The Impact of Performance Management on Aircraft Maintenance Organisations across Gauteng Province.

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Abstract – Performance management is recognised as a critical component of every successful organisation towards the delivery of superior organisational performance. The Performance Management System (PMS) has been introduced in the South African public service and State-Owned entities with the intention of performance evaluation, performance review, and performance assessment, training and development of the underperformers, and recognition and rewarding of good performance. This study was undertaken as an attempt to investigate whether performance management in the South African Aviation Industry, specifically Aircraft Maintenance Organisations (AMOs) of Gauteng Province has any contribution to the improvement of overall organisational performance to ensure safer skies. For the exploration of performance management impact, this research adopted a quantitative approach.

The target population for this study consisted of 142 employees across various AMOs across Gauteng Province, from which a study sample of 85 individuals was drawn. A questionnaire was used to collect the data for the research which was analysed using descriptive and inferential statistics. The findings of the study revealed suboptimal performance within the AMOs across Gauteng Province as well as an inadequate performance management system within the organisation. The results of the regression analysis on the data collected revealed that the AMOs’ performance management system has a positive and significant impact on the overall Industrial performance.

Performance reward and recognition within various AMOs was observed to have the greatest impact on the organisation's performance. Hence, improvements in the performance management system, particularly with regard to performance reward and recognition, would result in an improvement in the performance of the Aviation Industry. Based on these study findings, recommendations were made to the Aviation Industry of Gauteng Province:

The recommendations focus mostly on improvements in the ‘reward and recognition of performance’ aspect of AMOs performance management system. The performance objectives of the organisation should be set with the contribution of the employee and they should be mutually agreed up between employees and the employer. Resources should be allocated towards improving the ability of various AOMs to conduct better performance appraisals hence; there should be the provision of adequate training and coaching of performance evaluators as well as the rest of the employees, and if they are taken into consideration and implemented they will likely improve the performance of the AMOs across Gauteng Province.

Keywords: Performance Management, Aircraft Maintenance Organization, Aircraft Maintenance Engineer.

1. INTRODUCTION

After South Africa attained democracy in 1994, it became clear that the country should undergo a transformation process in implementing a performance management Systems (PMS). This was to ensure that the imbalances of the past which were characterized by disparity, bias and discrimination against the majority of state owned entities and government employees are eradicated in accordance to chapter 10 of the Constitution of the Republic of South...
Africa (1996), Act No. 108 of 1996, the Public Service Act of 1994, as well as the Public Regulation Act, 2001 of 01 July 1999. Performance is viewed as a “holistic process” which integrates all the various needs that are required to reach advantageous system of people management that concentrates on ‘learning and development’. Whenever performance management is done correctly, the impact on business yields positive results, and performance management becomes a tool for motivation and partnership.

A background to the study is briefly undertaken in order to provide a basis for the problem statement and research objectives. According to Hassan (2013: 56), performance management is the vital factor for the success of an organization because in the current world human resources are considered to be one of the essential factors for an organization. Employees should know from the start of the year that what their desired goals, objectives and targets are so that during the year he can put his efforts in the right direction for the achievement of the goals (Arnaboldi, Lapsley and Steccolini, 2015: 3).

AMOs, like all organisations, has a management strategy to retain and invest in its employees. Majority of AMO employees are licenced by South African Civil Aviation Authority (SACAA) as Aircraft Maintenance Engineers (AME) who are committed to ensuring that South Africans and all those who utilises our aircrafts remain safe in the skies. Their jobs among others include: inspection and maintenance (both scheduled and unscheduled) of aircrafts to ensure compliance with the Civil Aviation Regulations (CAR).

According to Gungor (2011: 1510-1520), organisations seek to develop, motivate and increase the performance of their employees in a variety of human resources applications, thus, performance management should be an important step in the organisations’ Human Resources Management (HRM) systems and influence employee performance then to organisational performance. Performance management can be regarded as a continuous process of managing the performance of people to get desired results. Performance management is beneficial to major stakeholders of an organization by clearly describing what is supposed to be done for attaining certain desired goals.

For the purpose of this study, the emphasis is on the administrative side, and how performance management system impacts the overall performance of various AMOs in order to help the organisation achieve its objected goals. Even though performance management system depends on employees and management to oversee the completion process and ratings, it is championed by the human resource management (HRM) office.

2. RESEARCH PROBLEM

Levi (2014:10) states that businesses are aware that they need to reduce costs, improve quality, reduce the time spent on creating new products, improve customer service and increase their adaptability to an increasingly competitive environment”, and to realise this goal, organisations need to adopt an all-inclusive management style, obtaining the involvement and commitment of staff within the organisation, and utilising resources, including employee talent to achieve the organisation’s goals. There is no better resource than human capital, and Performance management plays a great deal in ensuring that all businesses and organisational objectives are fulfilled with minimum friction. South African government in pursuit to improve the quality in both public and private services introduced different initiatives such as the Public Service Regulations (2001), White Paper on Human Resource Management (1997) and, the White Paper on Transforming Public Service Delivery (Batho Pele Principles (1997). In aviation industry, to encourage safety, AMOs have implemented PMS across different components and sections of the organisation. It is reported by SACAA Service Defect Reports (SDR, 2018) that over hundred and twenty (120) accidents/incidents were reported with the SACAA by the aviation industry in South Africa between 2016 and 2018. It is worth noting that aviation industry is a heavily regulated industry. The consequences of such reported incidents and accidents might be dire if they are not addressed. It is for that reason that the impact of Performance management in AMOs needed to be explored.the researcher, who has been in the aviation industry for seven years seek to explore the following: Performance management and its impact on organisational performance in the aviation Industry of Gauteng Province. By implementing PMS, organisations aim to increase productivity which was to amongst other things ensures that aircrafts that are regarded airworthy are indeed safe.
OBJECTIVES OF THE STUDY

The research study sought to attain the following objectives:

- To assess the current performance management system in place at AMOs across Gauteng Province.
- To determine the impact of performance management on the organisational performance.
- To offer recommendations that can improve the performance in Aviation industry of Gauteng Province.

Research Questions

According to Leedy and Ormrod (2014:39), research questions provide guidance for the kinds of data the researcher has to collect and suggest how the researcher should analyse and interpreted the data collected. For this study, the researcher seeks to provide answers to the following questions:

- How effective is the current performance management system in place at various AMOs in Gauteng Province?
- What is the impact of performance management on the organisational performance?
- What recommendations that can improve the performance management system.

3. LITERATURE

According to Mustafa (2013: 4), performance management refers to a system by which an organization evaluates and develops its employee's skills, behaviour and individual performance to enhance overall organizational performance in this competitive business environment. A high-level organization management could not be without a high level of employees’ performance management in this age of competition. Managing a business is even more demanding when market conditions are tougher or uncertain. Planning can be difficult when your business, its customers and suppliers are faced with rising prices, falling sales, shrinking margins, and cash flow problems (Bussin, 2013: 1).

According to Public Policy Institute of Wales (2014, Report No.3), performance management can be described as the policies, strategies and techniques intended to direct managers’ and employees’ attention towards the improvement of an organization’s performance. Within the public sector, performance management may also be useful to politicians and a focus on “managing for results” has become an important complement to the traditional emphasis on managing inputs (budgets and staff) and managing processes (rules and structures). As such, it has a clear affinity with the strategies for improving the performance of business organizations, some of which have previously been imported into the public sector (albeit with mixed success), such as management by objectives and corporate planning.

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In order to get the balance right, organisations are increasingly focusing on performance management. The knowledge Human Recourse Survey (2011), which surveyed 432 organisations employing 1.13 million people, 15 889 of whom were employed in human resource departments, found that performance management and creating a high-performance culture is ranked as the number one Human Resource priority for the last three years (Knowledge Resources, 2011). Bussin (2013: 1) states that Improving performance management is a never-ending process, and NPOs strive to achieve the optimum level of cost and revenue generation, as well as obtain funder and societal satisfaction and goodwill, in order to gain and retain continued support.
Performance Management is the vital factor for the success of an organization because in the current world human resources are considering to be one of the essential factors for an organization (Buckingham and Goodall, 2015: 40). DeNisi and Smith (2014: 130) emphasizes that employees should be aware from the start of the year that what their desired goals, objectives and targets are so that during the year they can put their efforts in the right direction for the achievement of the goals. All the employees should know that at the end of the year their supervisors are going to check their performance by comparing the actual results with the desired results and on the basis of this, they can be judged as the over performed, satisfactory or underperformed worker (Mone and London, 2018).

3.1. Levels of Performance Management

Given both systematic and the adaptive view of organisations, conceptually there are three levels of performance management. According to Bussin (2013: 23), all three levels which are organisational, process, and individual levels should be interrogated to achieve performance improvement. Figure 1 below presents the three levels of performance management as illustrated by Bussin (2013: 23).

Figure 1: Levels of performance

Levels of performance management as illustrated by Bussin (2013: 23).

The Context of Performance Improvement in Organisational Setting (Bussin, 2013: 23).

The Organisational Level

- This encompasses the relationship that an organisation has with its stakeholders and markets, and also those major functions that comprise the organisation in its interaction with the external world—the macro view. The following should be considered (Bussin, 2013: 3).
- Organisational Goals: which are the targets towards which the organisation strives? These may well be strategic, such as number one or two NPO industry or sector, or they may be operationally forced on you, for example, survival and turnaround type goals such as achieving sustainability and preventive closure. (Ulrich, 2015: 156)
- Organisational Design: which is where the organisational structure is actually arranged and aligned to match the requirements inherent in achieving the goals? This is the area where HR professionals can make a major contribution (Moynihan and Kroll, 2016: 319)
- Organisational Management: which is where the resources are actually performance managed so that the organisational goals are met? Again, this area where HR professionals can play a major role (Sutheewasinnon, Hoque and Nyamori, 2016: 28).

The Process Level

The process level comprises the internal, micro view of the systems and procedure that operate within the organisations—the value added by the systems within the organisation. What are your organisation’s operational best practices? Do you have unique “path-finding” practices and procedures? It is important to develop a clear understanding of organisation processes as follows (Bussin, 2013: 4)
Under the process level, the role of labour law in performance management cannot be ignored. According to section 2 (1) of the Skills Development Act, 1998 (Act 97 of 1998) emphasis should be placed on employee development in order for there to be the good and effective performance of employees in the institution. It is necessary to have a skills audit in order to determine the gaps between the job requirement and competencies of a particular employee as a requirement of a PMS. This Act makes provision for the development of a Workplace Skills Plan by the employer. Of particular importance is that section 30 of the Skills Development Act, 1998 (Act 97 of 1998) prescribes that all public services institutions are mandated to budget at least 1% of their payroll for training and development of officials. The training and development of public services employees are done with the aim of enhancing their skills, performance and productivity. Section two also stipulates that productivity enhancement and competitiveness in the workplace is a requirement for the PMS.

Labour Relations Act, 1995 (Act 66 of 1995) also makes provision for how to manage poor performance by employees without opting for dismissal as a first option. Before any dismissal can be effected, lengthy and corrective measures which include the investigation to establish the reasons for poor performance in the process have to be applied. It is provided in section 14 (4) of the Labour Relations Act, 1995 (Act 66 of 1995) that an employee has the right to be heard and to be assisted by a union representative or a fellow employee during an enquiry or disciplinary hearing of any kind that may include underperformance.

The Individual Level

According to Bussin (2013:5-6), the individual level covers the arena of individual performance, that is, the evaluation of the value added by people within the organisation. Jobs or role that the individual performs must be meaningful, firstly, within the organisational system, and, secondly, in the sense that it must contribute to the eventual success of the organisation. One of the key challenges faced in creating meaning and a sense of purpose for individuals is the fact that organisations and their environments are dynamic and constantly striving towards continuous improvement (Molan, Kelly, Arnold and Matthews, 2016). A process of alignment and continuous appraisal is necessary to keep the role and the individual effective within the dynamic environment (Mir and Pinnington, 2014: 204).

Performance Management Processes

According to Bussin (2013: 135), there are many dynamics to consider when selecting a performance management policy, process and procedure for state-owned companies (SOCs). Firstly, performance management is not an island on its own but forms part of organisation's employee value proposition. The employee value proposition (EVP) can be defined as the unique attributes and benefits that will motivate targeted candidates to join an organisation and motivates the current ones to stay. The value proposition identifies the unique people policies, processes and programmes that demonstrate the organisation’s commitment to elements such as employee growth, leadership development, on-going employee recognition, performance management and remuneration.

The real issue in performance management is to ensure that the organisation meets its overall objectives (Arnaboldi et al., 2015: 2). This requires an integrated approach whereby the individual of the front line (or coalface) actually understands exactly what his or her role is in the intended outputs of the organisation (Chowdhary, Pinel, Palpanas and Chen, 2014). With the understanding, an employee can be held accountable for individual performance parameters according to a specific design. There are various ways in which the design can be achieved, but it all begins with the look at the overall strategy of the organisation. Sound leadership within the organisation ensures that there is a determined vision which the organisation will follow, that this is turned into a set of goals and objectives, and that the various resources are aligned to match or meet the specific objectives. This, in itself, is a process that can usually be depicted cyclically (Armstrong and Taylor, 2014: 131).
3.2. Benefits of Performance Management in an Organisation

MDT Training (2010), performance management in an organisation provides the following benefits:

- When roles and responsibilities are clear, motivation is increased. If the team members know what they are supposed to be doing, there is no loss of motion due to confusion and uncertainty. Instead, a motivated individual will be in action, and a team full of motivated individuals will feed off each other and keep the motivation going.
- When the expectations are clear, employees are more likely to take the ownership of their work and to be committed to the expected outcomes. They will be more likely to be willing to take risks, to put in an extra effort, and to view their own role as that of a partnership with the management and the rest of the team.
- When goals are clear and being pursued, each team member will be able to contribute to the team’s effectiveness. Without performance management, a team can’t be expected to be effective. Without performance management, teams are expected to flounder.

Mustafa (2013: 12) states the advantages of performance management as follows:

- Improved productivity - Improvement in both the way employees work and the outcome they produce.
- Cooperation and teamwork – effective performance management allows management to win over teamwork and cooperation which contribute to overall organisational performance.
- Improved employee morale - Resulting from one-time performance appraisals and reward commensurate with an employee contribution. The employee morale has a direct effect on organizational productivity. To recognize the value of an employee is the key to the success of any organization. A few words of sincere admiration for a job well done will help increase morale among employees.
- Retention of top performers - Employees who feel accomplished in their work become loyal employees.
- Increased profitability - Loyal employees deliver higher levels of service that result in customer loyalty. It is very important to create an effective team of people which help to increased profitability. Recruitment of talented people all the time, proper training plan for them according to their jobs. A proper system of motivation, Monitor and measure their productivity and performance. Giving employees the support, they need and rewarding them when they deserve.
- Right job for right person - The right job for right person in organization effect lot on organizational productivity, the employee who was a real pleasure to be around but who was terrible at his job. Such as really friendly third-stringer on the football team who cracks great jokes but can’t catch a ball to save his life? Have you ever felt stuck with an employee as if you or your predecessor made the wrong hiring decision and now you have to live with the person, pulling out your hairs because you have to attempt to improve your performance always end up falling flat? Sometimes no matter how likeable or hard working an employee is or how much effort you together invest in improving his or her performance even reality dictates he or she will ever be good at his or her current job. He or she will never good with the job not because he or she is not motivated for this job or he or she do not have a right tool for this job that he or she needs to do his or her job but because he or she does not have the talent or fit for the job. The talent and fit factor refer to that intangible area of performance that pegs to a person’s natural ability and preference. It refers to a person gifts and passions and to whether those gifts and passions are suited to the key responsibilities, skills and competencies required for a given job. Interestingly although talent and fit factor can be measured and assessed and can not be changed in this way talent and fit factor is very unique in the performance factor which belongs to any employee of any department.

According to Arnaboldi et al. (2015: 2), performance management is of great importance to both employers and employees. From the employer’s perspective, it is vital to understand how your employees contribute to the objectives of the organization. A good performance management system enables the organization to understand how its employees are currently performing. It allows organizations to undertake a thorough assessment of the training needs of its employees, set development plans and gives them the option of using the result of the performance management process to influence an individual remuneration. From the employees’ perspective, the
performance management process provides transparency over performance at the workplace and can be used to
assess future career development requirements (Buckingham and Goodall, 2015: 43).

The performance management processes are designed to involve managers in reports in each part of the cycle. The
cycle can take quarterly, semi-annually or annually. The most common approach is twice a year (Bussin, 2013: 21).

According to Bussin (2013: 21), the phases of the performance management process are as follows:

- **Phase 1: Define goals, standards and measurements**

  Performance must be aligned with the strategic goals of the organisation. The first step in developing an effective
  performance management system is to determine the organisation’s objectives, and translate this into departmental
  and, ultimately, individual goals (Engle, Festing and Dowling, 2015: 1953). Goals should evolve from the mission
  and vision of the organisation.

- **Phase 2: Provide ongoing coaching and feedback.**

  According to Hung (2017), throughout the performance management process, managers and their reports should
  continue to discuss progress. By far the best is that of ongoing performance conversations (Kerzner, 2017: 8). One
  of the most important parts of the performance management approach is the need to note the various changes in
  perspective or direction—far too often, a performance conversation is held when objectives have not been met, but
  the underlying criteria have actually changed and not be noted (Lattal, 2014: 40).

- **Phase 3: Conduct performance dialogue.**

  As a supplement to the ongoing communication process and to minimise the chance of surprises for the manager
  or the employee, it is important to hold periodic discussions or reviews (London and Mone, 2014: 25). Mir and
  Pinnington (2014: 215) some businesses require quarterly dialogues, while others require semi-annual or annual
  reviews. More often than not these are aligned to reward and pay processes rather than real performance
  management. In essence, during the year-end review, the dialogue centres on the employee’s accomplishments and
  shortfalls for the year (Molan et al., 2016).

- **Phase 4: Determine performance recognition, rewards/consequences.**

  In the important phase, the relationship between performance management system and reward system is clearly
  performance review has taken place, the manager should utilise the salary planning guidelines to determine the
  appropriate reward and/or consequence which compares actual performance with agreed goals and outputs. The
  most effective performance rewards are given through merit pay or extra payment such as cash bonus
  (Sutheewasinnon et al., 2016: 28).

- **Phase 5: Conduct annual development and career opportunities discussions.**

  Ulrich (2015: 170) notes that very few organisations actually incorporate their overall succession and talent
  management as part of ongoing performance management system. What is really required is that each employee
  understands exactly where he/she fits in terms of talent management (Sutheewasinnon et al., 2016: 40). An effective
  performance management system will allow individuals to have input into their career path within the organisation
  (Arnaboldi et al., 2015: 20).

### 3.3. The Relationship between Performance Management Systems and Business Performance

This section provides a review of works of research that explore the relationship between performance management
systems and the performance of businesses. Several works of research, including those by Zhang (2012); Zhang, Di
Fan and Zhu (2014); Kim, Kim and Ali (2015); and Gerrish (2016), explore the relationship between performance
management systems and business performance. Based on the findings from the literature, it is apparent that
performance management systems with significant relationship with organisational performance. The study adopts the approach of Zhang (2012: 18-24), identifying management systems is coming in three phases namely, planning and development for performance; management and review performance; and rewarding and recognition of performance was the achievement of enhanced business performance organisational performance.

3.4. Planning and Development for Performance

According to Zhang (2012: 18), the first phase of performance management systems involves development and planning for performance. During this stage is the need for businesses to set up objectives and organisation mission they clearly outline the responsibilities and duties of individuals and groups within the company (Bento, Bento and White, 2014: 28). Biititi, Coca and Ates (2016: 1575) cite that the mission provides the character, reason for existence and identity. An organisation's mission to be categorised into four interlinking parts outlining basic strategy, purpose, values and standards of behaviour the organisation. According to the research by Buckingham and Goodall (2015: 50), to maximise performance, there is the need for organisations to focus on attainment of explicit, realistic and challenging objectives as well as aims.

According to Demirbag, Collings, Tatoglu, Mellahi and Wood (2014: 328), the clear mission to be able to grow the performance of management and employees. Furthermore, Gerrish (2016: 50) notes that an organisation's mission guides employees' personal commitment within the organisation. Jankulovi, Aleksandar, Kori and Vladimir (2013) also notes that an organisation’s mission plays two roles, motivating staff within the company and for external public relations purposes. With the mission set up, an organisation needs to set up performance objectives individuals, groups in the organisation as a whole. According to Kallio, Kallio, Tienari and Hyvönen (2016: 686), overall goals of the business organisation are supported by performance management through the link it creates between the work of individuals and that of managers the overall mission of the organisation. Hence, having an aligned set of clear objectives; at the individual, team, and organisational level; allows an organisation to improve performance (Zhang, 2012: 19).

The most known purpose of performance appraisal is to improve the performance of individuals. Performance appraisal has basically two important purposes, from an organisational point of view it is the maintenance of organizational control and the measurement of the efficiency with which the organization's human resources are being utilized (Qureshi, 2013: 59).

According to Johnson (2013: 239-240), performance appraisal is the ongoing process of evaluating the employee performance. Performance appraisals are reviews of employee performance over time, so appraisal is just one piece of performance management. Performance appraisal is regular assessment of an employee's performance, potential and development needs Johnson (2013: 239). The appraisal is an opportunity to take an overall view of work content, loads and volumes, to look back at what has been achieved during the reporting period and agree on objectives for the next. Many organizations and personnel specialists believed that formal appraisals were desirable, appraisals can help to improve employee's job performance by identifying strengths and weaknesses and determining how their strengths may be best utilized within the organization and weaknesses overcome (Clarke, Harcourt and Flynn, 2013: 677).

The starting point for the Performance Appraisal process is identifying specific performance goals. An appraisal system probably cannot effectively serve every desired purpose, so management should select the specific goals it believes to be most important and realistically achievable. For example, some firms may want to stress employee development, whereas other organizations may want to focus on pay adjustments. Too many PA systems fail because management expects too much from one method and does not determine specifically what it wants the system to accomplish. The next step in this ongoing cycle continues with establishing performance criteria (standards) and communicating these performance expectations to those concerned. Then the work is performed, and the supervisor appraises the performance (Clarke et al., 2013: 677). At the end of the appraisal period, the appraiser and the employee together review work performance and evaluate it against established performance standards (Dusterhoff, Cunningham and MacGregor, 2014: 266). This review helps determine how well employees have met these standards, determines reasons for deficiencies, and develops a plan to correct the problems. At this meeting, goals are set for the next evaluation period, and the cycle repeats (Johnson, 2013: 239-240).
Research by Dusterhoff et al. (2014: 266) note that in order to effectively conduct performance appraisals, there is the need for the appraisers to be adequately qualified and trained on performance appraisal techniques, the processes involved, the challenges that may be faced during appraisals and the solutions to these challenges. Johnson (2013: 239-240) further notes that adequate and appropriate training as well as coaching in performance appraisal process is necessary to ensure the objectivity and effectiveness of the appraisal process. Below is a diagram illustrating the performance appraisal process.

3.5. Reward Systems

Ibrar and Khan (2015: 95) state that reward has a high level of influence on employees. Employee performance will be more effective in the high reward system. Job performance is also part of human resources management. Performance is important for the organization succession and achieving the goals reward systems (Blackman, West, Flynn, Buick and Donnell, 2015: 80). There is so much changing occurring in the SOEs in the world every public entity has many relays on employee’s good performance (Hilliard, 2013: 368).

Rewards are considered an important tool to check the employee’s performance in every organization. Management use rewards for employees’ motivations. So, we can say that effective reward system attracts new employees for the organization and motivate existing employees to perform high levels (Zhang et al., 2014: 425). Employee’s good work is necessary to achieve the specific goals. Employees give their good efforts for achieving goals and good effort depends on rewards. In other words, we can say that good rewards are a most important way to engage the employees with their work and with their organization (Ibrar and Khan, 2015: 95).

Ibrar and Khan (2015: 95) states that There are two basic rewards (financial and nonfinancial), which can be utilized positively to increase the performance of employees. Financial reward mostly consists on pay for performance such as job promotion, bonus, commission, gifts and so forth. and nonfinancial rewards mostly consist on social recognition, appreciation, work kind condition, meaning full work responsibility and so forth. Many researchers have found that employees’ job satisfaction is affected by both financial and nonfinancial. An ineffective reward management will affect employees’ satisfaction and de-motivate them, hence affecting their performance outcome (Thamhain, 2014: 127). Rewards are one of the important elements to motivate employees for contributing their best effort to generate innovative ideas that lead to better business functionality and further improvise company performance both financial and non-financially (Ibrar and Khan, 2015: 96).

According to Park and Melamed (2015: 299), having the right type of rewards programme will help workers to grow, mature and ultimately add value to your organisation. Pay, both ‘variable and base’, is key to ensuring you get the most value from your employees, especially high performers according to a report on salary surveys (Zingheim, 2010: 9). Organisations that spread pay more evenly drive away high performers and encourage the same type of average performance throughout the organisation. This report argues financial remuneration should be based on the value you add to your organisation (Moynihan, 2017).

Performance-based pay systems tie pay to employees’ outputs. These outputs might contain positive contributions from the individual or team, thus providing the basis for different types of pay systems (Bratton and Gold, 2012: 370).

3.6. The Relationship between Performance Management Systems and Business Performance

This section provides a review of works of research that explore the relationship between performance management systems and the performance of businesses. Several works of research, including those by Zhang (2012); Zhang et al. (2014); Kim, Kim and Ali (2015); and Gerrish (2016), explore the relationship between performance management systems and business performance. Based on the findings from the literature, it is apparent that performance management systems with significant relationship with organisational performance. The study adopts the approach of Zhang (2012: 18-24), identifying management systems is coming in three phases namely, planning and development for performance; management and review performance; and rewarding and recognition of performance was the achievement of enhanced business performance organisational performance.
4. RESEARCH DESIGN

The choice of which design to apply depends on the nature of the problems posed by the research aims. According to Mertens (2016: 7), each type of research design has a range of research methods that are commonly used to collect and analyse the type of data that is generated by the investigations. It is stated that extensive literature review considers research design as the blueprint (Ormston, 2014: 45) and a well-crafted or articulated plan that is monitored and outlined in gathering and analysing the data (Thomas, Silverman, Nelson 2015: 20). Quantitative research design was preferred for this study.

5. RESEARCH POPULATION AND SAMPLING

Rather than meaning everybody who lives in a country, it refers to all the items in the category of the things that are being researched. (Bryman and Bell, 2015: 34). The target population in this study included employees in three components, namely flight operations with 49 employees, personnel training with 19 employees, and airworthiness consisting of 74 employees. The total population of all three components is 142 employees. All the personnel that form part of the population are licensed AMEs. For sampling purposes, the researcher opted for Probability sampling over non-probability sampling. Probability sampling comprises picking of respondents randomly whereas in non-probability sampling picks respondents through non-randomly means (Creswell, 2014: 239). According to Cohen et al (2016) in probability sampling, each element is able to be picked without any favour since each a carry a non-zero probability ratio to be selected. The reason why simple random sampling is such an important procedure in social survey research is that it is possible to make inferences, from information about a randomly selected sample, about the population as this study intended.

6. RESEARCH INSTRUMENT

According to Kumar (2016: 78), measuring instruments provide a base on which the entire research effort rest. Just as a building with a questionable foundation is unlikely to be safe for habitation, so, too, will a research effort employing faulty measurement tools provide little of value in solving the problem under investigation (Bryman, 2015:81). Since the study is using a quantitative approach, a survey questionnaire was used to gather primary data. The rationale behind this choice, as noted by Vaismoradi, Turunen and Bondas (2013:400), is because the use of a questionnaire as a research instrument presents several benefits including the ability to capture large quantities of quantitative data which can beanalysed scientifically and objectively than any other instrument.

7. DATA ANALYSIS AND RESEARCH FINDINGS

The data obtained from the primary research was coded and entered into a computer-based database for analysis. The analysis for this study was conducted with the aid of SPSS 23, a quantitative data analysis software package for the social sciences. Descriptive and inferential statistics were used to analyse the primary data obtained from the research. The inferential analysis was done in the form of regression analysis. The findings from the research were presented in the form of tables, words, graphs and pie charts.

Gender

This subsection provides the findings of the study concerning the gender of the study participants. Figure 2 illustrates the distribution of study participants based their gender.
As shown in Figure 2 above, the majority of the study participants are male constituting 64%, while the remaining 36% are female.

**Age**

**Table 1: Age**

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Frequency</th>
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<tbody>
<tr>
<td>Below 25 years</td>
<td>4%</td>
</tr>
<tr>
<td>25 – 30 years</td>
<td>4%</td>
</tr>
<tr>
<td>31 – 35 years</td>
<td>21%</td>
</tr>
<tr>
<td>36 – 40 years</td>
<td>42%</td>
</tr>
<tr>
<td>Above 40 years</td>
<td>29%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

As shown in Table 1 above, the majority, constituting 42%, of the study participants were between the ages of 36 to 40 years. The least popular groups were the ‘below 25 years’ and ‘25 to 30 years’ age groups constituting 4% each of the study sample.

**Education**

As illustrated in Figure 4.6 above, the majority of study participants, constituting 55% are holders of Certificate/Diploma and the minority, constituting 5%, are holders of a bachelor’s degree qualification. The fact that 55% of the study participants are holders of a certificate/diploma, suggests that they might possess the necessary know-how concerning reading and filling the questionnaires and understanding of performance management and organisational performance of AMOs across Gauteng.


Table 2: Work Experience

<table>
<thead>
<tr>
<th>Work Experience Range</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5 years</td>
<td>9%</td>
</tr>
<tr>
<td>5 – 10 years</td>
<td>40%</td>
</tr>
<tr>
<td>11 – 15 years</td>
<td>38%</td>
</tr>
<tr>
<td>Above 15 years</td>
<td>13%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 2 above shows that the majority of the participants, constituting 40% of the study sample, had between 5 and 10 years of work experience and the minority, constituting 40% of the study sample, had less than 5 years of work experience. It is also worth noting that 51% of the study sample had more than 10 years of experience at their jobs. Based on these results it can be inferred that the study population constituted of highly experienced individuals, over 50% with a university degree, and the study sample was made up of employees of the various AMOs with enough work experience to possess sufficient knowledge of issues concerning performance management systems and organisational performance of the aviation industry across Gauteng Province.

Performance Management Systems and Organisational Performance

This section provides a presentation, discussion and interpretation of results from the regression analysis conducted on the primary data collected, to determine the impact of the performance management system, within the AMOs across Gauteng Province. The regression analysis, conducted with aid of SPSS 23, was based on four variables, one dependent variable and three independent variables. The dependent variable was Organisational Performance (OP), regressed against the independent variables, Planning and Development for Performance (PDP); Management and Review of Performance (MRP); and Reward and Recognition of Performance (RRP). The variables OG, PDP, MRP and RRP were computed from the coded values of the individual questions on Organisational Performance, Planning and Development for Performance; Management and Review of Performance; and Reward and Recognition of Performance from the research questionnaire.
Analysis of Variance (ANOVA)

According to Cronk (2017), in regression analysis, the ANOVA used to determine the overall significance of an entire regression model. Within this research the ANOVA as used to determine the model of the impact of the performance management system of SACAA on the performance of the organisation. Table 3 below presents the results of the ANOVA.

Table 3: ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>7.191</td>
<td>3</td>
<td>2.397</td>
<td>84.975</td>
<td>0.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>0.874</td>
<td>31</td>
<td>0.028</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>8.05</td>
<td>34</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organisational Performance (OP)

b. Predictors: (Constant); Planning and Development for Performance (PDP); Management and Review of Performance (MRP); and Reward and Recognition of Performance (RRP).

Based on the results in Table 3 above, it was concluded that the regression model, for the impact of SACAA’s performance management system on organisational performance, is significant as it has a probability value (Sig.) of 0.000 making it significant at the 0.05 level of significance.

Coefficient of Determination

According to Darlington and Hayes (2016), the coefficient of determination (R^2/R Square) provides information of the extent to which the independent variables, in aggregate, predict the dependent variable.

Below, in Table 4 is the model summary indicating the extent to which SACAA’s performance management system predicts organisational performance.

Table 4 Coefficients of Determination

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.833*</td>
<td>0.693</td>
<td>0.682</td>
<td>0.27803</td>
</tr>
</tbody>
</table>

a. Dependent Variable: OP

b. Predictors: (Constant), PDP, MRP and RRP

The results in Table 4 above show a coefficient of determination with the value of 0.6 and this means that 69% of the variations in organisational performance are explained by the variations in the variables for the performance management system of AMOs across Gauteng Province. These results show that the management performance system is a relatively accurate predictor of organisational performance for AMOs. These results are in line with the work of Zhang (2012); Zhang et al., (2014); Kim et al., (2015); and Gerrish (2016) who asserted the performance management system of an organisation is a significant determinant of the performance of that organisation.
Regression Model

Table 5 below presents the coefficients of the regression model for this research. Based on these results the regression model for the impact of performance management system on organisational performance within the AMOs in Gauteng.

Table 5: Coefficients of the regression model

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td>-0.710</td>
</tr>
<tr>
<td>(Constant)</td>
<td>-0.472</td>
<td>0.665</td>
<td>0.084</td>
<td>0.712</td>
</tr>
<tr>
<td>PDP</td>
<td>0.131</td>
<td>0.353</td>
<td>0.282</td>
<td>2.684</td>
</tr>
<tr>
<td>MRP</td>
<td>0.385</td>
<td>0.143</td>
<td>0.507</td>
<td>2.154</td>
</tr>
<tr>
<td>RRP</td>
<td>0.584</td>
<td>0.271</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.1: Model Summary

Based in the results above the regression model for this research, in the form of $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3$, $\beta_0$ representing the constant of the model; $\beta_1$, $\beta_2$ and $\beta_3$ representing the regression coefficients; and $X_1$, $X_2$, $X_3$ and $Y$ representing, respectively, the variables PDP, MRP and RRP and OP, came out as, $Y = 0.131X_1 + 0.385X_2 + 0.584X_3 - 0.472$.

In relation to this study the regression coefficients are interpreted as follows: holding the values of all independent variables constant (at zero) the regression the model would yield $-0.472$ as the value of $Y$. That is to say, holding PDP, MRP and RRP at their lowest value, the value of the organisational performance would be negative. Holding all other independent variables constant, a unit increase in the value of PDP would result in an increase of 0.131 units in the OP of the AMOs across industries of Gauteng. Likewise, holding all other independent variables constant, a unit increase in the value of MRP will result in an increase of 0.385 in the value of OP AMOs across Gauteng Province. Holding all other independent variables constant, a unit increase in the value of RRP will in an increase of 0.584 units in the value of OP. The variable RRP has the greatest impact and significant on the value OP of RRP and it is the only variable which is significant within the 0.05 level of significance.

The results from the regression model show that all the independent variables have positive coefficients, suggesting that, an improvement in any aspect of performance manage systems of the AMOs in Gauteng Industry will in an improvement in the performance of the organisation and, likewise, a decrease in the performance management results in a decrease in organisational performance as well. These results are in line with those of Zhang (2012) who notes that a performance management system and its various aspects, processes or phases, has a positive impact on organisational performance. It is also worth noting that, in the case of many AMOs, reward and recognition of performance has the greatest impact on organisational performance, this is also in line with the work of Zhang (2012), who note how reward, remuneration and recognition of performance, arguably, have the greatest impact on organisational performance, within the context of performance management systems.

The literature review established that the effectiveness of a performance management system can be determined by the effectiveness of the phases that the system goes through namely, planning and development for performance; management and review performance; and rewarding and recognition of performance. Based on the research findings the planning and development phase of the AMOs performance management systems seems to be the only component of the organisation’s performance management system that is effective to a greater extent. The other two phases were found to be neither effective nor ineffective, in aggregate, and these results according to literature are indicative of inadequate performance management performance system. Hence, an assessment of the current performance management system of the AMOs shows that it is not at its best and it can still improve.
8. RECOMMENDATIONS

- In relation to the first objective of the study which is to assess the current performance management system in place at SACAA, the following findings were found:

An evaluation of the AMOs performance evaluation system in terms of planning and development suggested effectiveness to a greater extent, in aggregate. In terms of the planning and development the AMOs were effective in the understanding of performance management in the context of the organisation, 68% of the study participants ‘agree’ and 32% of the study participants ‘strongly agree’; being guided by a clear and formal strategic plan setting out objectives and how they are achieved, 100% show that respondents ‘strongly agree’; and performance management being tied to study objectives but fell short in terms alignment of employees’ and the organisation’s goals as they were not mutually decided upon, has 65% of the respondents answering ‘agree’ and the remaining 35% responded ‘neutral’. In terms of management and review performance, the results indicated unclear in terms of coaching and training; communication; and the provision of feedback. In aggregate, in terms of management and review of performance, the primary findings suggest unclear effectiveness.

In terms of reward and recognition of performance the study results pointed towards unclear effectiveness; in terms of employees’ development opportunities, 56% of the study participants responded ‘neutral’ and 25% answered ‘agree’ while the remaining 19% responded ‘disagree’; to whether the performance appraisal process is simple and quick to conduct, 61% of the study sample were ‘neutral’, and the remaining 33% of the respondents answered ‘agree’; in terms of AMOs developing intervention programs tied to performance gaps, 66% of the study participants were ‘neutral’ and the remaining 34% answered ‘agree’; and for the ability of the AMOs to measure performance results and how they are achieved, 65% of the study sample were ‘neutral’ the remaining 35% of the respondents answered ‘agree’; objectivity and biasedness of performance ratings the 48% of the respondents ‘disagree’, 40% answering ‘neutral’ and the remaining 12% answering ‘agree’; and personnel development being based on performance appraisal results, 54% of the study participants were ‘neutral’ while the remaining 46% ‘disagree’.

These results indicate inadequate performance management. On the other, the results indicated ineffectiveness, in terms of the AMOs performance reward and recognition, in terms of consequences for poor performance; remuneration being tied to employee performance and training in performance appraisal. This is indicative of an ineffective performance management system. However, the research pointed towards an effective performance reward and recognition in terms of the ability of performance evaluation to identify performance gaps; and frequent as well as regular conducting of performance appraisals. In aggregate, the results concerning the performance reward and recognition the performance management system of the AMOs can neither be deemed to a greater extent effective nor ineffective and this represents a shortfall in AMOs organisational performance. The findings obtained from the research, concerning the current performance management system in place at AMOs, indicated the performance management system of the AMOs can be assessed to be of neither ineffective nor effective to a greater extent.

- With the below findings, the second objective of the research which is to determine the impact of performance management on the organisational performance of the AMOs across Gauteng, were addressed.

The findings of the study were coded and computed into four variables upon which regression analysis was conducted. The results of this regression analysis produced model that was significant at the 0.05 level of significance and showing that variations in variables for the performance management system of predicted 69.3% of the variations in AMOs performance. The regression model also showed that all the independent variables had positive coefficients and these results mean that all components of AMOs performance management system have a positive impact on the organisational performance of the entity. The results also revealed that reward and recognition of performance have the most significant impact on the organisational performance of the AMOs.

Based on the findings of the study and taking into account, their feasibility, recommendations were made to the management of the AMOs on strategies for improving the performance of the organisation. The recommendations focus mostly on improvements in the ‘reward and recognition of performance’ aspect of the AMOs performance management system.
In relation to the third objective of the study, the recommendations to the management of the AMOs in aviation Industry of Gauteng are thus as follows:

1. The performance objectives of the organisation should be set with the contribution of the employee and they should be mutually agreed up between employees and the employer. The failure to do this means the performance management system becomes flawed from the beginning affecting any other ensuing process/phases/aspects of the system.

2. Resources should be allocated towards improving the ability of the AMOs to conduct better performance appraisals hence; there should be the provision of adequate training and coaching of performance evaluators as well as the rest of the employees. This would improve the effectiveness of the performance evaluation process, objectivity included.

3. Employees should offer more training, coaching and opportunities for personal and professional development. This would improve their competency within the workplace from enhancement in their motivation, engagement, productivity, efficiency and satisfaction.

4. The remuneration and recognition of employees’ performance should be aligned with the performance evaluation of the organisation and there should be better consequence management within AMOs. There should appropriate consequences for poor performance mutually agreed upon and known to all employees.

5. There should be continuous two-way communication between the management and staff. This communication would involve management communicating with employees to provide instructions and feedback on their performance as well as employees get the opportunity to communicate their views and opinions to the management with issues concerning the organisation.

The abovementioned recommendations, if taken into consideration and applied within the AMOs would result in improved organisational performance. With these recommendations made, the fourth objective of the research, to offer recommendations that can improve the performance of AMOs, was addressed.

9. CONCLUSION

This research was a quantitative research with the aim of exploring performance management and their impact on organisational performance based on a case study of the AMOs in Gauteng Province. The research findings noted that performance management systems are of great importance in the delivery of organisational performance towards the achievement of organisational goals and objectives. Performance management systems were found to have a positive impact on organisational performance. The findings from the study based on the AMOs revealed suboptimal organisational performance as well as inadequate performance management system. Furthermore, the performance management system of AMOs across Gauteng Province was found to have a positive impact on the organisational performance various organisations in the aviation Industry of Gauteng. It was concluded that the suboptimal performance of the institution can be attributed to the inadequate performance management system of the AMOs and an enhancement of the performance management system would result in an improvement the organisation’s performance. Based on the findings of the research recommendations were made to the management of all AMOs. If recommendations are taken into consideration and applied, they will result in an improvement in the performance of the entire aviation industry.

BIBLIOGRAPHY