EFFECTS OF PERFORMANCE MANAGEMENT SYSTEM ON EMPLOYEE PERFORMANCE AND THE MODERATING ROLE OF STAFF DEVELOPMENT: THE CASE OF MINISTRY OF MINES AND MINERALS DEVELOPMENT IN ZAMBIA
EFFECTS OF PERFORMANCE MANAGEMENT SYSTEM ON EMPLOYEE PERFORMANCE AND THE MODERATING ROLE OF STAFF DEVELOPMENT: THE CASE OF MINISTRY OF MINES AND MINERALS DEVELOPMENT IN ZAMBIA.

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Abstract

The main aim of this paper is to investigate the effects of Performance Management System on Employee Performance in the Civil Service, specifically the Ministry of Mines and Minerals Development (MMMD) in Zambia. The research consists of four main parts: The effects of Performance Management System on Employee Performance; The effects of Performance Management System on Staff Development; The relationship between Staff Development and Employee Performance; and the mediating role of Staff Development on the effects of Performance Management System on Employee Performance. A quantitative approach was adopted in this study, with the population of interest consisting 250 employees who were randomly selected from six Departments under MMMD in Lusaka. The data was collected with the aid of structured questionnaires, and analysed using the Statistical Package for Social Sciences (SPSS) and excel. The findings of the research study indicates that Performance Management System: improves employee performance, efficiency and attitude towards work; identifies employee individual strengths and weaknesses; helps in identifying training needs and employee competencies; and also helps align employee qualifications/skills to the job requirements (job specifications). The research concludes that, Performance Management System has effects on Employee Performance and Staff Development. It also concludes that the relationship that exists between Staff Development and Employee Performance is that Staff Development enhances Employee Performance, which in turn improves career progression of employees as they acquire new knowledge and skills of doing their job. Further, the study concludes that Staff Development plays a reconciling role between Performance Management System and Employee Performance. The role played include: assisting employees gain knowledge and understanding of the job requirements, to enable them achieve the set performance standards and goals; facilitates for effective monitoring of employee performance; and helps to bridges gaps between identified employee incompetence and performance requirements.

Key words: Performance Management, Employee Performance, Staff Development and Moderating Role
Introduction

Appraisal is a long-standing process that dates to the early twentieth century, when Taylor pioneered it. It may probably be the world's second-oldest profession, on a historical scale. In the workplace, the human inclination to pass judgment can cause major motivational, moral, and legal issues. There is no hope of assuring that the decisions made are legal, fair, defensible, and accurate without a structured management framework in place. Performance management systems started off as a simple way to justify one's pay. In other words, appraisal was used to determine whether an individual employee's salary or wage was reasonable. As a result, the traditional focus on incentive outcomes has become more unpopular (Clardy, 2013). Gold, Thorpe & Mumford (2010) states that, “Performance Management is used to ensure that employees’ activities and outcomes are congruent with the organisation’s objectives and entails specifying those activities and outcomes that will result in the firm successfully implementing the strategy”.

Most organisations align their mission, goals, and objectives through a systematic approach. This systematic approach is known as the Performance Management System. This system measures the performance of employees in an organisation, to evaluate the level to which the employee performance is aligned with the mission, goals and objectives with the available resources and systems, and set priorities that can help increase organisational performance with a view of achieving the set goals. Performance Management System is also used by most organisations as a basis to determine the rewards that each employee deserves, based on their performance. The main objective of establishing performance management systems in organisations is to ensure that employees’ performance is managed optimally (Pulakos, 2004).

The system is also aimed at: aligning the organisations strategic goals with both the departmental and individual goals; determining employees’ eligibility for promotion, salary increment, transfer, demotion or termination; communicating employees’ performance standards in line with their assigned job responsibilities and expected deliverables over a period of time, and also the areas which requires improvement; and measuring organisational, departmental and employee achievements and failures which may require to be addressed immediately to improve on achieving the set goals.

Performance management is a holistic process that encompasses a variety of actions that work together to ensure that individuals and teams are managed effectively to attain high levels of organizational performance. The process is strategic in that it addresses larger concerns and long-term goals, and it is integrated in that it connects diverse areas of the business, human resources, employees, and teams (Julnes, 2008). Although performance evaluation is a crucial component of performance management, it is only one of the numerous methods available to manage performance (Greenberg & Haviland, 2008).

According to Drewitt (2013), appraisal is a routine procedure that firms use to evaluate their personnel. It involves the identification of cause-and-effect correlations on which employment and labour policies are based or can be based. It is a methodical and impartial evaluation of an ongoing program or policy, including its conception, execution, and outcomes. Its goal is to assess the
relevance and achievement of objectives, as well as their efficiency, effectiveness, impact, and long-term viability.

Staff employees and their supervisors used to document and communicate their performance during performance appraisals (Foss, 2007). A more informal approach was taken, with less record keeping at times. Currently, the practice has been institutionalized, and it comes with some seriousness, including the keeping of records for future reference.

**Statement of the Problem**

The Ministry of Mines and Minerals Development in Zambia merely conducts performance appraisals without effectively managing the performance of its employees. It conducts performance appraisals for purposes of promotion, admission to the permanent and pensionable establishment, as well as for awarding deserving employees. The performance appraisals conducted annually have become like an academic exercise, instead of aiming at achieving its purpose, which is performance management.

Despite the importance of implementing Performance Management Systems in Government and other institutions being emphasised by the Government of the Republic of Zambia on Circular No. B21 of 2018, through the Public Service Management Division which is the institution responsible for giving policy guidance to the Civil Service and other Government Intuitions, Ministry of Mines and Minerals Development has not come to the realisation of the importance of effective implementation of the performance management systems. The introduction of the performance management system which includes performance contracts for senior management and annual performance appraisal for middle management and support staff, is to ensure that the Seventh National Development Plan’s (7NDP) effort of improving personnel performance, accountability, service delivery through enhanced accountability, team work, prioritisation and focused delivery of programs and activities is attained.

The Performance management system helps in ensuring that the performance of employees is aligned with the organisation’s mission, goals and objectives. Following the Government’s efforts to implement performance management system, it is therefore important to find out the perception Ministry of Mines and Minerals Development has about the performance management system and its effects on employee performance with the mediating role of staff development. According to Soubjaki & Baytieh (2020), Performance Management Systems are among the most effective methods that an organisation can rely upon to improve the motivation, performance and effectiveness of employees.

Cole (2010) expresses that, when the performance management system is not effectively implemented, employee performance would have a negative effect on the organisation’s overall performance because the level of performance amongst the employees would not be at optimal. In addition, lack of sensitisation and orientation on the importance and use of performance management systems may have contributed to the Ministry of Mines and Minerals Development not giving great attention to the need for implementing and usage of the system to manage employee performance, which may have negatively impacted the general performance of the
employees at all levels of management in the Ministry. These two factors have also been the excuses given by some organisations in the general Civil Service on why they have not supported the implementation process of the performance management systems. Therefore, following the discussion above, the aim of the study is to investigate the outcome of performance management system on employee performance with the role of staff development as a mediating variable.

**Objectives of the Research**

The overall objective of this study was to investigate the effects of Performance Management system on Employee Performance in the Ministry of Mines and Minerals Development, with the mediating role of Staff Development. However, there were specific objectives that were under consideration. These were to:

- examine the effects of Performance Management System on Staff Development;
- examine the effect of Performance Management System on Employee Performance;
- determine the relationship between Staff Development and Employee Performance; and
- establish the mediating role of Staff Development on the relationship between Performance Management System and Employee Performance, in the Ministry of Mines and Minerals Development in Zambia.

**Research Hypothesis**

- **HO_1**: Performance Management System has no significant effect on employee performance in the Ministry of Mines and Minerals Development.
- **HO_2**: Employee Performance and Staff Development have no significant relationship in the Ministry of Mines and Minerals Development.
- **HO_3**: Performance Management System and Staff Development have no significant relationship in the Ministry of Mines and Minerals Development.
- **HO_4**: Staff development has no significant role on the effects of performance management system on employee performance.

**Literature Review**

The current literature on Performance Management Systems (PMS), Employee Performance, and Staff Development or Training is presented in this unit. It begins by defining the performance management, employee performance, and staff development, and then moves on to an evaluation of the system. The research on PMS and employee performance in emerging and developed countries are then considered.

**Performance Management System (PMS)**

Performance management is a process which is designed to improve organisational, team and individual performance and which is owned and driven by line managers. Performance management is a Human Resource Management (HRM) process (which has become increasingly popular since the 1980s) concerned with getting the best performance from individuals in an organisation, as well as getting the best performance from individuals, teams, and the organisation.
as a whole. Effective performance management therefore involves sharing an understanding of what needs to be achieved and then managing and developing people in a way that enables such shared objectives to be achieved (Dransfield, 2000). To demonstrate their effectiveness, non-profit organisations, like public and private sector organisations are facing increasing pressure to demonstrate how well they perform and their plans for future improvement. An essential part of this process of measuring and fostering effectiveness is managing the performance of organisational members; typically, this is accomplished with performance management processes, as the ability of non-profit organisations to meet their goals is directly dependent upon the ability of the staff to perform effectively in the management and delivery of services (Selden & Sowa, 2011).

The new Performance Management System (PMS) allows public sector organizations, including universities, to be more transparent in utilizing public funding, expressing new organizational ideals to stakeholders, describing research, training, innovation, and advantages, building intangible assets, identifying external impacts, and demonstrating competitiveness (Secundo et al., 2015). Performance management system (PMS) is a means of getting better results from the organisation, teams and individuals by understanding and managing performance within an agreed framework of planned goals, standards and competence requirements. Processes exist for establishing shared understanding about what is to be achieved, managing and developing people in a way that increases the probability that it will be achieved in the short and longer term (Armstrong, 2006). The Performance Management System (PMS) has a critical role in the effectiveness of strategy execution and organizational performance, according to Candido and Santos (2015). Although it is still debatable, Mintzberg (1994) and Kaplan and Norton (2001) estimate that between 50 and 90 percent of strategy implementations fail. Failure to implement a strategy results in a huge loss for a firm (Ivancic, 2013). This is why a good PMS is required to keep strategy implementation on track (Ilee and Paranamas, 2016).

In performance management, the resource as an organization's input becomes critical. Staff development, on the other hand, is both an input and an output for the Ministry of Mines and Mineral Development (Andreeva and Garanina, 2016). The Ministry of Mines and Minerals Development employs instructors, infrastructure, links, and a system to assist personnel in their professional development. As a result, well-managed employee development will provide a competitive advantage and ensure the Ministry of Mines and Minerals Development's long-term viability (Pirozzi and Ferulano, 2016; Secundo et al., 2016; Sangiorghi and Siboni, 2017). Because staff development is a primary driver for organizational productivity, it is evident that bad staff development adds to the high percentage of poor employee performance in strategy implementation and organizational performance (Bornemann and Weidenhofer, 2014).

The creation of IC to explore the potential of intangible assets should be supported and facilitated by an effective PMS (Asiaei et al., 2018). Staff development and its components are the most essential aspects in generating value. The quality of human knowledge that must respond to market needs is referred to as human capital development (Gogan et al., 2016; Marginson, 2017). The organizational infrastructure used to produce outputs is referred to as structural capital (Gogan et al., 2016; Inkinen et al., 2017; Ramadan et al., 2017). Because staff development is a primary driver for organizational productivity, it is evident that bad staff development adds to the high
percentage of poor employee performance in strategy implementation and organizational performance (Bornemann and Weidenhofer, 2014). The ability of an organization to form long-term relationships with stakeholders is referred to as relational capital (Pirozzi and Ferulano, 2016; Secundo et al., 2018). To boost the contribution of these intangible resources, the design and nature of PMS must be inventive (Tayles et al., 2007). Scholars have shown that PMS promotes organizational learning and human capital development (Secundo and Elia, 2015). (Deschamps and Mattijs, 2018). Previous research into the impact of PMS on organizational performance has yielded mixed results. Researchers have found that PMS increases performance (Gerrish, 2015; Pavlov et al., 2017). Others have shown that PMS does not always influence performance (Powell et al., 2011; Hvidman and Andersen, 2014; Wijethilake et al., 2018).

The objective of this publication is to give Human Resource (HR) professionals valuable suggestions for building and implementing effective performance management systems. Performance Management is a roadmap for developing, implementing, and evaluating performance management systems.

**Types of Performance Management Systems**

- **Ranking**: Ranking is a system that lists all employees in a designated group, from the highest to the lowest performance.
- **Management by Objectives**: This is a process which involves joint goal setting for the organisations, various departments and each individual employee, and performance evaluated annually against set goals
- **360 Degrees Feedback Appraisal**: 360-degree appraisal is described as a system which involves an appraisal system that encompasses the views of different groups of reviewers, who socialize with the organisation’s employees. The reviewers include the affected employee’s superiors, workmates and customers. The process also includes the employee’s opinion about him/herself and hence its recognition as a multi-source, multi-rater and full-circle appraisal system (Idowu, 2017).

**Training and Development**

Training and Development (T and D) has a large and expanding body of literature. To document evidence of a positive impact on individuals, teams, organizations, and society at large, many individual studies and meta-analytic reviews of training and development have taken a multi-dimensional perspective encompassing the needs of individuals, teams, organizations, and society at large. A training and development program, which is an important part of any organization's Human Resource Development (HRD) function, tackles a gap between an employee's current performance and what is expected of him. Training is a systematic method of learning and development that aims to increase the effectiveness of individuals, teams, and organizations (Goldstein and Ford, 1993). Development, on the other hand, refers to actions that lead to the acquisition of new information or skills for personal development or future professions and/or tasks. The definitions, scope, methodologies, and evaluation of these initiatives have all changed dramatically in the last decade as the socioeconomic and technological relevance of T&D has changed. This survey of the literature examines the relevant conceptual account on the subject.
Improved job performance and other positive changes (e.g., the learning of new skills; that serve as antecedents of job performance) are the outcomes of training-related activities (Hill and Kellems, 2002). Barber (2004) discovered that training increased tacit skills and inventiveness. In their study, Decker and Nathan (1985) discovered that training promotes changes in worker capabilities through affecting trainees’ knowledge structures or mental models. Training can improve both declarative and procedural knowledge, as well as strategic knowledge, which is defined as knowing when to use a given skill or information (Kozlowski et al. 2001). Employees benefit from training to execute their work in a different culture and/or mentally adjust to living in that society (Lievens et al. 2003). Training enhances declarative knowledge, planning, task coordination, collaborative problem solving, and communication in the novel team and task contexts, according to (Morey et al. 2002).

The impact of training on organizational performance has also been established in several research. Sanchez et al. (2003) found that training activities were positively associated with most aspects of effectiveness (e.g., employee involvement, human resource indicators, and quality) and profitability (e.g., sales volume, benefits before interest and taxes, and a benefit before taxes/sales ratio). Garcia (2005) found that human capital development training programs were directly related to employee, customer, and owner/shareholder satisfaction, as well as an objective measure of business success, in his study on organizational training policies (i.e., sales per employee). Similarly, training was found to account for 4.6 percent of the variance in financial success via the mediating role of social and organizational performance (Guerrero and Barraud-Ddier, 2004). Another possible benefit of training is the development of social capital, which can be achieved through the development of relationships, norms, and institutional trust (Brown, 2007).

Clardy (2005) pointed out that an organization's training procedures might have an impact on its reputation. The adoption of numerous policies at the national level to stimulate the design and delivery of training programs demonstrates the value of training activities to society (Kurt, and Parsons, 2009). Economists have undertaken many studies on the association between training activities and societal benefits; the primary dependent variable is national economic performance. Training initiatives, according to Becker and Collins (1964), increase the quality of the labor force, which is one of the most important contributors to national economic growth. As T and D efforts in many organizations continue to expand and evolve, there has been a greater than ever push to demonstrate training results. It's critical to stay focused and to demonstrate and communicate that training efforts are paying off. As a result, a substantial amount of conceptual work on assessing the effectiveness of T and D has emerged. "Any endeavor to gather information (feedback) on the results of a training program, and to assess the worth of the training in light of that information," Hamlin (1974) described the process of evaluating T and D.

Mullen and Lyles (1993) proposed that the purpose of an evaluation is to assist organizations in making decisions about future training activities by providing tools to assess the type of evaluation possible in a given situation, conduct the most informative evaluation possible given the constraints of the situation, and communicate both the strengths and limitations of whatever evaluation data is obtained to organizational decision-makers.
According to Saxena et. al (1997), many companies’ real evaluation practices do not always follow the rigorous guidelines of the evaluation literature. However, according to Campbell (1998), evaluation can give participants in a course or program a sense of pleasure and success. Training evaluation can take many forms, and the components it comprises should be chosen based on the information needed and how that information is expected to be used, according to the literature studied. It should consider the entire training cycle, not just the course, which includes needs assessment, planning, delivery, and follow-up.

Training, according to Cole (2010), is a learning activity aimed at acquiring specific knowledge and abilities for the goal of a certain vocation or work. The job or task is the emphasis of training, such as the requirement for efficiency and safety in the operation of specific machines or equipment, or the necessity for a successful sales force, to name a few examples. Training is the systematic and deliberate alteration of behavior through learning events, activities, and programs that leads to participants attaining the information, skills, competencies, and abilities needed to do their jobs effectively (Gordon 1992). Pheesey (1971) describes the training as the systematic process of changing employees' behavior and/or attitudes to promote corporate goal achievement. This means that for any firm to achieve its training program's goals, the design and implementation must be well-thought-out and systematic, with a focus on improving performance and productivity. The 1973 Employment and Training Bill established the Manpower Services Commission, which defined training as a deliberate process to improve attitude, knowledge, or skill behavior via learning experience to achieve successful performance in an activity or range of activities. According to them, the goal of on-the-job training is to improve an individual's abilities while also meeting the organization's current and future needs. The relevance of training in the development of most companies has long been recognized. As new technology advances, making certain occupations and abilities obsolete, the necessity for a skilled and highly trained workforce becomes increasingly important. Many of the positions that have been replaced by robots are unskilled or semi-skilled, emphasizing the importance of higher education and skills for those seeking employment in the future.

According to Armstrong and Kleiner (1996), conveying an understanding of training highlights that if training is to be fully understood, it must be produced and operated inside an organization by appreciating learning theories and methodologies. Sherman et al. echoed this sentiment (1996). They specifically stated that the success of a training program is determined by the organization's ability to identify training needs and the care with which the program is prepared, with the result that if the trainees do not learn what they are supposed to learn, the training is deemed unsuccessful. They also stated that training specialists feel that if learners do not learn, it is most likely due to a failure to apply a key learning principle. What they're arguing is that the recognition and implementation of basic psychological principles of learning are usually linked to the success or failure of a training program. This assertion isn't always correct. What good will the trainees be to the organization if they don't learn anything? If trainees return empty-handed, with nothing to contribute, it's possible that, despite the organization's best efforts, the wrong candidate was chosen for the training program.

Learning, according to McGhee and Kraus (1996), is a phrase used to describe the process by which behavioral changes occur because of experience. They also claimed that learning could only
be deduced through a comparison of an individual's behavior before and after specified types of task experiences. This isn't to suggest there hasn't been any learning if there hasn't been any visible behavioral change. Organizational training should follow the learning principle since training is often meant to create learning experiences that will help employees perform more successfully in their professions. As a result, training can be defined as a planned and systematic attempt by management to change employee behavior to achieve organizational goals. An employer's formal training program is an endeavor to provide opportunities for employees to learn job-related skills, attitudes, and information. McGhee and his colleague (1996:55)

The primary goal of training is to increase knowledge and abilities, as well as to alter attitudes and behavior. It is one of the most powerful potential motivators, with several advantages for both individuals and organizations. Employees must have the knowledge, skills, and capacities to deal with new procedures and manufacturing techniques as technology evolves. Cole (2010) claims that training can help people attain the following:

- High morale - employees who receive training have increased confidence and motivation;
- Lower cost of production – training eliminates risks because trained personnel are able to make better and economic use of material and equipment thereby reducing and avoiding waste;
- Lower turnover – training brings a sense of security at the workplace which reduces labour turnover and absenteeism is avoided;
- Change management- training helps to manage change by increasing the understanding and involvement of employees in the change process and also provides the skills and abilities needed to adjust to new situations;
- Provide recognition, enhanced responsibility and the possibility of increased pay and promotion;
- Give a feeling of personal satisfaction and achievement, and broaden opportunities for career progression; and
- Help to improve the availability and quality of staff.

**Employee Performance**

According to Afshan et al. (2012), performance is defined as the accomplishment of specific tasks as measured against predetermined or identified accuracy, completeness, cost, and speed standards. Employee performance can be measured in terms of increased productivity, ease of use of new technology, and highly motivated employees, while employee performance is described as an organization's outcome or contribution to achieving goals. Performance may also be used to define what an organization has accomplished in terms of process, results, relevance, and success. According to (Kreitner, 1995) in his book 'The Good Manager's Guide,' no matter how well job applicants are screened, a gap between what they know and what they should know usually remains. This refers to how employees manage their tasks and assignments successfully, as well as how they display their work to reflect the company's desire for quality and good service. There is a need to create a shared employee awareness of what must be accomplished at the corporate level. It's all about matching corporate goals with agreed-upon measures, skill competency criteria, growth strategies, and outcomes delivery.
To achieve the overall business plan and produce a high-performing staff, the focus is on improvement, learning, and development. Employee performance refers to how well employees perform on the job and on assignments given to them, as assessed against the company's widely accepted performance criteria. Employees are deemed to have performed when they have reached the goals and exceeded expectations.

**Review of Related Literature**

An exploratory study was conducted by El-Dirani et al., (2019) on "Effective Management of the Performance Process in Lebanon." The goal of this study was to investigate the performance system and investigate the characteristics of the performance process in Lebanese firms, as well as the purposes of performance appraisal systems, the problems that performance appraisal systems cause, and the various areas that could be improved in Lebanese firms' appraisal systems. The majority of Human Resource Managers (HRM) said that the most successful technique of monitoring performance was to use a combination of two or more choices, according to the study's findings. They also noted that the Graphic Rating Scale was the most used sort of performance management system because managers found it to be simple to build and generalizable across a variety of jobs.

Furthermore, Management by Objective was a popular performance review strategy since it reduced subjectivity and depended on objective and quantitative performance indicators. The purpose of a performance assessment system, according to the research, was to provide feedback on individual employee performance to see if they were contributing to the organization's goals. The results revealed that performance appraisal systems were mostly employed for two goals. Decisions about promotions, training needs, and remuneration were made for administrative considerations. All employees, particularly those who were not very effective in their tasks, were developed for developmental objectives.

Unfortunately, according to all the Human Resource Managers interviewed, performance appraisal data is sometimes just used for compensation administration, promotions, and recognition. None of them highlighted the developmental uses, such as recognizing individual strengths and weaknesses, giving training needs, offering performance feedback, determining transfers and assignments, and determining transfers and assignments. However, the findings revealed that assessment results can cause a lot of worry for both the management and the employee who is being rated, especially if the employee does not think the appraisal is as fair as it should be. Employees frequently complain about the unfairness of the appraisal process in this regard.

Inconsistency among staff, erroneous information, and remote interactions with the appraiser were among the other sources of concern. It was also revealed that when appraisals were poorly prepared or delivered, and when evaluations were not viewed as fair and consistent, the outcomes had a negative impact on motivation and satisfaction. However, the research findings revealed that management recognized that implementing a performance management system was difficult owing to subjectivity and inconsistency issues, which resulted in a negative attitude towards the assessment system. Another issue was that some appraisers lacked communication skills, making it impossible for them to provide effective performance feedback.
According to the findings, the performance appraisal system might be enhanced by changing senior management's attitude toward it and tying it to compensation in a practical way. Furthermore, the system had to be well-thought-out and customized to the company's and employees' demands. Furthermore, managers needed to be continually taught in the assessment process, and performance reviews were to be treated as a continuous activity rather than a once-a-year occurrence. Expectations for performance and actual performance were to be discussed on a regular basis.

**Related studies**

Almost every firm has a performance management system that is anticipated to achieve several essential human capital management objectives. Motivating performance, assisting individuals in developing their abilities, establishing a performance culture, selecting who should be promoted, eliminating poor performers, and assisting in the implementation of corporate strategy are all common aims. There is little doubt that a performance management system that achieves these goals can significantly improve organizational effectiveness, but there is less agreement on what behaviours constitute a performance management system effective. "Performance Appraisal Systems in Higher Education: An Exploration of Christian Institutions at Vanderbilt University" was the subject of a study. By determining if higher learning Christian institutions were using performance appraisal with their staff as an important management tool, the study aimed to advance the knowledge base concerning the purposes and benefits of performance appraisal systems for members of staff as well as for institutions. According to the conclusions of the study, implementing performance appraisal was one approach for them to satisfy the increased responsibility demands they were receiving from policymakers, as well as to establish focus and achieve the intended outcomes. This was especially true during times of economic crisis when performance appraisal might assist organizations in making better use of their resources.

However, according to the findings of the study, performance appraisal has several advantages, including improving employee motivation and productivity, encouraging employee career growth and development, providing a basis for wage and salary changes, serving as a managerial tool for goal setting and performance planning with employees, and generating data for a variety of human resource decisions. According to the findings of this study, 84.4 percent of responding institutions (76) applied performance appraisal results for their staff positions. However, research findings revealed that performance appraisal systems were not consistently used across all departments, or even within a department, at some institutions, meaning that some employees received appraisal results while others did not (Forrest 1979).

Although most prior studies have found a link between Intellectual Capital (IC) and organizational performance, certain studies have found that not all (IC) components have an impact on organizational performance. In a study done in Taiwan by Lu et. al. (2010), the effects of IC on resource allocation and competitive advantage were discovered. A study conducted by Gogan et al. (2016) found that IC had a beneficial impact on organizational performance. Other researchers' research (Andreeva and Garanina, 2016) found that human capital and structural capital have a
strong association with organizational performance, however, relational capital did not. This research gap necessitates further investigation, which is addressed in this work.

Theoretical Review

Performance Management System

Satter et. al (2018) defines performance management as “the process of measuring and managing the performance of individuals and teams, monitoring, assessing and providing a fair remuneration to members”. Ilias et. al (2016) build on this definition, stating that performance management uses a performance management system to achieve goals and to ensure that organisational activities are in line with the direction of the strategy.

The definition of Armstrong and Baron (1998) is slightly different from that of Satter et. al.: Performance management is “A strategic and integrated approach to increasing the effectiveness of organisations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors”. Armstrong and Baron’s emphasis is on increasing effectiveness and improving performance through a strategic and integrated approach.

Satter et. al.’s definition is the most relevant to the aims of this study, given the emphasis it places on measuring and managing individual’s and team performance through monitoring, assessing and providing fair remuneration. Although Armstrong and Baron’s view is different from that of Satter et. al., the aim of the process is the same which is to increase effectiveness amongst individuals and employees, and manage and improve their performance with a view of providing fair remuneration.

Performance Management, Employee Performance and Staff Development

Iqbal, Ahmad, Haider, Batool and Ul-ain, (2013) in their study found that there was a positive relationship between performance management system (appraisal) and employee’s performance. It was also established that motivation as a moderator positively affected the relationship between performance appraisal and employee’s performance. Iqbal et. al. 2013, recommend that institutions can use appraisal systems as a strategic approach by integrating it with business or operational polices and human resource practices, and can improve the performance standards of their employees.

Staff development has a positive and significant impact on employee performance. In contrast, managerial support has an insignificant impact on employees’ performance. However, the impact of staff development and managerial support on employee performance is positive and significantly moderated by employee retention. The study will motivate owners/policy makers to invest in staff development to enhance their organisational performance/productivity (Wassem et. al. 2019).
Research Methodology

The qualitative research method was applied in this study. The aim was to test the hypotheses via data and give a description of the findings. Qualitative research in this research exists out of analysing the sample population via descriptive statistics and correlation analysis. A quantitative approach was adopted in this study and was correlational in nature. The design that was employed was a cross-sectional survey, as a structured questionnaire was used to collect data from research participants under the Ministry of Mines and Minerals Development. All the three variables in the study were measured on a Likert scale of 1 – 5, which represented Agree, Strongly Agree, Disagree, Neutral and Strongly Disagree, respectively.

A subjective approach was used to evaluate employee performance. The research study targeted 250 employees in the Ministry of Mines and Minerals Development. The total population of employees at the Ministry of Mines and Minerals Development is 593. The 250 employees randomly selected were a representation of the different departments within the Ministry in Lusaka. The sampling technique used in this study to select participants was the simple random sampling technique. The Human Resource and Administration Department under the Ministry of Mines and Minerals Development assisted with distributing the questionnaires to individual employees, randomly. However, out of the 250 selected participants, only 223 respondents participated in the research study. Since population was of manageable size, data was collected from the entire target population that participated in the study. This research used questionnaires to gather data. This was very helpful, especially that the sample size is slightly big. The Statistical Package for Social Sciences (SPSS), version 25 was used in generating descriptive statistics such as frequencies and percentages which were used in describing the distributions of summated variables and analysis.

Results

Effects of Performance Management System on Employee Performance

The views of the participants on the types of effects of Performance Management System on Employee Performance were obtained on a Likert scale to determine the degree to which the participants agreed or disagreed on the existing effects. On the scale of 1 to 5 used were 1 for Agree (A), 2 for Strongly Agree (SA), 3 for Neutral (N), 4 for Disagree (D) and 5 for Strongly Disagree(SD). A mean score of 2.0 was used to determine whether or not participants agreed to the types of effects of Performance Management System on Employee Performance that existed. A score of 2.0 and above shows that the participants agree to the existence of the effects, while others do not agree as shown in the table below:
Table 1: Participants’ views on the Existence of the Effects of Performance Management System on Employee Performance (N=223)

<table>
<thead>
<tr>
<th>Effects</th>
<th>A</th>
<th>SA</th>
<th>N</th>
<th>D</th>
<th>SD</th>
<th>Mean</th>
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<tbody>
<tr>
<td>Improved work performance</td>
<td>85</td>
<td>51</td>
<td>22</td>
<td>30</td>
<td>35</td>
<td>1.0</td>
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<tr>
<td></td>
<td>(38%)</td>
<td>(23%)</td>
<td>(10%)</td>
<td>(13%)</td>
<td>(16%)</td>
<td></td>
</tr>
<tr>
<td>Improved Efficiency and work output</td>
<td>17</td>
<td>133</td>
<td>16</td>
<td>21</td>
<td>36</td>
<td>1.0</td>
</tr>
<tr>
<td></td>
<td>(8%)</td>
<td>(60%)</td>
<td>(7%)</td>
<td>(9%)</td>
<td>(16%)</td>
<td></td>
</tr>
<tr>
<td>Improve work attitude</td>
<td>14</td>
<td>87</td>
<td>19</td>
<td>61</td>
<td>42</td>
<td>1.2</td>
</tr>
<tr>
<td></td>
<td>(6%)</td>
<td>(39%)</td>
<td>(9%)</td>
<td>(27%)</td>
<td>(19%)</td>
<td></td>
</tr>
<tr>
<td>Improved institutional loyalty</td>
<td>7</td>
<td>28</td>
<td>8</td>
<td>67</td>
<td>113</td>
<td>1.4</td>
</tr>
<tr>
<td></td>
<td>(3%)</td>
<td>(13%)</td>
<td>(4%)</td>
<td>(30%)</td>
<td>(50%)</td>
<td></td>
</tr>
<tr>
<td>Individual Strengths and weaknesses identified</td>
<td>29</td>
<td>128</td>
<td>15</td>
<td>35</td>
<td>16</td>
<td>2.0</td>
</tr>
<tr>
<td></td>
<td>(13%)</td>
<td>(57%)</td>
<td>(7%)</td>
<td>(16%)</td>
<td>(7%)</td>
<td></td>
</tr>
<tr>
<td>Promotes Punctuality</td>
<td>8</td>
<td>15</td>
<td>3</td>
<td>88</td>
<td>109</td>
<td>2.8</td>
</tr>
<tr>
<td></td>
<td>(4%)</td>
<td>(7%)</td>
<td>(1%)</td>
<td>(39%)</td>
<td>(49%)</td>
<td></td>
</tr>
<tr>
<td>Highly motivated staff due to rewards on merit</td>
<td>22</td>
<td>144</td>
<td>28</td>
<td>16</td>
<td>13</td>
<td>2.9</td>
</tr>
<tr>
<td></td>
<td>(9%)</td>
<td>(65%)</td>
<td>(13%)</td>
<td>(7%)</td>
<td>(6%)</td>
<td></td>
</tr>
<tr>
<td>Identifies training needs and competencies</td>
<td>41</td>
<td>170</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>3.02</td>
</tr>
<tr>
<td></td>
<td>(18%)</td>
<td>(77%)</td>
<td>(1%)</td>
<td>(2%)</td>
<td>(2%)</td>
<td></td>
</tr>
</tbody>
</table>

The research study findings regarding the effects of Performance Management System on Employee Performance are that: work performance, efficiency and work attitude are improved; employee strengths, weaknesses and efforts on the job are identified; training needs, competencies and skills are identified; enhances employee career development and institutional performance. “Performance Management System has positive and significant contribution toward enhancing employee performance. Employees view Performance Management System as having a positive role in their professional growth and work engagement. This relationship is important as
performance management is considered as an effective tool to motivate employees through participative planning, decision making, and reward system (Awan, Habib, Akhtar & Naveed, 2020). Based on this view, it can be concluded from this research study that Performance Management System has positive effects on Employee Performance. However, the system can have a greater impact on employee performance if they are involved in forming the measures, rewards, and penalties of performance assessment.

**Effects of Performance Management System on Staff Development**

The effects of Performance Management System on Staff Development are that training needs are identified, employee qualifications/skills are aligned to the job requirements (job specification), and individual employee competencies are identified, as well as career progression is enhanced. According to the research study conducted by Soubjaki & Baytieh (2017), professional performance management systems have a positive impact on the learning and development of organizations. The positive impact takes several forms. First, on an individual level, feedback from a professional performance management system gives employees a push to pursue self-reflective learning. Second, a professional performance management system acts as motivation for employees to pursue self-development in anticipation of qualifying for the rewards from the performance management system. Third, from an organizational level, a professional performance management system enables the organizations to identify training and development gaps and other areas of weakness.

**Relationship between Employee Performance and Staff Development**

The positive effects that Performance Management System has on Staff Development are what creates a relationship to exist between Employee Performance and Staff Development. The positive effects are that: training needs are identified, employee qualifications/skills are aligned to the job requirements (job specification), and individual employee competencies are identified, as well as career progression and employee performance are enhanced. This can be concluded that Employee Performance and Staff Development are positively and strongly correlated.

**Role of Staff Development on Effects of Performance Management System and Employee Performance**

Participants were requested to highlight the roles that staff development played on the effects of performance management system on employee performance. The finding is that staff development plays a significant role with regards to the effects that performance management system has on employee performance. Specifically, the role that staff development plays in this relationship is that: it assists employees gain knowledge and understanding of the job requirements to achieve set performance standards; facilitates for effective monitoring of employee performance; and bridges gaps between identified employee incompetency and performance requirements. Based on these findings, it can be concluded that a relation exists amongst the three variable i.e. performance management system, employee performance and staff development. The participants’ responses, with their frequency and percentage are illustrated in table 2 below.
Table 2: Roles of Staff Development on the effects of Performance Management System of Employee Performance

<table>
<thead>
<tr>
<th>Role</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assists employees gain knowledge and understanding of the job requirements, to achieve set performance standards</td>
<td>145</td>
<td>65.0</td>
<td>65.0</td>
</tr>
<tr>
<td>Facilitates for effective monitoring of employee performance</td>
<td>63</td>
<td>28.3</td>
<td>93.3</td>
</tr>
<tr>
<td>Bridges gaps between identified employee incompetency and performance requirements</td>
<td>15</td>
<td>6.7</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>223</strong></td>
<td><strong>100</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Conclusion and Recommendations**

Based on the analysis and interpretation of data using the appropriate statistical tools, it has been concluded that there is a significant relationship between: Performance Management System and Employee Performance; Performance Management System and Staff Development; Employee Performance and Staff Development; and that Staff Development plays a significant role in mediating the effects of Performance Management System on Employee Performance. The positive effects that Performance Management System has on Staff Development are what creates a relationship to exist between Employee Performance and Staff Development. This can also be concluded that Employee Performance and Staff Development are positively and strongly correlated. The effects of Performance Management System on Employee Performance, and Staff Development are of positive benefits which benefits both the individual employees and the organization as a whole.

In view of the findings, it is recommended for the Ministry of Mines and Minerals Development to ensure that more sensitization activities/programs are facilitated for employees to ensure the relevance of Performance Management System is well defined to all users, especially if the Seventh National Development Plan’s (7NDP) effort of improving personnel performance, accountability, service delivery through enhanced accountability, team work, prioritisation and focused delivery of programs and activities is to be attained. Apart from Performance Based Contracts, Balanced Scorecards and Annual Performance Appraisals, it is also recommended for
Management Teams in the institution to encourage peer to peer review and self-appraisals for employees to track individual performance, to be able to identify strengths and improve on weaknesses at the earliest level, before performance gets to the worst level. The following measures are recommended to help Performance Management System to be effective and meet employees’ satisfaction:

- Clearly define the Performance Management System to make its relevance known and appreciated by the end-users.
- Give feedback to employees for every appraisal conducted, regardless of the purpose the appraisals are conducted for.
- Apart from promotions, confirmations and training, appraisals should be used to award/reward employees for best or improved performance, as well as salary increment for deserving employees.
- Government Ministries should reward higher performers highly, while middle performers should get some reward equivalent to their performance, and lower performers should be given signs of their job being on the line if their performance is not improved, in order to curb negative work attitudes that affect both employee and organizational performance.
- Performance Management System should be given professional attention and interest in order for organizational goals to be achieved.
- Government institutions should conduct appraisals regularly, i.e., quarterly or bi-annual to track performance progress against the set targets. Appraisals that are conducted at the end of each year prone to have less achievements as there are higher chances for employees performing tasks parallel to their set targets. But, if regular appraisals are done, there is a higher chance of aligning employees’ set activities expected with their expected performance.
- Employees should be involved in planning, decision making, reward system, especially forming the measures of rewards and penalties of performance assessment.

Finally, the Government should work towards ensuring that the Performance Management System in place in Government institutions embraces all levels of operation (i.e., operational, middle and strategic), for all end-user to benefit, appreciate and value the importance of the system.

**Recommendation for Future Research**

This research study was conducted on a small scale of time and was restrained by finances, which limited the researcher on conducting the research study on a larger population scale. The study has examined the effects that Performance Management System has on Employee Performance, with the mediation role of Staff Development in the Ministry of Mines and Minerals Development. Therefore, the researcher suggests that further research is conducted in other institutions on a larger scale to establish whether similar results contained in this study would be obtained.

**References**


Hamlin, W., (1974). Analysis of Primary Information for Predicting Student Success. Wayne State University


