PERFORMANCE MANAGEMENT DEVELOPMENT SYSTEM
CHALLENGES IN THE PUBLIC HOSPITALS IN THE
MPUMALANGA PROVINCE

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ABSTRACT
Performance Management Development System is presumably a standout amongst the most challenged situation in the public services. It is vital for organisation to develop a timeously grievance resolution matrix to enhance labour peace in the public services. This article highlights Performance Management Development System (PMDS) challenges in public hospitals in the Mpumalanga Province. The qualitative research design was employed in this article. The purposive sampling was utilised and thirty-two respondents including hospital executives, employees and trade union shop stewards took an interest part in the study. It emerged from the research findings that Performance Management Development System challenges are caused by poorly formulated performance agreements; High level of grievances; Lack of understanding of the Performance Management Development System policies by employees; Lack of understanding of the Performance Management Development System policies by trade unions; Lack of management support by the Government; Limited power of the Hospital' managers and the Sense of entitlement causing frequent strike actions. Although these challenges remain unresolved, recommendations advocate for a sustainable and permanent solution to the Performance Management Development System in the public hospitals in the Mpumalanga Province. Policymakers such as the Department of Public Service and Administration through Public Sector Co-ordinating Bargaining Council should evaluate the effectiveness of a performance management system before its implementation. Additionally, the Strike Management Committees should establish a relevant Strike Management Contingency Plan for result optimistion in the Department of Health as essential services.

Keywords: Performance Management Development System, Challenges, Mpumalanga Province, Public hospitals.

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1. INTRODUCTION AND BACKGROUND

1.1 Introduction
Every year after the Performance Management Development System (PMDS) annual final assessment period, public hospitals experience protests from general staffs and trade unions because of the non-payment of the incentive bonuses. The Department of Public Service and Administration introduced the Performance Management Development System as the instrument to tracking and evaluating the performances of all government employees. In spite of South Africa’s Bill of Rights, human rights are often violated by employees. Strikes by the healthcare workers are a worldwide phenomenon. The patients’ rights often violated as the protesters put tools down, closing the hospital gates leaving the patients with no option but to seek health services elsewhere. According to Brevis and Vrba (2014:428), the performance management systems that organisation implement influence the behavior of members in groups and teams. Performance evaluation and reward systems focus on either individual performance and rewards or collective performance and awards. The chosen system reinforces specific behavior and could encourage or discourage group performance. A crucial prerequisite for the effective functioning of work teams is that organisations should evaluate and reward team members collectively.

According to Brevis et al. (2014:411), individuals are the cornerstone and the machinery behind the success and the performance of an organisation. The competitiveness and sustainability of organisations can be linked to their talent, creativity and performance. Performance management in institutions should be frequently assessed as unique changes in the environment that need organisations to adjust with the goal to remain sustainable. The impact of workers’ conduct is a vast supporter of the achievement of an institution; hence arrangement of the key objectives and destinations of the organisation
to its shareholders and employees. Inability to react instantly and act timeously to the shifting necessities of performance management may result to the failure of the institution. The human capital is the most valuable asset in any institution that is in charge of accomplishing its targets, objectives and goals by means of their performance management. The capacity to quantify the execution of this crucial asset is noteworthy for the enhancement of the institution performance. According to Brevis et al. (2014:469), motivation bears a direct influence on employee performance and, managers can play a major part in the motivation of their employees. A common misconception is that managers can motivate their employees to perform better. Nobody can motivate another person, motivation comes from within as an inner desire to satisfy an unsatisfied need.

According to Du Plessis (2015:170), performance management can be explained as a continuous process and as an exchange relationship to align organisational, individual and team expectation all expressed as objectives. It ensures that corporate core values are reached. It could therefore be said that the aim of performance management is to establish a culture of high performance at the individual, group and organisational level within a framework that is set by the organisation’s objectives. A comprehension of the justification behind the performance management development system together with the good implementation would help to enhance both institutional and individual performance. Since dawn of democracy, South African Government embraced performance management as a key instrument to improve service delivery. The literature review on this subject shows number of gaps which contribute to the lodging of grievances and eventually persistent labour unrest particularly in the public hospitals in Mpumalanga Province. Performance Management Development System challenges is a countryside phenomena which persists in many departments and provinces in South Africa. It worth noting that Performance Management Development System is extensively used worldwide. The better understanding of Performance Management Development System and its proper implementation are keys in addressing both organisational and individual performance. Therefore, it is imperative for this article to highlight historical version of performance management development system background in the South Africa public sector.

1.2 Background

Similarly to the South African context, the Department of Public Service and Administration was introduced to the Performance Management Development System in favour of effective service delivery. The main objective of the performance management is intended at planning, managing and enhancing performance of the workers. The institution by governments of measures to appraise and manage performance is an indicator of their aim to improve the delivery of goods and services to satisfy the needs of their customers (citizens). These measures are commonly instituted to counteract the systemic challenges inherent in the government performance that inhibit delivery of goods and services in terms of the prescribed performance standards (Van der Westhuizen, 2016:141). According to the Mpumalanga Provincial Government (2018:2), the aims of a performance management development system are as follows: (1) Promote interaction in respect of performance between a jobholder and the concerned supervisor; (2) Ensure that the jobholder and the supervisor know and understand what is expected from them as per the approved operational plan; (3) Identify and respond to developmental needs for individuals and where applicable, teams; (4) Assess and improve individual, team and departmental performance and; (5) Use performance as the basis of recognising and rewarding accomplishments and as a basis for effective response to address poor performance

1.2.1 Regulatory provisions governing performance management in the public service

According to Van Der Westhuizen (2016:146), all the functions and activities that are carried out in public institutions are regulated. Even though the regulations are not prescriptive, they impact knowledge about existing regulatory gaps, the roles and responsibilities of persons in authority and the goals to be achieved. Regulations enforce a chain of accountability through which public officials are held answerable.

1.2.2 Constitution of the Republic of South Africa, 1996

Van der Westhuizen (2016:147) stated that the Constitution is the supreme law of the Republic of South Africa. The Constitution gives effect to all other types of laws and those that are inconsistent with it are considered invalid (Van Heerden, 2009:51). Its status is unique (Van Heerden, 2007:33). The Constitution’s relevance to instituting Pas is embedded in Section 195(1) which provides for promotion of the efficient, economic and effective use of resources. A development-oriented and accountable public administration, a cultivation of good Human Resource Management (HRM) and the career-development practices allow to maximise the potential of employees.

1.2.3 The public service act 103 of 1994

The Public Service Act was passed to uphold the requirements of the Constitution. It regulates the organisation and administration of the public service particularly the conditions of employment in which issues that relates to performance management are highlighted (Van der Westhuizen, 2016:147).

1.2.4 White paper on human resource management in the public service of 1997

The White Paper is consistent with the requirements of the Public Service Act (PSA) in that the policies that are set out in it are applicable to public institutions identified in the Public Service Act (Van der Westhuizen, 2016:147).
2. LITERATURE REVIEW

2.1 Understanding of the performance management development system

According to Brevis et al. (2014:485), the management theories often downplay the role of money as a motivation. Instead, they place more emphasis on the importance of factors such as challenging jobs, recognition for achievement and opportunities for personal growth and creativity in the workplace. Researchers of human behavior revealed that these factors do satisfy the higher-order needs of people in the workplace. However, there is also evidence that money influences people’s work performance.

2.2 Concept of performance management development and appraisal system

Warnich, Carrell, Elbert and Hatified (2015:295) argued that the performance appraisal is the process of evaluating how well employees perform their jobs when compared to a set of standards, and then communicating that information to the rest of the business. Again, Warnich et al. (2015:295) further stated that performance management is a process that significantly affects organisational success by having managers and employees working together to set expectations, review results and reward performance. However, Singh (2013:41) referred to performance management as:

“a process performance management aims to integrate goal setting, performance review and development, and subsequent compensation and rewards into a single system with the objective of aligning employee performance with organisational goals and objectives”.

According to Monds (2014:222),

“Performance management is a goal-oriented process directed towards ensuring that organisational processes are in place to maximize productivity of employees, teams, and ultimately, the organisation.”

In support of above statements, Van der Westhuizen (2016:142) argued that since the meaning of the Performance Appraisal (PA) and the Performance Management (PM) is sometimes used interchangeably, it shows the critical theoretical aspect that underlies how they are practiced. Performance appraisal is sometimes called performance evaluation (Krause, 2004:71), performance measurement (Mwita, 2000:21) or performance review (Public Service Commission, 2007:6) and is the most common phase of the Performance Management process with which most employees are familiar. It is both an interesting and contentious topic. Performance appraisal is defined as a part, phase, activities or aspect (Mwita, 2000:21) of performance management through which the performance of an employee is appraised and a ‘performance score or rating’ that indicates the level of performance is decided upon (Denisi, Cafferty & Meglino, 1984:360, Den Hartog, Boselie & Paauwe, 2004:557). It refers to the activities by which the PM process is integrated and through which employees’ work performance and competence is developed (Mayer & Davis, 1999:125). From the definitions mentioned above, performance management is a methodical process with the point of accomplishing a performance enhancement culture that achieves the institution’s objectives.

2.3 South Africa’s performance appraisal dilemma and grievances

Performance appraisals may be objective or subjective (Murphy, 2008:148), intentionally or unintentionally (Khan, 2012:2) and they may be conducted by appraisers who do not possess the skills to conduct them effectively. In an appraisal relationships, consequently, the good intention behind the institution of performance appraisals may come to nought or the entire PM system may be wrecked. Managers need to be very conscious of problems that are associated with the rating of performance by means of a performance appraisals (Van der Westhuizen, 2016:153).

2.4 Contributing factors to high level of grievances

2.4.1 Poorly formulated performance agreements

The Public Service Commission (2014:9) cited that ineffective performance management of senior management has ripple effect on the manner in which performance is managed at lower levels through the departments.

2.4.2 Rating errors

Although performance ratings or scores are the most common method of appraisal work performance (Murphy, 2008:148; Woehr & Huffcutt, 1994:189, Landy & Farr, 1980:74), they are often found to be erratic and only appropriate for work that can be quantified. The most common rating errors that are associated with Pas are: Personal bias: Constructed as preferential treatment or nepotism error (Khan, 2012:2). Personal bias is the common rating error and derives from bias or prejudice either in favour of or against an employee (Van Der Westhuizen, 2016:153-154).

2.5 Development of performance standards

Van der Westhuizen (2016:156) argued that another problem that characterises performance appraisal is managers’ inability to facilitate the development of appropriate performance standards. Performance standards are an important feature of a successful performance appraisal because they are the instruments with which actual performance is measured. Inappropriately developed performance standards increase the likelihood of rating errors and vice versa. Because of frequent new deployments, new appointments, promotions and transfers and employee populations, management arrangements in public institutions change endlessly. The challenges encountered by the hospitals during moderating and after awarding incentive bonuses to the qualifying candidates affect the service delivery. The persistent unprotected strikes “toyi-toyi” or “
perfect storm’ in hospitals is the cause of concerns because it has become a norm that disqualified candidates putting the hospital in intensive care unit. The aim of this paper is to investigate performance management development system challenges in the public hospitals in Mpumalanga Province.

![Diagram showing consequences of dissatisfaction with rewards](source: Adapted from Marx (2009:165))

### 2.5.1 Rewarding good performance

It is important to recognise and reward employees who perform exceptionally well. Critical skills are particularly valued in order to encourage them to maintain the high standard they have achieved and to encourage others to strive for improved performance. The most obvious way of achieving this is by awarding incremental increases in pay. The development of new remuneration systems within the Public Service (DPSA, 1997:43).

### 2.5.2 Managing grievances

DPSA (1997:46) stated that grievance systems should be focused on promoting the amicable settlement of problems rather than following legalistic and confrontational procedures. In developing grievance procedures the following principles should be observed:

- **Fairness and objectivity:** The facts of the case should be objectively determined and the resolution of the problem should take into account of all the circumstances in a fair and impartial manner;
- **Transparency:** The aggrieved employee and his or her relevant manager should be fully informed of the procedures and kept informed as the case progresses;
- **Independence:** There should be an independent avenue through which the grievance can be lodged outside the aggrieved employee’s direct line management;
- **Timeousness:** A grievance should be dealt with swiftly to avoid disrupting the good management of the department and spreading discontent more widely in the organisation; and
- **Orientation:** The aggrieved employee should be given full opportunity to participate in the presentation of his or her own case, and to be assisted by a representative of his or her own choice.

### 2.5.3 Understanding the strike action

Hyman (1984:17) argued that strike is defined as “a temporary stoppage of work by a group of employees in order to express a grievance or enforce a demand” whereas Garbers and Potgieter (2007:300) outlined strike action as “a concerted and temporary withholding of employees’ services from the employer for the purposes of extracting greater concessions in the employment relationship than the employer is willing to grant at the bargaining table”.

### 3. DESIGN AND METHODOLOGY

The researcher adopted a qualitative research design for this article. The ethical consideration was applied since research participants voluntary gave their consent and permission for study and they confirmed understanding of the research context. The research guaranteed the privacy and anonymity. The researcher employed the semi-structured interview questions and furthermore, the respondents were humbly requested to relate their experiences on performance management development system as far as rewarding or recognition of qualifying employees is concerned. The primary research questions were as follows: (a) What is performance management development system? (b) What performance management development challenges do you experienced in the hospital as the manager or employee? The interviewer led the participants with semi-structured interviews. The respondents indicated the most convenient time for conducting the interviews. The researcher was flexible and managed to accommodated the respondents who requested to be interviewed after hours.
The purposive sampling was employed by the researcher and thirty-one respondents took part on the research project. Sixteen participants were executive managers of various public hospitals in Mpumalanga Province. Seven participants from reorganised trade union shop stewards. The additional eight participants emerged during the research process. Authors are arguably regard this sampling as snowball sampling technique. The research used the life narrative interview method for data collection on the Performance Management Development System challenges in the public hospitals in Mpumalanga Province. The interviews were conducted in the public hospitals in Mpumalanga Province. The narrative interview exploits the social-science subjects’ skill to verbally express themselves. However, not giving them choice-answers in interrogative research situations, but allowing them to speak freely and in unguided manner. Narrative data have become indispensable in understanding past experiences and events. The subjects’ detailed and vivid descriptions cannot be accessed as efficiently with other research methods and techniques. The technique of narrative interview appeared and has developed in the framework of the qualitative approach of socio-humanities. The qualitative research has brought along a new modality to approach the subjects with less intricate guides and without predefined-answer surveys. This approach enables the subjects’ greater freedom to express themselves with significant restraint of the control by the researcher on the subjects (Florentina, 2013:21). For data analysis, the researcher employed the content analysis technique. The justification for selecting the data collection method is that it easily help in identifying similarities and differences in the theme. Again, for data to be analysed effectively and efficiently, researcher adopted breakdown structure technique which assist data to be divided into small manageable fragments. It should be noted that this cannot be generalised to the performance management development system challenges in all the public hospitals. Some respondents stated their Performance Management Development System understanding in reference to the Performance Management Development System policy.

4. RESULTS AND DISCUSSION

In one case, Official A explained that hospital operational activities are badly affected by striking employees. Managers are chased away from their hospitals. Some employees do not comply with the PMDS policy but do claim performance bonuses at end of the cycle. He gave an account of how employees repeatedly came to his office singing revolutionary song with placard written “Mr........ MUST GO!”. He felt vulnerable and isolated.

In another account, Official B said that Performance Management Development System must be scraped because it always makes unions and management to fight over performance bonuses. She further said that some employees are now calling Performance Management Development System “14th cheque”. It brings serious tension between management and employees. Some hospitals become hostile during Performance Management Development System season and managers are left on their own to manage the situation on the ground. Other opportunist employees get a chance to settle their personal scores. It pointed out that there is a continuous Performance Management Development System challenges in the public hospitals.

Official C said that: “Last financial year, workforces at various hospitals involving cleaners, porters, doctors, nurses, clerks and general assistants participated in a wildcat strike blocking hospital main entrance, throwing rubbish bins as well as disrupting operations and leaving patients unattended”. They demanded to be paid performance bonuses because they work hard every day” he said. As a result one senior manager had to undergo psychological counselling. This indicates the seriousness and impact of the challenges linked to the Performance Management Development System on various managers. Some employees were paid performance bonuses even if they did not comply with Performance Management Development System policy. He further said “Why other employees should comply with policy if non-compliance employees are paid performance bonuses. This spark the bone of contention and indeed it holds water”. Dhai, Etheredge, Vorster and Veriava (2011:58-59) argued that the behaviour of healthcare professionals pose a problematic concern regarding their account professional ethos and the code of conduct in the public sector.

On another explanation, Official D shared her frustration about Performance Management Development System particulary during the moderation process where unions want all employees to be paid performance bonus even if there is no exceptional extra miles. The Performance Management Development System moderating system is a real a nightmare especially when there is no support from the principals. Other hospital employees took the matter to the Commission for Conciliaton, Mediation and Arbitration (CCMA).

This echo the emotion that public officials and organised labours are not sharing same understanding with respect to Performance Management Development System policy. Shopsteward A gave his version that Performance Management Development System has been the problem since its inception. This challenges are not only affecting the public hospitals but it is a general problem across the province. Yes, it is worst with the Department of Health because it affects the service delivery since employees leave the work station to participate in unprotected strike. The department should come with better understandable Performance Management Development System where all stakeholders are involved.

Shopsteward B talked about “PASS ONE PASS ALL”. No employees should be disqualified during the Performance Management Development System moderation. Upon questioning him, he said “ it is not their problem that the hospital does not have the balanced budget for performance bonus. The hospital must request funds from the Provincial Office (Department of Health)”. This conduct displays that there is still a lack of understanding of Performance Management Development System policy. Furthermore shopwestival C said that “one of his member has been working in medical ward for about five years and...
had not been nominated for performance bonus. This is totally unfair.” He further recapped that they are responsible union they will not leave patients unattended but they want to send a strong message to hospital executives. It is evident from the research conducted that Performance Management Development System is still in the building process in public hospitals.

Based on the above information collected from the research participants, the following factors form part of the Performance Management Development System (PMDS) challenges faced by the in the public hospitals in the Mpumalanga province: (1) Poorly formulated performance agreements; (2) High level of grievances; (3) Lack of understanding of the PMDS policies by employees; (4) Lack of understanding of the PMDS policies by trade unions; (5) Lack of management support by the Government; (6) Limited power of the Hospital managers; and (7) Sense of entitlement causing frequent strike actions as depicted on figure 2 below.

Figure 2. The Performance Management Development System (PMDS) Challenges
Source: Author’s Compilation

5. RECOMMENDATIONS AND CONCLUSION

5.1 Recommendations

Department of Public Service and Administration through Public Sector Co-ordinating Bargaining Council should evaluate the effectiveness of performance management system as they are lot challenges. However, unions would have conceded on a moratorium on incentive bonuses because of government existing economic constraints. The hospitals management should regard employees in the Department of Health as an "ESSENTIAL SERVICE". Hospital Chief Executive Officers, Facility Managers and District Managers should apply the principle of “NO WORK NO PAY” in all instances where employees are not on duty on the day(s) of the strike actions. The number of hours of absence should also be calculated and deducted from the salary as unpaid leave. The Strike Management Committees should establish Strike Management Contingency Plan. Finally, the Department of Public Service and Administration should be the mandate of an effective application of the Performance Management Development System.

5.2 Conclusion

With reference to data analysis, Performance Management Development System has numerous challenges in the public hospitals in the Mpumalanga province as follows: Poorly formulated performance agreements; High level of grievances; Lack of understanding of the PMDS policies by employees; Lack of understanding of the PMDS policies by trade unions; Lack of management support by the Government; Limited power of the Hospital managers and the Sense of entitlement causing frequent strike actions. The International Labour Organisation (ILO) regards health industry as essential service and the ‘right to strike may be subject to major restrictions’. However, the Department of Public Service and Administration (DPSA) and unions in the sector have not collectively agreed on the minimum service agreement at Public Sector Coordination Bargaining Council (PSCBC). However, the existing laws and regulations regarding hospitals management must be executed and upheld for better achievement of social development.
REFERENCES