



**MEASUREMENT OF EMPLOYEES' PERCEPTION OF THE EFFECTIVENESS OF
PERFORMANCE MANAGEMENT SYSTEM AND FAIRNESS OF PERFORMANCE
APPRAISAL SYSTEM IN MALAWI: CASE STUDY OF CENTRAL MEDICAL
STORES TRUST.**

MASTER IN BUSINESS ADMINISTRATION THESIS

RAPIYAO T. BENFORD SINGANO

UNIVERSITY OF MALAWI

THE POLYTECHNIC

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MASTER IN BUSINESS ADMINISTRATION THESIS

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BA. (Human Resource Management), Malawi

**A THESIS SUBMITTED TO FACULTY OF MANAGEMENT STUDIES IN PARTIAL
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AUGUST 2023

DECLARATION

I declare that this dissertation is my own independently work. It is being submitted in partial fulfillment of the requirements for the degree of MBA in the University of Malawi and has been not submitted before for any degree or examination in any other university

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CERTIFICATE OF APPROVAL

We the undersigned certify that we have read and hereby recommend for acceptance by the Univeristy of Malawi, a thesis ‘Perception of Employees on the Effectiveness of Performance Management System and Fairness of Performance Appraisal system in Malawi: Case Study of a Quasi-government Organization in Malawi.

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DEDICATION

This research study is dedicated to my wife Vero and my children Chisomo and Ezer for enduring my absence during time I was pursuing MBA and especially during this research project. I have set a challenging benchmark for you to surpass.

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ABSTRACT

The implementation of performance management system and performance appraisal system in both the public sector and private sector in Malawi is a common phenomenon. It is a principal instrument used by organizations to manage and assess various critical aspects of the employer-employee relationship. Plentiful literature is available which has discussed the effectiveness of performance management systems and the fairness of performance appraisal systems at length with focus on different dimensions of the same either collectively or respectively. However, there is limited information on measurement of the perception of employees on the performance management system effectiveness and the fairness of performance appraisal system in Malawi. The aim of this study was to assess the perception of employees on the performance management system effectiveness and the fairness of performance appraisal system. The cross-sectional design was used where 119 respondents from Central Medical Stores Trust were given a self-administered questionnaire, and one key informant interview was conducted. All employees from Central Medical Stores Trust were respondents in the study and the data were analyzed Analysis of Variance, Pearson Chi-square test and descriptive statistics through SPSS 20.0. Correlation was also applied to determine the relationship between performance management system effectiveness and fairness of performance appraisal system. The findings indicated that employees perceived performance management system and performance appraisal system to be ineffective and unfair. The study also found out that employees were not fairly involved in performance management system, the organization lacked performance-oriented culture, management was not committed to performance management system, and there was lack of performance appraisal system knowledge of the appraisers. In conclusion, the employees perceive performance management ineffective and performance appraisal unfair.

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ACRONYMS AND ABBREVIATIONS

CHAM	Christian Health Association of Malawi.
DHRMD	Department of Human Resources Management and Development in Malawi. Government
DPSM	Department of Public Service in Malawi. Government
HIS	Imperial Health Initiative
IT	Information Technology
HRAD	Human Resources and Administration Department
MDAs	Ministry, Departments and Agencies
MoH	Ministry of Health
MoF	Ministry of Finance
Mw	Malawi
PA	Performance Appraisal
PAS	Performance Appraisal System
PM	Performance Management
PMS	Performance Management System
PMSE	Performance Management System Effectiveness
PSR	Public Sector Reforms
SOPs	Standard Operating Procedures
TEVETA	Technical Entrepreneur and Vocational Training Authority

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CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Performance management systems (PMS) are currently regarded as vital instruments for informing decision-making on all issues pertaining to the employment decisions of the employees in organizations all over the world (Denisi, 2011). PMS play a key role in human resource management. Torrington and Hall (2021) claim that PMS is implemented to enhance current organizational performance, provide feedback, boost motivation, identify training needs, identify potential of employees, make specific employees aware of the organization's expectations, target on award a salary increase, solve job problems and career development of employees in an organization. Therefore, it is good to assess how employees feel about the PMS and the fairness of the performance appraisal system (PAS).

A variety of variables are used to gauge how effectively the performance management system is perceived by the employees. According to Ramulumisi, Schultz, and Jordan (2019), four variables— employees' personal performance, personal development, knowledge of performance management, and support for system development—were used to measure PMS. According to Dewettinck's (2008) Motivational Effect of Performance Review Scale, Dewettinck and Van Dijk (2019) evaluated the performance management system's efficacy at a Dutch public institution. The study is limited by the scale's emphasis on performance reviews, the sole component of the performance management system. Using a scale that gauges effective performance management outcomes, Haines and St-Onge (2012) investigated the effectiveness of performance management systems. Makhubela et al. (2018) made an effort to gauge the performance management system's success using at least two additional factors: employee involvement and management commitment. However, because it was unreliable, they abandoned the performance-oriented culture. Only the PA perspective, appraiser expertise, employee participation, employee development, goal setting, appraisal follow-up, and goal discussion were used as fairness considerations.

Measurement irregularities and a lack of theoretical support for the notion of effectiveness in the context of performance management systems are taken into consideration in research on performance management system effectiveness.

1.2 Problem Statement

Measuring the perception of employees on the effectiveness of performance management and fairness of performance appraisal has been a challenge in Malawi (Chidwala, 2020). Lack of knowledge and skills to effectively carry out performance management and appraisal are contributing factors (ibid). These contributing factors have led to performance management systems which do not measure perception of employees on fairness and effectiveness of the system on a more holistic perspective (Majidi et al., 2021). Majidi et al. (2021) recently analyzed the performance appraisal system and narrowed their attention to the organizational context and performance feedback. Some of the critical components in evaluating performance reviews were not included in the study. Since the beginning of the performance management system's deployment, little is known about how fair and effective performance management systems and appraisals employing the holistic approach actually are. As a result, there is little information available regarding the fairness and effectiveness of performance management systems and appraisal, which include crucial elements like employee involvement, a culture of performance improvement, and management commitment; knowledge of the appraisers, employee participation, employee development, goal setting, appraisal follow-up, and goal discussion, respectively. Therefore, the purpose of this study is to ascertain how Central Medical Stores Trust employees perceive the effectiveness and fairness of performance management and appraisal systems in Malawi.

1.3 Aim of the Study

The aim of the study was to determine perception of the employees on performance management system effectiveness and fairness of performance appraisal system.

1.4 Objectives of the Study

The major and specific objectives of the study were as follows.

1.4.1 Major Objective

The broad objective of the study was to measure and assess the perception of employees on performance management system effectiveness and fairness of the performance appraisal system.

1.4.2 Specific Objectives

The specific objectives of the study were as follows:

- i. To determine the effect of PM process on PAS goals.
- ii. To assess the impact of PM cycle on knowledge of SOPs.
- iii. To ascertain the influence of PM policy and SOPs on the level of participation in PA.

1.5 Research Questions

The research questions for the study were as follows:

- i. Does demographic characteristics, duty station, and position have an effect in the determination of the employees' perception of the effectiveness of PMS?
- ii. Does demographic characteristics, duty station, and position have an effect in the determination of the employees' perception of the fairness of PAS?
- iii. Is there any correlation between employees' perception of the effectiveness of PMS and fairness of PAS?

1.6 Hypothesis

The study intended to answer the following research questions:

- i. Demographic characteristics, duty stations and position do not have effect on the perception on effectiveness of performance management system.
- ii. Demographic characteristics, duty stations and position do not have effect on the perception on fairness of performance appraisal system.
- iii. There is no correlation between perceived effectiveness of performance management system and perceived fairness of performance appraisal system.

1.7 Significance of the Study

The significance of the study was to determine perception of employees on effectiveness of PMS and fairness of performance appraisal system, and suggest how to address this ineffectiveness of performance management system and unfairness of performance appraisal system for employees to effectively perceive performance management system and performance appraisal system fairly.

1.8 Key Terms

The key terms of this study are: performance management system, performance management, performance appraisal system, and perception.

1.9 Summary

This chapter presented the background, the aim of this study as well as study objectives. The next chapter will present the review of relevant literature for the study.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter will give a review of the literature on determining how well-researched employees believe Malawi's performance management system is and how fair its performance appraisal system is, based on the case of Central Medical Stores Trust. The four main objectives of this literature review are to fully comprehend the body of literature in the research field, to identify the key research issues and emerging themes to place the research in its proper context, to present the theoretical concepts and models associated with the research topic in order to create and produce an appropriate theoretical framework for the research, and to establish and justify the significance of the research problem statement.

2.2 Performance Appraisal System

PAS entails the identification, evaluation, and provision of feedback to each employee in the firm in order to enhance performance (Loew, 2015). The frequency of job performance appraisals varies depending on the organization and the performance review period. It needs excellent communication between the supervisor and the employee and is done virtually everyday (ibid).

2.3 Perception

According to Schacter (2019), perception is the process by which people receive, process, and interpret information in order to make sense of their surroundings and comprehend the world in which they live. The process through which employees gather information about PMS and PAS through observation and experience and evaluate the effectiveness and fairness of their organization's performance rating system is the working definition of perception for this study.

2.4 Performance Management

According to Armstrong (2014), PM is a technique for improving organizational, team, and individual performance within a set of specified planned goals, objects, and standards. The efficiency of performance management systems varies with the organization using them, as does the emphasis given to doing so within each business (Murphy and Cleveland, 2018). The performance management system primarily serves these five objectives.

Firstly, performance management system aims at enhancing employee productivity. Performance management systems help employees understand their role and responsibilities, set performance goals and objectives, and measure their progress. This leads to increased motivation and productivity, which ultimately contributes to high organizational performance.

This was evidenced by Gichuki (2017) who assessed the impact of performance management on worker productivity in Kenya's immigration service through a descriptive survey design with 300 staff interviews. The study indicated that effective performance management which included; good appraisal procedure, training, and staff promotions on a regular basis all increased employee productivity. The study concluded that department should support training and development initiatives as well as effective appraisal procedures because they fostered employee innovation.

The second goal of a performance management system is to improve communication. It makes it possible for managers and workers to communicate clearly, which improves knowledge of expectations and goal alignment. Conflict is reduced and a healthy work environment is fostered via clear communication. An investigation was undertaken by Nadeem et al. (2017) at United Bank Limited in Peshawar, Pakistan, to determine the impact of effective employee-employer communication on worker performance. Through the use of a descriptive survey design, the study found that feedback following employee training has a significant impact on employee performance and, ultimately, production. It was discovered that a person might have a more meaningful profession with training and feedback after training.

Thirdly, performance management system also aims at bringing about employee development. The system provides an opportunity for employees to receive feedback, identify areas for improvement and develop a career growth plan. This creates a sense of personal growth and satisfaction, which helps in employee retention. This was evidenced in a study on the effect of training and development on worker performance by Kum, Cowden and Karodia (2019) which employed a survey approach, discovered a strong correlation between training and development and efficient staff performance. Suleiman (2019) further studied the reasons why employees in Nigeria's Bauchi State are governmental and private sector organizations had a bad attitude about their jobs. The study was structured as a descriptive survey, and the results demonstrated that a lack of training opportunities or insufficient training possibilities were to blame for the employees' negative attitude and poor job satisfaction.

Fourthly, performance management system aims at recognizing and rewarding employees. The system encourages recognition and reward programs where employees are acknowledged for their hard work and achievements. This motivates employees to perform well and contributes to a positive working culture. This is consistent with data gathered by Odhiambo (2018) as part of a descriptive study on the effects of performance management techniques on employee productivity. It was found that rewarding good performance increases the possibility that

performance would increase, and that employees prefer routine performance reviews to receive the incentives they deserve.

Finally, performance management system aims at strategic alignment. The system enables organizations to align individual performance goals with organizational objectives. This ensures that employees understand the organizational goals and work towards achieving them. Strategic alignment leads to the achievement of organizational goals and promotes a culture of excellence. This was evidenced by Adaeze (2019) in a study aiming at assessing performance management and employee productivity. The study indicated that alignment of individual performance with strategic goals correlated positively with employment productivity ($r=0.51$) in three industrial zones of Awka, Anambra.

2.5 Process of Performance Management

According to Management Study Guide Experts (2017), a performance management process establishes the foundation for rewarding excellence by linking individual employee accomplishments to the organization's mission and goals and helping the employee and the company recognize the significance of a particular job in generating results. Clear performance expectations that cover results, activities, and behaviors help employees understand what is expected of them at work. Setting performance standards allows managers to identify which positions are beneficial and get rid of those that are not. Through frequent feedback and mentoring of employees, performance management benefits early problem diagnosis and corrective action (Management Study Guide Experts, 2017).

According to Zigarmi et al. (2018), the performance management process consists of the three primary actions listed below;

- i. The setting of standards and targets in performance planning.
- ii. Day-to-day coaching is a manager's relationship with their direct reports where they track performance and promote advancement through coaching and feedback.
- iii. Performance evaluation, often known as the annual performance review, compares employee performance to predetermined objectives.

The performance management process can be explained using a variety of models, according to Pulakos (2019), Armstrong (2019), Murphy and Denisi (2018). Most of these models concentrate on a set of predictable variables, such as various methods for defining performance expectations for employees, evaluating performance, and providing feedback. According to Armstrong and Pulakos (2019), there is frequently a continuum of procedures or actions, including performance agreements/goal setting, performance monitoring/facilitation,

performance appraisal and feedback, and enhanced performance. Performance management process is illustrated on the next page – in Figure.1 and thereafter described.

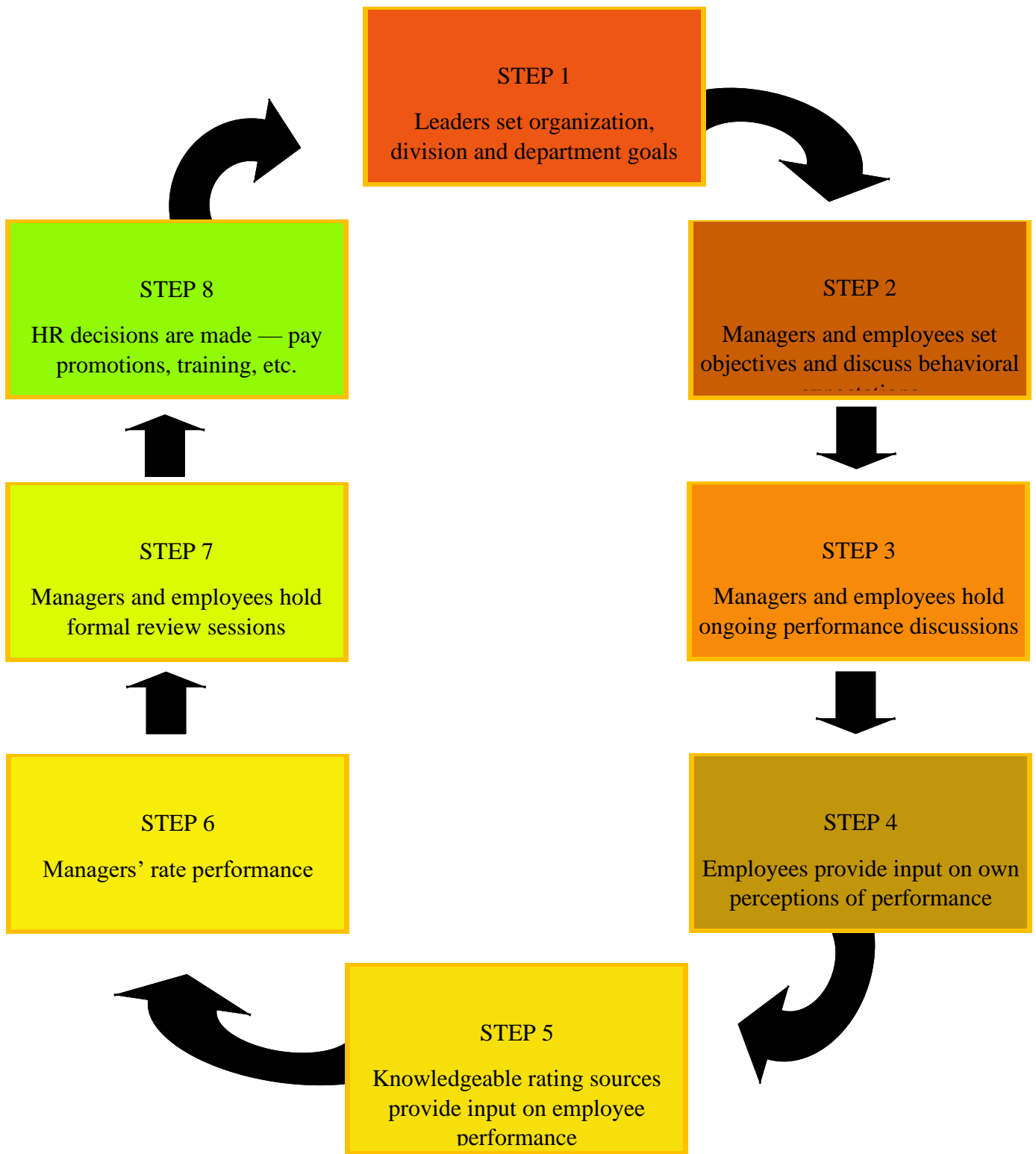


Figure 1: Performance Management Process

In the Figure 1 above, Pulakos (2019) illustrate eight steps of performance management process that are very relevant to this study, namely:

- Step 1 - Leaders set organization, division and department goals.
- Step 2 – Managers and Employees Set Objectives and Discuss Behavioral.
- Step 3 – Managers and Employees Hold On-going Performance Discussions.
- Step 4 - Employee Provide Input on Own Perceptions of Performance.
- Step 5 – Knowledgeable Rating Sources Provide Input on Employees performance.
- Step 6 – Managers Rate Performance.
- Step 7 – Managers and Employees Hold Formal Review Sessions.
- Step 8 – Human Resources Decisions Are Made (Pay, Promotion, Training, etc.)

The above eight performance management process steps are described below.

2.5.1 Step 1 - Leaders set organization, division and department goals

In the first step, leaders set the organization's divisional and departmental goals. The ideal approach advised by the PMSs is creating a hierarchy of goals where organizational level goals support goals directly linked to the next level (Pulakos, 2019). Every employee in a firm is expected to work together to support the organization's strategic goals and key objectives. One of the best practices for setting goals for an organization, according to Pulakos (2019), is to generate cascading objectives, where goals at one organizational level support goals that are directly relevant to those at the next level and ultimately work towards the organization's strategic goals and priorities.

2.5.2 Step 2 – Managers and Employees Set Objectives and Discuss Behavioral

Expectations

Goals are discussed and expectations are created in the second phase between management and employees. According to Pulakos (2019), is particularly significant since it calls for the establishment of evaluation standards, which enhances the fairness and openness of the procedure. During this process, behavioral and performance expectations should be tied to the organization's strategic direction and goals. In other words, any requests made of employees by an organization should be done so in a way that advances the organization's strategic plans, goals, and objectives. Regularly used to describe behavioral expectations are performance standards that are consistent with the underlying values and strategic direction of the

organization. These standards are then discussed with the staff at the beginning of the rating cycle and used as the foundation for meticulously evaluating behavioral performance.

Pulakos (2019) emphasizes the significance of managers and workers collectively establishing performance goals and choosing outcomes to be achieved. According to Pulakos, individual aspirations must be in accordance with the company's strategy and objectives. The personnel is then informed of the fundamental competencies and set performance standards.

2.5.3 Step 3 – Managers and Employees Hold On-going Performance Discussions

The third step involves ongoing performance discussions between management and staff. Expectations for behavior and results are shared during the performance planning process. Throughout the rating period, management and employees regularly discuss performance in both categories and provide input on performance goals. Due to unforeseeable events outside of the employee's control that may prevent the achievement of the objectives within this rating period, the objectives of the employee may be changed or revised (Pulakos 2019). The same author suggests that prior to providing feedback to remedy a performance issue, it is crucial to identify the reason an employee may be having a difficulty.

2.5.4 Step 4 - Employee Provide Input on Own Perceptions of Performance

According to Pulakos (2019), obtaining employee input is recognized as the best practice in the fourth phase and is a useful way to improve ownership and acceptability of the performance management process. Managers can communicate with employees more effectively if they are aware of how people perceive their own effectiveness. Different treatment should be given to employees who drastically undervalue their talents versus those who undervalue their work. According to Pulakos, the first scenario justifies the use of reinforcement and confidence-building, but the second scenario necessitates the use of confidence neutralizing. The best practice is for employers to rate themselves on rating scales. When asked for input on the performance management process, employees are better able to rate themselves. This feedback is then reviewed and compared to managers' assessments of the employees (Pulakos, 2019). Employees can also assist by detailing their most important accomplishments from the rating period in written comments. Pulakos emphasizes the importance of training, particularly if the company plans to use accomplishment statements to decide on pay, promotions, or other important HR-related choices.

2.5.5 Step 5 – Knowledgeable Rating Sources Provide Input on Employees

The fifth step's 360-degree feedback is the process of getting feedback on performance from managers, peers, direct reports, and consumers. The optimal strategy, according to Pulakos (2019), is to solicit input from those who have "first-hand knowledge of performance" during this process stage. Information about performance could be gathered from a variety of formal and informal grading sources. First, with the manager as the exception, each rating source (e.g., three customers, three direct reports, etc.) should have at least three sources of input. Employees are often provided with complete feedback reports that include the average rating score from a peer group, the average rating score from a direct report group, and the average rating score from all raters. Narrative comments are also given to the employee. The ideal techniques for gathering, analyzing, and integrating formal ratings from many sources are automated processes, primarily because they make the laborious task of gathering this complicated data more effective and manageable.

2.5.6 Step 6 – Managers Rate Performance

The sixth step of management involves performance evaluation. Evaluation of job behaviors and results, rating in accordance with established rating standards to facilitate consistency, fairness, and accuracy, and providing narrative comments to further explain the justification for ratings and encourage more considerate and thoughtful manager feedback are the three steps that are advised for performance evaluation. According to Pulakos (2019), it is best practice to consider both job conduct and results when grading performance using clearly specified performance standards. By letting employees know what is expected of them and giving managers consistent benchmarks to use when reviewing employees, performance standards improve uniformity, openness, and fairness. Pulakos explains further why it's critical to utilize performance standards to guide ratings for an effective performance management system.

2.5.7 Step 7 – Managers and Employees Hold Formal Review Sessions

The formal performance review meeting is viewed in the seventh step as a recap of the activities that took place during the rating period. Before the formal evaluation, managers and employees should take the time to prepare their talking points. A segment on ratings and narrative comments should be included in reviews, but the majority of the discussion should be developmental and forward-looking because these are good project management practices (Pulakos, 2019).

2.5.8 Step 8 – Human Resources Decisions Are Made (Pay, Promotion, Training, etc.)

In the eighth and final phase, Pulakos (2019) noted that organizations moving closer toward tying performance management with significant human resources outcomes—specifically, relating pay to performance—represent the best practice. However, the results of performance management are occasionally used to guide other significant outcomes like promotions and terminations. Performance reviews are rarely the only factor considered when making promotions choices. Results from performance management can be used to identify candidates for level or pay cuts or staff dismissal, as well as to support those choices. The best approach in performance management, according to Pulakos (2019), is to link pay and performance to recognize employees for their efforts and inspire performance.

The section presented and described the process of performance management, and next section discusses benefits and challenges associated with performance management system.

2.6 Performance Management System

A performance management strategy is a plan that takes into account all organizational activities in the context of the organization's human resource policies, cultures, and communication frameworks (Armstrong, 2019). The performance management subsystems have technical performance management sub-systems, and the subsystems include, planning, organizing, operationalization, improvement, and social performance.

2.6.1 Planning Performance Management Sub-system

The initial component of the performance management system is planning. It entails creating performance targets and goals for specific personnel in order to channel their efforts toward accomplishing the same. Performance criteria and objectives should be time-bound, realistic, measurable, and explicit. Each business unit and individual employees should have flexible employee performance plans that can be modified at any moment to take into account changing job requirements after being monitored and reviewed (US Office of Personnel Management, 2008).

Strategic planning of performance management system involves reviewing the strategic plan of the organization to determine the strategic objectives that the organization intends to achieve for at least five years. Determination is also made of what specific strategic objectives shall be pursued by each strategic business unit of the organization over the same period. These strategic objectives inform the setting of performance objectives of the corporate performance objectives, business unit performance objectives and individual employee performance objectives and standards for a given performance period (Lawrence, 2002). This process calls

for a free and fair active participation of the employees and their supervisors at levels of the organization for employees to well articulate the responsibilities and roles that the organizations expect them to achieve let alone own these and see to it the they have been thoroughly accomplished.

2.6.2 Organizing Performance Management Sub-system

Resources necessary for operationalizing performance objectives are mobilized after performance objectives and standards have been specified in the planning sub-system of the performance management system as indicated above. They involve both monetary and material resources, such as a PM budget and selecting the performance management instrument and system to utilize. The formulation of these choices is also influenced by performance objectives. Holding all other factors constant, satisfying the budget and better performance management system and performance tool utilization are essential for performance management system effectiveness. These factors are what determine how effectively and efficiently performance management system and performance tool are applied to achieve performance objectives of the organization.

According to Bourne et al. (2008), after organizational subsystem completion, the task of implementing and employing employer performance management system efficacy is far from finished. As a result, the operationalization of the subsystem for performance management follows. 16. Improvement of the performance management sub-system is the sixteenth and final factor in performance management system efficacy. Employees consistently perform effectively each time they complete a task, and this is not a coincidence. Application of underlying acquired abilities and internalized knowledge serves as its support.

2.6.3 Operationalization of Performance Management Sub-system

Performance management culminates in the operationalization of the performance management system, where implementation of performance objectives is started by all employees and continues through the completion of all performance objectives, after much decision-making, paper work, and movement to and from the planning performance management sub-system and organizing performance management sub-system, respectively. The chance to assess how well employees are meeting predetermined performance standards and objectives and to take corrective action is provided by ongoing performance monitoring. Continuous monitoring allows for the identification of performance at any point during the appraisal period and the

provision of support to rectify it rather than having to wait until the conclusion of the term (Armstrong, 2019).

Communication is a consistent part of the day-to-day work of both the supervisor and employees (Petigrew, 2020). Management at all levels should ensure that, according to the right of consumption, performance management information is always freely flowing to all employees timely. Covert PMS can disappear in organizations sooner than later, and PMS can transform to be overt. Performance appraisal should be both the beginning and continuation of communication of performance management (Stone, et. al., 2018).

Evaluation of all employees ought to be done informally and formally. The informal performance evaluation/appraisal is done at any time and by anybody. The junior staff can evaluate performance of their Chief Executive during the lunch break as a mere complaint of the dissatisfaction with the way the employees are treated in the organization for example. The formal performance evaluation is sanctioned by management to be done on officially known date and the parties to do it are also known i.e., superior – subordinate. The essence of formal performance appraisal is for the supervisors to rate how individual employees performed during the performance period. The underlying assumption of all rating systems is that it is both feasible and desirable to precisely and consistently classify individuals based on their performance on a scale. However, efficient PMS are those in which the raters are motivated to provide the most accurate evaluations and have the capacity to gauge employee performance (Denisi & Pitchard, 2006). Performance management training of supervisors and their performance appraisal systems in for perfection in performance evaluation rating serves as a springboard to this.

2.6.4 Improvement of Performance Management Sub-system

Improvement of the performance management sub-system is the sixteenth and final factor in performance management system efficacy. Employees consistently perform effectively each time they complete a task, and this is not a coincidence. Application of underlying acquired abilities and internalized knowledge serves as its support. (Armstrong, 2018) holds that poor motivation and self-esteem due to inadequate feedback on their performance, little or no communication, unfairness, lack of transparency, and equity as some of the main features leading to ineffective performance management system. Conversely, if these can also be addressed ineffective performance can be improved to become effective performance.

The section discussed about the effectiveness of performance management system. Next section reviews prior literature.

2.7 Prior Literature

Performance management practices date back to the beginning of time. Bezalel was gifted with knowledge and all kinds of craftsmanship by the Lord of Israel, who also gave him the spirit of wisdom and understanding. As a result, he was able to produce artistic works, work with metals like gold, silver, and bronze, carve wood, and engage in all kinds of artistic craftsmanship in biblical times (Exodus, 35, pp. 31–36). When it originally gained popularity, that was. To build and furnish the tabernacle of the Lord in the neighborhood of 1350 BC, Moses in this case chose persons from among the tribes of Israel who were considered to be the greatest skilled crafters (Wiese and Buckley 2018). Demonstrating the value of each person's performance and performance evaluation in attaining the objective of improving the effectiveness of the task completed (Toppo and Prusty, 2018) However, because performance management is a more recent phenomena that developed from performance appraisal system, earlier literature associated performance management system with components of the performance appraisal system. As a result, the components of performance appraisal systems were highly emphasized in the early literature on performance management systems.

2.8 The Role of Performance Management

According to Purcell et al.'s (2021) performance management study in the UK, while there has been a diversification of performance management responsibilities in the workplace, the primary role of performance management still typically revolves around personal goals. CIPD (2009) estimates that 90% of cases involve this.

According to the trends that have continued since the CIPD's earlier survey in 1997, there is an increasing focus on the PMS's developmental role as well as a devolution of operational control and responsibilities from HR to the line managers (CIPD, 2009).

The understudy organization, one of the same in Malawi, is not exempt from the performance management system since the evaluation role and the growth role of the same are equally important to it: At CMST, the performance management system's evaluative function is used to set performance goals, monitor employees' performance in relation to those goals, measure employee performance, identify desirable/poor performance, determine meritorious salary administration, and recognize individual performance. The CMST uses a performance management system to identify individual training needs, provide performance evaluation, decide on transfers and attachments, and identify the strengths and weaknesses of certain individuals. CMST has only completed five yearly performance management periods and five performance evaluation reviews using the Performance Management Indicators (PIMS)

performance management system in its eight years of operation with workers. However, no research has been conducted to date to evaluate the CMST performance management system's effectiveness. Consequently, this study was conducted to evaluate it.

The section discussed about the role of performance management, and next section presents and discusses the process of performance management.

2.9 Benefits and Challenges Associated with Performance Management System

The preceding section's primary subject was the performance management process. The benefits and challenges of a performance management system are discussed in this section. According to Mello (2017), a performance management system has the following benefits:

it improves planning through the procedures of identifying and connecting the institution's goals and strategies to the duties of each employee. As each employee's work tasks for a year are established, along with what is expected of them, it helps to clarify individual work tasks and responsibility boundaries, which leads to a better knowledge of the work. Through participation in job planning, ongoing conversation, feedback, and transparent appraisals, performance management systems foster trust. Through better work planning, there is reduced wastage of resources and duplication of effort. It offers a solution to the cycle of poor performance management. In order to clearly identify and prioritize institutional skill development and training needs, performance management systems offer a complete data source. It is a low-cost data source for customized employee reward, recognition, and development initiatives. It is a strategy of planning and measuring that allows for both qualitative and quantitative measurement and offers guidance and priorities for the entire year.

A performance management system is one that enables institutional, divisional, team, and individual performance indicators and measures, in addition to generic indicators that can be used to promote cooperation and other desired institutional behavior. It is a system that can be connected to other reform initiatives to give a thorough foundation for human resource management. Additionally, it offers a performance-based equity culture where judgments about employees are made based on information about results rather than whether or not they are loved or disliked.

The performance management system has challenges, just like any other process-based system. According to Wright (2006), performance management systems are seen as time-consuming and contentious, especially when a pay raise is on the line; performance assessment forms are

frequently lengthy and occasionally complex; supervisors and subordinates feel they are asked to make judgments and comments about performance appraisal systems without reference to objective criteria; it is thought of as a tool to control and discipline staff; and setting objectives is straightforward. Performance management systems have difficulties, according to David et al. (2010), including the possibility of conflict and the fact that the evaluation procedure involves emotions. When supervisors view a subordinate's performance as average but the subordinate believes they are operating at an exceptional level, the supervisor may make poor judgment calls or allow bias to enter the grading process. This might be the result of managers not receiving adequate training on how to evaluate subordinates, some supervisors emphasizing the bad features without considering the positive ones, and/or both.

The challenges of a performance management system, according to Kazeroony et al. (2017), are as follows: first, it is viewed as a human resources system. It is the duty of managers to guarantee that the institution operates in accordance with the established plan. They ought to do more than just fill out the documents to comply. Other human resource systems are not connected with the performance management system. In reality, firms do not take the outcomes of performance management into consideration when selecting, hiring, developing, and planning the succession of people.

It is evident from the foregoing that a performance management system has more advantages than disadvantages. It encourages engagement from both parties, which builds trust. It encourages better planning for the institution, which results in the alignment of employee goals with institutional goals. It offers insightful data that the organization can use for staff development, salary progression, and promotions. The effectiveness of performance management systems is challenged by the perception that it can be time-consuming by both employees and their supervisors. Due to disparate perspectives held by subordinates and superiors, it could lead to conflict between the employee and the latter. The part on the advantages and difficulties of performance management systems was followed by a review of the empirical literature on the subject under investigation.

2.10 Performance Management in the Public Service in Malawi.

According to the Public Service Reforms Commission Implementation Report (February 2017), and the interview the researcher conducted the Chief Director Mr. Peter. Chunga, Performance Management in the Public Sector of Malawi. At large was characterized with confidential performance appraisal system where members of staff filled PA forms and could not get formal results of the assessment. However, informally feedback could be given through reprisals, transfer to unpleasant remote duty stations, demotions, and imprisonment without trial. This

resulted in ineffective and inefficient performance in both public service and private sector. It is against this background that over eighty-one Public Sector Reforms (PSRs) have been implemented in Malawi. Since 1964 to improve the effectiveness of public sector Service delivery which have all in all, not made significant improvements of performance.

The recent one was implemented from February 2015 to February 2016. The contemporary Public Sector performance management system involved performance management contracts with the Ministers, Principal Secretaries, and Directors of Ministries, Department and Government Agencies (MDAs) where performance objectives are set and ultimate deliverables determined before assessing performance by the Independent Public Sector Performance Assessment Board that consists of a panel of six (6) members. The results are made public at a public function through a ranking order of the scores, and better performing MDAs) are awarded accordingly. PSRs have made strides in improving effectiveness and efficiency of service delivery in some MDAs, decentralization of teachers' salaries to all six Educational Divisions, TEVETA subcontracted levy collection system to MRA, actual levy income has increased, and improvement in service delivery in Health, Education, Agriculture, Fisheries and Water Supply Services, for instance. Public Sector performance management system have been challenged by resistance to change because of fear of the unknown and thinking that it is just a mere a bother and taking business as usual. Nonetheless, a culture of performance has been established in top Malawi. Public Service and it is expected to trickle down to the whole Public Service Structure, let alone the private sector.

The four completed research theses on these topics, as well as the second section of the literature reviews on publications on these topics, not only cover and evaluate performance management and performance management system from international perspectives, but it is also possible to assess the fairness of the system using the same variables, despite the fact that it is acknowledged that much research has been conducted on these topics. Therefore, the aim of this study is to assess the fairness of the performance appraisal system and the performance management system at the Central Medical Stores Trust.

2.11 Theoretical and Empirical literature Reviews

In the first section, four completed research theses on performance management and performance management systems are surveyed. In the second section, the literature on publications on performance management and performance management systems is evaluated.

2.11.1 Literature review on publications (theoretical) on PMS and performance system

The research cited in this one is a replication of Alan Clardy's 2009–2012 study, "A General Framework for Performance Management Systems: Structure, Design, and Analysis." The study's objectives were to identify the components of a performance management system, to characterize their various design criteria or possibilities, and to take note of the analytical challenges associated with evaluating a performance management system within an organization (Clardy, 2013). The study's conclusions showed that the following were necessary for a performance management system to be successful: Executive leadership dedication, focus, and assistance. The author confirms that the values and beliefs that are crucial in forming the organization's culture are defined by leaders. The executives, in his opinion, are the ultimate decision-makers who contribute to the development of organizational structure, approve strategy and plans, allot resources, assess the effectiveness of the organization, and make significant hiring decisions (Clardy, 2017).

This study is a replication of Alan Clardy's 2009–2012 investigation, "A General Framework for Performance Management Systems: Structure, Design, and Analysis." The purpose of the study was to characterize the different design criteria or options for each component of a performance management system as well as the analytical difficulties that can arise when evaluating a performance management system within an organization (Clardy, 2013). According to the study's findings, the following are required for a performance management system to be effective: dedication, concentration, and assistance from executive leadership. The author affirms that leaders define the values and beliefs that are essential in building the culture of the organization. According to him, the executives make the final decisions that affect the development of organizational structure, approve strategy and plans, allot resources, assess the effectiveness of the organization, and make significant hiring decisions (Clardy, 2017).

A business plan or strategy that outlines how organizational resources will be used to provide goods and services, a management control system that is viewed as a performance measure against targeted goals and outcomes (such as BSC, TQM, Benchmarking, and Activity-based costing), and well-designed or engineered work processes to ensure that work is done cost-effectively with the fewest possible errors are all essential components of an effective

organization. Both the technical system, which is made up of the tools, processes, and technologies, and the social system, which is made up of the users and participants in the technical system, make up workflow processes (Clardy, 2017).

In order to develop and implement the necessary employment relationship, human resource policies and practices are required. These include communications, staffing, development reviews, retention, and remuneration.

Finally, supervisors, supervisory behavior, and work group dynamics all influence the working environment (Clardy, 2017). Clardy (2017) asserts that the practices and environments present at the workplace are the final group of elements that make up a performance management system. The author made the case that managers and supervisors control the work environment through a variety of management and supervision techniques. Additionally, businesses have the power to influence the atmosphere at work through the selection, development, and treatment of their supervisors.

The researcher identified three management practices: defining and outlining performance expectations; offering training and coaching to enhance capabilities; and tracking performance for organizational control, reporting systems, and how employees carry out their work, through direct observation, regular reports, and performance tracking.

Lastly, enforcing performance standards by giving staff feedback on whether their performance is acceptable or not. The provision of feedback, upping of positive reinforcements, training, and goal clarification are a few examples of how to change the current structure of consequences if no gains or improvement in performance are realized, according to Clardy (Clardy, 2017).

Performance inside the workgroup has a bearing on the organization. The Hawthorne Studies, according to the researcher, leveled the playing field for workgroup performance. For instance, Lardy makes the argument that groups with high levels of morale maintain high performance while groups with high levels of solidarity produce significant pressures to comply to group standards. According to his observations, managers and supervisors play a crucial role in a workgroup by influencing the environment that either foster or undermine cooperation and morale (Clardy, 2017).

2.11.2 Effectiveness of Performance Management System

2.11.2.1 Involvement of the Employees

Makhabela et al.'s (2018) study on the performance management system revealed that employees were not involved or engaged because the mean score for employee participation (1.72) was below the midpoint of the range. The employees' perception of management commitment's effectiveness was moderate, as evidenced by the fact that the mean score (2.88) is slightly higher than the range's midpoint. Employees generally believed their system worked effectively, as evidenced by the mean score for the system (2.33), which was somewhat below the range's midpoint indicating that employees generally thought their performance management system was inadequate.

2.11.2.2 Performance-Oriented Culture

Organizational culture is yet another crucial element for enhancing performance management effectiveness. According to Sole, an organization's culture can be formed by the people's overall ideas, philosophies, habits, and values. These factors can affect the power dynamics inside an organization as well as how they react to change.

Focusing on the end result for users, empowering citizens to take responsibility without fear or blame, and adopting a positive attitude toward performance management by viewing it as a tool for improvement rather than just a form-filling exercise are the main characteristics of a performance-oriented culture.

2.11.2.3 Fairness of Performance Appraisal System

According to Denettinck and Van Dijk's (2018) study, performance management systems work better when formal appraisal evaluations are conducted more frequently. The success of the performance management system is favorably correlated with the frequency of performance reviews, the focus of performance reviews on performance evaluations, and high levels of participation in performance reviews.

The competence of the appraisers, employee participation, the development of clear goals, the follow-up of the appraisal, and goal discussion are elements that are thought to affect how fair the performance appraisal system is. These variables are based on a survey that Evans and McShane (2020) created and validated.

Employees' Perceptions on the Performance Appraisal System in a Public Limited Company in Pakistan was Khan's study subject for 2019. Its primary goal was to gauge how employees felt about the connection between compensation and performance. A quantitative methodology was

used in the investigation. Through examinations of pertinent papers and literature as well as a questionnaire using a five-point Likert scale, where 1 was the lowest rating and 5 was the highest, both primary and secondary data gathering methods were also used. A census survey was used to gather data. Data analysis was done using SPSS 19, a statistical package for social science.

The results showed that the respondents, on overall basis, had a positive perception on performance appraisal process. It was observed that the whole organization used one PA form to all employees.

This suggests that the business required to customize the PA in accordance with the job requirements of the person being evaluated as it did not measure what employees do while performing their duties. The survey suggested that since it only collected data from managers, research on managerial staff was also necessary. It was necessary to do additional study to learn more about the value of training, the participation of senior management in the performance appraisal process, and the importance of activities like goal- and objective-setting.

The study "Measuring Employee Perception on Performance Management System Effectiveness" was conducted by Sharma et al. (2018). The idea of "employee effectiveness," which was meant to gauge how well the performance management system was considered to be functioning, was the major goal of the study. The study's research was done using a number of approaches. The results revealed that a two-factor construct for measuring the success of a performance management system might exist, with its factors being system fairness and accuracy. . Researchers had the chance to assess the predictive validity of employees' perceived "performance management system accuracy" and "performance management system effectiveness" measures by examining their relationship with a variety of employee organizational outcomes in various socio-cultural and national context industries.

2.11.2.4 Knowledge of the Appraisers

According to Armstrong (2019), many workers think that their bosses are unable to instruct and coach them on how to enhance their performance. Bad performance management is also influenced by the attitudes of managers and employees. Armstrong (ibid) adds that it could be difficult for managers to give their personnel a bad grade during the evaluation interviews since they are unable to justify their remarks, which may be a difficult procedure for managers to go through. It is so far easier for managers to just give a worker an average grade on the scale and hope that they would ultimately improve. However, this strategy may lead to rating drift when managers are happy to offer their staff better ratings but never lower ones, even when justified.

Nel et al. (2011) reaffirm these findings and point out that performance assessments are challenging and dangerous since staff members get overconfident knowing that raises, career advancement, and mental stability may all depend on how they are evaluated. Uncertain standards will always cause performance management problems. Managers require instruction in conflict resolution, establishing performance criteria, linking the system to compensation, coaching and counseling, and how to provide feedback to subordinates, according to Appebaum et al. (2018).

2.11.2. 5 Human Capital Development

Employees are more likely to support and meaningfully participate to a particular performance appraisal system if they believe it will help them improve professionally or provide a platform for personal development, according to Boachie-Mensah and Seidu's (2017) research. They might also see it as a chance to network with other employees and showcase their skills. The authors go on to say that a performance appraisal system will be successful if everyone is aware of and in agreement with the procedure. A successful evaluation also fosters effective management-employee relations, the communication and alignment of personal and organizational goals, and the growth of employee motivation, attitude, and conduct.

2.11.2.6 Appraisal Follow-up

According to Culbertson et al.'s study's findings, positive feedback is favorably correlated with PA satisfaction. Furthermore, Agumis (ibid) notes that performance evaluations are crucial because they enable workers to assess their own performance by identifying performance issues and addressing them. Performance will be differentiated into good and bad when standards and goals are specified. The employee must receive feedback if there are discrepancies between the employee's goals and actual performance as determined by the performance review. The manager needs to be able to identify the underlying reasons for performance discrepancies.

It's crucial to continue this pattern of exchange with the employee because it will help find the problem's root cause. In most circumstances, locating the cause of performance disparities will foster an environment of impartiality where both parties can make valuable contributions. According to Nel et al. (2018), when issues with performance standards assessment are found, defined goals and timelines for improvement should be established. They believe that employees should have the chance to address unfavorable evaluations and present their own version of events. This may reduce complaints and encourage employee engagement in the system of performance evaluations. Additionally, employees must be given the chance to

appeal their ratings to ensure a fair system and be provided with a real opportunity to respond to their ratings.

2.12 Empirical Literature Review

2.12.1 The Performance Management System

Swanepoel (2018) conducted study in South Africa titled "Employees' Perceptions of the Effectiveness and Fairness of Performance Management in South Africa Public Sector Institutions." The outcomes demonstrate the employees' faith. The success-promoting culture, management commitment, employee involvement, and the efficacy of the PMS were all examined in this study. We looked at six elements that affect how fairly employees evaluate the PA. The cross-sectional survey includes a census of 140 workers from the public sector institution as a whole. To gather the information, a three-part questionnaire was used. The biographical questions were in Section A, the contextual factors that evaluated the perceived efficacy of the PMS were in Section B, and the perceived fairness of the PA was in Section C. The findings indicate that workers believe their PMS is ineffective and their PA is unjust. Comparing the mean fairness perception scores for PAs to those in managerial and professional roles reveals severe flaws in their evaluation procedure. Future empirical studies on the PMS's evolution have the potential to benefit from the findings that employees were not part in the study. The results also showed that there was little employee involvement in the PA process, that performance feedback sessions were not routinely done, and that employees were not involved in goal-setting. These organizational and managerial flaws should be addressed by the attaining program.

35. Sharma et al. (2018) investigated "Measuring employee perception of the effectiveness of the performance management system." The operationalization of the notion employee perception of PMS effectiveness (PMSE) was investigated in the study. For the "two-factor fairness" as its two factors, construct validity is demonstrated. A scale for gauging "employee perception of PMS accuracy" is also devised. A mixed-methods research design was used. The main conclusions supported the potential existence of the two-factor PMSE construct, which included the components PMS accuracy and fairness. By showing how the construct's relationships with crucial outcome variables, construct validity is proven. Another important contribution is the creation of a 12-item scale that is valid and trustworthy (Cranbach's α value: 0.83) for perceived PMS accuracy. Future empirical studies can take advantage of the research's opportunities to investigate the impact of PMS accuracy and efficacy on employee outcomes (engagement, retention, etc.). Its practical implication is that employee perceptions of the

perceived correctness and effectiveness of PMS can be measured using sophisticated investigative tools. It can assist organizations in locating and fixing the problems with their current PMS.

Ramulamisi et al.'s (2017) study of the "Perceived Effectiveness of Performance Management System" in South Africa is another example. The primary objective was to assess the effectiveness of a South African government agency's performance management system. The approach for the investigation was a quantitative survey study design. A five-point Likert-style scale was used to assess the respondents' opinions of how the performance management system was applied. The research's findings were contradictory, with favorable findings involving individual performance and management assistance and unfavorable ones for personal growth. The study's result was that managers distinguish between evaluations for rewards and development (Swanepoel, 2017).

In addition, Khan and Pakistani's (2018) study focused on how employees felt about the performance evaluation method at a public limited firm in Pakistan. The study's main objective was to determine how workers at a publicly traded energy company felt about implementing a performance rating system after doing it previously through an Annual Confidential Report. A 33-item questionnaire for the study, which had 4 independent and 1 dependent variable, was completed by 150 management position employees who were familiar with the performance evaluation procedure. The questionnaire includes five independent variables: the employees' perception of the performance appraisal process, procedural justice, goal-setting, feedback, and pay for performance. A likert scale questionnaire served as the instrument, with 1 denoting strongly disagree and 5 denoting strongly agree. Factor analysis and regression analysis were carried out using SPSS19. The result shows that the procedure was completed to the general satisfaction of staff in accordance with organizational norms. To sum up, a number of regions have been highlighted for development. The findings and recommendations are in line with statistics that have been published internationally.

Khan (2019) investigated "Employee Performance Management at a South African Government Organization" in South Africa. This study's primary objective was to assess the performance management approaches being utilized by a South African government agency while considering how they might impact procedures, systems, procedures, policies, and employee relations. Face-to-face interviews and performance management compliance audits with a sample of employees and all Line Managers were conducted to determine its effects on workers and the management of their performance.

The right management input for improvement areas, compliance with the performance management policy, and knowledge of how to utilize the electronic performance management system were all determined to be problematic. Additionally, there are not enough training opportunities to satisfy the requirements for improving organizational performance and morale. In order to properly manage performance, the study suggested implementing strategies including information-sharing meetings, rapid feedback, and training plans.

Between 2008 and 2013, Nath and Sharma (2020) at Vale did research on "PMS in the Public Housing Sector: Dissemination to Diffusion" in Fiji. Evaluation of the performance management system's effectiveness in public housing was the study's main goal. The aim of the study, according to the authors, is to explore and assess the justification for the development and use of performance management and measurements as well as to ascertain whether the indicators are appropriate to support organizational strategies. The diffusion of innovation theory is used in the study to further investigate the effectiveness of PM at Vale.

The study's findings include the following: performance in public organizations is difficult to analyze and generate performance indicators; performance management system is considered as an innovation that has not fully diffused into daily organizational usage; that is, it is new. Due to competing demands on governmental institutions, political meddling, and ill-defined goals, the implementation of performance indicators can be difficult. The study recommends the following actions to treat problems associated with PMS: Since this will enhance our understanding of performance management systems in developing countries, future study should concentrate on comparative studies of public sector housing performance management systems in other developing countries. Additional critical theorizing could be used in future research to highlight the social and historical roots of performance management systems in order to account for modern accounting systems.

2.13 Conceptual Framework

According to Imenda (2014), a conceptual framework is a compilation of interconnected elements and variables that aid in solving a practical issue. The conceptual framework of this study is based on the instrument Mansor et al. (2021) used to measure employees' perceptions of the effectiveness of the performance management system. Look at Figure 2 below.

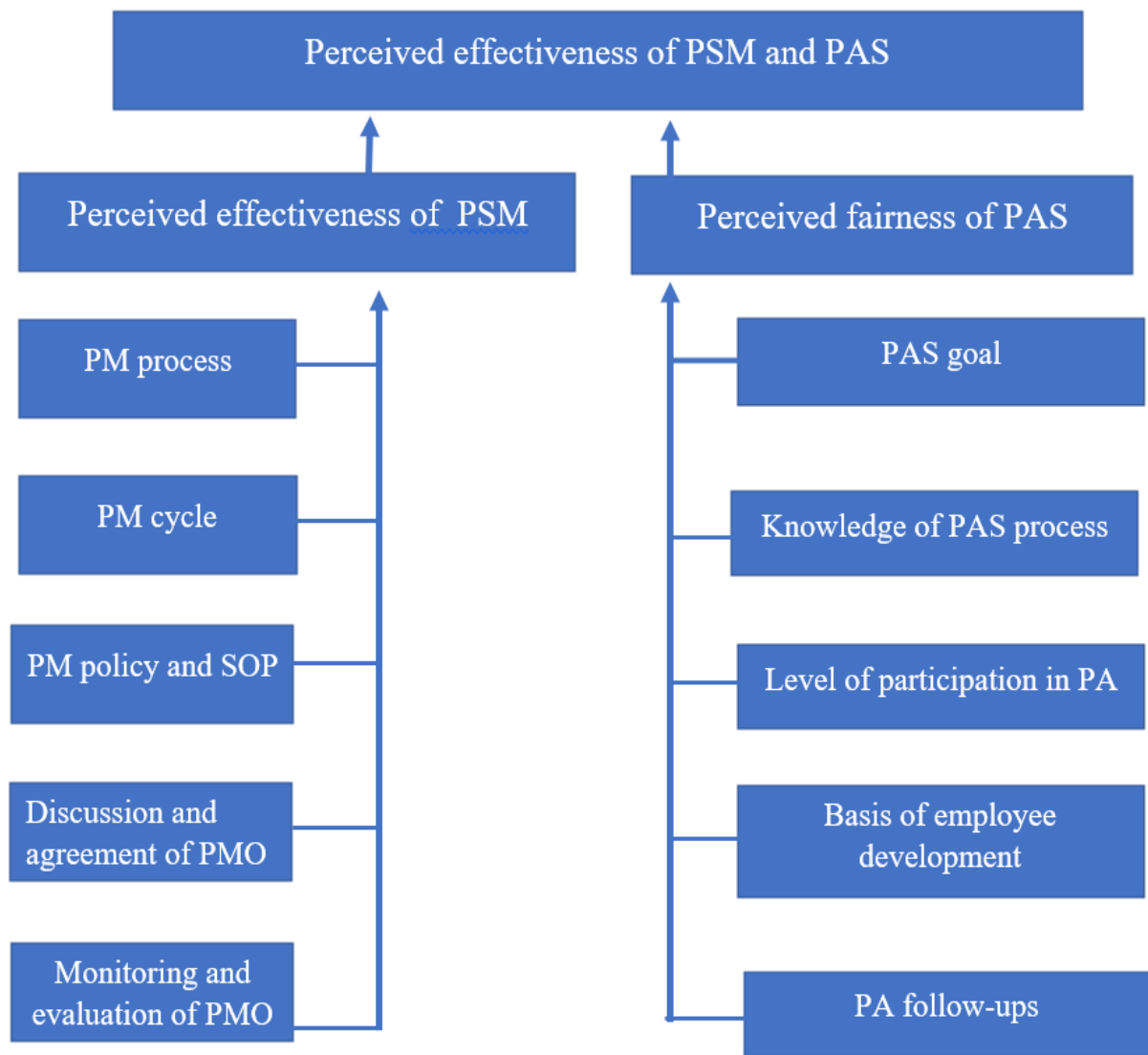


Figure 2: Conceptual Framework of Employees' Perception of PMSE & Fairness of PAS

In figure 2 above, overall PMSE will depend on the two variables: effectiveness of performance management system and fairness of performance appraisal. Also, performance management process, PM cycle, PM policy and SOPs, discussion and agreement of performance management objectives are the sub-variables of the PMSE; and PAS goal, knowledge of PAS process, level of participation in PA, basis of employee development, and PA follows-ups are the sub-variables of fairness of PAS. The effective the PMS and the fair the PAS the effective and fair the overall PMS.

2.14 Concluding Remarks

The theoretical frameworks of the performance management system and the performance appraisal system were briefly summarized in Chapter 4. The performance management system's goal and purpose were described. The usefulness of the performance management system was also illustrated in this chapter. The prior literature, ranging from performance management's earliest, most cursory historical traces to its most recent, was reviewed. The performance management system's role was mapped out. Also described was the performance management system process. Sketched were the advantages and difficulties of the performance management system. Prior research concentrated on installing performance management systems but either did not analyze the efficiency of implementation or did so only partially, according to empirical literature on related completed international theses and publications.

A conceptual framework for the investigation was offered in the final section of this chapter. By evaluating the performance management system's efficacy from a holistic systems viewpoint in Malawi, this study aims to close the knowledge gap. By making an unfair performance appraisal system and an unsuccessful performance management system more effective and fair, respectively, using CMST as an example, we can add to the body of knowledge that currently exists.

CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter outlines the methods employed in this investigation's data collection and analysis. In this study, a quantitative approach was used to assess the efficacy of performance management systems and the fairness of performance appraisal. Issues regarding the relationships between measured variables were dealt with utilizing a quantitative method in order to understand, predict, and manage occurrences (Leedy & Omrod, 2013). A cross-sectional survey approach was used to gather primary data from the participants in order to achieve the study's objectives. According to Girolamo (2019), a cross-sectional survey is a piece of study that is based on observations that represent a single point in time. This study employed a quantitative explanatory paradigm, enabling it to examine its objectives using statistical analysis. A quantitative survey design technique has also been used in other studies (Dewettinck & Van Dijk, 2018, Ramulumisi et al., 2019, Sharma et al., 2018) to ascertain how well and fairly performance management is evaluated by employees.

3.2 Study area

The study was done at Central Medical Stores Trust which is a quasi-government institution. It has characteristics of a government and private institution. It has branches in three regions of Malawi namely, northern (Mzuzu), central (Lilongwe) and southern (Blantyre) regions, and a head office in the central region (Lilongwe). The institution was chosen because it has both characteristics of private and public institution which would represent both the public and private sector. The institution was also chosen because it has branches in the major regions of Malawi; northern, central and southern region.

3.3 Research Strategy/design

The study applied a quantitative research design because it was all about measuring the perception of employees on PMSE and PAS fairness and measurement can effectively be done in figures. It also took a cross-section approach whereby data were collected only at a single point. This study design is used to measure proportions of a population with a problem, determinants of the issue at hand and describe the features of a population (Wang & Chang, 2020). Hence, this study used the cross-sectional study design to measure the proportions of employees who perceive effectiveness of performance management and fairness of performance appraisal and. additionally; the study design was used to describe the features of the study population.

3.4 Study participants

The study took every employee at Central Medical Stores Trust as an eligible candidate irrespective of any demographic characteristic and position. Those who were willing to participate during the study were given the opportunity to respond to questionnaires. The study also incorporated a statistician who assisted in data analysis, and two enumerators who were collecting questionnaires which were filled.

3.5 Sampling technique

The study conducted a census among the employees at Central Medical Stores Trust and all employees who were willing participated during the study. All employees were eligible for the study without respects of positions. The census approach was used because the study population was small (n=180) and resources were available for all employees to participate. Out of 180 employees in the organization, 119 employees were participants during the study representing 66% response rate.

3.6 Sample size

Sample size was calculated using the following formula for calculating sample size of single proportion (Edriss, 2018).

$$n = (z^2 (1-p)p)/e^2 = ([1.96] ^2 (1-0.24)0.24)/ [0.05] ^2 = 0.70070784/0.0025 = 280$$

participants

Where p is an estimate of the population proportion of employees perceiving effectiveness of performance management, which is 26% (Chowdhury, Hioe, & Schaninger, 2018), and e is an absolute error size of error in estimating p the study is allowed to permit, which is 5% (Edriss, 2013), yielding the desired degree of confidence. The sample will consist of the following since non-response error will increase the sample size;

$$(0.1 \times 280) + 196 = 19.6 + 196 = 308 \text{ participants}$$

3.7 Data collection methods and tools

The study collected data through self-administered questionnaires where the study participants were given semi-structured questionnaires to fill at their convenient time. The pre-tested semi-structured questionnaire was electronically mailed through the organizational email to all employees. The employees downloaded, printed, filled and submitted the questionnaire to people who were allocated in all regional offices. Considering the nature of their work and availability, it was not feasible to conduct a face-to-face interview to all three regional offices and head office, as such; the method was the convenient one. Study respondents were given

two weeks to fill-in and submit the questionnaires. Those who needed clarification on some aspects of the questionnaires were assisted accordingly based on their level to comprehend the questionnaire items.

Mansor et al. (2021) evaluated and examined the reliability of the questionnaire items as part of their inquiry into the efficacy of performance management. The questionnaire was divided into three sections: one for biographical data, one for performance management system efficacy, and one for performance grading system fairness. The section on the performance management system highlighted three organizational factors that influence its effectiveness. The effectiveness of the performance management system, employee engagement, performance-oriented culture, and management commitment were evaluated using the 12 organizational aspects components. The subscales' Cronbach's alpha coefficients were Employee Involvement (0.84), Performance-Oriented Culture (0.81), and Management Commitment (0.81).

Cronbach's alpha scores less than 0.70 show the test's internal consistency and the statistical reliability of each of its three items. The Performance Management System Effectiveness Questionnaire is divided into three sections: Employee Involvement (five things), Performance-Oriented Culture (four items), and Management Commitment (three questions). A 5-point Likert scale was used to evaluate the participants' responses regarding the usefulness of the performance management system, with 1 signifying the strongest disagreement and 5 denoting the strongest agreement. A survey that had completed reliability testing and validation as part of a study by Makhubela et al. (2018) in an effort to validate the Performance Appraisal Fairness Questionnaire (PAFQ) was also included in the questionnaire.

The following subscales' Cronbach's alphas were reported: Goal Establishment (0.828), Employee Participation (0.857), Employee Development (0.637), Appraisal Follow-up (0.886), Appraiser Knowledge (0.746), and Goal Discussion (0.617). A Cronbach's alpha of 0.917 demonstrated this Performance Appraisal Fairness Scale's dependability. Table 2 is located below.

Table 1: Cronbach's alpha for three subscales of the fairness of the PA scale

<u>Subscale</u>	<u>Cronbach's Alpha</u>	<u>Number of Item</u>
Appraiser knowledge	0.746	5
Employee participation	0.857	5
Employee development	0.637	4
Goal establishment	0.828	3
Appraisal follow-up	0.886	2
Goal discussion	0.617	2
<hr/>		
<u>Total scale</u>	<u>0.917</u>	<u>21</u>

As a result, there were 21 closed-ended questions in the PAFQ, and the employees were asked to rate the fairness of the appraisal using a Likert scale with a range of 1 to 5. Four items have been negatively worded and reserved for scoring in order to prevent response bias. However, keep in mind that this study integrated the PAFQ and the performance management system effectiveness, which were previously offered as two separate questionnaires, to improve usage flexibility and reduce burden.

3.7 Data analytical techniques

Data was entered into templates created in Microsoft Excel 2013 and sent to SPSS version 20.0 for analysis. In order to identify outliers in the data sets and to create frequency tables and cross tabulations, descriptive statistics were used. The t-test was used to determine mean differences between two variables, and analysis of variance was performed to establish mean differences among factor variables with three categories. To ascertain how PMS and PAS are related, correlation was also used.

3.8 Research ethics

The researcher sought and obtained informed consent from the Chief Executive Officer of CMST by disclosing the purpose of the study to motivate employees to provide their opinion and views without restrictions. The study obtained written consent from the study participants. The study treated data with confidentiality to protect identity of study participants.

CHAPTER FOUR: FINDINGS, ANALYSIS AND DISCUSSION

4.1 Introduction

This chapter presents study findings which includes biographical findings of the respondents, proportions of perceived effectiveness of performance management system and percentages of the variables for perceived fairness of performance appraisal system of the respondents. Discussion of the results is also presented with a cross-referencing of study.

4.2 Biographical Data

Biographical data has been presented which include age, gender, educational level, positions, work experience and duty station. The descriptive have been presented to give an overview of study respondents.

Table 4. 1: Biographical data of study respondents

Characteristics	n (%)	
Age	18-24	3 (3)
	25-29	10 (8)
	30-35	29 (25)
	35-40	32 (27)
	40-45	18 (15)
	45-50	9 (8)
	50-55	16 (14)
	Over 55	1 (1)
Gender	Male	71 (60)
	Female	48 (40)
Education	MSCE	50 (42)
	Diploma	35 (29)
	Bachelors' Degree	23 (19)
	Masters' Degree	11 (9)
Position	Director	2 (2)
	Manager	9 (8)
	Officer	23 (19)
	Clerks	35 (29)
	Support staff	50 (42)
	1 - less than 3	

Duration (Years)

- 3 - less than 5
 - 5 - less than 7
 - 7 - less than 10
 - Above 10
-

Table 4.1 above, the bio-data narrative is summarised below:

Age - more employees are aged between 35 - 40 and 30 – 35 age ranges, Thus, CMST have about middle-aged employees. This imply that they should have more energy and responsible (grown up) enough to perceive PMSE and fairness of PAS objectively.

Gender - 60% are males and 40% are females at CMST. Thus, it is a gender imbalance organisation typical of Malawian male dominated organisations. This imply that the study had comparatively less female’s respondent

Education - more employees at CMST are primary school leavers – can only read, write and reason properly i.e., no or less critical thinkers. This implies that there is more training is requisite for them to move to tertiary level and perceive PMS appropriately.

Positions – support staff at CMST are rated at 42% and the rate are reducing up the organisation’s ladder. This implies that the organisation structure of CMST is a typical pyramid, and more manual and unskilled work that is done.

Work duration and experience – 44% of employees have worked for 7 – less than 10 years. Thus, many employees have served for relatively less years. Its implication is that CMST is not a very old organisation.

4.3 Perception of Effectiveness of Performance Management

Table 4. 2: Perception of Effectiveness of Performance Management

Perception	n (%)
Performance management cycle	
Strongly agree	32 (27)
Agree	51 (43)
Neutral	10 (8)
Disagree	24 (20)
Strongly disagree	2

Performance management policy and SOPs

Strongly agree	0 (0)
Agree	0 (0)
Neutral	37 (44)
Disagree	22 (26)
Strongly disagree	25 (30)

Discussion, agreement and adjustment of performance objectives

Strongly agree	2 (2)
Agree	21 (18)
Neutral	12 (10)
Disagree	32 (27)
Strongly disagree	52 (44)

Monitoring performance management system

Strongly agree	2 (2)
Agree	18 (15)
Neutral	15 (13)
Disagree	32 (27)
Strongly disagree	52 (44)

Meritorious employment

Strongly agree	2 (2)
Agree	13 (11)
Neutral	33 (28)
Disagree	20 (17)
Strongly disagree	51 (43)

Meritorious salary increment

Strongly agree	55 (46.2)
Agree	0 (0)
Neutral	8 (6.7)
Disagree	56 (47.1)
Strongly disagree	0 (0)

Satisficing resource provision

Strongly agree	2 (1.7)
Agree	12 (10.1)
Neutral	3 (2.5)

Disagree	70 (58.8)
Strongly disagree	32 (26.9)
Performance management is effective	
Strongly agree	2 (1.7)
Agree	17 (14.3)
Neutral	14 (11.8)
Disagree	52 (43.7)
Strongly disagree	34 (28.6)

In the Table 4.2 above, on a likert scale on scale of 1 – 5/strongly agree to strongly disagree. the factors affecting PMSE Aare generally summarized below:

PM cycle – 43% of the respondents agree that there is an annual PMS cycle with bi-annual performance appraisals. In contrast, Khan (2014) bemoans the non-compliance to timeliness in the implementation of PMS in South African government organization. Non-adherence to timeliness of the PM cycle shows lack of seriousness on it and this cause the employees also not to be serious with it.

PM policy and SOPs – 56% of respondents disagree that there is no PM policy and SOPs at CMST. This implies that much as there is PMS, but there is no uniformity of how it is done because there is no PM policy and procedure to strictly follow. However, this is the opposite of the findings of the study of Khan (2019) on ``Employee PM in South African government organization where compliance to PM policy lacked. It simply means that PM policy existed but employees were not upholding in in execution of PM.

Discussion, agreement and adjustment of performance objectives – 44% of the respondents strongly disagree that there is discussion, agreement and adjustment of performance objectives between the supervisor and the subordinate. This was also revealed by Swanepoel (2017) in the study entitled ``Employee Perception of the Effectiveness and Fairness of PM`` in South African Public Sector Institutions`` where employees were also not involved in PM. The involvement in PM includes discussion, agreement and adjustment of performance objectives. This implies that the supervisors solely develop the performance objectives of their subordinates and impose them on the same. Hence, the subordinates do not own the r performance objectives.

Monitoring PMS – 44% of the respondents strongly disagree that PMS is monitored. Thus, it is left on out-pilot. Its implication is that mistakes are not corrected and continue to occur.

Meritorious employment – 43% of respondents strongly disagree that employment is meritorious at CMST. Thus, highly competent candidates could not be employee at the same. Its implication is that mediocre type of people is employed on arbitrary basis.

Meritorious salary increment – 47.1 % of the respondents strongly disagreed that salary increments are payable on merit. Thus, some relatively new and incompetent employees' salaries are increased more than the deserving employees.

Satisficing resource provision – 58.8 respondents disagree that enough/reasonable resources are provided to them to effectively implement their performance objectives. This imply that the work is done too economically that may result in substandard performance. However, economic resources by own very nature will never be adequate – employees need to perform work of high quality with given reasonable resources.

Sharma et al. (2016) in the findings on the study entitled ``Measuring employee perceptions of PMSE postulates that PMS can help organisations identifying and correcting the shortcomings of their existing PMS, employment and salary increment not done on merit and non-satisficing resource provision.

PM is effective – 48.7% of respondents disagree that PM is effective. Thus, PM is also ineffective. This implies that the ineffective PM is more begging of the development of an effective PM.

4.4 Perception of Fairness of Performance Appraisal

This section presents and discusses the results of respondents of their perception of fairness of performance appraisal system on the following factors: knowledge of performance appraisal system, appraisers', participation during performance appraisal, basis of employee development intervention, establishment of performance appraisal goals, performance appraisal follow-ups, and performance appraisal is fair

Table 4. 3: Perception of fairness of performance appraisal.

Perception	n (%)
Knowledge of performance appraisal system	
Strongly agree	2 (2)
Agree	6 (5)
Neutral	27 (23)
Disagree	52 (44)
Strongly disagree	31 (26)

Participation during performance appraisal

Strongly agree	8 (7)
Agree	19 (16)
Neutral	18 (15)
Disagree	24 (20)
Strongly disagree	49 (41)

Basis of Employee Development Intervention

Strongly agree	6 (5)
Agree	17 (14)
Neutral	1 (1)
Disagree	45 (38)
Strongly disagree	49 (41)

Establishment of Performance Appraisal Goals

Strongly agree	2 (2)
Agree	16 (13)
Neutral	6 (5)
Disagree	36 (31)
Strongly disagree	58 (49)

Performance Appraisal Follow-ups

Strongly agree	44 (37)
Agree	6 (5)
Neutral	14 (12)
Disagree	52 (44)
Strongly disagree	2 (2)

Performance Appraisal System is Fair

Strongly agree	2 (2)
Agree	11 (9)
Neutral	11 (9)
Disagree	31 (26)
Strongly disagree	63 (53)

In **Table 4.3** above comments of the respondents on the factors of the fairness of PAS are generally summarized below:

Knowledge of PAS – 44% of respondents disagree that they have knowledge of performance appraisal system. Thus, they are ignorant of it. This is evidenced with the recommendation for training programmes to address these organizational and managerial deficiencies made by Swanepoel (2017). Its implication is that the PAS does not really exist in the organization because what one does not know does not exist.

Participation during PA – 41% of the respondents strongly disagree that they effectively participate during PA. This is in line with the results of Swanepoel. S., (2016) indicates lack of employee participation in the PA process. Thus, the supervisors just do PA and give the results in either positive or negative way. Its implication is that the subordinates disenfranchise themselves from such results and disown them.

Basis of employee training – 41% of the respondents strongly disagreed that basis of employees' development intervention is feedback of learning need determined during PA. Swanepoel. S., (2016) concurs with this that PASs were not conducted for employee development purpose. Rather, it is basis is next on queue and employee revenue generation endeavour. Its implication is that employees do not appreciate the need for training development interventions and do not maximize the same.

Establishment of PA goals – 49% of the respondents strongly disagree that they are involved in establishment of their PA goals. This is in tandem with the assertion of Swanepoel. S., (2016) that employees were not involved in goal setting. Thus, PA goals are imposed on them from their supervisor. It implies that these goals are not motivating and could easily be frustrating.

PA follow-ups – 44% of the respondents disagree that PA follow-ups are done by their supervisors. Similarly, Swanepoel S., (2016) feedback sessions of PA were not undertaken on regularly basis Thus, the noted substandard performance is left not addressed, and it also implies that employees continue to perform poorly. Not only does the respondents ticked

PA is unfair – 53% of the respondents strongly disagree that PAS is fair. Thus, PAS is both procedurally unfair as indicated above and substantively unfair because they perceive that the PA score rate from the supervisor is below performance standard.

The majority of the respondents disagreed that that performance appraisal system is fair. Largely, CMST employees felt that they were unfairly treated during that performance appraisal system by not discussing and agreeing on that performance appraisal system goals and clearly imposing the goals on them i.e., that performance appraisal system was generally unfair. However, this contradicts with the results of the study of Khan (2016) on the ``Employee Perception of PAS in a Public Limited Company where it shows that the PA process was

implemented as per organizational guidelines to the overall satisfaction of employees -. thus, on their part, PA is fair.

In summary on the employees' perception of PMSE and fairness of PAS, PMS and PAS indicates that it is perceived ineffective and unfair respectively. This is also in agreement with Swanepoel (2017) in the study entitled ``Employees Perception of the Effectiveness and Fairness of PM in South African Public Sector Institutions`` findings show that employees perceive PMS to be ineffective and PAS to be unfair.

4.5 Difference in perception Scores of PMSE and fairness of PAS (ANOVA)

A difference in the mean perception scores for the effectiveness of performance management system and Fairness of PA between male and female employees and employees of different age groups, duty stations and positions.

4.5.1 Difference in Gender-based Mean Perception Scores

Table 4. 4: ANOVA – Difference in gender-based mean perception scores.

ANOVA

	Sum of Squares	df	Mean Squares	F	Sig.
Performance_Management12					
Between Groups	27.004	1	27.004	.505	.479
Within Groups	6257.568	117	53.483		
Total	6284.571	118			
Performance_Appraisal12					
Between Groups					
Within Groups	8.640	1	8.640	.309	.579
Total	3269.091	117	27.940		
	3277.731	118			

45. In Table 4.4 above, ANOVA was run to determine if there were gender-based differences on the employees' perception towards the effectiveness of performance management system among employees. The results indicated that there was statistically insignificant difference between employees. $F(2,117) = 0.505$, $P = 0.479$. This means that there are no significant differences between males' and females' perception on the effectiveness of performance management system. – Perception on the effectiveness of performance management system is more or less the same irrespective

4.5.2 Difference in Gender-based Mean Perception Scores for PAS

46. ANOVA was also conducted in Table 4.4 above to see if there were gender-based differences in how employees perceived the fairness of the performance appraisal system. The findings showed that the differences between the employees were statistically negligible ($F(2,117) = 0.309$, $P = 0.579$).

This indicates that there are no discernible differences in how fair the performance evaluation system is seen by men and women. Regardless of gender, the perception of the fairness of the performance evaluation system is often the same.

4.5.2 Difference between Departmental Mean Perception Scores

Table 4. 5: Analysis of Variance

ANOVA

	Sum of Squares	df	Mean Squares	F	Sig.
Between Groups	27.004	1	27.004	.505	.479
Performance_Management12					
Within Groups	6257.568	117	53.483		
Total	6284.571	118			
Between Groups					
Performance_Appraisal12					
Within Groups	8.640	1	8.640	.309	.579
Total	3269.091	117	27.940		

	3277.731	118			
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In Table 4.5 above, ANOVA was also run to determine if there were any differences on the employees' perception towards performance management system among different departments. The results indicated that indeed there were significant differences ($F(11,107) = 8.637, P < 0.0001$).

A posthoc test of Turkey was used to determine which departments had different mean perception scores for the effectiveness of the performance management system, and the results showed that, statistically, the Procurement Directorate, the IT Department, and the Audit and Risk Department all had the same (first) level of perception. This indicated that their assessments of the performance management system's efficacy were statistically consistent.

The third level of perception for the effectiveness of the performance management system was the same for mean perception ratings for employees at Receipts Warehouse who were categorized by age. This indicated that their assessments of the performance management system's efficacy were statistically consistent.

Contrarily, mean perception scores for employees aged in Finance Department, CEO's Office, Pharmaceutical Directorate, Mzuzu Branch, Lilongwe Branch, HR and Administration Department, Manobec Warehouse, and Blantyre Branch overlapped at two levels of one and two. This simply meant that perception of employees on the effectiveness of performance management system was mixed i.e., perception of some employees in these departments was at the first level while perception of other employees was at the second level. This meant that their perception on the effectiveness of performance management system is mutually inclusive i.e., partially the same and partially different.

4.5.3 Difference between Departmental Mean Perception Scores for PAS

In the Table 4.5 above, ANOVA was also run to determine if there were any differences on the employees' perception towards performance appraisal system among different departments. The results indicated that indeed there were significant differences ($F(11,107) = 6.203, P < 0.0001$).

To know which departments were different in terms of mean perception scores for fairness of performance appraisal system, posthoc test of tukey was used and it indicated that statistically, Procurement Directorate had the same (first) level of perception towards fairness of

performance appraisal system. This meant that their perception on the fairness of performance appraisal system is statistically the same.

Similarly, mean perception scores for employees at Receipts Warehouse had the third level of perception for the fairness of performance appraisal system. This meant that their perception on the fairness of performance appraisal system is statistically the same.

Contrarily, mean perception scores for employees in Audit and Risk Department, Finance Department, and Lilongwe Branch overlapped at all the three levels. This simply meant that perception of employees on the fairness of performance appraisal system was mixed i.e., perception of some employees in these three departments was spread from the first level to the third level. This meant that their perception on the fairness of performance appraisal system is at the three levels is respectively statistically.

Perversely, mean perception scores for employees in the IT Department, Office of the CEO and Pharmaceutical Directorate, overlapped at the first two levels. This simply meant that perception of employees on the fairness of performance appraisal system was mixed i.e., perception of some employees in these three departments was spread at the first two levels. This meant that their perception on the fairness of performance appraisal system is statistically the same at these two levels.

Nonetheless, mean perception scores for employees in HR and Administration Department, Manobec Warehouse, and Blantyre Branch overlapped at the last two levels. This simply meant that perception of employees on the fairness of performance appraisal system was mixed i.e., perception of some employees in these three departments was mixed at the second level and third level. This meant that their perception on the fairness of performance appraisal system is statistically the same at these two levels.

4.5.4 PMS and PAS Perceptual Mean Scores for Departments

The Table 4.6 below present results for performance management system and performance appraisal system perception mean scores for departments.

Table 4. 6: Mean Scores of PMS and PAS for Departments

Department	Mean PMS Scores	Mean performance appraisal system Score
Procurement Department	3.27 ^a	2.39 ^a
IT Department	3.27 ^a	2.75 ^{ab}
Audit & Risk Department	3.36 ^a	3.08 ^{abc}

Finance Department	3.68 ^{ab}	2.92 ^{abc}
CEO Office	3.80 ^{ab}	2.79 ^{ab}
Pharmaceutical Directorate	4.18 ^{abc}	2.72 ^{ab}
Mzuzu Branch	4.51 ^{bc}	3.91 ^{bc}
Lilongwe Branch	4.52 ^{bc}	3.81 ^{abc}
HR & Admin. Department	4.63 ^{bc}	3.91 ^{bc}
Manobec Warehouse	4.64 ^{bc}	4.13 ^{bc}
Blantyre Branch	4.66 ^{bc}	4.02 ^{bc}
Receipt Warehouse	4.92 ^c	4.37 ^c

Mean with the same superscript within a column are statistically not different at 5% level of significant.

4.5.5 Difference between Age Categories Mean Perception Scores

Table 4. 7: ANOVA - Difference between Age Categories Mean Perception Scores

ANOVA

		Sum of Squares	Df	Mean Squares	F	Sig.
Groups Performance_Management12	Between	2955.776	11	268.707	8.637	.000
	Within	3328.795	107	31.110		
	Total	6284.571	118			
Groups Performance_Appraisal12	Between	1276.355	11	116.032	6.203	.000
	Within	2001.376	107	118.704		
	Total	3277.731	118			

In Table 4.7 above, ANOVA was also run to determine if there were any differences on the employees' perception towards performance management system among different age

categories. The results indicated that indeed there was no significant differences ((F (7,111 = 3.439, P = 0.003).

To know which age categories were different in terms of perception, posthoc test of tukey was used and it indicated that statistically, mean perception scores for employees aged in category of over 55 years had the same perception score on the effectiveness of performance management system. This means that their perception of the effectiveness of performance management system is statistically the same.

Similarly, mean perception scores for employees aged in categories of 35 – 40, 45 – 50, 25 – 29, 18 – 24, and 30 - 35 years had the same (at the second level) perception score of the second level for the effectiveness of performance management system. This meant that their perception on the effectiveness of performance management system is statistically the same.

Contrarily, mean perception scores for employees aged in both categories of 40 – 45 years, and 50 - 55 years overlapped at two levels of one and two. This simply meant that perception of employees on the effectiveness of performance management system was mixed i.e., perception of some employees in these two age categories was at the first level while perception of other employees of the same was at the second level. This meant that their perception on the effectiveness of performance management system is mutually inclusive i.e., partially the same and partially different.

4.5.5 Difference between age categories mean perception scores of PAS

In Table 4/7 above, ANOVA was also run to determine if there were any differences on the employees' perception towards performance appraisal system among different age categories. The results indicated that indeed there was no significant differences (F (7,111 = 2.907, P = 0.008)

To know which age categories were different in terms of perception, posthoc test of tukey was used and it indicated that statistically, mean perception scores for employees aged in category of over 55 years had the same (first) perception score on the fairness of PMS. This meant that their perception the fairness of performance appraisal system is statistically the same.

Similarly, mean perception scores for employees aged in categories of 35 – 40, 45 – 50, 25 – 29, 18 – 24, and 30 - 35 years had the same (second) level of perception score for the fairness of performance appraisal system. This meant that their perception on the fairness of performance appraisal system is statistically the same.

Contrary, mean perception scores for employees aged in both categories of 40 – 45 years, and 50 - 55 years also overlapped at two levels of one and two. This simply meant that perception of employees on the fairness of performance appraisal system was mixed i.e., perception of some employees in these two age categories was at the first level while perception of other employees of the same was at the second level. This meant that their perception on the fairness of performance appraisal system is mutually inclusive i.e., partially the same and partially different on two levels.

Table 4. 8: PMS and PAS perceptions mean scores for age categories.

Age Category	Mean PMS Scores	Mean performance appraisal system Score
Over 55	3.3 ^a	6.08 ^a
40-45	4.1 ^{ab}	7.46 ^{ab}
50-55	4.2 ^{ab}	7.66 ^{ab}
35-40	4.5 ^b	8.51 ^b
45-50	4.6 ^b	8.56 ^b
25-29	4.6 ^b	8.43 ^b
18-24	4.7 ^b	8.31 ^b
30-35	4.7 ^b	8.60 ^b

Mean with the same superscript within a column are statistically not different at 5% level of significant.

4.5.6 Difference between Categories of Positions Mean Perception Scores

Table 4. 9: ANOVA

ANOVA

	Sum of Squares	Df	Mean Squares	F	Sig.
Between Groups	5234.621	4	1308.655	142.089	.000
Within Groups	1049.950	114	9.200		
Total	6284.571	118			

	Total					
Groups	Between	2924.129	4	731.032	235.68	.00
					2	0
	Within	353.602	114	3.002		
Groups	Total	3277.731	118			

In Table 4.9 above, ANOVA was also run to determine if there were any differences on the employees' perception towards the effectiveness of performance management system among different categories of positions. The results indicated that indeed there were significant differences ($F(4,114) = 142.089, P < 0.0001$)

To know categories of position which were different in terms of perception, posthoc test of tukey was used and it indicated that statistically, mean perception scores for Executive Management and Managers had the same perception score (at level 1) on the effectiveness of performance management system. This meant that their perception of performance management system is statistically the same.

Similarly, mean perception scores for clerical and support staff position categories had the same (at third level) perception score of the effectiveness of performance management system. This meant that their perception on the effectiveness of performance management system is statistically the same.

Contrarily, mean perception scores only for Officers category of position had the same perception score at levels two perception score of the effectiveness of performance management system. This meant that their perception on the effectiveness of performance management system is statistically the same.

4.5.7 Difference between categories of position mean perception scores of PMS

Similarly, in Table 4.9 above, results for mean performance appraisal system Scores indicated significant differences among different categories of position categories ($F(4,114) = 235.682, P < 0.0001$).

To know categories of position which were different in terms of perception, posthoc test of tukey was used and it indicated that statistically, mean perception scores for Executive Management and Managers had the same perception score (at level 1) on the fairness of performance appraisal system. This meant that their perception of performance appraisal system is statistically the same.

Similarly, mean perception scores for clerical positions and support staff positions category had the same (at third level) perception score of the fairness of performance appraisal system. This meant that their perception on the fairness of performance appraisal system is statistically the same.

Contrarily, mean perception scores only for Officers position category had the same perception score at level two perception score of the fairness of performance appraisal system. This meant that their perception on the fairness of performance appraisal system is statistically the same.

4.9 Results of PMS and PAS Perception Mean Scores of Different Positions

See Table 4/10 below for the results of performance management system and performance appraisal system perception mean scores of different categories of positions.

Table 4. 10: Mean Scores of PMS and PAS for Different Categories of Positions

Position Level	Mean PMS Scores	Mean performance appraisal system Score
Executive Management (MS1 & MS2)	2.91 ^a	1.75 ^a
Managers (MS3)	2.95 ^a	2.11 ^a
Officers (MS4 – MS6)	3.70 ^b	2.99 ^b
Clerical (MS7 – MS9)	4.69 ^c	4.52 ^c
Support staff (MS10 & MS11)	4.87 ^c	4.63 ^c

Mean with the same superscript within a column are statistically not different at 5% level of significant.

4.10 Correlation

Correlation was run to ascertain if there was any relationship between performance management system and performance appraisal system. See Table 4/11 below for the results.

Table 4. 11: Correlation

Correlations

		Performance_ Management 12	Performance Appraisal
Perfamnce_Management12	Pearson Correlation	1	.792**
	Sig. (2-tailed)		.000
	N	12	12
Perfomance_AppraisalI2	Pearson Correlation	.792**	1
	Sig. (2-tailed)	.000	
	N	12	12

** . Correlation is significant at the 0.01 level (2-tailed).

Based on the results obtained in the Table 4.11 above, there is a direct strong correlation between performance management system and performance appraisal system ($r = 0.792$, $p \leq 0.0001$). This means that an employee with high perception score of performance management system tends to have high perception score of performance appraisal system.

4.11 DISCUSSION

The study's findings indicate that there were significant implementation issues with both the performance management and performance appraisal systems. The first study question's objective was to gauge employees' perceptions of the performance management system's efficacy.

The perceived effectiveness of the performance management system was evaluated using employee engagement, a performance-oriented culture, and management commitment standards. The low mean perception scores for each of these three subscales were an indication that the organization did not have a performance-oriented culture, management was not committed to the performance management system, and employees were not involved in the development of the performance management system. As a result, overall performance was unsuccessful.

According to Tung et al. (2017), there is minimal employee participation in the performance management system, and top management support is linked to the efficiency of the system. The workforce believes that top management commitment and support are only moderately successful. The employees, however, believed their performance management system was unsuccessful, as evidenced by the average mean score on the scale.

In their research article based on a government department in South Africa, Ramulamisi et al. (2019) corroborated the lack of management support for personal development and contrasted it with the positive perception of individual performance. They found that the performance management system was both partially unsuccessful and somewhat effective, which is why their conclusions were mixed.

The average score for employee engagement (1.72) was lower than the middle of the range, according to Makhabela M. et al.'s (2018) research on the performance management system, indicating that employees were not involved or engaged in the system. The fact that the mean score for management commitment (2.88) is a little bit higher than the range's midpoint indicates that the employees thought management commitment to be moderately effective. The mean score for system effectiveness (2.33) was somewhat below the range's midpoint, indicating that employees generally thought their performance management system was inadequate.

In their study titled "Measuring Employee Perception of Performance Management System Effectiveness," Sharma et al. (2018) confirmed the potential existence of the two-factor performance management system effectiveness construct with performance management system accuracy and fairness as its factors, which have also typically been used for this research study.

The findings of the second research question revealed that employees' perceptions of the fairness of the performance appraisal system were neutral. The lower mid-point mean score for the appraiser's proficiency with the performance appraisal system demonstrates the lack of interest among employees in the system. Employee participation in the performance appraisal system was lacking, as evidenced by the subscales and total scales for employee involvement, employee growth, goal-setting, and appraisal follow-up having lower than mid-point mean values. Similar to how there were no processes in place for performance appraisal and follow-ups on performance for human capital development. In addition, no staff members took part in the goal-setting procedure. The low overall mean score on the scale suggests an unfair evaluation process for employees.

The findings of Khan's (2019) research, "Employees' Perception on the Performance Appraisal System in a Public Limited Company in Pakistan," are in direct opposition to the findings of this study in that, overall, respondents had a favorable opinion of the PA process, i.e., that the performance appraisal system was fair.

The third research question sought to determine whether there were differences in the mean perception scores of the fairness of the PA and the effectiveness of the performance management system between men and women, as well as between age groups, departments, and jobs. When analyzing the mean perception scores for the effectiveness of the performance management system, the control variables gender and age group did not demonstrate any relevance. However, the Procurement Department's mean perception scores for the fairness of the performance appraisal system were much lower than those for the Pharmaceutical Directorate. This is a sign that the procurement department's appraisal method has certain flaws. Respondents who held positions in executive management and middle level management gave significantly lower mean scores for the fairness of the performance appraisal system than did respondents who held positions in support staff, clerical, and officer levels of employment, indicating serious flaws in their performance appraisal system that led to a negative perception of the effectiveness and unfairness of the performance management system.

According to Makhubea et al.'s (2018) study, "Employees' Perception of the Effectiveness and Fairness of Performance Management in a South African Public Sector Institution," employees believed that the PA system was unjust and the PM system was unsuccessful.

The fourth study question was investigated to see if there is a correlation between the mean perception scores for performance management system efficacy and fairness. Low perception scores for the fairness of the performance evaluation system and low perception scores for the effectiveness of the PMS were highly associated. The performance management system includes the performance appraisal system. As a result, the performance management system won't work if the performance appraisal method is perceived as being unfair.

Although it could be argued that the public sector organization understudy is narrow and small in relation to the population it is drawn from, it is fact that, being quasi-institution, it consists of characteristics of both public sector organization and private sector organization (Kosar, 2017). Furthermore, the quasi-institution understudy, Central Medical Stores Trust, is based in Malawi. It therefore falls that the elements and factors could be mutually shared in common with some of the public sector organizations and private sector organizations in Malawi. It is consequently right to generalize the perception of some employees in Malawi that the effectiveness of PMS, to be ineffective as well as fairness of performance appraisal system to be unfair.

CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The previous chapter focused on the discussion of the results based on the findings, the frequencies and percentages of the outcome, analyses and significance of the independent variables. This chapter is concluding the study, outlining the findings and the significance of the findings (implications of the study) and also recommending possible actions relating to the perception of employees on the effectiveness of PMS and fairness of PAS.

5.2 Summary of the Chapter and Major Findings

The study was measuring the perception of employees on PMSE and fairness of PAS in Malawi using the case of Central Medical Stores Trust with a focus on PMS and PAS and its process. The respondents of the study were all public servants from Central Medical Stores Trust.

The study on the measuring of the employees' perception on PMSE and fairness of PAS in Malawi involved a formulation of the research proposal where the measuring of the perception of PMSE and fairness of PAS was reviewed and thereafter research questions were developed. Data was collected using one type of questionnaire which targeted employees within the Central Medical Stores Trust. The research administered 180 sent questionnaires via in-house e-mail but managed to obtain, with assistance of enumerators, 119 completed questionnaires representing 66% response rate. The questionnaires contained questions that addressed the objectives of the study. A total of 119 respondents were generated and thereafter analyzed using SPSS 20., to come up with frequencies, percentages, mean scores, variance was analysed and correlations were also calculated and analyses. Eventually, a paper was written on the findings, outlining the PMSE and the fairness of PAS results.

5.2. Summary of Principle Findings and Implications

The study revealed that Malawi is encountering challenges in managing PMS and PAS. Although there are qualified human resources management professionals and specialists, they have failed to make employees to perceive PMS effectiveness and PAS fairness resulting in perceiving PMS ineffective and unfair PAS. Additionally, even though some employees have had training in performance management, many still lack the technical competencies to perform PM and PA tasks to the professional standard in order to ensure that PMS are perceived effectively and PA is also fairly perceived.

5.2.1 High Levels of unprofessionalism in PM and PA

The research found that some employees working on PM and PA lacked knowledge to execute PM tasks professionally. This resulted in substandard performance of PMS and employees perceived PMS ineffective and PAS unfair.

5.2.2 Lack of Educated HR Officers in Malawi

It was established from the study that some employees who perform PM tasks were not adequately educated in PM related task which resulted in inefficiencies on performance of PM duties.

5.2.3 Lack of Familiarity with Policies, SOPs and Regulations of PM

Given no HR policies and SOPs and not being oriented to Employment legislation, the study revealed that employees were not familiar with employment rules, let alone PM policy and SOPs governing the PM function. Hence PMS and PAS was not executed uniformly.

5.2.4 Poor Remuneration Affect Compliance with the PM Function

Poor remuneration both in the public and private sector organisations of Malawi due to, among other things, lack of merit salary payment was discovered to be among the factors causing employees noncompliance to PM practice.

5.2.5 Holding of Senior Positions in Malawi doesn't curb Ineffective PM and Unfair PAS

The study found out that holding of a senior position in Malawi did not stop officers from more especially those that manage performance of their subordinates from breaking PM rules and regulations.

5.3. Conclusion

Based on the study results and implications thereof, the study concludes that:

Based on the study results, the study concludes that lack of the following ended up in perception of PMS to be ineffective:

- Noncompliance to PM cycle
- PM policy and SOPs
- Discussion, agreement and adjustment of performance objectives.
- Monitoring PMS.
- Merit on salary increment and employment.
- Provision of satisficing resources

In the same vein, the study also concludes that lack of the following end in perception of PAS to be unfair:

- Knowledge of PAS.
- Participation during PAS.
- Basis of employees' development intervention.
- Establishment of PA goals.

5.4 Recommendations

The study has pointed out some factors that need to be considered when implementing PMS, hence it is recommended the following for any future execution of PMS:

5.4.1 It is imperative for PMS of the organization to, among others, develop a PM policy which its SOPs should clearly illustrate a PM cycle with steps/steps showing the timelines for employees to adhere to when implementing PMS. This to ensure that employees are accustomed to guarantee compliance to effective execution of PM cycle

5.4.2 The study also recommends that the supervisor and subordinates should actively participate during PM and PA by, for example, discussing, agreeing the performance objectives and goals and adjust them accordingly. This is to ensure that the performance objectives and goals are specific, measurable, achievable, realistic, and time-framed

5.4.2 The study also recommends that the employers should provide satisficing resources provision of satisficing resources to their employees to enable them execute performance objectives effectively. This to avoid substandard performance which may happen while too much economizing the too limited resources.

5.4.3 The study recommends that PMS should be monitored. The supervisor should effectively monitor performance of the subordinate. This is done by comparing actual employee performance with desired performance. Any deviations from the desired performance should be corrected in order to achieve performance objectives and goals.

5.4.4 The study recommends that, after rating performance of employees, the score so achieve should inform the future employment decisions of the employees. Merit salary increment, employment (promotion, transfers, separation, etc.), for example. This is to ensure that employment decisions are evidence based and prevent litigation.

5.4.5 The study proposes that the organisations should train and develop staff and management in order to fill the skills and knowledge gap of PMS and PAS for the effective operationalization

of PMS and PAS. The perception of employees on PMS and PAS could improve when this is done.

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APPENDICES

Appendix 1: Questionnaire

QUESTIONNAIRES FOR ASSESSING EMPLOYEES' PERCEPTION OF THE EFFECTIVENESS OF PMS AND FAIRNESS OF PERFORMANCE APPRAISAL

Thank you for agreeing to participate in this questionnaire. My name is Rapiyao Singano. I am currently studying towards Master of Business Administration at the Malawi Polytechnic. A requirement for the completion of the qualification is for me to undertake research. The title of my research is Assessing Perceptions of the Effectiveness and Fairness of Performance Management System. Questionnaire number one assesses employees' perception of the effectiveness of performance management system. You have been identified as the most appropriate person to add value to my research owing to your vast experience.

Please take note:

1. There are no right or wrong answers.
2. You remain anonymous.
3. You are not required to disclose your name to guarantee confidentiality.
4. Strict confidentiality will be maintained at all times
5. This interview will not take more than 20 minutes of your time.
6. Kindly respond to all questions

Explanation of terms:

Below is the simple explanation for key terms used in the questionnaire:

Appraiser – is a person who conducts performance appraisal in the organization

Appraisee – is a person whose performance is appraised in the organization

SECTION A. BIOGRAPHICAL DETAILS

Please indicate the following by ticking the applicable point

1. Age
 - a) Below 25 – 25 years []
 - b) 26 – 30 years []
 - c) 31 – 35 years []
 - d) 36 – 40 years []
 - e) 41 – 45 years []
 - f) 46 – 50 years []
 - g) 51 – 55 years []
 - h) Over 56 years []
2. Gender
 - a) Male []
 - b) Female []
3. Level of education []
 - a. PSLC []
 - b. JCE []
 - c. MSCE []
 - d. Diploma []
 - e. Degree []
 - f. Masters []
 - g. Others (specify) []

Occupational Information

4. Position
 - a. Director []
 - b. Manager []
 - c. Officer []
 - d. Clerical []
 - e. Support staff []
5. Work experience at CMST (years)?
 - a. Less than 1 year []

- b. 1 – 2 years []
- c. More than 2 – 3 years []
- d. More than 3 – 4 years []
- e. More than 4 – 5 years..... []
- f. More than 5 – 6 []

6. In which Department /Branch /Warehouse are you? (Tick the relevant one please)

- a) Blantyre Branch []
- b) Lilongwe Branch []
- c) Mzuzu Branch []
- d) Human Resources & Administration []
- e) Finance []
- f) IT []
- g) Quality Assurance []
- h) Audit & Risk []
- i) Kanengo Receipts Warehouse []
- j) Manobec Warehouse []
- k) Procurement []

7. Grade level? (Circle the relevant grade)

MS1 MS2 MS3 MS4 MS5 MS6 MS7 MS8 MS9 MS10 MS11

SECTION B: PERFORMANCE MANAGEMENT EFFECTIVENESS

Tick the applicable point on a 5-point Likert scale

Employee Involvement Factors:

- 8. I initiate PA process by setting my annual performance objectives (PO) for a given appraisal?
 - a. Strongly agree
 - b. Agree
 - c. Neutral

- d. Disagree.....
- e. Strongly disagree
- 9. Performance objectives are discussed, agreed and adjusted accordingly with the appraiser?
 - a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree.....
 - e. Strongly disagree
- 10. My appraiser monitors and assists me to correct deviations from performance objectives?
 - a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree.....
 - e. Strongly disagree
- 11. Performance is monitored, and the appraisal is interactively done with the appraiser?
 - a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree.....
 - e. Strongly disagree

Performance Oriented Culture Factors:

- 12. There is a deliberate performance management policy and PA procedures in our organization?
 - a) Strongly agree
 - b) Agree

- c) Neutral
- d) Disagree.....
- e) Strongly disagree

13. Performance appraisal is done with enthusiasm on the organization?

- a. Strongly agree
- b. Agree
- c. Neutral
- d. Disagree.....
- e. Strongly disagree

14. Performance appraisal is always done twice per year in my organization?

- a. Strongly agree
- b. Agree
- c. Neutral
- d. Disagree.....
- e. Strongly disagree

15. Salary increments are always affected according to PA results?

- a. Strongly agree
- b. Agree
- c. Neutral
- d. Disagree.....
- e. Strongly disagree

Management Commitment Factors:

16. Only candidates perceived to perform during recruitment are employed & PA confirms it?

- a. Strongly agree
- b. Agree
- c. Neutral
- d. Disagree.....

- e. Strongly disagree
- 17. Employee confirmation after probation or not is done upon satisfactory PA appraisal results?
 - a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree.....
 - e. Strongly disagree
- 18. Satisficing resources are always provided for implementation of performance objectives?
 - a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree.....
 - e. Strongly disagree
- 19. Performance management system is effective?
 - a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree.....
 - e. Strongly disagree

SECTION C: PERFORMANCE APPRAISAL FAIRNESS

- 20. Appraisers are knowledgeable of performance appraisal systems?
 - a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree.....

- e. Strongly disagree
21. Employees participate during performance appraisal?
- a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree.....
 - e. Strongly disagree
22. Employee development is done based on results of performance appraisal of employees?
- a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree.....
 - e. Strongly disagree
23. Performance appraisal goals are mutually established by the appraiser and appraisees?
- a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree.....
 - e. Strongly disagree
24. Performance appraisal follow-ups done by the appraisers and appraisees?
- a. Strongly agree
 - b. Agree
 - c. Neutral
 - d. Disagree.....
 - e. Strongly disagree
25. Performance appraisal goals are discussed by the appraiser and appraisee?
- a. Strongly agree

- b. Agree
- c. Neutral
- d. Disagree.....
- e. Strongly disagree

END OF QUESTIONNAIRE

Note, to maintain confidentiality, either put in a sealed envelope provided and please or please revert on my private e-mail address (rapiyaosingano@gmail.com)

Appendix 2: Performance appraisal form

**: PERFORMANCE TOOL
CONFIDENTIAL**



EMPLOYEE PERFORMANCE APPRAISAL FOR GRADES MS1 TO MS8

(To be completed in duplicate)

Purpose of Report:

Annual

Special

(Circle the applicable)

(Specify)

Report for the period from

- to -

**PART
A**

PERSONAL DATA

(To be completed by the employee and Manager)

1 Full name Employee Number

2 Department Code

	3	Date of Appointment					Date of Promotion to Present Position			
	4	Main Strengths					Major Accomplishments			
	5	Skills to continue to develop								
	6	Areas of Interest for Career Development								
	7	I certify that the above information is correct								
	Employee								Date:	
							0			
							0			
	Manager									

PART B	Performance Factors	30	↔	0
PERFORMANCE ASSESSMENT	Key Performance Indicators (KPI / KVIs)	70		0
Instructions: (To be completed by the Supervisor and discussed with the Employee being appraised)		100		0

(a) Review the employee's work plan prior to commencing

(b) Every employee has strong points as well as areas for improvement and it is equally important for the employee and the Trust that both should be recognized.

(c) **Where it is not possible to answer a question, insert N.A. (not applicable) or N.O (no opportunity for assessment). The "comments" are important and the supervisors are particularly asked to give a frank and considered statement, as the reports will reflect on both.**



Name:

Date:

How long has the employee worked for you?

Performance Support Factors (√ 10 factors from Work-plan) - (Task Assignment) 0

Description and Comments	PERFORMANCE FACTORS	√	SCORE (0 - 5)	COMMENTS BY ASSESSOR
	Knowledge of duties			
	Initiative			
	Judgment			
	Capacity for accepting responsibility			

	Control of resources (Materials and Transport)			
	Control of resources (Financial, Stores, MPSR & Procedures)			
	Organization of work			
	Relations with others			
	Relation with the public			
	Output/Quality			
	Strategic thinking			
	Innovation			
	Leadership			
	Management of Subordinate staff			
TOTAL SCORE OUT OF 56			0	
Final Score Grade MS1-MS11= Total out of 56*0.29			15	0
Task Assignments developed and completed	If no assignment a rating of 10 must apply	15		0
KPI / KVI - ACCOUNTABILITIES & AUTHORITIES FOR THIS ROLE - DIRECT DELIVERABLES				
<i>Task Assigned in support of this/genera</i>	<i>Accountabilities / Responsibilities</i>	<i>KPI / KVI</i>	<i>Actual</i>	<i>Weight</i>
	Completed Vs. Planned Audits			
	Timeliness of Audit Reports			
	Other assurance reviews, advisory services and audit support activities;			
	Implementation of audit SOPs			

	Number of Audit Recommendations accepted by auditees			
	Number of activities towards Implementation of Risk Management System			

KPI - Contribution

0

Note; - Code 1 is limited to maximum === Code 2 is negative to exceeding the target === Code 3 is positive to the target (3 is better than 5)

Prepared by Manager:		Date Prepared:	
Authorized my MsM:		Date Authorized:	
Role Holder:		Accepted by Role Holder on:	