Effectiveness of Staff Performance Management in the Motor Industry in Kenya: A Case Study of General Motors (East Africa) Limited

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Abstract

Purpose: This study was designed to investigate the effectiveness of staff performance management in the motor industry in Kenya, focusing on General Motors (EA) Ltd. The objectives of the study were: to assess the extent to which staff performance management has influenced employees’ productivity in General Motors (EA) Ltd; to analyze the challenges faced by General Motors (EA) Ltd in implementing staff performance management practices; and to make recommendations for measures that will facilitate effective implementation of staff performance management practices in General Motors (EA) Ltd. Methods: To undertake the study, a descriptive research design was used. This is a scientific study done to describe a phenomena or an object in this case study the phenomena is declining employees’ performance. The method was preferred as it permits gathering of data from the respondents in natural settings. A case study of General Motors (EA) Ltd was adopted for this study. All departments and functions of GM (EA) Ltd was considered in the study in order to provide a reasonable level of breadth without sacrificing the depth and richness of the data. Semi-structured questionnaires with both closed and open-ended questions were administered. The study utilized a combination of both quantitative and qualitative techniques in the collection of data. The study covered all the six departments of GM(EA) Ltd with respondents being drawn from the Headquarters. All cadres of staff were involved in the study. All the twenty seven questionnaires sent out were returned completed, 100% response rate. The data was analyzed by employing descriptive statistics such as percentages, frequencies and tables. Computation of frequencies in tables, charts and bar graphs was used in data presentation. In addition, the researcher used standard deviations and mean scores to present information pertaining to the study objectives. Results: Findings of the study revealed that the Null Hypothesis of the study tested positive: Staff performance management practices in General Motors (EA) Ltd has a positive influence on employees’ productivity. Performance management practices within the organization had a positive influence and facilitated success of the following management activities: Organizational strategy formulation; Management of strategy implementation process; Communication with internal stakeholders; Communication with external stakeholders; Evaluation and reward behavior; Benchmarking of performance of different organizations, plants, departments, teams and individuals; Managerial decision-making processes; and Encouragement of improvement and learning. The findings further point to the fact that the way to have good employees is to choose good employees. Look for people who are passionate and committed. Clear verbal and written communication is the key to a healthy working environment. Keywords: Effectiveness, Staff performance management, Motor Industry

ABBREVIATIONS

BSC Balanced Score Card
GM (EA) EA LTD General Motors (East Africa) Limited
HR Human Resources
IT Information Technology
PMM Performance Management Matrix
SPM Strategic Performance Management
US United States

1.0 INTRODUCTION
1.1 Background of the Study

Concept of staff performance management

The purpose of a staff performance management process is to motivate the employees to accomplish desired results through effective work planning, self-development and the conferment of rewards for significant achievements. An efficient and effective performance management process has a direct bearing on organizational effectiveness, and ultimately, client satisfaction. The performance management process should be linked with the organization’s vision, mission and values and its strategic directions. As such, the performance management process needs to be defined in the context of organizational performance. Performance management is both transaction-oriented and relationship-oriented. As an assessment tool, it ensures that the set
objectives and outputs of the individual and the unit are carried out as part of the overall strategies and targets of the organization. It also takes into consideration the behavioral aspects of the performance. Because performance assessment is by no means a purely mechanical task, performance management encompasses the interactions of individuals.

As performance management is also process-oriented, it is not just a matter of what was done (output) but how (process) it was done and why (values orientation) it was done in the first place. Strong emphasis on the institutional values system and on culture forms part of the process of delivering the output. Most often, performance does not only reflect a task and a relationship orientation, but more importantly, values orientation. An effective performance management process leads to individual, team and organizational effectiveness that can contribute to client satisfaction and make the organization more responsive, relevant and sustainable in its response to the demands of its clientele.

As in any organization, General Motors (EA) Ltd. can be affected by decline in employee’s performance, where the bulk of the organizational production system is dependent upon its employees (Clark, 1981). Besides the reduction of organizational effectiveness, financial resources are used for dealing with the consequences of the decline in performance. Those costs reduce the amount of available resources to accomplish the primary mission of the organization.

General Motors (EA) Ltd.
General Motors (EA) Ltd was officially inaugurated in 1978 as a joint venture between the Government of Kenya and General Motors Corporation of the United States. The firm sources commercial vehicles from Isuzu Motors of Japan an affiliate of General Motors Corporation for assembly. The vehicle assembly operation ranges from light to heavy-duty commercial trucks and buses, which contribute significantly to the agricultural, industrial and transport sector of Kenya’s economy. GM (EA) Ltd also imports Isuzu and Chevrolet vehicles and the German designed and engineered Opel Astra passenger cars in the form of complete built units. The functions of the organisation are structured across six departments, namely Finance and IT; Administration; Sales and Marketing; Commercial Division; Human Resources; and Operations. The total number of staff in the organization stood at 266 as at February 2007.

Staff performance management in General Motors (EA) Ltd
The Performance Management System is a principal tool in achieving the organization’s strategic objectives in that it links these objectives with employee goals and achievements. The process focuses on improving organizational outcomes through matching individual, team and organizational objectives to the training and development needs of employees at all organizational levels. Supervisors are expected to use the Performance Management System for performance planning and improvement rather than for retrospective performance assessment. This forward thinking and developmental philosophy is critical to the success of the System.

Owing to declining performance of staff as a result of low motivation, staff performance management was introduced in GM (EA) Ltd in 2003. General Motors (EA) Ltd is committed to Staff Performance Management process in order to support the development of staff in gaining access and support to develop their career. The implementation of the Performance Management arrangements is on the basis of: Fairness: The need to be aware of the potential for unconscious discrimination and to avoid assumptions about individuals based on stereotypes; and Equal opportunity: All staff are encouraged and supported to achieve their potential through agreeing objectives, undertaking development and having their performance assessed. The organization’s policy is intended to ensure that each member of staff’s performance is reviewed on an annual basis and that an exchange of views will take place between the Job Holder and their Reviewer. The benefits of Performance Management in terms of improved communication and enhanced performance, both for the individual and for the organization, will only be achieved by the continuous commitment of all those involved in the process.

1.2 Statement of the problem
In the recent past, the motor industry worldwide has been faced with various business challenges of which amongst them are the issue of managing staff performance. The following challenges are reasons why performance management process needs to be introduced in any organization: high staff turnover; today’s importance attached to adopting a strategic but flexible approach to managing Human Capital; high absenteeism amongst employees; and lack of a reward policy that matches individuals work performance and personal goals.

The challenges stated above are the reasons why undertaking this study will open up an opportunity to look into the various issues that affect staff performance and how best to measure performance and be able to link the same to the organizational mission, goals and objectives. Effective job performance review and recognition will contribute to positive communication, mutual trust and respect, improved employee performance, individual growth and clear staff career development. The research will clearly identify ways and means that management could use to foster a culture of quality and improved employee performance.

Understanding of the causes of decline in performance of staff is important because the consequences are quite significant, often have devastatingly negative effects, and represent a complete dysfunction of the strike
avoidance policy mandate - a central goal of many collective bargaining systems. The situation calls for a balance to be struck - "Scratch my back, I scratch yours". The employees would be required to provide the best possible service to the clients while the employers ensure the best possible working environment. Whereas many studies have been carried out in Kenya relating to the subject of study, but focusing on such issues as employee turnover, absenteeism and industrial unrests among others, little is known about the effectiveness of staff performance management, especially amongst players in the motor industry in Kenya. The findings of the study will thus be a milestone in attempts to fill the existing knowledge gap.

1.3 Objectives of the Study
The study was guided by the following specific objectives:

(i) to assess the extent to which staff performance management has influenced employees’ productivity in General Motors (EA) Ltd
(ii) to analyze the challenges faced by General Motors (EA) Ltd in implementing staff performance management practices
(iii) to make recommendations for measures that will facilitate effective implementation of staff performance management practices in General Motors (EA) Ltd.

1.4 Research hypothesis
Null Hypothesis: Staff performance management practices in General Motors (EA) Ltd has a positive influence on employees’ productivity.
Alternative Hypothesis: Staff performance management practices in General Motors (EA) Ltd do not have a positive influence on employees’ productivity

2.0 LITERATURE REVIEW
2.1 Introduction
There are few comprehensive definitions of Performance Management. Treasury (2001) describes Performance Management as “Managing the Performance of an organization or individual”. Whilst this is not a precise definition grounded in literature it demonstrates the breadth of performance management and hence the difficulties in defining its scope, activities and practices. It demonstrates that performance management is concerned with the management of performance throughout the organization and as a result is a multidisciplinary activity. Further, in their Glossary of Performance Terms, the Improvement Development Agency further suggest that

“it involves you understanding and acting on performance issues at each level of your organization, from individuals, teams and directorates, through to the organization itself. As well as involving performance measurement, systems and processes, performance management is about managing people and ‘the way people within an organization operate and work together’. Issues such as leadership, decision making, involving others, motivation, encouraging innovation, and risk taking are just as important to bring about improvement”

This definition further demonstrates the breadth of the subject highlighting some of the activities involved in managing performance, requiring a range of different skills and functional approaches. This provides challenges of terminology when we discuss the subject. Academic research in particular tend to be undertaken in functional subject areas and often within organizations managers sit in functions and take a functional perspective on the subject of performance. Despite this the clear multidisciplinary, the field of performance management has developed from diverse origins. Different measurement and management techniques and approaches have developed independently. Financial and particularly management accounting have been concerned with measuring and controlling the financial performance of organizations, operations have been concerned with “shop floor” performance often focusing on improving throughput and efficiency whether that be from a manufacturing or a service perspective, strategy have been concerned with developing plans to deliver future objectives (including planned performance) and personnel (or HR) have been concerned with managing the performance of people. It is relatively recently that performance management from these disparate disciplines has begun to converge and recognize the need for integration into a multidisciplinary approach to managing performance.

Armstrong and Baron (2003) highlight the importance of performance management being strategic, integrated (vertical, functional, HR integration and integration of individual needs), concerned with performance improvement and concerned with development. The breadth of the subject area and lack of a concise definition make it difficult to identify the boundaries of what is and isn’t performance management. The area which is most indicative of the evolution of performance management, and the area perhaps has the most identifiable stream of literature is that of performance measurement, and in particular that of the Balanced Scorecard, with which in many people’s eyes it has become synonymous. However in order to study performance management the
comprehensiveness of the subject must be reflected, recognizing its vertical and horizontal spread throughout organizations. With its origins in different management disciplines, performance management includes a variety of activities including the planning and execution of actions required to ensure performance objectives are achieved. Literature is drawn from various disciplines to reflect this.

2.2 Performance Measurement Concept

The area in which the multidisciplinary nature of performance management has been most extensively and effectively investigated is that of performance measurement. Themes from the fields of strategy, accounting and operations management have converged to form a field that is developing a momentum of its own. For example, the most widely known approach to performance measurement, the Balanced Scorecard is now widely used as a strategy development and execution tool but was developed in an operational environment and developed by Bob Kaplan, a professor of Accounting. Following their review of the performance measurement literature Neely et al. (1995) defined performance measurement its strictest sense as the process of quantifying the efficiency and effectiveness of action. Neely (1998) went on to identify the activities required to measure performance by defining a performance measurement system as consisting of three inter-related elements: Individual measures that quantify the efficiency and effectiveness of actions; A set of measures that combine to assess the performance of an organization as a whole; A supporting infrastructure that enables data to be acquired, collated, sorted, analyzed, interpreted and disseminated.

Importantly this identifies that performance is multidimensional (requiring a number of measures to assess) and an infrastructure to measure and manage. This is one of the most precise and often quoted definitions of performance measurement, other notable definitions include those by Ittner, Larcker & Randall (2003), Gates (1999) and Otley (1999) broaden the scope of performance measurement to include strategy development and the taking of action. Given the often quoted adage that “what gets measured gets done”, implicit in the growing literature on performance measurement is that performance measurement includes development of strategies or objectives, and the taking of actions to improve performance based on the insight provided by the performance measures. This blurs the distinction between performance measurement and performance management. However the definitions discussed show that performance management is a collection of activities including the setting of objectives or strategies; identification of action plans / decision-making; execution of action plans and the assessment of achievement of objectives / strategies. So, although some authors (such as Johnson & Broms 2000) question the value of basing management on performance measures, it is clear that a performance measurement system can form “the information system that is at the heart of the performance management process, and integrates all the relevant information from all the other performance management systems” (Bititci et al. 1997).

2.3 Importance of managing performance

A review of the literature by Archer and Otley et al (1991) identifies a host of reasons for managing performance falling in to the following categories: Strategy Formulation, determining what the objectives of the organization are and how the organization plans to achieve them; Manage the strategy implementation process, by examining whether an intended strategy is being put into practice as planned; Challenge assumptions, by focusing not only on the implementation of an intended strategy but also on making sure that its content is still valid; Check position, by looking at whether the expected performance results are being achieved; Comply with the non-negotiable parameters, by making sure that the organization is achieving the minimum standards needed, if it is to survive (e.g. legal requirements, environmental parameters, etc.); Communicate direction to the rest of the employees, by passing on information about what are the strategic goals individuals are expected to achieve; Communication with external stakeholders; Provide feedback, by reporting to employees how they are, their group and the organization as a whole is performing against the expected goals; Evaluate and reward behavior, in order to focus employees’ attention on strategic priorities; and to motivate them to take actions and make decisions, which are consistent with organizational goals; Benchmark the performance of different organizations, plants, departments, teams and individuals; Inform managerial decision-making processes; and Encourage improvement and learning.

These strategic performance management systems’ roles can be classified into three main categories: Strategic: comprise the roles of managing strategy implementation and challenging assumptions; Communication: comprises the role of checking position, complying with the non-negotiable parameters, communicating direction, providing feedback and benchmarking; and Motivational: comprises the role of evaluating and rewarding behavior, and encouraging improvement and learning.

Of these, the one that differentiates a strategic performance management (SPM) system from a more traditional management control system (e.g. an accounting system) is the strategic focus (Sprinkle, 2003). Furthermore, when performance management is used for making sure the strategy is being implemented as well as for questioning the validity of the strategy, it can be argued that this system is similar to what authors in the strategy literature refer to as “strategic control system” (Asch et al, 1992). Previous research has suggested that
how an SPM system is used influences business outcomes (Blenkinsop and Burns, 1992; Martins and Salerno, 1999). Simons (1990, 1994, 1995) argues that management control systems used interactively can guide organizational learning, influence the process of strategic control and therefore influence business results. “A management control system is categorized as interactive when top managers use it to personally and regularly involve themselves in the decisions of subordinates.

When systems are used for this purpose, four conditions are typically present: Information generated by the management control system is an important and recurring agenda addressed by the highest levels of management; the process demands frequent and regular attention from operating managers at all levels of the organization; data is interpreted and discussed in face-to-face meetings of superiors, subordinates, and peers; the process relies on the continual challenge and debate of underlying data, assumptions and action plans” (Simons, 1991). A performance management system is meant to be interactive (Neely, 1998; Kaplan & Norton, 2001) since its main roles are to facilitate the implementation of the business strategy and to question strategic assumptions. Given the multitude of measures, managers who try to use the balance scorecard, as an interactive system will be overloaded. Consequently, they wont be able to interactively use the system (Weber & Schaeffer, 2000). However, this argument can be weakened by the findings of Lipe & Salterio’s (2000, 2002) studies. These two researchers have found that the use of the scorecard framework helps managers’ judgement, it improves their focus on what is important; and it does not create information overload. Further, Nilsson & Kald’s (2002) survey of Nordic firms has found that SPM systems are used both diagnostically and interactively.

Apart from the strategic purpose of the SPM system, its motivational purpose has also been stressed as a critical factor for its effectiveness (Eccles, 1991; Kaplan and Norton, 1992, 1996b, 2001; Otley, 1999). A SPM system is used as a motivational device when it is integrated with the compensation system. Traditionally, evaluation and reward programs have been linked exclusively to company financial measures. But more companies are now using SPM frameworks to calculate their rewards. A consultant’s study has shown that 88 percent (out of 214) of large and mid-sized firms in the US find the balanced scorecard approach as an effective method to determine pay (Mercer, William M. & Co., 1999).

The use of performance measures in a compensation system or performance appraisals process is not a new topic in the management control or human resources literature (Boudreau and Berman, 1991; Coates et al., 1995; Chenhall, 1997; Datar et al. 2001; Williams et al, 1985). Previous academic research on this topic has been mainly concerned with the use of accounting measures in incentive schemes or in performance evaluation processes. From the mid 90s, researchers started to focus on the use of non-financial measures in annual incentive schemes (e.g. Ittner et al., 1997a; 2002) or on the performance and behavioral effects of incorporating non-financial measures in incentive contracts (Banker et al., 2000; Scott & Tiessen, 1999; Smith, 2002). However, none of these researchers explicitly state that the type of financial and non-financial performance measures they investigate are the ones included in the companies’ SPM system.

Few studies have exclusively focused on the behavioral and performance effects of using the measures included in a company SPM system for reward and evaluation purposes. Moreover, an aggregated analysis of the findings extracted from those studies shows some contradictory results. For instance, two practitioners’ surveys, one carried out by Gates (1999) and another one by Maisel (2001); and several case studies presented by Kaplan and Norton in their 2001 balanced scorecard book (e.g. Mobil North America Marketing and Refining, Texaco Refinery and Marketing) have shown positive behavioral and business effects of the use of SPM systems to determine pay.

Further an experiment developed by Swain et al. (2002) suggest that the perceived linkage between BSC metrics and divisional strategy has a significant and positive effect on the use of these metrics in individual’s performance evaluation processes. However, research developed by Ittner et al. (2003a) or Ho and McKay (2002) have revealed that the use of scorecard measures in compensation might produce dysfunctional behaviors that can diminish the value of the SPM system itself and of companies’ business performance in the long run. In Ittner’s et al. (2003a) research, the use of the Balanced Scorecard for determining pay in the studied company increased the level of subjectivity in the reward system. Specifically these researchers found that the subjectivity of the system allowed superiors: to reduce the “balance” in bonus awards by placing most of the weight on financial measures; to incorporate factors other than the scorecard measures in performance evaluations; to change evaluation criteria from quarter to quarter; to ignore measures that were predictive of future financial performance; and to weight measures that were not predictive of desired results.

In Ho and McKay’s (2002) study, the company investigated decided to develop a Balanced Scorecard, primarily, for compensation purposes. This clear purpose was not made explicit a priori, and inconsistent messages were continuously sent to employees. As a result, resistance to the new system was high and the management team failed to implement the system.

2.4 Challenges of performance management
The problem of how organizations should assess their performance has been challenging management
commentators and practitioners for many years. Financial measures have long been used to evaluate performance of commercial organizations. By the early 1980s however there was a growing realization that, given the increased complexity of organizations and the markets in which they compete, it was no longer appropriate to use financial measures as the sole criteria for assessing success. Following their review of the evolution of management accounting systems, Thomas Johnson and Robert Kaplan highlighted many of the deficiencies in the way in which management accounting information is used to manage organizations (Johnson 1983; Kaplan 1984; Johnson and Kaplan 1987). They highlighted the failure of financial performance measures to reflect changes in the competitive circumstances and strategies of modern organizations. Whilst profit remains the overriding goal, it is considered an insufficient performance measure, as measures should reflect what organizations have to manage in order to profit (Bruns, 1998). Cost focused measurement systems provide a historical view, giving little indication of future performance and encouraging short termism (Bruns, 1998).

The shortcomings of traditional measurement systems have triggered a revolution in the field of performance management (Eccles 1999; Neely 1991). Attention in practitioner, consultancy and academic communities has turned to how organizations can replace their existing, traditionally cost based, measurement and management systems with ones that reflect their current objectives and environment. Many authors have focused attention on how organizations can design more appropriate measurement and management systems. Based on literature, consultancy experience and action research, numerous processes have been developed that organizations can follow in order to design and implement performance measurement systems (Bourne et al, 2002) . Many frameworks (Kaplan & Norton, 1992), have been proposed that support these processes. The objective of such frameworks is to help organizations define performance in a way that reflects their objectives and assesses their performance appropriately; this is often done by defining performance measures that reflect these strategic objectives.

The performance frameworks identified display a number of key characteristics that help an organization to identify an appropriate set of criteria against which to assess and manage their performance (Kennerley & Neely, 2001):

The work of Kaplan and Norton (1992); and Keegan et al. (1989) emphasizes the fact that the set of measures used by an organization has to provide a "balanced" picture of the business. The set of measures should reflect financial and non-financial measures; internal and external measures; and efficiency and effectiveness measures. The populated framework of measures should provide a succinct overview of the organization’s performance. For example, the simplicity and intuitive logic of the Balanced Scorecard has been a major contributor to its widespread adoption as it is easily understood by users and applied to their organization. Each framework demonstrates the need for organizations to implement a set of performance measures that is multi dimensional. This reflects the need to measure all the areas of performance that are important to the organization’s success. However there is no consensus over what the dimensions of performance are. The Performance Measurement Matrix (PMM) provides comprehensiveness. It is possible to map all possible measures of an organization’s performance onto the framework and identify where there are omissions or where there is a need for greater focus. However, the PMM provides little indication of the different dimensions of performance that should be measured.

The Tableau de Bord, along with the work of Bititci et al. (1998), explicitly demonstrates the fact that performance measures should be integrated both across the organization’s functions and through its hierarchy, encouraging congruence of goals and actions. The Tableau de Bord and the work of Fitzgerald et al. (1991) explicitly, and the Balanced Scorecard and Performance Pyramid implicitly, explain how results are a function of determinates. This demonstrates the need to measure results and drivers of them so that the performance measurement system can provide data for monitoring past performance and planning future performance. This demonstrates the way in which measures contribute to an organisation’s planning (feed forward) and control (feedback) system (Ballantine & Brignall, 1994).

2.5 Making it Work - Overcoming the barriers to performance management implementation factors

Authors highlight the importance of approaching the implementation of performance management from a change management perspective (e.g. Bourne et al, 2002; Kaplan and Norton, 2001; Kasurinen, 2002; McCunn, 1998). In this sense, factors such as the following are crucial for an effective SPM implementation:

- Top manager agreement, commitment and leadership - start with a clear agreement at the top on the strategy, goals, measures and the performance targets to be implemented

- Managers’ participation and accountability - having the agreement, commitment and leadership at the top is insufficient if it does not go along with having the agreement, commitment and leadership of the rest of the management team. Furthermore, the involvement of employees is also crucial. Inviting managers and employees to assist on the development of the system facilitates their buy-in, and enhances their trust, understanding, and ownership of the performance measures. It is also important to involve the Human Resources and the Information
System functions. It is essential that managers become accountable for the performance being managed. Training and education - employees at all levels need to learn the principles of the system, its measures, tools and procedures (Frigo and Krumwiede, 1999; Maisel, 2001; Kaplan and Norton, 2001). Individuals can distort the information system by smoothing, biasing, focusing, gaming, filtering, “illegal” acts so it is important to train and educate individuals on how to engage rather than bypass the causes of dysfunctional behaviors.

Communication and feedback - The factor “communication” is one of the most cited in the literature. When most authors stress its importance, they tend to focus on the reported feedback of measurement results to the employees (e.g. Forza and Salvador, 2000, 2001; Howell and Soucy, 1988; Keasy et al., 2000). Even so, there are other aspects related to communication that can affect the effectiveness of performance management. The change management literature highlights the relevance of verbal and non-verbal communication (e.g. presentations, manuals, conversations, newsletters, reports, etc.) used to clarify all aspects related to the measures, in particular and performance management in general; and to facilitate the buy-in from the people in the organisation (Bourne et al. 2002b; Kaplan and Norton, 2001; Quinn, 1996; Schreuder, 1995).

SPM system information infrastructure - an information system should be designed for collecting, analysing and reporting the data efficiently. If data is flawed, the data integration process is flawed, or its communication is flawed, then decisions based on that data are more likely to be flawed. Using an IT system to support these tasks seems to be critical. However, some caution is needed in relation to the use of IT since the capabilities of technology, in terms of data capture and manipulation, provide a great temptation for senior management to introduce new measures (Wilson, 2000).

Mintzberg (1972), mentions another key issue about the design of an information infrastructure “the manager must be viewed not as a reflective planner but as an adaptive information manipulator who seeks for trigger, speculative, current information. The manager, not the computer, is the real data bank of organizational information, even though he is a potential obstruction of the flow of information”. With this statement, Mintzberg recalls that information systems are normally designed by the specialists of the organization for the specialists of the organization, and therefore fail to serve managers’ needs.

3.0 METHODS

3.1 Research Design

To undertake the study, a descriptive research design was used. This is a scientific study done to describe a phenomena or an object in this case study the phenomena is staff performance management. This kind of study involved a rigorous research planning and execution and often involves answering research questions. It involved an extensive well-focused literature review and identification of the existing knowledge gap. The method was preferred as it permits gathering of data from the respondents in natural settings. In this case, it was possible for the researcher to administer the data collection tools to the respondents in their workstations, which was relatively easy, with high likelihood of increasing the response rate.

3.2 Study Population

A case study of General Motors (EA) Ltd. was adopted for this study. All departments and functions of General Motors (EA) Ltd. were considered in the study in order to provide a reasonable level of breadth without sacrificing the depth and richness of the data (Eisenhardt, 1989). General Motors (EA) Ltd. has in its establishment 266 employees, comprising of 14 managers and 252 staff deployed in eight departments. Out of the 266 employees of the organisation, the researcher will target 10%, represented at all levels across departments.

3.3 Sampling Design

Sampling techniques

Probability sampling techniques were adopted for the study. Stratified random sampling was carried out whereby grouping target population was grouped into homogenous strata, deliberately selected on the basis of convenience as perceived by the researcher. The respondents were as representative of the various departments and levels along the organizational hierarchy amongst other factors as possible.

Sample size

It would have been desirable to use a census of the whole population of the staff of General Motors (EA) Ltd., whose numbers add up to 266, but owing to such limitations as the distances to be covered to each of the work stations, which are spread all over the compound, the costs that would be involved in covering them and the given time frame among other reasons, a representative sample of 27 members of staff, who represent 10% of the total of 266 was considered. Figure3.1 below presents the sample size drawn from the various categories of respondents.
3.4 Data Collection Instruments
Semi-structured questionnaires with both closed and open-ended questions were administered. The questionnaire, which was the main data collection instrument, enabled the researcher to gather in-depth information on phenomena under investigation. The researcher also used interview schedules, which had three open questions, aimed at meeting the objectives of the study. In addition, observation method was used in confirming the questionnaire responses, which had a similarity in views.

3.5 Data Collection procedures
Type of data
Both secondary and primary data were collected. Desk study was undertaken, in which a review of the relevant literature was carried out. Information pertaining to staff performance management in the Motor Industry was critically reviewed. The sources of information included various websites, books, magazines, Journals and available reports from the various government bodies. The desk study enabled this research to be grounded in the current literature relating to staff performance management. This development ensured that the research did not duplicate other studies, and instead contributed significant and relevant knowledge toward the subject of study. In addition, primary data was collected at the source.

Data Collection Method and Technique
Both secondary and primary data were collected. A desk study was undertaken, in which a review of the relevant literature was carried out. The sources of information included various websites, books, magazines and Journals. Primary data will be collected from the respondents with the aid of the following sets of tools: - Questionnaires, Interview schedules, and Observations. The sets of questionnaires and interview guides were be pre-tested on selected respondents from various categories of respondents to necessitate adjustments in order to make them more suitable and minimize bias in responses.

The procedure that was used in collection of primary data was through distribution of the questionnaires that is, dropping and picking questionnaires from respondents at their most convenient time that was agreeable to both parties.

Personal interviews were conducted with at least 14 of the respondents selected at random, aided by an interview schedule. In this case the researcher was able to obtain additional information to corroborate findings from the questionnaire. The researcher further conducted observations to establish the mode of operation in all the departments from existing records. The data was compiled in a master table, which formed the basis of the data analysis

3.6 Data Analysis
The responses to the various data collection tools were coded before analysis and interpretations are undertaken. Analysis was done using such statistical measures as averages, percentages and standard deviations. The study gathered both quantitative and qualitative data. Quantitative data was presented in the form of frequency tables, descriptive statistics and variances. Qualitative information used contents analyzed through pie charts, bar charts and graphs.

4.0 RESULTS AND ANALYSIS
4.1 Introduction
The study utilized a combination of both quantitative and qualitative techniques in the collection of data. The study covered all the six departments of General Motors (EA) Ltd. All cadres of staff were involved in the study. All the twenty seven questionnaires sent out were returned completed, 100% response rate. The data was analyzed by employing descriptive statistics such as percentages, frequencies and tables. Computation of frequencies in tables, charts and bar graphs was used in data presentation. In addition, the researcher used standard deviations and mean scores to present information pertaining to the study objectives. The information is presented and discussed as per the objectives and research questions of the study.
4.2 Profile of the respondents

Profile or Respondent organizations

A summary of the responses related to profile of the respondents and their respective organizations is presented in table 4.1 below.

**Table 4.1: Profile of respondents**

<table>
<thead>
<tr>
<th>Profile of respondents</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td><strong>Gender distribution</strong></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>68</td>
</tr>
<tr>
<td>Female</td>
<td>32</td>
</tr>
<tr>
<td><strong>Age distribution</strong></td>
<td></td>
</tr>
<tr>
<td>18 – 27 years</td>
<td>30</td>
</tr>
<tr>
<td>28 - 37 years</td>
<td>40</td>
</tr>
<tr>
<td>38 - 45 years</td>
<td>20</td>
</tr>
<tr>
<td>46 – 55 years</td>
<td>10</td>
</tr>
<tr>
<td>55 years and above</td>
<td>0</td>
</tr>
<tr>
<td><strong>Highest level of education attained</strong></td>
<td></td>
</tr>
<tr>
<td>Primary education</td>
<td>0</td>
</tr>
<tr>
<td>Secondary education</td>
<td>15</td>
</tr>
<tr>
<td>College education</td>
<td>45</td>
</tr>
<tr>
<td>University education</td>
<td>40</td>
</tr>
<tr>
<td><strong>Length of time respondents had worked in the organization (years)</strong></td>
<td></td>
</tr>
<tr>
<td>Less than 5 years</td>
<td>22</td>
</tr>
<tr>
<td>6 to 10 years</td>
<td>35</td>
</tr>
<tr>
<td>11 to 15 years</td>
<td>27</td>
</tr>
<tr>
<td>16 years and above</td>
<td>16</td>
</tr>
</tbody>
</table>

4.3 Effectiveness of staff performance management in General Motors (EA) Ltd.

Management activities that positively influence performance management implementation

In order to meet the first objective of the study, “to assess the extent to which staff performance management has influenced employees’ productivity in General Motors (EA) Ltd”, the respondents were asked to give their rating by ticking as appropriate against listed management activities to show the extent to which each had been positively influenced by performance management process in General Motors (EA) Ltd. The responses are summarized and presented in the form of standard deviations and mean scores in table 4.2 below.

**Table 4.2: Management activities that positively influence performance management implementation**

<table>
<thead>
<tr>
<th>Management activities</th>
<th>Mean score</th>
<th>Standard deviation</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational strategy formulation</td>
<td>0.948</td>
<td>1.895</td>
<td>4</td>
</tr>
<tr>
<td>Management of strategy implementation process</td>
<td>0.881</td>
<td>1.761</td>
<td>5</td>
</tr>
<tr>
<td>Communication with internal stakeholders</td>
<td>0.958</td>
<td>1.916</td>
<td>2</td>
</tr>
<tr>
<td>Communication with external stakeholders</td>
<td>0.958</td>
<td>1.916</td>
<td>2</td>
</tr>
<tr>
<td>Evaluation and reward behavior</td>
<td>0.788</td>
<td>1.576</td>
<td>7</td>
</tr>
<tr>
<td>Benchmarking of performance of different organizations, plants, departments, teams and individuals</td>
<td>0.737</td>
<td>1.473</td>
<td>8</td>
</tr>
<tr>
<td>Managerial decision-making processes</td>
<td>1.01</td>
<td>2.018</td>
<td>1</td>
</tr>
<tr>
<td>Encouragement of improvement and learning</td>
<td>0.845</td>
<td>1.689</td>
<td>6</td>
</tr>
</tbody>
</table>

N=27
The challenges faced by General Motors (EA) Ltd in implementing staff performance management practices

In order to meet the second objective of the study, “to analyze the challenges faced by General Motors (EA) Ltd in implementing staff performance management practices”, the respondents were asked to indicate the extent to which listed factors negatively affected the implementation of staff performance management practices in General Motors (EA) Ltd. The responses are summarized and presented in Table 4.3 below.

Table 4.3: The pay related factors that negatively affect the implementation of staff performance management practices in General Motors (EA) Ltd

<table>
<thead>
<tr>
<th>The challenges faced by General Motors (EA) Ltd in implementing staff performance management practices</th>
<th>Response</th>
<th>Mean score</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pay related factors</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries/wages not being pegged to qualifications, experience, responsibility and output</td>
<td>1.25</td>
<td>2.50</td>
<td></td>
</tr>
<tr>
<td>Relatively lower salaries and wages in relation to prevailing market rates</td>
<td>1.19</td>
<td>2.39</td>
<td></td>
</tr>
<tr>
<td>Lack of such allowances as medical and travel</td>
<td>1.35</td>
<td>2.70</td>
<td></td>
</tr>
<tr>
<td>Disparity in wages and salaries for the same job</td>
<td>1.21</td>
<td>2.42</td>
<td></td>
</tr>
<tr>
<td>Lack of salary progression policy</td>
<td>1.18</td>
<td>2.36</td>
<td></td>
</tr>
<tr>
<td>Paying high salaries to newly employed staff at the expense of old ones</td>
<td>1.36</td>
<td>2.72</td>
<td></td>
</tr>
<tr>
<td>N=27</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Morale related factors</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lack of job security</td>
<td>1.00</td>
<td>2.00</td>
<td></td>
</tr>
<tr>
<td>Dictatorial management practices</td>
<td>0.99</td>
<td>1.98</td>
<td></td>
</tr>
<tr>
<td>High levels of bureaucracy</td>
<td>1.08</td>
<td>2.16</td>
<td></td>
</tr>
<tr>
<td>Long working hours</td>
<td>0.98</td>
<td>1.96</td>
<td></td>
</tr>
<tr>
<td>Incidents of sexual harassment</td>
<td>1.08</td>
<td>2.15</td>
<td></td>
</tr>
<tr>
<td>Unfulfilled promises by the employer</td>
<td>1.33</td>
<td>2.65</td>
<td></td>
</tr>
<tr>
<td>Lack of policies addressing such issues as transport and housing</td>
<td>1.38</td>
<td>2.75</td>
<td></td>
</tr>
<tr>
<td>Lack of counseling services</td>
<td>0.99</td>
<td>1.98</td>
<td></td>
</tr>
<tr>
<td>Failure to enforce the Factories Act and Other places of work Act</td>
<td>1.41</td>
<td>2.82</td>
<td></td>
</tr>
<tr>
<td>Lack of clarity in the Administrative Structure leading to conflict of roles</td>
<td>0.93</td>
<td>1.86</td>
<td></td>
</tr>
<tr>
<td>Weighty decisions being made without consulting the staff</td>
<td>0.98</td>
<td>1.96</td>
<td></td>
</tr>
<tr>
<td>Low adaptability to modern technologies</td>
<td>1.23</td>
<td>2.45</td>
<td></td>
</tr>
<tr>
<td>Lack of opportunities for career advancement</td>
<td>1.30</td>
<td>2.60</td>
<td></td>
</tr>
<tr>
<td>Unfriendly working environment</td>
<td>1.30</td>
<td>2.60</td>
<td></td>
</tr>
<tr>
<td>Too much responsibility</td>
<td>1.15</td>
<td>2.30</td>
<td></td>
</tr>
<tr>
<td>Too little responsibility</td>
<td>0.98</td>
<td>1.96</td>
<td></td>
</tr>
<tr>
<td>Unfamiliar equipment without relevant adequate training on usage</td>
<td>0.99</td>
<td>1.99</td>
<td></td>
</tr>
<tr>
<td>Unclear limits of authority</td>
<td>1.23</td>
<td>2.45</td>
<td></td>
</tr>
<tr>
<td>Lack of definite job descriptions</td>
<td>1.30</td>
<td>2.60</td>
<td></td>
</tr>
<tr>
<td>Lack of support from superiors</td>
<td>1.38</td>
<td>2.76</td>
<td></td>
</tr>
<tr>
<td>N=27</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Management factors</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Top management agreement, commitment and leadership</td>
<td>1.15</td>
<td>2.30</td>
<td></td>
</tr>
<tr>
<td>Top management participation and accountability</td>
<td>1.21</td>
<td>2.42</td>
<td></td>
</tr>
<tr>
<td>Communication and feedback to staff</td>
<td>1.08</td>
<td>2.16</td>
<td></td>
</tr>
<tr>
<td>Corporate culture</td>
<td>1.00</td>
<td>2.00</td>
<td></td>
</tr>
<tr>
<td>Involvement of employees in performance management process</td>
<td>1.25</td>
<td>2.50</td>
<td></td>
</tr>
<tr>
<td>Management understanding of the performance management process</td>
<td>1.18</td>
<td>2.36</td>
<td></td>
</tr>
<tr>
<td>Data processes and IT support</td>
<td>1.10</td>
<td>2.20</td>
<td></td>
</tr>
<tr>
<td>Performance management system information infrastructure</td>
<td>0.99</td>
<td>1.98</td>
<td></td>
</tr>
<tr>
<td>Staff training and education on the principles of the performance management system, measures, tools and procedures</td>
<td>1.33</td>
<td>2.60</td>
<td></td>
</tr>
<tr>
<td>N=27</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The most appropriate measures that will facilitate effective implementation of staff performance management practices in General Motors (EA) Ltd

In order to meet the third objective of the study, the respondents were asked to make recommendations on the most appropriate measures that will facilitate effective implementation of staff performance management practices.
practices in General Motors (EA) Ltd.

The respondents came up with the primary factors that contribute to retention as well as the managerial behaviors that create loyalty on the part of high-performing employees, which General Motors (EA) Ltd. has to put in place. These positive factors and behaviors can be placed in four categories: challenging and meaningful work; opportunities to learn and grow; the sense of being part of a group or team; and having a good boss. Of course, there is some overlap between these categories, especially between the first three and having a good boss, as the boss usually has some control over the other three factors. Explanations to the above mentioned factors are as presented below:

**Challenging and Meaningful Work:** Exciting and challenging work and meaningful work that makes a difference or a contribution to society were cited as some of the most important factors in job satisfaction. These may be related to another important factor, the need to feel connected to a group or team, in that they reveal a desire to feel connected to one’s work and to the larger society through one’s work. If one is going to spend a great deal of one’s life doing something, it at least should have some interest and some meaning or purpose.

The need for connection extends both from the work and to the work. One way in which connection and commitment to the work is developed is by having some say in how the work is done. This includes being able to influence or suggest improvements in work assignments, processes, schedules, and measurements. Having autonomy and a sense of control over one’s work are other very important factors reported by the study group. People whose bosses’ micro-manage and/or fail to delegate generally feel frustrated. Taking responsibility for one’s own work is a source of satisfaction for most workers. Even more satisfying is perceiving and meeting challenges on the job. This keeps the work exciting and instills a sense of pride in one’s accomplishments. Many employees, especially those in high-tech jobs, report that keeping up with knowledge and technology in the field is very important to them. This leads us to the second factor.

**Opportunities to Learn and Grow:** Career growth, learning, and development are three of the top reasons that people stay in their current jobs. A “good” boss provides opportunities for learning, challenges, and growth on the job that match the employee’s abilities and aspirations. He or she encourages employees to improve the work itself as well as their skills and to keep up with the latest developments in their field. Providing formal training and development opportunities is only one means of helping employees to learn and grow. Coaching, mentoring, and providing informal learning opportunities on the job can be done regularly. Employees also should be encouraged to “network,” to join trade and professional associations, and to read publications related to their lines of work.

**The Sense of Being Part of a Group or Team:** Working with great people, being part of a team, and having fun on the job are some other important factors in job satisfaction. These factors relate to the human need to feel connected. The proliferation and success of formal work teams can be attributed, in part, to this need. The work team, if managed well, also can help to meet this need. Even a department, section, or division can feel like a “team” if the manager and employees treat one another with courtesy and respect, listen to one another’s ideas, recognize and celebrate one another’s accomplishments, and work toward common goals. Of course, every team or work group can benefit from training in areas such as communication, group development, consensus decision making, planning, and conflict resolution. It is the manager’s responsibility to provide the work group members or team members with the tools and resources to work well together. It is the group’s responsibility to utilize them well. For example, being comfortable enough with one’s co-workers to solicit peer feedback goes a long way toward helping employees to feel trust, connection, and satisfaction in their work groups.

**A Good Boss:** Most managers and supervisors realize that the following behaviors will not earn the loyalty or respect of their employees: rudeness, impatience, arrogance, intimidation, yelling, being condescending or demeaning, belittling or embarrassing people, swearing, telling lies, sexual harassment, using in-appropriate humor, and demonstrating sexism or racism. They may or may not realize that the following behaviors or practices can be equally destructive to good boss-employee relations: failing to solicit and listen to employee input, failing to recognize employees’ accomplishments, withholding praise, giving only negative feedback, taking credit for others’ accomplishments or ideas, blaming others for one’s own mistakes, betraying trusts or confidences, managing up rather than down, micromanaging, withholding critical information, showing distrust, showing favoritism, setting unrealistic goals or deadlines, and failing to help good performers to grow in their careers in the hope of “holding onto them.” Satisfied employees report that their managers are good role models and demonstrate “inspiring leadership.” They communicate well and often, they are trustworthy and supportive, they help to create a sense of purpose in the work, and they encourage employee growth and career development.

5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of findings

Findings of the study revealed that the Null Hypothesis of the study tested positive - Staff performance
management practices in General Motors (EA) Ltd has a positive influence on employees’ productivity.

Performance management practices within the organization had a positive influence and facilitated success of the following management activities: Organizational strategy formulation; Management of strategy implementation process; Communication with internal stakeholders; Communication with external stakeholders; Evaluation and reward behavior; Benchmarking of performance of different organizations, plants, departments, teams and individuals; Managerial decision-making processes; and Encouragement of improvement and learning.

The findings further point to the fact that the way to have good employees is to choose good employees. Look for people who are passionate and committed. Clear verbal and written communication is the key to a healthy working environment. In the words of business expert Verne Harnis (2001) parenting, to be a good boss you need to have a handful of rules and repeat yourself a lot.” A good employee manual is a must, but also keep the channels of communication flowing by leaving messages on dry erase boards in strategic areas, putting staff memos in paychecks, and arranging quarterly breakfast meetings. “Share your five year game plan so that they can get excited about the future,” says Borgman (2000)

In order to facilitate successful implementation of performance management process in the organization, there is need to take seriously the suggestions of Waggoner. According to Waggoner, D.B (2001), the Performance Prism approach helps build a stakeholder focused measurement and management system by answering a number of key questions: (i) Stakeholder satisfaction: Who are our key stakeholders and what do they want and need?; (ii) Stakeholder contribution: What do we want and need from our stakeholders on a reciprocal basis?; (iii) Strategies.-What strategies do we need to put in place to satisfy these twin sets of wants and needs?; (iv) Processes- What processes do we need to put in place to enable us to execute our strategies?; and (v) Capabilities- What capabilities do we need to put in place to allow us to operate and improve these processes?

5.2 Conclusions
The staff of General Motors (EA) Ltd., which is a replica of many high performing corporations, has within its establishment, youthful staff, who are energetic, well educated and experienced. All they require is recognition, enhanced teamwork and an opportunity to grow. Findings of the study reveal the fact that attention ought to be paid to the following:

Collection of performance data: Performance data should be collected monthly for each performance measure in order to develop trend data. These data enable managers to pinpoint low or declining performances. Performance improvement tactics should only be applied where results indicate there is a true improvement opportunity (don't fix what isn't broke). Different performance measures will require different improvement tactics. The scorecards enable management to focus its limited resources on high opportunity performances. By applying the improvement tactic most suited to the pinpointed performance measure, the likelihood of significant and valuable improvements is greatly increased.

What gets measured is what gets done: A second benefit of the performance scorecards is that sharing the scorecard results with employees provides them direction and critical performance feedback. Useful feedback must be frequent and focused. Scorecard results should be shared at least monthly so employees can react quickly to negative performance trends and can make timely evaluations of the effectiveness of performance improvement tactics. Useful feedback is also focused. Performance measures that are 'too distant' from the employee's practical control are of little value in directing performances or evaluating improvement tactics. Performance feedback must be provided for results employees can do something about. You can't improve without doing something different: Many organizations install performance feedback and/or performance pay systems with the anticipation that these systems will improve employee performances and ultimately the success of the organization. The results are often disappointing. Management may decide that such systems don't work without examining the quality of the system they have installed. To improve employee performance, the system measures must pinpoint the drivers of strategically important results for each job position and then provide timely and focused feedback to the employee. Simply posting overall financial results or a sharing excess profit each year does not meet these basic requirements.

However, even if an organization does provide timely, focused feedback to its employees, there will be little improvement if employees don't do something different. Performance improvement requires a change in processes or behaviors. Process improvement includes work methods, work flow, work distribution and staffing tactics. Behavior improvement tactics include selection, training, prompting, feedback, and reinforcement. An organisation must possess expertise in these improvement tactics and assist employees in their implementation to realize significant improvements. This expertise can be provided by training internal consultants, managers and supervisors, or workers themselves in the application of performance improvement tactics.

People tend to do what's in their best interests: To motivate and sustain employee performance improvements, employees should personally benefit from the improvements. This seems obvious, but unfortunately few organizations consider this key principle in their performance improvement initiatives.
Improvements (doing something different) usually involve effort and in some case the risk of mistakes. Adverse consequences to the improvement initiative should be minimized. Positive consequences should be built into the initiative to include recognition and performance pay.

Optimal employee performance is a key to the financial success of an organization. To optimize employee performance and organization should precisely communicate its strategy to all employees through a performance scorecard system. The system should provide timely, focused feedback to support performance improvement. Performance improvement tactics should be made accessible to all employees, and employees should personally benefit when performances improve.

### 5.3 Recommendations

The first thing to remember is that employee performance does not occur in a vacuum. We have to take a systems perspective and look not only at our employees, but also at the environments in which we expect them to perform. It has been said that if we put good performers in bad systems, the systems will win every time. We know that behavior in any facet of our lives is a function not only of the person, but also of the environment—more specifically, of the interaction of the person and the environment. Behaviors at work, then, are a function of the interaction of our employees (with their person factors) and the work environment (all the organizational systems factors). And it is behaviors that lead to performance.

**Today’s Solution: Recognize Some of the System Factors as Well**

Today, we are generally doing a better job. We recognize and deal with most of the "hygiene factors"—fair pay, reasonable benefits, clean and safe working conditions, etc. These are important. There is no question that they are necessary for improving employee performance for fairly obvious reasons. Employee performance improvement interventions may not stand much of a chance if employees are really annoyed because we did a poor job of implementing a benefits change or if they are preoccupied with work schedules they consider unfair.

Organizations have also recognized that they have to consider the whole person. People don't leave their problems "at the door." Organizations understand that when they hire someone, they get the whole person, including problems from their personal life—from the person's external system. Organizations are getting much better in this area - in terms of counseling, fitness programs, child care, employee assistance programs, etc. Recent years have seen company concierges and other innovative approaches to helping employees deal with the conflicts in their work and personal roles.

**Tomorrow’s Solution: Deal with the System Factors in the Work Environment as Well**

A relatively simple, but highly effective way of looking at this issue was provided by Tom Gilbert, who developed a diagnostic tool called the Behavior Engineering Model (BEM). There are other approaches (see the recommended reading at the end), but the BEM will serve as a good example. It looks at the following six areas: (1) Information; (2) Resources; (3) Incentives; (4) Skills and knowledge; (5) Capacity; and (6) Motivation.

The first three areas, information, resources and incentives, represent the work environment (system factors) and should be looked at first. We need to ensure there are no problems in these areas before we rush to fix the employees, who are represented by the last three areas, skills and knowledge, capacity and motivation (person factors).

People have to know what they are expected to produce. They need to get feedback. They need to be aware of policy and procedures and the reasons for these policies and procedures, and so on. Resources, again, is fairly obvious. No matter how skilled an employee, without the tools and materials (and information can overlap with resources here) needed to do the job, it probably isn't going to get done. The best welder in the world can't weld without a torch. The issue of incentives is a bit more complex, but boils down to this. In the work environment, are there truly incentives for good performance and truly consequences for poor performance? Often, we end up, in effect, punishing our best performers. They get all the tough jobs because we know we can count on them and the poor performers get the easier work.

"Skills and knowledge" is certainly a familiar area. People have to know how to do their jobs. Motivation is important also. A strictly person-based definition of performance is that performance is a function of motivation and ability. We can work on the ability. It's harder to work on motivation because it is so internal to the individual, but we can work on the environment and make sure we remove the barriers to performance. The rewards, training (including well-trained supervisors or team leaders) and career focus may combine to help motivate our employees. But all this may not be enough if there are major problems in the system factors. This is not to say the system factors are ignored. We put a lot of effort into communications programs and comfortable facilities, and tweak our compensation programs endlessly. But too frequently, this is not done with performance improvement in mind and does not result in high performance.

If problems persist in the work environment areas, exceptional performance will not be achieved. Our organizations have recognized this and have made various efforts over the past several years to deal with it -with varying degrees of HRM involvement. The productivity movement of the 1980s, followed by the total quality movement (TQM), followed by reengineering and business process redesign (BPR)—these can all be viewed as...
efforts to improve the environment in which our employees function and improve employee and organizational performance. By whatever name, this effort is going to continue. The only issue is whether HRM is going to be a player or will the effort be the province of outside consultants.

Specific steps that the Human Resource function should take to address the remaining system factors

For larger HR organizations, it is critical to have the current T&D or HRD group make the transition from a training organization to a performance improvement organization. Those who now support various elements of the organization as trainers need to be exposed to performance improvement methodology and, most of all, need to be willing to look at human performance solutions other than training. We all tend to see problems in terms of our favorite solution- which is typically one we're good at implementing-so our trainers may have to stretch a little.

5.3 Suggested areas of further research

Other researchers and scholars could carry on as follows: (i) Replicate the study to organizations in other sectors to measure consistency of findings; and (ii) Critically examine the strategic interventions being employed by the various organizations implementing performance management systems in addressing challenges they face.

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