

# Chapter 11

## Digitalisation of Employee Performance Evaluation to Advance Public Sector Human Resource Management

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### **ABSTRACT**

*The evaluation of the performance of government remains one of the most fiercely debated in democracies and problematic in countries. While today's digital age affects all aspects of life, necessitates change including the integration of advanced technologies to aid policy implementation & public service delivery performance. The efficiency of governments and the positive develop of humans is said to be tied to innovation and technological progress. This study explores the digitalisation of employee performance evaluation in human resource management in South Africa's bureaucracy, with an objective to explore its contribution as a panacea for policy implementation & public service delivery ills in the country. The findings point to that in the public service in the country employee performance evaluation remains outdated though policy documents call for the integrating information communication technology. A digitalised performance measurement (e-performance management and e-HRM) in the country would add value and have a positive impact as has been long established in the private sector.*

### **INTRODUCTION**

Digital transformation spearheaded by the Fourth Industrial Revolution (4IR) is affecting the functioning of public sector organisations as modern technologies influence public policy-making, performance evaluations including how public data is collected and analysed to come up with data-driven decision-making in public service delivery (Benbunan-Fich, Desouza, & Andersen, 2020). Public sector human resource management (HRM) as a key functional department in public administration has continuously received immense criticism in South Africa because of poor performance which has triggered service delivery problems for the public (Khunoethe, Reddy & Mthuli, 2021). Managing the performance of

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public officials in public sector organisations (PSOs) is the crucial role of Human Resources Management hence digitalising performance evaluation is key to enhancing service delivery in South Africa's thriving public sector. In this chapter, the term public sector encompasses public service organisations (PSOs) and agencies as well as state-owned enterprises at all government levels, namely at national, provincial and local levels established by laws applicable in South Africa. Resulting of several public sector deficiencies, scholars of Public Administration (Mello, 2015; Mkhize, Nzimakwe & Mthuli, 2021; Mthuli, Singh & Reddy, 2023b) have strongly advocated for the digitalisation of performance evaluation interchangeably used in this chapter as performance management (PM) to realign HRM with modern technologies that could be adopted to enhance change and improve performance.

Achieving efficient public sector performance remains problematic three decades after South Africa's democracy, with reports from the Auditor General of South Africa (AGSA), every year pointing to various inefficiencies within key public sector departments including HRM (Mello, 2015; Magoro, 2015; Mkhize, et al. 2021). The poor performance experienced in public sector HRM is exacerbated by limited and lack of social and digital innovations, while the use of Information Communication Technology (ICT) remains low (Nzimakwe & Pillay, 2010; Nzimakwe, 2015). The study of Biyela et al. (2018) added that poor implementation of intergovernmental relations and other service delivery models affect digital transformation in public sector HRM.

Addressing the limitations emanating from public sector HRM through employee performance management and development systems (EPMDS) has been a complex task due to poor accountability in PSOs. Although numerous regulatory and legislative frameworks to transform PSOs in South Africa have been implemented, public sector HRM continues to experience multiple challenges that may affect digital transformation in terms of employee performance evaluations (Nzimakwe, 2012). Enabling legal frameworks such as the White Paper on Transforming Public Service Delivery (1997) referred to as *Batho Pele* and the White Paper on Human Resource Management (HRM) in the Public Service (1997) in the public service (Mkhize, Nzimakwe & Mthuli, 2021), were implemented to ensure transformation and improved performance of the public sector HRM. As the desire to redirect public sector HRM and ensure improved performance, the balanced scorecard, PM agreements (PMAs) were implemented to focus on Key Performance Areas (KPA) and Key Performance Indicators (KPI) in PSOs.

Public sector organisations globally operate in the digital age punctuated with modern technologies such as blockchain, 3D printing, cloud computing, artificial intelligence (AI), Internet of Things (IoT) among others. This study points to limited scholarship in the field of digital performance evaluation and management in public sector HRM, which makes digital transformation a complex phenomenon in enhancing performance evaluations in South Africa. Rising from this background, the study seeks to answer the following questions: Is a digital employee performance management development system (EPMDS) a panacea for improving performance evaluation in South African public sector HRM? and what are the challenges and opportunities of digitalising employee performance evaluation to improve service delivery in PSOs?

## **THEORETICAL AND EMPIRICAL LITERATURE**

The chapter is anchored on New Public Management (NPM) to understand the challenges and opportunities of digitalising performance evaluation towards attaining efficiency and effectiveness in the South African public sector HRM. The two core principles of NPM, the first being reducing and

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