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Research Title

An Assessment of the link between Performance Management and Appraisal System of the organisation in the period of 2008 and 2013: Case study of Baylor College of Medicine Children's Foundation Malawi.

Abstract

BCM-CFM is Non-Governmental Organisation that provides care to children with HIV/AIDs and their families. Baylor College of Medicine provides out-patient clinic services and outreach activities. It employs over 200 employees.

In 2013, BCM-CFM conducted an Employee Satisfaction Survey (ESS) which was designed to evaluate the satisfaction levels of the employees against the performance management system that is in place. The survey revealed that employees were not satisfied with the appraisal system that is in place. The respondents strongly disagreed to the statement that their compensation matches their performance.

BCM-CFM despite using both the performance management and appraisal system, need to thoroughly assess the culture and climate section which spelled out the disagreement in the statement that “I am satisfied my compensation matches my responsibilities”. Management should look into a way of how to link the two systems in question.

The purpose of the study therefore is aimed at assessing whether there is a link between the performance management and appraisal system at BCM-CFM. Literature on performance appraisal has shown that the link between the two processes (Performance Management and Appraisal System) is vital to the success of the organisation. Organisational objectives are reached when the employees that are involved are well appraised with regards to their contributions.

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SUMMARY

AN ASSESSMENT OF THE LINK BETWEEN PERFORMANCE MANAGEMENT AND APPRAISAL SYSTEM OF THE ORGANISATION IN THE PERIOD OF 2008 AND 2013: CASE STUDY OF BAYLOR COLLEGE OF MEDICINE CHILDREN'S FOUNDATION MALAWI.

By

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This research explored the linkage of the performance management and appraisal system at BCM-CFM. It also investigated the how best its implementation and be effectively monitored.

The literature review explored the dynamics performance management and appraisal system with various scholarly writings and reviewed relevant research that has been conducted. A qualitative study explored how these dynamics are manifesting in this BCM_CFM and how they are influencing the organisational overall goal achievement.

The results indicate that there is complex system of performance management and appraisal system at BCM-CFM. This complex system has been influencing the organisational relationship with its employees and rendering the organisation less effective in terms of it achieving its primary task.

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Chapter 1

1. Introduction

This study is a case study of Baylor College of Medicine Children's Foundation in Malawi (BCM-CFM). BCM-CFM is the only paediatric HIV clinic that stands on its own in Malawi. It was established in 2005 as a trust. It focuses on providing high quality health care to the children that are HIV positive and their families. Apart from being a stand-alone hospital located within the premises of the main Central Hospital (Kamuzu Central Hospital) in Lilongwe, it also offers outreach services to the Ministry of Health centres within and outside Lilongwe. It employs over 200 employees of which 50 employees are based at its headquarters in Lilongwe.

In 2013, BCM-CFM conducted an Employee Satisfaction Survey (ESS) which was designed to evaluate the satisfaction levels of the employees against the performance management system that is in place. The survey revealed that employees were not satisfied with the appraisal system that is in place. The respondents strongly disagreed to the statement that their compensation matches their performance.

1.1. *Research Problem*

BCM-CFM has put into place the performance management system that enables it monitor the work that is being done by each employee and how each employee contributes to the organisational objective. However this performance management system is done by the immediate supervisor of the employee who is not involved in the appraisal system.

Effective appraisal system eliminates surprises by allowing rapid skills replacement, through prevention of problems and their early identification (Net et al 2004). The appraisal system of BCM-CFM is done by management who do not take into account

the contributions of the employee to the organisation measured by the immediate supervisor.

In 2013, BCM-CFM conducted an Employee Satisfaction Survey (ESS) which was designed to evaluate the satisfaction levels of the employees against the performance management system that is in place. The survey revealed that employees were not satisfied with the appraisal system that is in place. The respondents strongly disagreed to the statement that their compensation matches their performance.

BCM-CFM despite using both the performance management and appraisal systems, need to thoroughly assess the culture and climate section which spelled out the disagreement in the statement that “I am satisfied my compensation matches my responsibilities. Management should look into a way of how to link the two systems in question. The high disagreement to the statement has many implications such as there is no link between compensation and responsibilities. This is therefore vital to the organisation and may explain the reasons why the organisation experienced high turnover within the same period.

The purpose of the study therefore is aimed at assessing whether there is a link between the performance management and appraisal systems at BCM-CFM.

1.2. Aim of Study

The aim of the study is to assess whether there is a link between BCM-CFM Performance Management System and Appraisal System.

1.2.1. Objectives

The following objectives under the aim will be explored;

- Review the performance management and appraisal system that exist in the organisation

- Identify the link between the performance management and appraisal system.
- Determine how best the link can be used to improve the performance management and appraisal system
- Establish monitoring tool for the linkage by Organisational Management

The research will attempt to answer the following research questions under each of the objectives above;

- How does BCM-CFM carry out the employee performance review and appraisal system?
- Does the current situation link the two processes (performance review and appraisal system)?
- Who is responsible for each of the two processes (performance review and appraisal system)?
- What measures are necessary to make the process more efficient and effective?
- What are the benefits of the link both to the organisation and its employees?
- How would the BCM-CFM link the two processes (performance review and appraisal system)?
- How would BCM-CFM monitor the quality implementation of the employee performance appraisal?

1.3. Research Justification

The employee satisfaction surveys that have been carried out within BCM-CFM and the exit questionnaires, have highlighted the importance of recognizing employees as valuable organizational assets, and that they feel not appreciated and rewarded accordingly. It is important that the organizational policies should create a conducive environment for employees to be able to meet the organizational objectives. When employees are appraised based on their performance, only then will the organizational performance eventually be high.

If employees are demotivated and not appraised properly, it means they will not be able to meet their agreed targets in the organisation. Poor appraisal system means that the employees will not meet their targets and hence the organizational objectives will not be met and in the end, employees will not be compensated accordingly. It is vital to link the performance of the employees to their appraisal system which ensures the organizational objectives are met.

The researcher therefore believes that if performance management and appraisal systems are linked, then it means the organisation will be able to achieve its objectives and be able to accordingly compensate employees who perform to the expected standards.

1.4. Research Scope

Performance Management and Appraisal Systems is a broad topic, and hence this study will specifically focus on assessing whether there is a link between the two systems in the current organizational set up of BCM-CFM. The study will also identify the benefits that can be explored if the two systems are properly linked.

This study will focus on realism where the reality on the ground will be investigated thoroughly so as to enhance the validity of the data that will be collected and the hypothesis of the researcher that an effective and efficient performance management system is the one properly linked to the appraisal system.

1.5. Research Limitations

The main limitation to this study will be the access to the organizational policies in respective departments and getting recommendations from the existing staff on the current organizational policies. In regards to the Malawian culture of silence, openness is usually a farfetched dream. The sensitivity of the matter under discussion in this

study and concerns of confidentiality may further deter accessibility of the information needed.

There is limited data of the similar organisations implementing a similar system in Malawi. The nature of business that BCM-CFM is involved in makes it a rare kind of organisation and hence, it's is difficult to compare it to other organisations of the similar business.

Chapter 2

2. Literature Review

2.1. *Strategic Human Resource Management*

Armstrong (2006) defined Strategic Human Resource Management (SHRM) as an approach to the strategic management of human resources in accordance to organizational future direction. It involves decision processes over time that form the pattern adopted by the organisation for managing its human resources including the definition of specific HR strategies. This pattern usually affects the way employees perceive the management of the organisation. Depending on how the SHRM is structured in the organisation, employees tend to think that whether management cares for them or not.

Armstrong (2006) further states that SHRM is a means of aligning the management of Human Resources with the strategic content of the business. When management of human resource is aligned with the strategic content of the business, the organisational objective is usually achieved. The status core makes both the organisation and its employees satisfied. On the other hand, Wright and McMahan cited in Chandra 2009, defined SHRM as the pattern of planned HR deployments and activities intended to enable an organization to achieve its goals.

Hall (2011) stated that strategic human resource management is largely about integration and adaptation. From these definitions the underlying understanding of strategic human resources is the alignment of human resources practices with organizational directions in ensuring that the organization has the skilled, committed and well motivated employees for sustained competitive advantage.

It is therefore important that the performance management of the organisation is structured in such a way that it fulfils the satisfaction of both the organisation and the employees.

2.2. *Reward Management*

According to Armstrong (2009), reward management is concerned with the formulation and implementation of strategies and policies in order to reward people fairly, equitably in accordance with their value to the organisation. A reward system dwells on provision of benefits and incentives which could be in the form of financial and non financial.

Non financial incentives may include and not limited to: Job enlargement, Job rotation, Job enrichment, empowerment which involves giving people greater control over their working lives. Use of surprise factor by supervisors and managers for deserving employees and allowing staff participation in discussing their job requirements, and welfare is one way of recognising and respecting the contribution one is making and the potential one has to do more (Ashraf, et al. 2011).

Personnel management is key to the appraisal system of successful organisations. Goel (2008) defines personnel management as a part of management function that is primarily concerned with the human relationships within an organisation. It therefore focuses on the well being of the employees to enable them to perform to the maximum and contribute to the effectiveness of the organisation. This therefore proves the importance of the organisations focusing on the employees to make them satisfied so as to make them perform to their highest capacity and benefit the organisation.

Understanding that the appraisal system is a process and a continuous system is vital as it does not only take place at once but is an ongoing activity within the system of the organisation. Henceforth, it is vital for all managers and supervisors to master their relationship skills with all their employees. The appraisal begins at very early stage in the management of human resource. It is hence vital that the BMC-CVFM understands

that appraisal system is not a yard stick measurement system but takes into consideration a number of factors that are vital to the performance management.

However, the appraisal system has a long way to go in the BCM-CFM due to the culture and policies that have been imbedded in the management of the organisation.

2.3. Performance Management

Performance management is the process of creating a productive and rewarding work environment in which employees are guided and monitored to perform to the best of their abilities in order to meet and exceed specific targets and standards. Thareja (2008) stated that every institution should have an employee evaluation system in place that is able to link the performance of an individual to the overall goal of the organisation.

This works well when employee achievements are measured over a period of over a year. To ensure that there is fairness in the review process, another person above the supervisor who understands and values the employee's contribution other than the immediate supervisor should carry out the evaluation. This is vital for accurately and fairly rating all the employees in the organisation.

Performance management has five steps: (i) setting objectives, (ii) aligning them, (iii) modelling and mentoring which include setting standards, indicators, (v) monitoring followed by (v) giving feedback and positive reinforcement, which includes rewards and incentives. Currently BCM-CFM has a performance system and this study will explore how the current system can be strengthened and improved. The study will also assess on its related implication on staff compensation.

2.3.1. Collective Bargaining

The International Labour Organisation (ILO) states that staff union influence decisions on a wide range of issues affecting staff and management. Unions help the human resource practices are facilitated through implementation of employment-related legislature such as employment Act, Pension Act, among other which reinforce discipline and professionalism.

Informal staff interviews, performance appraisal and meetings are some of the channels of getting feedback and therefore prevent or facilitate resolving conflicts and disputes.

2.3.2. Communicating with all employees at all levels

Human resources (HR) practices aim at “getting more from workers by giving more to them” (Bi & Charan, 2011, p. 10). HR practices include information sharing, open channels of communication. Apart from having technical knowledge, interpersonal skills as well as communication skills are vital when dealing with individuals and the interest of the organisation.

When performance management systems are flexible & linked to strategic goals, organizations are more likely to see improvement in the five critical areas; team objectives, non-manager training, appraiser accountability & links to quality management are the specific practices most strongly associated with positive outcomes. Watkins (2007), when studying the business organizations in Nigeria puts it that most public sector business organizations like those in Delta State of Nigeria have not given adequate attention to performance management review as a tool for improving performance even when recent studies suggest that performance review benefit organizational performance in both private & public sectors.

Performance management has been described as a systematic approach to the management of people, using performance goal measurement, feedback and recognition as a means of motivating them to realize their maximum potentials. Public

sector business organizations that strive to deliver quality services at competitive prices are those that embrace various performance review practices to assess their employee performance & motivate them with incentives. Robert & Angelo (2001), states that the success or failure of public sector business organizations depends on the ability to attract, develop, retain, empower & reward a diverse array of appropriately skilled people and is the key to improving organizational performance. The explanation therefore is that human resource managers in the public sector business concerns should embark on periodic performance management reviews of their employees in order to re-position their business organizations though owned by government for better performance & improved competitiveness.

Schiemann & Associates (1996) states that the biggest measurement area separating successful from less successful firms is employee measurement. Successful industry leaders simply do a better job than non-leaders at measuring their workforce. This is critical as the success battle of the organisation is either won or lost at this measurement. Organisations need to understand the importance of performance reviews of their employees. The impact of performance management on organizational success substantiates that performance management system can have a significant impact on financial performance and productivity of the organisation.

2.4. Different views on what performance means.

According to Brumbrach (1988, cited in Armstrong, 2000), performance can be actions as well as their consequences. Behaviours originate from a performer and convert performance from a concept to an act. Not just the instruments for results, behaviours are also outcomes in their own right - the product of mental and physical effort applied to tasks - and can be judged apart from results.

The above definition considers performance to be involving both the actions, in other word behaviours, taken during the process in attempting to achieve goals and outputs obtained as a result from the effort. Following this, Armstrong (2000) emphasizes the

need for managers to deal with the potential of employees and accomplishments while managing performance.

To determine if performance has been achieved, measures have to be developed to appraise the accomplishments and establish the rate at which it has been accomplished. Above all, performance should be about the decision and action taken with available information at any existing situation.

Noe et al (2006) define performance management as "the process through which managers ensure that employee' activities and outputs are congruent with the organisation's goals". The concept of performance management has contributed a lot in the development Human Resource Management in recent years. The concept was first coined by Beer and Ruh in 1976. However, it is barely in the mid 1980's that it had been accepted as a distinctive approach.

Performance Management is widely being used in organizations so as to obtain the best results by trying to improve performance of the workforce. Goals and standards are being planned well beforehand in order to get satisfied outcomes.

Performance appraisal also known as performance review, formally documents the achievements of an individual with regards to set targets. It is a component of PMS. The system has become an essential management tool in today's organizations. Managing employees' performance can be said to be as important as any other work that all managers execute during the year.

Grote (2002) describes performance appraisal as a formal management tool that helps evaluate the performance quality of an employee. Schneier and Beatty as cited in

Patterson (1987) define it as a process which apart from evaluating also identifies and develops human performance.

According to Karol (1996) performance appraisal includes a communication event planned between a manager and an employee specifically for the purpose of assessing that employee's past job performance and discussing areas for future improvement.

2.5. History of Performance Appraisal

The history of performance appraisal is fairly concise. Appraisal really began with the Second World War. It was used to assess results. Dulewicz (1989) says that there is an indispensable human inclination to judge the work of other people as well as one's own work. It can thus be said that appraisal is both unavoidable and universal. Even without the existence of a planned appraisal system, one can have a tendency and find it natural to evaluate the job performance of another easily and subjectively.

Performance appraisal was seen in the industry in early 1800. Randell (1994) identified its use in Robert Owen's use of "silent monitors" in the cotton mills of Scotland. The Silent monitors were in terms of blocks of wood with different colours painted on each visible side and it was hung above each employee's work station. At the end of the day, the block was turned so that a particular colour, representing a grade of the employee's performance, could be seen by everyone.

Weise and Buckley (1998) subjective evidence indicates that this practice had a facilitating influence on subsequent behaviour. Spriegel (1962) and Weise and Buckley(1998) affirm that by the early 1950s, 61 per cent of organizations regularly used performance appraisals, compared with only 15 per cent immediately after World War II. DeVries et al. (1981) pointed out the primary tool to be the trait-rating system, which focused on past actions, using a standard, numerical scoring system to appraise

people on the basis of a previously established set of dimensions. The main tool, used under here was trait rating system.

The concept of Management by Objective (MBO) was first proposed by Peter Drucker in 1954. Mcgreror then used it in the appraisal process in the year 1957. He suggested that, employees should be appraised on the basis of short-term goals, rather than traits, which are jointly set by the employee and the manager. Weise and Buckley (1998) affirm that this method was very advantageous as it lead to a transformation of a manager's role from being a judge to a helper. It also showed that employees' productivity ultimately leads to performance. However, when employees' performance was measured on the basis of units, then MBO was ineffective. This lead to new development in the appraisal process and the employees were evaluated on the basis of 'behaviour based rating'. Smith and Kendall (1963) designed the first tool to focus on behaviours and it was the Behaviourally Anchored Rating Scales (BARS).

2.6. Performance Appraisal Today

Today's performance appraisal process has evolved into a more planned and formal process. It is used as a means which helps identify and compare employees' performances. The appraisals data are frequently being used to review several Human Resources decision. It can determine any need for career developments and trainings. For issues such as raise in salaries, rewards and promotions, employers are more and more making use of the appraisals' results.

Appraisals have now developed into a regular and intervallic system in organizations, normally carried out at least once a year. When talking about the modern approach to appraisal, the term feedback cannot be ignored. The one-to-one discussion between supervisors and subordinates gives rise to feedback and is referred to as the feedback process. This process can improve communication all through the organization but also it can reinforce employees' relationships with their superiors. This is so as the workers

have the feeling that they do matter to the organization and that their needs are being taken into consideration.

The performance appraisal system has most likely become a future-oriented approach as it aims to improve future performances by considering present problems.

The most known purpose of performance appraisal is to improve performance of individuals. Cummings and Shwab (1973) held that performance appraisal has basically two important purposes, from an organizational point of view and these are:

- The maintenance of organizational control
- The measurement of the efficiency with which the organizations human resources are being utilized.

Still, there are also a variety of other declared purposes for appraisal as per Bratton and Gold (2003) and Bowles and Coates (1993) and some are; improving motivation and morale of the employees, clarifying the expectations and reducing the uncertainty about performance, determining rewards, identifying training and development needs, improving communication, selecting people for promotion, discipline, planning corrective actions and setting targets.

Furthermore, Bowles and Coates (1993) conducted a postal survey of 250 West Midland companies in June 1992, where organizations were asked questions pertaining to the use of Performance management in the organization. These questions included the apparent purpose of PA in the management of work, its strengths and weaknesses. Through their survey they found out that PA was beneficial in the following ways:

- PA was favourable in developing the communication between employer and employee
- It was useful in defining performance expectations

- It helped identified training needs.

Performance appraisal can thus be used as an effective tool to improve employees' job performance by identifying strengths and weaknesses, meeting of targeted goals and providing training if needed.

2.7. Conclusion

Literature reviewed has shown that SHRM, requires a total commitment of organisational management and its staff. Involvement of stakeholders improves the strategy. To understand factors that enhance and hinder development and implementation of the human resource management practices may include inadequate knowledge, systems and policies to support initiatives. It is further understood that a better performance management system is the one that is linked to the appraisal system. This therefore, brings a mutual satisfaction between the organisation and its employees.

The employee satisfaction surveys that have been carried out within BCM-CFM and the exit questionnaires, have highlighted the importance of recognizing employees as valuable organizational assets, and that they feel not appreciated and rewarded accordingly. It is important that the organizational policies should create a conducive environment for employees to be able to meet the organizational objectives. When employees are appraised based on their performance, only then will the organizational performance eventually be high.

If employees are demotivated and not appraised properly, it means they will not be able to meet their agreed targets in the organisation. Poor appraisal system means that the employees will not meet their targets and hence the organizational objectives will not be met and in the end, employees will not be compensated accordingly. It is vital to link

the performance of the employees to their appraisal system which ensures the organizational objectives are met.

The researcher therefore believes that if performance management and appraisal systems are linked, then it means the organisation will be able to achieve its objectives and be able to accordingly compensate employees who perform to the expected standards.

Therefore, this research will establish whether there is link between the performance management system and the appraisal system that BCM-CFM uses. This is vital as the research literature review reveals that if the two are properly linked, then maximum satisfaction is ensured for both the organisation and the employees. This research therefore should be continued on how this link can best be established.

Chapter 3

3. Research Design and Methodology

This outlines the design that has been used in corroboration with the research methods, sampling design and procedure for data collection, measurement and analysis of data used in the study. The philosophical position of this study is phenomenology where the researcher has interacted with that which has been researched and the findings are subjective. The study is an interpretivism one whereby in-depth investigations of the organisation under the study have been carried out.

3.1. Study Design

Both quantitative and qualitative approaches have been used to collect data for this study. The study has been designed to be a cross section so as to enable collection of data at once. All data from outcome and explanatory variables was collected at once. This design is cheaper and can be executed in a faster manner and hence takes care of the financial and time constraints.

3.2. Sampling Method and Target Group

The study used purpose sampling method in which particular subsets of employees who do not suit the purpose were excluded. This method ensured that the focus is on the management team members, heads of departments and the Human resource department that manage the performance management and appraisal systems within the organisation. This sampling method is a non-probability and is subject to bias.

The study clustered participants into departments and then randomly sampled within each cluster to select the participants. This ensured that each individual is given equal probability of being chosen. The study sampled a total of 27 participants out of 50 employees based at the BCM-CFM headquarters in Lilongwe representing 54%.

3.3. Variables

3.3.1. Independent Variable

As Saunders et al (2003) puts it, independent variable is a variable that causes changes to a dependent variable. This independent variable influences the dependent variable in either positive or negative way. Under this study, independent variables are the HR Practices, Organizational Policies and Departmental Rules and Regulations that are within the BCM-CFM. HR policies represent the organization's stated intentions about what kind of HR programs, processes and techniques that should be carried out in an organization (Lepak and Shaw, 2008). These practices are important in achieving policy objectives of the organisation.

3.3.2. Dependent Variable

Dependent variable is a variable that changes in response to changes in other variables. This is a variable that is observed and measured to determine the effect of the independent variable. This study used the performance management and appraisal systems as dependent variables.

3.3.3. Intervening Variables

This kind of variable is that which surfaces between the time the independent variable start functioning to influence the dependent variable and the time their impact is felt on it (Saunders et al, 2009). This variable theoretically affects the observed phenomenon but cannot be seen, measured or manipulated. This study used the way the HR department is professed at BCM-CFM and the attitude of the management team on HR issues.

3.3.4. Moderating Variables

The selected variable that is used to discover whether there is a modified relationship between the independent variable and the dependent variable is called the moderating variable. In this study, the organizational culture can modify the extent to which

performance management and appraisal systems can be managed by the organisation. Nel et al (2004) stated that organizational culture as a system of shared beliefs, norm, values and background of members of a group in an organisation.

Sometimes this is taken as “the way we do things here” (Nel et al, 2004). This is one of the internal factors that affect the performance management system of the organisation. This culture can have a strong influence on the nature of its strategic plan as well as overall goal of the organisation.

The relationship of the dependent, independent, intervening and moderating variables is shown in the diagram under Appendix D.

Chapter 4

4. Data Collection and Analysis

4.1. Data Collection Tools

The primary source of data was the questionnaire which was grouped into two parts; closed ended and open ended. It was administered in person so as to ensure that there is timely completion of the data collection process and proper capturing of the employee's perceptions. Prior to data collection, a data collection tool was piloted to ensure validity and reliability.

Secondary data was obtained from the documentary analysis of reports, documents, procedures and policies within the organisation.

4.2. Data Collection

In accordance with the rules and regulations of BCM-CFM, permission was sought from management to administer questionnaires in person. Prior to administering the questionnaires, verbal consent was acquired from each participant. Participants were given ample time to complete questionnaires.

In addition to the questionnaire, relevant documents were collected, reviewed and analysed so that the understanding of the systems and practices is augmented. These documents are those used in the performance management and appraisal systems within the organisation.

4.3. Data Analysis

A statistical package called SPSS was used to create a database and for analysis. All data were entered in concurrency with data collection in order to manage time effectively. Closed ended questions from the quantitative data were directly entered into

SPSS. Data from open ended questions were managed using content analysis method. Themes were developed, categorized and coded to easily manipulate the qualitative data using SPSS. Simple descriptive statistics was used to analyze data and the findings are presented in form of graphs and tables.

4.3.1. Demographics

The research was carried out at BCM-CFM and out of targeted 27 participants, 24 participants representing 88.9 percent, responded to the questionnaire that was given. Presented below are the gender distribution and the highest qualifications of the respondents (Table 1 and Figure 1).

	Respondents		
Gender	Males	14	58.3%
	Females	10	41.7%

Table 1: Gender of Respondents

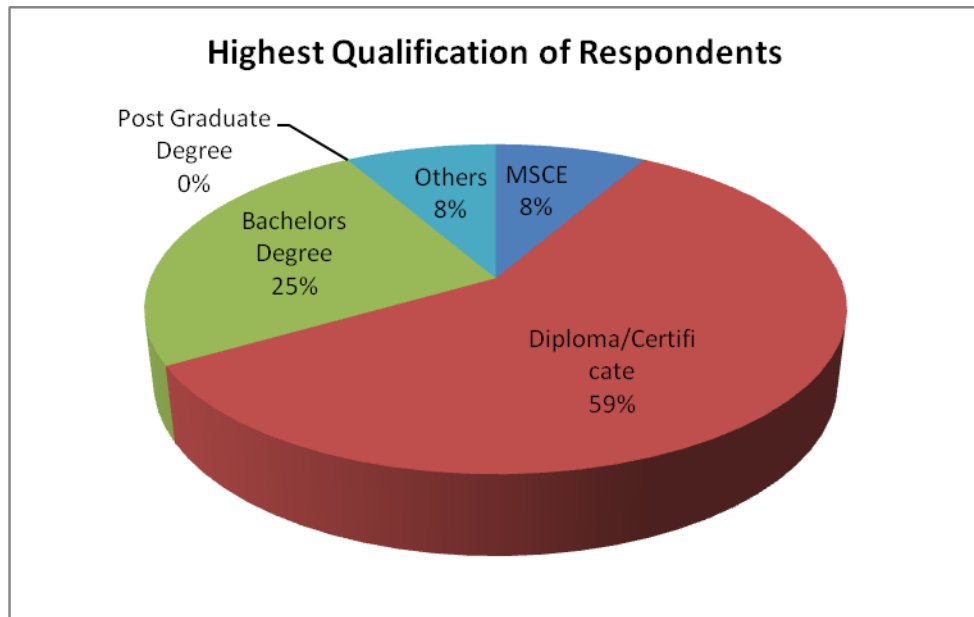


Figure 1: Respondents' Qualifications

The average period the respondents have been with BCM-CFM was 5.4 years. This is very critical as the research targeted the period of 2008 and 2013 of the existence of the organisation.

4.3.2. Performance Management

The graph (Figure 2) shows the number of respondents and their responses to the current BCM-CFM performance management system. The question required them to provide either their agreement level or disagreement level to the statements.

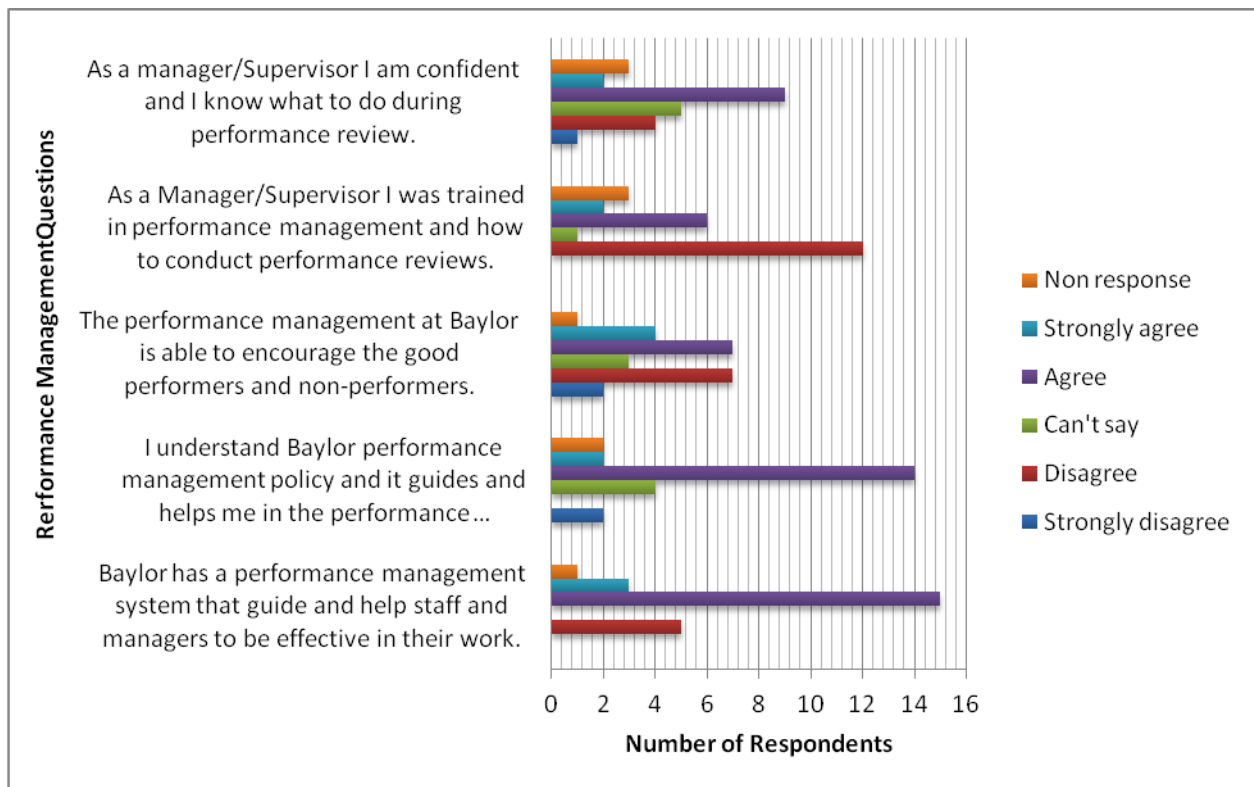


Figure 2: Responses to Current Performance Management

4.3.3. Linking Performance Review to Appraisal System

Respondents were required to provide their level of agreement or disagreement to the statement that intended to find out the linkage that is their between the performance management and appraisal system in the organisation. The graph (Figure3) below illustrates the responses given by the respondents.

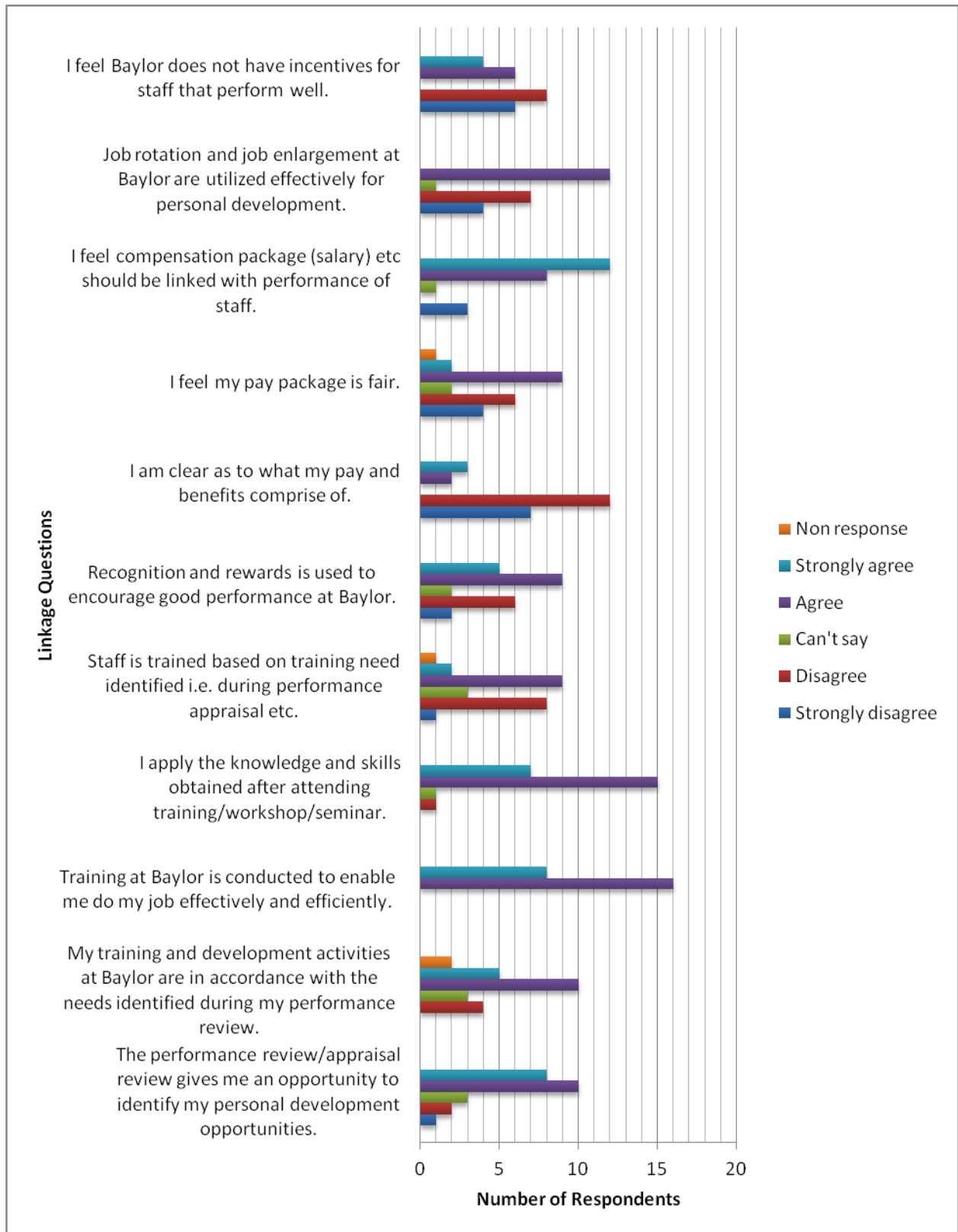


Figure 3: Responses to Linking Performance Review to Appraisal System

4.3.4. Decision Making

Respondents were also tested on the whether they feel empowered to make decisions within the organisation concerning their work and whether they feel involved in the decision making process of the organisation. The graph (Figure 4) below illustrates the responses to the decision making statements in the organisation. The respondents were required to provide the level of either agreement or disagreement to the statements.

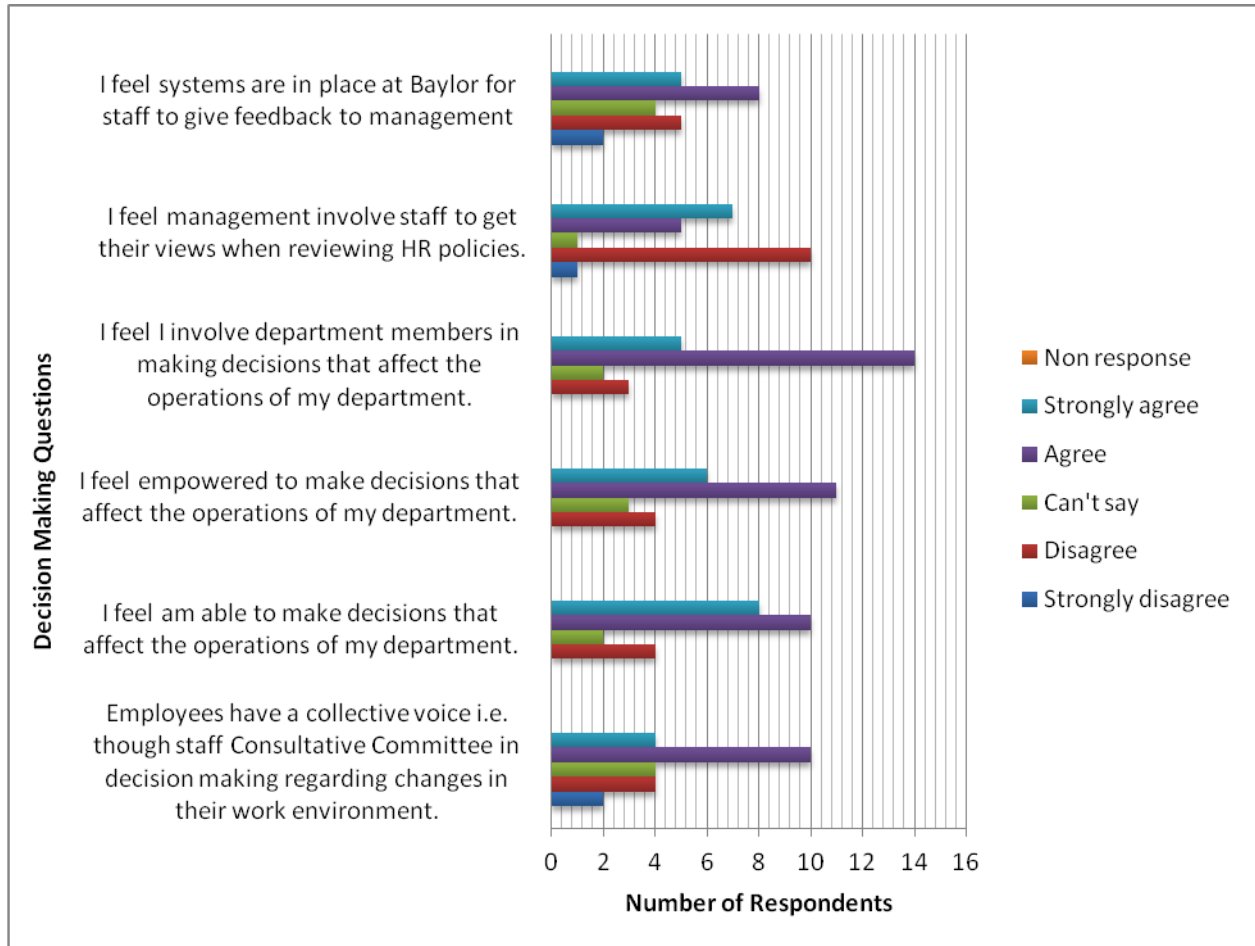


Figure 4: Responses to Decision Making Process

4.3.5. Respondents' Expectations

The table (Table 2) below highlights the respondents' reactions to the aftermath of the performance management and appraisal system process. The questions aimed to gather the expectations of the respondents to the performance management and appraisal system process.

Questions	Respondents			
	Yes	Percentage	No	Percentage
Do you receive any increment in your salary after Appraisal	7	29.2%	17	70.8%
Do you think that performance management and appraisal system help to provide an atmosphere where all are encouraged to share one another burden.	12	50.0%	12	50.0%
Do you think performance management and appraisal system helps people set and achieve meaningful goals.	18	75.0%	6	25.0%
Do you think performance management and appraisal system give constructive criticism in a friendly and positive manner	20	83.3%	4	16.7%
Do you think that performance of employees improve after process of performance management and appraisal system?	18	75.0%	6	25.0%

Table 2: Responses to Opinion Questions

The pie chart below (Figure 5) reveals the opinions of the respondents on how they perceive the performance management and appraisal system. Respondents were given a multiple choice to choose from to show how in their own view the process entails.

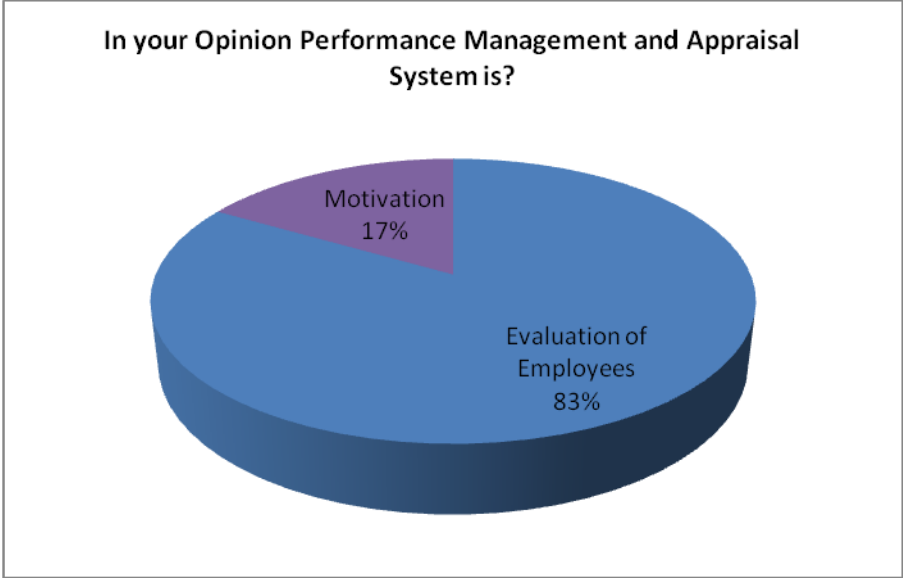


Figure 5: Respondents' Opinions on Performance Appraisal

4.4. Findings

The aim of the study was to assess whether there is a link between BCM-CFM Performance Management and Appraisal System. The following objectives under the aim were explored;

1. Review the performance management and appraisal systems that exist in the organisation
2. Identify the link between the performance management and appraisal systems.
3. Determine how best the link can be used to improve the performance management and appraisal systems
4. Establish monitoring tool for the linkage by Organisational Management

4.4.1. Objective 1: Review the performance management and appraisal system that exist in the organisation

BCM-CFM has put into place the performance management system that enables it monitor the work that is being done by each employee and how each employee contributes to the organisational objective. However this performance management system is done by the immediate supervisor of the employee who is not involved in the appraisal system. This is evidenced by the respondents (62.5 percent, Figure2) that agreed to the statement '*Baylor has a performance management system that guides and helps staff and managers to be effective in their work.*' However, there was a disagreement to the same statement by 20.8 percent of the respondents.

Effective appraisal system eliminates surprises by allowing rapid skills replacement, through prevention of problems and their early identification (Net et al 2004). Early identification of problems is usually done by the immediate supervisor. The system that exists at BCM-CFM is sufficient enough to enable the supervisors as well as managers effectively carry out employee performance evaluation. However, the system does not enable one continuous feedback during the period one is being reviewed on.

Armstrong (2006) defined strategic human resource management (SHRM) as an approach to the strategic management of human resources in accordance to organizational future direction. It involves decision processes over time that form the pattern adopted by the organisation for managing its human resources including the definition of specific HR strategies. This pattern usually affects the way employees perceive the management of the organisation. Depending on how the SHRM is structured in the organisation, employees tend to think that the system helps them or not. And therefore continuous feedback to the performance of an employee is vital if the organisation values the contribution the employee makes to the organisation.

Of the total respondents 65 percent were managers/supervisors of which 60 percent agreed with the statement '*I am confident and I know what to do during performance review*'. This represented 37.5 percent of the total respondents (Appendix B, Table 6). This is an evidence of a proper system that has been put in place. It clearly shows that the managers understand what is required of them and how they need to carry out the performance evaluation of the employees. However 16.7 percent of the total employees who were all supervisors (subordinates to managers) indicated that they disagreed with the statement. This is a clear gap that exists between the managers and supervisors. Sandra et al (2009) describes people as the human capital of the organization described in terms of their training, experience judgment, intelligence, relationship and insight. It is therefore vital for managers to have these skills so that they can be able to manage people without gaps.

Of the total respondents, 25 percent and 8.3 percent of them agreed and strongly agreed respectively with the statement '*As a Manager/Supervisor I was trained in performance management and how to conduct performance reviews*'. However, 50 percent of the respondents disagreed with the same statement while 4.2 percent couldn't say anything (Appendix B and Figure 2). This is vital as it shows that managers have been trained while the supervisors (subordinates to managers) have not been

trained in the same. All the respondents that agreed to the statement were the managers while the ones that disagreed were the supervisors.

This trend of discrepancies in the responses between managers and supervisors continues with the statement that *'As a manager/Supervisor I am confident and I know what to do during performance review'*. Only managers (37.5 percent) agreed to the statement while supervisors (16.7 percent) disagreed to the same. However there was an overwhelming response rate of agreement (58.3 percent) to the statement *'I understand Baylor performance management policy and it guides and helps me in the performance management processes'*. This then tends to disagree with the pattern formed in responding to statements. A closer look at the characteristics of the respondents reveals a unique phenomenon. When the respondents, 8.3 percent, 16.7 percent and 8.3 percent who strongly disagreed, couldn't say anything and no responses respectively are put together, it is revealed that they are the supervisors and not the managers.

Conclusively, BCM-CFM has a performance management system that enables it to monitor the work that is done by each employee and how each employee contributes to the organisational objectives. However this performance management system is done by the immediate supervisor of the employee who is not involved in the appraisal system. Regardless of the system being in place, it is therefore paramount for this research to find out the whether there is a link between the performance management and appraisal system in the organisation. This is the reason objective 2 was designed to identify the link that is ideal for the two system to work together effectively and efficiently.

4.4.2. Objective 2: Identify the link between the performance management and appraisal system.

Human resources scholars have pointed out a number of differences between the performance evaluation and appraisal. However it is interesting to note that in practice the two are used interchangeably. They both refer to the process in which an employer reviews how well an employee has done on their job and possibly determine any

increase in their remuneration or benefits. Therefore, an evaluation always precedes an appraisal. Henceforth, when assessing the linkage, under Figure 3, 50.0 percent of the respondents strongly agreed with the statement '*I feel compensation package (salary) etc should be linked with performance of staff*' (Appendix B, Table 7). They showed a strong agreement to this statement because it is the expectation of every employee to be compensated based on their performance.

Organisations that are excellent invest in developing people so as to get the best from them. People are at the center of the quality management in an organization as such their motivation is vital to the successful execution of a quality based management system. The most dangerous employee is a frustrated employee (Graeme Knowles, 2011). People should be motivated by recognition for their exceptional performance. Their behaviour can easily impact the organisation positively or negatively.

According to the Society for Human Resource Management (SHRM), performance appraisals are the tail end of a long chain of business procedures. They start with your business's strategic plan, which lays out goals for the company to reach through a set of strategies. These strategies are fulfilled by individual business units, which heavily determine how individual job tasks and requirements are defined. These looming goals and strategies also play a role in setting the skills and core competencies each employee must have to successfully complete her job and contribute to meet the strategic goals.

Therefore it is important for employees to understand their job descriptions. When employees do not understand their job description, they will not know what is required of them. It has been evidenced that BCMCFM does explain clearly the job descriptions of the employees and hence many know what the organisation is expecting from them. However, 50.0 percent of the respondents disagreed with the statement '*I am clear as to what my pay and benefits comprised of*', while 29.2 percent strongly disagreed with the same statement (Figure 3). This is a clear indication that employees do not really

know what their compensation is comprised of. This then makes them wander whether they are compensated fairly or not.

Evaluations may occur outside the context of determining an annual pay increase. However when conducting a formal evaluation, expectations from both the employer and the employee need to be clearly spelled out to avoid any frustrations. Ideally informal employee evaluation is an on-going process in which an employee receives routine feedback on how they are doing their job. Therefore it is required that this whole process and its impact is known by the employees.

A mutual understanding of the expectations of both the employer and the employee during performance evaluation is essential to its effectiveness. This is very clear with how the respondents looked at the statement '*Recognition and rewards is used to encourage good performance at Baylor*'. All the respondents that either disagreed or strongly disagreed 25.0 percent and 8.3 percent respectively to the statement (Figure 3) were supervisors that are subordinates to the managers. Coherently the managers either agreed or strongly agreed 37.5 percent and 20.8 percent respectively to the statement. This is characteristic of responding to statements by respondents has also being observed on objective 1 where there was a contrast in responding to the statement '*I am confident and I know what to do during performance review*' by both supervisors and managers. This shows out the gaps that are their between the supervisors and the middle managers at BCM-CFM.

Performance management and appraisal system is an approach of evaluating subordinates by setting short term goals and ways of monitoring performance (McGregor, 1972). Caution should be taken not to take performance management as an entity, as it feeds into the larger concept in relation to appraisal system and other activities. And therefore it should not be addressed as performance management in itself but rather performance appraisal to increase the scope and practice. Performance appraisal should be seen to become a more strategic approach of involving human resource activities and business policies. There are a lot of perceptions on performance

appraisal. DeVries et al., (1981) refers to performance appraisal as the procedure that aids an institution in determining an employee's behaviour and accomplishments over a specific period of time. Therefore performance appraisal in organisations is aimed at the future and it is developmental to both employee and employers. Beer (1981) defined performance appraisal as performance expectation, identifying training and development needs, career counselling, succession planning improving individual and to determine promotion

This is therefore important that performance appraisal is not only seen as a way of increasing ones annual remuneration but as ones career development tool for an employee and setting realistic goals for the employer. The research has established that many employees at BCM-CFM see the evaluations as a means of identifying their training needs (Figure 3). There was considerably higher percentage of respondents agreeing to the statements that linked their performance evaluation to the training needs. However a contrast was seen on the nature of the job of the respondents. The 41.7 percent of the total respondents whose work is clinical in nature agreed to the statement *'My training and development activities at Baylor are in accordance with the needs identified during my performance review'*, while 16.7 percent showed disagreement to the same. The ones that showed disagreement are basically the employees whose job is administrative in nature (Appendix B, Table 7). This is always a challenge with health service delivery organisations. They tend to put an eye on the clinical staff and in the process forget the administrative staff.

An employee performance appraisal can act as motivation for an employee to improve his productivity. When an employee sees his goals clearly defined, his performance challenges identified and career development solutions in place to help advance his career, the effect is to motivate the employee to achieve those goals. Creating a comprehensive plan for employee development and giving employee achievements to strive for will inspire a higher level of efficiency.

One could be quick to point out that there is a link between the two processes at BCM-CFM just looking at the number of the respondents agreeing to the 11 statements that were under the linkage question, However, further analysis reveals the characteristics of the respondents and correlation of the statements under questions 1 and 2 further strengthens the assertion that the link between the two processes does not exist.

It is therefore paramount that the BCM-CFM management should look and how best this linkage can be established for the betterment of both the employees and the organisation.

Therefore, performance management is the larger process of defining what employees should be doing, ongoing communication during the year, linking of individual performance to organization needs, and the evaluating of appraising of performance. Performance management should involve enabling people to perform their work to the best of their ability, meeting and perhaps exceeding targets and standards. For successful performance management, a culture of collective and individual responsibility for the continuing improvement of business processes needs to be established, and individual skills and contributions need to be encouraged and nurtured. Where organizations are concerned, performance management is usually known as company performance and is monitored through business appraisal.

In conclusion, there is supposed to be a link between the two processes to save the ideal strategic goal of the organisation. The supervisor that carries out the performance evaluation should also be involved in carrying out the appraisal of the same employee. The system should incorporate the ratings that will enable the supervisor carry out the performance appraisal in an objective manner to benefit both parties. When the two processes are done by the same supervisor, the link will eventually be efficient and effective to the system. The supervisor will be able to make appropriate recommendations to management based on the ratings scored by the employee.

4.4.3. Objective 3: Determine how best the link can be used to improve the performance management and appraisal system.

Talk to any group of human resources and business leaders and you're likely to hear many opinions about the fairness, accuracy and usefulness of performance managements and appraisal system. A 2010 Wall Street Journal article said that everyone "hates" performance appraisals and likened them to rotten milk. Among the criticisms are that they're tied to a date on the calendar, rather than need, and that few people get to say what they really think. The process also drives home the illusion that the boss's opinion is the key to an employee's pay raise and career progress. This is the main reason why the two need to be married into one complete process performed by one manager, one employee. BCM-CFM has the two processes separated and performed by two different hierarchy levels on the same employee. That's the reason why the process is not efficient and effective.

When the two processes are married into one, this will then be a process and not an event that occurs at a particular time tied to a calendar day. It will be a process where the manager and the subordinates are engaged in a continuous feedback loop. This will encourage the employee to speak out their mind and at moment as it is a process. Enough time will be available as it will take place throughout the year informally and formally. With regards to participative leadership behaviour where a leader invites subordinates to give ideas, share opinions and integrates their suggestions into the decision making process, the managers will have to adjust to this behaviour in their execution of performance appraisals. This is evidenced by a high percentage of 41.7 (Figure 4) of the total respondents that disagreed to the statement '*I feel management involve staff to get their views when reviewing HR policies*'. The employees need to have the sense of belonging and see management accommodating their view at decision making stage.

Howell and Avolio (1993) defines locus of control in two ways: external locus and internal locus, where the former is a belief that fate, luck, or outside forces are responsible for what happens while the latter is a belief that one's own ability, effort, or

actions determine what happens. In association with the learning styles where an individual has a high score under reflective observation, the locus control score shows that one has an internal locus of control. This is important for employees because they will become more reflective in the things that happen in their lives and believe that they have the power to change things around them. Employees need to be empowered for them to believe in themselves.

Of the total respondents, 33.3 percent agreed to the statement *'I feel systems are in place at Baylor for staff to give feedback to management'*, while 20.8 percent disagreed with the same. Closer look at the respondents that agreed, it becomes clear to the reason why they agreed due to that they are the managers as earlier on pointed out. The subordinates who in this research are the supervisors are the ones that disagreed due to that there is a gap between these two. This gap is clearly shown in all the responses given on almost all the statements. Therefore there is a need to have transformative leadership in place.

A leader is not a leader unless he has people to lead. People appreciate a leader that leads by example. The transformational leadership theory emphasizes the "walk-the-walk" phenomenon which when properly translated means that a leader has to show the people being lead how to do the job. A famous quote from John D. Rockefeller says "Good leadership consists of showing average people how to do the work of superior people." This is true because a good leader should be open to share information to his subordinates so that they can do that which is expected to be done by those above them.

Nevertheless, performance management and appraisals can also be litigation risk factors. Employee management experts speaking in "Indiana Court Times" questioned whether employers should do them at all. And a legal expert for SHRM says as faulty as they are, performance management and appraisals are often used against employers in court cases. Companies use performance appraisals for evaluation and developmental purposes. A properly executed appraisal acts as a basis for hiring new employees,

training and development of current employees, restructuring of workflow and employee motivation. Performance appraisals offer evidence for pay increases or for terminations. Well-designed performance appraisals can start dialogue between supervisors, direct reports and co-workers that may result in positive outcomes for the individuals and the business.

Performance management and appraisals have the power to serve as effective tools for improving employee performance and productivity as well as able to determine employee developmental needs. Implemented properly, regular performance reviews can raise individual self-esteem and deepen the relationship between supervisor and subordinate. People often perform better when they have an idea how their supervisor views their work, knowledge and skill. They are more likely to initiate honest conversation regarding goals and job-related issues as well.

4.4.3.1. Attributes of a good performance appraisal system

A performance appraisal system needs to have a set of clearly defined parameters. The documentation should include ways of how to assess performance based on job-relevant skills and knowledge. An effective performance appraisal system should not include assessment of employees' personality or work style, but should include a review of communication techniques and behaviour as it relates to interpersonal interaction.

A quality performance appraisal system should both be informal and formal so as to accommodate views from both parties. Therefore it is important that a formal performance review takes place annually. In addition, managers must communicate with employees between informal appraisals to keep them motivated and focused on personal and company objectives. These regular communications serve as praise for good performance and a means of stopping poor habits and behaviours before they affect the annual review scores.

A performance appraisal system, regardless of how sophisticated, is completely objective. Problems may arise when evaluators start to give overly lenient or overly

strict ratings on a consistent basis. Personal prejudices can skew results, as can poorly defined standards of measurement. However, employees must view the system as fair and just for the results to impact their behaviours and job performance. If employees do not see the process as a credible one, it loses validity and value overall.

It is therefore paramount that employers review the employee's beginning job skills, meaning what qualifications the employee had at the start of the evaluation period one year ago. Discuss any improvements necessary and praise the employee for skills that have improved during this time. Determine what additional skills the employee can learn during the next evaluation period by setting reasonable goals for professional development. This is evidenced by the high percentage of respondents either agreeing or strongly agreeing (41.7 percent and 33.3 percent respectively) to the statement *'The performance review/appraisal review gives me an opportunity to identify my personal development opportunities'* (Figure 3).

The employee should feel free to provide input throughout the performance appraisal. Employers who formally implement employee input often have an employee self-appraisal form. If this is the case, the employee will come to the performance appraisal meeting with the completed self-appraisal. The system and BCM-CFM is not that bad as employees feel they are involved in the making decision within the department. This is shown by high percentages of the respondents to statements that wanted to see whether they are empowered to make decisions or not (Appendix B, Table 8 and Figure 4).

According to workplace consultant Robert Bacal writing on business resource site Work 911, managers and employees can sometimes get too caught up in the forms and the process of a performance appraisal and leave out the interactive portion. In order for a performance appraisal to be productive for the employee and the manager, it's important that both parties give input and work together to create the final evaluation. By ignoring the interactive aspect of the appraisal, the opportunity for the manager and employee to both feel involved in the employee's career is lost. Therefore, the core

objective in the performance appraisal system for BCM-CFM should be to offer a continuous engagement of employee feedback into the system so as to accommodate their views. The system should be transparent and positive and not to be seen as a way of punishing the ones that have not performed well.

Therefore, when the two processes are effectively linked and performed by the same manager or supervisor upon one employee, then the benefit will be enjoyed by both parties.

Systems need to be in place to monitor how effective and efficient the performance appraisal system is for the benefits of both the employee and the employer. Management need to offer a conducive environment where the manager/leader and the subordinates value each other as workmates. This is the reason why objective number 4 is important for this research. For any process to be effect and effective, strong monitoring systems need to be in place.

4.4.4. Objective 4: Establish monitoring tool for the linkage by Organisational Management

Employees are able to perform their job duties to the best of their abilities throughout the year based on guidance from management. Part of a performance appraisal is when a manager and employee review the job description and compare the employee's performance with expectations. This gives the employee a feeling of clarity and understanding that will help him better perform his job duties.

To prepare for the annual review, a manager should keep notes of all of the employee's accomplishments and challenges throughout the year. When these are presented to the employee during the appraisal, it gives the employee the opportunity to benefit from her accomplishments and accept responsibility for the performance challenges. By claiming ownership of performance issues, the employee makes the process of career development a more personal commitment. Sandra et al (2009) describes people as the human capital of the organization described in terms of their training, experience

judgment, intelligence, relationship and insight. Rosemary Thomson (2002) indicates that people that are actively engaged in their learning process within the organization tend to appreciate the whole learning process and become productive members of the organisation.

During a performance appraisal, a manager needs to take time to show the employee how his performance affects the productivity of the entire organization. When employees understand how their performance affects the ability of others to do their jobs, it helps put their own job duties into an overall company context. It helps improve the notion of teamwork among the staff, and can also encourage cooperation to achieve corporate goals. Hall (2011) stated that strategic human resource management is largely about integration and adaptation. When employees understand that they are part and parcel of the decision making in the department, then they begin to appreciate their contribution to the department and the entire organisation at large.

4.4.4.1. Strategic Objectives in Performance Appraisals

Performance appraisals are tools used by companies and employees to help gauge the value of the employee's performance, and determine how performance can be improved. The effectiveness of a performance appraisal can be judged in how well it achieves its strategic objectives. Understanding the strategic objectives in performance appraisals can help employer to adapt performance evaluations to meet company needs. According to Armstrong (2009), reward management is concerned with the formulation and implementation of strategies and policies in order to reward people fairly, equitably in accordance with their value to the organisation. A reward system dwells on provision of benefits and incentives which could be in the form of financial and non financial.

4.4.4.2. Improving Morale

Morale is an important factor in creating a productive workforce. According to the article "Performance Appraisal" on the managerial resource Changing Minds, when

performance appraisals are properly executed they can improve company morale and create motivation for employees. By working with employees to identify the weak points in their job performance and then helping to create a plan to combat that weakness, managers are setting a tone with employees that can create a positive feeling toward the company and its goals. This is why it is a good idea to emphasize the positive in performance reviews, and then turn negatives into positives by developing a course of action to assist employee development. Improved morale therefore can act as a powerful tool to monitor how well the employees are being evaluated and appraised by their supervisors. Depending on the morale of the employees, one can easily tell whether they are well appraised or not.

4.4.4.3. Budgeting Tool

According to the Food and Agricultural Organization of the United Nations, a performance appraisal should be used as an important budgeting tool for a business. Through the analysis of performance appraisals, the company can determine which employees are due for a raise, and which employees are not. These considerations need to be added to the following year's budget. Other performance appraisals may require the termination of employees, and that causes two budgetary considerations to come into play. First of all, the money associated with having the terminated employees is put back into the annual budget. However, there are also budget considerations for replacing terminated employees as well. The company needs to decide if the employees will be replaced, and if there would be a benefit in paying a higher salary to a more experience candidate, or if hiring a lower cost entry-level employee will better serve the company's strategic goals.

Marchington and Wilkinson (1996) describe performance appraisal as a cyclical process: determining performance expectations; supporting performance; reviewing and appraising performance; and, finally, managing performance standards. Performance appraisal has advanced beyond measurement of performance and rating the performance of employees in the organisation to focusing on social and motivational aspects of the employees by the employers in the appraisal process (Gletcher,

2001). Performance appraisal has become a standard practice in many institutions during the past years. Grint (1993), back in the days, performance appraisal was a measure of past performance of employees in the organization over a period of time past. It served as justification for employee salaries, determining rewards, it was not training and development oriented. Increase in emoluments or reduction were determined by it. Performance appraisal process as a function of three interacting system: organizational context, the appraiser information system and behaviour system to appraise (Redman and Wilkinson, 2009), also changes experienced in payment systems in years past has influenced the growth and development of performance appraisal systems to achieve an integrated reward system

The upward appraisal involves the employee rating their manager's performance via an anonymous questionnaire. Anonymity limits the potential for managerial retribution or what is termed the get even factor of upward appraisal. Upward appraisal improve managerial effectiveness and leadership through make you better feedback and increased employee voice and empowerment (Redman and Wilkinson, 2006). Because of the use of multiple ratters, upward appraisal is seen as been robust to legal challenge of performance judgements and career threatening. Grint (1993) states that honest opinions of subordinates look more like the barbs on a whale harpoon than a gentle and constructive nudges.

4.4.4.4. Competency Based Appraisal

Competency-based appraisal is a system of appraisal where the capability of an employee is assessed. This is done to target at the managers in an organization, but lately non managers have also been involved in this process. It directs an employee to areas that needs to be worked upon for better results. Sparrow (1994), states that competency helps concentrate the appraisal process on the key area of performance and effectiveness and provides a language for feedback on performance. One consequence of the competency based appraisal system is that organisations attempt to use competency approach to develop an integrated human resource strategy

Despite the benefits of performance appraisal, its effectiveness to employers and the organisation in general terms of job productivity and alignment to strategic objectives has its limitations. Performance appraisal accuracy and performance appraisal effectiveness is highly dependent on the performance appraisal system in the organization (Anderson, 2002). Critics of performance appraisal blame the failure on managers tagging them as "not naturally good at conducting performance appraisal" (Redman and Wilkinson, 2009). According to Lee, (1995) Performance appraisal effectiveness refers to the accuracy of performance observations and ratings as well as the ability of the performance process to improve the rate's future performance. In order to understand the effectiveness of the performance appraisal system, it is important to look at the performance appraisal interview and that involved. For those involved with human resource development, the performance appraisal interview is widely regarded as one of the main instruments for identifying, training and developing needs at the individual level as earlier on pointed out.

4.5. Policy Development

Development of policies and strategies within BCM-CFM should focus on the stakeholders who are within the organisation mission and vision. They are formulated to achieve excellence. Management must strive to communicate them internally so that each employee understands the common goal.

Processes are designed, managed and improved in order to support the organisation's policies and strategies to fully satisfy and generate increasing value for people. BCM-CFM should learn to review the processes and targets set for improvement. The organisation has to review its policies and strategy so as to align them with service delivery which is its core business. The policies being used should focus on the enabling the employees do their job in a quality way. The strategy should outline the objectives that need to be achieved in the organisation.

BCM-CFM should create a quality management plan that will enable the management to check on whether quality is being adhered to in the execution of the performance

appraisals. This plan should outline what should be done, how it will be done and when it should be done. It should also focus on measures to be taken should there be a deviation of quality. The organisation should invest on coming up with tools that will ensure that organisational performance is measured and is also aligned to the individual performance of the employees. This will help in ensuring that each employee understands the common goal and how to attain it.

BCM-CFM Management should work on leadership transformation so as create a common vision for the entire organisation and ensure that it is understood and embraced by each and every employee.

4.6. Performance Appraisal Techniques

There are several commonly used techniques of performance appraisal as reviewed by Oberg (1972). They are as follows; Essay Appraisal, Paired Comparison, Graphic Review Scale, Weighted Checklist, Person to Person Rating, Forced Ranking and Critical Incidents.

The above techniques were the traditional ones but the methods most widely used today are:

4.6.1. Management by Objectives

Employees are requested to put up their own performance objectives. They are then judged through these objectives by verifying whether they were satisfied or not. However, in many cases organizations themselves set their standards and goals even after consulting employees. Therefore BCM-CFM can adopt this technique provided they ensure that consultation between the employee and the supervisor is adhered to during performance appraisal.

4.6.2. 360 Degree Feedback

360 Degree Feedback is a process in which employees receive private and anonymous feedback from the people who work around them. Kettley (1997) says that when an individual receives feedback from different sources of the organization, including peers, subordinate staff, customers and themselves, the process is called 360 degree feedback or appraisal. The employee is then assessed using those received feedback. This could be an effective technique for an organisation like BCM-CFM. I would ensure that there is objectivity in the whole process and employees are not just penalised.

Feedback about the effectiveness of an individual's behaviour has long been recognized as essential for learning and for motivation in performance-oriented organizations. Ilgen et al. (1979) stated that feedback is considered as an important tool in performance appraisal process. Feedback can be a useful tool for development, especially if it is specific and behaviourally oriented, as well as both problem-oriented and solution-oriented according to Murphy and Cleveland (1995).

4.7. *Basic Purposes*

One of the basic purposes of formal appraisal process is the provision of clear and performance based feedback to employees. Carroll and Scheiner (1982) affirmed that some organisations use feedback as a development tool, while in some organizations it is used for merit evaluation and compensation adjustment. McEvoy and Buller(1987),Wohlers and Gallagher(1990) contributed that feedback is very essential for the employees because it forms a baseline for the employees which help them to get a review of their past performance and chance to improve their skills for the future.

Ashford (1986) says that when feedback is considered as a valuable resource, then only the individuals feel motivated to seek it, which helps in reducing uncertainty and provides information relevant to self-evaluations. There is also evidence that

performance feedback (if given appropriately) can lead to substantial improvements in future performance (Guzzo et al., (1985), Kopelman, (1986), Landy et al., (1982))

Fedor et al. (1989) and Ilgen et al. (1979) identified that it is commonly accepted that negative feedback is perceived as less accurate and thus less accepted by recipients than positive feedback. Furthermore, Fedoret al. (1989) found that negative performance appraisal feedback was less accepted and perceived as less accurate than positive performance appraisal feedback. BCM-CFM therefore should empower the employees to turn negative feedback into positive feedback for them to improve on their performance.

Evans (1986) asserts that many employees believe that their promotion or salary increments depend mostly on their performance. Employees therefore are in a dilemma and consider this situation as 'survival of the fittest'. They know for a fact that, their performance will only be taken into consideration at the end of the day. So, in order to grow in the company they need to be proactive towards their work. The feedback the employee receives from their superior, may simply describe the level of performance achieved. Hence, it becomes important for the managers to conduct the appraisal technique correctly. Employees can only accept criticism if it is useful and important to them. Managers should therefore know how to give information regarding progress made in performance and how to present criticism as well.

Meyer et.al (1965) carried out a study in General Electric Company where certain points relating to performance feedback was highlighted. In this study, 92 employees were appraised by their managers on two occasions over two weeks. The study was carried out using questionnaires, interviews and observation. The first appraisal highlighted performance and salary while the second one underlined performance and improvement. It was observed that lots of criticisms were pointed out by the managers, which lead to defensive behaviour of the employees. The conclusion of the study was

that criticism leads a negative impact on the motivation and performance of the employees. Also feedback sessions designed to improve performance should not at the same time consider salary and promotion issues.

Ilgen et al (1979) add that employees who believe that the appraisal system is under any kind of bias, are most likely to be dissatisfied by their work and can also leave their jobs. On the other hand Murphy and Cleveland highlighted one possible reason for the widespread dissatisfaction with performance appraisal in organization as the systems used by these help neither them nor their employees in meeting the desired goals.

Nevertheless, according to Jacobs, Kafry&Zedeck (1980) employees perceive PA to give them a proper understanding of their duties and responsibilities towards the organization. Likewise, organization sees it as a tool to assess employees on a common ground and one which helps in salary and promotions decisions, training and development programs.

4.7.1. Means of Priority Change

In many circumstances appraisal plans are interpreted by managers as a system that helps an organization to change regular priorities and usual ways of working and in so doing to alter its strategic direction. Hence, in circumstances where change cannot be attained by managerial proclamation, appraisal takes on the character of an engine of change. When managers look at appraisal from this angle they hope that it will bring about a change in strategic direction and organizational behaviour.

Researchers have suggested that reaction to performance appraisal is critical to the acceptance and use of a performance appraisal system (Bernardin & Beatty, 1984). Reactions may even contribute to the validity of a system. Cardy and Dobbins (1994) suggest that "with dissatisfaction and feelings of unfairness in process and inequity in

evaluations, any performance appraisal system will be doomed to failure" (p. 54). Murphy and Cleveland (1995) stated that "reaction criteria are almost always relevant, and an unfavourable reaction may doom the carefully constructed appraisal system".

Possibly the most important benefit of appraisal is that, in the rush and pressure of today's working life, it allows the supervisor and subordinate to have "time out" for a one-on-one discussion of indispensable work problems that might not otherwise be addressed.

Likewise, the existence itself of an appraisal system indicates to employees that the organization is genuinely concerned with their individual performances and advancement. This only can have a positive impact on the employees' sense of worth, commitment and belonging.

Appraisal offers the rare chance to focus on employment activities and objectives, to spot and correct existing problems and to enhance favourable future performance. Thus the performance of the whole organization is improved.

4.7.2. Work Acknowledgement

Performance appraisal usually provides employees with acknowledgment for their work efforts, if any and as a result it brings them satisfaction. Actually, there are facts supporting that human beings will even prefer negative recognition in rather than no recognition at all. During performance appraisals, feedbacks are obtained. These provide vital information on whether training and development needs should be considered. The presence or lack of working skills, for example, can become very obvious. The supervisor and subordinate can thus agree upon any demand for training. As far as the organization is concerned, the overall appraisal results can provide a regular and efficient training needs audit for the organization as a whole.

The information obtained from appraisals can also give indication on an organization's recruitment and selection practices. This can be done by screening the performance of recently hired workers. The general quality of the workforce can also be monitored by assessing any improvement or decline performances. Changes if needed in the recruitment strategies can then be considered.

There are several problems in the actual performance appraisal primarily due to rate bias. Some supervisors are too lenient and thus have a tendency to rate all employees positively rather than really measuring their performance. Another problem is the 'central tendency' where supervisors position the majority of the employees in the center of the performance scale, even though they deserve a better or worse grade.

The halo effect is another error usually made during appraisals. This arises when a supervisor's general feeling about an employee influences the overall judgment. Performance appraisal systems are at times criticized for weaknesses in the system design itself. Sometimes they assess the wrong behaviours or consequences, or focus on employees' personality instead of on their work performances. Very often standards for appraising employees are not related to the work itself. As a consequence employees may not likely be interested in such a system where performance standards are unsuccessful in highlighting important aspects of the jobs.

Some organizations found that PAS is a constant cause of tension, since evaluative and developmental concerns come often into disagreement. It is said that the appraisal can serve only one of them at a time. Also they find it dehumanize and demoralize to pass on judgments which then become source of apprehension and stress to employees.

Many researchers such as Derven (1990) expressed doubts about the effectiveness and dependability of the appraisal process. Some found the process to be imperfect in

nature. Moreover, Gabris & Mitchell found a disturbing bias in the appraisal process called the Matthew Effect. It is said to take place in cases where employees keep on receiving the same evaluation each year. This denotes that there is the belief that if an employee has work well, he or she will continue on that pace. The Matthew Effect advocates that even if employees struggle to do well, their past appraisal reports will discriminate their future progress. Much clarity should be taken into consideration within BCM-CFM to avoid bias brought by the Mathew effect.

Accuracy is important in appraisals. However for rates to appraise employees accurately, they should give unbiased results. Unfortunately accurate ratings are quite impossible as researchers affirm that personal liking, look, former impressions, gender and race will certainly manipulate appraisals, that is, there will always be some kind of biasness. There are various schools of beliefs as to the validity and reliability of performance appraisals. While Derven (1990) doubts about its dependability, Lawrie (1990) finds it to be the most important aspect of organizations.

Many supervisors make the wrong use of appraisal. They use it as a punitive tool rather than helping their subordinates to improve their performance and overcome work problems. According to Shelley Riebel, as in the Detroit News (April 11, 1998) often managers are unsuccessful to explain what they really expect from their employees and fail to well describe the criteria used for assessing their performance.

The data obtained during the appraisal process should be wisely used and considered. Still, for performance appraisal to be successful, it is important to carry it out on a regular and consistent basis. This will allow supervisors to follow and review employees' work. Raters often make the mistake of emphasizing too much on mistakes committed by the employees. Rather, if ever some problem is spotted by the supervisor, the issue should be discussed with the employee concerned and both should try work on a solution.

4.7.3. Motivating Factor

Motivation can be defined as the driving force that moves us to pursue a certain goal, or trigger a particular action. It can be considered as the desire within a person causing him or her to act. People generally act for a motive and that is to achieve a specific objective. Two main types of motivation have been noted, namely intrinsic and extrinsic. Intrinsic motivation comes from the inner self while extrinsic motivation arises when external factors require one to perform something.

According to Passer and Smith (2004) the concept 'motivation' refers to a course of action that influences the determination, direction and dynamism of goal-directed behaviour. Similarly, Kreitner and Kinicki (2007) assert that motivation represents psychological practices that stimulate voluntary actions. In the work context, as confirmed by Coetsee (2003), motivation entails the readiness of individuals and groups to put much effort so as to achieve organizational goals. From the above, it can be construed that there exists no single and general definition for "motivation". Yet, Boje and Rosile (2004) regard motivation as an authoritarian ideology, a way to manipulate performance and where visions of self-actualisation need gratification. This view might be too negative to consider, but the rise in capitalism has been driven by high concentration motivation programmes which sometimes turn employees into production machines.

Motivation can be the key to a successful organization. It is often claimed that the best businesses have the best motivated workers. Well motivated employees are said to be more productive and perform quality work. It remains however one of the most challenged tasks for managers to motivate their staffs as everyone is unique. A supervisor should strive to tie in the company's goals together with the employees' individual goals through performance management. Moreover, the whole performance appraisal process and its result can affect an employee's motivation. As highlighted by Cummings and Swabs (1973), employee's performance is the outcome of the employee's motivation to perform. In an organisational context, the performance is

appraised by assessing the employee's aptitudes and potentials to achieve the set goals.

4.8. *Functions of Performance Management*

The performance management is mainly concern with the performance of the people, systems and organization. To achieve this objective performance management performs a variety of functions. These functions are summarized below:

- a) **Create Healthy Work Environment** HR or performance manager works with the people. Their objective is to create an environment of openness, trust, mutual understanding, team spirit and cooperation. In this environment only the manpower can be utilize more effectively to contribute to organizational goals. They create environment with the help of HR policies, day to day dealing, rules and regulations regarding leaves, welfare, promotion, discipline, incentives, training etc. It creates confidence in persons to work without worry.
- b) **Develop Performance Plans** Management goes for planning of the job, competencies required for performing the jobs and standards required for performance of the jobs. It includes job description, job specification and fixation of job performance standard. Through these plans only the type of person required can be ascertained.
- c) **Selection of Appropriate People** to carry out the various types of jobs in the organization manpower is needed. The required type and number of people are to be selected from the aspirants. So they may be made available at right place in right time for accomplishment of the tasks at required time. This is possible through proper recruitment and selection of employees.
- d) **Decision Regarding Performance Standard**

Performance management as a function of human resource management, the management takes decision regarding the required standards of the performance in consultation with top level management, head of departments and experts or consultants. They consider the lowest, highest and average performance of the people at work. After detail discussion the most realistic standards are fixed by the management.

It is therefore paramount that the BCM-CFM performance appraisal system should include the following actions:

- Identifying the parameters of performance and stating them very clear.
- Setting performance standards
- Planning in participative ways where appropriate, performance of all constituents
- Identifying competencies and competency gaps that contribute/hinder to performance
- Planning performance development activities
- Creating ownership
- Recognizing and promoting performance culture

4.9. Concerns of Performance Management

Performance management is an important function of human resource management. HRM is mainly interested for proper utilization of manpower and contribute to a good extent in achieving the objectives of the organization. In nutshell, it can be said that through better performance it is to make the organization more effective in the present competitive situation.

4.9.1. Planning of Performance

Performance management is concerned with planning of the performance of people at work for better result in future. This means defining expectations expressed as objectives and in business plans. It plans the roles of everyone, standards of performance to be given in advance so that the actual performance can be compared

with these standards. The performance of individual or group is aligned with the goals of the organization.

4.9.2. Performance Measurement and Review

The next concerned of it is to measure the output of individuals and systems periodically. Further it is to compare with the standards already fixed. This shows the position of the performance whether the result is in the required direction or not. If the result is as per the planning then it is to be maintained otherwise it needs the remedial action for improvement. This position must be reviewed further for better result. Through this concern many irregularities will be removed and there may be better and smooth performance of everyone concerned in achieving the objective of the organization.

4.9.3. Interest in Continuous Improvement

Performance management philosophy is based on innovation in every area of the organization. Concern with continuous improvement is based on the belief that continually striving to reach higher and higher standards in every part of the organization will provide better performance and will be in position to give competitive advantage to the organization over its competitors. This means clarifying what organizational, team and individual effectiveness look like and taking steps to ensure that those defined levels of effectiveness are achieved. As Armstrong and Murlis said continuous improvement helps in establishing a culture in which managers, individuals and groups take responsibility for the continuous improvement of business processes and of their own skills, competencies and contribution.'

4.9.4. Continuous Development

It follows the Japanese concept of Kaizen. Performance management is concerned with creating a culture in which organizational and individual learning and development is a continuous process. HR managers are putting their efforts for creating a healthy working

environment for everyone. That is very helpful for learning and work. People learn from success and face the challenges in their routine functioning.

4.10. *Desired Solution*

BCM-CFM needs to put into place the performance management system that will enable it monitor the work that is being done by each employee and how each employee contributes to the organisational objectives. This therefore, is critical because it requires the organisational objective to be shared comprehensively to everyone in the organisation. When employees know and understand their contribution to the larger goal, their satisfaction levels are increased.

However this may not work if their performance is not linked to their appraisal system. The success of the organisation lies in the satisfaction of its employees. Of what use is the performance system if it does not link the organisational goals to the employee goals.

4.10.1. Performance Management

Aguinis (2009) observes that performance management is a continuous process and therefore it requires regular reviews to ensure that it is up to date with the ever changing business environment. However, the question that may be asked is whether, the employees understand their jobs and job descriptions. For this process to work well, it requires that employees understand the job descriptions and accept them. This is vital for BCM-CFM as it needs to fully and comprehensively cascade the organisational goal to individual job descriptions that employees can accept and implement effectively. Figure 6 shows how this cascading process should take place in an organisation.



Figure 6: Cascading Process

Truss and Gratton, 1994 identified key aspects of the SHRM process that should be included in any model of performance management. These are: the external environment which provides opportunities and constraints within which performance management must operate within the organisation. Business strategy, the overall strategic aims of the organization that both affect and are affected by the performance process is one of the key aspects.

Another key aspect is the internal environment. This is organisational context within which performance management system operates in relation to structure and culture of the organization. Strategic human resource management such as the appraisal system and practices and outcome of the appraisal process are some of the key aspects.

4.10.2. Appraisal System

It is important for organizations to determine on the number and appropriate skill mix required to meet the present and future business requirements. Armstrong et al. (2009) defined HR planning as the process for ensuring that the human resource requirements of an organization are identified and plans are made for satisfying the requirements.

Therefore, it is vital to continue to evaluate the capabilities and contributions of these human resources to the organisation if business objectives are to be met with great success.

Appraisal system assists the organisation to develop more comprehensive picture of where the organisation is heading to and what its needs would be like and planning how to achieve them (Swanepoel, 2008). The current appraisal system at BCM-CFM suggests inconsistent practice, and this study has provided empirical evidence to that. Appraisal process is important because it encourages employers to develop clear and explicit links between the business and their plans.

Effective appraisal system eliminates surprises by allowing rapid skills replacement, through prevention of problems and their early identification (Net et al 2004). One of the advantages, it lowers turnover rates and labour costs. It improves the image of HR management practices. Unfortunately BCM-CFM gives little time to appraisal system because of lack of resources and skills, time and effort required, as well as absence of data.

Secondly, the problem with appraisal system is that employers prefer to wait until the view of their intended satisfaction is clear before committing their capabilities and skills (Armstrong, et al, 2009). It is however encouraging that appraisal system is more appropriate in stable market with largely passive clients and for public sector enterprise, a category in which BCM-CFM falls.

4.10.3. Desired Link

In addition however, it is not clear how BCM-CFM takes advantage of the stable environment it operates to effectively plan. The study has explored on factors that facilitate and those that might hinder the appraisal system practices at BCM-CFM. There is a need to link the performance management to the appraisal system so that both the organisation and its employees are satisfied. This linkage process involves

identification of the competences that are measurable and the reward system that is comprehensive and accepted by all employees. The reward system should be well spelt so that everything is in black and white. The consequences of not performing in accordance with the laid standards should be well structured as well as the reward for those that perform according and above.

HR planning identifies core competencies of the organization, skill and behavioural requirements (Armstrong, et al., 2009). It is not known to what extent BCM-CFM uses job analyses to determine its activities, competencies required for effective recruitment to meet the existing and future needs.

When employees are being appraised in accordance to their performance, it brings a lot of satisfaction in them and enables them even to do much better above their previous performance. A focused management utilises the data that is gathered from the performance system and makes an informed decision of the appropriate measures to be taken. The data that has been gathered from the ESS that have been conducted by the BCM-CFM management, should be used to inform them what satisfies employees.

It is usually construed that rewards to the performing employees in an organisation should be in form of money. People are the main resource that execute tasks in the organisation and play a major role in achieving the core objective. Therefore they need to be properly managed so that maximum deliverables are achieved. They need encouragement in decision making which will help them to attain their work objectives. And hence forth, their confidence levels are increased and in the end their productivity is high. The most dangerous employee is a frustrated employee (Graeme Knowles, 2011). People are motivated through being recognised in their exceptional performances. Their behaviour is critical to the organisation as it can easily bring negative impact.

Employees feel honoured when they are drafted in when making important organisational decisions. Such kinds of decisions are easily accepted and employees

are accountable to them. This is vital as all employees understand that they are part and parcel of the decision making process.

It is a well known factor that trained employees perform to the highest standard. And therefore, management needs to invest in their employees by training them so that they possess the desired skills essential to the organisation. Therefore, BCM-CFM has to focus on motivating and inspiring its employees in a non monetary way. This fits its model as it is a non profit making organisation which has its budget tied to the operations.

Therefore when used effectively, this model propels the leadership to facilitate respectful and constructive interactions with every employee in the organisation. Employees are empowered and treated with high esteem and their contribution to the decision making process is appreciated. Eventually, participatory performance evaluation and appraisal is attained as employees are part of the system.

Training is one of the most important functions that directly contribute to the development of human resource. It is important because technology is continuously changing and systems and practices get outdated due to new discoveries. A food training department will monitor the directions in which employees should develop in line and in the best interest of the organisation. Although it is the most important it is also one of the most neglected in most organisations. Storey et al (2008) said that strategic training and development is important for knowledge creation and sharing and the development of intellectual capital which are a means through which organisation gain and maintain competitive advantage.

Inyang (2011) considered development as a function that provides employees with additional training and education to enhance their performance and avoid human obsolescence. Storey et al (2008) provided a comprehensive model of strategic training and development. This model as indicated in Figure 2.2., first starts with identifying the business strategy.

The training needs are identified in line with developmental goal of an organisation with regards to its strategy. The goals identified are then cascaded into specific training needs and development activities. These could either be formal or informal. The final stage involves measuring whether the training is in tandem with the contribution that is being made to the goals of the organisation using specific systems.

Chapter 5

5. Conclusion and Recommendations

5.1. *Conclusion*

Performance appraisal is an integral part of any organisation human management. Performance appraisal varies from organisation to organisation. Despite its numerous benefits, its effectiveness is limited in implementation. Bias should be eliminated, and the process of the evaluation as well as the job done by an individual is to be evaluated and not the personality himself. Evaluation criteria should be improved to maximize the benefits available to organisations that conduct effective performance appraisal systems. Martin and Bartol, (1998) suggested that performance appraisal should be done more frequently either semi-annually or quarterly accompanied by a substantial feedback process designed to feed into the strategic direction and organisational objectives.

According to Ilgen et al., (1979), an organization's performance appraisal system can be a practical tool for employee motivation and development when employees perceive their performance appraisals as accurate and fair. The effective use of performance appraisal encourages trust in an organisation, commitment, enhanced output, customer satisfaction, and decline in conflict (Mayers and Hayes, 1999). Performance appraisals when done effectively can lead to the maximization of value.

It has been established that BCM-CFM has a performance management system that enables it to monitor the work that is done by each employee and how each employee contributes to the organisational objectives. However this performance management system is done by the immediate supervisor of the employee who is not involved in the appraisal system.

Literature reviewed has shown that SHRM requires a total commitment of organisational management and its staff. Involvement of stakeholders improves the strategy. To understand factors that enhance and hinder development and implementation of the human resource management practices may include inadequate knowledge, systems and policies to support initiatives. It is further understood that a better performance management system is the one that is linked to the appraisal system. This therefore, brings a mutual satisfaction between the organisation and its employees.

The employee satisfaction surveys that have been carried out within BCM-CFM and the exit questionnaires, have highlighted the importance of recognizing employees as valuable organizational assets, and that they feel not appreciated and rewarded accordingly. It is important that the organizational policies should create a conducive environment for employees to be able to meet the organizational objectives. When employees are appraised based on their performance, only then will the organizational performance eventually be high.

This research has concluded that, there is supposed to be a link between the two processes to save the ideal strategic goal of the organisation. The supervisor that carries out the performance evaluation should also be involved in carrying out the appraisal of the same employee. This research therefore has also spelt a number of ways on how best this link can best be established.

If employees are demotivated and not appraised properly, it means they will not be able to meet their agreed targets in the organisation. Poor appraisal system means that the employees will not meet their targets and hence the organizational objectives will not be met and in the end, employees will not be compensated accordingly. It is vital to link the performance of the employees to their appraisal system which ensures the organizational objectives are met.

The researcher therefore believes that if performance management and appraisal systems are linked, then it means the organisation will be able to achieve its objectives

and be able to accordingly compensate employees who perform to the expected standards. One of the many recommendations that respondents gave to make the system effective is that staff need to be evaluated by immediate supervisor with same responsibilities and qualifications not senior supervisors this brings bias and personalisation in the performance appraisal. It's clear that a link is vital to the two processes.

It is therefore imperative that BCM-CFM should design the performance appraisal system that marries the two current systems together. The new system should spell out all the expectations both from the employee and the employer. The system should have rating technique that will allow objective evaluations of the employees. The linkage of the two systems is vital as it will provide efficiency and effectiveness.

It has been established by the research that an effective system will need a proper monitoring tool to make it beneficial to both the employee and the organisation. The monitoring tool will be useful in ensuring that the performance appraisal system is not misused and benefits both parties. The system should incorporate the ratings that will enable the supervisor carry out the performance appraisal in an objective manner to benefit both parties. When the two processes are done by the same supervisor, the link will eventually be efficient and effective to the system.

Further research should be carried out whose main objective should be to establish the link between the performance management and appraisal systems. The aims to this objective on the linkage of the two systems should be as follows:

- Define the linkage system to be designed
- Outlining the benefits of the linkage to the organisation
- Outlining the benefits of the linkage to the employees

5.2. Recommendations

BCM-CFM should embark on creating a work environment that will enable the performance management and the appraisal system be linked so that employees are satisfied with their performance. This link will provide the much needed bridge in utilising the data that is gathered through the performance management system to inform the managements systems efficiently and effectively.

Management should ensure that the organisational goal is cascaded down to each employee's job descriptions so that the employees know how they contribute to the larger goal and what impact their contribution has to the organisational success

Further research should be carried out on the HR practices that are being practiced within the organisation so as to enhance the positive policy development and implementation. This is vital as sometimes "the way we do things here" may eventually affect the organisation negatively without management understanding why. This is one of the internal factors that affect the performance management system of the organisation. This culture can have a strong influence on the nature of its strategic plan as well as overall goal of the organisation.

BCM-CFM should work on reviewing the HR policies so that they are aligned with the organisational strategy of its core business. The policies should focus on enabling the employees to execute their duties in the highest capacity while motivating them accordingly.

Management must come up with a performance management system which shall enable employees to measure their performance in the execution of their duties. The system must outline what will be done, how it will be done and when it will be done when an employee has performed highly or underperformed.

BCM-CFM should pay attention to a number of suggestions (Appendix C) that have been put forward by respondents when they were asked on how the process can be improved to become more efficient and effective. Response to these suggestions would determine the willingness of the BCM-CFM management to effect change management.

6. Appendices

Appendix A

Department	Finance		Administration		Clinic		Program	
Respondents	3	12.5%	5	20.8%	11	45.8%	5	20.8%

Table 3: Respondents Departments

Highest Qualification	MSCE		Diploma/Certificate		Bachelors Degree		Post Graduate Degree		Others	
Respondents	2	8.3%	14	58.3%	6	25.0%	0	0.0%	2	8.3%

Table 4: Respondents Qualifications

Age	18-20	21-25	26-30	31-35	36-40	41-45	46-50	50 Above
Respondents	0	0	4	8	6	6	0	0

Table 5: Respondents Age

Appendix B

Question 1	Strongly Disagree	Disagree	Can't say	Agree	Strongly Agree	No Response
Baylor has a performance management system that guide and help staff and managers to be effective in their work.	0.0%	20.8%	0.0%	62.5%	12.5%	4.2%
I understand Baylor performance management policy and it guides and helps me in the performance management process.	8.3%	0.0%	16.7%	58.3%	8.3%	8.3%
The performance management at Baylor is able to encourage the good performers and non-performers.	8.3%	29.2%	12.5%	29.2%	16.7%	4.2%
As a Manager/Supervisor I was trained in performance management and how to conduct performance reviews.	0.0%	50.0%	4.2%	25.0%	8.3%	12.5%
As a manager/Supervisor I am confident and I know what to do during performance review.	4.2%	16.7%	20.8%	37.5%	8.3%	12.5%

Table 6: Responses to Question 1

Question 2	Strongly Disagree	Disagree	Can't say	Agree	Strongly Agree	No Response
The performance review/appraisal review gives me an opportunity to identify my personal development opportunities.	4.2%	8.3%	12.5%	41.7%	33.3%	0.0%
My training and development activities at Baylor are in accordance with the needs identified during my performance review.	0.0%	16.7%	12.5%	41.7%	20.8%	8.3%
Training at Baylor is conducted to enable me do my job effectively and efficiently.	0.0%	0.0%	0.0%	66.7%	33.3%	0.0%
I apply the knowledge and skills obtained after attending training/workshop/seminar.	0.0%	4.2%	4.2%	62.5%	29.2%	0.0%
Staff is trained based on training need identified i.e. during performance appraisal etc.	4.2%	33.3%	12.5%	37.5%	8.3%	4.2%
Recognition and rewards is used to encourage good performance at Baylor.	8.3%	25.0%	8.3%	37.5%	20.8%	0.0%
I am clear as to what my pay and benefits comprise of.	29.2%	50.0%	0.0%	8.3%	12.5%	0.0%
I feel my pay package is fair.	16.7%	25.0%	8.3%	37.5%	8.3%	4.2%
I feel compensation package (salary) etc should be linked with performance of staff.	12.5%	0.0%	4.2%	33.3%	50.0%	0.0%
Job rotation and job enlargement at Baylor are utilized effectively for personal development.	16.7%	29.2%	4.2%	50.0%	0.0%	0.0%
I feel Baylor does not have incentives for staff that perform well.	25.0%	33.3%	0.0%	25.0%	16.7%	0.0%

Table 7: Responses to Question 2

Question 3	Strongly Disagree	Disagree	Can't say	Agree	Strongly Agree	No Response
Employees have a collective voice i.e. through staff Consultative Committee in decision making regarding changes in their work environment.	8.3%	16.7%	16.7%	41.7%	16.7%	0.0%
I feel am able to make decisions that affect the operations of my department.	0.0%	16.7%	8.3%	41.7%	33.3%	0.0%
I feel empowered to make decisions that affect the operations of my department.	0.0%	16.7%	12.5%	45.8%	25.0%	0.0%
I feel involve department members in making decisions that affect the operations of my department.	0.0%	12.5%	8.3%	58.3%	20.8%	0.0%
I feel management involve staff to get their views when reviewing HR policies.	4.2%	41.7%	4.2%	20.8%	29.2%	0.0%
I feel systems are in place at Baylor for staff to give feedback to management	8.3%	20.8%	16.7%	33.3%	20.8%	0.0%

Table 8: Responses to Question 3

Appendix C

Respondents Suggestions to improving the efficiency and effectiveness of the performance appraisal system.

- a. Staff should be rewarded after a good performance to encourage non performers to work hard that they can be given rewarded too.
- b. Those who are appraised for long service and hard work should be promoted and given incentives.
- c. Direct supervisors should be the ones to evaluate ones performance.
- d. Timeliness should improve; feedback should be timely and coordinated.
- e. Self appraisal that will be linked to the management so that employees should first asses themselves before the immediate supervisor does so.
- f. Should not be used as a tool for disciplining; Management should make use of outcomes of performance review and act upon the results.
- g. Ensuring that the needs of employees are mate and the standards that are put in place in the organisation are met and followed and everyone should know them.
- h. Inclusion of part where an employee can set his/her goals to achieve at the end of the year
- i. Assuming you been doing continual performance as things happens and more normal reviews every quarter each of your employees will know how they are doing, thereby assembling their annual performance by simply pulling material from previous quarter and adding in them together
- j. We must change the system by voting employee of the month from each section or department and all employee of the month must go for board interview conducted by management. Any employee who scores more marks after interview he/she can be best employee of the month and he/she must get something such as a gift or some amount of money as a compensation.

Appendix D

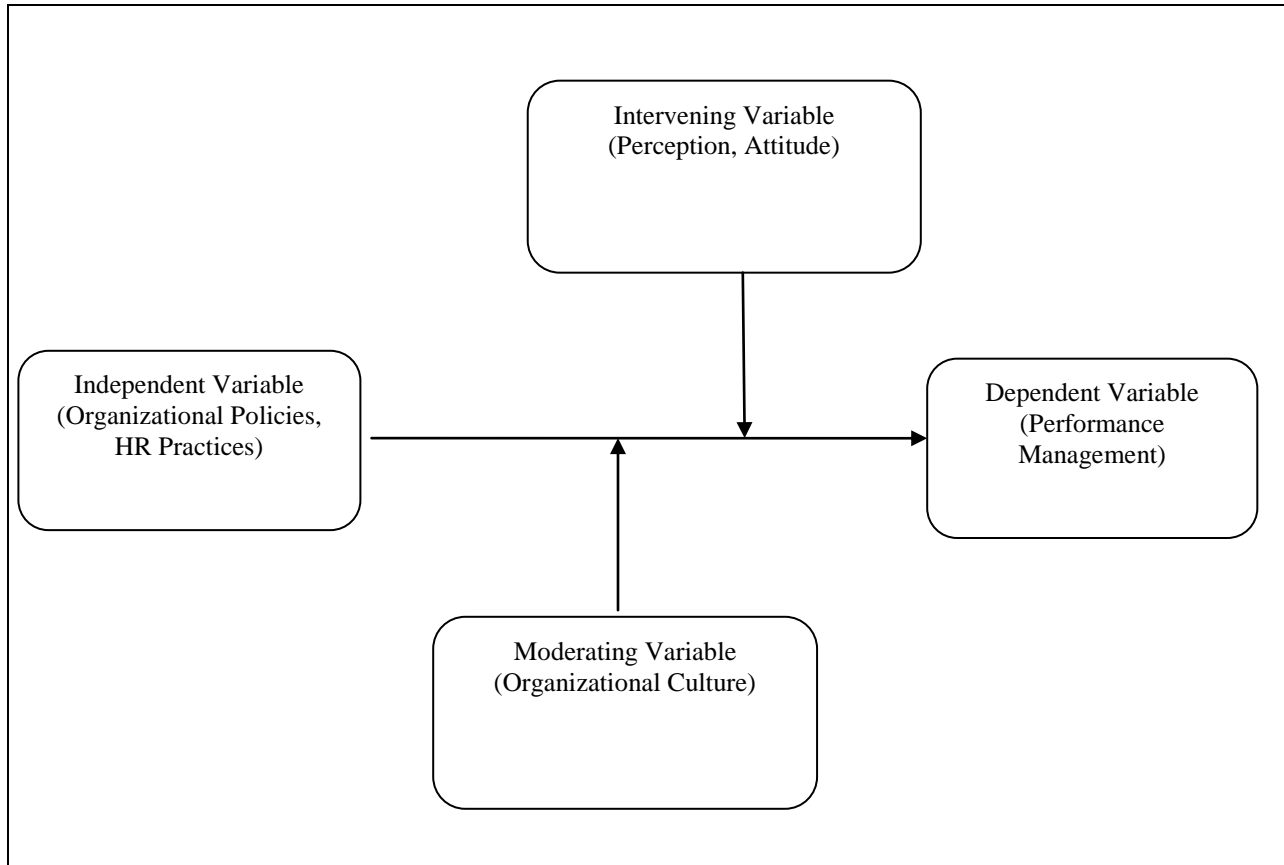


Figure 7: Variable Relationship

Appendix E

Questionnaire

An Assessment of the link between Performance Management and Appraisal Systems of the organisation in the period of 2008 and 2013: Case study of Baylor College of Medicine Children’s Foundation Malawi.

All answers provide will be used purely for academic purposes and at no point in time will they be used to reprimand in any way in the organisation.

SECTION A: DEMOGRAPHIC DATA

Age (Please tick one appropriate box)

1	2	3	4	5	6	7	8
18-20	21-25	26-30	31-35	36-40	41-45	46-50	50 above

DEPARTMENT

(Please tick appropriate box and specify which department)

Finance	Administration	Clinic	Program

Post/Job Title: _____

Highest Qualification? (Please tick appropriate)

1	Malawi School Certificate of Education (MSCE)	
2	Diploma and Certificate	
3	Bachelors Degree	
4	Post Graduate Degree	
5	Others (specify)	

How long have you been working with Baylor (Completed years in Baylor)

.....

Gender (Please tick appropriate): Male..... Female:.....

SECTION B: ORGANISATIONAL PERFORMANCE MANAGEMENT AND APPRAISAL SYSTEM QUESTIONS

The questions below use the five point scale as shown above in the table below. Please rank your view to the number that closely matches your view.

Tick in respective box

Scale:

Strongly Disagree	Disagree	Can't say	Agree	Strongly Agree
1	2	3	4	5

Performance Management System

1	Please circle respective column	Strongly Disagree	Disagree	Can't say	Agree	Strongly Agree
a	Baylor has a performance management system that guide and help staff and managers to be effective in their work.					
b	I understand Baylor performance management policy and it guides and helps me in the performance management processes.					
c	The performance management at Baylor is able to encourage the good performers and non-performers.					
d	As a Manager/Supervisor I was trained in performance management and how to conduct performance reviews.					
e	As a manager/Supervisor I am confident and I know what to do during performance review.					

2. Linking Performance Review to Appraisal System

a	The performance review/appraisal review gives me an opportunity to identify my personal development opportunities.					
b	My training and development activities at Baylor are in accordance with the needs identified during my performance review.					
c	Training at Baylor is conducted to enable me do my job effectively and efficiently.					
d	I apply the knowledge and skills obtained after attending training/workshop/seminar.					
e	Staff is trained based on training need identified i.e. during performance appraisal etc.					
f	Recognition and rewards is used to encourage good performance at Baylor.					
g	I am clear as to what my pay and benefits comprised of.					
h	I feel my pay package is fair.					
i	I feel compensation package (salary) etc should be linked with performance of staff.					
j	Job rotation and job enlargement at Baylor are utilized effectively for personal development.					
k	I feel Baylor does not have incentives for staff that perform well.					

3. Decision Making

a	Employees have a collective voice i.e. through staff Consultative Committee in					
---	--	--	--	--	--	--

	decision making regarding changes in their work environment.					
b	I feel am able to make decisions that affect the operations of my department.					
c	I feel empowered to make decisions that affect the operations of my department.					
d	I feel I involve department members in making decisions that affect the operations of my department.					
e	I feel management involve staff to get their views when reviewing HR policies.					
f	I feel systems are in place at Baylor for staff to give feedback to management					

Chose only one option

4. In your Opinion Performance management and Appraisal System is?

- a. Evaluation of Employees
- b. Promotion of Employees
- c. Job Satisfaction of Employees
- d. Motivation

5. Do you receive any increment in your salary after Appraisal?

- a. Yes
- b. No

6. Do you think that performance management and appraisal system help to provide an atmosphere where all are encouraged to share one another burden.

- a. Yes
- b. No

7. Do you think performance management and appraisal system helps people set and achieve meaningful goals.

- a. Yes
- b. No

8. Do you think performance management and appraisal system give constructive criticism in a friendly and positive manner?

- a. Yes
- b. No

9. Do you think that performance of employees improve after process of performance management and appraisal system?

- a. Yes
- b. No

10. What do you think should be included/changed/removed in the performance review that would make the system efficient and effective?

11. What do you think should be included/changed/removed in the appraisal system that would make the system efficient and effective?

Thank you.

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