraisal was owned and driven by line management rather than by the human resource function. To Dessler (2005) and Williams (2002), performance management was seen to have developed over the past two decades as a strategic, integrated process which incorporated goal-setting, performance appraisal and

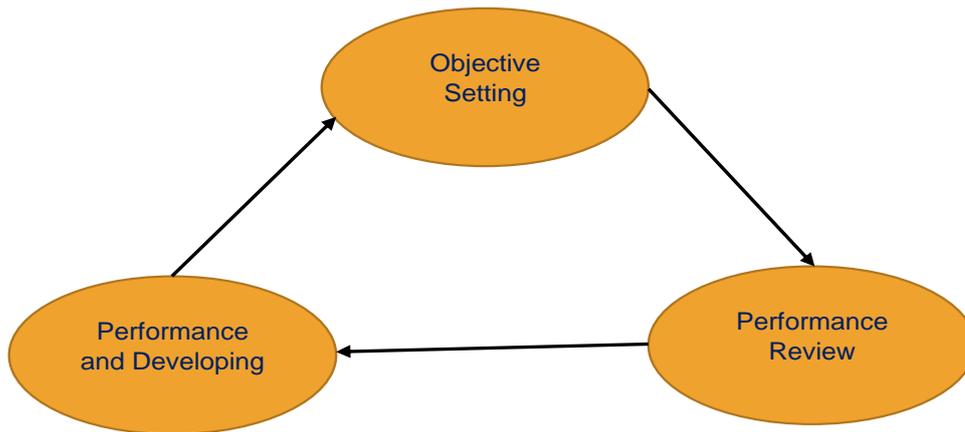
development into a unified and coherent framework with the specific aim of aligning individual performance goals with the organization's wider objectives. Research further shows that the performance management process involves a number of processes which if not adequately explained and understood can lead to failure of the process (Pulakos, 2004).

From the views held by various scholarly; (Pulakos, 2004; IDS, 2009; Milliman et al, 1998; Dessler, 2005; and Williams, 2002) among others, the typical performance management process starts with performance planning and proceeds to providing on-going feedback or monitoring, employee input, performance evaluation and finally performance review as illustrated in the table below:



*Fig 2a: Performance Management Process. (Source: Adapted from Pulakos, 2004)*

The process as outlined above however, does not mean that it is the only cycle because research shows that there are various performance models. Lucas et.al (2006) performance management cycle encompassed three (3) stages which included objective-setting, performance review and performing and developing as the elements or concepts of the performance management as depicted in Figure 2b below:



*Fig 2b: Performance Management Cycle. Source: Lucas, Lupton and Mathieson, 2006*

Pulakos (2004), Wendy (2011), Lucas et.al (2006), McPheat (2010) and other scholars hold that the performance management process involved undertaking several activities. It involved performance planning which was considered an important component of the performance management implementation process. Performance planning meant the review of employees' performance expectations, including both the behaviours employees were expected to exhibit and the results they were expected to achieve over a specific period. According to Wendy et.al (2011), objective setting during performance planning was very important if businesses were to realize their goals but argued further that setting good objectives was not nearly as easy as it sounded. Therefore, effective performance planning needed to show clear expectations and communicated by defining required competencies, skills set, knowledge, abilities, role definition and task expectations, and assignments for which the employee was accountable as held by the competency model by Spencer & Spencer (1994). Further, performance standards and an organizations' direction and objectives must be aligned to personal efforts and goals to reflect priorities (Pulakos, 2004).

Performance planning according to the goal-setting theory by Locke and Latham (1990) suggested that not only did the assignment of specific goals result in enhanced performance but that, assuming goal acceptance, increasing the challenge or difficulty of goals led to increased motivation and performance. In addition, the expectancy theory hypothesizes that individuals change their behaviour according to their anticipated satisfaction in achieving certain goals (Vroom, 1964). Both these theories have important implications for the design

of performance management. They demonstrated that performance management needed to be an inclusive process which took into account several factors for it to be effective.

Clark (1998) suggested that both goal-setting and expectancy theory were founded on the premise that human beings thinking process was in a rational, calculative and individualistic way. The study suggested that performance management was based on an extremely rationalistic and directive view of the organisation which assumed not only that strategy could be clearly articulated but also that the outcomes of human resource processes could be framed in a way that made clear their links to the organization's strategic objectives as held by the pyramid model by Cross and Lynch (1991). Therefore, if there were casual links of various aspects of the performance process identified by any organization, there could be underperformance in one or more aspects of the process. It was therefore, important to manage the process and ensure optimum functioning of the organization performance management system adopted by organizations. Mintzberg (1994) however, argued that such assumptions not only ignored the debate about the nature of strategy and its formulation but also failed to recognize the context in which a performance management system operated. Therefore, the social processes and power systems within which organization's operated together with the broader organisational and country-cultural context were important to consider in performance planning due to their potential bearing on individual, team and organizational performance levels.

Suutari and Tahvanainen (2002) argued that performance planning process, where individual objectives were linked to organizational goals, was the typical starting point of the cycle and goal-setting usually occurred in line with annual standard review cycles. In this case, objectives would sometimes be expressed as Key Result Areas (KRA) or Accountabilities and underpinned by performance standards.

Performance management following performance planning or goal setting also involved performance monitoring or feedback to successfully implement the performance management system. Performance management advocates argue that for the on-going monitoring and feedback to yield results, it must be a two-way communication process and the responsibility for both managers or supervisors and employees, not just the former according to Lucas et.al (2006). To enhance this practice, training both managers or supervisors and employees about their roles and responsibilities in the performance monitoring or feedback process was required and very critical.

In undertaking performance monitoring, supervisors were expected to provide feedback in a constructive, candid and timely manner. Employees on the other hand needed to monitor their work and seek feedback on how they were performing and react well to the feedback they received from their supervisors (Pulakos, 2004). Pulakos further argued that for performance feedback to be effective, supervisors must provide immediate positive and developmental feedback in a private location; ask for the employee's view about what was done correctly and what could have been done differently; be specific about what behaviours were effective or ineffective; focus on what the person did or did not do, not personal characteristics; collaboratively plan steps to address development needs and offer help in addressing development needs and providing resources to the employee to undertake assigned tasks.

Employee input was another activity which should be undertaken. Employee input has been used effectively in many organizations in implementing performance management. Much of the literature and underpinning theory supported the idea that goal-setting should be a joint activity involving the individual and his or her line manager. However, the idea of employee participation in the process was essentially a western concept which did not readily transfer across cultures, particularly those with high power distance (Fenwick, 2004), and multinational corporations (MNCs) have been found to vary their practice in different national contexts. Tahvanainen (1998) according to Fenwick (2004) for instance found that goal-setting was far more likely to be a joint process in Sweden and Germany, whereas in the USA goals were more likely to be assigned to individuals. Similar variations have been reported in the case of China, where aspects of Chinese culture such as respect for hierarchy and importance of 'face' had led MNCs not only to use assigned rather than jointly determined goals but also to modify both the nature and number of goals to ensure that they were easily attainable (Lindholm et.al, 1999).

Performance evaluation or performance appraisal is another stage in the performance management process. This was simply the process of evaluating behaviours and results of employees to establish competency gaps and needs for purposes of enhancing future performance. During performance evaluation where performance development discussion takes place, it is important to evaluate performance against the employees' targets. The supervisor must take an inventory of where an employee is on attainment of goals and determine action options. Action options may include coaching, training or job on training to

increase experience and chart the way forward in line with Alexander Graham and John Whitmore Goal, Reality, Options and Way Forward (GROW) model according to McPheat (2010). This step helps employees become better and experienced in their work as it sharpens output quality.

According to Redman and Wilkinson (2001), performance appraisal is one of the most common vehicles for reviewing performance against objectives. In reviewing performance, the focus is ascertaining performance against set targets for the measurement period. Pulakos (2004) argued that where feedback was provided on an on-going basis, the formal performance review session should simply be a recap of what has occurred throughout the rating period. There should be no surprises in the performance review and managers should discuss with employees their ratings, narratives and rationale for the evaluation given in the meeting. Therefore, performance appraisal should generally be seen as an evaluation of an employee's performance along pertinent dimensions (e.g., results, participation, etc.), and feedback thereof was the communication of the appraisal results to the person being appraised (Kurtzberg et al., 2005).

Notwithstanding this view, the performance appraisal or evaluation process is known to be a difficult and vague approach. Baron and Kreps (1999) declared that there was no performance appraisal practice that worked perfectly. Therefore, most methods had some defects. Gatenby et.al (2008d) support the view that whilst performance appraisal is an important part of performance management, it is only one tool amongst a range of tools that can be used to manage performance. They also highlight the fact that because performance appraisals are most usually carried out by the line managers, rather than HR professionals, it is important that they understand their role in the process and have the right skills to conduct them effectively. Milkovich and Wigdor (1991) purport that whilst performance appraisal aims to accurately assess the effectiveness of an individual's job performance, as well as improve organisational performance systems, it is impossible to standardize the context within which the appraisal takes place, or indeed the people who are either appraising or Selection Development Appraisal Rewards Performance being appraised, further compounding the reasons behind the derision that performance appraisal often receives.

Lucas et.al, (2006) further argued that performance appraisal was supposed to be an all-inclusive process where the employee and the supervisor had input. They argued that

employees needed to provide self-ratings on performance standards, which would then be compared with the manager's ratings and discussed. According to (ibid), research had found that the performance appraisal process and discussion could lead to increased defensiveness, disagreements and bad feelings between employees and managers, if managers ultimately rated employees less effectively than they had rated themselves. It was therefore, proposed that an alternative way of collecting employee input was to ask employees to prepare statements of their key performance indicators or most meritorious accomplishments at the end of the rating period. Further, another important point about performance evaluation was finding the most suitable method for an organization's culture, structure and employee performance.

McGregor in Moats (1999) described the three main functional areas of performance appraisal systems as: administrative, informative and motivational. According to Akampurira (2014), performance appraisals served an administrative role by facilitating an orderly means of determining salary increases and other rewards, and by delegating authority and responsibility to the most capable individuals. In addition, Moats stated that the informative function was fulfilled when the appraisal system supplied data to managers and appraises about individual strengths and weaknesses.

Research shows that there were various forms of performance appraisal. Some of the performance appraisal methods include Critical Incident Method, Essay Method, Work Standards Method, Ranking Method, Forced Distribution Method, Behaviorally Anchored Rating Scale Method, Results-Based System, 360 degrees feedback, 540 degrees, and 720 degrees feedback. The aforementioned methods of appraisal are aimed at giving an indication of an individual's performance on assigned tasks. According to Flanagan (1954) as cited by Pridedeux et.al (2006), the Critical Incident Technique method is used to collect direct observations of human behavior that is critical and makes a contribution to and can be used to solve problems related to an activity. With the advent of challenges faced by traditional methods of performance appraisal, organizations today focus on 360 degrees and 720 degrees methods.

According to Lepsinger and Lucia (1997), 360-degree feedback method also known as multi-source assessment was defined as 'the feedback process which involved collecting perceptions about a person's behaviour and the impact of that behaviour from the person's supervisor or supervisors, direct reports. 720-Degree Performance Appraisal considered an

“all-round” appraisal is one of the most recently introduced concepts. As the name suggested, 720 Degree is 360 Degree twice. 720 Degree Performance Appraisal was the evaluation of an employee from all the aspects and giving timely feedback to ensure that the person was able to achieve the set goals before the next appraisal (Anupama et.al, 2011).

## **2.5 Performance Management Implementation**

Experienced practitioners uniformly agree that having effective tools and processes is a necessary but certainly not sufficient condition for having an effective performance management system (Rodgers et.al, 1993). Generally, what mattered in any performance management system was how effectively it was used and how seriously managers and employees took it. This was why both the most challenging and the most important part of developing an effective performance management system was successful implementation. According to Mucha (2009), departments and agencies could be apprehensive about using performance measures and usually would worry that unfavourable results would have negative consequences on funding or jobs in the organization. Because of the aforementioned view, organizations and employees alike claim that what they do or assigned tasks could not be measured and might see performance management as a public relations effort to justify the services and existence of departments implementing it.

Notwithstanding this view, Blake et.al (2014) on the other hand stated that performance management (PM) was a tool that organizations could use to provide valuable feedback to employees on their performance and contribution to the organization, create grounds on which reinforcers could help build individual brilliance and extinct undesired behaviours in the workplace.

To effectively implement performance management, several aspects need to be considered but at its core is providing a user-friendly, value-added system that both managers and employees can use effectively (Wendy et al; 2011). Some of the basic practices based on the change management literature and the views of experienced practitioners about successful implementation of performance management systems included alignment of PM Plan with other human resource systems. This means that other human resource systems in the organization such as recruitment, staffing and training must look for competencies that are desired to aid implementation of performance management. Members of staff must be motivated to use performance management system tools effectively. Literature on many

different types of management programs also shows that effective program implementation depends on the level of top management commitment (Pulakos, 2004).

Performance management system must be communicated and piloted in the organization. Successful implementation requires communicating the PM system to ensure awareness among employees. In addition, pilot testing the new process in a couple of units prior to large-scale implementation is important to establish whether the performance management system functions smoothly and efficiently. Carol and Shaw (2006) states however, that cultural differences not only affect how the process is viewed and whether it will be accepted or not in an organization (Stone & Romero, 2008). Further, employees generally are reluctant to accept any system that delivers assessments across hierarchical boundaries and hence the need to pilot it and get appropriate feedback.

Managers and employees must be trained to use performance management tools. This means that management must ensure that all managers including new ones must be inducted in using performance related tools. This view is supported by Wendy et.al. (2011) who states that managers must know how to plan and align priorities, give and receive feedback, coach, motivate and manage poor performance of subordinates. Once trained, managers will ably manage performance to the benefit of the organization.

A review of the PMS systems used at the institutions under study namely Anti-Corruption Commission and Zambia Bureau of Standards showed that they had implemented the Performance Management Package (PMP) which included the Annual Performance Appraisal System (APAS) as an assessment or performance appraisal tool for all categories of staff (Cabinet Office, 2002). The Zambia Public Procurement Authority (ZPPA) on the other hand implemented a Results Based Management (RBM). The performance management system appraisal implemented at ZPPA uses two (2) separate performance appraisal tools, one meant for Senior and Middle Management staff and the other meant for Supervisory Positions and below (ZPPA Performance Management Handbook, 2014).

According to a Cabinet Office workshop report (2002) on Performance Management Package, Government has been implementing performance management as far back as the 1980's when the Annual Confidential Reports (ACR) was in use. The report highlighted that the ACR was highly subjective, secretive, not result oriented, and focused so much on

individual attributes as seen by the supervisor. According to the report, ACR was more of a traditional system of reviewing performance with emphasis on formal review and static indicators of performance such as punctuality and obedience. It was also observed that the ACR could not address or identify the performance gaps and corresponding training needs in relation to specific set targets. Therefore, these and other reasons led to loss of credibility in the Annual Confidential Reporting System. Government through the Management Development Division (MDD) and Public Service Management Division (PSMD) therefore, embarked on a restructuring exercise and development of the Annual Performance Appraisal System (APAS) around 1993 to 1996 (Cabinet Office Workshop Report, 2002). This was done in conjunction with reputable organisations like Coopers and Lybrand, Commonwealth Secretariat and Zambia Consolidated Copper Mines (ZCCM).

The PMP comprises a number of procedures or steps. These include work planning, target setting and APAS. The PMP is also expected to address the planning, coaching, monitoring and the evaluating of individual performance and contribute to the improvement of the quality delivery of the Public Service through rewards, skills development, promotions and sanctions. The report further emphasised that rewards would not only be in monetary value but could be in many forms such as subscribing to a professional body and holidays among others.

The RBM system implemented at ZPPA was premised on three (3) important pillars of performance management which include Performance Planning, Performance Monitoring and Performance appraisal. In performance planning, all employees are required to prepare work plans which define what they are expected to do (targets) and the timeframes in which tasks must be completed. The work plans need to be consistent with and supportive of work plans of the departments to which the employees belong. Under performance monitoring, employees' performance is expected to be regularly monitored, including the day-to-day process of documenting performance, providing immediate feedback, coaching and counselling, listening and reinforcing good performance. Quarterly and annual appraisal is expected to be undertaken. During performance appraisal, employee performance is expected to be assessed through an open discussion with input from both employee and supervisor. According to the ZPPA Performance Management Handbook, (2014), the performance appraisal report is used as the basis for decisions regarding performance related rewards and sanctions.

## 2.6. Empirical studies

This section highlights some empirical studies that have been undertaken on performance management systems (PMS). Various studies have been undertaken on this subject. In summary, some of the studies that have been undertaken and reviewed in this study include studies on finding out the factors contributing to ineffective implementation of the performance management policy (Chidwala, 2013); evaluation of effectiveness of PMSs on service delivery in Zimbabwe (Zvavahera, 2013); establishing whether administrative culture mattered in appraisal evaluation of the effectiveness of performance management systems on service delivery in the Uganda civil service (Karyeija, 2007); evaluation of the Performance Management Package (PMP) in the Zambian civil service (Mate, 2007); implementation of the Performance Management System in the ministry of Foreign Affairs and International Co-operation of the Botswana public service (Sisa, 2014); performance management: the implementation challenge; and whether implementation of a formal performance management system improved employee performance (Wendy et.al, 2011).

**Non-implementation of PM policy in Malawi:** Chidwala (2013) undertook a study focusing on finding out the factors contributing to non-implementation of the performance management policy of the Malawi civil service. In carrying out this study, he used a qualitative research methodology and questionnaire administered interviews to collect data. The main findings from the study was that implementation of the policy was being hampered because of the complex nature of the public service, absence of follow ups and management support, lack of consultations and motivation factors.

**Evaluation of effectiveness of PMSs on service delivery in Zimbabwe:** Zvavahera (2013) undertook a study an evaluation of the effectiveness of performance management systems on service delivery in the Zimbabwean civil service. In carrying out this study, the methodology used was document analysis, open-ended questions and face to face interviews. The study found that the performance management system was fraught with challenges due to its complexity and non-adherence to its tenets by the employer. Evidence from documentary analysis showed that performance related awards had not been implemented since 2007 due to financial constraints, employees' final ratings were not submitted to the Civil Service Commission for payment purposes. For ministries which got performance related salary increases, it was found that these were applied arbitrarily. In addition, career advancements and promotions were not tied to performance. Most respondents indicated that performance

appraisals were hurriedly done at the end of each year so as to fulfil the Civil Service Commission's performance requirements. He concluded that the current performance management system was not enhancing the provision of quality service in the civil service because employees did not see any merit in its application.

**Impact of administrative culture mattered in appraisal:** Karyeija (2007) undertook a study on performance appraisal in Uganda's civil service and focused on establishing whether administrative culture mattered in appraisal. In carrying out the study, qualitative research methodology and survey questionnaires and interviews were administered. The study found that Uganda's bureaucracy was characterized by large power distance, strong uncertainty avoidance, high ethnicity and political neutrality. Evidence further indicated that cultural variables influenced the introduction of performance appraisal by sabotaging its actual conduct and undermining its institutionalization.

**Evaluation of the Performance Management Package (PMP) in Zambian Civil Service:** Mate (2006) undertook on Evaluation of the Performance Management Package (PMP) in the Zambian civil service whose aim was to evaluating the PMP and particularly examining the key elements of the PMP and its implementation In carrying out the study, the methodology used qualitative research methodology and semi-structured questionnaires and unstructured questionnaires were administered to get more qualitative data. The study found that although the PMP was launched, briefing meetings and installation workshops were carried out in the sampled organizations, employees were found without workplans to follow and targets to achieve. Further, the study revealed that failure to adhere to workplans were due to poor funding, increased workloads due to manpower shortages and absence of strict follow-ups by managers.

**Implementation of the Performance Management:** Sisa (2014) carried out a study which focused on implementation of the Performance Management System in the ministry of Foreign Affairs and International Co-operation of the Botswana public service. The study used a mixed-methods research design which combined both qualitative and quantitative research design. Research data was obtained using a triangulation of research methods (case study, evaluation research and survey method, self-administered questionnaires and follow-up personal interviews).

The study found that the implementation of the performance management system in the Ministry of Foreign Affairs and International Co-operation was problematic because of unclear and ambiguous foreign policy goals and objectives; lack of broad-based support and critical mass of champions of the performance management system; use of command-and-control management model rather than empowerment and the adaptation model; inadequate human and institutional capacities; ineffective supporting systems of the performance management system; weak accountability and responsibility mechanisms; weak intra-ministerial and inter-ministerial communication, co-operation, collaboration and co-ordination; inadequate information and communications technology infrastructure and unfavourable international environment.

**PM Implementation Challenge:** Wendy et.al (2011) carried out a research on performance management: the implementation challenge. The research focused on the effective implementation and operation of performance management systems and how you get effective performance management happening in practice. In carrying out the study, qualitative research methodology was used and data was collected through case studies and interviews. The research found that the biggest tension in PM is between managing performance and filling in the paperwork. It further discovered that form filling was a tedious exercise which many employees found to be competing with other important activities they were expected to perform.

**How PMS Improves Employee Performance and Service Delivery:** Nuswantoro (2017) carried out a study which focused on whether implementation of a formal performance management system improved employee performance, drawing perspectives from Indonesian civil servants. This primary aim of the study was to examine whether the implementation of the individual PMS may improve employees' performance by analysing perceptions of Indonesian civil servants towards the ideal view and actual experience.

The study was an exploratory research which used a survey to collect data. The research found that a significant gap between the ideal view of performance management and actual experiences of the respondents. Further, findings suggest that many supervisors have not developed their leadership skills or there is still a practice of nepotism which may impede the development of effective leadership. Consequently, these supervisors may not have the sufficient

capability to assist their employees in developing their performance goals, let alone lead and inspire their employee to improve performance.

## **2.7 Alternative Performance Management Perspectives**

Modern business entities are slowly beginning to discuss a further shift from performance management (PM) as a process to Instant Performance Management (IPM). According to Ditrichova (2015), there are shifts from using annual performance reviews. The move is desired because companies using the annual performance review cycle or have thousands of employees have no clear way of moving performance management to the next level where it visibly translates into organizational achievements. It is further argued that traditional performance reviews don't work and so the time to get rid of the unnecessary "tick box" exercises and introduce something of value to our organizations that makes a difference and tracks the impact of learning, both on and off the job, formal and informal was now.

Wendy et.al (2011) in line with the view held by Ditrichova (2015) stated that the commonest criticism of performance management implementation by both managers and employees was that it was a "box-ticking" or "form filling" exercise and was largely promoted by Human Resource Managers.

With the advent of Balanced Scorecard (BSC) in the 1990s as an alternative tool to measure and drive performance in modern organizations, it is clear that there is shift from the traditional performance management system. Kaplan and Norton (1996) stated that the Balanced Scorecard (BSC) was being proposed in order to address the gap that exists between organizational strategy and activities. In their view, the BSC was a management tool that provided stakeholders with a comprehensive measure of how the organization was progressing towards the achievement of its strategic goals. They argued the BSC was balanced because it measured performance of progress against chosen targets on financial and non-financial resources, short and long-term goals and balanced performance drivers. The BSC considers the role that customers play and how the organization serves them, performance of financial and non-financial resources towards attainment of the organizational targets compared to the traditional performance management process.

## 2.9. Gaps in Literature Reviewed

From the studies reviewed in this research, the focus of the papers varied from study to another. Notable amongst them was Chidwala (2013) whose study mainly focused finding out the factors contributing to non-implementation of the performance management policy of the Malawi civil service. While his study was looking at hindrances of implementation of performance management policy, this study focused on challenges that are experience when the policy has already been implemented. Further, Karyeija (2007) undertook a study on Performance appraisal in Uganda's civil service and focused on establishing whether administrative culture mattered in appraisal. This study on the other hand will focus on the challenges that faced in implementing performance appraisal.

Another study in Zimbabwe by Zvavahera (2013) focused on an evaluation of the effectiveness of performance management systems on service delivery in the Zimbabwean civil service. Further, Mate (2006) undertook a study on Evaluation of the Performance Management Package (PMP) in the Zambian Civil Service whose aim was to evaluating the PMP and particularly examining the key elements of the PMP and its implementation. The focus of the foregoing studies was concerned with evaluation of the effectiveness of the performance management system as opposed to the challenges being faced in the implementation of the foregoing system which this seeks to address.

Other studies focused on implementation of the Performance Management System in the ministry of Foreign Affairs and International Co-operation of the Botswana Public Service (Sisa, 2014). This study however, focuses on the challenges faced in the implementation of the performance management system. Another study on Performance Management: The Implementation Challenge carried out by Wendy et.al (2011) focused on the effective implementation and operation of performance management systems and how you get effective performance management happening in practice. Although the study was similar, it did not specifically focus on establishing the challenges being faced in the implementation of the performance management system which this study seeks to establish. Another study by Nuswantoro (2017) focused on whether implementation of a formal performance management system improved employee performance, drawing perspectives from Indonesian civil servants. This primary aim of the study was to examine whether the implementation of

the individual PMS may improve employees' performance by analysing perceptions of Indonesian civil servants towards the ideal view and actual experience.

Given these and many studies, this study will generate information and knowledge on the specific challenges that public institutions face in implementing the PMS and contribute to addressing the information gap that exist on challenges of implementing the PMS. The information will contribute to improving implementation of the PMS by public and other institutions.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.0 Introduction**

This Chapter outlines the methods and procedures that were followed in order to achieve the stated objectives of the study. The Chapter also outlined in detail the data sources, the population target, sample size and sampling technique that was adopted. Further, the chapter also detailed the data analysis technique that were used in analyzing the collected data.

#### **3.1. Research Design**

A research design is the total plan of a given study. It outlines how the study will be executed in a manner that ensures minimum complications. Albaum et.al (2014) defined research design as the specific methods and procedures you use to acquire the information you need. The type of design to be adopted therefore depends entirely on the nature of study. There are three main types of designs namely exploratory, descriptive, or explanatory/analytical.

This study adopted a descriptive design approach. Descriptive in that the study attempted to describe the demographic characteristics of the employees in these institutions as well as ascertain their views on the Performance Management System processes in their institutions, particularly the challenges being faced by Management and employees in these institutions in implementing these systems. The design was largely guided by the requirements and expectations of studies that are descriptive in nature. As alluded to by Uma (2003), descriptive studies are often designed to collect data that describe the characteristics of persons, events or situation. Descriptive research design can be quantitative or qualitative. As such the study adopted a mixed-method involving both qualitative and quantitative analysis. Qualitative in that it seeks to obtain in depth views of the employees on the issues surrounding performance management systems in their institutions. Further, the study is quantitative in that it also involves statistical analyses of numeric responses by the respondents.

### **3.2. Data Collection Sources**

The study mainly depended on primary data collection. This was in form of structured questionnaires that were distributed to employees in the three (3) organizations namely ACC, ZPPA, and ZABS who are the main stakeholders in the PMS under study. The questions in the questionnaire were largely guided by the objectives of the study as well as the operations of the Performance Management System. The questionnaires were designed in a manner that captured information relating to respondents' demographic characteristics, opinions on the performance management system being used the three institutions as well as the challenges encountered in the process of implementing the system. The questionnaires contained both open and close ended questions to capture both quantitative and qualitative responses. Some sections of the questionnaire adopted a Linkert scale, which provides for a variation of views and responses on each question. Apart from the primary data collection, the study also used, though to a less extent, secondary data sources which included research papers and performance management manuals and policies from the institutions under investigation.

### **3.3 Study Population**

Cooper et. al (2008) declared that the population is the total compilation of elements about which we wish to make inferences. The targeted population for this study were Lusaka based staff from the three (3) public sector institutions under study. The total establishment for these organizations in their Lusaka offices at the point of administering the questionnaires was two hundred and twelve (212).

### **3.4 Sampling Design**

Sixty-eight (68) employees from the population of the three institutions were selected and given questionnaires for this study. The suggested sample size for this study was guided by Taro Yamani's (1967) Statistical Formula, given by:  $n = N/1+N(e)^2$  where,

n = sample size,

N = population of the study,

e = percentage level of significance.

In this case, a 10% level of significance or margin of tolerable error was used giving the following  $212 / (1+212(0.1)^2)$  resulting in a sample size of 68 employees. To further justify

this sample size, the study was guided by literature which indicates that in a social research, a minimum sample size of a study should be at least 10% of the population (Creswell, 1994).

In selecting the respondents, two types of sampling methods were employed in arriving at the desired respondents. To select which institutions to include in the sample, Purposive Sampling method was used in which the researcher deliberately targeted institutions because they were interested in specific type of institutions. To ensure a representative sample group, a stratified random sample was used in which employees in these institutions were grouped in groups according to their departments and their level in the organizational Structure. After grouping them, respondents were systematically and randomly selected from each of the groups. The selection from these groups was done in proportionate to the size of the population in each category. This method of selection ensured that there was equal representation at each level of employment.

### **3.5. Data Analysis**

Analysis of the data was mainly descriptive analyses in which frequency distribution statistics were generated from the questions in the questionnaire, starting from the demographic characteristics, employee opinions regarding the performance management systems implementation processes in their respective institutions. The purpose of descriptive analysis was to describe and illustrate the characteristics of the subjects in the sample. Further, the descriptive gave a general picture of the employee opinions regarding the performance management systems being implemented by the different institutions. Based on their responses, the analysis was able to deduce the challenges experienced in these institutions in relation to the implementation processes of these systems.

### **3.6. Ethical Requirements**

The research put into consideration ethical issues. In this regard, respondents were not forced to answer questions. Personal information from respondents was kept confidential and could only be disclosed with their consent. Sufficient time was accorded to respondents to answer various questions in order to collect sufficient information that fully represented their views. Before the research questionnaires were distributed, consent was obtained from the organizational authorities so that the research was undertaken with permission them. Confidentiality of the responses was assured to the respondents. Non-disclosure of respondent's identity was maintained and respondents were treated with respect. Both

primary and secondary data used in this research was acknowledged in an appropriate manner to avoid being cited for plagiarism. In all respects, the ethical considerations will be followed very strictly in this research to promote further undertaking of research.

### **3.7. Validity and Reliability**

To ensure validity and reliability of the research findings, scientific methods of conducting research were strictly adhered to. Questionnaires were designed in line with the research objectives while method of sampling respondents was carefully selected to ensure fair distribution of respondents in order to avoid biased responses. A reliable statistical analysis tool known as SPSS was employed in analysis of data.

### **3.8. Conclusion**

This section focused on the methodological approach used in achieving the objectives set at the beginning of this study. These included the study design, sampling frame, data sources as well as data analysis tools employed for the study. The following chapter focusses on the actual analyses of the data collected.

## CHAPTER FOUR

### ANALYSIS, INTERPRETATION & DISCUSSION OF FINDINGS

#### 4.0. Introduction

This particular chapter gives a systematic presentation of the data collected, the fi, analysis and interpretation of the research results. The analysis of the findings were guided by the objectives of the study namely; (i) To assess employees' awareness and involvement in the performance management process; (ii) To identify the performance management processes that are used in the selected public institutions; and (iii) To evaluate the challenges being faced by staff in the implementation of the performance management system.

#### 4.1. Respondents Composition

While 68 questionnaires were distributed to selected employees among the three (3) public institutions under study, only 51 questionnaires were successfully collected for the analysis, representing 75.05% response rate. Of the 51 respondents that were recorded, ZPPA was represented by (35.3%), ACC (33.3%), while ZABS was represented by (31.4%) respondents as tabulated in the table below:

**Table 1: Participants Institutional Distribution**

INSTITUTION	FREQUENCY	PERCENTAGE
Zambia Public Procurement Authority	18	35.3
Anti-Corruption Commission	17	33.3
Zambia Bureau of Standards	16	31.4

In the study, respondents with different characteristics were interviewed to ensure balanced views from all categories of employees.

##### 4.1.1. Education Level

In order to ensure inclusion of the various opinions and experiences among the different participants in this study, an analysis of education levels for the different respondents was carried out. From the illustration of the graph below, 54.9% of the respondents interviewed were holders of a bachelor's degree, followed by 33.3% who held a master's degree qualification. A few respondents had technical college diploma or certificates represented by

2% and 5.9% respectively. 2% had Doctorates while 2% did not state their qualifications. Figure 4 below shows the detailed qualification distribution of respondents:

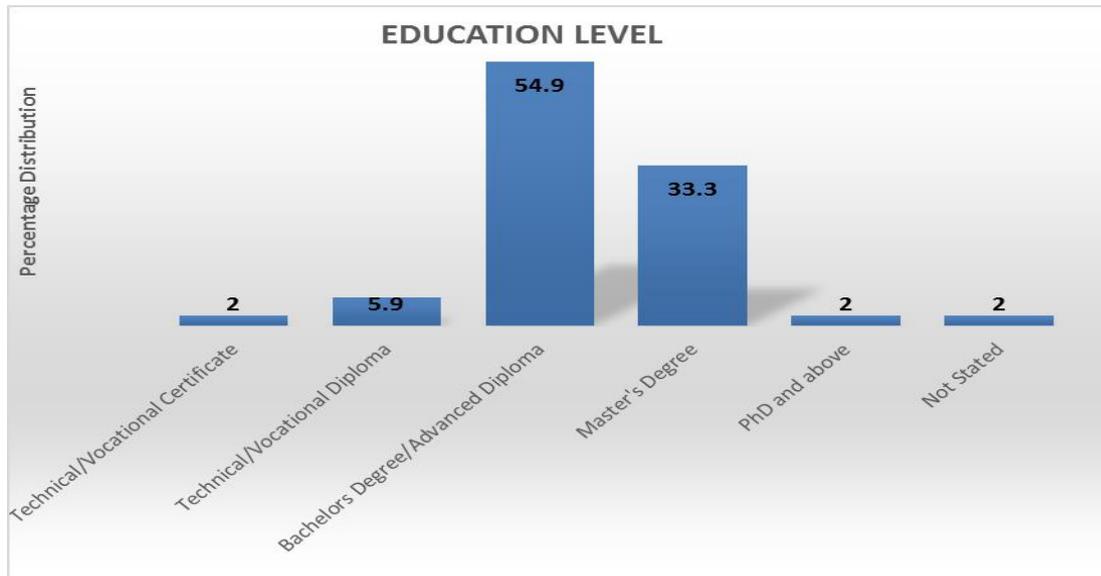


Fig 4: Respondent's Education Level

#### 4.1.2. Length of Service

The study further analysed the length of service by the employees that were included in the sample. From the statistics of the study, 37.3% of the respondents had worked for less than five years, followed by 31.4% who had worked for a period between 11 and 15 years. 23.5% of the respondents had worked between 6 and 10 years in their respective institutions, while the rest of the respondents had worked either for 15 or more years, implying that they had stayed long enough to be able to understand the various policies of the institution, or at least to be curious about them. See detailed table 2 below indicating the length of service for individual respondents that were targeted in this study.

Table 2: Length of Employee Service

What is the length of your working experience?			
		Frequency	Percent
Valid	Less than 5 years	19	37.3
	6-10 years	12	23.5
	11-15 years	16	31.4
	16-20 years	2	3.9
	Over 20 years.	2	3.9
	Total	51	100.0

## 4.2. Objective One: Employee Awareness and Involvement in the Performance Management Process.

In analysing the performance management system of the institutions, the study purposed to establish the extent to which employees in these institutions were not only *aware* about the systems, but also their involvement in these processes. This awareness and involvement were viewed in the whole performance management process, in terms of performance planning, performance monitoring as well as performance appraisal.

### 4.2.1. Awareness

In terms of *awareness levels*, 82.4% of the respondents said they were aware and clearly understood performance planning in their organizations while 15.7% did not understand it and 2% did not state anything.

In terms of provision of *training* in performance management systems, 76.1% of respondents stated that all employees in their organizations received training, while 60.9% further stated that their heads of departments had received training in performance management techniques. However, 21.7% stated that team leaders in their organizations had received training in performance management system while 28.3% stated that Appraisers (Supervisors) in their institutions had received training in performance management techniques. Table 3 below shows the provision of training in Performance Management Systems among the various categories of employees.



Fig 5: Provision of Training in Performance Management Systems.

Further, respondents were asked to state whether they understood the basis upon which their performance was judged. The results revealed that 47.1% of the respondents clearly understood the basis while 15.7% did not understand the basis upon which their performance was judged. Further, 31.4% of the respondents were not aware of the basis upon which their performance was judged. Table 3 below shows the basis upon which their performance was judged:

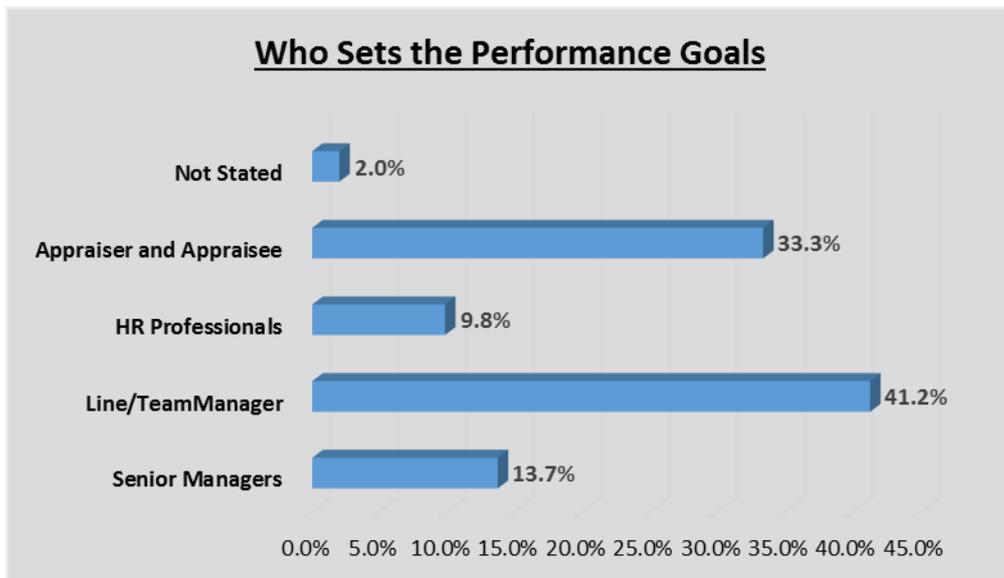
**Table 3: Understanding of the basis of performance judgment**

**4.2.2. Employee Involvement**

**Do you clearly understand the basis on which your performance is judged?**

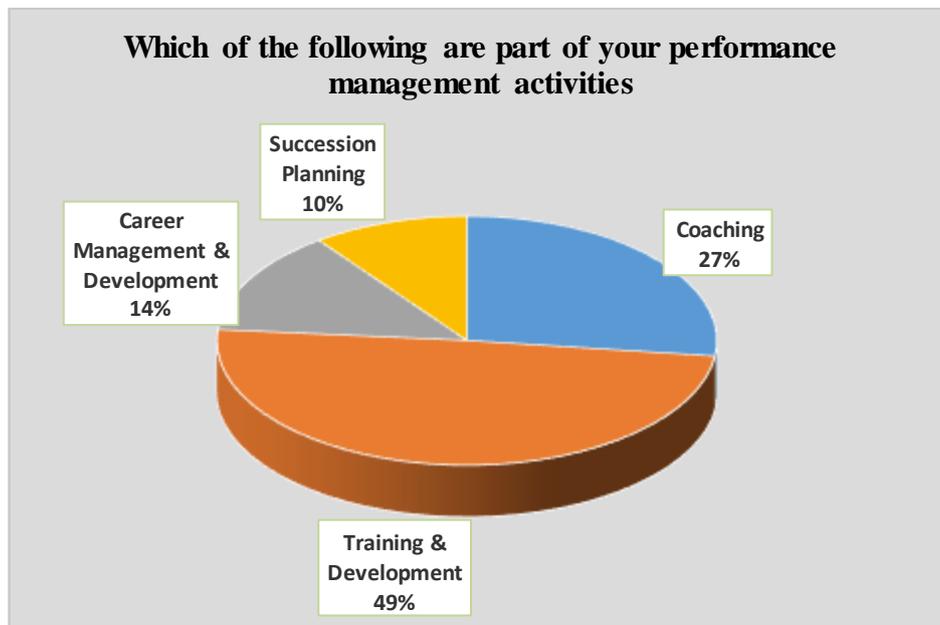
		Frequency	Percent	Cumulative Percent
Valid	Yes	24	47.1	47.1
	No	8	15.7	62.7
	Not sure	16	31.4	94.1
	Not Stated	3	5.9	100.0
	Total	51	100.0	

In terms of the employee's *involvement* in this process of performance goal setting, only 33.3% stated that both appraiser and appraisee were involved in the setting up of performance goals, while 41.2% of the respondents indicated that the performance goals or requirements for individuals were set by line managers only. The rest of the respondents in excess of 13.7% and 9.8% indicated that senior managers and human resource professionals set the goals respectively. See fig 6 for details below.



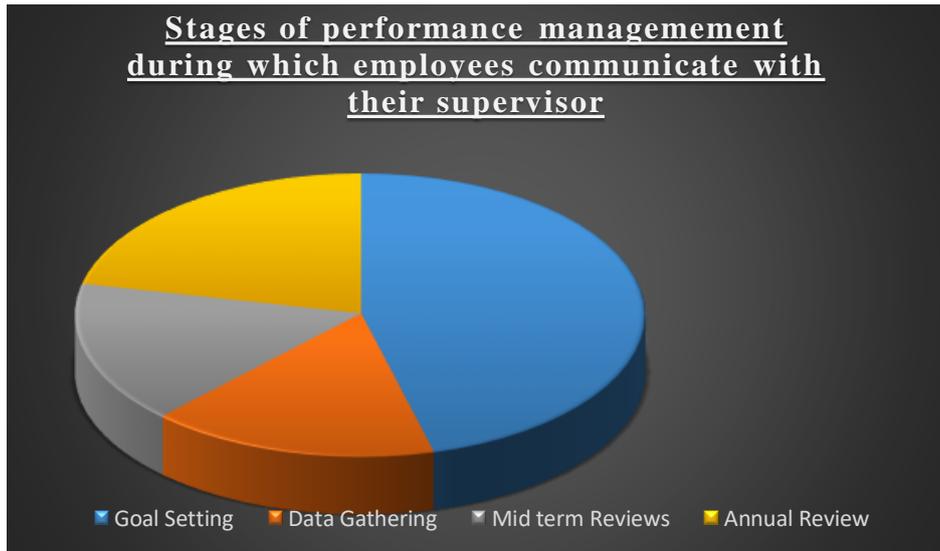
**Fig 6: Setting of Performance Goals**

Further, in trying to establish the extent to which employees were involved in the performance planning activities in the organizations under study, findings revealed that of the employees that responded to this question, 91.7% of them indicated that they had training and development discussions, while 50% stated that they had coaching in their organizations. Very few indicated that they had career management development or succession planning activities respectively. Fig 7 below shows the extent on involvement in the above activities:



**Fig 7: Performance Management Activities**

The involvement of these employees was further enhanced by the existence of effective communication structures between management and employees within these institutions. Specifically, 72.3% of the employees stated that they communicated with their subordinates and supervisors at the time they were setting goals, while 34% said they communicated during the annual review. Those that communicated with their supervisors did so at data gathering and mid-term reviews both formed 25.5% of the respondents respectively. The Figure 8 below shows the detail of communication stages.



**Fig 8: Stages of Communication**

This effective communication was further enhanced by the active participation of trade unions within these institutions as stated by the respondents in these Institutions. Specifically, 92.2% of respondents admitted that they had trade Unions within their Institutions while only 3.9% stated that they had no trade Unions in their institutions. However, of those that had admitted having trade unions in their organizations, only 38.3% went on to admit that the current performance management arrangements were agreed with the Unions in these institutions while 39.1% said it was not agreed. Table 4 below shows the findings:

**Table 4: Interactions between Management and Trade Unions**

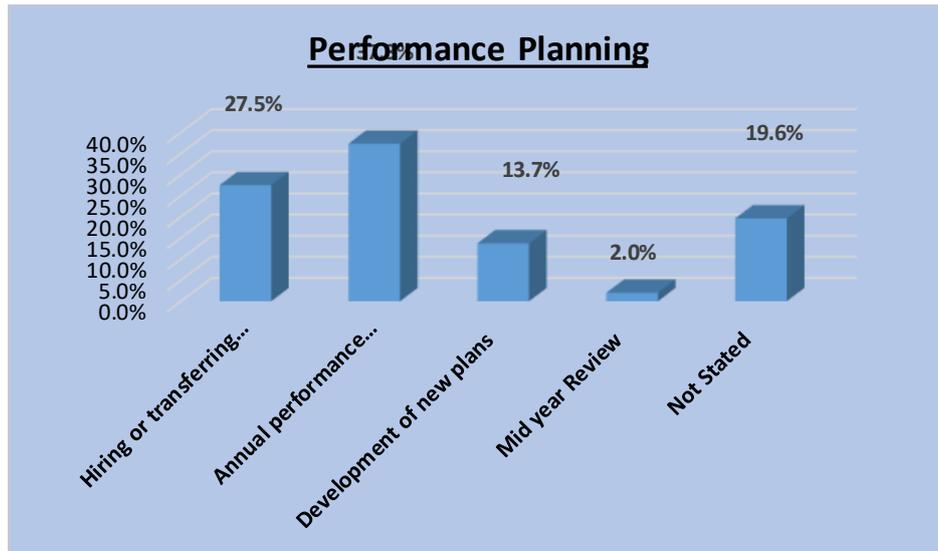
Are there trade Unions operating in your areas? \* If yes, were the current performance management arrangements agreed with the Union? Cross tabulation

Are there trade Unions operating in your areas?	If yes, were the current performance management arrangements agreed with the Union?				Total
	yes	No	Not sure	Not Stated	
Yes	18 38.3% 94.7%	15 31.9% 100.0%	3 6.4% 100.0%	11 23.4% 78.6%	47 100.0% 92.2%
No	1 50.0% 5.3%	0 .0% .0%	0 .0% .0%	1 50.0% 7.1%	2 100.0% 3.9%
Not Stated	0 .0% .0%	0 .0% .0%	0 .0% .0%	2 100.0% 14.3%	2 100.0% 3.9%
	19 37.3% 100.0%	15 29.4% 100.0%	3 5.9% 100.0%	14 27.5% 100.0%	51 100.0% 100.0%

**4.3. Objective Two: Performance Management Processes that are used in the selected Public institutions**

In addressing the second objective that was looking at the performance management processes followed by the institutions under study, the analysis was guided by the elements of performance management systems namely performance planning, performance monitoring, and performance appraisal. This section therefore purposed to establish whether these elements of management systems took place in the institutions under study, and if they did, to what extent.

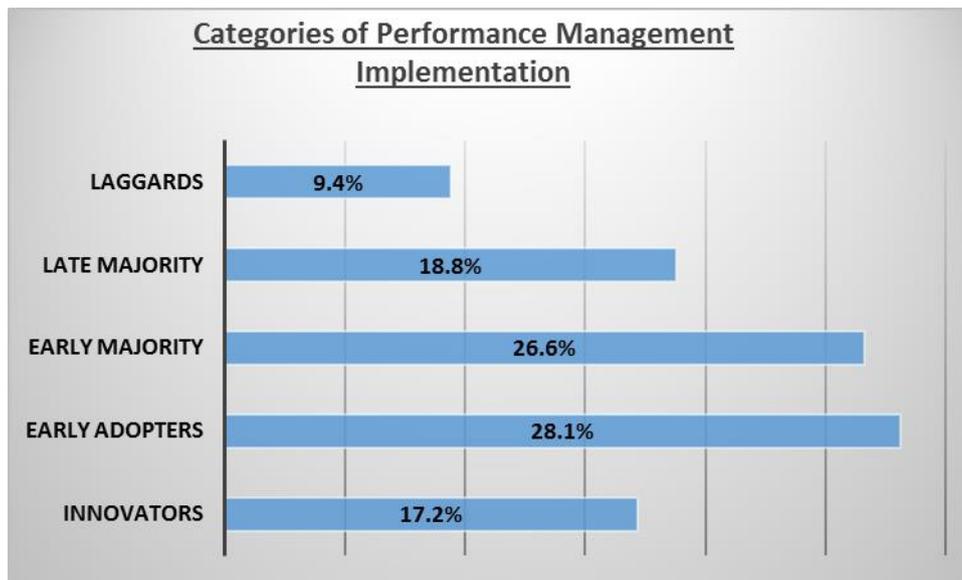
### 4.3.1. Performance Planning



**Fig 9: Stages of Performance Planning**

Based on all the respondents who had indicated that they understood what performance management systems was all about, the study revealed that 80.4% of these cumulatively indicated that performance planning was carried out on their institution, albeit at different stages of the organizational calendar. Others indicated that this performance planning took place during the hiring or transferring of employees, or during development of new business plans, while others stated that it was carried out during mid-year review. However, majority of the respondents in excess of 37.3% indicated that performance planning in their institutions was done during annual performance and development reviews.

In terms of implementing performance management as part of performance planning majority of the respondents indicated that they were found among the early majority as well as the early adopters with 42.5% and 45% respectively. Few respondents were innovators, late majority or laggards. Fig 10 below shows the period of adoption and implementation of performance management in Zambia:



**Fig 10:** Categories of Performance Management Implementation

### 4.3.2. Performance Monitoring

Performance monitoring was also one of the processes of performance management systems which this study intended to determine if it was being applied among the institutions under study. To determine this, the study analyzed the extent as well as the frequency with which performance management reviews were done in these institutions.

Findings of the study revealed that 96.1% of the respondents discussed their performance against set targets with their supervisors, team manager or line managers at least every quarter, or more often than that. This is shown by the cumulative frequency of all respondents that had indicated that they had discussed with their supervisors whether monthly, quarterly, annually, or at least whenever problems occurred. Table 5 below shows the frequency:

**Table 5: Performance Management Review**

How often do you discuss your performance against set targets with your Supervisor, team manager or line manager?				
		Frequency	Percent	Cumulative Percent
Valid	Very often (At least monthly)	7	13.7	13.7
	Fairly often (AT least quarterly)	17	33.3	47.1
	Not very often (annually or less)	19	37.3	84.3
	Very rarely (Only when problems occur)	6	11.8	96.1
	Never	1	2.0	98.0
	Not Stated	1	2.0	100.0
	Total	51	100.0	

The research also undertook to establish what was discussed during performance monitoring. Study findings revealed that 85.4% of the respondents stated that during these reviews, discussions centered on their performance against the set targets. A further 52.1% stated that future targets and goals were set during these meetings. However, 22.9% of the respondents indicated that organizational goals or priorities were discussed, while 18.8% indicated their skills and competence were discussed. The rest in excess of 18.8% indicated that their development needs were discussed. Below is the summary of the findings:

**Table 5a: Discussions during Performance Monitoring Review**

What is discussed during the reviews?	Responses		Percent of Cases
	N	Percent	
Setting future targets and goals	25	26.3%	52.1%
Performance against current targets or goals	41	43.2%	85.4%
Organizational goals or priorities	11	11.6%	22.9%
Your skills or competence	9	9.5%	18.8%
Your development needs	9	9.5%	18.8%
Total	95	100.0%	197.9%

a. Dichotomy group tabulated at value 1.

NB: Total percentage of cases exceeds 100% because of multi responses

### 4.3.3. Performance Appraisal

The third aspect of performance management systems evaluated in this study was the performance appraisal. In assessing the appraisal system processes for the organizations under study, this section considered the presence of formal evaluation systems in these organizations, frequency of performance appraisal meetings between supervisors and subordinates, as well as how their institutions generally rewarded hard work.

Findings of the study revealed that from the total respondents, only 35.3% indicated that such systems existed while 54.9% stated that they had no such systems in place. Further, that these appraisal systems in their Organizations evaluated all individual employees equally and had no separate systems for evaluating teams. Table 6 below shows the results on the presence of evaluating systems in these Organizations.

**Table 6: Evaluating Management Practices**

**Is there a formal system for evaluating management practices in your Organization?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	18	35.3	35.3	35.3
No	28	54.9	54.9	90.2
Not Stated	5	9.8	9.8	100.0
Total	51	100.0	100.0	

Further, 82.4% of the respondents revealed that the appraisal system in those organizations evaluated all individual employees equally and had no separate systems for evaluating teams. Table 7 below indicates the status of the existence of appraisal systems.

**Table 7: Type of Appraisal System**

**Do you have a separate appraisal system for evaluating teams?**

	Frequency	Percent	Cumulative Percent
Valid Yes	7	13.7	13.7
No	42	82.4	96.1
Not Stated	2	3.9	100.0
Total	51	100.0	

In terms of strategies for rewarding employees pursued by these institutions under study, 32% of the respondents stated that culture strategy was linked to performance management, followed by 34% who said that their reward strategy was linked to performance management. 26% of the respondents stated their Organizations prioritized teamwork 8% stated that leadership strategy was what drove performance management system in their organization. See figure 11 below for details on the findings:



**Fig 11: Strategies linked to Performance Management Systems**

However, from the findings of the study, 66.7% of the respondents felt that the kind of reward systems existing in their institutions resulted in people who did a good job in these organizations not being rewarded compared to those who were not doing a good job. Respondents further noted that their institutions focused more on relations than results whenever bonuses were being rewarded to staff members. See table 8 below for details

**Table 8: Fairness of the reward system**

**In the organization, do you think that people who do a good job are generally rewarded more than those who do not?**

	Frequency	Percent	Cumulative Percent
Valid Yes	5	9.8	9.8
No	34	66.7	76.5
Don't know	10	19.6	96.1
Not Stated	2	3.9	100.0
Total	51	100.0	

#### **4.4. Objective Three: Challenges Being Faced by Staff in the Implementation of the Performance Management System.**

Based on the processes of the performance management systems in the organizations under study, as well as the level of awareness and involvement of employees in these systems, the study attempted to identify some of the major challenges encountered by the Organizations in the process of implementing these performance management systems.

- (i) *Understanding the Performance Management Systems:* Even though the majority of respondents in excess of 82.4% were aware of the existence of the PMSs, and had even received training in this area, most of these employees did not understand the basis upon which their performance was judged as only 47.1% of the respondents indicated that they clearly understood the basis.
- (ii) *Minimum Involvement of Employees in the Planning and Implementation of Systems:* From the results, only 33.3% of the respondents indicated that both appraiser and appraisee did performance goal setting. The rest in excess of 64.7% indicated that either Senior Managers, Line Managers or Human Resource Professionals alone did that performance goal setting in their organizations.
- (iii) *Ineffective Communication:* Results revealed that even though communication structures existed between management and employees within institutions, the communication was not so effective as it only took place at the time of goal setting rather than being constantly reviewed periodically. Further, only 2% of the respondents indicated that performance planning was carried out during mid-term review. The rest of respondents stated that performance reviewing was only done annually in their Organization. This meant less contact between employees and their supervisors.
- (iv) *Lack of Innovation:* When it comes to the actual implementation of performance management systems, the study established that institutions are more of ‘adopters’ than ‘innovators’. As such, institutions have little chances of progressing because they depend on existing systems from other jurisdictions rather than tailoring the system to

their own Organizational needs. Refer to table 9 for details of implementation systems used among the institutions.

- (v) *Inadequate Evaluation Systems:* While PMS exist in these institutions, they are not separated to address individual team needs. Results of the study indicated that only 13.7% had systems that evaluate different groups according to their needs while the rest indicated that the evaluation system was uniform for all categories of employees. This result was further backed by only 35.3% of respondents that indicated that there were formal systems for evaluating management practices in their institutions, while the rest indicated that they did not have such.
- (vi) *Defective Reward Systems:* Findings established that the form of reward systems pursued by the institutions under study often resulted in rewards being given to people not doing a good job as opposed to those who were doing a good job. This is because the systems focused more on relations rather than results when awarding performance bonuses to staff.
- (vii) *Lack of clarity:* The research also established that some of the factors that were resulting in failure of performance management systems in these organizations were lack of clarity in the system, as well as lack of communication by the superiors. Table 9 below shows the results of the findings:

**Table 9:** Causes of failure of PMS

What in your opinion are the causes of failure of the performance management system?

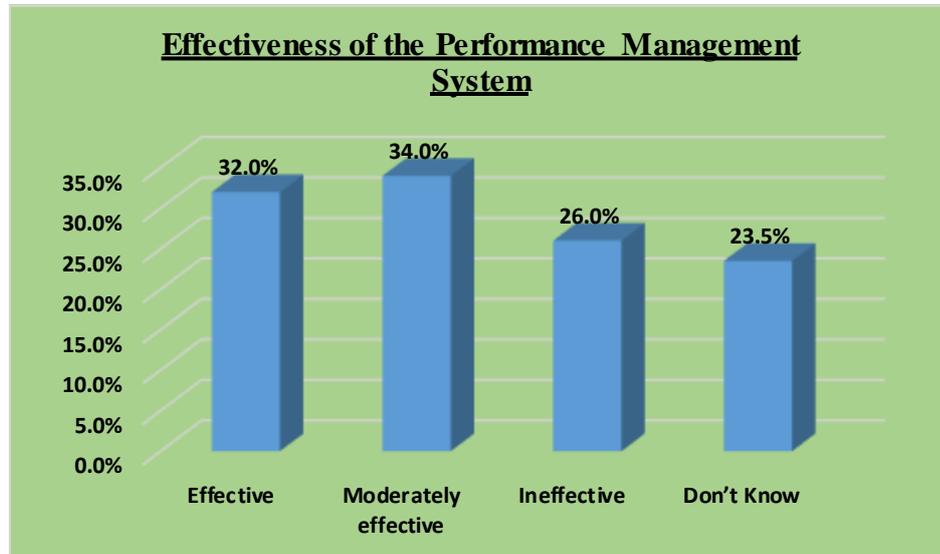
Causes	Responses		Percent of Cases
	N	Percent	
Lack of clarity	37	49.3%	80.4%
Interval of appraisals	5	6.7%	10.9%
Lack of communication by the superior	33	44.0%	71.7%
Total	75	100.0%	163.0%

a. Dichotomy group tabulated at value 1.

b. Valid Responses 46

- (viii) *Ineffective Systems:* Overall, employees that were interviewed indicated that performance management systems in their Organizations were ineffective and weak. This was evidenced by only 11.8% that stated that their performance management process was effective, while 49% stated that it was moderately effective. 15.7% of the

respondents stated that it was ineffective while 21.6% of the respondents did not even know how effective their performance management was. See fig 12 below:



**Fig 12: Effectiveness of PMS in improving overall performance**

(ix) *Poor Management:* Further, respondents indicated that in most cases management in these institutions does not enforce performance management policies to foster implementation in their organizations. Supervisors also do not have technical process knowledge to implement performance management. Results further revealed that human resource department does not sensitize staff on performance management. See table 10 below:

**Table 10: Management Support Rating**

How would you rate Management support in relation to the following factors:

	Responses		Percent of Cases
	N	Percent	
Management does not enforce PM policies to foster implementation in your Organization	28	34.6%	73.7%
Supervisors do not have technical process knowledge to implement performance management.	26	32.1%	68.4%
HR department does not sensitize staff on performance management	27	33.3%	71.1%
Total	81	100.0%	213.2%

a. Dichotomy group tabulated at value 3.

b. Valid responses 38

## **4.5. Discussion of Findings**

### **4.5.1. Awareness and employee involvement**

From the findings established, it is apparent that most of the employees in these institutions are aware of the performance management systems in their institutions as shown by the 82.4% of respondents that confirmed awareness of performance planning. However, in terms of understanding the basis upon which the employees were being judged, very few respondents demonstrated that they understood. This scenario creates a challenge within the system, as it proves to be an indication that line managers and their subordinates did not really operate in harmony.

Further, while performance planning is ideally supposed to be carried out during annual performance and development reviews, or during development of new business plans, percentage responses given by the respondents does not reflect the people that understand what performance planning is. This implies that either they do not understand the technical meaning of performance planning, or, they are not just aware of when the activity really happens in their institutions.

### **4.5.2. Performance Management Processes**

The performance management processes followed in the public institutions are not at most idealistic. For example, performance goal setting is ideally supposed to be carried out by both appraiser and appraisee, or supervisor and subordinate, so that the supervisor understands the extent to which the subordinate can be able to deliver, and how much guidance they require. However, findings of this study revealed that very few Organisations are applying this principle. To a larger extent, the result findings revealed that the function of performance goal setting is mostly left with the line manager. This particular finding agrees with the findings of Fenwick (2004) whose study findings indicated that in Sweden and Germany, goal setting was far more likely to be a joint process where both employees and their supervisors fully participated in the exercise, whereas in the USA goals were more likely to be assigned to individuals. Thus, systems would differ from one jurisdiction to another.

From the performance management processes, it was also observed that while most organizations have training and development component in their systems, there is less succession planning existing to ensure continuity of institutional programmes and policies. As argued by Mullins (2010), staff development was a means to improve and enhance

performance, managing behavior and attitudes of employees in an organization. As such, performance management should be about performance development at individual, team, department and organizational levels. However, it was found that training on its own was not sufficient if it was not supported by succession plans within the organization, which ensured that trained employees eventually took over the reins of management at some point in the institutions.

In this regard, various scholars have agreed with the fact that if coaching, training and development, career management and development, or succession planning, were not linked to performance management systems in an organization, there would be discontentment, demotivation and unimproved performance amongst the employees (Grobler et.al, 2004) and Aguinis (2005).

Regarding performance management processes within the organizations, the study established that public institutions in Zambia were early adopters, as opposed to being innovators of the performance management systems. The results imply that most of these organisations were not creative enough to implement their own performance management systems, but rather relied on existing systems. However, this kind of system limits organizations ability to discover their potential. According to Mucha (2009) contends that managers in various organizations were responsible for initiating shifts to performance-based systems; a change that was all but required to meet the complex problems governments faced at all levels. As such, organisations must be able to take the first step in implementing performance management systems. This would help them tailor their systems to their own organisation needs.

In as far as frequency of meetings between employees and their supervisors, findings of this study revealed that such meetings were less frequent. This situation posed a challenge to the institutions as they did not give themselves a chance to monitor the performance of their employees regularly, and so institutional managers would not know challenges faced by their employees in the discharge of their duties. Further, in terms of the discussions that were done during performance monitoring meetings, most of the discussions were centred on performance and future targets, while very little was discussed regarding either the skills or competences of individual employees, or their individual development needs. This situation had negative implications for the organisation because it revealed that managers were more

interested in the growth of the organization only, and not the individual employees working for these Organizations. Research according to Pulakos (2004) suggests that during performance monitoring discussions, employees needed to be asked about their views on what was done correctly, what could have been done differently and collaboratively plan steps to address development needs, and offer help in addressing development needs and providing resources to the employee to undertake assigned tasks. This means that the focus should not just be on organizational goals but also the employee's needs.

The implication of this finding was that the employees in these public institutions may have inadequate skills or capacity to meet the skills demands for the whole organization which organizations don't take time to discover. This lack of consideration for the employees' skills needs was in turn likely to result in a demotivated workforce in these institutions, as their career growth was likely to remain stunted for a while.

In relation to evaluation of management, findings of this study have revealed that while organizations may be trying to improve employee performance through the existing performance management systems, they could be neglecting the aspect of appraising the supervisors themselves, which was a weakness.

Further findings from the study indicate that communication structures within these institutions seem to be strengthened by the presence of trade unions. However, even with their presence, few of these trade unions agreed with the existing performance management systems within these organisations. Thus, even though the Union may not agree with the performance management systems in these institutions, communication structures do exist to a larger extent. This is a health situation for these institutions since such Unions help deter the abuse of employees by institutional managements.

The above findings indicate that organisations in Zambia generally have not been able to coordinate their performance management process, ultimately leading to failure in the overall effectiveness of the performance management systems. These results agree with Ngumbau, (2013), who carried out a study looking at challenges of implementing performance management system at Kenya Electricity generating company. Ngumbau, (2013) concluded that failure to link the annual corporate planning cycle to the performance management cycle led to failure in the process of cascading corporate goals to individual goals.

### **4.5.3. Challenges of PMS**

Based on the analysis of the processes of performance management systems in these Organizations, the study was able to derive some challenges that are faced by these organizations. These challenges were in relation to understanding of the Performance Management Systems, minimum involvement of employees in the Planning and Implementation of Systems, and inadequate evaluation systems. Further, these challenges were also in form of ineffective communication between management and employees, which resulted in lack of clarity, poor management as well as defective reward system. Addressing such challenges requires a holistic approach to performance management systems ranging from performance planning, monitoring and appraisal. Failure to adhere to these principles will not only result in the persistence of such challenges in the Organization, but poor performance of the overall Organization. As correctly observed by Kluger and DeNisi (1996) in their definition of performance management as a range of activities engaged in by an organization to enhance the performance of a person or group, with the ultimate purpose of improving organizational effectiveness.

### **4.6. Conclusion**

This section purposed to address the objectives of the study as outlined in chapter one. Using the analysis of data collected from the sampled institutions, the section sought to establish the awareness and involvement of the employees in the performance management processes. Further, the section also outlined the existing performance management processes in these institutions. Based on that analysis, the section drew challenges associated with performance management systems in these institutions. The section further discussed the key findings of the study. The next chapter is dedicated to the summary, conclusion as well as policy recommendations for this study.

## CHAPTER FIVE

### SUMMARY FINDINGS, CONCLUSION & RECOMMENDATIONS

#### 5.0. Introduction

This chapter summarizes the main findings of the study, the policy implications based on these findings, as well as the recommendations of the study. Further, the study proposes possible areas of further research.

#### 5.1. Summary Findings & Conclusions

Having identified the anomalies and gaps in performance management systems for most of the organizations in Zambia, this study set out to establish the empirical evidence on the processes as well as the challenges faced by three parastatal institutions studied in the implementation of performance in Zambia. To achieve this broad objective, it was further broken down into three main objectives namely: (i) To assess employees' awareness and involvement in the performance management process; (ii) To identify the performance management processes that are used in the selected public institutions; and (iii) To evaluate the challenges being faced by staff in the implementation of the performance management system.

In order to achieve this, a cross sectional survey was carried out involving collection of primary data from employees of three quasi-Government Institutions namely ECZ, ZABS and ZPPA using a structured questionnaire. The data collected was analyzed using the SPSS and Deductive analysis. The analysis was descriptive in nature, and the results of the study revealed that:

##### a) Awareness and Employee Involvement

- (i) From the findings established, it is apparent that most of the employees in these institutions are aware of the performance management systems in their institutions as shown by the 82.4% of respondents that confirmed awareness of performance planning.
- (ii) However, in terms of understanding the basis upon which the employees were being judged, very few respondents demonstrated that they understood.

- (iii) This scenario creates a challenge within the system, as it proves to be an indication that line managers and their subordinates did not really operate in harmony.
- (iv) Further, while performance planning is ideally supposed to be carried out during annual performance and development reviews, or during development of new business plans, percentage responses given by the respondents does not reflect the people that understand what performance planning is. This implies that either they do not understand the technical meaning of performance planning, or, they are not just aware of when the activity really happens in their institutions.

**b) Performance Management Processes**

- (i) In terms of performance management processes, it was established that parastatal institutions sampled in this study implemented performance management where they plan what was to be measured in a planning meeting where employees meet their managers periodically. The study established that this performance planning is carried out either annually, or during development of business plans or during hiring and transferring of employees. Further, during these planning meetings, performance goal setting was carried out in which supervisors and subordinates sat to agree on objectives and achievable goals. The planning meeting helped the supervisor understand the extent to which their subordinate could deliver on the agreed targets;
- (ii) Performance management process in the parastatals also involved managers meeting their subordinates and undertaking regular performance reviews or monitoring. In this reviewing process, managers discussed progress on achievement of targets, future targets, skills and competences of individual employees as well as their needs;
- (iii) After performance review, the performance management process involved performance appraisal of an employee, in which employee performance was evaluated, and the managers explained in detail the basis upon which their performance was judged. This stage of performance appraisal provided an opportunity for management to give feedback to their employees;

- (iv) The study further established that performance management process in these parastatals involved training and development of staff, as well as succession planning; and
- (v) Finally, the process of performance management in public institutions involved to some extent rewarding the employees with bonuses based on the performance results, while at the same time sanctioning those that exhibited negligence in their work.

**c) Challenges within the Performance Management Processes**

- (i) In terms of the frequency of performance planning within the parastatals, results of the study indicated that the planning was not consistently carried out in most of the institutions, with only 42.9% indicating that it was done annually. The rest of the respondents indicated that in their institutions, it was only done less than annually, i.e. either during annual performance planning, or during development of business plans. This implies that managers in these institutions do not plan and monitor the performances of their employees regularly, thus institutional managers may not know the challenges that are faced by their employees;
- (ii) The findings of the study further established that goal setting in these institutions was predominantly left to line managers, senior managers, or human resources professionals. Only a few of employees in excess of 33.3% indicated that that they sat with their superiors to set goals. This situation makes it difficult for the managers to monitor set realistic goals for their subordinates, thus, may create pressure on the employees.
- (iii) While these institutions have training and development in their systems, they have not taken time to develop succession plans, as well as management and development plans;

- (iv) While it is best practice to reward good performance, the research found that employees who perform better than others were not rewarded appropriately to foster sustainable organizational performance; and
- (v) Findings of the study further indicated that majority of these parastatals were not creative enough to implement their own ideas about performance management systems. They would rather rely on already existing systems. Thus, by nature these institutions are adopters rather than innovators. This makes these institutions fail to tailor their systems to their own organizational needs.

## **5.2. Recommendations**

It is evident that the existence of a proper performance management system in an organization is relevant for improved employee performance, and ultimately, increased organizational productivity. However, given the challenges faced by these Institutions in relation to the management of these systems, it is recommended that management works at enhancing the existing systems. This can be done by appropriately applying theoretical principles of performance management systems. Particularly, the concerns should be addressed in relation to the findings of this study by undertaking the following:

- (i) There is need to improve on the frequency of meetings between the supervisors and the subordinates within these institutions. This can be achieved by meeting not less than once a year, and updating each other regarding the set goals. Clear goals, targets and objectives must be set and agreed upon at the beginning of the financial year. Certain ambiguities that are unfair to staff should be removed. This will keep employees alert to their purpose in the job, and will also ensure that individual employees do not forget the set objectives of the appraisal along the way;
- (ii) All the stakeholders should equally participate in the appraisal of all employees. This implies that goal setting should never be left to supervisors and line managers only, but should be an activity involving all concerned parties;
- (iii) Institutions need to develop succession plans as well as management and development plans. These will help ensure that institutional activities and policies are continuous and consistent even when old and qualified people leave the institutions. In addition, these

parastatal institutions should also invest in training its own staff to ensure competency development for organizational performance improvement.

- (iv) There is need for Organizations to link PMS to career development and succession planning.

### **5.3. Possible areas of study**

In future research, investigations could be undertaken to establish the extent to which findings of such studies could improve performance and be generalized to other public sectors. A cross sectional study across a number of institutions within the sector can also be done to make comparative analysis.

### **5.4. Conclusion**

This study established that performance management processes among parastatal institutions sampled in this study involve performance planning, performance monitoring as well as appraisal of employees. During Performance Planning, employees ideally sit with their supervisors to set targets. The process continues with the monitoring of individual employee performance against the set targets. Finally, the performance management process involves appraisal of employee, in which employee performance is evaluated, and the managers explain in detail the basis upon which their performance is judged. This stage of performance management process provides an opportunity for management to give feedback to their employees.

The further study established that parastatal Institutions are not following these processes religiously, and as a result, even though employees are aware of these processes, they do not understand the basis upon which their performance is judged. Further, challenges identified in the process of PMS were in relation to the processes carried out among the sampled parastatals. The planning was not regularly and frequently done as expected, communication between management and employees was poor, with a few of the employees indicating that it was ideally done annually. The study further established that goal setting in these Institutions is predominantly left to either line managers, senior managers, or human resources professionals instead of involving both managers and the employees who do the actual work. Connected to this scenario, there is very little commitment to developing succession,

management and development plans. Findings of the study further indicate that majority of these Zambian parastatals are not creative enough to implement their own ideas about performance management systems. Thus, they would rather rely on already existing systems. By nature, these institutions are adopters rather than innovators. This makes these institutions fail to tailor their systems to their own organizational needs.

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## APPENDIX I-Research Questionnaire



### UNIVERSITY OF ZAMBIA GRADUATE SCHOOL OF BUSINESS RESEARCH QUESTIONNAIRE

Dear Respondent,

Thank you for taking time to complete this questionnaire. My name is Kelvin S. Shamizhinga (Student No. GSB150106), a student at the Graduate School of Business, University of Zambia. I am carrying out a research entitled “**CHALLENGES OF PERFORMANCE MANAGEMENT SYSTEMS IMPLEMENTATION IN SELECTED ZAMBIAN PUBLIC INSTITUTIONS**”. The main purpose of this study is to establish challenges that are faced in implementing performance management systems in Zambia by managers and employees working in the public sector. This questionnaire is solely meant to collect data that will help the researcher compile a research report to be submitted to the University of Zambia in partial fulfillment of the requirements for the award of Master of Science in Human Resource Management. Your participation in this study is highly appreciated.

The information that will be collected is purely for academic purposes and shall, therefore, be treated with maximum confidentiality. Kindly spare a little time to fill this questionnaire.

Thank you very much for your cooperation.

#### **SECTION A: General Information**

1. What is your Gender
  - (a) Male
  - (b) Female
  
2. What is your level of Education?
  - (a) Technical/Vocational Certificate
  - (b) Technical/Vocational Diploma
  - (c) Bachelor’s degree/Advanced diploma
  - (d) Master’s degree
  - (e) PhD and above
  
3. What is your Professional affiliation?
  - (a) ZIHRM
  - (b) ZICA/CIMA
  - (c) ZIPS

(d) Others, please  
specify\_\_\_\_\_

4. What is the length of your working experience?

- (a) Less than 5 years
- (b) 6-10 years
- (c) 11-15 years
- (d) 16-20 years
- (e) Over 20 years

5. What is your Current Position/level in your organization?

- (a) Director
- (b) Manager
- (c) Senior Principal Officer
- (d) Officer
- (e) Others, please specify\_\_\_\_\_.

6. Approximately how many people are employed in your organization?

- (a) Less than 100
- (b) 101 – 500
- (c) 501 – 1000
- (d) More than 1001

### **SECTION B: Performance Planning**

1. Do you understand performance planning?

- (a) Yes
- (b) No

2. If yes, when is performance planning carried out?

- (a) During hiring or transferring employees
- (b) During annual performance and development reviews
- (c) During development of new business plans
- (d) During mid-year review

3. Who sets the performance goals/requirements for individuals?

- (a) Senior Managers
- (b) Line/Team Managers
- (c) HR professionals
- (d) Appraisee
- (e) Appraiser and Appraisee

### **SECTION C: Performance Monitoring**

1. Are the following processes part of your performance management system:
  - (a) Coaching
  - (b) Training and Development
  - (c) Career Management and development
  - (d) Succession planning
  
2. How often do you discuss your performance against set targets with your supervisor, team leader or line manager?
  - (a) Very often (at least monthly)
  - (b) Fairly often (at least quarterly)
  - (c) Not very often (annually or less)
  - (d) Very rarely (Only when problems occur)
  - (e) Never
  
3. How often does your team leader/line manager formally discuss your performance with you?
  - (a) Very often (at least monthly)
  - (b) Not very often (annually or less)
  - (c) Fairly often (at least quarterly)
  - (d) Very rarely (only when problems occur)
  - (e) Never
  
4. Do you clearly understand the basis on which your performance is judged?
  - (a) Yes
  - (b) No
  - (c) Not sure

**SECTION D: Performance Rewards and Sanctions**

1. Why do you have Performance Management systems in your organization? (Please tick as many boxes as appropriate)

	Retention strategy
	Reward allocation
	Identification of training and development needs
	Facilitates promotion, transfers and termination decisions
	To clarify an employees' job requirements
	Identify barriers to performance management

	Motivation strategy
--	---------------------

2. Which of the following group/categories does your organization fall in implementing performance management?

<b>FACTOR/RATE</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Agree</b>	<b>Strongly Agree</b>
Innovators				
Early adopters				
Early majority				
Late majority				
Laggards				

3. Are there trade unions operating in your organization?

(a) Yes                      (b) No

4. If yes, were the current performance management arrangements agreed with the Union?

(a) Yes                      (b) No

5. What is the attitude of the Unions?

(a) Positive (b) Neutral (c) Negative

6. What are the determinants of job performance in your organization? (Please tick what is appropriate)

Organization culture	
Technology	
Competency of employee	
Attitude	
Intelligence	
Aptitude	

### **SECTION E: Perceptions about Performance Management Systems**

1. How good do you think your organisation is at providing the following?

<b>FACTORS/RATING</b>	<b>Very good</b>	<b>Fairly good</b>	<b>Fairly poor</b>	<b>Very poor</b>
Performance Induction training				
Performance based Personal development				
Technical/professional skills training				
Performance based Management development				
Performance based Team development				
Availability of technical support in implementation performance management processes				

2. Success of performance management systems depend on:
  - (a) Alignment of individual to organizational goals
  - (b) Choosing the right method of appraisal

**SECTION F: Performance Appraisal**

1. Do you give an overall rating for performance?
  - (a) Yes
  - (b) No
2. If yes, what sort of feedback do you give?
  - (a) Numerical feedback
  - (b) Verbal (all negative)
  - (c) Verbal (all positive)
  - (d) Combination of the above
  - (e) Others, please specify\_\_\_\_\_.
3. What aspects of your work and performance are discussed?
  - (a) Setting of future targets or goals

- (b) Your performance against current targets or goals
  - (c) Organisational goals or priorities
  - (d) Your skills or competence
  - (e) Your development needs
4. Documentation of performance reviews is the function of:
- (a) HR department
  - (b) Line/Project Managers
  - (c) Individuals
  - (d) Others, please specify\_\_\_\_\_.
5. Do you have a separate appraisal system for evaluating teams?
- (a) Yes      (b) No
6. Did the following people receive training in performance management techniques?  
(Please tick as many boxes as appropriate)

All employees	
Heads of Departments	
Human Resource Team	
Appraisers	
Other Managers/Team Leaders	
None of the above	

**SECTION G: Analysis of Issues on Performance Management**

1. What in your opinion are the causes of failure of the performance management system?
- (a) Lack of clarity
  - (b) Interval of appraisals
  - (c) Lack of communication by superior
  - (d) Any others, please specify\_\_\_\_\_.
2. What are the stages of performance management during which you communicate with your subordinate/superior?
- (a) Goal setting
  - (b) Data gathering stage

- (c) Mid-term reviews
  - (d) Annual reviews
3. What are the stages of performance management do you think contribute to failure of performance management systems?
- (a) Goal setting
  - (b) Data gathering stage
  - (c) Mid-term reviews
  - (d) Annual reviews
4. Do you use any of the following appraisal types to reduce subjectivity and bias in performance management appraisal system?
- (a) Multiple raters
  - (b) Peer/subordinate appraisal
  - (c) 360-degree appraisal
  - (d) 720 degrees appraisal
  - (e) Selective evaluation
5. How would you rate Management support in relation to the following factors:

<b>FACTOR/RATE</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Agree</b>	<b>Strongly Agree</b>
Management does not enforce PM policies to foster implementation in your organization				
Supervisors do not have technical process knowledge to implement performance management				
HR department does not sensitize staff on performance management				

6. What do you do when you identify poor performers post your review session?
- (a) Training
  - (b) Improvement Coaching
  - (c) Relocation
  - (d) Dismissal/Discharge

7. Do you believe that the entire performance management process can be carried out objectively?
- (a) Yes      (b) No
8. Your opinion on self-appraisal?
- (a) Highly beneficial
- (b) Beneficial to a certain degree
- (c) Tends to be inflated
- (d) Not beneficial at all
9. In which of the following situations do you find yourself uncomfortable?
- (a) Appraising distant subordinate
- (b) Appraising technically superior subordinate
- (c) The older highly experienced subordinate
- (d) The highly compensated individual
- (e) Dealing with unrealistic expectations
- (f) Coping with employee defensiveness
10. In the organisation, do you think that people who do a good job are generally rewarded more than those who don't?
- (a) Yes      (b) No      (c) Don't know
11. Do you agree that these factors have an influence in implementing performance management in Zambia?

<b>FACTOR/RATE</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Agree</b>	<b>Strongly Agree</b>
Our institution focuses more on relations rather than results when awarding performance bonuses to staff				
My role is considered very important in implementing PM				
I will be rewarded if I attained my set targets				
I am satisfied with my remuneration in consideration of the work that I				

do.				
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12. The following can prove to be challenges in implementing performance management:

<b>FACTOR/RATE</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Agree</b>	<b>Strongly Agree</b>
High implementation costs of Performance Management				
Human resources department or managers/officers do not understand and follow performance management process.				
Performance management tools not good enough to make PM possible to implement				
Your pay not linked to your individual performance in any way?				
Your pay linked to organisational performance in any way?				

13. Do you believe that linking rewards to performance would:

- (a) Motivate employees (b) Compound problems (c) None of the above

**SECTION H: Effectiveness of Performance Management Systems and Methods Used in Evaluation**

1. Is there a formal system for evaluating management practices in your organization?
  - (a) Yes
  - (b) No
2. If yes, please specify the process you use to evaluate?
  - (a) Opinion or attitude surveys
  - (b) Informal feedback (verbal)
  - (c) Formal feedback (written)
  - (d) Others (specify)
3. What strategies of your organization have been linked to performance management system to make it more effective?

- (a) Reward strategy
  - (b) Culture strategy
  - (c) Team working strategy
  - (d) Leadership strategy
4. In general, how effective is your organization's performance management process proved to improving overall performance?
- (a) Effective
  - (b) Moderately effective
  - (c) Ineffective
  - (d) Don't know
5. Which according to you would improve effectiveness of an organization's performance management process?
- (a) The Bureaucratic approach
  - (b) The Participative approach
6. Are you going to make any changes to your performance management system in the next 12 months?
- (a) Yes      (b) No
7. If yes, in what aspect of performance management process would you introduce the change?
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- 
8. Are there any other comments you would like to make about your performance management arrangements not covered in the questions above?
- 1. \_\_\_\_\_
  - 2. \_\_\_\_\_
  - 3. \_\_\_\_\_

**SECTION F: Performance Management reforms and the adoption of Performance Management in your organization**

1. The following are good reasons for implementing performance management:

<b>FACTOR/RATE</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Agree</b>	<b>Strongly Agree</b>
PM improves performance of the organization				
PM enables an organization plan its development programs				
PM enhances information transparency and accountability of public bodies to citizens				
PM are a benchmark for evaluating and improving public sector performance				
PM drives rewards management				

2. The following are major reforming requirements to apply the performance management successfully:

<b>FACTOR/RATE</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Agree</b>	<b>Strongly Agree</b>
Passing legislation to compel all public sector bodies to domesticate performance management				
Training all Chief Executive Officers, Directors, Managers and Staff in performance management processes				
Developing performance management tools that are universally acceptable				
Linking rewards to performance management				

*End.*

**Thank you for the valuable time you put in completing this questionnaire.**

**May God bless you!**