

# Chapter 9

## Culture and Performance

### Appraisal Processes and Practices: Critical Insights from the South African Public Sector

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#### Abstract

This chapter provides an insight into culture and performance appraisal practices and processes in the South African public sector. Performance appraisal is an element of performance management – a relatively new phenomenon in many African countries, which depends on western-oriented reform initiatives and is becoming increasingly more popular. Literary discussions about cultural influences on performance appraisals in South Africa and some African countries are limited. Performance appraisal is a complex process whose outcomes are used for decision-making in an organisation – to improve employee performance. This chapter concludes that many African practices, attitudes and customs affect the effective use of performance appraisals in improving employee performance in the public sector. The chapter contributes to findings regarding cultural influences on performance appraisal in the South African public sector and the African public sector in general.

**Keywords:** culture, performance appraisal, public sector

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## Introduction

Performance appraisals represent one of the most important human resource (HR) processes, which can either boost or reduce the effective functioning of an organisation at large. Despite the intense awareness of the difficulties associated with performance appraisal processes and practices, it is interesting that most companies and public-sector organisations have some kind of a formal appraisal system. Managers argue that, in the absence of a carefully structured system of appraisal, individuals judge the work performance of others (including that of employees) naturally, informally and arbitrarily, which leads to inconsistencies. According to Chen (2011: 32), without a reliable performance appraisal system, the HR system falls apart, resulting in a total waste of valuable human assets an organisation has.

Performance appraisal is one of the important components of the public-sector HR function. Organisations have used various terms to describe performance appraisal, including performance review, annual appraisal, performance evaluation, employee evaluation, and merit evaluation (Swanepoel, Botha and Mangonyane 2014). According to Erasmus et al. (2005: 268), performance appraisal refers to a formal and systematic process where job-relevant strengths and weaknesses of employees are identified, observed, measured, recorded and developed. It is thus regarded as “a formal structured system of measuring and evaluating an employee’s job-related behaviours and outcomes to discover how and why the employee is presently performing on the job and how the employee can perform more effectively for the benefit of the society” (Kline and Sulsky 2009: 389).

This definition indicates that performance appraisal is a key element of HR management, and it encourages organisational effectiveness and employee retention and growth. The definition also outlines the key participants of a performance appraisal process: the managers who are responsible for evaluating (rater and appraiser) and the employees who are evaluated (ratee or appraisee). It may be expected that the attitude of the judge and the one being judged differs towards the appraisal process, which explains why some individuals have negative sentiments towards performance appraisals. Individuals’ perceptions of performance appraisals in the public sector regarding utility, fairness, ethics, motivation, accuracy, validity and developmental aspects have been a controversial issue (Walsh 2003:29).

Research has shown that the use of individual-based merit performance appraisal practices has a positive impact on organisational outcomes (Crawley, Swailes and Walsh 2013: 188). The information obtained through individual-based merit performance appraisal practices supports recruiting and selecting new staff, and training and developing existing staff as well as encouraging employees to keep high quality of work by properly rewarding good performance (Chen 2011: 32). The two primary purposes of performance appraisals, therefore, are evaluation and development (Lee 2020:1).

Despite such sound benefits of performance appraisal, its implementation in the South African public sector has been fraught with challenges. A study conducted by the University of Stellenbosch Business School presented a bleak picture of the way employee performance is managed and rewarded (Swanepoel, Botha and Mangonyane 2014). This necessitates further investigation into factors affecting the system and how it can be improved given its centrality to improving service delivery in the public sector.

Furthermore, research and experience have received some criticism concerning public-sector performance appraisals. The administration of the appraisal system originated from and is controlled by a single central source, implying that individual departments cannot deviate from the rules set out in the public-service staff code. Researchers have also indicated that public-sector performance appraisals are influenced by culture (Karyeija 2012). Therefore, in order for performance appraisals to be successfully introduced, culture needs to be taken into consideration. This is because institutions or systems imposed from the centre or abroad (even democratic ones) do not take root by themselves – they need fertile soil, and cultural values and norms compatible with performance appraisals may be that soil (Baldersheim, Jamil and Aminuzzaman 2001: 52). However, in the South African context, research on culture and performance appraisals is generally limited and more studies are required to understand them.

In light of the above, this chapter provides insights into culture and performance appraisal processes and practices adopted by the South African public sector. The chapter explores how the dimensions of culture, as described by Hofstede (2001), can explain performance appraisal practices in the public sector.

This chapter is based on a qualitative research methodology, a case study, and document analysis. The strength of the qualitative approach is that it provides depth and detail: it looks deeper than analysing ranks and counts by recording attitudes, feelings and behaviours (Miles and Huberman 1994: 6). A case study design was adopted in order to provide an intensive investigation of the South African public service. It allows the collection of a lot of detail which would not normally be easily via other research designs (Baxter and Jack 2008). Additionally, document analysis was used to draw information from a broad variety of rich sources and in the process, saving on the resource and time constraints of primary data collection techniques (Doolan and Froelicher 2009: 13). Documents, such as institutional reports, surveys, public records and books, were reviewed and analysed to interpret, derive meaning from, and obtain knowledge about culture and performance appraisal processes and practices in the South African public sector.

The second section explains the background and context of performance appraisal processes and practices in the South African public sector, the third analyses the related contemporary performance appraisal issues, as well as the influence of culture on performance appraisal processes and practices. The final section provides a conclusion and recommendations.

## Background

The public sector is important in African countries as it determines the performance and development of the economy (Lekorwe 2010: 3). As a result, the performance of the public sector is one of the key topics in African public administration research today (Pollit and Bouckaert 2004:2). Twenty-first century Africa has been characterised by deliberate changes in political, economic, bureaucratic and other spheres of government to achieve their development goals more effectively and efficiently (Little 2014: 1).

It is in this context that in the last two decades, following the fall of apartheid, South Africa has needed to modernise the public service, which had become outdated due to international isolation (Cameron 2015: 135). It is still in a constant state of change and experimenting with numerous public-sector reforms. In the last two decades, public-sector reforms have become an important aspect for the government.

As a part of public-sector reforms, public management labelled “New Public Management” (NPM) has been emphasised. According to Msiska (2015), NPM recognises that public-sector HR management is vital to governance as it ensures that the sector can achieve success through its people. Therefore, systematic attention to public sector HR management is central to successful public administration in African countries. It is a critical element in the government’s efforts to deliver services ethically and successfully.

The South African public service framework of HR management is enshrined in the national Constitution and the Public Service Act. These provide the institutional arrangements and regulations for the administration and management of the public service, as well as the values and principles adopted to manage employees (Public Service Commission 2010: 2). The Public Service Commission is charged with the responsibility of HR management. It is responsible for ensuring that the merit principle is observed in public appointments and promotions, and that the public service is protected from patronage and unsuitable or unlawful political interferences and appointments (Msiska 2015).

One area that has been of prominent concern for the NPM is improving practices and techniques of the HR management system of the civil service. According to Tamirisa and Duenwald (2018: 29), these changes were introduced to reduce overstaffing, improve employee performance, reduce the wage bill, as well as introduce productive HR practices, such as HR development strategies and better HR planning strategies, to strengthen the professionalism of the overall public-sector practices. According to Olufemi (2014: 88), an “organisation’s success depends on how people are viewed and treated and how they, in turn, view the organisation and behave towards it”. Manu (2004) argues that under current ongoing reforms in the public sector, where government agencies are required to be results-focused (as opposed to process-driven) and customer-service-oriented, effective HR management within the public sector becomes a very important governance tool. One of the most prominent practices and techniques of an HR management system introduced is the performance appraisal system.

## Contemporary Performance Appraisal Issues in the South African Public Sector

For many years, the purpose of performance appraisal – a dimension of the broader performance management process – involved assessing training needs, improving current performance, assessing future potential, making career-planning decisions, setting performance objectives and assessing salary increases. The focus shifted and, currently, performance appraisal in the public sector is aimed at building a good relationship between the organisation and its employees. In South Africa, a recurring theme of current government initiatives is the need to demonstrate that performance is managed, measured and improved. The public-service culture places the client at the centre of service delivery. Increasingly, the public sector needs to demonstrate that public money and other resources are spent according to legal mandates and that high-quality services are rendered to clients and communities. The government needs to strengthen its focus on performance improvement and monitoring and evaluation from both a strategic and operational perspective. Performance management builds on a foundation of insight and knowledge about how the government works and what common barriers to improvement it confronts.

South Africa is still in a constant state of change. The legacy of apartheid remains a problem in some parts of the government, and the country is struggling to shake it off. Managing performance and appraisal within the public sector must therefore be seen within the broader context of building the credibility and legitimacy of the new South African state. Thus, the need to find more effective ways of coping and serving the public has been acknowledged throughout the public sector and government, and is captured in policy documents such as the Batho Pele White Paper prepared by the Department of Public Service and Administration (DPSA) (Republic of South Africa 1997b). The White Paper contains a vision for managing performance within the broader public sector. The constitution, as well as good governance principles, also lay the foundation for the basis of performance appraisal. When addressing the issue of performance appraisal in the public sector, it is important to understand what the government must do and what is expected of public servants. This can be answered by analysing the Constitution of the Republic of South Africa, Act 108 of 1996 (Republic of South Africa 1996) which stipulates that public administration should adhere to several principles:

- A high standard of professional ethics must be promoted and maintained;
- Services must be provided impartially, fairly, equitably and without bias;
- Resources must be used efficiently, economically and effectively;
- Peoples' needs must be responded to;
- The public must be encouraged to participate in policymaking; and
- The government must be accountable, transparent and development-oriented.

Using the above principles, the foundation of what is expected from the public sector is laid. Department managers use these principles as indicators to measure public performance.

Performance appraisal for the public sector is framed based on good governance (Gonzi 2019). The framework indicates that communities believe that the government should:

- Provide value for money for taxes paid;
- Curb expenditure, maladministration and extravagance;
- Be sensitive to their needs, and be civil and polite;
- Provide uninterrupted essential services;
- Expose corruption, theft and fraud; and
- Provide maximum output, or the most goods and services, at the minimum cost or least input.

Based on the above principles, the community expects that the government would encourage a way of life that promotes public interest. The public-sector performance appraisal is based on the constitution and principles of good governance.

The South African public sector adds a Performance Management and Development System (PMDS) to performance appraisal. The Republic of South Africa Public Service Commission (2018a: 1) describes the PMDS as a framework which contains the broad bounds within which departments are expected to act. The Commission further notes that the PMDS is based on assessing performance, during and at the end of a year, against a performance agreement entered into at the beginning of a performance cycle (which starts on 1<sup>st</sup> April every year). Key result areas, outputs, and standards against which employees are assessed, are agreed upon by the employee and supervisor. A list of generic management competencies – known as the Core Management Criteria – is included to assess the level of competence of employees in managerial positions.

The major purposes of performance appraisals are: first, to ensure that public servants perform their assigned roles efficiently and effectively; second, to assess the overall performance and effectiveness of development and delivery strategies adopted by different departments; and third, to ensure that scarce resources are used efficiently (O’Driscoll 1993; Umihanic and Cebic 2012).

The public sector primarily designs and implements policies and programs that aim to fulfil the government’s broad social and economic development objectives. An adequate performance management system, through performance appraisal, can provide an early warning system for departments in difficulty. This enables leaders to deal with issues before they escalate. Most public-sector institutions require that a formal performance appraisal system play a leading role in the areas of development, implementation, and maintenance (Van Dijk and Schodl 2015: 716). The existence of a good performance appraisal system, including particular appraisal process in any department, can be of great value to service delivery, as well as individual growth.

Though there are guiding frameworks and specified purposes in the performance system of South African departments, the Republic of South Africa Public Service Commission (2018b: vi) identifies two key challenges within the system. The first one is the lack of regular time-specific appraisals – managers initiate appraisals of employees whenever they feel like it. The second one is that the standard policies that target the performance appraisal process are not well established among the majority of local government departments. The two challenges result in poorly administered appraisal processes which may lead to low morale and low productivity among employees. This may also result in legal ramifications caused by inconsistent performance appraisal procedures. Van der Waldt (2006) and Chen (2011: 14) highlight that the major challenges of performance appraisals in the public sector:

- The lack of a culture of productivity and quality;
- Insufficient line management support;
- Employee mistrust of the real goals of a performance review;
- Performance management systems becoming mechanistic and control-oriented;
- Dwindling enthusiasm due to long implementation periods; and
- Difficulties in linking different systems, such as the reward system and the performance management system.

The challenges in performance appraisal typically stem from technical issues in the system itself, which may include the choice of format and administrative procedure. Some of the challenges may be attributed to human issues relating to interactions between supervisor and subordinate, which is highly influenced by culture. Other general challenges include the shortage of follow-up performance appraisals. Most departments overemphasise the appraisal aspect at the expense of development. There is inadequate performance information, and inadequately maintained objectivity still exists in the majority of the departments.

## **Public-sector Performance Appraisal and Processes**

Lussier and Hendon (2012: 265) state that performance appraisal is a continuous process by which employee performance is evaluated. Thus, performance appraisals in the South African public sector provide a means to measure employees' effectiveness and are useful in identifying potential areas where employees need development in order to meet job requirements through enhancing performance (Chen 2011: 31).

Two primary purposes of public-sector performance appraisals can, therefore, be deduced. The first one is evaluation, which is done by measuring and rating employees based on their performance. As a result, individuals can be rewarded for commendable performance or, when necessary, punished. The second one is

development, which helps managers to identify necessary skills training or professional development needs of employees. According to Chen (2011: 32):

The information obtained through performance appraisal is providing foundations for recruiting and selecting, training and development of existing staff, and also for motivating employees by properly rewarding the performance in order to maintain good quality of work. Without a reliable performance appraisal system, the HR system falls apart, and resulting in the total waste of the valuable human assets an organisation has.

Van der Westhuizen and Wessels (2013) posit that performance appraisal in the South African public sector links up with other key HR activities, such as HR planning, probation and promotion, merit pay increases, employee training and development, and dismissals. In this regard, performance appraisals play a critical role in organisational performance.

The South African public-sector appraisal framework is embodied in several pieces of legislation. First, Section 195 of the Constitution of the Republic of South Africa, Act No. 108 of 1996 (Republic of South Africa 1996) supports good HR management and career development practices in order to maximise human potential. The constitution also makes provision for the management of performance (Hendricks and Matsiliza 2015: 125). In general, the constitution can be viewed as a guiding legal document that indicates a clear path to performance appraisal and how public-sector employees are should be appraised (Chen 2011: 62).

Second, Section 3(5)(c) of the Public Service Act, Act No. 103 of 1994 (Republic of South Africa 1994), states that performance appraisal should be provided in the public sector.

Third, the Public Service Regulations, 2001 (Republic of South Africa 2001) provides for the establishment of three performance appraisal systems in the public service to cater for, namely heads of departments, senior managers and other staff.

Fourth, the White Paper on Human Resource Management in the Public Service (Republic of South Africa 1997a) provides various principles around performance appraisals. In terms of these principles, the performance of employees should be assessed based on a work plan covering a specific period, explaining an employee's responsibilities and objectives to be achieved. Training and development options are also made available to employees. The performance appraisal is also oriented towards rewarding outstanding performance and managing poor performance. Every employee is given a copy of the assessment to promote openness and fairness.

Fifth, Chapter 13 of the White Paper on Transforming Public Service Delivery (Batho Pele White Paper) (Republic of South Africa 1997b) stipulates that HR development must put an effective appraisal system in place that emphasises staff training, the use of incentives to reward individual and team performance, and employees' promotion and career advancement based on performance. According to Mlambo (2010: 63), government departments are also encouraged to manage performance in a consultative, supportive and non-discriminatory manner.

Sixth, the Public Service Coordinating Bargaining Council Resolution No. 13 of 1998 (Republic of South Africa 1998) prescribes the items that should be included in a performance appraisal discussion:

- Key duties and responsibilities;
- Output targets for the performance agreement period;
- Dates for the performance review;
- A dispute resolution mechanism; and
- A date on which salary increments will come into effect and mechanisms for the managing/awarding of salary increases.

Finally, the Public Service Coordinating Bargaining Council Resolution No. 9 of 2000 provides the structuring of remuneration packages to be translated into a more transparent total cost-to-employer and inclusive flexible remuneration package system (Republic of South Africa 2000).

The DPSA, therefore, provides practical guidelines for the efficient and effective development and implementation of performance appraisal in order to manage employees' performance in the public sector. Public-sector managers have a responsibility to ensure that they always outline what is expected of employees, as specified in the job description. Further, managers have to appraise performance and discuss it in an appraisal interview at the end of the review period. Subsequently, employees are rewarded for good performance characterised by effective and meaningful contribution towards public-service delivery.

The success of performance appraisal is underpinned by consistent application and the constant interaction of employees with their supervisors in employment relationships. If inconsistently applied, both by managers and employees, the performance appraisal system is bound to fail.

## **Culture and Performance Appraisal**

Despite several efforts to reform public service organisations in developing countries, tangible improvements are few and far between (Duke II and Edet 2012). In this regard, the influence and usefulness of cultural variables in the performance appraisal system such as informal norms and values cannot be underestimated. Organisational culture is one of the factors that affect the success and failure of performance appraisal (Cameron and Quinn 2006; Fekete and Bocskei 2011). An organisation's culture is thought to be a key factor affecting organisational efficiency and effectiveness (Sawner 2000). Organisational culture in this sense is defined as

a pattern of basic assumptions invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration that has

worked well enough to be considered valid. This has to be taught to new members as the correct way to perceive, think, and feel in relation to those problems (Schein 1992:12).

This description highlights that organisational culture consists of created assumptions, which are the accepted way of doing things and are passed on to new members of an organisation.

Performance appraisal in the South African public sector is affected by several dimensions. Most of these are similar to the cultural dimensions identified by Hofstede (2001), i.e. power distance, individualism/collectivism, uncertainty avoidance, masculinity/femininity and long-term versus short-term orientation. Below is an explanation of how these cultural dimensions relate to performance appraisal.

### **Power Distance and Performance Appraisal**

The first cultural dimension identified by Hofstede (2001) that relates to the South African public-sector performance appraisal is the power distance. Power distance refers to the degree to which less powerful members of a culture will accept unequal distribution of power. In high power-distance cultures, which slightly resemble South Africa, hierarchy is rigidly adhered to. The public sector is characterised by hierarchical styles of management, and hierarchy is a major component of large power distance. Individuals in higher positions expect employees to express deep loyalty, and this has implications for the performance appraisal system (Deb 2008). In high power-distance cultures, “the ultimate grading in the performance appraisal system measures not what the individual staff member has done for the organisation but what the member has done for the manager; therefore, the appraisal becomes redundant and useless” (Karyeija 2012: 164).

Although South Africa is a moderate power-distance culture, the performance appraisal in the public sector represents characteristics of high power-distance cultures. Evidence indicates that in some departments supervisors impose goals upon their staff rather than allowing the employees to formulate their own (Gruman and Saks 2011: 127–128). This process deprives employees of owning their goals and is an unfair practice. If a performance appraisal system is to be implemented as prescribed in the guidelines, then it ought to be fair, transparent, objective and participatory.

The problem with high power-distance means that the South African public sector is less likely to use effective appraisal methods such as the 360-degree performance appraisal process, which has a positive effect on innovation and productivity but rates lower power-distance societies (Peretz, Fried and Levi 2016). In a culture with high power distance, adherence to these principles would disturb and undermine the existing power structure, interpersonal relations and the hierarchy and, therefore, render the whole process ineffective. Power distance partly arises from certain people being awarded a culturally superior status, for example, elders, men, bosses and anyone in authority.

In the South African public sector, inequality results in a questionable performance appraisal system as it relies on supervisors and employees negotiating

the subordinate's annual objectives (Karyeija 2012: 164). The difficulty extends to gender and generational differences, e.g. tension arises when a supervisor is female and she must negotiate objectives with male employees, especially when they are older than she is (Gruman and Saks 2011: 127–128). In such cases, it is common to find that the rater's decisions are not based on facts, but opinion. Young senior bosses tend to negotiate objectives with their older employees. Due to the cultural constraint that elders must be respected, the possibility of having the appraisal favour elders and other culturally superior persons is high and, eventually, this undermines the appraisal system in the public sector (Karyeija 2012: 164)

### **Individualism/Collectivism and Performance Appraisal**

The second dimension is individualism and collectivism. Hofstede (2001) states that in an individualistic society, ties between individuals are loose and people are expected to look after themselves. In a collectivist society, people integrate into strong, cohesive groups and tend to do what is best for the group.

The South African public sector is characterised by a collectivism culture. In collectivist societies, organisations that adopt performance systems with a greater focus on individual outcomes have higher levels of absenteeism and turnover, and lower levels of innovation compared to organisations whose performance systems do not emphasise individual outcomes (Hofstede Insights 2020). The public sector's characteristics represent a collectivist culture, since it is more likely to use 360-degree performance appraisal processes; however, the evaluations may be too positive due to group cohesiveness (Merkin 2018). Hofstede (2001) noted that collectivistic societies emphasise interdependence among group members. In the public sector, the values of *Ubuntu* focus on group goals which are valued over individual goals, whereas in individualistic societies, the focus is on personal goals and autonomy – the group only exists to fulfil the needs of the individual (Sorensen, Reber and Chen 2009).

Individuals in a highly developed collectivist culture emphasise maintaining relationships, belonging and fitting in, engaging in proper action, and being indirect in communication (Peretz, Fried and Levi 2016). During a performance appraisal, collectivist individuals tend to think of themselves and others as intertwined rather than as separate entities; hence, they focus on maintaining harmony rather than giving honest feedback. Managers in a highly developed collectivist culture are more interested in 'saving face' and maintaining group harmony – which is the case with most public-sector head of departments in general (Sorensen et al. 2009). They may be reluctant to provide accurate and unfavourable feedback to their team members, as they may believe that it could damage working relationships and affect the team's social climate (Drexler, Beehr and Stetz 2001).

Therefore, in the public sector, performance managers provide positive evaluations to their teams. When applying 360-degree appraisal, public sector members avoid the social consequences of negative feedback by providing positive feedback. Thus, there is a positive effect on overall performance ratings in the public sector. Individualistic cultures, on the other hand, focus more on giving honest feedback

than on employees' performance. The idea is to help team members improve by providing accurate feedback (Ng 2013). This may result in an increased overall performance of the workgroup and profitability of the organisation as a whole. If the public sector provides accurate ratings and feedback to employees, this may improve subordinates' performance, which in turn may result in increased efficiency in the public sector.

### **Uncertainty Avoidance and Performance Appraisal**

The third cultural dimension is uncertainty avoidance. This refers to the degree to which members of a culture fear the unknown or feel stressed by change and ambiguity. Organisations high in uncertainty avoidance are more likely to develop strict rules and norms – the modern work environment is characterised by general uncertainty. In cultures where there is high uncertainty avoidance, there is a strong need for precision. Unfortunately, in the South African public sector, it is very difficult to quantify the work that individuals do; thus, uncertainty avoidance is difficult to achieve. For example, in the Department of Justice and Correctional Services (South Africa), it is difficult to do a joint appraisal based on agreed indicators as the standing orders give supervisors control over a subordinate's schedule – employees must do all other tasks assigned by superiors. This leads to the possibility that employees are required to do work outside their job description, it then becomes practically impossible to appraise the person on such tasks. The appraisal system as a whole can, therefore, be considered inconsistent due to the administrative culture. It is also difficult to apply the appraisal process in an organisation where work is performed ad hoc. Unless this mismatch is managed, the performance appraisal cannot take root.

Uncertainty avoidance cultures eliminate ambiguity which, in the performance appraisal, thwarts innovation – the main purpose of the appraisal exercise. As much as guidelines and workshops measure qualitative work quantitatively, high uncertainty contexts like the public sector require high levels of specificity. Along with the problem of ambiguity, there is the problem of innovation. In high uncertainty avoidance cultures innovation is not encouraged as much; innovators within the public sector feel constrained by the rules. Radical ideas are discouraged in favour of maintaining the status quo, rendering the appraisal system less effective. This is apparent when the performance appraisal process requires a supervisor to assess a subordinate's core job competencies, and there is no provision for evaluating the level of creativity and innovativeness of the subordinate. If the performance appraisal is designed to improve efficiency and effectiveness in the public sector, it should accommodate the assessment of employee innovation, yet it focuses only on technical and behavioural competencies. In addition, high uncertainty avoidance implies an unwillingness to take risks and accept the changes the performance appraisal system would bring about if fully implemented. It seems that managers set minimal targets or easy milestones, which slows down progress and reduces the possibility for the performance appraisal to function well.

### **Masculinity and Femininity and Performance Appraisal**

The fourth cultural dimension is masculinity and femininity. In masculine societies, such as South Africa, the for men norm is to be assertive and focused on the material. Women are expected to be tender, modest and concerned with the quality of life. In feminine societies, gender roles overlap. In masculine cultures, the expectation is that work should not only offer security and compensation but should also be interesting to the employee. Managers are expected to be decisive, firm, assertive, competitive and just. Successful managers are seen as folk heroes with solely male characteristics. Men are expected to be more competitive than women in attaining career goals, thus the appraisal system is more likely to favour men. The compensation gap is wider between the genders and fewer women hold management positions. This highlights unjust issues related to the appraisal system. Managers prefer larger companies and higher pay instead of leisure time, and they have ambitious career aspirations. Little attention is given to the development of employees. In feminine cultures, work is seen not as the focus of life but as a way to support the more important things in life. The focus of work-life is on relationships and working conditions. Managers are expected to be intuitive and sensitive to the needs and counsel of others. Successful managers are seen as employees who are just doing their jobs and who possess both male and female characteristics. Neither men nor women are expected to be competitive in attaining career goals. The performance appraisal in the feminine culture seems to be fairer when compared to the masculine one. The compensation gap between the genders narrows and more women are in management.

### **Long-term versus Short-term Orientation and Performance Appraisal**

The fifth dimension is long-term versus short-term orientation – which is concerned with whether people focus on the future or the present. Cultures with a short-term orientation value having respect for tradition, “saving face” and fulfilling social responsibilities. This is typical of South Africa’s public sector environment. In the work environment, cultures that are low in long-term orientation tend to focus on short-term results such as the immediate impact on the bottom line, which is characteristic of the private sector. They tend to keep family and business spheres separate and condone mothers of young children working. Additionally, the level a person attains both socially and economically reflects ability.

Cultures high in long-term orientation focus on building business relationships, and increasing market share and future rewards. There is vertical and horizontal coordination of work and family life, with many relationships sharing both realms. Culture plays a critical role in the performance appraisal in South African public sector; some of the cultural influence positively or negatively influence the appraisal system.

## **Solutions and Recommendations**

### **Improving Performance Appraisals in the Public Sector**

Assessing from the perspective of performance, currently the main difference between the public and private sectors in South Africa is that, in the public sector, time is of no consequence and money is unlimited; thus, the public sector is less efficient and less effective. The performance management system must include indicators and targets which should promote a culture or ethos of performance among its political role-players and stakeholders, including political office bearers and councillors. A comprehensive performance management system should also ensure that the public sector is administered and managed in an economical, effective, efficient and accountable manner.

One of the challenges is the rigidity of the centralised system which has resulted in a significant deterioration in morale and capacity within all elements of the public sector. Future performance appraisals should adopt a legal framework that is implementable at departmental levels, but flexible enough for departments to adjust. Thus, if the appraisal system is governed by a legal framework, then that framework should match employees' work environment and individuals' work status, and could guide employees' work assessment to meet assigned targets. Rather than using the generic system of the country or national level, the performance appraisal process should start with specific performance objectives that should be reliable and achievable in terms of departmental goals and strategies. These objectives should be designed under a comprehensive legal framework and must be goal-oriented, based on the best practiced policies and regulations for all the departments.

In the future, performance appraisal should also specify which objectives should be addressed by the different departments. This means that the assigned objectives should be subdivided into different levels and individual employees responsible for those objectives should be informed and take responsibility for these objectives. The objectives should be attainable, fair and challenging. It is important to periodically conduct process-related performance appraisals indicating how individuals fit into the picture and what contributions – according to departments' and organisations' objectives – are expected from employees. Most of the criticism around public-sector performance appraisal can be attributed to the reward system. Future performance appraisal processes should concentrate on this evaluation step, which is based on an employee's work achievement at the required time and the rewards associated with that achievement. That would increase morale for high performers as well as encourage low performers to work hard.

### **The Future of Performance Appraisal and Processes**

The available literature indicates that several traditional performance appraisal processes have failed to meet employees' most basic needs such as receiving feedback, coaching and recognition (Society for Human Resource Management 2017: 9). In some cases, the performance appraisal process is dreaded and feared by many as

a painful paper-based annual task that is put away and revisited the following year (Adler 2016). The outdated method of conducting performance appraisals has to be put to rest. Leaders who are committed to improving business results should review their performance management process (Dominique 2016).

Future performance appraisals need to answer two important questions: Does the system support the manager-employee relationship? Does it give employees context about their work and its impact? If the public sector is to succeed, a culture of ongoing performance management that involves transforming performance management from an annual administrative task to an ongoing, collaborative strategic priority and delivering meaningful business results needs to be created.

Effective performance management is not just about appraisals, but should include ongoing coaching and feedback that drives high performance year-round. A recent study established that among organisations that properly invest in ongoing performance management reap the benefits – 70% saw revenue increase after investing in ongoing performance management, 72% reported improved retention and 54% reported a boost in customer satisfaction scores (Dominique 2016). The public sector needs to shift its approach to performance appraisal by creating a culture where regular performance feedback discussions are the norm. This would cater for the traditional performance appraisal process which is often unrelated to business outcomes and does little to build a strong manager-employee relationship. A strong relationship between the two is the key driver of employee engagement and high performance.

Instead of waiting for the annual review, it is vital to have regular, future-oriented conversations on performance with employees. Ongoing conversations and feedback assist employees in redirecting their focus from what is not working to what will work. It engages employees and empowers them to take action while at the same time empowering managers to be more effective coaches (Gallup 2008). This will help both employees and managers to grow, and constant growth guarantees performance.

There is a need to embed an ongoing performance management process alongside daily workflow. To achieve this, organisations need to drive a shift in culture; this sets new expectations around what performance management means. As indicated above, regular one-on-one meetings between managers and employees are an important step; however, it is crucial to give context to what those one-on-one conversations should look like. Leaders need work with their employees to set the agenda for discussion, which should include: tracking and collaborating on goals and projects, exchanging meaningful feedback, providing coaching, and discussing career development opportunities or important issues.

Dominique (2016) provides managers with five best practices of managing performance appraisal in future:

- *Keep a performance journal.* Managers and employees should note (when the details are fresh in their minds and as they occur) milestones, accomplishments, successes and challenges.

- *Monitor progress of goals.* Due to the modern rapid business environment, managers and employees should regularly review goals to ensure they are still relevant and to ensure there is progress towards achieving them.
- *Provide ongoing coaching and development activities.* Instead of addressing employee development annually, a better way to ensure continuous growth and improvement is to provide ongoing feedback and coaching and to assign development activities as needs arise.
- *Communicate the value of ongoing performance management to keep it at the front of one's mind.* It is vital to continually remind employees to make notes on their performance and to update the status of their goals and development activities, and to remind managers to give feedback regularly, to monitor progress towards goals and to support development.
- *Support managers with the right tools.* Regular leadership training should be provided; this will give managers the capacity and tools to provide ongoing coaching and feedback, which is critical. The future is technology; therefore, a centralised performance management system can assist managers by automating key steps such as tracking feedback, goal progress and development activities at regular intervals.

## Conclusion

This chapter provided critical insights into the culture and performance appraisal practices and processes in the South African public sector. Performance appraisal is an important component of the public-sector HR function. It is a formal and systematic process used to identify job-relevant strengths and weaknesses of employees with a view to developing employees. Performance appraisal in the South African public sector is affected by several dimensions, namely power distance, individualism/collectivism, uncertainty avoidance, masculinity/femininity and long-term versus short-term orientation. In order to mitigate these challenges, the performance management system must include indicators and targets, which should promote a culture or ethos of performance among its political role-players and stakeholders, including political office bearers and councillors. A comprehensive performance management system should also ensure that the public sector is administered and managed in an economical, effective, efficient and accountable manner.

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## Key Terms and Definitions

HR [1] – Human resources, the people who make up the workforce of an organisation, industry, business sector, or economy.

HR [2] – Human resources (HR), the department within a business responsible for all things worker-related. That includes recruiting and selection, on boarding, training, promoting, performance appraisal and development of employees and independent contractors

Performance Appraisal – a formal and systematic process used to identify job-relevant strengths and weaknesses of employees with a view to develop the employees

Public Sector – also called the state sector, is the part of the economy composed of both public services and public enterprises controlled by the state

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# Summary

This book collected nine chapters divided into two parts mainly to describe macro perspectives on managing diversity and HR implications of managing diversity. The book opens with a discussion of “identity” that creates the micro unit of the concept “diversity”. The first chapter shows some important dimensions of realizing identity delineating the role of environment of shaping and creating identity of the self and others. Identity should be explained as a process rather than a static “being”, while explaining how one can modify and shape their own identity. The way people recognise the identity of self and others, especially with the perceptions of outer social groups, leads to how diversity is defined.

The second chapter explains how identity is related to nation-level groups, by comparing behaviours of people in Finland, France, Hungary, Poland, Portugal, and Germany that have developed some European identity. This chapter is an attempt at discussing the collective European identity in the participating countries and in particular subgroups, national collective identities in the participating countries, while describing the respective collective identities and the differences between various collective identities. It then evaluates their potential effects, and the differences in perceptions of people with different cultural backgrounds. This study mainly identifies how the rural and urban factors have created the similarities and differences over behaviours in different national contexts, and has importantly shown the implications of intercultural training programmes for managing the consequences of identity differences.

The third chapter provides a theoretical basis for explaining all diversity-related matters. Definitions, concepts, models, issues of and solutions for managing diversity are presented through a targeted literature review. It is shown that available models focus on cultural diversity rather than meso and macro factors (other than micro factors), which led the researches to divert to focus on diversity management. The evolution of the concept of diversity management is a valuable exploration. The implications of diversity management in the contemporary world where the traditional landscape of viewing diversity and diversity management are changing, should lead studies into diversity and diversity management towards new directions. In this case the author differentiates between managing diversity and managing *in* diversity in a more pragmatic way, highlighting how the diversity management praxis deals with these concepts.

The discussion of how technology can replace many jobs and professions has offered a new set of challenges for HR. What if machines made decisions instead of people? Will this be another wave of tension in managing diversity? Though the authors focus mostly on application and HR-related issues, the question of diversity

including machines will open a new chapter in the story of dealing with diversity and diversity management at work. For example, in HRM, managing organisational culture matters a lot, which is bound to change when people are replaced by machines, highlighting “robot ergonomics”.

The fifth chapter deals with the Arabic concept of *Wasta* to explain cultural differences in understanding social capital. The association of this concept with the social capital domain, especially in the Arab cultures, shows that diversity should be more sensitive to non-western definitions of diversity and diversity practices. This chapter offers a more geocentric approach to dealing with diversity rather than ethnocentric, which is based on the Western and European literature.

The sixth chapter elaborates on diversity by discussing how problems faced by Ukrainian workers employed in Poland can be overcome by human resource management practices. With the identification of favourable and unfavourable factors, the authors highlight the importance of developing cultural competencies and facilitations in enabling effective diversity management practices through organisational HR in Polish organisations.

Management in multicultural environments is an integral part of diversity management. The seventh chapter provides some thoughts on how leadership, cultural training, and sensitivity practices can play a role in diversity management.

The eighth chapter discusses diversity and inclusion (D&I) practices with a special reference to Hofstede’s cultural dimensions. Integration of such literature in this chapter increases the availability of popular literature in the field of cultural diversity. The classifications of national cultures (countries) based on their cultural attributes make this book a good reference to all those who study diversity and diversity management.

A detailed exemplary account of an HR practice (performance appraisal process) in a different geographical location (South Africa’s public sector) adds a flavour of diversity to this book. This South African view of performance appraisal and how cultural dimensions have been undermined in their performance appraisal processes provides a comparative case for the European experience. The application of Hofstede’s cultural variables in identifying cultural diversity issues in the performance appraisal reflects a profile of not only African practices, but also the experience of transitioning societies with HRM and cultural diversity management.

As the final summary of this book, the integration of experiences of authors from Western and Eastern European contexts, as well as African, Arab and Sri Lanka’s contexts reflects how we value diversity. In this book, micro to macro, theory to practice, and vague to specific approaches of explaining diversity and diversity-related issues raise a series of questions for future researchers to deal with: do diversity and related literature sufficiently capture the practice of diverse geographical areas? Are there enough knowledge and theoretical directions to explain diversity, issues in diversity, and the solutions for managing them? Are the technological implications in work practices sufficiently considered in diversity management practices and theory related to diversity management? And finally, is it satisfactory to say

that innovative research and investigations are done to explore the phenomena in question in diversity and diversity management?

The editors recommend to investigate those areas while directing the scholars' attentions to studying more diversity-related practices and aspects in the practice not only in big private sector companies, but also in other small – and meso-level organisations while emphasizing the need of more studies at the national and regional levels in different geographical locations.

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