
AN EXPLORATION OF THE IMPACT OF A PERFORMANCE MANAGEMENT SYSTEM ON EMPLOYEE MOTIVATION AT AN ACADEMIC ADVISORY CENTRE IN PINETOWN SOUTH AFRICA

Dr. Samuel BANGURA *

***Mangosuthu University of Technology
Umlazi, Durban.
Republic of South Africa**

Abstract: *This research paper explores the impact of performance management systems (PMS) on employee motivation at an Academic Advisory Centre (AAC) in Pinetown, Durban. Drawing from a quantitative study involving 60 academic advisors, the paper examines how PMS influences motivation, identifies factors affecting its effectiveness, and offers recommendations for improvement. Data was collected via questionnaires and analyzed using SPSS Version 24.0. Findings reveal a positive correlation between PMS and motivation, highlighting challenges like flawed rating systems and poor supervision. Recommendations emphasize employee involvement and honest feedback to enhance PMS efficacy.*

Keywords: *Performance management, employee motivation, performance KPI's and organizational strategy*

**Contact details
of the
author(s):** Email: bangura.samuel@mut.ac.za

1. INTRODUCTION

In today's competitive organisational landscape, employee motivation and performance are pivotal to achieving high productivity and sustainable advantages. Employees form the human foundation of any organisation, supporting business processes and overall success. However, managing employee performance has become essential due to economic pressures and operational costs. Performance management systems (PMS) are designed to align individual outputs with organisational goals, yet they often face challenges such as insufficient accountability, lack of employee involvement, and biases that can demotivate staff (Makhubo, 2016). Drawing from a master's dissertation by Bangura (2018) this study focuses on the academic advising center (AAC) in Pinetown, Durban, republic of

south africa, where PMS has been perceived as biased and ineffective, leading to discontent among academic advisors. Literature highlights PMS as a tool for integrating human resource management (HRM) with organisational strategy (Armstrong & Taylor, 2014). A poorly implemented PMS can result in job dissatisfaction, low self-esteem, and reduced productivity (Khan & Ukpere, 2014). Conversely, effective PMS can motivate employees by providing clear goals, feedback, and recognition. (Bangura, 2018). The debate on whether PMS contributes to or hinders motivation forms the core problem. At the AAC, issues like inaccuracies in processes and perceived biases have rendered the system ineffective. This paper addresses this gap by investigating PMS's impact on motivation, drawing on theories like Maslow's Hierarchy of Needs and Herzberg's Two-Factor Theory.

Aims

The primary aim of this study is to explore the impact of PMS on employee motivation at the AAC in Pinetown, Durban, Republic of South Africa. Specific objectives include:

- Identifying the impact of PMS on employee motivation.
- Determining factors influencing PMS effectiveness.
- Offering recommendations for effective PMS implementation to overcome challenges.

Research questions guiding the study are:

- What impact does PMS have on employee motivation?
- What factors influence PMS effectiveness?
- What recommendations can be made for effective PMS implementation?

The study's significance lies in its potential to inform AAC management on improving PMS, reducing costs from demotivation, and enhancing productivity. It is scoped to the AAC's 60 academic advisors, focusing on motivation dynamics within this context.

2. THEORETICAL FRAMEWORK

Performance management is a systematic process aimed at aligning employee performance with an organisation's strategic objectives to enhance productivity and motivation. It involves documenting and measuring employee goals to ensure they support the organisation's strategy, as outlined by Armstrong and Taylor (2014). The process begins with cascading strategic objectives to subdivisions and individual employees through performance agreements, fostering a unified direction (Aquino, 2013).

Performance Management Systems: integrate planning, development, and organisation of business operations, enhancing employee knowledge, skills, and capabilities to boost organisational output (Nel et al., 2011). These systems exhibit characteristics such as aligning employee performance with organizational goals, articulating desired work culture, specifying expected results, and promoting discretionary effort through streamlined processes (Addis, 2016).



Management by Objectives (MBO): emphasizes participative goal-setting (Ifedilichukwu, 2012), and the Balanced Scorecard, which incorporates financial, customer, internal process, and learning perspectives (Kaplan and Norton, 1996, cited in Armstrong and Taylor, 2014), and 360-degree Feedback, which collects multi-source performance data for development and succession planning (Meenakshi, 2012), underpin the performance management systems.

Key performance indicators (KPIs): monitor goal achievement (Parmenter, 2007), while critical success factors ensure competitive advantage by aligning processes with objectives (Rothberg and Morrison, 2012, cited in Woyessa, 2015). Bangura (2018) suggest that motivation, is a core component driven by aligning individual and organisational goals, with theories like Maslow's hierarchy of needs, Alderfer's ERG model, Herzberg's Two-Factor Theory, and Vroom's Expectancy Theory explaining employee behavior and engagement (Luthans, 2011). A well-implemented performance management system, is therefore supported by rewards and feedback, enhances employee motivation, productivity, and job satisfaction, while a poorly executed system may lead to demotivation and reduced performance (Mughal et al., 2014).

3. METHODOLOGY

This study adopted a quantitative research design within a positivist paradigm, emphasizing objective analysis of numerical data to test hypotheses on PMS and motivation relationships (Saunders et al., 2012). Quantitative methods were chosen for their ability to generalise findings through statistical analysis. The target population comprised 80 AAC employees, with a sampling frame of 60 full-time academic advisors. Simple random sampling (a probability technique) was used to select participants, ensuring equal selection chances and minimizing bias. Sub-groups were based on job position, years employed, and gender. Data was collected via a self-administered, closed-ended questionnaire with 25 questions on a 5-point Likert scale (Strongly Agree, Agree, Uncertain, Disagree, Strongly Disagree). The questionnaire was divided into sections: biographical data and constructs on PMS and motivation. A pilot study with five respondents refined the instrument for clarity. Validity was ensured through face and construct techniques, aligning questions with literature and research variables. Reliability was assessed via Cronbach's Alpha (e.g., 0.850 for employee motivation scale, indicating good internal consistency). Factor analysis confirmed scale suitability (KMO = 0.730), extracting three factors explaining 46.65% variance. Questionnaires were distributed in person, with ethical considerations including informed consent, anonymity, and confidentiality. Ethical clearance was obtained from Durban University of Technology's Institutional Research Ethics Committee. Data analysis used SPSS Version 24.0, employing descriptive statistics (frequencies, graphs), factor analysis, reliability tests, and linear regression to examine relationships. Response rate was 48%, with 50 usable questionnaires.

4. FINDINGS AND DISCUSSION

Biographical data showed a gender balance (66% male, 34% female) and all respondents had less than 2 years' experience at AAC. Factor analysis identified key constructs: PMS, Employee Motivation 1 (feedback and growth opportunities), and Employee Motivation 2. Scales were reliable (Cronbach's Alpha > 0.7) with good convergent and discriminant validity.



1/2025

Objective 1: Impact of PMS on Motivation Linear regression revealed a positive, significant relationship ($\text{Beta} = 0.350$, $p = 0.002 < 0.05$). PMS accounts for 11.1% of variance in motivation, implying improvements in PMS enhance motivation. This aligns with literature emphasizing alignment of goals and feedback (Armstrong and Taylor, 2014).

Objective 2: Factors Influencing PMS Effectiveness Descriptive statistics highlighted:

- 65% agreed the rating system is flawed; 93.8% agreed poor supervision affects effectiveness.
- 95.1% agreed prior knowledge of PMS is needed; 36.8% disagreed PMS identifies weaknesses effectively.
- 65.1% disagreed employees are positive about the rating system.

Key factors include poor supervision, lack of prior knowledge, flawed ratings, and failure to identify weaknesses, leading to demotivation (Wanjala & Kimutai, 2015).

Objective 3: Ways to Implement PMS Effectively

- 65% disagreed the current PMS is effective and needs no review.
- 81.3% agreed honest feedback motivates; 82.5% agreed formal discussions are important.
- 70% agreed end-to-end planning with employee involvement is crucial.

Findings support best practices like leadership support and communication (Pulakos, 2009) and the recommendations are but not limited to the following:

To enhance PMS at AAC:

- **Involve Employees:** Engage staff in goal-setting and planning to foster buy-in and motivation. This approach, as suggested by Woyessa (2015), builds a sense of ownership, increases buy-in to organisational goals, and enhances overall job satisfaction, leading to higher performance and motivation.
- **Provide Training and Prior Knowledge:** Educate employees on PMS purpose and processes to reduce resistance. This recommendation aligns with Govender, & Bussin (2020) who qualitatively tried to establish if there is a relationship between performance management and employee engagement; employing a qualitative approach that included a review of research articles and interviews with employees from various functions across all levels within operations of a fast-moving consumer goods organisation based in Gauteng and with a sample size of 20 employees findings suggest that a relationship exists between performance management and employee engagement and that an increase in employee engagement would result in improved performance of employees and subsequently the organisation.
- **Improve Rating and Feedback Systems:** Train supervisors on accurate, honest feedback; incorporate into key performance areas (KPA's). This recommendation can be viewed through the lens of the fact that one of the main roles of performance management is to ensure that all human resources in the organisation function optimally. By monitoring and assessing performance on an ongoing basis, management can identify areas that need improvement and



implement strategies to improve desired outcomes (Brown & Green, 2021).

- **Address Supervision Issues:** Implement monitoring for consistent supervision and formal discussions. Selepe (2018) postulates that the process related to the implementation phase is mainly focused on various training sessions and introduction exercises. The contents of such training may be determined by the level of involvement of users during and the development phase, the complexity of the specific system and existing competence in performance management of the supervisors.
- **Review and Align PMS:** Conduct regular reviews aligning PMS with organisational goals and culture, using models like Balanced Scorecard. Kusnadi, Gustomo, & Arief, (2024) assert that reviewing and alignment of PMS with the balance score card helps in guides the enhancement of organisational performance by aligning PMS with corporate culture.

Future research should explore larger samples, qualitative insights, or comparative studies across sectors to generalize findings. (Bangura,2018).

5. PRACTICAL IMPLICATIONS

The practical implication for the study is premised on the fact that it will serve as a platform for organisational managers to effectively implement performance management systems in organisations.

6. CONCLUSION

This study confirms PMS positively impacts employee motivation at AAC, though challenges like flawed ratings and poor supervision hinder effectiveness. By involving employees, providing honest feedback, and ensuring prior knowledge, AAC can overcome these issues, boosting productivity and satisfaction. Aligning with motivation theories (e.g., Maslow, Herzberg), effective PMS fosters a motivated workforce, contributing to organizational success. Limitations include small sample size and AAC-specific scope, but findings offer actionable insights for HRM practices.

REFERENCES

- Addis A. T. (2016). An assessment of employee's perception about organisational culture and performance management practice: The case study in Management Science for Health in Ethiopia. Unpublished Master's Thesis, St. Mary's University
- Aguinis, H. (2013). Performance Management. 3rd Edition, Boston: Pearson Education.
- Armstrong, M. (2014). Armstrong's Handbook of Human Resource Management Practice (13th ed.). Kogan Page Limited.
- Bangura, S. (2018). An exploration of the impact of a performance management system on employee motivation at an academic advisory centre in Pinetown (Master's thesis). Durban University of Technology, Durban, South Africa.
- Brown, T. J., & Green, S. K. (2021). Leadership skills for managing change and transformation in educational institutions. *Journal of Educational Administration*, 59(2), 132-147. doi: 10.1108/JEA-08-2020-0159
- Govender, M., & Bussin, M.H.R. (2020). Performance management and employee engagement: A South African perspective. *SA Journal of Human Resource Management/SA Tydskrif vir Menslikehulpbronbestuur*, 18(0), a1215. <https://doi.org/10.4102/sajhrm.v18i0.1215>
- Ifedilchukwu, U.C. (2012). Management by Objectives as an Instrument for Organizational Performance: (A Case Study of First Bank Plc, Enugu Main Branch) MBA Thesis, University of Nigeria, Enugu Campus.
- Jose, A. (2011). Does Performance Appraisal Motivate Employees, M.A. Human Resource Management, National College of Ireland, Ireland.
- Khan, S. and Ukpere, W.I. (2014). Employee Performance Management at a South African Government Organization, *Mediterranean Journal of Social Sciences*. Vol. 5, No. 13 pp.45-48.
- Kusnadi, Iyas & Gustomo, Aurik & Arief, N.. (2024). Cultivating Organization Excellence: A Proposed Conceptual for Aligning Performance Management Systems with Corporate Culture Development in the Mining Industry. *Revista de Gestão Social e Ambiental*. 18. e05452. 10.24857/rgsa.v18n3-181.
- Luthans, F. (2011). *Organizational Behaviour: An Evidence-Based Approach*, 12th edition. New York: McGraw-Hill/Irwin.
- Makhubo, T.G. (2016). The Impact of Performance Management System on the Performance of the Department of Home Affairs Head Office in Pretoria. MBA Thesis, Regent Business School.
- Meenakshi, G. (2012). Multi source Feedback Based Performance Appraisal System using Fuzzy Logic Decision Support System. *International Journal of Soft Computing*. Vol 3, No.1: 91-106.
- Mughal, F., Akram, F. and Ali, S.S. (2014). Implementation and Effectiveness of Performance Management System in Alfalah Bank. *Journal of Strategy and Performance Management*. Vol. 4, No. 4:89-99.



Nel, P.S., van Dyk, P.S., Haasbroek, G.D., Schultz, H.B., Sono, T., and Werner A. (2011). Human Resources Management. Cape Town: Oxford University Press.

Parmenter, D. (2007). Key Performance Indicators: Developing, Implementing, and Using Winning KPIs. New Jersey: John Wiley and Sons.

Pulakos, E.D. 2009. Performance management: A new approach for driving business results. United Kingdom: John Wiley and Sons.

Saunders, M., Lewis, P. and Thornhill, A. (2012). Research Methods for Business Students, 6th Edition. London: Prentice Hall.

Selepe, M.M. 2018. The Assessment and Enhancement of Performance Management Within the South African Local Government Environment. The 3rd Annual International Conference on Public Administration and Development Alternatives 04 - 06 July 2018, Stellenbosch University, Saldahna Bay, South Africa

Wanjala, M.W. and Kimutai, G. (2015). Influence of Performance Appraisal on Employee Performance in Commercial Banks in Trans Nzoia County – Kenya. International Journal of Academic Research in Business and Social Sciences, Vol. 5, Issue 8:332-343.

Woyessa, Y.E. (2015) The Effectiveness of Performance Management System at the Central University of Technology, MBA Thesis, University of Free State.