

CHAPTER FOUR

MANAGEMENT STRATEGIES AS SUPPORT SYSTEMS

1. INTRODUCTION

Within the present changes taking place in organisations, managers have to be effective and efficient in their management of subordinates. However, the expectations of good supervisory and management practice as identified within the previous two chapters, stress that managers and supervisors are performing under constant pressure. Managers thus need to receive support in the execution of these expectations, responsibilities and tasks.

Support can be described or defined as giving strength, to encourage, to tolerate, to endure, to back up, to supply with necessities and to carry weight. A system is a set, complex whole or an organised body of connected things or parts. A support system is thus an organised procedure with specific direction in order to encourage and motivate employees within the work situation. For the purposes of this study, support systems are defined as procedures, interventions or individuals available within an organisation to encourage and motivate employees of that particular organisation to perform effectively and efficiently.

The manager is responsible for other people and he has to be effective in the manner in which he manages them. The manager can have a positive or negative influence on his subordinates. In implementing good management practice, it could be supportive to the manager if he could conduct himself with self-confidence in the sense that he knows what he is doing, what he aims at and the results he wants to achieve. He can be successful in achieving this goal through the implementation of specific strategies in the management of subordinates. Knowledge and experience in different management strategies could be supportive as it provides the manager with alternatives in the management of subordinates. Strategies are options of different activities with specific aims and managers can decide which of these options can support them in their approach to the management of their subordinates.

The above arguments are applicable to the superiors of the supervisors as well. If supervisors are aware, due to their own knowledge of the management strategies, that their superiors implement good management practice in terms of applying specific strategies in their approach to them, the management strategies can be a further support. Supervisors can experience being managed according to a plan with a specific aim and not in a hit-and-run approach.

Five management strategies are identified that can be effective as support systems to managers if implemented consistently and well planned. These strategies are identified due to their applicability in the present social services organisation as well as the fact that the strategies

accommodate developments on technological level. The management strategies identified and discussed are performance management, strategic human resource development, management by objectives, management information systems and strategic management.

2. PERFORMANCE MANAGEMENT

2.1 Introduction

Performance management as management strategy has received much attention during the last decade. A considerable amount of information on the subject was found in the literature. The conclusion is made that performance management is implemented in all organisations, in a direct or indirect manner. This stresses the focus presently placed on production and effective performance of employees aiming at high production and effective performance of organisations. The consistency in implementing performance management and the character of the performance appraisal instrument are the factors within performance management creating most problems. Attitudes of employees as well as managers can turn the scale towards successfulness or unsuccessfulness of the performance management strategy.

2.2 Defining performance management

The concept of performance management can be confused with the concept of performance appraisal. However, performance management is a broader concept than performance appraisal or performance related remuneration, but both are important elements in the performance management strategy. Hume (1995:35) describes performance management as *"a systematic approach to the management of people, using performance, goals, measurement, feedback and recognition as a means of motivating them to realise their maximum potential. It embraces all formal or informal methods adopted by an organisation and its managers to increase commitment and individual and corporate effectiveness."*

Christian & Hannah (1983:108) have described performance management as regularly evaluating each employee's performance and providing employees with feedback and environmental circumstances sufficient to motivate and assist them to maintain or to improve their level of performance.

Von Glinow (1988:118) defines performance management as a *"complex process with interrelated elements, intended to:*

- *measure performance;*
- *motivate employees;*
- *improve performance;*
- *plan future work;*
- *teach employees what they should do; and*
- *distribute pay raises."*

According to the Guidelines for manpower, training and development planning (1990:36) performance management examines past performance with regard to present job assignment and the extent to which the individual has performed as desired by the organisation in terms of set goals and standards.

Haimann (1994:263-264) describes performance management as an *"ongoing process of gathering, analysing and evaluating information about the performance of employees. It guides management in selecting certain individuals for promotion and salary increases and is useful for coaching employees to improve their performance. A formal appraisal system is used for employee evaluation, employee rating and merit rating."*

According to Von Glinow (1988:119), performance management is recognised and accepted as one of the central human resources strategies and the primary functions are to:

- define the specific job criteria against which performance will be measured;
- accurately measure past job performance;
- justify the rewards given to individual employees, thereby distinguishing between high and low performance;
- define the development experiences the employee needs to both enhance performance in the present position and prepare for future responsibilities.

The objective of performance management is initially to identify employee performance targets and then, by monitoring the work performance of employees towards these targets continually, to manage the performance of employees by the use of any appropriate management policies (Hume, 1995:36). The responsibility of managers or supervisors in implementing performance management requires much more than applying the actual performance appraisal instrument.

To ensure that a performance management strategy is effectively implemented, the Harvard Business Review Book (1990:219) and Harrison (1993:253) indicate that the following should be recognisable within the organisation:

- Emphasis placed on both development and evaluation of employees.
- Using a profile displaying the individual employee's strengths and developmental needs relative to himself rather than to others.
- Integration of the results achieved with the means by which they have been achieved.
- A vision of the organisation's objectives is communicated to all employees.
- Departmental and individual targets, which are related to wider objectives, are set.
- A formal review of progress towards these targets is conducted.
- The review process is used to identify training, development and reward outcomes.
- The whole process is evaluated in order to improve effectiveness of the system.

For the purpose of this study performance management is defined as being the process of:

- determining performance standards,
- informing employees of these standards,
- identifying performance milestones,
- using a specific performance appraisal instrument to evaluate performance,
- using performance appraisal results for decision making on any aspect concerning the employee; and
- giving feedback to the employee to ensure support and motivation for the maintenance or improvement of performance.

2.3 Performance standards

Performance standards are essential elements in an effective performance management strategy. The performance standards are the basis of the management strategy as actual performance is measured against them. The standards are determined in advance and the employee is informed on what is expected of him and the performance that will be evaluated.

Millar (1990:68) indicates that performance standards *“must be based on critical elements of the job; that the manner in which these critical elements are established be recorded in writing; that the employee be advised of these critical requirements before rather than after the appraisal and most importantly, that employee appraisal must be based on an evaluation of his performance of these critical requirements.”*

In the process of achieving performance standards, performance milestones and performance criteria are achieved. Performance milestones refer to quantitative measures of the anticipated achievement of part of the objective that will be reached by specific dates during the specified period - sometimes referred to as targets. Performance criteria refer to qualitative measures of the anticipated outcomes the program or service is intending to achieve. Performance milestones concern themselves with the application of each step of a program; performance criteria deal with results, which refers to the impact of the program or service on clients.

Standards specify the degree of quality required of performance. These standards are to be developed and defined in conjunction with employees. Performance standards set by management without acknowledging contributions and input from employees can result in employees not accepting the standards and not being motivated to achieve the standards. The setting of performance standards is the first step in the performance management process. It should be approached with responsibility and effectiveness as the following steps in the process are based on the predetermined performance standards. The performance standards provide employees with knowledge on expected performance within their specific positions and the evaluation that they will be subjected to.

2.4 Purpose of performance appraisal as essential element of performance management

Performance appraisal as an important element in performance management provides individual employees with feedback on their performance. It assists them to evaluate their own performance, to learn how they are progressing and to make changes to improve their future performance. Every employee has certain beliefs about his competence and capabilities. Information received through a performance appraisal confirming these beliefs is easy to accept. However, employees attempt to avoid receiving information not compatible with their self-perceptions and often reject it. This rejection can be the discrediting of the person who did the appraisal or the employee can change the information to become more compatible with his existing beliefs. Harrison (1993:251) indicates that these problems apply mainly to negative feedback, but can also apply to feedback that is more favourable than was expected.

Appraising employee performance is an essential element of performance management and is particularly important in this period of concern with productivity. Performance appraisals should be implemented objectively as outcomes thereof cannot be rejected by the organisation as in the case of individual employees. Managers should be knowledgeable about the objectives of performance appraisal and the important role the appraisal process plays in the performance management process. The purposes of performance appraisal as a step in the performance management process and obtained from the literature (Weiner, 1982:483; Bernardin, 1986:422; Ivancevich, et al., 1989:530-531; Harvard Business Review Book, 1990:155-156,182; Anderson, 1993:13-14; Harrison, 1993:250-251; Werther & Davis, 1993:339; Latham & Wexley, 1994:4,8-9; Snape, Redman & Bamber, 1994:44-45; Hume, 1995:46 and Watling, 1995:94) are the following:

- Performance appraisal has an administrative purpose i.e. providing an orderly way of determining promotions, transfers, demotions, terminations, rewards and salary increases.
- It has an informative purpose i.e. supplying data to management on the performance of employees and to the individual employee on his strengths and weaknesses.
- It has a motivational purpose i.e. creating a learning experience that motivates employees to develop themselves and improve their performance. The focus is on improving the performance of employees by identifying areas for improvement, setting performance targets for the future and agreeing on plans for follow-up.
- Errors in job design are identified through performance appraisals.
- The performance appraisal is used by the manager as a basis for the coaching and counselling of the individual employee.
- Performance appraisals ensure mutual understanding of effective performance and clarifying any misunderstandings regarding performance expectations.
- Performance appraisals can build confidence between employer and employees.
- Performance appraisal has an assessment purpose i.e. assessing past performance in terms of what has been achieved, assessing future potential and promotability and assessing career

planning decisions. Performance appraisals thus assist employees in planning and developing their careers.

- Performance appraisals have an auditing purpose for organisations as it helps to discover the work potential, present and future, of individual employees and departments.
- Performance appraisal is a controlling mechanism used to ensure that employees meet organisational standards and objectives and for self-management on the part of the employee.
- It has a validation purpose i.e. to check the effectiveness of personnel procedures and practices.
- It also helps employees understand how they relate to the organisation as a whole and where they stand in the perception of the management. Such knowledge normally creates a situation in which employees can be relatively free from anxiety.
- A properly developed appraisal instrument serves as a contract between the organisation and an employee in that it makes explicit what is required of that individual.

2.5 Performance management process

The performance management strategy is implemented according to a specific process. Managers must follow and implement the steps in the process according to their logical sequence. There is a specific flow from one step to the next and it will result in bad management if one step is omitted. Different authors (Christian & Hannah, 1983:110; Von Glinow, 1988:131-35; Shaw, Schneier & Beatty, 1991:323-324; Anderson, 1993:63-69 and Shaw, Schneier & Beatty, 1995:163) indicate activities that are part of the performance management strategy. Researcher combines this information into the following performance management process (Figure 4.1):

Step 1:

Define the overall purpose or mission of the relevant section and the specific position. Review the purpose annually based on new directions or emphases of the organisation as well as performance actually achieved.

Step 2:

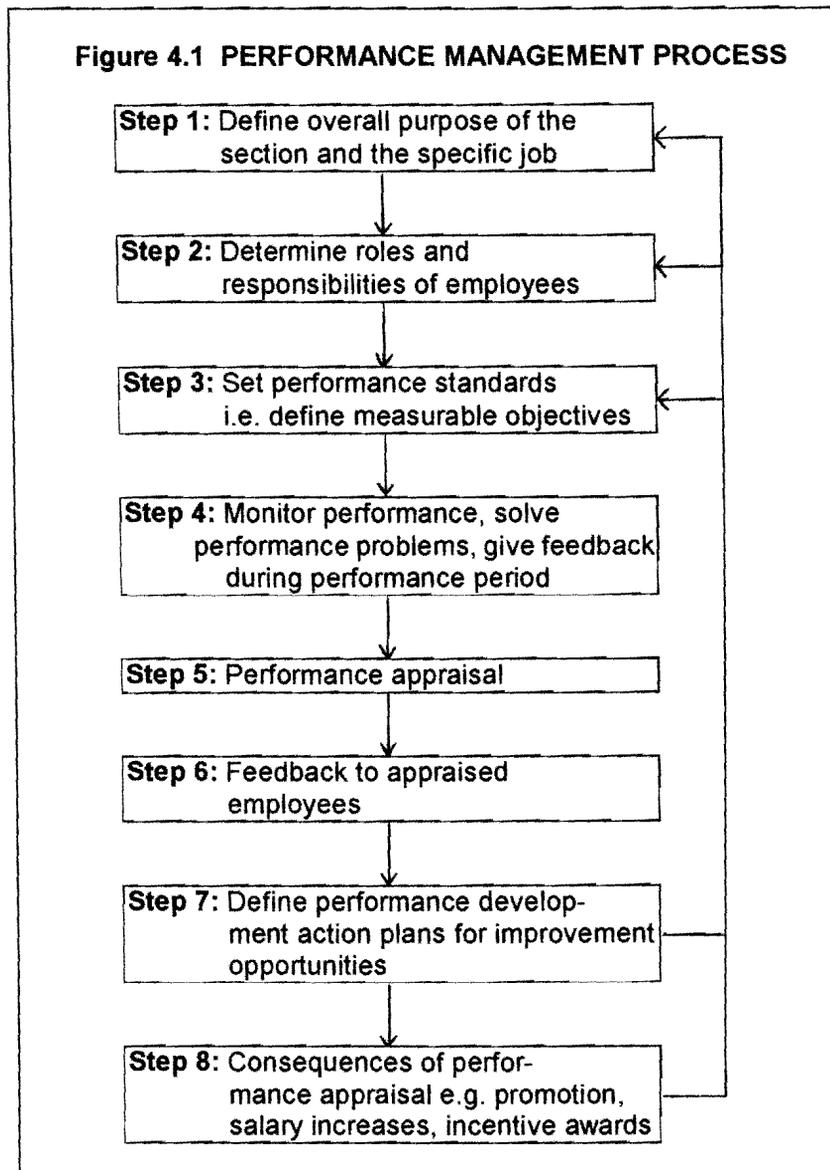
After the purposes of the positions of each of the employees were determined, the roles and responsibilities of the employees within the section are determined.

Step 3:

Set performance expectations by identifying a set of performance standards. These standards are the activities of the position on which employees should be appraised. A limited number of clear, measurable objectives are defined. By clarifying objectives, expected performance is defined.

Step 4:

This step is seen as an 'in-between' step. It entails the monitoring of performance, the solving of performance problems and the provision of performance feedback during the performance period.



Step 5:

This step represents the measuring and evaluation of performance based on data collected on actual performance against performance expectations. The main concerns during this step are directed at who is to appraise the employee's performance, the appraisal instrument to be used and when the appraisal will be done. To be successful, the measurement process has to be a planned two-way process involving employees in terms of them accepting some responsibility for monitoring their own performance.

Step 6:

This step entails the provision of feedback to appraised employees. Feedback can be either directional or motivational. Directional feedback provides clarity on the behaviour and actions expected of employees. Feedback providing a promise or possibility of some kind of future reward serves as an incentive and is thus motivational feedback. In giving an employee feedback about his performance, the success or failure of that feedback can be related to whether the employee was able to change as a result of it.

Von Glinow (1988:131) has identified three phases in the feedback process: In the *acceptance phase*, the employee decides whether to accept or reject the feedback. Acceptance or rejection can be related to who is doing the appraisal, what is being said and characteristics of the employee. If the feedback is accepted, then the feedback process goes on to the next phase: *making decisions about action planning* in response to the feedback. The final phase has to do with how the employee *utilises the feedback or the outcomes of the feedback*.

Step 7:

The outcome of the performance appraisal identifies areas for improvement. This step is necessary to define performance development action plans to address improvement opportunities. Specific performance milestones or targets are identified. Both employees and their managers are held accountable for meeting these targets, e.g. training, self-development, job rotation, closer supervision and increased responsibilities.

Step 8:

In this step performance is linked to specific consequences e.g. salary increases, incentive awards and promotion opportunities. Human resource management within an organisation utilises performance appraisal information to determine the present state of the human resources in the organisation. This information contributes to other areas such as: recruitment and selection; training; career development and the evaluation of employee potential; succession planning; pay and reward decisions; clarifying objectives; conflicts between appraisal objectives; retention of appraisal data; number and type of employees to be included.

2.6 Implementation issues

To ensure that employees as well as managers understand the performance management strategy and the performance appraisal instrument used in the performance management process, the following implementation issues as highlighted by Anderson (1993:73-77) are supported:

2.6.1 All employees, who will be involved, whether as managers or as subordinates, should be fully briefed on the strategy and the performance appraisal instrument to be used. The briefing should:

- Take place in face-to-face situations and in small groups, to ensure that employees will not feel inhibited to ask questions.
- Be reinforced through the written word, such as an explanatory booklet.
- Provide a system whereby employees know whom to approach to answer questions which occur to them afterwards, or which they would prefer to be dealt with in private.

2.6.2 In terms of content, briefing should cover:

- The aims and objectives of the performance management strategy.
- The benefits to all parties involved i.e. the manager, the subordinates and the organisation.

- Full details of the performance management process, its various elements, including methods and documentation.
- Precisely what is expected of each party, in every step of the process.
- The appraisal interview, its central importance in the process and the manner in which it will be conducted.
- Explain the value of the appraisal outcome at the end of the performance management process.

2.6.3 After completion of the briefing, it should be extended to training of managers and subordinates on the effective use of the performance appraisal instrument.

To contribute to the practical implementation of performance management, Watling (1995:130) suggests that a booklet be compiled for each employee. This booklet should include:

- relevant information about the employee;
- a list of key objectives agreed at the last appraisal;
- performance standards in relation to the objectives;
- an overall assessment of the competencies associated with the position;
- results-orientated objectives and performance expectations;
- assessment of the technical knowledge available;
- factors outside the specific employee's control;
- development needs and aspirations;
- development action plans; and
- the employee's comments on the appraisal and the performance standards.

Such booklet, in addition to the above implementation issues, can contribute to positive attitudes on performance management and the effective implementation of the performance management process. This approach in the introduction of a performance management strategy can result in employees being more directly involved in the process. The implementation of a booklet as suggested above, can contribute to personalising the process as individual employees can feel they are important and can make an input in their own performance management. To experience support from an effective performance management strategy, it is essential that the manager follow the above suggestions in the introduction of the strategy.

2.7 Conditions for effective performance management

The conditions identified as most important for effective performance management are the following (Harrison 1993:256; Werther & Davis, 1993:340; Latham & Wexley, 1994:198-202 and Hume, 1995:44-46):

- Employee participation in the performance management process can result in satisfaction with the appraisal process and the manager conducting it.
- Employee himself setting specific goals to be achieved can result in improvement in performance.
- Discuss problems that may influence the performance of the employee and work toward solutions to ensure an immediate effect on productivity.
- Employee performance should be appraised against preset objectives, linked with organisational objectives.
- New objectives for employees should come forth from the performance appraisal interview.
- To contribute to the motivation of employees, link performance appraisal with rewards that are perceived by all parties as fair.
- Performance management is not a set of periodic, isolated events, but is an integral part of the management process connected to on-going activities contributing to improved performance and the development of employees.
- Transparency and trust between managers and employees should prevail, resulting in constructive discussions on performance issues.
- Performance standards and measures should be job-related.
- Feedback is essential.
- Appraisals should not only reveal poor performance, but also identify acceptable and good performance.
- Documentation in the format of report and assessment forms providing relevant information is required.
- Following the completion of a performance appraisal report, an interview should be held as a formal discussion of performance assessment between the manager and the appraised employee.
- Follow-up actions resulting from the documentation and the subsequent interview are essential. The actions could involve training, regular problem solving sessions, promotion, remuneration benefits or even disciplinary action. Continuous assessment is also part of the follow-up and refers to continuous communication between the manager and appraised employee regarding the work process, highlighting problems or offering praise.

The appraisal interview conducted by the manager with the appraised employee, as indicated above, is an essential part of the total process of performance management. Unfortunately, it is also the most neglected part of the process. If it is done, limited time is spent on it. Mostly it is not conducted at all.

2.8 Benefits of performance management

Assuming performance management as management strategy is properly implemented, the manager, the employee and the organisation can obtain benefits. All employees have a need to

determine if their performance is acceptable and the application of the performance management strategy can satisfy this need. However, the appraisal step in the process of performance management should not represent the only opportunity that the employee receives the undivided attention of his manager. The manager must be involved with his subordinates throughout the performance management process and all participating parties will benefit. Shapero, (1985:90-96, 118-119), Anderson (1993:18-20) and Weinbach (1994:150-153) indicate the benefits that can be obtained by the employee, the manager and the organisation:

2.8.1 Benefits for the individual employee:

- More clarity of the results/standards expected of them.
- Accurate and constructive feedback on past performance.
- Greater knowledge of strengths and weaknesses.
- Action plans to improve performance by building on strengths and minimising weaknesses as far as possible.
- An opportunity to discuss opinions and feelings about the work and the utilisation of the employee's skills with superiors.
- Clarity about the manager's objectives and priorities for the section and how the employee's position fits into this context.
- Opportunity for discussion of career prospects.
- Learn about other employees' perceptions of their areas of strength and weakness.

2.8.2 Managers applying performance management as management strategy can expect to gain the following benefits:

- The opportunity to measure and identify trends in performance of subordinates.
- Better understanding of subordinates, their fears, anxieties, hopes and aspirations.
- Opportunity of clarifying his own objectives and priorities, aiming at giving subordinates a better picture of how their contribution fits in with the work of others.
- Enhanced motivation of subordinates, by focussing attention on them as individuals.
- Identifying opportunities for rotating or changing the duties of subordinates.
- Opportunities to observe subordinates in a constructive way and to improve his own management capabilities.
- Contribute to refocusing activities and priorities of both the manager and subordinates.
- Provides the manager with opportunities to become better acquainted with subordinates and to develop a better understanding of their performance.
- It allows the manager to propose areas where even a good employee can improve performance.
- It provides the chance to assess the motivation of an employee, to evaluate the employee's potential for promotion and to compare the employee's career goals with opportunities within the organisation.

2.8.3 Benefits for the organisation:

- Improved communication throughout the organisation.
- Generally improved motivation of all employees.
- Greater conformity of individual and organisational objectives.
- Improved organisational performance.
- Feedback on performance to employees and the organisation.
- Reliable information available for efficient compensation administration.
- Promotion decisions are motivated.
- Identification of personnel development needs is possible.
- Effective human resource planning.
- Validation of hiring and selection procedures.

2.9 Problems in the performance management process

Employees and managers have a discomfort with performance appraisals. This can be connected to a series of interpersonal as well as organisational factors. These factors include, but are not limited to, the quality of the superior-subordinate relationship, the skill with which the performance appraisal is performed and the appraisal instrument itself. The indications and perceptions of Weinbach (1994:149-150) on the reasons for performance appraisals to be disliked are supported. His opinion is that for the mature, adult professional, the idea of his performance being "managed" often is viewed as insulting. He indicates that much of the mutual dislike of employee performance appraisals may result from the attitudes of those implementing the appraisal instrument, namely superiors who have to fulfil the role of managers. Managers don't like applying the appraisal instrument and find the task distasteful, resulting in the tendency to present the appraisal process as a necessary evil imposed upon them as managers. They might even communicate their belief that evaluations are really of little value and are best performed to meet a requirement of the organisation and then quickly filed away. Such an attitude contributes to the resentment of evaluations held by those being evaluated.

Appraising performance is a problematic undertaking because it means placing a value on something. A value is a concept of the desirable and when appraisals are done an employee is judged from the viewpoint of what the organisation considers as desirable. Performance evaluation implies judging the desirability of the employee's actions, behaviour or characteristics from the viewpoint of the organisation. Many organisations and managers have not formulated what it is that they consider as desirable. This has a direct connection with the lack of developing performance standards. There is a tendency in organisations to adopt a performance appraisal instrument that is in general use. It is then operated without considering whether the performance standards within the instrument represent those of the specific organisation. The aim of implementing a performance appraisal instrument is seldom understood by managers. Few managers think about the reasons for appraising performance: as a way to predict future

performance, as a way to judge acceptable performance or as a combination of both. The tendency is just to evaluate, but this cannot be done without using past performance as a starting point for the improvement of future performance.

Managers themselves have various reasons for resisting performance appraisal. Managers have the tendency to resist being graded, rated, given a report card or assessed. They might discover they are doing poorly and they need to change. The natural tendency is to continue as they are. Dendinger & Kohn (1989:42) indicate that most texts on supervision have extensive chapters on evaluating workers, but little on the evaluation of supervisors. In those cases where attention is given to the evaluation of supervisors' performance, it often is accompanied with an indication that evaluation of supervisors is less necessary, less formal and less frequently done. They suggest that *"once in a position of power, once even a first level supervisory position is attained, many managers feel in some sense, a little beyond scrutiny, a bit above the law."*

The resistance against performance appraisal and the performance appraisal instrument is the main problem in the performance management process and results from isolating this action. Many of the factors contributing to the resistance to and the dislike in performance appraisal can be opposed by involving employees and managers in the total performance management strategy. Performance appraisal is a natural step in the performance management process and should be applied as part of the process and not in isolation. This can contribute to the success of managing performance by the manager as well as the individual employee.

2.10 Fairness and acceptability of performance appraisal

Performance appraisals must be perceived as fair by the employee being evaluated as well as by other employees within the organisation. The way in which appraisals are conducted can contribute to the manager's reputation for fairness. While some comparison of employees by a manager is inevitable and even desirable in performing some functions e.g. selecting an employee for promotion, comparison has no place in the performance appraisal of an individual employee. It is fair to evaluate individual employees using objectives and standards previously set for them. However, it is unfair to evaluate them using another employee as a reference point.

Weinbach (1994:157) answers the question "When is an evaluation fair?": *"It is fair to evaluate an employee based upon standards that are predetermined by the manager, usually with input from the individual being evaluated. It is unfair to change the rules between evaluations. It is quickly perceived as unfair by staff if new standards for evaluation are added that might result in an unfavourable evaluation for individuals who did what was expected of them and did it well."*

Where the outcome of performance appraisals involves the distribution of organisational rewards, then a more extensive standard provides a fairer assessment of an employee's contribution to the

organisation. The applied appraisal instrument and procedure contribute to ensure the fair distribution of rewards among employees. The implication is that performance appraisal should be part of the total process of performance management.

Self-appraisals have been seen as to increase the extent to which employees participate in the appraisal discussion. This form of participation enhances the perception of procedural justice towards the fairness in decision making linked with performance appraisal. According to Folger & Lewis (1993:119) there is a preconceived belief that participation enhances perceived fairness. Managers should take precautionary measures to not just set up the appearance of fairness, but to approach self-appraisals with seriousness, especially when employees are sincere and honest in their opinions of themselves. This will be a natural result when performance appraisal is implemented as a step within the performance management process.

The credibility of the source implementing the performance appraisal instrument is an important feature influencing the acceptance of the appraisal by employees. Von Glinow (1988:128-129) and the National Research Council (1991:69) identified important factors in determining the credibility of the appraiser (in most cases the immediate superior to the employee):

- **Expertise:** Includes familiarity with the task itself, as well as familiarity with the employee's task performance. Those with expertise are generally characterized as knowledgeable, well-informed and respected. If the immediate superior is also an expert in the technical specialty, he will be viewed as a credible source of appraisal, but if he is not the most expert, or is not the appropriate expert for the specialty, credibility suffers.
- **Credibility of the superior for the practical implementation of the performance appraisal instrument.** This refers to his abilities such as being able to select and observe critical job behaviours of employees; being able to recall and record the observed behaviours correctly; and being able to satisfactorily interpret the contribution the observed behaviours have toward effective job performance.
- **Trustworthiness:** If the superior is seen as non-threatening or non-domineering and the employee trusts the superior's motives, then it is more likely that the superior will be seen as a trustworthy source of performance appraisals.
- **The quality of the interpersonal relationship between the superior and the employee affects how the employee views the superior.**
- **The extent to which the employee is able to link rewards given to him by the superior to achievement of goals, will influence how helpful the superior will be perceived to be.**

It can be concluded that a fair performance appraisal should reflect realistic expectations and desirable outcomes of performance. Factors to be considered in establishing the expectations and outcomes are the employee's stage of career development, his professional background, his

predetermined career objectives and his previous work experience. There should be consensus on what these expectations and desirable outcomes are. Only then will the performance appraisal be fair in the sense that the employee had the knowledge on what he will be evaluated. This consensus is only possible if performance appraisal is implemented as part of the performance management process.

2.11 Managerial performance management

Snape, et al. (1994:64) refer to a study on performance management where it was found that senior line managers take key decisions over managerial careers outside the performance management process. In practice, the essential role of performance management is to prevent this from happening. Its aim is to provide a rational and objective approach to career decisions. It thus provides an organisational defence mechanism against internal challenge by the unfavoured, by-passed and aggrieved manager. The performance management strategy has the potential to provide evidence of a rational process if legally challenged by such managers.

Even though the importance and the purpose of the performance management are stressed, it is evident that the action of performance appraisal within the performance management process acts as a bureaucratic defence mechanism to protect the privileges of senior line managers. This results in middle managers expressing negative attitudes toward the performance appraisal process. It is considered to be a waste of time and seldom useful for them. Snape, et al. (1994:43) refer to one study of the appraisal of middle management where it was found that appraisal interviews seldom lasted more than 15 minutes and that those senior managers who acted as appraisers derived more information from third parties, usually in the form of complaints, than from direct interaction with the appraised managers.

There is also evidence of the political influence performance management and specifically the performance appraisal of managers can have. Senior managers can adjust the performance appraisals of their subordinate managers to achieve a wide variety of personal goals. They can give higher ratings to help a less able manager to be promoted 'up and out' of the organisation, lower ratings to teach a rebellious manager a lesson about 'who the boss is' and the sending of 'indirect messages' to certain managers that they should consider leaving.

The main purpose of managerial performance management is the assessment of their potential. The conclusion was made that managers are seldom appraised. As indicated above, the appraisal of managers is a very controversial aspect within organisations. This supports Dendinger & Kohn (1989:42) who refer to the unimportance that is linked to the appraisal of managers. The focus of the assessment of managerial potential is on developing the manager for future promotion positions. It seeks to establish the individual's potential for career development and in terms of this potential also to establish the development needs for the individual. It is thus important that

organisations accept responsibility for implementing an effective performance management process for managers.

As the job description and job design of managers are different from those of their subordinates, different standards and criteria for performance management are applicable. Following is a list of managerial standards and criteria that were identified by different authors (Koontz, et al., 1984:418; Von Glinow, 1988:123-124 and Wagne & Sternberg, 1991:334):

- Performance in accomplishing goals: Evaluating the performance of managers are done against tested pre-selected goals using criteria such as consistent, integrated planning designed to achieve specific objectives. The best criteria for appraisal of managerial performance relate to their ability to set goals intelligently, to plan programs that will accomplish those goals and to succeed in achieving them. Job-related outcomes and results due to the effort and performance of the manager are considered.
- Performance as managers: The appraisal is done on the basis of how well they understood and undertook the managerial functions of planning, organising, staffing, leading and controlling. This also relates to the knowledge about managing subordinates, peers and superiors. Job-related behaviours tend to be anchored in specific behavioural statements such as "He responds quickly to project feedback."
- Managing self: The appraisal is done on the basis of knowledge about self-motivational aspects of managerial performance. Job-related qualities are applicable referring to personality characteristics that may include characteristics such as initiative, creativity or leadership ability.

In the appraisal of managerial performance the assessment by employees who have knowledge of the performance of the manager can be utilised. This can include self-appraisal and group appraisal by employees who have worked with the manager. Field reviews can be done to obtain information on performance through interviews with knowledgeable persons. Appraisals by peers or subordinates can also provide valuable information. Objective measures over which the manager has control such as budget control and responsibility, are useful additional information in the performance appraisal of managers. A discussion of potential appraisers will broaden the vision of the value of each of them in the performance management process.

2.12 Potential appraisers

There are many possible appraisers within the work environment that could give a comprehensive evaluation of the performance of colleagues, peers, subordinates and superiors. Snape, et al. (1994:54) outline the potential appraisers for managers but researcher adapted their presentation to fit all employees i.e. managers and individual employees. However, subordinate appraisal or upward appraisal is not applicable in the case of individual employees but is still included in Figure 4.2.

2.12.1 Immediate superior

In terms of organisational structure the immediate superior is administratively in the best position to understand the nature of the work to be done by subordinates. He has to manage the performance of others as part of his job description. The immediate superior has the authority to make evaluative and developmental decisions concerning subordinates. The immediate superior is in the best position to judge the relevance of performance in the achievement of employee and organisational objectives.

Appraisal by the immediate superior can be unsatisfactory, unrewarding and not particularly useful for those involved. It has the potential to actually suppress employee performance. A key concern is that such appraisals are based only on the narrow and potentially unrepresentative sample of employee behaviours which superiors typically observe. Single superior appraisal seems to be the approach most commonly used. According to Dendinger & Kohn (1989:42) and Snape, et al. (1994:55) the reasons for this are:

- Most superiors do not recognise the need for anyone other than themselves to be involved in the appraisal process.
- Superiors often wish to retain control of the appraisal process. They seem to fear that if others were involved, this may lead to their losing influence over promotion decisions and other key issues.
- This approach is economical to operate.
- It underlines that superiors are responsible and accountable for the performance of their subordinates.
- The approach is often found acceptable to those involved.

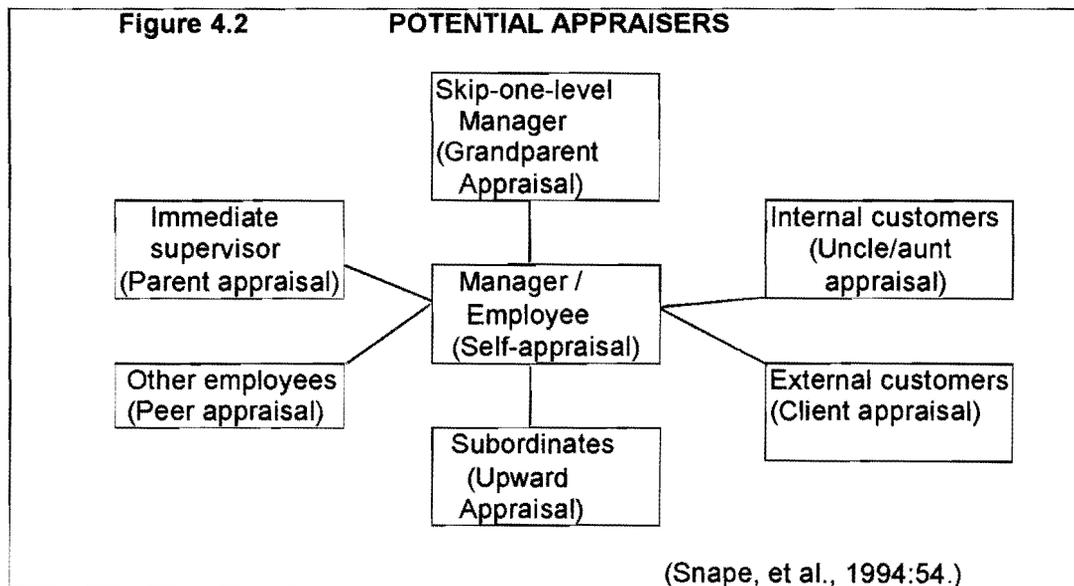
The use of the immediate superior as the only source of appraisal is a common approach in most organisations. However, the progress that was made in the field of performance appraisal makes the use of alternative and/or additional sources of appraisal possible. As Latham & Wexley (1994:113) indicate: "*Alternative sources to supervisor appraisal are especially needed because in many instances the managers seldom see the employee on the job.*" Researcher is of the opinion that the performance appraisal done by the immediate superior can be accepted rather than no appraisal at all.

2.12.2 Higher level managers

This refers to the managers above the immediate superior. Snape, et al. (1994:55) refers to them as 'grandparent' managers. Anderson (1993:49) refers to them as reviewers. The role of the reviewer includes the following actions:

- Reviewing performance appraisals conducted by others, usually the immediate superior.
- Providing precaution against personal prejudice, inexperience, the adoption of incorrect procedures or the immediate manager 'forgetting' to conduct the appraisal at all.
- Hearing individual appeals against antagonistic appraisal.
- Checking consistency and fairness of appraisers through examining and signing completed appraisal forms.
- Acting as consultant to appraisers prior to the appraisal interview.
- Ensuring that any differences in the perceptions and views of appraiser and reviewer regarding the employee about to be appraised are resolved prior to the appraisal interview.

Although the distance between the appraised employee and the reviewer limits the quantity of first-hand knowledge about his performance, the role of the reviewer is important. The reviewer serves as a support to the immediate superior and the appraised employee can be certain that decisions concerning his performance appraisal are not taken on the spur of the moment.



2.12.3 Peer appraisal

Using peers for performance appraisal introduces an approach different from that of immediate superiors. Through peer appraisals it is possible to obtain a number of independent judgments. The interaction and the closed teamwork between peer employees place them in a position to take an informal view on the performance of colleagues. However, Anderson (1993:51) stresses that the willingness to act as appraisers of colleagues has to be obtained.

Peer appraisals may be particularly appropriate for professional employees such as social workers, where only peers may possess the necessary technical expertise to make a credible assessment of performance. Professional employees feel that they themselves are responsible for

maintaining the performance standards of their profession and that performance appraisal by organisational managers may violate the principle of professional autonomy.

The exposure to peer appraisal can be experienced very subjectively and can result in not being able to see the value of such appraisal. The implication is that organisations must be 'educated' towards the implementation of peer appraisals. All peer employees should understand the absolute necessity of being honest in the appraisal of their peers in order to be able to expect honesty in return.

2.12.4 Subordinate appraisal

This appraisal is also referred to as upward appraisal. It is a system of performance appraisal that gives subordinates a formal opportunity to make an assessment of their managers. The employees act as one element in the appraisal process. Appraisals by subordinates can be important and valid, both because a number of employees are involved in providing inputs and because of the unique perspective of the subordinate. However, Anderson (1993:52) indicates that subordinate appraisal is used mainly for feedback and development purposes, rather than for the more critical areas such as pay determination and promotion. In some organisations it is used as a basis for individualised manager development plans.

Bernardin (1986:437) stresses that subordinate appraisal should not replace any of the more traditional methods of managerial appraisals. Subordinates should never have an excessive weight in deciding the fate of their managers. Subordinate appraisals should add value and unique information about a manager's effectiveness beyond what is learned from other sources. Successful subordinate appraisals depend on a participative management style, rather than anonymity and making the items to be rated behaviourally specific.

Subordinate appraisal of performance is essential for all managers. It gives them a certainty that subordinates take note of their actions and it could motivate them to continually strive towards effective performance. Managers are able to provide subordinates with a positive example of work performance. However, managers have to be motivated to accept subordinate appraisal as an appraisal approach that can contribute to their effective performance as managers.

2.12.5 Appraisal by outsiders or external parties

This is appraisals done by persons outside the immediate work environment. Examples are: assessors in an assessment centre, field reviews conducted by people in the human resource department, evaluations from trainers, personnel specialists, clients and customers and trained independent observers. All external parties suffer the disadvantage that they do not know, at first hand, the relevant background to performance issues in terms of discussions between line managers and their subordinates. However, in some circumstances, customers may provide an

appropriate source of appraisal for an organisation's professional employees, particularly for those positions involving direct contact with clients and where the client's acceptance of a professional's performance is critical.

This form of appraisal is quite unknown within organisations. It could be that on an informal level note is taken of external parties' comments on the services of an organisation. However, it is not formally used as part of the performance appraisal of employees. More research on appraisals by external parties is necessary in order to identify the advantages thereof for organisations.

2.12.6 Self-appraisal

Individual differences such as high intelligence, achievement and internal locus of control determine the accuracy of self-appraisals. The underlying factor that explains the accuracy of self-appraisal may be self-awareness. Latham & Wexley (1994:125) indicate that self-awareness is a function of an employee's ability to self-observe his own behaviour. Self-aware people compare their behaviour against a goal or against information relevant to their goals. Those who are self-aware are able to incorporate information from those comparisons into their self-evaluation and ultimately into their behaviour. Self-awareness also results in an employee incorporating the assessments of others onto his self-evaluation. There is evidence that self-evaluation is a skill that improves with practice, especially practice that includes feedback on accuracy.

Self-appraisals are also unknown as performance appraisal system within organisations. In organisations where it is implemented, the value managers attach to it can be questioned. The process involved with self-appraisal is too comprehensive, with the result that managers create the impression that the individual employee has input in his performance appraisal. The process includes actions such as discussing what is expected of the employee, employee completing the written self-appraisal, the appraisal interview between the manager and the employee when the self-appraisal is discussed and the feedback from the manager on the self-appraisal. The allegation is made that employees do not want to do self-appraisals but employees obviously will engage in self-appraisals when management evaluation of their performance determines pay. They quite naturally will compare their own appraisals with that of the manager.

2.12.7 Multiple appraisal resources

Also referred to as the Multiple Rater Performance Appraisal (MRPA). Meyer (1991:281) stresses that the immediate superior alone should not determine an employee's promotability. He should make use of a team approach to discuss the performance and potential of all employees. In deciding on the membership of this team, the focus should be on the job network as the relevant team for performance appraisal. The job network represents those key employees in the organisation on whom the performance of the individual employee being assessed principally impacts. Members of the job network can be peers, subordinates or others at a more senior level.

Using a team of employees to evaluate individual potential assists to provide a broader frame of reference than is the case where each employee's potential is appraised only by his own superior. Even though some of the participants in this appraisal process may have had little or no exposure to some of the employees being appraised, they can contribute to the validity of the appraisal process by insisting that judgements being expressed are backed by objective or behavioural evidence. According to Anderson (1993:50) the multi-rater approach generates data of a highly specific nature, with many practical comments and suggestions as to where and how performance could be improved.

This form of performance appraisal is totally new. If self-appraisals are approached with reservation due to the broader input expected of the immediate superior, so much more would a MRPA system be approached with reservation. The multiple problems with this system as indicated by Edwards (1995:53-55), contribute to the opinion that management will consider the implementation of a MRPA system with difficulty.

2.12.8 Research findings on potential appraisers

The research findings of the National Research Council (1991:105) on the different potential appraisers are important and can be related to the quality of performance appraisals as well as the preferred appraisers that will be used by an organisation. Their research resulted in the following conclusions:

- Most organisations required an employee's immediate supervisor to conduct performance appraisals annually.
- Appraisals of managers were likely to be reviewed by a second level manager.
- There was no evidence that organisations are increasingly making use of peer, subordinate or self-review for performance appraisal.
- Formal evaluations of the use of performance appraisals by managers and penalties for poor use thereof were rarely reported.
- The average time that managers spent on annual appraisal per employee was 4-6 hours.
- Employee participation in performance appraisal design and administration was mostly limited to personnel staff. Line managers were involved in administration only via actual assessments of their employees. Employees were involved only if there was a joint manager-employee setting of performance objectives for the appraisal.

2.12.9 Conclusion

The potential appraisers to be used for performance appraisal as part of the performance management process in a specific organisation, depend on the approach and attitude the management of the organisation has toward the strategy. Different issues related to the different

potential appraisers are important and have to be considered. The success depends on the organisation and its willingness to take the issues into consideration. The managers have to ensure that employees are informed, during the initial stages of the performance management process, on the potential appraisers and the attitude of the organisation towards them.

2.13. Performance appraisal instruments

A variety of instruments for performance appraisal are available. However, no organisation can be sure that any appraisal instrument can be implemented successfully within their organisational setting. It is recommended that thorough investigation, research and pre-tests precede the implementation of specific appraisal instruments. Performance appraisal instruments from relatively simple techniques of appraisal such as ranking and traits rating, to more complex and elaborate techniques such as behaviourally anchored rating scales, are available. Instruments also vary between those that emphasise the past, such as rating and ranking techniques and those that also focus on the future, such as management by objectives.

Ivancevich, et al. (1989:535-536), Pulakos (1991:307) and Anderson (1993:23,35-45) classify performance appraisal instruments in two categories:

2.13.1 Performance appraisal instruments that depend primarily on the judgement and opinion of the appraiser. A high degree of reliance is placed on the subjective judgment of the appraiser. The danger is that the appraisal will be influenced by the viewpoint of the appraiser rather than by the actual characteristic or situation being appraised. Possible instruments:

- Alphabetical / numerical rating.
- Forced choice rating.
- Personality trait rating.
- Graphic rating scale.
- Forced distribution.
- Ranking.
- Paired comparisons.

2.13.2 Appraisal methods that assess an employee's performance involving a more objective appraisal and emphasise what an employee actually does and how well he does it.

Possible instruments:

- Free written report
- Controlled written report
- Critical incident technique
- Results-orientated schemes
- Self-appraisal
- Behaviourally anchored rating scale.

According to Latham & Wexley (1994:57-58) the types of performance appraisal instruments that are most commonly used are forced choice scales and behaviourally anchored rating scales. Behaviourally based appraisal instruments account for far more job complexity and can be related directly to what the employee does. They are more likely to minimise irrelevant factors not under the control of the employee than personal qualities related instruments. Behavioural criteria developed from a systematic job analysis give a definite indication of what employees must be doing. What makes behavioural criteria more comprehensive is that they not only appraise the employees on factors over which they have control but also specify what the person must do or not do to attain these outcomes.

The field of performance appraisal instruments is very comprehensive. Within any organisation a specialist who has a good grounding in performance appraisal instruments should be responsible for the development thereof. It is recommended that organisations that do not have the services of such a specialist on a full-time basis available in their organisation should at least make use of the services of a specialist on a part-time basis. The development of a performance appraisal instrument that complies with the requirements of the specific organisation is a necessity for the effective and efficient implementation of the performance management strategy.

2.14 Conclusion

Performance management is a fundamental process for improving the productivity of an organisation's human resources. Through the implementation of performance management each individual employee's work performance is planned, organised, evaluated and corrected when necessary. The preparation and the tools used in the implementation of the performance management strategy are essential. However, the step in the process consisting of the formal performance appraisal of the individual employee and the feelings that he experiences due to the appraisal, will make the difference.

When performance is measured, performance improves. When performance is measured and reported, the rate of improvement quickens. Performance can and will improve if employees are encouraged - all those employees who take a pride in performance by seeking to improve it. Performance management is all about making employees feel good about themselves so that performance and behaviour improves. (Watling, 1995:121.)

The more the employee participates in the performance management process the more satisfied he is likely to be with the actual appraisal of his performance and the person executing the appraisal and the more likely it is that performance improvements will result. Only when the employee experiences feelings of ownership of the performance management process does

participation become effective in producing joint agreement on actions to solve problems and develop performance.

Performance management can exercise a considerable amount of control over the performance of employees. The performance of employees gives an indication of how they compare with expectations that have been established and where changes in their work performance are indicated and where additional control over their performance has to be added. The performance management strategy is implemented to help control and assist employees in their job performance. Performance standards and employee awareness of them should provide gentle guidance; they should not represent a club poised over an employee's head. The sensitive manager will use the performance management strategy as a method of control in such a way that it can be perceived as a support system for effective performance.

Performance management as a management strategy is a comprehensive subject and justifies a study on its own. It was difficult to condense the discussion on the subject but researcher is of the opinion that the information provided gives a clear picture of the performance management strategy. The fact that extensive knowledge is available on the subject supports researcher's opinion that no organisation has an excuse for not implementing an effective performance management process that could act as a support system for their employees.

3. MANAGEMENT BY OBJECTIVES (MBO)

3.1 Introduction

Management by objectives is a management strategy that has developed during recent years. It is a known strategy within organisations, but is not implemented consistently in all organisations. The reasons are quite the same as the reasons for not implementing a performance management strategy consciously and consistently: lack of knowledge, lack of training, uncertainty and unwillingness of managers to commit themselves to the strategy.

Ginsberg (1995:30) stresses that all managers should be trained to work with and evaluate their subordinates according to predetermined objectives. The objectives should become the content of supervisory sessions. Training of managers and employees in MBO can result in positive attitudes toward a MBO strategy. The rationale of MBO is that it agrees with the psychological principle that people improve their performance when they have specific objectives or goals to achieve within a specified period.

3.2 Defining MBO

The following definitions of MBO provide a clear indication of what it entails:

Koontz, et al. (1984:131) define MBO as *“a comprehensive managerial system that integrates many key managerial activities in a systematic manner, consciously directed toward the effective and efficient achievement of organisational and individual objectives.”*

Miner & Luchsinger (1985:134) describe MBO as being programmatic in nature. It is a formalised goal setting and monitoring process implemented throughout an organisation. They identify an important problem: *“Organisational performance suffers if coordination is not achieved and the MBO program loses its legitimacy and thus the support of those who must implement it.”*

MBO is described as a process whereby the superior and the subordinate managers of an organisation jointly identify the common goals; define each individual's major area of responsibility in terms of the results expected of him. These measures are used as guides for operating the unit and assessing the contribution of each of its members. It is a comprehensive approach that consists of three principal components: planning; implementation of the plan; and review of the success of the plan. The process involves members of large complex organisations to work in conjunction with one another, to identify common goals and to coordinate their efforts toward achieving them (Weiner, 1982:214 and Aggarwala, 1993:9).

According to Zima (1995:180), MBO is *“a management approach to planning and evaluation. Specific goals are established for a designated length of time for each manager, supervisor or employee. These goals then become a part of the results each person must achieve if the overall objectives of the organisation are to be met. The actual results are then measured against the established or expected goals to which each employee has committed himself. When properly implemented, MBO can become a total management system, by which positive achievements can be planned and upon which activities can be concentrated that offer the greatest opportunity for payoff.”*

Important requirements identified in the above definitions of MBO are the following: cooperation, coordination, participation, communication, motivation, trust and support. These requirements should be fulfilled during the implementation of the MBO strategy. Both managers and their subordinates must be committed to the requirements and the requirements must be observed in their relationships.

3.3 Characteristics of MBO

MBO has definite characteristics according to which it is identified as an effective management strategy if implemented consistently. Most of these characteristics are indicated by Aggarwala (1993:10-12, 14-15,27) and Haimann (1994:95) and are combined as follows:

- Participation and interaction takes place between managers and subordinates.
- Managers and subordinates jointly develop methodology to follow, set standards and establish norms for evaluating performance.
- A progress review is done periodically.
- It is a goal-orientated and result-orientated process.
- MBO is a unique strategy of participative management as it entails a systematic approach to integrative management, containing elements of the functions of planning and controlling.
- It is a comprehensive strategy, but also a fair appraisal system.
- It is a method of improving the communication network within an organisation.
- MBO can guide the manager not to depend on the achievement of a single objective, but to be persistent in the establishment and attainment of more specific objectives and thus develop and achieve managerial effectiveness.
- In evaluating and rewarding the subordinate's performance, the degree to which objectives are accomplished plays a major role.
- Managers and subordinates jointly develop objectives in agreement with the organisational objectives.
- Objectives must be specific, measurable (quantifiable) and challenging, but realistically achievable by subordinates within the time frame established.

3.4 Specific concepts applicable to MBO

According to Aggarwala (1993:70) and Zima (1995:183) certain concepts are referred to as the language of MBO. It is important that all parties involved in the management by objective strategy understand these concepts:

- **Objectives:** This concept refers to defining the results to be achieved for an organisation to be successful. Objectives should include regular or routine goals and new development goals, have priorities or weights assigned to each one and also include personal development goals. Management objectives in very clear and specific terms state the performance or accomplishment expected by each individual within a specific period of time. This enables the work of the entire management group to be combined into one whole at a particular moment of time. This ultimately results in contributing to the overall accomplishment of the objectives of the entire organisation during that period.
- **Goals:** It represents a set of specific objectives - what is to be achieved.
- **Plans:** It entails the tasks, steps, activities and projects that must be completed in order to achieve the goals - how goals are to be achieved.
- **Accountability:** This refers to the responsibility of an individual employee for achieving certain results. Accountability is often determined by referring to the employee's job description and key job responsibilities.

3.5 Objectives as central element of MBO

Objectives are central to the MBO strategy. The correct establishment and formulation of objectives are important for the effective achievement thereof. The principles, characteristics and purposes of objectives are important and should be considered. Managers and employees must support each other in ensuring that set objectives satisfy the conditions for objectives as spelled out in the following combination of principles, characteristics and purposes as provided by Aggarwala (1993:16-19,71-75,76-77) and Zima (1995:182).

- Objectives should identify areas of responsibility or activities that are critical to success.
- It should identify performance measures (results) for each area or activity. Performance of employees should not be evaluated on factors over which they have no control.
- Objectives should be meaningful, must define the starting point or present position, specify the finishing point and state the time by which they are to be achieved. They should be quantified but also be measurable or verifiable and the cost factor be taken into consideration.
- The number of objectives should be limited.
- Objectives should be flexible and regularly updated. It should be challenging and dynamic but realistic.
- Objectives should be done in writing, in precise, concise and clear terms. For reference purposes, the subordinate and the manager should each receive a copy of the planned objectives.
- Involvement and participation in the establishment of objectives by employees responsible for achieving the objectives, are important.
- In the establishment of objectives organisational factors such as internal and external pressures must be taken into consideration.
- Individual employee objectives should connect and blend with organisational objectives.
- Objectives for individual employees should be well intended and ambitious at the same time, but will depend upon their experience, ability, skills or training.
- Objectives are to contribute to the improvement of organisational effectiveness in the sense of outlining the desired results and providing direction and destination. They serve as standards for the manager and as motivators to employees.
- Objectives enable superiors to concentrate fully on targets to be achieved within a specified period of time.
- Objectives serve a useful purpose in developing the job skills of employees when employees demonstrate potential for further growth.
- Frequent and regular feedback is vital in the reinforcement of goal setting; motivating and maintaining employee interest; in carrying out any modifications and adjustments as a result of performance progress review and assessment; and continuation of employee efforts.

3.6 Benefits of a MBO strategy

As is the case with any strategy implemented within an organisation, the management by objectives strategy has specific benefits for the employees, the managers and the organisation. Aggarwala (1993:36-65) has done an intensive study of these benefits. Extended information is provided by the mentioned author, as well as other authors (Koontz, et al., 1984:140-142; Ivancevich, et al., 1989:542; Harvard Business Review Book, 1990:199; Aggarwala, 1993:36-65; Snape, et al., 1994:49-52; Ginsberg, 1995:30; Graber, Breisch & Breisch, 1995:58-59 and Van Dyk, Nel, Loedolf & Haasbroek, 1998:404). An effort is made to briefly indicate the most important benefits from the literature:

- Results in better managing as it forces managers to think of planning for results, not merely planning activities of work. Focus is on results rather than on means or methods to achieve them.
- Facilitate and promote personal commitment as employees are now individuals with clearly defined purposes. It encourages a feeling of independence and true participation in an individual employee.
- Effective controls are developed. Results are measured and action taken to correct deviations from plans to ensure that goals are achieved.
- It encourages organisational development and effectiveness by emphasising the development and utilisation of human resources, improving overall organisational performance, increasing the level of participation and directing work activities toward organisational goals.
- It encourages goals-orientated objective performance evaluation by providing more objective appraisal criteria.
- It is a simple strategy and can be adopted without any external help.
- It encourages the development of a transparent and flexible style of management.
- The focus is on the development and growth of individual employees. Employees needing training and improvement are identified.
- It establishes effective communication links between management and subordinates.
- It contributes to a reduced need for close supervision.
- Focuses on improving total managerial performance: overall management strategy, managerial planning function, coordination, superior-subordinate relationship control, work performance.

3.7 Limitations of a MBO strategy

Unfortunately, a MBO strategy is not without limitations and problems. The same authors (Koontz, et al., 1984:140-142; Ivancevich, et al., 1989:542; Harvard Business Review Book, 1990:199; Aggarwala, 1993:36-65; Snape, et al., 1994:49-52; Ginsberg, 1995:30; Graber, Breisch & Breisch, 1995:58-59 and Van Dyk, Nel, Loedolf & Haasbroek, 1998:404) have provided extensive information on the limitations and problems of the MBO strategy as well.

- A difficulty in understanding and applying the MBO philosophy due to the puzzling detail.
- Obstacles in the setting of objectives e.g. some objectives need proper and careful study to be attainable and challenging.
- Status differences and conflicts in personalities can be stumbling blocks in participation.
- It fails to appraise or completely identify potential; the strategy deals with the performance of an employee in his present job only.
- It concentrates on results only and does not make provision for methods of achieving these results.
- There is an underlying assumption in the strategy that the subordinate and the manager will both participate in determining suitable standards that will serve the interests of the organisation.
- The strategy is time consuming and implies much paper work.
- Employees do not trust the MBO strategy.
- Lack of commitment and continuous monitoring by top management makes it difficult for a MBO strategy to work.
- Failure to provide training on the MBO strategy - managers and employees must know what it is, how it works, why it is being done, what part it will play in appraising performance and how they can benefit.
- Failure to give guidelines for goal setting - managers must have knowledge of the corporate goals and major company policies.
- Dangers of inflexibility - managers often hesitate to allow employees to change objectives.
- MBO is concerned with a few aspects of the job and special projects for the year to the exclusion of ongoing responsibilities.
- Employees understanding objectives differently may lead to different behaviours.
- MBO is unrealistic in its assumption subordinates are capable of and willing to participate in setting objectives.
- Ineffective if managers fail in developing transparent leadership styles and continually exchanging information.

3.8 Management by objectives process

The process of management by objectives is separated into two levels: the process for the organisation as a whole and the process for individual employee goal setting. The MBO process as outlined by Holt (1987:213) is illustrated in Figure 4.3. According to researcher, this presentation of the process includes both levels.

The MBO process for the whole organisation is executed on the top and middle management level. The process includes the following steps as identified by Aggarwala (1993:161-162):

Step 1:

The top executives study the various aspects of MBO strategy to determine how it operates.

Step 2:

The key top executives spell out the overall objectives of the organisation in specific and clear terms.

Step 3:

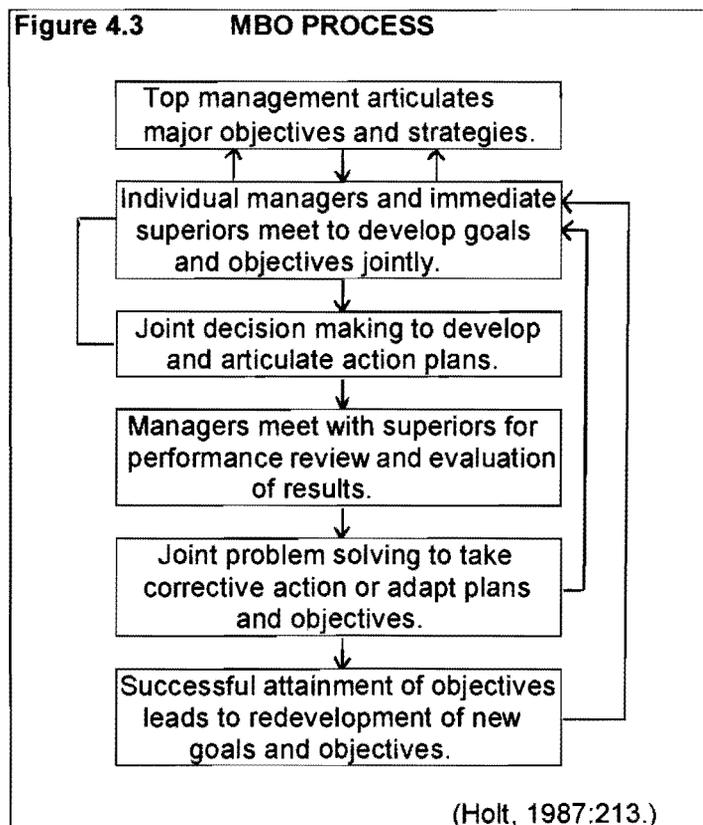
The key top executives and managers at different levels set up measures of organisational performance.

Step 4:

Goal setting methods are extended down the organisation to the first line supervisory levels through a series of meetings and discussions between the various organisational units and their superiors.

Step 5:

Necessary changes are made by way of improvement in areas such as the appraisal system, salaries and bonus procedures and the delegation of authority. Uncertainties and confusion about policies are clarified and procedures that are obstacles in the effective operation of the strategy are rectified and improved.



The aim of this “executive MBO process” is the establishment of organisational objectives. Most positive of the process on this level is the attention given to the revision and improvement of existing policies. However, this is in theory, it has to be proved to be practically implemented.

The MBO process for individual employees focuses on results and on the counselling of the subordinate, and not on activities, mistakes and organisational requirements. The MBO process for individual employees includes the following steps:

Step 1:

Each subordinate reviews his job responsibilities and determines the important results to be achieved during a particular time period.

Step 2:

The manager and the subordinate meet to discuss and set objectives for the subordinate for a specified period of time. Both the manager and the subordinate attempt to establish objectives that are realistic, challenging, clear and comprehensive. Objectives are related to the needs of both the organisation and the subordinate. Standards for measuring and evaluating the objectives are agreed upon. The manager and the subordinate establish intermediate review dates when the objectives will be re-examined. The final result is a negotiated set of objectives for the subordinate to work on for the specified period.

Step 3:

The manager conducts periodic progress reviews with each subordinate. These reviews provide an opportunity for discussion, consultation and problem solving between manager and subordinate. It provides an opportunity for objectives to be added, modified or eliminated. The manager plays more of a coaching, counselling and supportive role and less of a judgmental role.

Step 4:

The manager conducts an appraisal with each subordinate at the end of the defined period to assess the results of the subordinate's efforts. When the cycle is completed, new objectives are established for the next period of time.

3.9 Conclusion

Management by objectives as a management strategy is useful and effective in the setting of both organisational and individual employee objectives. Performance appraisals done at the end of the specified period are job-related, as objectives define the most important elements of the job. MBO contributes to the enhancement of performance appraisal feedback since objectives have been established before the appraisal is done. The employee participated in the setting of his performance objectives for the specified period and in the development and implementation of performance standards. Employees are involved in comparing their actual output with the predetermined standards. Performance appraisals by managers based on MBO can be highly counted, as far as their fairness, validity and reliability is concerned. The basis for these performance appraisals is clearly defined and is marked with objectivity and competence.

A management by objectives strategy can have positive results in any organisation. However, the management of the organisation must be able and willing to attend to and to prevent the identified limitations and problems. Training managers and employees in the strategy will be a solution to most of the limitations and problems. Trained and informed managers can experience this management strategy as supportive in terms of more effective communication with subordinates and senior management and the emphasis on the development and utilisation of human resources for improving overall organisational performance.

4. STRATEGIC HUMAN RESOURCE DEVELOPMENT

4.1 Introduction

Numerous changes within organisations resulted in a new management strategy in human resource development to assist employees and managers to cope with expectations. Van Dyk, et al. (1998:153-156) refer to Rothwell and Kazanas (1994) when they name the new management strategy: Strategic Human Resource Development (SHRD). In this strategy the focus is on the anticipated knowledge and skills employees need in the future rather than reacting on and solving of past performance problems resulting from lack of employee knowledge and skills. SHRD is implemented according to a specific process with a specific direction.

There are concerns that managerial and supervisory training and development are not effectively linked with human resource planning in terms of a specified aim and direction with training and development efforts. According to Snape, et al. (1994:71), manager development is often motivated by a 'sink or swim' philosophy: managers either have what it takes, and thus need little development, or they have not, in which case manager development activities would be wasted. There is a marked tendency to fall victim to 'programmitis' - this is done with little attention to the training and development needs of the individual. Manager training is reduced to the 'sheep dip' approach; all managers go through it whether they need it or not.

In relation to the above, managers within the social work setting tend to be qualified in a specific function such as child and family care or probation services, rather than being trained in management as such. Fortunately, organisations are beginning to accept that training and development of managers are important for meeting new needs and adapting to a changing environment. Managers themselves also recognise their need for training and development specifically in the field of management. The implementation of SHRD as a management strategy can contribute to provide in these identified training needs.

Smit (1994:10) raises a concern: *"From an analysis done in the Western Cape, it can be concluded that human resources are the biggest expenditure but also an organisation's biggest asset. The analysis revealed that almost three times as much was allocated / budgeted for maintenance of equipment as opposed to training / development of staff."* The impression is

created that organisations do not consciously plan for training and development of staff. This would be the case for training and development of managers as well. Weinbach (1994:130) also has this opinion as he indicates that *“training sometimes may be viewed as a luxury and is often one of the first activities to be reduced or cut out. This is a gross error on the part of managers”*.

Organisations should consider and be sure to implement cost-effective training. Cost-effective training is training that achieves the purpose of assisting employees to perform their work to the required standards and is simultaneously affordable. Unnecessarily excessive training could be simpler and cheaper and equally well achieve the aim of training. It is achieved by applying basic principles for cost-effective management to the specific training situation. The implementation of the SHRD strategy can contribute to ensure cost-effective training.

The establishment of managers in their positions can best be accomplished by orientation and training procedures that are systematically developed, implemented and evaluated. Employees are promoted or appointed into management positions without receiving any orientation. The question is asked: Why is there a difference between newly appointed managers and newly appointed employees? Managers should be subjected to an orientation program. Orientation procedures inform each manager about his work assignment and the environment in which it is to be performed. Orientating a manager on his position is best accomplished by developing work performance standards and negotiating and contracting in terms of his specific areas of responsibility. During the orientation process training and development needs are identified. Managers have the right to identify their own needs and to expect the organisation to attend to their needs. The SHRD strategy attends to needs assessment, implementation of training and the evaluation of training suggesting that these rights of managers and employees are acknowledged.

4.2 Clarification of concepts

4.2.1 Education

Education is a concept easily confused with training. Weinbach (1994:130) identifies education as the communication of a body of general knowledge. The idea is to provide the general knowledge necessary to make a decision and/or to act appropriately in unique situations. Generally speaking, within the organisational set-up, managers tend to be supportive of education for their employees, but may not choose to or be able to provide it. Employees receive continuing education by enrolling in short courses, individual formal courses or in advanced degree programs.

Education is concerned with the development of proper reasoning to enhance a person's ability to understand and interpret knowledge. It is the deliberate, systematic and sustained efforts to transmit or acquire knowledge, attitudes, values, skills and perceptions and any intended or unintended learning that results from the efforts. The definition of Van Dyk, et al. (1998:227) is

composed in a general manner and is accepted: *“Education refers to a process of deliberately and purposefully influencing and shaping the behaviour of children and adults.”*

Management education as a concept applicable in SHRD refers to the introduction, extension or improvement of the learning and understanding of managers about their managerial realities within their work environment. Van Dyk, et al. (1998:380) refer to different studies in the United Kingdom where the conclusion was made that the majority of employees entering into management positions have had no formal management education and training. It is recommended that management education commence before employees enter management positions. The training should include the process of employees acquiring information about and experience in the position to be filled.

McLoud (1989a:102-103) and Walsh (1990:83) confirm the above statement as they are of the opinion that within the social work setting the supervisor must have much more knowledge and skills at his disposal than the social worker in order to be able to meet the expectations of the role as supervisor and to provide in the learning needs of the social worker. It is not desirable to appoint a person as a social work supervisor if he does not have substantial knowledge of supervision and if he is not able to implement the different social work strategies and methods on an advanced level.

4.2.2 Training

Training is a learning experience seeking a relatively permanent change in an individual employee to improve his ability to perform in his position. The aim of training is to bring about the behaviour changes required to meet individual and organisational goals. It is an essential component of the organisation and is considered a major management tool to develop the full effectiveness of the organisation's most important resource: its employees. If the training is performed correctly, the behaviour change brought about by training is measurable in terms of the organisation's requirements. Van Dyk, et al. (1998:227) stress that training is result orientated, focuses on enhancing those specific skills and abilities to perform the job, is measurable and contributes to the improvement of goal achievement and the internal efficiency of the organisation.

Tyson & York (1996:141) define training as *“a learning process, in which learning opportunities are purposefully structured by the managerial, personnel and training staff, working in collaboration or by external agents, acting on their behalf. The aim of the process is to develop in the organisation's employees the knowledge, skills and attitudes that have been defined as necessary for the effective performance of their work and hence for the achievement of the organisational aims and objectives by the most cost-effective means available.”*

Training assists employees in achieving a basic role competency and doing their work in a standardised manner. It provides knowledge and experience in the use of skills that are of immediate value. It helps employees meet role expectations. With training employees make fewer mistakes, producing less embarrassment for the organisation and its employees. Employees feel better about their work performance. Well-trained employees need less on-site supervision. If employees are well-trained, they will provide better services.

Training is concerned with developing job-related skills and task-related knowledge. Training procedures must be programmed to ensure similarity between training and work environments. It should make provision for feedback on trainee performance, encourage the practice of new skills and promote maintenance and generalisation of new skills. Christian & Hannah (1983:92-93) indicate that the effectiveness of training is evaluated by examining its effect on employee performance through methods such as behavioural observation, situational testing, written tests, assignments and special projects.

An effective supervisor needs refined and consciously utilised interpersonal skills and an awareness of effective methods to handle management tasks. Most supervisors rightfully assume they have talent in managing interpersonal relationships and that this talent will serve them well in their supervisory duties. The crunch comes when they discover that although clinical skills help in a managerial role, they are different from supervisory skills. Du Toit (1991:14) indicates that the lack of formal education and training for supervisors means that most new supervisors learn about their functions and roles, in part, from reading articles and books. There is considerable professional literature providing sufficient information on the roles and norms of supervision, as well as providing specific directions about what needs doing and how to do it.

It is suggested that positions for second level supervisors be established for organisations to obtain specialised knowledge to equip and prepare supervisors for their tasks and responsibilities. The specialised training of the second level supervisors must enable them to compile and implement an individualised but standardised training program for first level supervisors. However, Du Toit (1991:62) stresses that it is not common practice to provide training to supervisors within organisations. A supervisor should thus not expect that training would be included in the position as manager.

Walsh (1990:83) suggests that management training should be reserved for managers who currently supervise regular agency staff. The advantage of this guideline is that such persons bear the title, role and status of a manager and they must perform in situations in which ideas discussed in training may be tested and from which examples of supervisory issues may be drawn. Restricting the training group to managers from a single agency is beneficial. The same personnel regulations, agency history and mission and upper management govern such managers.

4.2.3 Development

Development is aimed at employees serving in a managerial capacity or preparing for managerial positions within the organisation. It is a process by which managers obtain the necessary experience, skills and attitudes to become or remain successful leaders in their organisations. Van Dyk, et al. (1998:381) clarify the concept of management development when they make a distinction between training and development: *“Training is concerned with the achievement of effective performance in the manager’s present job, development is concerned with preparing the manager for expected changes in the job, or for an anticipated future job or role.”*

Harrison (1993:326-327) defines manager development *“as the planned process of ensuring through an appropriate learning environment and experiences the continuous supply and retention of effective managers at all levels to meet the requirements of an organisation and enhance its strategic capability. The stress in manager development needs to be on developing skills of social interaction, attitudes which are conducive to constantly adapting to changing internal and external pressures and opportunities and the ability to think and manage strategically.”*

Employee development is less formal and tends to address the needs of employees for new knowledge relating to a recently identified problem in the field. It usually employs a short term intensive format with a fairly narrow focus. Overall, it provides the manager with a useful and well-received instrument for influencing employee growth. Employees tend to like spending time acquiring new and emerging knowledge and in addressing topics that are widely discussed in both professional and lay circles.

4.3 Strategic human resources development management model

Training and development have become buzzwords in present day organisations. The result is that many training and development companies and consultants are available to provide the necessary training to organisations. Organisations should have an official policy on training and development. Van Dyk, et al. (1998:181-199) refer to the development of a strategic human resources development model as a specific process in the establishment of an official policy on training and development.

This process of the development and implementation of a SHRD policy is the responsibility of senior management. The more practical part of the process can be identified as the implementation of the training and development model as identified and discussed by Harris & DeSimone (1994:89-167). It is recommended that middle managers should be responsible for the training and development model and that it forms an inherent part of the SHRD process of the organisation. Both models are illustrated (Figures 4.4 and 4.5) and discussed according to the mentioned authors’ information.

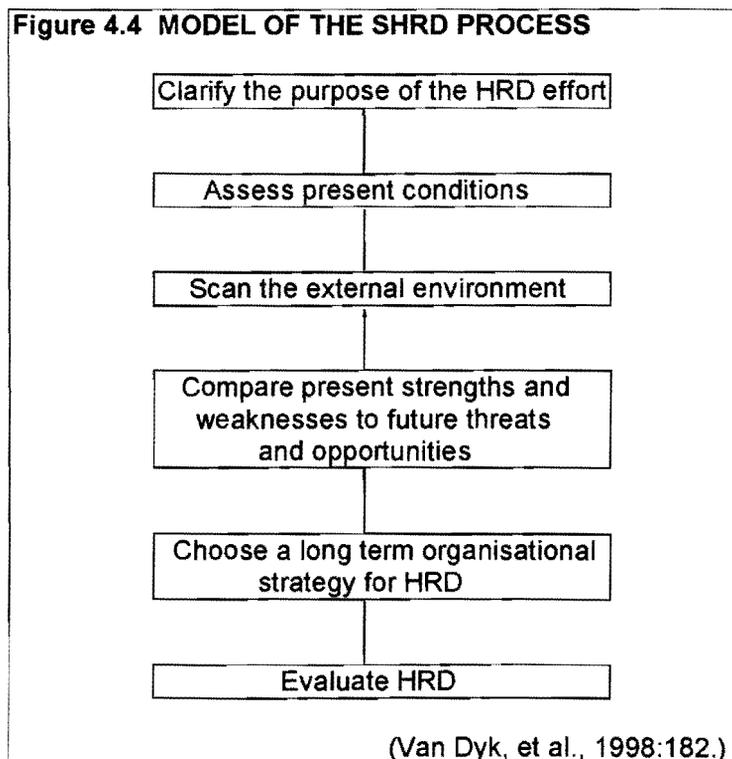
4.3.1 SHRD process

4.3.1.1 Clarify the purpose of the HRD effort

The purpose is regarded as the starting point of SHRD. The organisational purpose defines the activities the organisation performs or intends to perform and the kind of organisation it is or intends to be. The formulation of the official purpose of human resources development specifies how the organisation's planned learning activities will contribute to the organisation's purpose.

4.3.1.2 Assess present HRD conditions

This is similar in nature to needs assessment and situation analysis. This assessment process is comprehensive in the sense that it specifies present but general differences between what employees should know and do and what they actually know and do. It identifies not only needs or weaknesses but also significant talents, skills or competencies (strengths). It thus clarifies what employees are doing well and not so well. The question to answer is: What is the present state of HRD?



4.3.1.3 Environmental scanning

The external environment consists of two broad components: the general public and external stakeholders, consisting of everyone directly involved in or affected by the organisation. Environmental scanning for HRD is the process of monitoring trends, issues, problems or events that may create future learning needs as a result of environmental changes. These changes often require new knowledge and skills among people affected by them. The result is that environmental change may affect the learning needs of the general public, an organisation's external

stakeholders, members of work groups, individual employees preparing for career advancement or occupants of each class of job.

4.3.1.4 Compare present strengths and weaknesses with future threats and opportunities

When the need assessment results are compared to environmental scanning results, future long term learning needs can be identified. By addressing these needs, managers and employees may prevent problems before they arise. Unique opportunities may be identified for improving the performance of employees; achieving individual career objectives; changing the skills represented in a work group consistent with future demands facing the group; improving relations between an organisation and external groups; or changing the cultural norms of an organisation.

4.3.1.5 Choose long term organisational HRD strategy

SHRD integrates long term, intermediate-term and short term learning plans designed to provide development and training accommodating the anticipated change. Organisational strategy for HRD means a comprehensive, general instruction plan - called a curriculum - which supports achievement of strategic business plans and human resource plans. The result of strategic choice for HRD is thus a unified learning plan that integrates such HRD functions as organisation development, employee development, education and training.

4.3.1.6 Implement organisational HRD strategy

Eight implementation steps are identified:

- Establish operational objectives for HRD.
- Create, review and revise HRD policies.
- Examine leadership in the organisation.
- Review the structure of the organisation, HRD section and learning experiences sponsored by the organisation.
- Review rewards systems.
- Budget for resources to implement strategy.
- Communicate about organisational strategy for HRD.
- Develop HRD functional strategies.

4.3.1.7 Evaluate HRD

The effectiveness of the HRD process is assessed by comparing its achievements with its intentions, against the background of the organisation with its requirements for developing employee and management resources. If any part of the HRD plan was poorly constructed or is not achieved, the whole plan may be affected negatively.

4.3.2 Training and development process

The process consists of a sequence of steps that are grouped into three phases. The process is presented in Figure 4.5 and the phases are identified and discussed.

4.3.2.1 Needs assessment

It involves assessing the organisation, its environment, job tasks and employee performance. It is a process by which an organisation's employee development needs are identified and expressed. It is the starting point of the human resource development and training process. The need assessment is done on three levels:

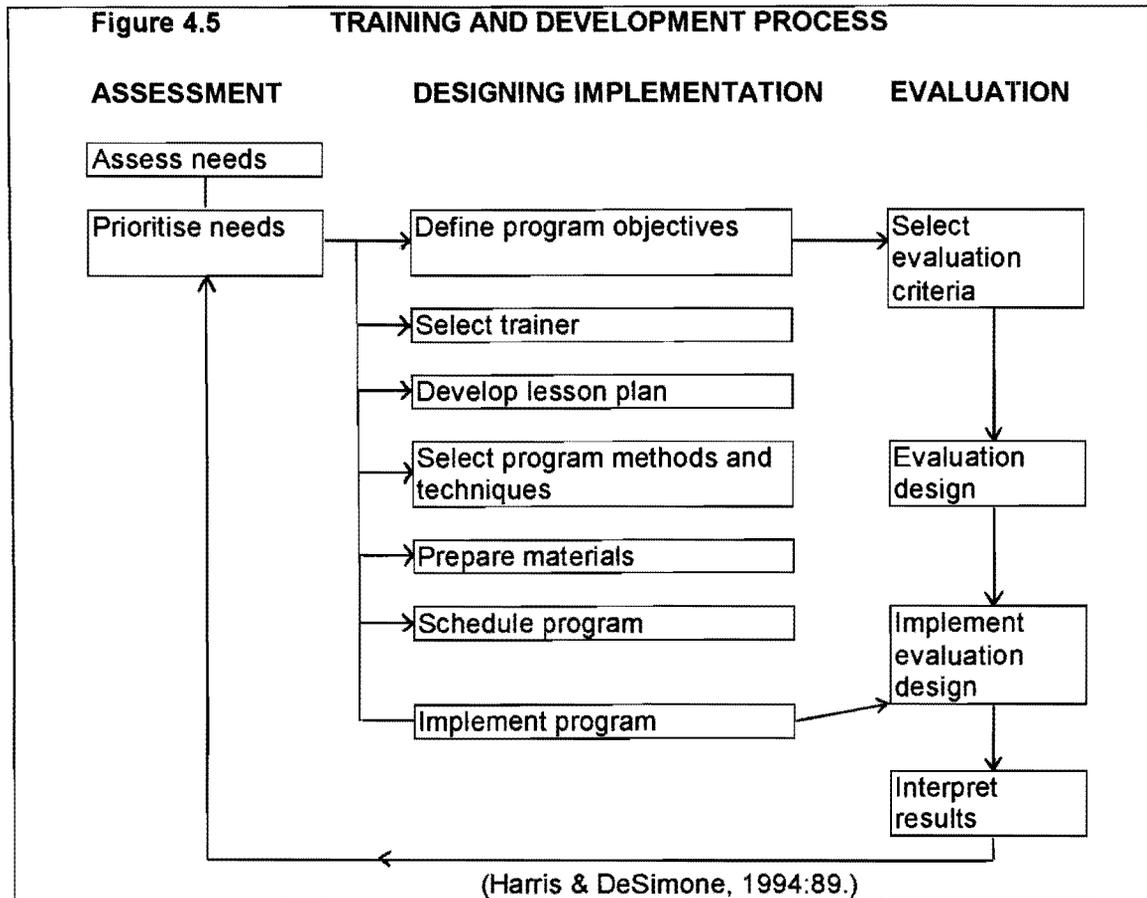
- Organizational analysis as a process to better understand the characteristics of the organisation to determine where training and development efforts are needed and the conditions within which they will be conducted.
- Task analysis as a systematic collection of data on a specific position or group of positions to determine what an employee should be taught to achieve optimum performance. Results of a task analysis include standards of performance, how tasks should be performed to meet these standards and the knowledge, skills and abilities and other characteristics employees need to meet the standards.
- Person analysis is directed at determining the training needs of the individual employee. Components: 1) Summary person analysis involves determining the overall success of individual employee performance. 2) Diagnostic person analysis tries to discover the reasons for the employee's performance.

4.3.2.2 Designing implementation

After an organisation identified a training need, the next step is to decide whether to purchase the program from an outside training agent or design the program in-house. If the organisation decides to stay in-house, the trainer must be selected. If there is a full-time trainer available, with content knowledge, the decision will be an easy one. If not, then a content specialist needs to be identified and sent to a train-the-trainer program.

The trainer has the responsibility for developing training objectives that define the desired outcomes of the training program. This information should be translated into a lesson plan that provides a training implementation guide and assists in selecting the appropriate training methods and techniques. There are many possible training methods and techniques available for particular situations. The trainer has to select the best combination of techniques that will maximise trainee learning.

Once the trainer designs the program, the next step is to determine the best schedule while avoiding potential conflicts. The final step is the actual implementation of the program. This includes arranging the physical environment and getting started on a positive note.



4.3.2.3 Evaluation

Evaluation involves the systematic collection of information according to a predetermined plan or method to ensure that the information is appropriate and useful. The effectiveness of the employee development program is measured. It provides information on employee reaction to the program, how much they have learned, whether they use what they have learned at the job and whether the program improved the organisation's effectiveness. Evaluation is conducted to help managers and employees make informed decisions about particular training programs and methods. Harrison (1993:323-324) suggests that the evaluation process should include the evaluation of training costs due to the following reasons:

- Comparing the monetary costs of training to the benefits received in non-monetary terms, like improvements in attitudes, safety and health determine the cost-effectiveness of the training.
- The financial benefits accrued from training, such as increases in quality and profits can be determined.

- The cost of not training and developing employees should also be assessed. It can have considerable impacts such as:
 - lack of enough trained employees;
 - lack of skilled employees on production lines;
 - lack of employees with technological education and skill; and
 - lack of an educated workforce hampering the organisation's ability to be flexible and respond to the need for change.

The training and development process is the practical implementation of the SHRD policy of the organisation. All managers responsible for subordinates should be implementing the process as the main part of SHRD as management strategy.

4.4 Training techniques

A comprehensive number of training techniques have been identified. The selection of the most appropriate technique is very challenging but also very difficult. Van Dyk, et al. (1998:320-321) have identified the factors that have an influence on the selection of training techniques:

- Instructional objectives. Each objective and the nature of the learning involved in achieving that objective will determine which technique would be most appropriate.
- Course content. The stability of the content, whether it is verbal or manipulative and its difficulty have an influence on the selection of a technique.
- Student population. Aspects to be considered are size of population, level of education, previous training and experience, aptitude, maturity, reading and speaking ability and the teaching location.
- Instructors or facilitators. The number, quality, competencies and inclination of the facilitators available need to be considered.
- Culture of the organisation. An organisation might have its own preferences and norms in terms of techniques for human resource development and this may dictate that specific techniques should be used.
- Instructional space, facilities, equipment and material will determine which techniques can be used.
- Time. The time available for learning a particular subject or a module of a subject may dictate the use of certain techniques.
- Costs. This is an important limitation in selecting a training technique.

A high number of possible training techniques are available. Many of the techniques can be used effectively in conjunction with each other. Trainers or instructors have to be trained in the use of the techniques to ensure the achievement of the training objectives. A number of techniques are briefly discussed:

1. Computer-based training (CBT)

CBT training can be more effective than conventional training as it is individualised, the delivery is standardised and there is provision for standardised student feedback as well as increased opportunity for practice by the student. CBT may be particularly appropriate for learning impersonal techniques (such as discounted cash flow), rather than for people management skills (such as conducting selection or performance appraisal interviews) (Snape, et al., 1994:74 and Van Dyk, et al., 1998:328). The conclusion is made that this training technique has considerable potential. Organisations should establish to what extent this technique could benefit their organisation. The implication of this technique is that each trainee should have access to a computer and should be computer literate.

2. Case studies

It is an in-depth group study of a simulated real life or fictitious situation. Participants can be divided into small groups to consider a specific problem and associated questions with report back to a plenary session to share the various insights. They are encouraged to draw on their own experience. Role-playing parts of the case study often further enhances understanding while developing negotiating, interviewing, public speaking and team working skills. The case study method relies on skillful guidance of the group by the trainer, who acts as facilitator and catalyst. When using both role-playing and case studies, group discussions beforehand and structured feedback are critical to the successful use of the methods (Snape, et al., 1994:76 and Van Dyk, et al., 1998:323).

3. Role playing

It provides an opportunity to try out new behaviour in a relatively safe environment. Learners physically act out a specified role, applying the theory instead of merely thinking about it. They receive role briefs, outlining the roles to be played, the personal backgrounds of the characters and the situational background. Learners are usually given a degree of freedom to develop the characters and the events as they wish. They experience the problems and issues in a quasi-realistic manner and the trainer can further enrich the learning by encouraging group discussions. Role-playing can be especially appropriate in training managers in people handling skills, such as selection and appraisal interviewing and negotiating. Very effective in getting people to try out job behaviours they have not used previously (Snape, et al., 1994:75 and Van Dyk, et al., 1998:324). A problem in role-playing is that learners might feel exposed and threatened within the situation resulting in the roles not acted effectively for learners to gain from it.

4. Manager games and simulations

Simulations have the advantage of being exciting, realistic, useful for integrating learning across a number of management functions and of encouraging managers to apply skills and techniques. However, they are often expensive to run, require high participation commitment and are

unpredictable, as every run of a simulation may be different. They are also criticised for their inability to replicate real-life conditions. Another problem is their tendency to over-emphasise competitive behaviour. Management functions, which in real life depend heavily on cooperative behaviour and teamwork often, become highly competitive in manager games (Snape, et al., 1994:76 and Van Dyk, et al., 1998:325,326,332).

5. Action learning

A typical program involves a short period of education in basic subjects such as finance, organisational management and communication, after which participants are assigned a real-life problem to solve. Projects are chosen which offer a challenge, but which can be resolved within a reasonable timeframe. Participants meet regularly in small groups to discuss their progress and share knowledge and ideas and obtain mutual support. The program takes place over a specified time period and the learner's solution is put into effect. Participants then review the effectiveness of the action taken and obtain lessons from other projects as well as their own (Snape, et al., 1994:77).

6. Outdoor training

This training technique represents an attempt to develop team building and leadership skills. Benefits of outdoor training in management development: improving communication, encouraging creativity, helping participants cope with stress, improving interpersonal, planning, decision-making and time management skills, help revitalise a diminishing management team. Participants work in teams, on tasks involving obstacles of distance, terrain and weather. However, the context is so radically different from the workplace that there are doubts about such learning being transferred to the organisation. Outdoor training is usually expensive, requiring a high tutor-participant ratio (Snape, et al., 1994:77-79). Team building might transpire from this training technique as the group is forced to work together and has to make use of their organising, planning and communication skills.

7. Job rotation

Job rotation means moving from one job assignment to another within the same organisation. It provides the inexperienced manager with a broad understanding of the organisation and changes specialists into generalists. Job rotation provides a person with experience in several different positions, usually following a pre-planned sequence and a set time schedule. Intent is to expose the trainee to different departmental environments to increase understanding of departmental workings and interrelationships. Job rotation as training technique for manager training is not practical. The manpower situation implies that managers are appointed in a specific position and are not to rotate between positions.

8. Mentoring

Mentoring is a relationship between two individuals, one being more experienced than the other in terms of age, work history or time with the organisation. In this relationship the senior partner provides advice, assistance or opportunities to the other in excess to those provided in the normal supervisory or evaluative functions of the organisation. A major disadvantage of mentoring is that it can be time consuming for senior managers. It is important that mentors are themselves given training, as the role is particularly demanding and complicated, requiring excellent interpersonal skills (Anderson, 1993:148-189; Snape, et al., 1994:81 and Kelly & Post, 1995:153-156). Mentoring as training technique is not implemented. The manpower within organisations does not allow for such comprehensive training technique to be implemented.

9. Manager learning contracts (MLC)

MLC is a written agreement between a participating manager and trainer, setting out what and how the manager wishes to learn. It permits the trainee to have a hand in designing the program and thus ensures relevance. This involves the trainee accepting the responsibility to learn, enhances the motivation to learn and commits the trainee to action. The contract has to be precise, realistic and achievable, given the available time and resources. It is important to avoid an over emphasis on tasks to be completed rather than learning objectives to be achieved (Snape, et al., 1994:81-82). Van Dyk, et al. (1998:222-223) identify the development of a learning contract as an eight step procedure. Researcher does not consider the manager learning contracts as a separate training technique, but as a technique to be used within all other techniques. The manager and trainer agree on objectives to be achieved e.g. with case studies or role-playing. The agreement should include an evaluation in order to assess the results achieved.

10. Peer training

Weinbach & Keuhner (1987:222) describe the peer training concept as *"the planned, structured use of a more experienced fellow employee to teach specific knowledge and skills to a newer employee of the same level and job description. Peer training involves the full or part time assignment of the more experienced employee to training functions on a time-limited basis, under the direction of permanent agency training staff."* As a general rule, peer training tasks should be those that can be accomplished in a relatively short period of time. Tasks that are difficult to learn are not appropriate because they require an extended commitment from the trainer that could easily result in neglect of his own job responsibilities and that could present a threat to permanent lines of supervision. The value of peer training is limited to system maintenance and control. Appropriate uses are (Weinbach & Keuhner, 1987:222):

- Orientation to office practices such as work hours, office routines, introduction to other personnel and general procedures.

- Programmatic information, referring to an overview of agency programs, client population, service objectives and referral resources.
- To some extent, basic skills training such as the interpretation and application of policy, the completion of forms and the use of techniques regarding caseload management.

The peer training concept is not generally implemented in organisations. In cases where one supervisor has more than six subordinates, this training can be used sensibly. The selection of the peer trainers should be done with utmost care and they should receive the necessary training. Role identification is important as well as allocating a timeframe to the training, as the peer training tasks should be completed within a relatively short period of time.

11. Committees and Junior Boards

The intent of this technique is to use committees and junior boards as training mechanisms and is also known as multiple management. It gives trainees opportunity to interact with experienced managers; they become acquainted with a variety of issues that concern the whole organisation. Trainees become aware of how the organisation operates and what the responsibilities of management really entail. This could be a valuable training technique as trainees gain knowledge and experience from observing the board members and participating in the discussions and the decision making process.

12. Coaching

An employee's direct supervisor has the responsibility for coaching. The supervisor delegates assignments, establishes standards and monitors performance and is therefore uniquely equipped with sufficient information, opportunity and authority to perform coaching effectively. Anderson (1993:141) defines coaching as *"a joint process in which manager and employee work together to find solutions to present work problems."* It is an important approach in developing the capability and confidence of employees. It is work related and problem centred. It is a planned approach, which involves setting learning objectives. The key advantage of this technique is that it provides fast feedback on performance and learning by doing. Managers should be prepared to devote time to coaching even though they are busy and should persist with their coaching role even though other pressures make it easy to abandon coaching. The supervisor acts as model for correct behaviour or skills. Based on the aforesaid, the conclusion is made that coaching as a training technique can be related to supervision as implemented in the social work profession. The process of coaching depends on the type of relationship that exists between the manager and the employee.

13. Conference programs

Conferences are specific discussions on predetermined topics and are conducted according to a specific plan. It should not be confused with ordinary discussion groups. At internal conferences

employees may be instructed in the history of the organisation, its purposes, policies and relationships with customers and consumers. External conferences may range from programs on specific managerial techniques to programs on broad topics such as the relationship between business and society. The topics of conferences should be related to the needs of managers and employees and the cost component should be taken into account. Van Dyk, et al. (1998:322-323) differentiate between three types of conferences:

- Direct discussions aiming at helping students to acquire a better understanding and to develop the ability to apply facts, principles, concepts, policies or procedures.
- Training conferences aiming at combining existing knowledge and skills as well as past experience of the students in order to develop new or more principles, concepts, policies or procedures.
- Seminars aiming at finding an answer to a question or a solution to a problem. The answer to the problem is found or developed by the group with the assistance of the trainer.

14. University programs

This refers to the available courses, workshops, conferences and formal programs for training managers and employees, conducted by universities. These programs expose employees to theories, principles and new developments in their work field. Employees should be motivated to register for these programs on their own accord and not to wait for the organisation to nominate and register them.

15. Readings

Readings refer to planned reading of relevant and current applicable literature. It is essentially self-development. Employees should take responsibility for part of their development and this could easily be done through readings.

16. Counselling

Counselling involves discussions on a wide range of issues, many of which might extend beyond the job into aspects such as personal matters and career development. It is a necessary skill to assist in the development of future managers. The essential skills of counselling are concerned with helping people to help themselves referring to the processes of identifying problems, facilitating the exploration of solutions and encouraging them to draw on their inner resources. It is important to help employees to cope with stress and with the problems of overcoming difficulties associated with change. In the increasingly flexible, high performance organisations of the future, managers will experience greater pressures than ever before. Counselling is likely to have an increasing important role to play in encouraging managers to withstand pressure and progress in their development.

17. Networking

Networking implies the relationship between one individual and another individual, group or organisation that provides an additional benefit in terms of information, advice, knowledge or collaboration. Kelly & Post (1995:156-157) have identified the objectives of networking:

- To develop relationships with people or groups in organisations that are in the same field, involved in serving clients.
- Developing an early warning system to address change in a proactive manner.
- To use as an opportunity to influence public understanding of an organisation.
- Providing information about opportunities that might otherwise have been missed.

Networking is an important activity to be applied on a continuous basis to ensure the achievement of the above indicated objectives.

18. Leader match training

This training teaches managers how to understand their primary leadership style and the situations in which that style can be expected to produce the best results. All managers have to receive this training to understand the manner in which they present themselves as leaders. The aim would be to support managers in choosing the leadership style that suits them best but at the same time give the best results in contact with employees.

19. Orientation training

Orientation training is intended to prepare the new employee to function effectively in the organisation. The objective is to provide knowledge of the work and organisational environment in a condensed form. A specific orientation program should be planned and implemented. This will ensure that all new employees receive the same orientation information. It is recommended that orientation training can be extended to employees moving to the next position in their specific work situation, which could have the effect of employees being prepared for the expectations of their new positions.

20. Traditional classroom lectures

The lecture is the most commonly used training technique and is used for the purpose of conveying specific job-related knowledge to employees. Employees within the same job families can be combined in a group to attend lectures related to their job. Lectures have the advantage that a skilled instructor can transmit much information to a large audience over a short period of time, particularly when the information consists of fairly simple facts. Van Dyk, et al. (1998:322) highlight a few disadvantages of the lecture: learners play a passive role while the instructor does all the work which makes it a one-way communication activity; instructors are often ill-prepared or lack effective communication skills; it does not consider individual learning differences; it limits feedback from participants and because of the limited activity by the student, attention fluctuates

during the lecture. This training technique should be used conditionally by capable instructors and in conjunction with other training techniques.

21. On-the-job training

A supervisor or an experienced employee provides this training. It is criticised for being unsystematic, for passing on bad practice and as being costly in terms of possible errors made whilst learning. On-the-job training is applicable and effective for training of technical skills where demonstrations of the job are valuable.

22. Programmed instruction

This training technique involves the presentation of material to be learned in logical sequence, with the employee being required to actively respond at each step of the process and then receive feedback on the effectiveness of this response before progressing. It is a highly standardised process that permits learning at the employee's own pace. Once the program is being created, it does not require the services of an instructor, employees teach themselves. This is an effective training technique and could be used in conjunction with most of the already mentioned techniques. However, a high degree of learner motivation is necessary for programmed instruction to succeed because learning depends entirely on the learner.

23. In-basket exercise

This training technique consists of a simulation of a manager's in-basket, which normally contains a number of documents, files and matters that must be dealt with during the course of the daily or weekly activities. Learners are given a limited time to complete the required task, in the normal order or in order of priority. Prior to the exercise, instructors provide learners with background information concerning the organisation represented in the in-basket exercise. Learners are not allowed to communicate during the exercise, which forces them to undertake independent thinking and problem solving. At the end of the exercise, learners compare and discuss their individual solutions with other members of the group. The in-basket exercise is used to give learners a chance to experience real-life problems but can also be used to develop skills in report preparation, customer relations, disciplinary procedures and time management (Van Dyk, et al., 1998:325). It is recommended that this training technique be used with the orientation training technique where employees have been promoted.

24. Brainstorming

This technique is usually used in conjunction with lectures and conferences. Brainstorming serves as a creative problem-solving method because it concentrates on the maximum possible solutions to a specific problem, which can be generated within a limited time. It is used to develop new ideas to solve problems and to encourage creativity and the participation of learners. The problem is that the quantity of ideas takes precedence over the quality of ideas. The actual evaluation of ideas

only takes place at the end of the session to ensure that the creative spirit of learners is not dampened (Van Dyk, et al., 1998:329).

25. Demonstration

The demonstration is an instructional technique whereby an instructor demonstrates to the learners what to do and how a job or task should be performed. During the demonstration the instructor also explains why, where and when the job or task is performed. Learners are often required to perform the job or task themselves after the demonstration (Van Dyk, et al., 1998:329). Demonstration is a technique that can be used effectively during on-the-job training.

4.5 Benefits of training and development

Training and development are important for employees as well as organisations. Both are to meet new needs and adapt to changes in the environment. Training and development are the only means through which the requirements and the expectations of the changed environment can be met. The organisation and the employees obtain certain benefits from training and development (Koontz, et al., 1984:444; Werther & Davis, 1993:322 and Van Dyk, et al., 1998:377-378):

4.5.1 Benefits to the organisation

- Improves the job knowledge and skills at all levels of the organisation.
- Helps create a better organisational image.
- Encourages genuineness, transparency and trust among employees and among employees and management.
- Improves the relationship between manager and subordinate.
- Aids in organisational development.
- Helps prepare guidelines for work.
- Aids in understanding and carrying out of organisational policies.
- Provides information for future needs in all areas of the organisation.
- More effective decision making and problem solving.
- Aids in developing leadership skills, motivation, loyalty and better attitudes resulting in improved management performance.
- Ensures increasing productivity and quality of work.
- Develops a sense of responsibility to the organisation for being competent and knowledgeable.
- Stimulates proactive management.
- Creates an appropriate climate for growth and communication.
- Aids in handling conflict thereby helping to prevent stress and tension.
- Provides measurable results or improvements in the employees and the organisation in terms of lower turnover, accidents, and absenteeism.

4.5.2 Benefits to the individual employee

- Helps the employee in making better decisions and in effective problem solving.
- Through training and development, motivational variables of recognition, achievement, growth, responsibility and advancement are internalised and operationalised.
- Aids in encouraging and achieving self-development and self-confidence.
- Helps employees handle stress, tension, frustration and conflict.
- Provides information for improving leadership, knowledge, communication skills and attitudes.
- Increases job satisfaction and recognition.
- Moves an employee towards personal goals while improving interaction skills.
- Develops a sense of growth in learning.
- Develops employees' speaking and listening skills; also writing skills when exercises are required.
- Helps eliminate fear in attempting new tasks.
- Helps employees to identify with organisational goals.
- Helps employees adjust to change.

4.6 Conclusion

Broadwell (1987:17) makes the conclusion that organisations train employees *"not because we always have" or "the employees expect it". There needs to be a better reason for training and a stronger commitment by everyone to the value of training.* Reasons identified for employees wanting to learn are that they have a desire for reward; have a fear of punishment; are curious or are incompetent. There are also reasons why employees do not learn: lack of motivation to learn; lack of background knowledge to understand the training; wanting to be rebellious against authority and failure to relate the training they receive to the work.

Researcher recommends that a total change in attitude towards the training and development of employees and managers should be made. Organisations should change their attitude and implement the strategic human resources development management strategy more specifically and effectively. Middle managers should accept responsibility for implementing the training and development model as the practical component of the SHRD management strategy. This can ensure that managers are in control of the performance in their section. They can ensure that employees receive applicable and necessary training to achieve individual and organisational goals.

5. MANAGEMENT INFORMATION SYSTEMS (MIS)

5.1 Introduction

"Personal computers have the capability of increasing both the productivity of managers and the quality of their decisions." This is a statement by Ivancevich, et al. (1989:135) but unfortunately not all organisations accepted the value of the statement. Many managers do not have direct access

to computers and can thus not benefit from computer technology. However, having access to a computer and being computer literate are not sufficient for managers to make use of management information systems as a strategy of management. Knowledge on available management information systems as well as available software can ensure managers make informed decisions in terms of applicable systems and software resulting in management practice being accountable.

As early as 1986 Mutschler & Hasenfeld (1986:345-349) described Integrated Information Systems for social work practice. They indicate that the attitudes of social services organisations toward computer technology changed due to two main reasons:

- There are greater demands on social services organisations for accountability and demonstrated efficiency. These demands require organisations to generate information about their activities and to document the quantity and quality of the services they provide as well as how accessible their resources are.
- The rapid development of low-cost computer-based management information systems presents an opportunity to organisational administrators to use such technology to cope with the increasing informational demands faced by the organisation.

The use of MIS by social work supervisors as a management tool is a new development within social work practice. Supervisors have to identify their needs in terms of MIS that can contribute to their control in their sections. These systems should enable them implement cost-effective and accountable management practice.

5.2 Defining MIS

The computer, being the main component of MIS, is an aid for use by people. It is a machine that can solve problems by accepting data, processing it and providing the processed results. It is thus an aid applied for a specific purpose. Ackermann (1995:23) indicates that the computer consists of three components:

- hardware which is the apparatus and includes a computer that physically processes data;
- software which refers to the program or instructions that tell the computer what to do; and
- the computer user who is the person that activates the computer by providing the instructions and operating it.

Galliers & Baker (1995:19) refer to the late 1970s when Keen and Scott Morton indicated that the management information system was a prime example of a "content-free" expression. They implied that the concept meant different things to different people and that there was no generally accepted definition. When MIS are interpreted practically, MIS imply computers and the phrase "computer-based information systems" is used, as it seems to be more precise. Galliers & Baker (1995:19) also refer to Sprague and Carlson (1982) who gave meaning to MIS by identifying it as a computer system with certain characteristics. These characteristics are aspects such as an

information focus aimed at middle managers; structured information flow; integration of data processing according to job functions e.g. personnel MIS; and a database for inquiries and reports.

Information on management information systems within the literature was confusing in terms of the tendency throughout to use abbreviations. To be sure about the contents of management information systems, the following definitions are provided to prevent confusion (Robson, 1994:70-71):

- Information Technology (IT): Any "kit" concerned with the capture, storage, transmission or presentation of information.
- Management Information Systems (MIS): Represent the entire portfolio of computer-based systems and their complementary manual procedures. Together these systems strengthen the operation of a business and include everything from routine data processing (DP), transaction processing activities, through to decision orientated support.
- Decision Support Systems (DSS) and Executive Information Systems (EIS): Those systems designed and implemented specifically to address the need to provide automated support during the decision making process, including the problem awareness and definition stages.
- Strategic Management Information Systems (SMIS): Contains systems considered critical to the current or future business competitiveness of an organisation. One must assess the competitive circumstances of a given organisation before attaching the title SMIS to a particular system.
- Information Systems (IS): That part of the whole organisation and/or that part of an individual manager's activity related to IT, MIS, DSS or SMIS.

5.3 Implementation of MIS

To effectively utilise MIS the operation of the computer must be mastered. The operation of the computer consists of three basic actions: input, processing and output. The process is also referred to as data processing. MIS are the computerisation of all activities within an organisation. When any event occurs, the event provides the raw material for the MIS. The event may be recorded (input), appropriately stored, transmitted, combined with other raw materials (processed) and ultimately presented in some appropriate way (output).

Robson (1994:72) indicates that the technologies and techniques for doing all this may be complex and naturally develop and change over time. He therefore identifies (1994:91) circumstances that contribute to the necessary modification of the MIS objectives:

- major organisational changes
- external competitive opportunities or threats
- advancement and changes in IS.

The main objective in the modification is to regain control over information, irrespective of the strategy for the technical delivery of it and consequently to be able to take advantage of the use of information to improve the performance of the organisation.

When applying MIS and thus computer technology, it must be done with a specific purpose. To have MIS in place that are effective and efficient for the specific organisation, the following factors should be taken into account and decided upon before any expenditures are made on purchasing hardware or software:

- what activities are to be recorded,
- which of the organisation's activities require monitoring,
- to what extent do they need to be monitored, and
- what format for input and output will be effective for the specific organisation.

Different levels of MIS within the management hierarchy are applicable:

- Top management using MIS for strategic planning.
- Middle management using MIS for management control and tactical planning.
- Operational employees using MIS for operational planning and control.

The effectiveness of MIS support to each level is cumulative i.e. informed decision making at each level depends upon the MIS constructed for that level plus those of the lower ranks. In the study of MIS this perception of serving different levels of management activity is important since it has an impact on the nature of the decision making process such as the degree of structured or unstructured decisions and the significance of internal or external sources of raw material to the MIS (Robson, 1994:73-74).

According to Mutschler & Hasenfeld (1986:345) most social services organisations adopt computer technology to develop a management information system (MIS) primarily to support administrative decisions such as accounting and budgeting. The interests of administration and management consequently dominate the entire design of MIS. Such systems are seldom designed to accommodate the needs of social workers themselves, even though they are the primary sources of the data being used by the MIS. Contradictory to the above indication, Clark (1988:15-19) indicates that computer technology can be used with positive results by social workers themselves. The implication is that specific MIS should be developed to accommodate the needs of social workers.

Since the focus is on the use of MIS as a management strategy, possible computer applications of MIS are the following:

- Personnel applications with direct access to personnel files. Information such as promotion date, personnel evaluation date, leave taken and leave available, any official complaints made by the employee and any official complaints against the employee are important for the manager. The manager will also be able to make direct notes on the file on all actions taken pertaining to the employee.

- Administrative applications referring to all other types of reports to be compiled e.g. monthly reports and general office administration. Each office can have access to the section of the financial budget applicable to their office. This results in managers being able to take responsibility for the expenses within their offices.
- Research applications through direct access to information search systems at university libraries.
- Statistical applications are also possible, as managers keep record of every aspect of the work done in their sections.

According to Robson (1994:77) the effects of management information systems can be good or bad. Good may represent an increase in job satisfaction whilst bad includes the sense of distance created from the loss of personal communications. However, the degree of disruption and distress that can be experienced from the introduction of a new MIS is an issue for the management of change. Training and development of employees can become a challenge.

5.4 Available and applicable software

As the implementation of MIS in any organisation can be confusing and disruptive, it is important that an organisation first do research on available systems (Clark, 1988:16) and identify the needs of the organisation to be satisfied by the MIS. Ackermann (1995:25) identifies two broad groups of software within computer literature:

5.4.1 System software includes programs such as DOS and Windows. These programs support, guide and control a computer system.

5.4.2 Application software refers to computer programs that, together with the system software, give instructions to a computer regarding how the work must be done. A distinction is made between application software and integrated software.

- Application software programs refer to individual programs that have already been developed. These programs are divided into two categories: specific application programs that are developed for one specific application only and general application programs that serve more than one purpose. According to Ackermann (1995:25) the most common and popular application software programs are databases, electronic spreadsheet programs, word processors, graphic packages and electronic communication (e-mail).
- Integrated software programs integrate several functions into one program and allow different programs such as identified above, to use the same data. There are four approaches to integrated software: the integrated family of programs, all-in-one integrated package, integrated operational environment and suite. The last two approaches are the latest and most popular development with regard to integrated software (Ackermann, 1995:26).

- The integrated operational environment is a program, known as the integrator or window manager, which allows multiple applications to run simultaneously while using the same data.
- The suite enables the computer user to buy different programs in one package instead of buying each individually.

The conclusion is made that there are software packages available that will satisfy the needs of each organisation. It is also possible to develop MIS for a specific organisation when their needs are of such a nature that the present available software is not sufficient.

5.5 Limitations of MIS and computer technology

The benefits of MIS have been indicated within the above discussions, specifically the discussion on the implementation of MIS. However, there are limitations to the use of MIS of which most have a direct link to the human factor activating the systems. In the social work profession, the use of MIS has ethical dilemmas and limitations (Schoeman & Botha, 1993:307-318). The following limitations are indicated by Ackermann (1995:26-27) as being the most serious in the present organisational environment:

- The computer cannot create application programs or create inputs by itself. It requires human input and a human operator to operate and maintain it.
- Although the computer is an aid enabling managers to manage cost-effectively and purposefully, it can also lead to the wasting of time if managers undertake tasks that should rather be performed by administrative staff like a typist.
- Money is also wasted by continually pursuing the latest technology. It is important for the technology purchase to suit the specific long term and short term needs of the organisation and not the individual preferences of managers.
- Client confidentiality must be protected by ensuring that there is no unauthorised access to the organisation's database. This limitation has a direct link with the ethical dilemmas as referred to by Schoeman & Botha (1993:307-318).

5.6 Conclusion

The potential of management information systems and the use of a computer are summarised in the fact that it enables managers to perform tasks quickly, accurately and reliably. A computer's capability includes aspects such as speed, storage capacity, reliability, adaptability and the identical multiple repetition of a command. The progress made in the use of computers in social services organisations suggests that this technology is an integral component of management and practice. Most important is that the manager must have basic computer knowledge and skills to utilise this technology to the benefit of the organisation and the client system. The attitude with which this technology is applied must promote service rendering. MIS can be viewed as supportive

to optimising services to the client system, as the manager is enabled to meet the requirements of accountable and cost-effective management practices.

Presently, the value of personal computers is widely known but the attitude of organisations in some cases proves to be a problem. In the more computerised organisations, management is better organised, better motivated and have a wider view on the world outside their organisation. The end result could only be improvement in their management style to the benefit of the organisation, the employees and the client system.

6. STRATEGIC MANAGEMENT

6.1 Introduction

Strategic management is also referred to as strategic planning. The concept creates the impression that it is only applicable to the most senior management within an organisation. However, all managers participate in strategic management and use it to effectively manage their specific sections within the organisation. The process of strategic management is implemented within each section of the organisation as each section has a vision of needed development.

Researcher is of the opinion that a social work manager can implement the steps of the process of strategic management in the planning of the development of each social worker in his section as well as in the development of the total section. Strategic management can thus be successfully implemented as a management strategy.

6.2 Defining Strategic Management

In defining strategic management it was evident that the concept has reference to the long term planning of an organisation as well as the different aspects related to the successful implementation of the selected strategic plan. There is a comparison between the processes of strategic planning and problem solving. Both allow for alternatives to be identified and a choice to be made in terms of the best possible alternative. Implementation of the choice and the evaluation of results are present in both processes.

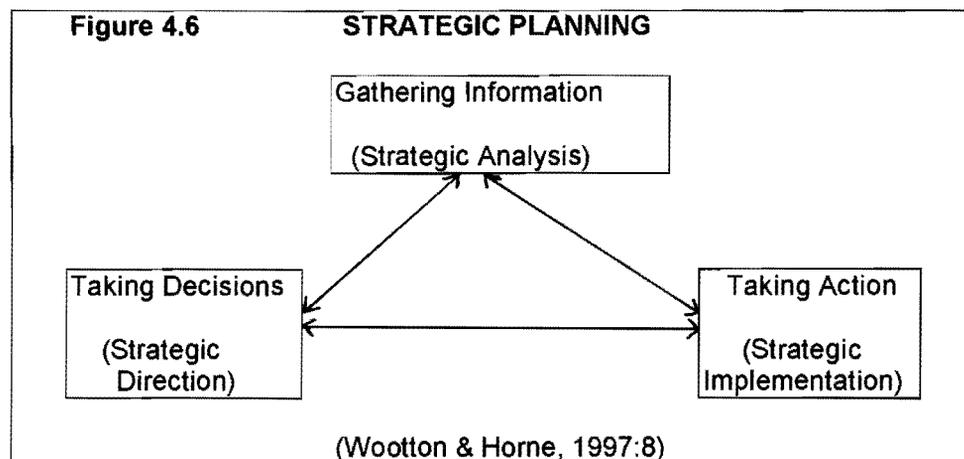
Definitions from different authors on the concept of strategic management or strategic planning are:

- Strategic management is the set of decisions and actions resulting in formulation and implementation of strategies designed to achieve the objectives of an organisation (Pearce & Robinson, 1988:6).
- Strategic management is a systematic approach to a major and increasingly important responsibility of general management to position and relate the organisation to its environment

in a way, which will assure its continued success and make it secure from surprises. Strategic management is the decision process that aligns the organisation's internal capability with the opportunities and threats it faces in its environment. Strategic management encompasses the entire organisation and looks beyond day-to-day operating concerns in order to focus upon the organisation's long term prospects and development (Robson, 1994:5,6).

- Strategic planning defines the objectives of an organisation, the resources required to pursue the objectives and the policies that govern the acquisition, deployment and use of the resources (Fidler & Rogerson, 1996:23).

For the purposes of this study, the manner in which Wootton & Horne (1997:8) have illustrated strategic management as three fundamental parts (Figure 4.6) is accepted as the most practical description of strategic management as a management strategy. Each fundamental part has three specific steps implying strategic management to be a nine-step process. These steps are included in the discussion on the process of strategic management.



6.3 Assumptions of strategic planning

Certain aspects are essential for success in strategic management. Managers must ensure that these aspects are present during the strategic planning process. These assumptions can be related to the progress during the strategic management process. Van Dyk, et al. (1998:150) identify the assumptions of strategic planning as:

- Organisational purpose is the starting point for strategic planning.
- Strategy planning is, in part, based on identification of organisational strengths and weaknesses.
- It is based on examination of the future and the external environment.
- Future implications of present decisions and not future decisions are the main aim of strategic planning.

- Strategy planning is a mental activity that requires holistic thinking. Creativity and problem solving are essential to the process.

6.4 Levels of strategic planning

There are different levels of strategic planning within the planning hierarchy of an organisation. The levels are differentiated according to responsible managers and time periods (Van Dyk, 1998:153).

- Strategic planning is the responsibility of top level management. It is directed towards achieving long term goals and objectives over several years. Strategic plans are uncertain and involve high degrees of risk. They contribute to decision makers being able to anticipate changes in an external environment over which management do not have control. Strategic plans play an important role in organisational success or failure.
- Coordinative or tactical planning is of intermediate term. It is primarily the responsibility of middle managers. It determines the distribution of the available resources of the organisation to achieve objectives. The policies and strategies established in the strategic planning process are followed in tactical planning.
- Operational planning is short term. It is the primary concern of the first line supervisors. Annual budgets are expressions of operational plans. It involves scheduling and moving needed resources. These plans are linked to their longer term strategic and coordinative counterparts.

It is concluded that social work managers have a responsibility toward tactical planning and operational planning. Within tactical planning the managers provide input in the coordination of planning between different sections of the organisation. In operational planning the input is directed towards the individual section and the individual employees of the section.

6.5 Process of Strategic Management

"A process is an identifiable flow of information through interrelated stages of analysis directed toward the achievement of an aim." (Pearce & Robinson, 1988:57.) In the strategic management process the flow of information involves historical, present and forecast data on the organisation, its services and the environment. This information is evaluated in terms of the values and priorities of influential individuals and groups within the external environment of the organisation.

6.5.1 The process of strategic management:

This process is identified and discussed by different authors (Pearce & Robinson, 1988:52-57; Robson, 1994:25-26,49,58-59; Genus, 1995:11; Wootton & Horne, 1997:7-125 and Van Dyk, et al., 1998:147-150). The following process is a combination of the information derived from these authors and divides the process into three phases each with specific steps. Phase 1 is the

Strategic Analysis entailing steps 1, 2 and 3; Phase 2 is providing Strategic Direction according to steps 4 to 9; and Phase 3 is the Strategic Implementation according to steps 10 and 11.

Phase 1: Strategic Analysis

Step 1: Determine the mission of the organisation

This entails a general, lasting statement of the purpose of the organisation, implying the image the organisation wants to project. The mission reflects the organisation's self-concept and indicates the principal service areas and primary client needs the organisation will attempt to satisfy. The task during this step is to determine the mission of the organisation considering the above mentioned information.

Step 2: Organisational profile

The profile reflects the quantity and quality of financial, human and physical resources available to the organisation. The profile assesses the inherent strengths and weaknesses of the organisation's management and structure. It also compares the historical successes of the organisation and the traditional values and concerns of the organisation's present capabilities in an attempt to identify the future. This step entails the developing of an organisational profile that reflects internal conditions and capabilities.

Step 3: External environment

The external environment consists of all the conditions and forces that affect the organisation's strategic options but are beyond the control of the organisation. It consists of two interactive and interrelated parts:

- Operating environment consisting of the forces and conditions within a specific competitive operating situation, external to the organisation, that influence the selection and attainment of alternative objectives. Changes in the operating environment result from strategic action taken by the organisation or its competitors or clients.
- Remote environment referring to forces and conditions that originate beyond and usually irrespective of any single organisation's immediate operating environment. It provides the general economic, political, social and technological framework within which competing organisations operate.

During this step the external environment of the organisation is assessed in terms of both these environments.

Phase 2: Strategic Direction

Step 4: Strategic analysis and choice

Simultaneous assessment of the external environment and organisation profile enables an organisation to identify a range of possibly attractive interactive opportunities. The full list must be screened through the criterion of the mission of the organisation before a set of possible and desired opportunities is generated. This process results in the selection of a strategic choice. It is

meant to provide the combination of long term objectives and grand strategy that will optimally position the organisation in the external environment to achieve its mission. Critical assessment of strategic alternatives involves developing criteria for comparing one set of alternatives with all others. The alternatives are compared to determine which option will have the most favourable overall, long term impact on the organisation.

Step 5: Long term objectives

The results an organisation aims at over a multi-year period are its long term objectives. Each objective must be specific, measurable, achievable and consistent with other objectives of the organisation. Objectives are statements of what is expected from performing a given set of activities. During the previous step a strategic choice was made and this step entails the specification of the long term objectives to achieve the expected results.

Step 6: Grand strategy

The comprehensive, general plan of major actions through which an organisation intends to achieve its long term objectives is called the grand strategy. This statement of means indicates how the objectives are to be achieved. It combines all plans to ensure that they do not work at cross-purposes.

Step 7: Annual objectives

The results an organisation seeks to achieve within a one-year period are annual objectives. Short term or annual objectives involve areas similar to those entailed in long term objectives. The differences between them result principally from the details specified in short term objectives. This step ensures that annual objectives and short term strategies, compatible with long term objectives and grand strategies, are developed.

Step 8: Functional strategies

Within the general framework of the grand strategy each section of the organisation needs a specific and integrative plan of action. Most strategic managers attempt to develop an operating strategy for each related set of annual objectives. Operating strategies are detailed statements of the means to be used to achieve objectives in the following year. During this step functional strategies for the achievement of objectives are developed.

Step 9: Policies

Policies are directives designed to guide the thinking, decisions and actions of managers and their subordinates in implementing the strategy of the organisation. They provide guidelines for establishing and controlling the ongoing services of the organisation consistent with the organisation's strategic objectives. Policies are often referred to as standard operating procedures and serve to increase managerial effectiveness by standardising many routine decisions and limiting the options of managers and subordinates in implementing operation strategies. This step

ensures that the applicable policies are identified and implemented for the achievement of the objectives.

Phase 3: Strategic Implementation

Step 10: Implementation of the strategy

Annual objectives, functional strategies and specific policies provide important means of communicating what needs doing to implement the overall strategy. Successful implementation requires effective management and integration of structure, leadership and culture to ensure the strategy becomes an integral part of the daily functioning of the organisation. This step in the process of strategic planning is usually the most neglected step because top managers too often change strategy without making adjustments to support the change within the organisation. Common problems in implementation usually result from failures to align duties, reporting relationships, leadership talent, employee talent, incentives and policies with the desired strategy. This step thus entails the implementation of strategic choice decisions based on budgeted resource allocations and emphasising the matching of tasks, employees, structures, technologies and reward systems.

Step 11: Control and evaluation

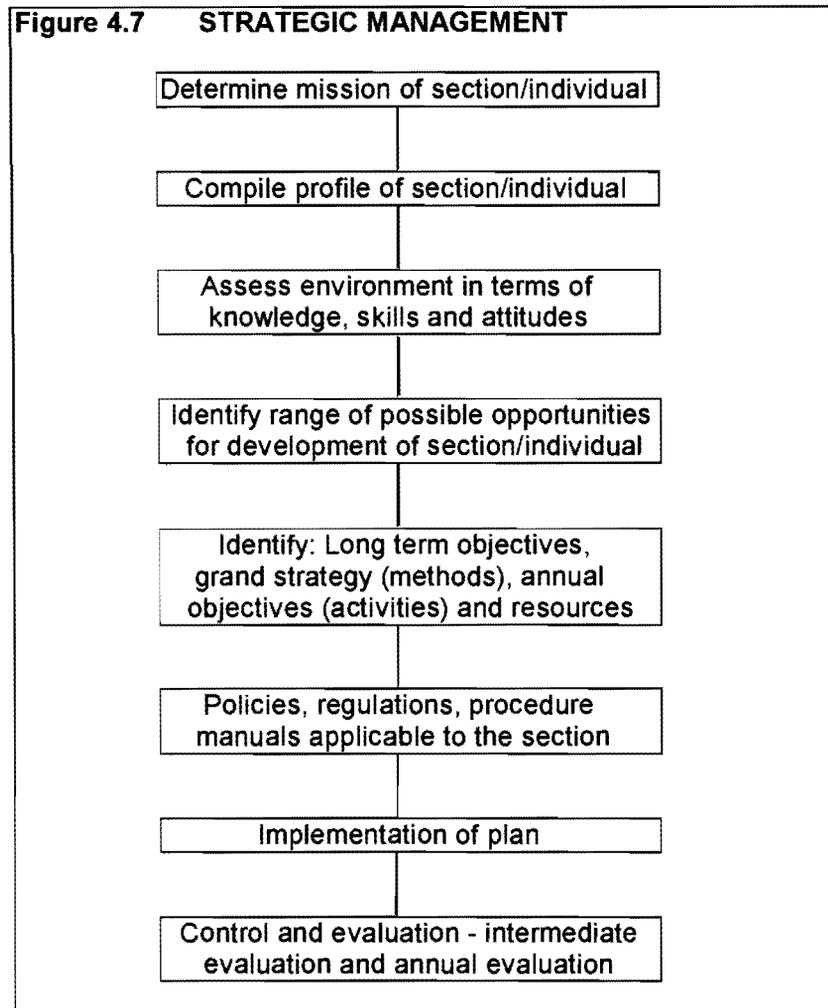
An implemented strategy must be monitored to determine the extent to which objectives are achieved. Managers must apply monitoring and controlling methods to ensure their strategic plan is followed. In the final analysis, an organisation is only successful when its strategy achieves predetermined objectives. During this step the success of the strategic process to serve as a basis for control and as an input for future decision making are reviewed and evaluated.

6.5.2 Certain implications of the strategic management process are to be considered to ensure success. Pearce & Robinson (1988:58-59) identify these implications:

- A change in any component will affect several or all other components.
- Components follow in a specific order.
- There should be feedback from implementation, review and evaluation in terms of post implementation results collected as input for the enhancement of future decision making. Strategic managers should attempt to assess the impact of implemented strategies on external environments.
- The process should be viewed as a dynamic system. Dynamic describes the constantly changing conditions that affect interrelated and interdependent strategic activities. Change is continuous and the dynamic strategic planning process must be constantly monitored for significant changes in any components as a precaution against implementing an obsolete strategy.

6.5.3 Practical implementation of strategic management

On grounds of the above discussed process of strategic management researcher is of the opinion that the practical implementation of this process can be done within a section. The steps are interrelated and are reviewed continually to ensure the planned objectives are achieved. This practical implementation is illustrated in Figure 4.7 and each step explains itself and additional explanation is not provided.



6.6 Benefits of strategic management

Strategic management as a management strategy emphasises interaction throughout the process between managers at all levels of the organisational hierarchy as well as between managers and subordinates. As a result, certain behavioural consequences characteristic of participative decision making come to the fore. Pearce & Robinson (1988:19-20) identified several of these behavioural effects that contribute to the improvement of the welfare of the organisation:

- The activities in the formulation of strategy improve the problem prevention capabilities of the organisation. The result of encouraging and rewarding subordinates giving attention to planning

considerations is that subordinates support managers in their monitoring and forecasting responsibilities.

- Group-based strategic decisions are likely to reflect the best available alternatives. Better decisions are outcomes of the process for two reasons:
 - generating alternative strategies is facilitated by group interaction; and
 - screening of options is improved because group members offer forecasts based on their specialised perspectives.
- Employee motivation is improved as employees better appreciate the relationships between productivity and reward. When employees participate in the strategy formulation process, a better understanding of the priorities and operation of the organisation's reward system is achieved.
- Differences and overlaps in activities among different individuals and groups are reduced as participation in strategy formulation leads to a clarification of role differentiation. The group meeting format, which is characteristic of several stages of a strategy formulation process, promotes an understanding of individual and subgroup responsibilities.
- Resistance to change is reduced through the required participation of employees as it helps eliminate the uncertainty associated with change. The acceptance of new plans is more likely if employees are aware of the boundaries that limit the available options.

6.7 Risks or unintended negative consequences of strategic management

Due to the lengthy process of strategic management, there are certain risks or negative consequences resulting from it. Pearce & Robinson (1988:20) identified them but also made suggestions for the handling thereof:

- The strategic management process is costly in terms of hours invested by participants. The negative effects of managers spending time away from work should also be considered as having an effect in terms of costs. Managers must be trained to schedule their duties to provide the necessary time for strategic activities while minimising any negative impact on operational responsibilities.
- If the formulators of strategy are not involved in the implementation of the strategy, individual responsibility for input to the decision process and subsequent conclusions can be neglected.
- Strategic managers must be trained to anticipate, minimise or constructively respond when participating subordinates become disappointed or frustrated when expectations are not achieved. It frequently happens that subordinates perceive an implied guarantee that their involvement in strategy formulation will result in acceptance of their preferred plan and an increase in clearly associated rewards. They may also make the wrong conclusion that a strategic manager's application of their input on selected issues will extend to other areas of decision making. Managers should be sensitive to these issues and be prepared with effective means of neutralising or minimising such negative consequences.

The second and third consequences as identified can create the most problems. Managers must ensure that within their own sections, employees understand and accept full responsibility for participating in decision making and the implementing of decisions.

6.8 Conclusion

Strategic management as a management strategy can be implemented with success but it requires total commitment and understanding from the manager and his subordinates. Bunning (1992:59) suggests that a staff development program be available to enhance, when necessary, the knowledge, skills and attitudes required at various levels for the successful implementation of the strategic plan. He also indicates that the reward systems of the organisation be reviewed to ensure that the new behaviours required by the strategic plan are acknowledged and rewarded. Plans should be closely linked with the financial budget to ensure that funds are allocated to the areas of intended activity. By implementing these suggestions the likelihood of the strategic planning to achieve the intended level of change and development will increase as employees will be motivated to participate.

7. SUMMARY

A wide variety of information was available on management strategies. This chapter aimed at discussing five management strategies i.e. performance management, management by objectives, strategic human resource development, management information systems and strategic management as possible support systems for managers in the management of their work load and their subordinates.

In the discussion of performance management attention was given to the objectives of performance appraisal and the performance management process. Certain implementation issues in performance management were identified and discussed. The problems that can be experienced in performance management as well as the benefits that can be derived from effective implementation of performance management were identified to be important as it could have an influence on performance management being a support to managers. Managerial performance management was identified as a neglected area as managers experience themselves as being above evaluation. Potential appraisers such as peer appraisers, self-appraisal and subordinate appraisal were identified and their value within the performance appraisal process discussed. Performance appraisal instruments were only briefly discussed.

Management by objectives is a management strategy that has objectives as central component. Objectives were thus extensively discussed as well as the characteristics of MBO. It was indicated that the implementation of a MBO strategy within an organisation rely on the training managers and employees receive on the strategy. The decision to implement MBO within an organisation has to flow down from top management to employees to ensure acceptance of the strategy. The

limitations and benefits of MBO were discussed with emphasis on the role of management in the process. The MBO process can be implemented on two levels: senior management planning objectives for the organisation and individual employees planning individual objectives for themselves within their sections.

The importance of training and development of managers was stressed in the discussion of strategic human resource development as management strategy. Clarity was provided on the concepts of education, training and development. The SHRD model was discussed but the training and development process was identified as the responsibility of the middle manager. The SHRD model implied the development of a HRD strategy for the organisation. A multiple possible training techniques such as computer based training, case studies, role play, outdoor training, mentoring and peer training were identified and discussed. The benefits of training and development for the organisation as well as the individual employee were identified and discussed.

Management Information Systems as a management strategy have many possibilities. However, the attitudes of organisations toward providing managers with access to these systems need to be changed. It was found that different MIS are applicable to different management levels in an organisation – top management has access to all systems, middle management has access to systems on their level and the lower level and the operational employees have access only to systems applicable to their service delivery. The available and applicable software were briefly indicated but it was recommended that an organisation has to do research in order to establish which type of hardware and software will serve their specific purpose. The limitations of MIS and computer technology were highlighted as it has an impact on decisions concerning this technology.

Strategic management was the most difficult of the five identified management strategies to be discussed, as its process is very comprehensive. The levels of strategic planning i.e. strategic planning, tactical planning and operational planning provided more clarity on the responsibilities of the different levels of management within the strategic planning process. The process of strategic planning was discussed according to three phases enclosing eleven steps and researcher made a suggestion on the practical implementation of the process within one section of an organisation. The benefits and the risks of strategic management indicated that certain positive behavioural consequences could be experienced as well as unintended negative consequences with the implementation of strategic management as management strategy.