

**THE ROLE OF PERFORMANCE MANAGEMENT IN THE ACHIEVEMENT OF
ORGANIZATIONAL GOALS**

(A CASE STUDY OF THE SEVENTH-DAY ADVENTIST HOSPITAL)

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ABSTRACT

This research study addresses the role of performance management in the achievement of organizational goals. To achieve this objective a comprehensive literature study was performed to determine the views on performance and on performance management programmes. The study also included an investigation into the extent to which a performance management programme should be aligned with organizational and individual goals at the Seventh-Day Adventist Hospital (Kwadaso-Kumasi).

Questionnaires developed from the literature study were distributed amongst randomly selected respondents in order to determine the extent to which a specific organization manages performance in line with the guidelines provided by the literature study. The information obtained from the questionnaires were compared with the guidelines provided by the literature study in order to identify the shortcomings in the influence that the performance management programme has on the achievement of organizational and individual goals at the selected organization.

Our recommendations are as follows: Firstly, it is of utmost importance that training and development and the necessary resources to achieve objectives are provided. Secondly, feedback forms an integral part of a performance management programme. Those who provide feedback need to acquire the necessary skills so as to ensure that both positive and negative feedback is given to employees which could ultimately enhance performance. Thirdly, management needs to be committed to the programme and the well-being of their employees. Management also needs to be able to eliminate problems that negatively influence performance. On the other hand, employees need to realize that a performance management programme is not only linked to pay but also the development of each individual and the improvement of performance.

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To the authorities of the Seventh-Day Adventist Hospital for granting us the permission to conduct the research for dissertation on various employees levels within the organization and respondents who completed the questionnaire.

DECLARATION

We have read the university regulations relating to plagiarism and certify that this report is all our own work and does not contain any unacknowledged work from any other source. We also declare that we have been under supervision for this report herein submitted.

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SUPERVISOR'S DECLARATION

I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision laid down by Christian Service University College.

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DEDICATION

To our various families for their constant love and support

&

To all our dedicated lecturers, who made the journey with us and never failed to show us the
way.

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND TO THE STUDY

Like many management terms, “performance management” has been interpreted, and the concept implemented, in many different ways. But the major goal in any good performance management system is to ensure that employee activities – what they do and how well they do them – are in synchronization with the goals of the organization, while maintaining a motivated and happy workforce.

Over the years, organization members and management have worked hard for long hours but mostly are not aimed at improving organizational effectiveness in the accomplishment of organizations’ mission and goals. Hitherto, organizations are still beset with problems of planning, monitoring, developing, rating and rewarding good performances of which are the major forces driving good employee performance management.

But all too often, these activities are done mostly for the sake of doing them, not for contributing directly to the preferred results of the organization. Performance management reminds us that being busy is not the same as producing results. It reminds us that training, strong commitment and lots of hard works alone are not results. The major contribution of performance management is its focus on achieving results -- useful products and services for customers inside and outside the organization. Achieving the overall goal requires several ongoing activities, including identification and prioritization of desired results, establishing means to measure progress toward those results, setting standards for assessing how well results were achieved, tracking and

measuring progress toward results, exchanging ongoing feedback among those participants working to achieve results, periodically reviewing progress, reinforcing activities that achieve results and intervening to improve progress are needed. Performance management redirects our efforts away from business toward effectiveness.

1.2 STATEMENT OF THE PROBLEM

According to Dessler (1997:372) performance management is a systematic approach to managing people, goals, measurement, feedback, and recognition as a way of motivating employees to achieve their full potential in line with the organization's objectives. Performance management is a continuous process and is concerned with improving both results and quality of working relationships. O'Doherty (1997:167) believes that strategic performance management is based on the organization's mission, strategy, and the supporting performance and remuneration system. Sloman, in Tyson (1997:167), adds that performance management systems are believed to be operating when the following conditions are met: a vision of objectives is communicated to employees; departmental and individual performance targets, related to wider objectives are set; a formal review of progress towards targets is conducted; and the whole process is evaluated to improve effectiveness.

According to Whetten and Cameron (1991:379-383) as cited by Ivancevich and Matteson (1996:230-232), managers often become frustrated because they do not understand the causes of observed problems. They continue to measure performance without diagnosis and management of the entire spectrum of performance issues. Positive performance management contributes to the development of the employee and to the productivity of the company. It is a process which

cannot be ignored, yet it is often neglected because it is regarded as time-consuming, costly and irrelevant.

The above statements indicate that an investigation is required to clarify the role of performance management in achieving organizational goals.

1.3 OBJECTIVES

The objectives of this research are categorized into two folds namely: general and specific.

General Objective

- To examine the role of performance management in the achievement of organizational goals.

Specific Objectives

To achieve the general objective of the study will concentrate on the following specific objectives.

- To analyze the role of strategic performance management in achieving organizational goals.
- To examine the guidelines for establishing an effective performance management programme in an organization

1.4 RESEARCH QUESTIONS

For the research to be successful and for factual data and analysis to be made, the research idea must be narrowed into specific questions for which answers would be sought in the research process. For the purpose of our research, we have identified the following questions as relevant, for which we will seek answers to:

- (a) What strategies does the organization use to align employee performance with organizational goals?
- (b) To what extent does the process of managing employee performance in the selected organization compared with the literature review?

1.5 SIGNIFICANCE OF THE STUDY

While performance management appears to be a logical term, the assumptions that relate it to organizational effectiveness are somewhat flawed. Performance management is supposed to achieve the following:

- Increased managerial control over work and results
- Increased managerial ability to identify problem areas
- Link individual objectives to organizational objectives
- Provide a system where more objective feedback can be given to employees
- Ensure a clear understanding of management expectations through enhanced communication.

The research to be conducted will be significant if it can be proven that a performance management activity is achieving the above mentioned factors. As there are negative and positive attitudes towards a performance management process, this study of the existing

performance management system implemented at the chosen organization is regarded as very significant in determining whether the system enhances the achievement of organizational and individual goals. The findings of the study could also be used as an evaluation instrument in assessing the success of the performance management system at the chosen organization. Furthermore, other health sectors like the Komfo-Anokye Teaching Hospital, Bekwai Seventh-Day Adventist Hospital, Atwima-Koforidua Hospital, Kwame Nkrumah University of Science and Technology Hospital could benefit from this research since they render the same service and so could learn from the successes or failures that this study reveals.

1.6 SCOPE OF THE STUDY

The scope of the study is specifically limited to the health service sector with reference to the Seventh-Day Adventist Hospital at Kwadaso-Kumasi. The reason for choosing this study area was because we had a member of the research group working there and also it is within the reach of the researcher in terms of distance.

1.7 BRIEF HISTORY OF THE SEVENTH DAY ADVENTIST HOSPITAL KUMASI-KWADASO

The S.D.A Hospital was established in 1991 as a Seventh - day Adventist medical institution and is predominantly run and financed by the Seventh-day Adventist Church. The S.D.A hospital creates a synergy of potency by spiritual healing with the physical.

Since its inception 22 years ago the S.D.A hospital has made significant strides. The growth has been wholistic. It stretches from change in its status to widen its catchments area and patronage

to expand in the range of services offered to increase in its infrastructure and as well as increase in the staff strength.

The S.D.A hospital began as a Clinic and a maternity Home. In 1994, there was the urgent need to expand the capacity of the clinic to meet the growing demand for the services it provided. Further expansion has given way for the construction of a four storey multi-purpose complex which caters for two wards and administration block. This complex was built in 2005 which has help ease in congestion.

Presently, the hospital provides a 24 hour, 7 days a week services to the entire populace of the Kumasi Metropolis and beyond. Average daily patients attendance has risen from forty (40) at its inception to over five hundred (500) patients a day. Services offered have gone beyond general Out-Patients Department (O.P.D) to major surgical procedures, gynecological cases, laboratory services, ultrasound scan, x-ray, ophthalmology, maternal and child care and adolescent friendly services. All this is made possible by a committed hospital management board and a dedicated staff of one hundred and ninety five (195)

1.8 LIMITATION OF THE STUDY

No major problems were encountered. Certain events within the organization however, could have possibly influenced the outcome of the research. The busy schedule of the respondents at the hospital did not allow them to give us much attention and also not all the questionnaires distributed were recovered. There were also financial constraints encountered during the research.

1.9 ORGANIZATION OF THE STUDY

The study was conducted under the following Chapters:

Chapter one: Introduction, Chapter two: Literature Review, Chapter three: Methodology, Chapter four: Presentation of Findings and Discussions, Chapter five: Findings, Conclusion and Recommendation.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

The purpose of this chapter is to review by looking at the role of strategic performance management in achieving organizational goals. In order for the reader to understand where performance management fits into an organization, the researcher will firstly discuss the influence of the changing shape of organizations on the management of performance.

Thereafter the strategic aspects of performance will be discussed by looking at the factors influencing performance as well as organizational and individual performance. An overview of performance management systems will conclude the chapter.

2.2 The Role of Strategic Performance Management in Achieving Organizational Goals

Strategic performance management makes the connection between “hard goals” (business goals and strategy) and “soft goals” - employee motivation and culture. It links an organization’s strategy and culture to its managers’ ability to improve employees’ performance. Most employees want to do the right thing, but they can do so only if they know what the right things are and receive regular feedback about their work, if their rewards are aligned, and if they understand the impact they can have on delivering the business strategy. By successfully connecting three things – people, strategy, and culture – CEOs can improve their business results, enhance employee productivity, and increase the likelihood of achieving their business objectives (www.engagementstrategiesonline.com).

2.2.1 The Changing Shape of Organizations as an Influencing Factor in Managing Performance.

Decentralization, delayering, rightsizing and restructuring are words that are very commonly used in organizations and as organizational structures change, so too must behaviours which make the structures work, change. During the 1980's there was an increased focus on the outputs of jobs, and on linking job performance to the objectives of an organization. During this era the words 'management by objectives' was heard often. Out of this, performance management began to grow, being a way of planning for performance (Hartle, 1995:46).

According to Ivancevich and Matteson (1999:608-613) change is inevitable in the 21st century. The combination of global competition, computer-assisted manufacturing methods, and instant communications has far reaching implications on organizations, and organizations' futures depend upon their ability to master change. There are several forces for change, both internally, and externally: External forces for change; Markets, Technology, Social and political change. Internal forces for change; Behaviour and Processes.

These forces that result in the changing of organizations could have significant effects on the overall performance outcomes at both organizational and individual levels of organizations. Performance management systems that were developed years ago are being found to be ineffective in emerging flexible organizations. In response to constant pressures for enhanced competitiveness, "... the cornerstone of strategic success lies in focusing attention at all levels on key business imperatives, which can be achieved through effective performance management" (Bennett and Minty, 1999:58-63).

True organizational change is only possible if all employees are clear on what is expected of them and are recognized and rewarded for their achievements. “As a matter of survival in today’s unrelenting competitive environment, (organizations) must continually search for opportunities to improve both individual and organizational productivity and quality.”
(www.hrdstrategies.com)

Performance management is one measure to be used that can assist organizations in improving performance during periods of change. Within organizational life performance management is concerned with:

- Human Resource Management (HRM); Performance management can satisfy a number of HRM goals, such as (1) achieving sustained high levels of performance; (2) developing people to their full capacity; and (3) establishing an environment in which the potential of employees can be realized.
- Continuous development; Performance management emphasizes individual and career development, thus assisting organizations to create an environment in which learning can take place.
- Team-working; Performance management does not revolve around just the manager and the individual, but can also enhance teamwork (Armstrong, 1994:26).

Hartle (1995:57-59) supports this view, by mentioning that the process of performance management, being to plan for performance, to manage performance, and to review performance, should not be isolated from the rest of an organization. It should be linked to the key processes such as business strategy, employee development, and total quality management, and to the changes in these processes occurring as a result of organizational change.

2.2.2 Strategic Aspects of Performance

The evolution of performance management reflects a change in emphasis in organizations, away from command-and control towards a leadership model based on facilitation. This change in emphasis is a result of recognizing that relating work performance to the strategic mission of an organization is critical for success. Goals and objectives are derived from the departments within which employees' work, which in turn support the mission and goals of the organization (wwwhr.ucsd.edu).

Armstrong (1994:13) believes that performance management assists in this integration of corporate and individual objectives, by means of communicating these objectives, and underpinning the core values of an organization. Performance management specifically aims at improving the following aspects of performance: Achievement of objectives; Knowledge, skill and overall competence; and Day-to-day effectiveness.

Armstrong (1994:25) furthermore identifies specific aims of performance management to be: The achievement of sustainable improvement in organizational performance; A lever for change in developing a more performance-orientated culture; A tool to increase the motivation and commitment of employees; A tool to assist in the development of a constructive and open relationship between individuals and their managers, ensuring continuous communication regarding work actually done throughout the year; A means of focusing attention on the attributes and competences required to perform effectively and on what should be done to develop them.

Fay, in Spangenberg (1994:14) supports the above-mentioned views, by mentioning that performance management comprises ‘...a set of techniques used...to plan, direct and improve the performance of (individuals) in line with achieving the overall objectives of the organization.’

The question that can be asked then is why measure performance? There are two key reasons to invest in performance measurement programmes:

➤ Strategic Alignment

Performance measurement programmes can be used to communicate and reinforce that which is important in an organization, and to align people to objectives.

➤ Strategic Learning

Performance measurement programmes can promote learning as managers scrutinize performance data and discover areas of excellence or weakness (www.ceoreview.com).

Armstrong (1994:60-61) argues that measurement is a key aspect of performance management. It makes no sense to define objectives or performance standards while there is no agreement on how the performance will be measured. Furthermore, performance measures provide evidence of whether the intended result has been achieved and the extent to which the results have been achieved.

2.2.3 Factors Influencing Performance Outcomes

Torrington & Hall (1995:293-296) have identified a range of variables recognized as having a positive impact on performance. These can be summarized as follows:

➤ Commitment

Commitment can result in higher performance, better quality, lower turnover, greater innovation and more flexibility, which in turn enhances the ability of an organization to achieve a competitive advantage.

➤ Empowerment

Through empowerment, employees will be held accountable for results, and they will have a high level of ownership of what they do.

➤ Leadership

Leadership is seen as the power to inspire and motivate, and as a key to a high performance organization, leadership can instil a desire to change an organization and to be the best, in employees.

➤ Culture

Culture-awareness is important in facilitating strategic decision, as it is suggested that there is a strong link between culture and organizational effectiveness.

➤ Flexibility

Flexibility of a job has the potential to improve performance, as it provides an employee with a wide range of skills that could ultimately reduce waiting time.

➤ Learning

Organizational and individual learning are directly associated with organizational performance.

On the other hand, Walters, Gammie and Lawson (1995:19-62) identify the following factors that could have a negative impact on performance:

- If measures are set that are inappropriate to organizational needs or objectives, inappropriate behaviour will be encouraged.

- Employees do not know where they fit into an organization, because little or no effort is made to understand organizational priorities and dilemmas.
- The non-achievement of performance due to problems at other points of the supply chain, or unsatisfactory equipment that hinders the achievement of objectives.
- Non-alignment of performance outcomes with payment, reward and recognition.

2.2.4 Organizational Performance

An organization exists because of a number of productive assets that come together to obtain economic advantages. These assets include labour, management, entrepreneurial skills, capital, and individuals. To measure the performance of an organization one should compare the value creation of the organization with the value that the owners of the productive assets expect to obtain. In addition to the productive assets strategy also determines performance. Most definitions of strategy focus on the formulation of organizational objectives and what decisions should be made to achieve them but in general all strategies focus on the impact of the strategy on performance (Barney, 1998).

Previously, performance was only seen in terms of individual motivation and individual performance. There has, however, been a change of emphasis because the performance of individuals is the result of systems that are implemented and controlled by factors outside the control of the individual. As a means of clarifying the concept of organizational performance, Torrington & Hall (1995:300- 315) review three aspects of organizational performance, which are:

➤ Total quality management

Total Quality Management (TQM) is a holistic approach affecting every aspect of an organization. TQM applies to all in an organization, and not just a selected few who work in production. The central focus is on identifying and meeting customer needs, both external customers, the purchaser of the product or service, and internal customers, the organizational departments and individual employees. Dale and Cooper, in Torrington & Hall (1995: 301) mention that many organizations claim that TQM is their primary business strategy in influencing competitive performance, and those organizations who adopted TQM, have experienced overall better performance in terms of employee relations, productivity, customer satisfaction, market share and improved production.

➤ Learning organizations

Poor organizational performance is defined by Torrington and Hall (1995:307) as: “...sluggishness, an excess of bureaucracy and over-control, of organizations as straitjackets frustrating the self-development efforts of individual members and failing to capitalize upon their potential.” Becoming a learning organization can be seen as a way of gaining the competitive advantage, and keeping ahead of competitors. A learning organization is seen as a response to poor organizational performance, from the problem of skill shortages, to the problem of poor application of training to the problem of poor performance, leading to learning organizations.

➤ Organizational Development

A key to developing performance in organizations is organizational development. Learning organizations are seen as an umbrella for organizational development, and ultimately improved organizational performance.

In determining organizational performance one needs to measure organizational effectiveness. Performance management is influenced by organizational effectiveness through:

- The need for clarity about strategy and values

An effective performance management programme can develop the understanding of employees, of what needs to be achieved, and help them to improve organizational performance. Through the provision of a means of integrating objectives downwards, upwards and laterally throughout the organization, performance management supports the achievement of corporate and business strategy.

- The importance of providing for two-way communication

A basis for the communication of an organization's mission, values and objectives to all employees, is provided by effective performance management.

- The benefits derived from operating as a learning organization

The concept of a 'learning organization' has already been discussed and mention must be made that it facilitates the learning of all employees and results in the continuous transformation of the organization. Performance management is as much about developing people, as rewarding them. Through the continuous process of feedback, review and assessment, performance management is seen as a means of providing learning opportunities (Armstrong, 1994:30-32).

2.2.5 Individual Performance

According to Torrington & Hall (1995:316-318) a critical aspect of performance is the planning and enabling thereof. Central to this are, for example, clarity of performance goals and standards, appropriate resources, and guidance and support from the individual's manager. The fundamental steps for managing individual performance comprise the following:

➤ Planning Performance

A shared view of expected performance between a manager and his/her subordinate is of utmost importance. A variety of ways exist for this shared view to be expressed, including job descriptions, key accountabilities, performance standards, specific objectives or targets and essential competencies. Critical to all of these is the fact that, handing out a job description or a list of objectives to an individual is not enough. In addition, performance expectations also need to be understood. Furthermore, training, development and the required resources necessary for an individual to achieve his/her objectives, is also imperative.

➤ Supporting Performance

While an individual is working towards the achievement of agreed upon performance levels, the manager fulfills a key enabling role. Unforeseen barriers may exist, which the manager would have to address, and even sometimes revise the expected performance. Despite the fact that it is the employee's responsibility to achieve the agreed performance, the manager has a continuous role in providing support and guidance.

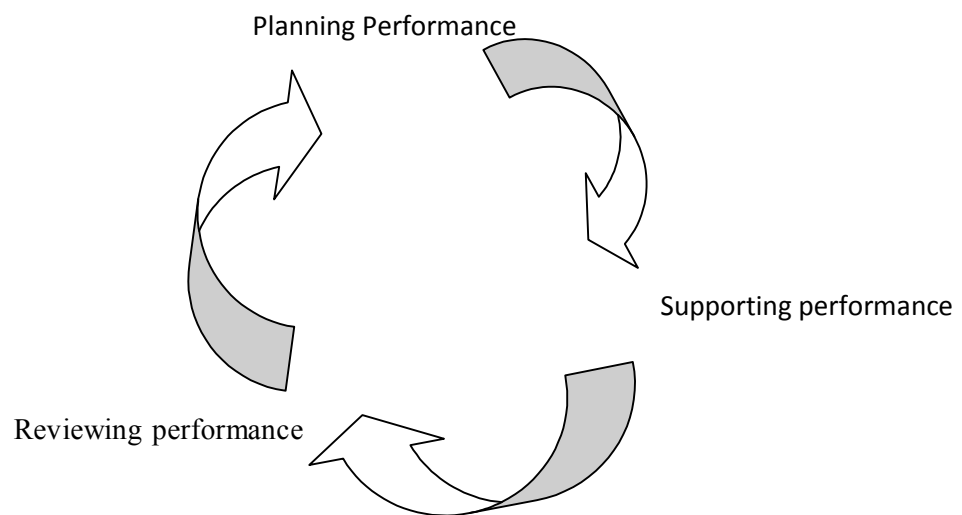
➤ Ongoing Review

To enable the individual to plan his/her work and priorities, ongoing review is an important activity. Furthermore, the manager also needs to be kept up to date on the individual's progress, while the individual needs to be kept up to date on organizational change which may impact on agreed objectives.

Torrington & Hall (1995:317) refer to the above-mentioned as the three key aspects of effective performance and call it the performance cycle. Figure 2.1 provides the reader with an illustration of the performance cycle, which describes effective day-to-day management of performance.

The aim of this performance cycle is to enhance individual performance and to support any Performance Management System.

The diagram below depicts Torrington & Hall's Performance Cycle



(Source: Torrington & Hall, 1995: 317)

Likewise, Hartle (1995:134) regards the management of individual performance as consisting of the following steps:

➤ Planning

The process whereby individual job objectives are linked to the business plan

➤ Managing

Regular reviews of performance on an ongoing basis

➤ Reviewing

Determining the achievement of individual objectives

➤ Rewarding

Reward individual performance with related rewards such as incentives or merit increases

2.3 Performance Management Systems

Torrington and Hall (1995:328) see performance management systems as the way to manage employee performance, because these systems are closely tied to the objectives of the organization. Therefore, the resulting performance is also more likely to meet organizational needs. Appraisal is a key part of a performance management system, but it is integrated with:

- Ensuring that individual efforts are directed towards organizational goals;
- Appropriate training and development to enable individual effort to be successful; and
- The rewarding and reinforcement of successful performance.

Torrington & Hall (1995:328-329) identify four stages of a typical performance management system. These four stages are:

Stage 1 - written and agreed job descriptions reviewed regularly

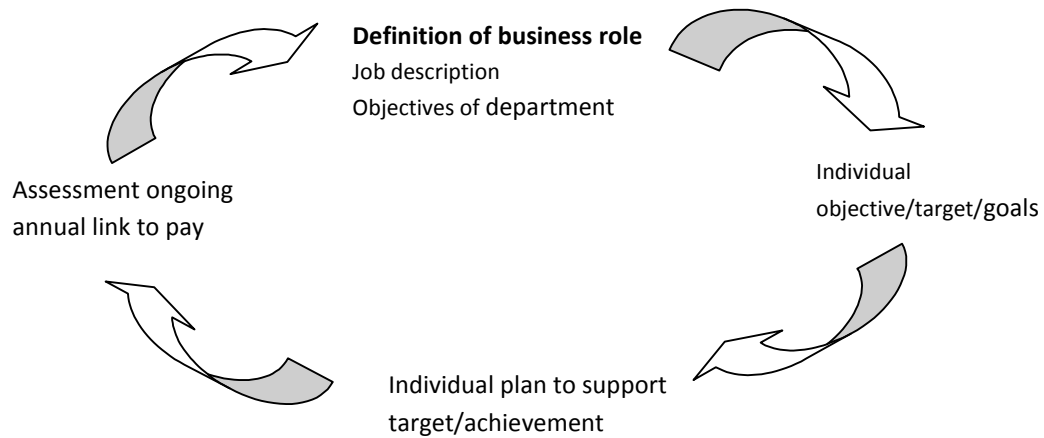
Stage 2 - individual objectives derived from the first stage

Stage 3 - development plans detailing development goals to enable individuals to meet the objectives

Stage 4 - assessment of objectives.

The following diagram below depicts the four stages

Figure 2.2: Torrington & Hall's four stages of a typical performance management system



Spangenberg (1995:37), on the other hand, adopts a systems approach towards performance management, and regards the main elements of a Performance Management System to be:

- Inputs, referring to strategic drivers such as strategy and leadership, and stakeholders, for example management, employees and trade unions.
- Processes, comprising five phases, being: developing organizational mission, goals, and strategic capabilities; creating alignment of goals at individual level; designing or redesigning structures; managing performance; and reviewing performance.
- Outputs, which can be divided into short-term criteria, including production, efficiency, and satisfaction, and medium-term criteria, referring to adaptability and development.
- Linkages, referring to the link between Performance Management and other Human Resource Systems.

Traditional performance appraisal systems present the following pitfalls:

- Too much paper work;
- Excessively complicated procedures;
- Unclear objectives;
- Lack of supervisory skills in performance report writing;

- Perception of unfairness of performance measurement; and
- Resistance from managers and employees (www.voddenconsulting.on.ca).

A performance management system has the following characteristics compared to performance appraisal systems:

- Objective feedback as part of the process of learning and improving performance;
- Objective measurement which can help an organization's managers identify what they are doing well, so that they can build on success; and
- A system which offers: Guidelines for outstanding performance, Quality measurement, Competency design and measurement, Process measurement (www.psych-pcs.co.uk).

A number of different types of Performance Management Systems are available nowadays.

Some examples are:

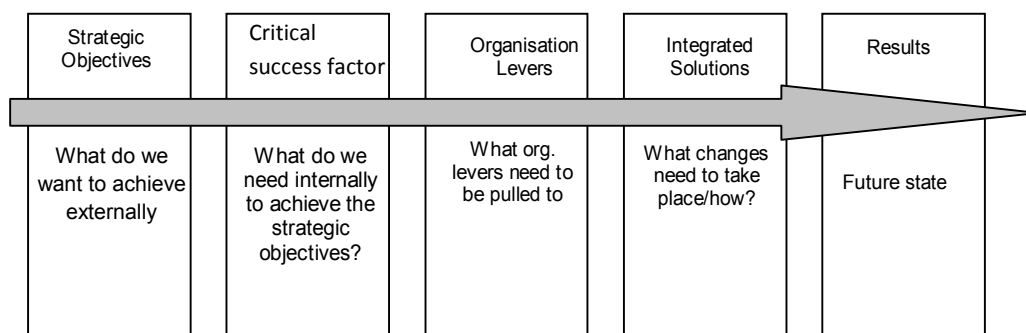
- Business Excellence Benchmarking, involving the identification of current strengths and areas for improvement by comparison with world class corporate excellence standards
- Quality Assessment, involving designing systems to measure the quality of processes and contributions to the business
- Competency Development, involving the identification and measuring of competencies
- Process Measurement, involving the provision of regular data on which day-to-day practices are being used to achieve business objectives
- Attitude Surveys, involving the design of surveys to evaluate, for example, culture and employee attitude (www.psych-pcs.co.uk).

Despite the choices available to organizations, it is however imperative that the Performance Management System chosen, be aligned with the organization's strategy and culture. Bennett and Minty (1999:60) developed a model (see Figure 2.4) which could assist organizations in answering the following questions:

- How do we create an organization in order to accomplish business objectives?
- How does one translate business strategy into action?
- Which levers need to be pulled, and how?
- What are the implications for the performance management system?

The diagram below shows Bennett & Minty's model of aligning performance management with organizational strategy

Figure 2.3: Bennett & Minty's model of aligning performance management with organizational strategy (Source: Bennett & Minty, 1999: 60)



Levers: leadership, values & culture, work processes, individual and team capabilities, organisation and job design, management processes (including performance management and reward)

A critical tool for ensuring business success, an effective performance management system needs to focus on what is important. A strong correlation exists between performance management and

improved performance, and a good performance management system should communicate strategy through an accountability process that ensures focus (Evans, 2000: 22).

2.3 Guidelines for Establishing an Effective Performance Management Programme in an Organization

All aspects of performance were discussed, and a clear link was found between the strategic performance of an organization and its individuals and performance management. This part of the literature will provide the reader with guidelines to be used when establishing a performance management programme in an organization. Firstly, the researcher will discuss the issue of improving performance through performance management. Secondly, key elements for an effective performance management programme will be discussed followed by a discussion on performance management as an ongoing process. Issues covered in this section will include performance planning, managing performance and reviewing performance. The researcher will conclude the chapter with some thoughts on how to implement a performance management programme.

2.3.1 Performance Improvement through Performance Management

According to Cascio (1998:300-302) "...performance management requires a willingness and a commitment to focus on improving performance (of) the individual ... every day." In an attempt to improve performance, performance management requires managers to do the following:

- Define performance

Well defined performance ensures that individual employees know what is expected of them, ensuring that they remain focused on effective performance. One measure of defining performance is goal setting. Goal setting is effective in improving performance because goals

direct attention to the specific performance in question, more effort is shown to accomplish higher levels of performance, and higher levels of performance are then a persistent occurrence. In addition, the extent to which these goals have been accomplished also needs to be measured, and regular assessment of the progress must be provided to ensure that the attention and efforts of the organization and the individuals remain focused.

➤ Facilitate performance

One of the major concerns of managing for maximum performance is to eliminate the effect of those factors that hinder successful performance. Once this has been done, the organization needs to provide the individual with the necessary resources required to successfully achieve the goals set. Furthermore, a careful selection of the individuals is important, so as to ensure that individuals are well-suited to their jobs.

➤ Encourage performance

To encourage performance, rewards that employees really value need to be provided. Such rewards must be provided in a timely manner, soon after the accomplishment of goals, and it is important that individuals consider the provision of rewards to be fair.

Goba (1998:14-16) takes this a step further, by mentioning that any attempt to improve performance, depends largely on top management's understanding, acceptance and involvement. All top managers need to be involved in performance improvement and this involvement has to filter down through the hierarchy to include all employees in leadership positions. Performance requires measurement and managers need to acquire the necessary skills in order to measure performance effectively. In addition, everyone in the organization has to understand the performance concepts as well as the basic economics involved in operating a business.

To perform their tasks optimally, individuals need to have the necessary knowledge and skills. Performance standards for each job must be understood and agreed upon, and actual performance should be measured against these standards. As a performance management tool, performance appraisals need to be conducted on an ongoing basis, so that corrective actions can be taken in time (Goba, 1998:16).

Performance management has the potential to change an organization. Increased motivation and management capabilities, open communication, changed attitudes and behaviour and a more performance-orientated culture, can be created by means of effective performance management. Hartle (1995:18) depicts the theory of performance improvement through performance management as follows:

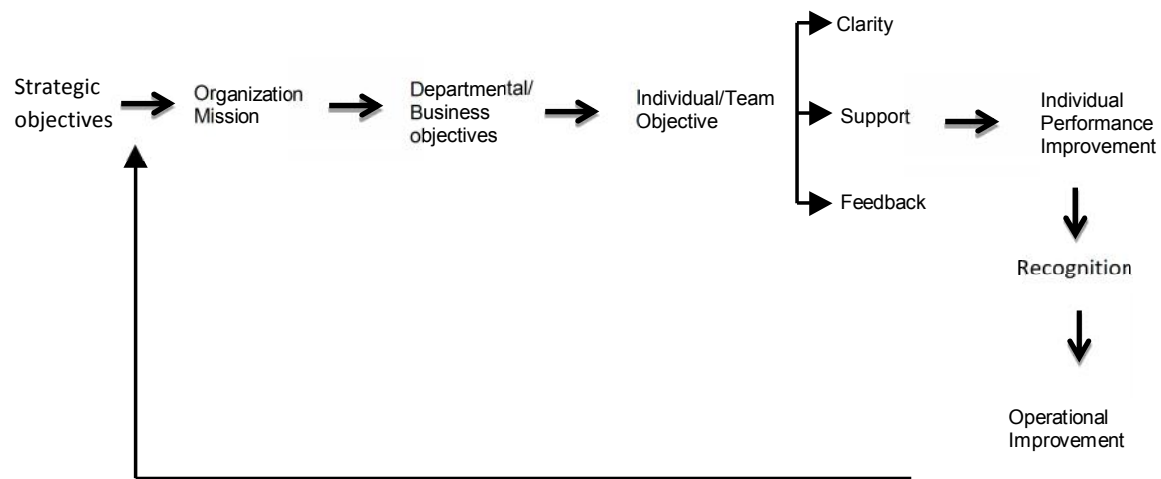


Figure 2.4: Hartle's theory of performance improvement

(Source: Hartle, 1995:18)

From Figure 3.1 it is clear that the findings of Hartle compare favourably to those of Cascio (1998:300-302), in that (1) performance is defined in terms of objectives set by the organization and the different departments, (2) performance is facilitated by means of clarity, support and feedback, and (3) performance is encouraged through appropriate recognition.

2.3.2 Key Elements for an Effective Performance Management Programme

According to Joubert and Noah (2000:18-19) the following factors are critical for a performance management programme to be and remain effective:

- Focus

The core strategic objectives and values of the organization must be understood by every employee.

- Balance

To ensure balanced performance, performance must be planned and measured.

- Stretch

The setting of demanding objectives and targets that require more than ordinary effort is critical to ensure increased/sustained performance.

- Mobilization

Through challenges found in objectives, targets and standards, individuals are mobilized and momentum is sustained by continuous reviewing of personal results.

- Latitude

More value will be realized by the individual if space is provided for self-direction and prioritization in the context of the overall mission of the organization.

- Contracting

Contracts must be entered into between the individual and his/her manager to access resources and compensation.

- Motivation

To remain inspired and content with a job, individuals need a continuous stream of recognition and support.

➤ Measurement

The value contribution by the individual is better when targets and measures are more specific and accurate.

➤ Appraisal

It is essential to put a score or value to the achievement of the individual.

➤ Feedback

Feedback is the lifeblood of excellent performance, as it induces change of behaviour irrespective of whether it is positive or negative feedback.

➤ Money

The hallmark of excellence is paying for performance, and reward can be seen as tangible proof that an individual's contribution was appreciated.

➤ Caring

Caring refers to the invisible compensation for loyalty and commitment.

Likewise, Lawson (1995:12-13) views the elements of an effective performance management programme as:

- Clarifying the organization's vision;
- Establishing key results, objectives and measures;
- Identifying business process objectives, as well as the key performance indicators for those processes;
- Identifying and implementing effective measures;
- Monitoring and controlling performance measures;
- Managing the continuous improvement of performance; and
- Altering performance measures as necessary when performance improvement is required.

The views of the authors mentioned above are reiterated in Figure 2.5, wherein Hartle (1995:64) sets out the elements that a performance management programme should contain.

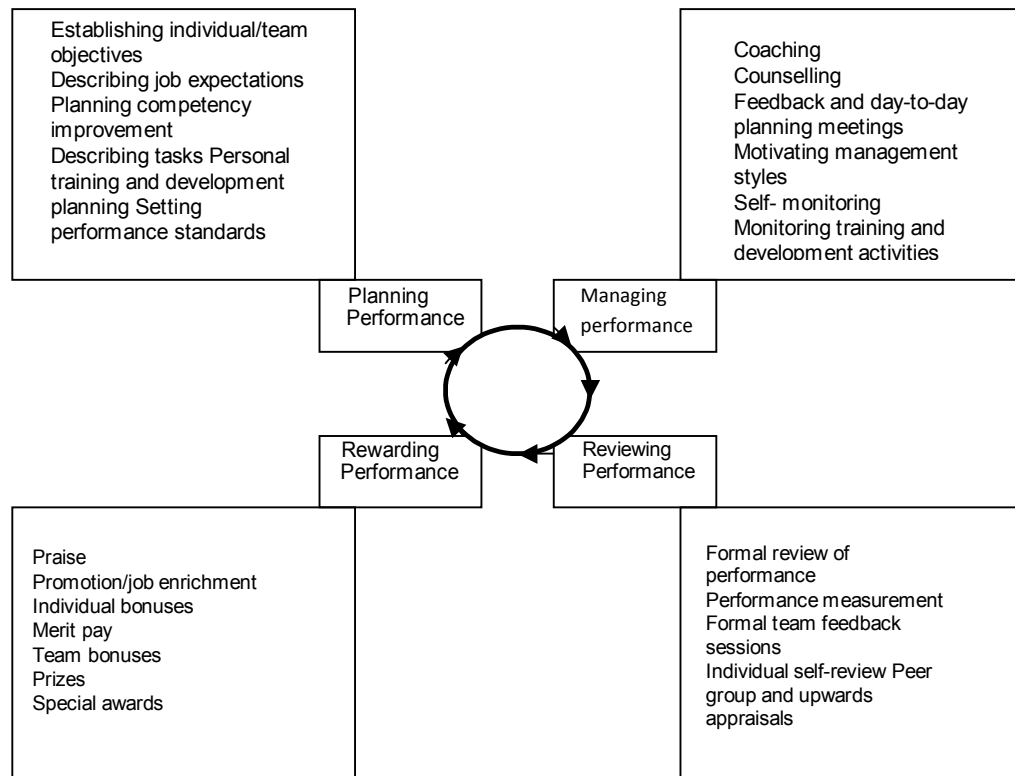


Figure 3.2: Hartle's elements of a performance management programme

(Source: Hartle, 1995: 64)

2.3.3 Performance Management as an ongoing process

The key phases of the performance management process (see Figure 3.3) consist of planning, coaching and reviewing/rewarding. These phases each have significant impact on the dimensions of standards, clarity, responsibility and reward (Hartle, 1995:154). The phases can be seen as follows:

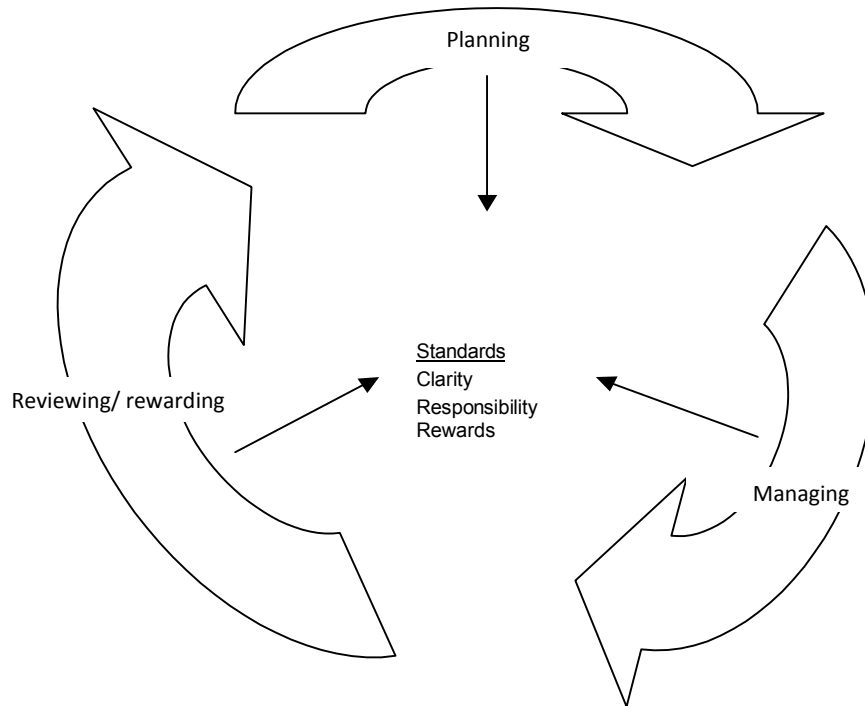


Figure 2.6: Hartle's key phases of a performance management process

(Source: Hartle, 1995:155)

Armstrong (1994:76-77) argues that performance management is an ongoing process, which reflects good management practices of direction setting, monitoring and measuring of performance, and taking action accordingly. Performance management can be regarded as an integral part of the continuous process of management based on a philosophy emphasizing:

- The achievement of continuous improvement in performance,
- Continuous development of skills and competencies, and
- That an organization becomes a learning organization.

2.3.3.1 Performance Planning

Performance planning can be viewed as part of the whole process of forming an agreement, which ultimately expresses a number of actions to be taken by an individual and by his/her

manager. The agreement and performance planning discussion between an individual and his/her manager should provide clarity and focus, as well as a set of key objectives. Complete agreement and understanding on these issues is also necessary. Furthermore, as part of performance planning, periodic discussion throughout the year is necessary, in order to check progress against objectives, and possibly even revise priorities (Armstrong, 1994:46; Hartle, 1995:157).

In support of Hartle's view of planning performance, the requirements for planning an employee's performance include establishing the elements and standards of their performance appraisal plans. These elements and standards should be measurable, understandable, verifiable and achievable, and the performance plans should be flexible so that they can be adjusted, when changing of objectives and work requirements is necessary (www.opm.gov).

2.3.3.2 Managing Performance

According to Hartle (1995:72-75) the managing phase of a performance management programme consists of discussion taking place between a manager and an individual, aimed at motivating employees to strive towards high standards and stretching objectives. Any performance gaps identified, must be followed by action plans to rectify these gaps. This is an ongoing process, aimed at achieving the performance expectations established in the planning phase. Activities included in this phase are:

- Coaching

Coaching is a learning process, where the individual is responsible for planning and achieving objectives set, but is supported by his/her manager. The manager also provides feedback, both on positive aspects, as well as those areas that need improvement.

➤ Counseling

When performance targets are not reached, managers need to take a formal and planned approach in order to help individuals overcome obstacles. The aim of counselling is to agree on specific action plans which could bring about performance improvement.

➤ Ongoing progress review

Performance management should be integrated with normal business planning or work activities, placing more emphasis on the links between an individual's capabilities, objectives and output, and the overall success of the organization. If the achievement of the organization's goals is dependent on the individual's objectives, then monitoring of the individual's objectives on a regular basis is critical.

➤ Self-Monitoring

The individual job holder should be encouraged to manage and take responsibility for his or her own performance. This encouragement should aim at:

- Seeking guidance from colleagues;
- Participation in discussions about their performance; and
- Reviewing their performance, and judging how well they have done.

2.3.3.3 Reviewing Performance

According to Hartle (1995:75–82) performance reviews provide an opportunity to assess performance trends and plan for the future, and he distinguishes between three types of reviews:

➤ The formal review

A formal review is an annual event, both at the beginning and the end of the annual performance management process, which provides a basis for planning the following year's expectations, and forms an agreed view on the job holder's performance in the preceding year.

➤ Individual self-review

The individual job holder should be a partner in the performance management programme, and usually he/she will have an accurate picture of his/her own performance. Each individual should be encouraged to take part in the reviewing phase of performance management, ensuring an understanding of the factors that led to successful performance, and those factors that contributed to under-performance.

➤ Peer group and upward appraisal

Traditional performance appraisal led to dissatisfied individuals, as it was regarded as an ‘top down’ approach. Performance appraisals were often regarded as being one-sided, leaving individuals despondent and de-motivated. The emergence of 360 degree feedback, has overcome this problem, whereby feedback is given between a manager, subordinates and peers as see Figure 3.4 below.

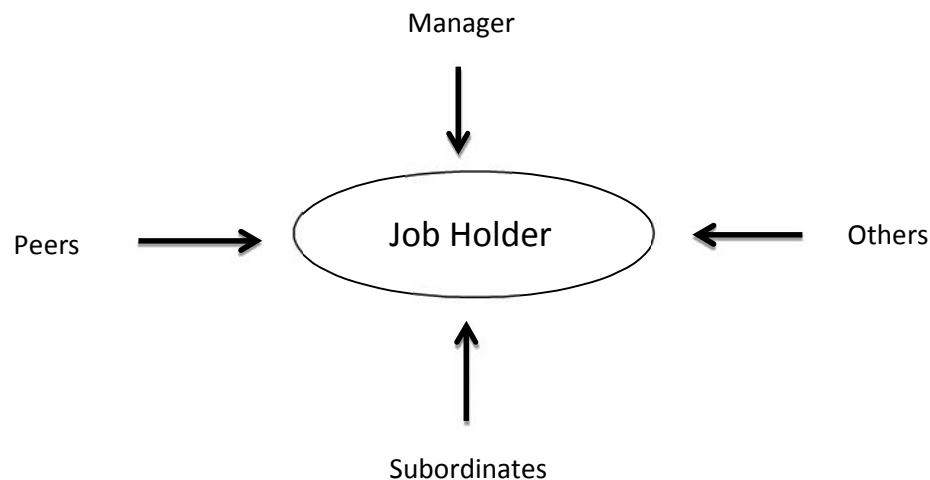


Figure 2.7: Hartle's model of 360 degree feedback

(Source: Hartle, 1995: 79)

Similar to the findings of Hartle, Spangenberg (1994:198) mentions that the traditional management culture of imposing controls over employee behaviour has become less effective, and the use of self-review, managers and peer review, could ensure that an organization remains competitive, through the involvement and commitment of all individuals.

2.3.3.4 Implementing Performance Management

Hartle (1995:212-217) identifies seven critical success factors, which will ensure the successful implementation of a performance management programme:

- Performance management should be owned by all staff,
- The performance management process should not be driven by “pay”, and a stronger emphasis should be on other issues that motivate people, such as job satisfaction, job challenge, career opportunities and training and development,
- Performance management should be used as a link between overall strategy and individual contribution, by means of setting clear objectives for individuals, in line with key strategic goals,
- Top management should use the performance management process themselves, and show a genuine commitment to it,
- It might be beneficial to first have a pilot run of the process in a part of the organization, as this could result in better support for performance management from the bottom up,
- A programme should be set in place, whereby all involved are trained in the setting of objectives, monitoring and tracking of performance, and the assessment of performance, and
- The implementation of a performance management programme should be seen as a learning process, as it will not work perfectly within the first year.

CHAPTER THREE

METHODOLOGY

3.1 INTRODUCTION

The purpose of this chapter is to describe the research methodology employed by the researcher to solve the research objectives.

3.2 SURVEY METHOD

The researcher has chosen the descriptive survey method as the desired tool to conduct the research. The descriptive method implies the assumption that what is observed at any one time is normal and, should the same conditions be present in the future, it could be observed again (Leedy, 1997:190).

3.3 POPULATION

This refers to the total collection of elements about which the researcher wishes to make some inferences (Cooper and Schindler, 2006:406). The total number of employees at the Seventh Day Adventist Hospital (S.DA) - Kwadaso was 182 consisting doctors, medical assistances, nurses and mechanized staff who are paid by the government.

3.4 RESEARCH SAMPLE

Where there is a large and irregular variation in the population, and the time or means to measure the whole population is not available, it is necessary to look at a method of sampling to overcome the problems mentioned. For the purposes of this research, the method used to select the sample was the simple random sampling method. The researcher decided to randomly select respondents per each salary grade. In this way, the data collected was a

better reflection of the average opinion of the Seventh Day Adventist Hospital as a whole.

3.5 SOURCE OF DATA COLLECTION

This research is made up of data collected from primary sources such as closed-ended questionnaires, and other secondary sources such as business journals (International Journal of Operations and Production Management, Industrial Management and Data System, and Journal of Health Services Research and Policy), the internet (Performance Measurement: Achieving high performance through alignment and strategic learning. (Access date: 1st April 2012), Text books (Bennett, K. & Minty, H. 1999. "Putting Performance Management on the Business Map". People Dynamics, Nov. /Dec., 17, (11), 58-63).

3.6 DATA COLLECTION INSTRUMENTS

According to Melville and Goddard (1996:41-45), the most common techniques used to collect data from people are tests, interviews and questionnaires. In an attempt to obtain the most reliable data, the researcher chose to compile a questionnaire, being a list of printed questions, which respondents are asked to answer. It is possible to use either, or both, open and closed ended questions. For the purpose of this research, closed-ended questions will be used to simplify the communication of the information, and the ease of answering the questions, as the respondents merely needed to choose from a collection of alternatives. According to Leedy (1997:219) questionnaires are often subject to bias, but it is also mentioned that data containing bias cannot always be avoided. By using simple random sampling a great deal of bias has been eliminated. However, bias could have influenced some conclusions made about the data collected.

3.7 METHOD OF DATA ANALYSIS

The researcher will use statistical methods to analyze the data collected. Statistical instruments that will be used include tables, bar graphs, and pie charts which helped to portray a vivid, easily read and understood picture of data obtained and analysis performed. These will be supplemented with qualitative or descriptive analysis where appropriate.

CHAPTER FOUR

PRESENTATION OF FINDINGS AND DISCUSSIONS

4.1 INTRODUCTION

This chapter will facilitate the understanding of the response pattern of the respondents' opinions which has a link to the objectives of the study. Tables and figures will be used to analyze relevant responses provided. Out of the 50 questionnaires, 41 were retrieved from the respondents.

Certain departments were adopted for the study to ascertain the various responses from the respondents. Table 4.1 indicates the responses in terms of the specific department/ward within the S.D.A Hospital (Kwadaso-Kumasi).

Table 4.1: Department adopted for the Study

Department/ward	Number of Responses	Percentage of Responses
Medical ward	18	43.9%
Surgical ward	5	12.2%
Men's ward	6	14.6%
Female's ward	9	22%
Out-Patient-Department	3	7.3%
Total Respondents	41	100%

Authors' field work, May 2012

From table 4.1, 18 respondents representing 43.9% are found in the medical ward whilst 12.2%, 14.6%, 22%, and 7.3% representing respondents from the surgical ward, men's ward, female ward, female ward and out-patient department respectively.

Again, in terms how long the respondents have worked in the organization, it is interesting to know that majority of them have worked for a very long time.

Table 4.2: Period Employed in the Organization

Number of years	Number of Responses	Percentage of Responses
Less than 5 years	9	22%
5 to 10 years	6	14.6%
More than 10 years	26	63.4%
Total Respondents	41	100%

Authors' field work, May 2012

From table 4.2, majority of the respondents representing 63.4% have been in the organization for long whilst the remaining 22% and 14.6% have worked for less than 5 years and 5 to 10 years respectively.

Various positions held by the respondents in the organization came out with the following:

Table 4.3: Positions Held in the Organization

Position held	Number of Responses	Percentage of Responses
Senior Management	1	2.4%
Management	8	19.5%
Middle Management	6	14.7%
General Staff	2	63.4%
Total Respondents	4	100%

Authors' field work, May 2012

As can be seen from table 4.3 a distinction has been made between three levels of management. Middle Management represents line managers, also known as supervisors. Middle Management report to Management, representing the second level of management, while Management report to Senior Management, the top level of management.

The gender of the respondents of the organization also revealed the following:

Table 4.4: Gender Representation in the Organization

Gender	Number of Responses	Percentage of Responses
Male	10	24.4%
Female	31	75.6%
Total Respondents	41	100%

Authors' field work, May 2012

From table 4.4, it is interesting to note that the majority of respondents are females representing 75% whilst the remaining 24.4% are males in the organization.

The marital status of the respondents from the survey was somehow balance in the organization.

Table 4.5: Marital Status of Respondents in the Organization

Marital status	Number of Responses	Percentage of Responses
Married	24	58.5%
Single	17	41.5%
Total Respondents	41	100%

Authors' field work, May 2012

From table 4.5, 58% of the respondents were married whilst 41.5% were single.

The researcher will undertake a critical evaluation of the organization's Performance Management. The data will be analyzed and interpreted in terms of Section B of the questionnaire, viz:

Part 1, referring to providing clarity of the organization's goals;

Part 2, referring to the establishment of key results, objectives and measures;

Part 3, referring to the issue of continuous performance improvement; and

Part 4, aimed specifically at managers' perceptions in the organization.

4.2 Analysis and Interpretation of the Evaluation of the Performance Management Programme's Influence on the achievement of Organizational and Individual Goals.

The analysis and interpretation of the data relate to the research questions identified, namely:

- (a) Are the strategies of the organization linked to the goals of the individual?
- (b) To what extent does the process of managing employee performance in the organization compare with the guidelines offered in chapter two?

4.2.1 Clarity of Organizational Goals

An effective performance management should provide clarity of the organization's goals, thus ensuring that performance is focused on meeting organizational and individual needs. In Part 1 of the questionnaire, the aim is to determine to what extent individual performance is linked to organizational goals and the achievement thereof.

Table 4.6 shows the respondents' opinion of the extent to which organizational goals are clear, and the extent to which individual and organizational goals are achieved through the performance management.

Table 4.6: Extent to which Goals are clear to employees of S.D.A Hospital

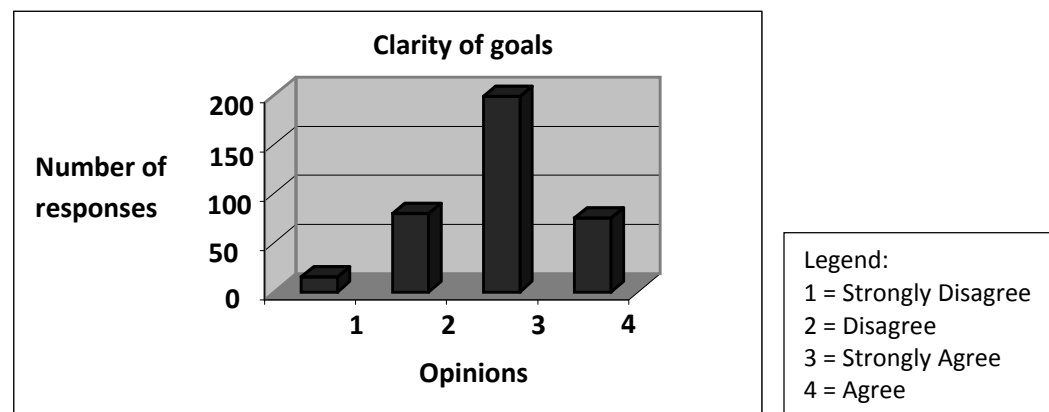
		1	2	3	4	T
Legend: 1 = Strongly Disagree 2 = Disagree 3 = Agree 4 = Strongly Agree T = Total	I know what the strategic objectives of the organization are.	No. 0 % 0%	1 2.40%	30 73.20%	10 24.4%	41 100%
	The goals set by myself support the strategic objectives of the organization.	No. 0 % 0%	4 9.70%	28 68.30%	9 22.0%	41 100%
	I am committed to the organization, and to the achievement of my goals.	No. 0 % 0%	0 0%	19 46.30%	22 53.7%	41 100%
	The current performance management programme in place at the organization makes me more accountable for my own results.	No. 0 % 0%	4 9.70%	24 58.50%	13 31.8%	41 100%
	I have a higher level of ownership of what I do.	No. 1 % 2.40%	4 9.70%	28 68.30%	8 19.6%	41 100%
	I regard management to be more motivational and inspirational now, than before.	No. 6 % 14.6%	18 44%	14 34.10%	3 7.30%	41 100%
	I am clear about how my role fits into the organization's plan.	No. 3 % 7.30%	12 29.20%	20 48.70%	6 14.8%	41 100%
	The current link between pay and performance is fair.	No. 4 % 9.70%	21 51.30%	15 36.60%	1 2.40%	41 100%
	I am kept up to date with organizational change.	No. 1 % 2.40%	16 39%	21 51.30%	3 7.30%	41 100%

Authors' field work, May 2012

An analysis of Table 4.6 shows that 97.6% of the respondents agree or strongly agree that they know what the strategic objectives of the organization are. 90% of the respondents agree or strongly agree that the goals set by them support the strategic objectives of the organization. All the respondents agree or strongly agree that they are committed to the organization. 90% of the respondents agree or strongly agree that the current performance management programme makes them more accountable for their own results. 87.6% of the respondents agree or strongly agree that they have a higher level of ownership of what they do. It is interesting to note that there is a fairly equal division between responses as to where the individuals' roles fit into the organization.

To summarize Table 4.6, and in order to provide the reader with a visual picture of the responses relating to the clarity of goals within the organization, the total number of responses to all the questions were added together, and are presented in figure 2.8.

Figure 2.8: The Extent to which Goals are clear to Employees of S.D.A Hospital



From figure 2.8, it is evident that goals are clear to most of the respondents.

Relating the results of the analysis of Part 1 of the questionnaire to the theory previously discussed, the findings are as follows:

The strategic objectives of the organization are clear and more importantly linked to the goals set for each individual. This is indicative of the theory, where Armstrong (1994:13) mentions that performance management assists in the integration of corporate and individual goals.

Torrington & Hall (1995:293-296) identified commitment as one variable that has a positive impact on performance. The analysis of the questionnaire reveals that individuals are very committed to the organization, which could result in higher performance and enhance the performance of the organization as a whole.

Supported once again by Torrington & Hall (1995:293-296), as a variable that has a positive impact on performance, it is found that there is a very strong feeling that the Performance Management Programme has empowered each and every individual.

The analysis showed that there is a presence of negative factors that could impact on performance, as identified by Walters (1995:26), in that not all employees know where they fit into the organization.

4.2.2 Extent to which clear Results, Objectives and Measures have been established at S.D.A Hospital

An effective performance management programme should assist in the establishment of key results, objectives and measures. Part 2 of the questionnaire is aimed at determining whether the performance management programme at the S.D.A Hospital (Kwadaso-Kumasi) has in actual fact established key results, objectives and measures, according to which individuals can enhance their own, and the organization's performance.

Table 4.7 shows the respondents' opinion of the extent to which clear results, objectives and measures have been established.

Table 4.7: Extent to which clear Results, Objectives and Measures have been established at S.D.A Hospital

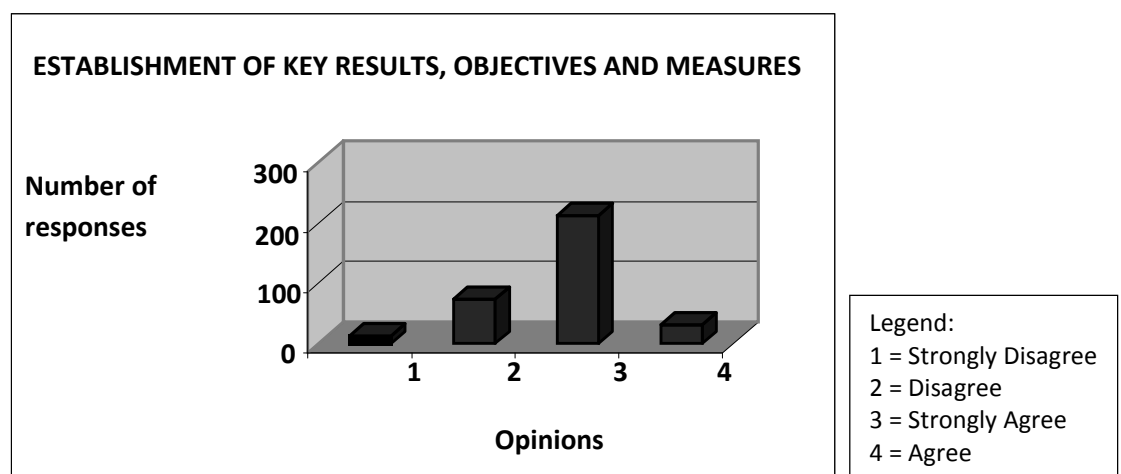
		1	2	3	4	T
Legend: 1 = Strongly Disagree 2 = Disagree 3 = Agree 4 = Strongly Agree T = Total	I am clear on what my job responsibilities are.	No. 1 % 2.40%	3 15.00%	26 63.50%	11 26.8%	41 100%
	I am clear on how the standards of my work will be judged.	No. 1 % 2.40%	15 36.60%	22 53.70%	3 7.30%	41 100%
	Training and development and the necessary resources were provided in order for me to achieve my objectives.	No. 4 % 9.70%	18 44%	20 48.70%	0 0.00%	41 100%
	There is continuous review between myself and my manager regarding my performance.	No. 2 % 4.90%	12 29.20%	26 63.50%	1 2.40%	41 100%
	I know what competencies are essential for me to have, in my job.	No. 0 % 0%	6 14.60%	30 73.20%	5 12.2%	41 100%
	My manager reached an agreement on how my performance will be measured.	No. 2 % 4.90%	5 12%	30 73.20%	4 9.70%	41 100%
	My performance review covered those issues which were very important in performing my job.	No. 1 % 2.40%	8 19.60%	29 70.70%	3 7.30%	41 100%
	My performance was measured against the agreement reached with my manager.	No. 1 % 2.40%	7 17.20%	29 70.70%	4 9.70%	41 100%

Authors' field work, May 2012

An analysis of Table 4.7 shows that 90.3% of the respondents agree or strongly agree that they are clear on what their job responsibilities are while only 61% of the respondents are clear on how the standard of their work will be judged. It appears that more than half of the respondents are not provided with training and development and the necessary resources to achieve their objectives. 85.4% of the respondents know what competencies are essential in their jobs. 82.9% of the respondents reached agreements on how their performance will be measured. 78% of the respondents agree or strongly agree that their reviews covered those issues that were very important in performing their jobs. 80.4% of the respondents agree that their performance was measured against the agreements reached with their managers.

To summarize Table 4.7 and in order to provide the reader with a visual picture of the responses relating to the establishment of key results, objectives and measures within the organization, the total number of responses to all the questions were added together, and are presented in figure 2.9.

Figure 2.9: Extent to which clear Results, Objectives and Measures have been established at S.D.A Hospital



From figure 2.9, it is clear that most respondents agree that key results, objectives and measures have been established.

From the questions analyzed in figure 2.9, the findings are as follows:

Torrington & Hall (1995:316-318) mention that clarity of goals and standards, and the appropriate resources are critical to performance. From the analysis, it is evident that individuals are clear on what their job responsibilities are but it is concerning that firstly, it is not clear to all how the standards of their work will be judged and secondly, the necessary training and resources were not provided in all cases.

A large majority of employees agree that performance agreements were concluded with their managers, which set out how performance will be measured, which is indicative of the theory where Armstrong (1994:80-81) mentions that the improvement of performance can be achieved through defining performance measures.

4.2.3 Continuous Improvement of Performance

An effective performance management programme should lead to the continuous improvement of performance. Part 3 of the questionnaire is aimed at determining whether the performance management programme at S.D.A Hospital (Kwadaso-Kumasi) has resulted in improved performance. Table 4.8 shows the respondents opinions of the extent to which performance has improved.

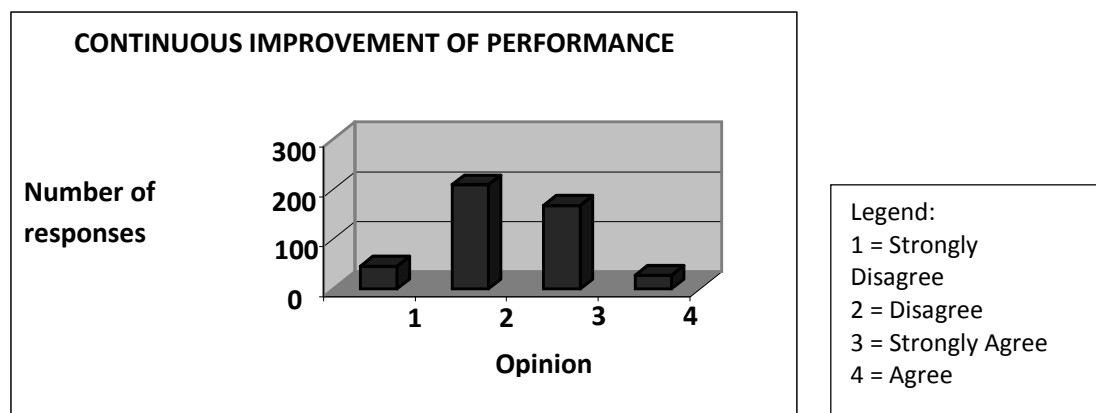
Table 4.8: Employees perception on Performance Management Programme in improving organizational performance

			1	2	3	4	T
Legend: 1 = Strongly Disagree 2 = Disagree 3 = Agree 4 = Strongly Agree T = Total	I was given feedback on the positive aspects of my performance.	No · %	3 7.30%	14 34.10%	20 48.80%	4 9.80%	41 100%
	I was given feedback on those aspects of performance which could be improved.	No · %	3 7.30%	19 46.30%	17 41.50%	2 4.90%	41 100%
	A plan is in place for my future development.	No · %	9 22%	25 61%	7 17.00%	0 0%	41 100%
	The problems influencing my performance have been identified.	No · %	4 9.80%	22 53.70%	14 34.10%	1 2.40%	41 100%
	The problems influencing my performance have been eliminated.	No · %	6 14.8%	24 58.50%	10 24.30%	1 2.40%	41 100%
	The objectives set for myself are flexible, in that that assist in improving my performance.	No · %	1 2.40%	17 41.50%	23 56.10%	0 0%	41 100%
	The most important reward for good performance is an increase in pay.	No · %	4 9.80%	4 9.80%	16 39.00%	17 41.4%	41 100%
	I was given training on how to set my own objectives, and monitor and track my performance.	No · %	8 19.6%	19 46.30%	14 34.10%	0 0%	41 100%
	I believe that the performance management programme has assisted me in achieving my goals.	No · %	4 9.80%	24 58.50%	13 31.70%	0 0%	41 100%
	I believe that my performance has improved.	No · %	2 4.90%	19 46.30%	20 48.80%	0 0%	41 100%
	I believe that organizational performance as a whole has improved.	No · %	2 4.90%	22 53.70%	14 34.10%	3 7.30%	41 100%

Authors' field work, May 2012

An analysis of Table 4.8 shows that there is an equal division between responses relating to feedback provided on performance, both positive and negative. More than 61% of the respondents do not have plans in place for their future development. Problems influencing performance have not been identified for 63.5% of the respondents. For 73.3% of the respondents, the problems influencing their performance have not been eliminated. More than 80% of the respondents agree or strongly agree that an increase in pay is the most important reward for good performance. The improvement of individual and organizational performance reflects an equal division of responses. To summarize Table 4.8, and in order to provide the reader with a visual picture of the responses relating to the continuous improvement of performance within the organization, the total number of responses to all the questions were added together, and are presented in figure 3.0.

Figure 3.0: Employees perception on Performance Management Programme in improving organizational Performance



From figure 3.0, it can be seen that more than half of the respondents are not in agreement that performance has improved.

From the questions analyzed in Table 4.8, it is evident that feedback provided to individuals,

regarding both positive and negative aspects of their performance is not being applied consistently. It is interesting to note that this is contrary to what the theory shows, where Joubert and Noah (2000:18-19) regard feedback as the lifeblood of excellent performance. Hartle (1995:65-71) mentions that personal performance improvement objectives as part of a development plan for each individual is a key process in performance planning which appears from the analysis to be lacking, as 61% of respondents do not have plans in place for future development.

The continuous management of performance, according to Armstrong (1994:77-87), includes the updating of objectives. This involves the identification of shortfalls in performance, the establishment of reasons for any shortfalls and attempts to overcome the problems influencing performance. It is interesting to note that the majority of respondents disagree with the statements regarding the problems that influence their performance.

In contrast to the theory of Hartle (1995:212-217), performance is driven by pay rather than job satisfaction, job challenge, career opportunities and training and development.

4.2.4 Management's Opinion about Performance Management

Performance management can be regarded as an integral part of the continuous process of management, seen as an ongoing process of direction setting, monitoring and measuring performance, and taking action accordingly. Part 4 of the questionnaire is aimed at determining the extent to which managers are able to successfully use the Performance Management Programme as a management tool in order to improve performance. Table 4.9 shows the respondents opinions of the extent to which performance has been managed successfully.

Table 4.9: Extent to which Managers are to use Performance Management Programme

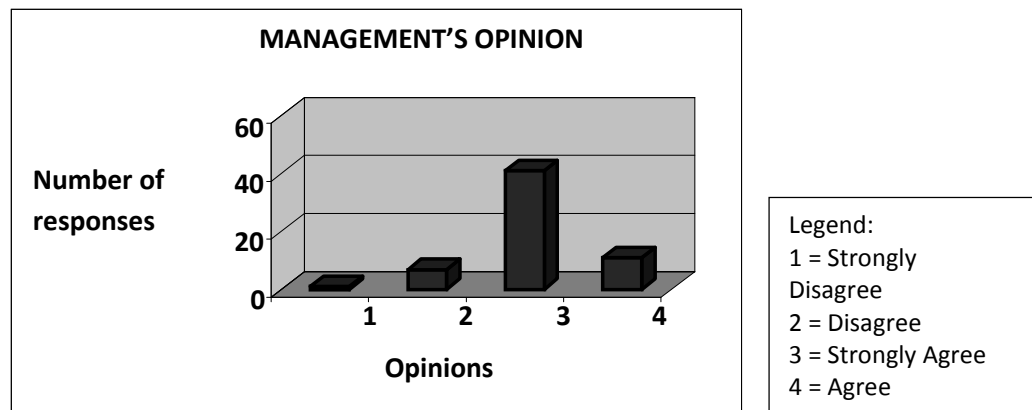
<div>Legend: 1 = Strongly Disagree 2 = Disagree 3 = Agree 4 = Strongly Agree T = Total</div>			1	2	3	4	T
	I have set clear goals for my staff.	No. %	0 0%	0 0%	10 66.70%	5 33.3%	15 100%
	I provide my staff with continuous guidance and support.	No. %	0 0%	0 0%	12 80.00%	3 20.0%	15 100%
	I reward my staff for good performance (not financial reward).	No. %	1 6.70%	2 13%	10 66.70%	2 13.3%	15 100%
	I have acquired the necessary skills, to measure the performance of my staff.	No. %	0 0%	5 33.30%	9 60.00%	1 6.70%	15 100%

Authors' field work, May 2012

An analysis of Table 4.9 shows that all respondents who are in management positions agree or strongly agree that they have set clear goals for their staff. All respondents who are in management positions agree or strongly agree that they provide continuous guidance and support to their staff. 80% of the respondents reward their staff with non-financial reward. 66.7% of the respondents have acquired the necessary skills to measure performance.

To summarize Table 4.9, and in order to provide the reader with a visual picture of the responses relating to the opinions of managers regarding the Performance Management Programme at the organization, the total number of responses to all the questions were added together and are presented in figure 3.1.

Figure 3.1: Extent to which Managers are to use Performance Management Programme



From figure 3.1, it is very clear that management is positive about the current performance management programme.

From the questions analyzed in table 4.9, the finding shows that:

Indicative of the theory of Hartle (1995:212-217), management appears to show a real commitment to the performance management programme.

Clear goals are being set for staff. This is in line with what performance management requires managers to do, according to Cascio (1998:300-302), and is supported by the findings of question 10 in Table 4.2.

Non-financial reward appears to be used consistently. However, Cascio (1998:300-302) mentions that rewards really valued by individuals need to be provided. It is clear from the response to question 24 in Table 4.3, that an increase in pay is most valued by individuals.

CHAPTER FIVE

FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 FINDINGS

The research questions were identified in order to determine the role of performance management programme in achieving organizational goals. Although the S.D.A Hospital's Performance Management Programme meets some requirements for such a system to be successful, a number of recommendations need to be made for the Programme to enhance the achievement of organizational and individual goals.

The summary of findings from the research conducted can be summarized as follows:

The strategies of the organization are linked to the goals set for each individual (90%).

Individuals are clear on what their job responsibilities are (90.3%).

Training and development is lacking (more than 50%). Continuous review of performance takes place (more than 63.50%).

Feedback on performance and more specifically feedback on problems influencing performance have not been discussed and eliminated (more than 63.50%).

Management is committed to the performance management programme (100%).

5.2 CONCLUSION OF STUDY

The aim of this research was to determine whether S.D.A Hospital (Kwadaso-Kumasi) manages performance in line with organizational strategy and employee goals in solving the research questions identified. It was necessary to determine whether the current performance management programme at the S.D.A Hospital achieves increased managerial control over work and results, increased managerial ability to identify problem areas of performance, links performance objectives to organizational objectives, and provides objective feedback.

This study has succeeded in recognizing that there is a link between individual and organizational goals, but also that the ability to provide feedback and identify problem areas of performance is lacking. It can safely be said that the organization has for many years, been able to link individual and organizational goals, but that it is now necessary to realize that performance does not only rely on this link. To improve performance, the organization needs to identify those areas that have a negative impact on performance and eliminate them. The focus needs to shift from merely the achievement of objectives to exceeding the achievement of objectives.

Change is inevitable and one cannot succeed by doing the same thing that was done twenty years ago. By implementing the current performance management programme the S.D.A Hospital has recognized that a change is required. Performance management can be used to improve current performance and assist the organization in achieving greater success. Performance management is also a tool that can be used to increase motivation, identify training needs, and focus on career development. If implemented correctly and after considering the recommendations provided, the researcher is of the opinion that the current

programme will definitely lead to an increase in organizational and individual performance.

5.3 RECOMMENDATIONS

The objective of this study was to determine the role of performance management in achievement organizational goals. To achieve this objective various literatures were consulted in order to identify guidelines according to which S.D.A Hospital (Kwadaso-Kumasi) should manage individual performance.

From the respondents' opinions, it can be concluded that the greatest shortcomings of the current programme are the lack of training and development, and the necessary resources to achieve objectives. Furthermore, there is no overwhelming agreement that feedback; both positive and negative takes place as the literature suggests. In addition to this, problems influencing performance have not been addressed and eliminated.

The mere fact that goals have been linked to the strategic objectives of the organization does not imply that the current programme will result in an increase in performance. This has been proven by means of the opinions of the respondents regarding the increase in performance of the organization and the individual. Performance management revolves around more than just goals and strategic objectives, and regards performance as a process of which the goals and strategic objectives represent the inputs into the process, while continuous attention needs to be given to the means and resources required in order to deliver outputs.

In order to ensure the continuous improvement of performance as a means of remaining competitive in a changing business environment, it is of utmost importance that an effective performance management programme should ensure that the goals of the individual support the strategic objectives of the organization and that the organization supports the individual in achieving these goals. It is therefore believed that keeping in mind the fact that a performance management programme will not work perfectly right in the first year the following recommendations should be implemented:

Firstly, formalized training and development plans should be in place for each individual. These plans should concentrate on what is important for the individual in his/her current position, and should also assist the individual in his/her development as a means of achieving greater performance and progression within the organization.

Secondly, management should undergo training on how to improve performance rather than merely assessing performance.

Thirdly, management should undergo training in the process of performance review and feedback. Feedback is essential, in that the individual's shortcomings can be identified, and these shortcomings can be addressed through adjustments to the formalized training and development plans mentioned previously.

Fourthly, management also needs training on how to identify problems influencing performance, and how to eliminate these problems. Management needs to be able to make decisions that could eliminate problems and improve performance.

Fifthly, besides being committed to the current programme, management also needs to show commitment to the success and well-being of the individuals. By implementing the recommendations mentioned previously, individuals will start believing that they mean something to the organization, and that the organization is committed to them.

Sixthly, a cultural change amongst individuals is necessary, whereby they should realize that the success and improved performance of the organization lies within themselves. With the necessary support provided, individuals can contribute greatly towards improved performance of the organization.

Seventhly, individuals need to change their perception that the current performance management programme will lead to an increase in pay. However important, an increase in pay may seem non-financial rewards could be just as important and rewarding for an individual. Rather than an increase in pay, the current programme can assist in the development and growth of the individual.

5.4 RECOMMENDATION FOR FURTHER RESEARCH

Lastly the study can also provide a basis for further research. Considering that the current programme is newly implemented, it is inevitable that some flaws will be present. Taking cognisance of the recommendations could result in a different outcome if this study is done again at a later stage. The findings of this study can prove to be a useful resource to those responsible for managing performance, as well as other organizations wishing to evaluate their performance management programmes.

**THE ROLE OF PERFORMANCE MANAGEMENT IN THE ACHIEVEMENT OF
ORGANIZATIONAL GOALS
(A CASE STUDY OF THE SEVENTH-DAY ADVENTIST HOSPITAL, KWADASO-
KUMASI)**

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**A DISSERTATION SUBMITTED TO THE DEPARTMENT OF BUSINESS STUDIES,
CHRISTIANS SERVICE UNIVERSITY COLLEGE IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF BACHELOR OF
BUSINESS ADMINISTRATION**

JUNE, 2012

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APPENDIX 'A'

Section A

Biographical information

Please provide the following information regarding your position in the organization, by placing an X in the appropriate block

1. In which section/ward /department of the organization are you employed?

Medical ward	
Surgical ward	
Men's ward	
Female ward	
O.P.D	

2. How long have you been in the employment of the organization?

Less than 5 years	
5 to 10 years	
More than 10 years	

3. What position do you hold in the organization?

Senior Management	
Management	
Middle Management	
General Staff	

4. Gender

Male	
Female	

5. Marital status

Married	
Single	

APPENDIX 'B'

Section B

Performance management recognizes that relating work performance to the strategic mission of an organization is critical for success. An effective performance management programme should provide clarity of the organization's goals, establish key results, objectives and measures, and lead to the continuous improvement of performance.

Please answer the following questions, by encircling the appropriate number. Part 4 need only be completed, if you are in a management position.

CLARITY OF THE ORGANIZATION'S GOALS

Part 1

	Strongly Disagree	Disagree	Agree	Strongly Agree
I know what the strategic objectives of the organization are.	1	2	3	4
The goals set for myself support the strategic objectives of the organization.	1	2	3	4
I am committed to the organization, and to the achievement of my goals.	1	2	3	4
The current performance management programme in place at the organization makes me more accountable for my own results.	1	2	3	4
I have a higher level of ownership of what I do.	1	2	3	4
I regard management to be more motivational and inspirational now than before.	1	2	3	4
I am clear about how my role fits into the organization's plan.	1	2	3	4
The current link between pay and performance is fair.	1	2	3	4
I am kept up to date with organizational change.	1	2	3	4

ESTABLISH KEY RESULTS, OBJECTIVES AND MEASURES

Part 2

	Strongly Disagree	Disagree	Agree	Strongly Agree
I am clear on what my job responsibilities are.	1	2	3	4
I am clear on how the standards of my work will be judged.	1	2	3	4
Training and development, and the necessary resources were provided, in order for me to achieve my objectives.	1	2	3	4
There is continuous review between myself and my manager regarding my performance.	1	2	3	4
I know what competencies are essential for me to have in my job.	1	2	3	4
My manager reached an agreement on how my performance will be measured.	1	2	3	4
My performance review covered those issues which were very important in performing my job.	1	2	3	4
My performance was measured against the agreement reached with my manager.	1	2	3	4

CONTINUOUS IMPROVEMENT OF PERFORMANCE

Part 3

		1	2	3	4	T
I was given feedback on the positive aspects of my performance.	No. %	3 7.30%	14 34.10%	20 48.80%	4 9.80%	41 100%
I was given feedback on those aspects of performance which could be improved.	No. %	3 7.30%	19 46.30%	17 41.50%	2 4.90%	41 100%
A plan is in place for my future development.	No. %	9 22%	25 61%	7 17.00%	0 0%	41 100%
The problems influencing my performance have been identified.	No. %	4 9.80%	22 53.70%	14 34.10%	1 2.40%	41 100%
The problems influencing my performance have been eliminated.	No. %	6 14.80%	24 58.50%	10 24.30%	1 2.40%	41 100%
The objectives set for myself are flexible in that assist in improving my performance.	No. %	1 2.40%	17 41.50%	23 56.10%	0 0%	41 100%
The most important reward for good performance is an Increase in pay.	No. %	4 9.80%	4 9.80%	16 39.00%	17 41.40%	41 100%
I was given training on how to set my own objectives, monitor and track my performance.	No. %	8 19.60%	19 46.30%	14 34.10%	0 0%	41 100%
I believe that the performance management programme has assisted me in achieving my goals.	No. %	4 9.80%	24 58.50%	13 31.70%	0 0%	41 100%
I believe that my performance has improved.	No. %	2 4.90%	19 46.30%	20 48.80%	0 0%	41 100%
I believe that organizational performance as a whole has improved.	No. %	2 4.90%	22 53.70%	14 34.10%	3 7.30%	41 100%

MANAGEMENT OPINION

Part 4

	Strongly Disagree	Disagree	Agree	Strongly Agree
I have set clear goals for my staff.	1	2	3	4
I provide my staff with continuous guidance and support.	1	2	3	4
I reward my staff for good performance (not financial reward).	1	2	3	4
I have acquired the necessary skills, to measure the performance of my staff.	1	2	3	4