

ADDIS ABABA UNIVERSITY COLLEGE OF

BUSINESS AND ECONOMICS

SCHOOL OF COMMERCE



**The Impact of Performance Management on Employee Productivity: The
Case of Coca-Cola Beverages Africa, Ethiopia**

By Belen Tilahun

Advisor Teklegiorgis Assefa (PHD)

*A Research Project work Submitted to Addis Ababa University School of Commerce
Graduate Studies Program in Partial Fulfillment of the Requirements for the Award of
Master of Business Leadership*

June 2024

Declaration

I, the undersigned, declare that this project work titled *The Impact of Performance Management on Employee Productivity: The Case of Coca-Cola Beverages Africa, Ethiopia* is my original work, which has never been submitted to another university as part of their degree requirements. Every source used to help with the current research has been duly credited.

Name: **Belen Tilahun**

Signature: _____

Date of Submission: _____

Statement of Certification

This certifies that the project, "*The Impact of Performance Management on Employee Productivity: The Case of Coca-Cola Beverages Africa, Ethiopia*," completed by Belen Tilahun under the guidance of Teklegiorgis Assefa (Ph.D.), fulfills accepted standards for originality and quality, and was submitted in partial fulfillment of the requirements for a Master of Business Leadership with the University's regulations.

Advisor _____

Signature _____

Date _____

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE

**THE IMPACT OF PERFORMANCE MANAGEMENT ON EMPLOYEE
PRODUCTIVITY: THE CASE OF COCA-COLA BEVERAGES AFRICA,
ETHIOPIA**

Approved by the Board of Examiners

Advisor Name **Dr. Teklegiorgis Assefa**

Advisor Signature _____

Date _____

Internal Examiner **Dr.**

Internal Examiner Signature _____

Date _____

External Examiner **Dr.**

External Examiner Signature _____

Date _____

Acknowledgments

First, I would like to thank and praise the almighty God for his unconditional support throughout my life. I would also like to extend my gratitude to my Advisor Dr. Teklegiorgis Assefa for his consistent support, expertise guidance, and constructive comments that helped me to make this research possible.

I would also like to thank the employees and leadership team of Coca-Cola Beverages Africa, Ethiopia, and Addis Ababa Plant for their contribution to this project work.

In conclusion, I owe a debt of gratitude to my families, friends, and subordinates for their unwavering support in making my graduate studies successful from start to finish.

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List of Acronyms

CCBA=Coca Cola Beverages Africa

EABSC=East Africa Bottling Share Company

AMWSC=Ambo Mineral Water Share Company

PMS=Performance Management System

Abstract

The general objective of this study was to examine the Impact of Performance Management on Employee productivity in the Case of Coca-Cola Beverages Africa, Ethiopia: An explanatory research design and quantitative data were collected from a sample of 235 employees using stratified random sampling technique, and the data were analyzed using descriptive and inferential analysis. A Structured questionnaire developed as a five-point Likert Scale was used for data collection. The Statistical Package for Social Sciences (SPSS) program was used for analyzing the data that had been collected. Pearson's correlation coefficient was used to determine the relationships between performance management systems and employee productivity. A regression model was used to determine the coefficient of the effect of performance management on employee productivity. Therefore, the study found a positive correlation between employee productivity and performance management. The study also discovered that the combined impact of performance management variables could account for 70% of the changes in the employee productivity variables. The study suggested that having performance goals, performance monitoring, performance evaluation, regular feedback, and Training & development are important for an effective performance management system. In contrast, reward and recognition does not have less significance on employee productivity in the case of Coca-Cola Beverages Africa, Ethiopia.

Keywords: *Performance Management, Employee Productivity, Performance Goals, Performance Monitoring, Performance Evaluation, Regular Feedback, Training & Development and Reward & Recognition*

CHAPTER 1: INTRODUCTION

1.1 Chapter Overview

This chapter covers the study's background as well as the study's main concepts, performance management, and employee productivity. The research problem, the research objectives, the study's value, and the project's overall scope are all included in this chapter.

1.2 Background of the Study

Performance management is a crucial aspect of organizational management that aims to enhance employee productivity. Performance management encompasses the processes and practices used to establish clear performance expectations, measure and evaluate individual and team performance, provide feedback, and reward or correct performance. It is pivotal in aligning employee efforts with organizational goals and driving individual and collective success.

According to (Wade & Recardo, 2001), performance management is not merely about evaluating and rating employee performance. In addition, a comprehensive process includes development, setting goals, providing feedback, and recognition.

(Wade & Recardo, 2001) Emphasizes the need for organizations to have specific goals that complement their overarching organizational objectives. Emphasizing the need for such alignment. This clarity in goal setting helps employees understand what is expected from them and provides a sense of direction and purpose. Similarly, (Aguinis,

2013) argues that a well-designed performance management system can enhance employee productivity by providing individuals with a sense of direction, purpose, and clarity regarding their roles and responsibilities.

According to (Locke & Latham, 2002), goal setting is a critical component of effective performance management. Emphasizing the importance of setting clear, specific and challenging goals that are aligned with the organization's objectives and that well-defined goal provide employees with a sense of direction and purpose, increasing their motivation and focus. (Locke & Latham, 2002) Also suggests that goals should be challenging but attainable, as this stimulates individuals to exert effort and strive for excellence. Also highlights the significance of providing feedback within the performance management process. In which feedback should be frequent, specific, and focused on performance improvement.

Note that performance evaluation is a component of an efficient performance management system, even if some academics refer to performance management and performance evaluation interchangeably (Schleicher, 2018). The tracking and measuring of organizational performance has become more important due to the organizations' constant growth and complexity, changes in the surrounding environment, employee demands, the expansion of organizational goals, and the need for timely feedback.

Effective training programs are necessary for employees to acquire the necessary information, skills, and abilities to perform well on the job. These programs may also have an impact on employee productivity. (Meyer, 1991)

According to (Herzberg, 1965) the relationship between manager and co-worker, salary, working conditions, and company policy are the factors that cause a feeling of dissatisfaction among employees. On the other hand, achievement, recognition, career development, and responsibility are the factors contributing to creating satisfaction and employee productivity.

Organizations are increasing the amount and frequency of the performance feedback they provide to their employees (Venne, 2018). This surge is based on the generalized belief that supplying workers with ongoing feedback can boost their performance

The relationship between performance management and employee productivity is intricate and mutually reinforcing. Effective performance management practices, such as setting clear goals, providing regular feedback, recognizing achievements, and offering development opportunities, can significantly influence employee productivity. When employees are aware of what is expected from them and receive feedback that helps them improve, they are more likely to feel motivated to perform at their best. Moreover, performance management practices that emphasize fairness, equity, and career growth opportunities contribute to employee productivity and increased job satisfaction.

When a performance management system is executed well, individual goals and organizational objectives will align. When employees see a clear connection between their work and the organization's overall goals, it enhances their sense of purpose and motivation. By understanding how their efforts contribute to the larger picture, employees are more likely to be motivated to perform at their best, resulting in improved productivity.

The context of performance management (Stivers & Joyce, 2000) emphasizes the strategic nature of performance management, its focus on continuous improvement, employee development, effective communication and feedback, and the importance of performance measurement and evaluation.

These scholars have made substantial contributions to the understanding of performance management and employee productivity. Their research findings provide a strong foundation for investigating and assessing the impact of performance management on employee productivity within the context of Coca-Cola Beverages Africa, Ethiopia. By building upon their work, this research project aims to contribute to the existing body of knowledge and provide practical recommendations for enhancing performance management practices in the specific organizational setting.

1.3 Background of the Organization

Coca-Cola Beverages Africa (CCBA) is the largest bottling partner on the African continent, representing around 40% of the total Coca-Cola volumes supplied in the region. It is the eighth-largest bottling partner globally in terms of revenue. Coca-Cola Beverages Africa serves 15 countries in sub-Saharan Africa: South Africa, Ghana, Kenya, Ethiopia, Mozambique, Tanzania, Uganda, Namibia, Comoros, Mayotte, Eswatini, Botswana, Ghana, Malawi and Zambia. The company directly employs more than 18,000 people and enjoys the number one market position in most of these territories. Coca-Cola Beverages Africa (CCBA) in Ethiopia has 2554 employees has 5 plants across the country and has 7

brands (Coca-Cola, Sprite, Fanta, Schweppes, Novida, Predator, and Ambo Mineral).CCBA Ethiopia operates the East Africa Bottling Share Company (EABSC) as well as the Ambo Mineral Water Share Company (AMWSC). EABSC has four plants in Addis Ababa, Dire Dawa, Bahir Dar, and Sebeta on the other hand AMWSC has one plant in Ambo. [Perform \(sharepoint.com\)](http://sharepoint.com)

1.4 Statement of the problem

The performance management indicators in organizational objectives realize the value of effectiveness. The impact of performance management practices on organizational performance and employee productivity is a significant topic in the field of human resource management. Normally, performance management is usually employed to build a service or product, as well as other key areas in an organization that would lead to employee productivity (Cadsby, 2006)

Through a performance management system, management informs employees about the mission, aims, and objectives of the organization. When PMS is carried out correctly and professionally, it helps to produce valuable employee performance evaluations that show how each person is assisting in the accomplishment of the general objectives of the company. The other challenge associated with PMS implementation is ineffective leadership and lack of the manager's commitment to successful implementation and utilization of PMS to gain the required outcome.

According to (Kumar, 2015) one of the main functions of performance measurement is to distinguish between employees' levels of performance, determine performance gaps and required training needs, approve rewards, and identify employees legible for promotion. Hence, there is an awareness gap on the purpose and importance of PMS among employees.

The problem addressed in this research project is the need to understand the impact of performance management on employee productivity within the specific context of Coca-Cola Beverages Africa, Ethiopia. Despite the recognized importance of performance management in driving employee engagement and organizational success. It is not well understood how performance management procedures are applied within the company and how they affect employee productivity.

However, some researchers have tried to analyze the impact of performance management on employee productivity; a detailed study was not done on an exhaustive list of PMS implementation challenge factors that affect employee productivity.

Specifically, there is a need to investigate the effectiveness of performance management initiatives, such as goal setting, feedback mechanisms, recognition programs, and development opportunities, in enhancing employee productivity. Additionally, the research aims to identify any potential challenges or gaps in the current performance management system at Coca-Cola Beverages Africa, Ethiopia, which may be hindering optimal performance outcomes.

By addressing this problem, the research project seeks to provide valuable insights and recommendations to Coca-Cola Beverages Africa, Ethiopia, and similar

organizations, to support the design and implementation of effective performance management strategies that foster employee productivity.

1.5 Research Questions

To achieve the purpose of this study and to give appropriate answers for the issues raised in the statement of the problem section, the researcher tried to address the following specific research questions.

1. How does the implementation of the PMS at CCBA, Ethiopia affect employee productivity?
2. What are the specific PMS employed by CCBA, Ethiopia, and how do they contribute to employee productivity?
3. How does regular feedback affect employee productivity within a PMS at CCBA, Ethiopia?
4. How do performance goals and rewards affect employee productivity at CCBA, Ethiopia?
5. How does training and development affect employee productivity within a PMS at CCBA, Ethiopia?

1.6 Research Objective

1.6.1 General Objective

The general objective of this research is to examine the impact of performance management on employee productivity within the specific context of CCBA, Ethiopia.

1.6.2 Specific Objective

1. To investigate the current PMS practiced in CCBA, Ethiopia.
2. To identify and describe the specific PMS used by CCBA, Ethiopia.
3. To examine the effect of regular feedback on a PMS that influences employee productivity in CCBA, Ethiopia.
4. To examine the effect of performance goals and reward systems on employee productivity of CCBA, Ethiopia
5. To examine the effect of training and development on employee productivity of a PMS in CCBA, Ethiopia

1.7 Significance of the Study

The significance of this study lies in its potential to contribute to the existing body of knowledge on performance management and its impact on employee productivity. Specifically, this study and its findings will give appropriate suggestions and recommendations, which will apply to CCBA, Ethiopia, and other companies operating in the region.

The significance of this study will be for different stakeholders. For the company (CCBA, Ethiopia), researchers and scholars in the area of business management, and the

rest of the academic community. Especially for those who are interested in performance management and employee productivity. This study may give new dimensions, perspectives, and empirical evidence, which will be the ground for further research and development of best practices in the area. Moreover, it may show the importance of context-specific research since organizations operating in Ethiopia and other emerging markets face unique disadvantages and opportunities.

Overall, the significance of this study will be to give practical recommendations for the improvement of performance management practices for the benefit of the organization, employees, researchers, and the academic community.

1.8 Scope of the Study

The scope of the research is limited to analyzing how PMS affects CCBA, Ethiopia employees' productivity. This study does not cover other human resource and managerial aspects that directly affect the performance and productivity of employees. Thus the study delimited conceptually on the impact of PAS (performance goals, performance monitoring, performance evaluation, regular feedback, training & development and reward and recognition) on employee productivity.

This study is limited by the perception of CCBA, Ethiopia employees that are currently working in Addis Ababa due large number of staffs working across different plants. In addition, due to geographical location & social instability the other plants are not part of the study. Though the measurement of performance of contract, and part-time employees is important to help employee improve their productivity, it is not included in this report, as some of the employees are not evaluated through the PMS. The

organization has seven business strategic units, Manufacturing, Logistics, Commercial, Human Resources, Finance, procurement, and PAC.

Furthermore, by looking at the relationships between variables, quantitative research allows for the testing of objective theories. These variables can then be measured, usually with instruments, allowing numbered data to be subjected to statistical procedures for analysis.

1.9 Limitations of the Study

This study, as with other studies, has limitations and constraints. One limitation is the confinement of this study to the manufacturing industry, namely CCBA Ethiopia. The study focused on permanent employees based in Ethiopia and excluded contract/part-time employees to get accurate and representative data.

Additionally, the way that different staff members view PMS depends on their position within the organization, year of service, and division level, all of which can have varying degrees of impact on an employee's productivity. Furthermore, the researcher's ability to evaluate more precise information on the topic has been limited by time constraints, financial constraints, and the inaccessibility of some material due to confidentiality. Lastly, the research methodology used in this study is quantitative, which limits the respondent's ability to answer open-ended questions and forces them to select only from the options provided on the questionnaire.

1.10 Organization of the Study

The Organization of the study will be as follows:

The research work is divided into five chapters. The first chapter contains the background of the study, a statement of the problem, the objective of the study, the research questions, the scope and significance of the study, and the limitations of the study. The second chapter deals with a review of related literature on the area of the topic under investigation. The third chapter highlights the types and sources of data for the study, sampling techniques, data collection, and analysis used in the study. The fourth chapter touches on the analysis, interpretation, and presentation of data. The last chapter that is the fifth chapter concludes and recommends the area of the data and analysis presented in the fourth chapter.

CHAPTER 2: LITERATURE REVIEW

2.1 Chapter Overview

This chapter presents the theoretical literature review and empirical literature review of the study. Finally, it presents the conceptual framework of the study.

2.2 Theoretical Literature Review

2.2.1 Definition of Performance Management

Numerous research in the field of human resource management has addressed the topic of performance management. Performance can be defined as "What is expected to be delivered, could be measured in terms of efforts or results, quality of task accomplished, with the specification of conditions under which it is to be delivered" (Kumari & Malhotra, 2012). The outcomes produced or generated by an individual, team, or organization, which can be measured against predetermined goals, targets, or standards." (Bratton & Gold, 2012).

According to (Armstrong & Baron, 2005), performance is "the degree of achievement of the action or task that constitutes the performance requirement against the standards of excellence identified by the organization."

A key aspect of any firm is the requirement to manage and measure its employee's performance. Managing an organization is about managing the performance of its employees. Organizations should have a system to measure employee performance and implement action plans for improvement.

According to (Armstrong & Baron, 2005), performance management is "a strategic and integrated approach to delivering sustained success to organizations by improving the

performance of the people who work in them and by developing the capabilities of teams and individual contributors."

Similarly, the systematic process through which an organization involves its employees in improving organizational effectiveness in the accomplishment of its mission and goals. (Aguinis & Pierce, 2008) State this.

(Bacal, 1999) Describes performance management as "a comprehensive and continuous process of setting goals, providing feedback and coaching, evaluating individual and team performance, and taking corrective actions to ensure desired results are achieved." Performance management is "the process of establishing performance expectations, systematically gathering, analyzing, and interpreting performance-related data, and using that information to provide feedback, coaching, and development opportunities to improve performance." By (DeNisi & Pritchard, 2006)

2.2.2 Key components of performance management

Performance management encompasses a comprehensive and systematic approach to managing employee performance within an organization. The key components typically include the following:

Goal Setting: This involves defining clear, specific, and measurable performance objectives and targets that align with the overall organizational goals. Goals should be challenging yet attainable, and they provide a basis for evaluating employee performance.

According to (Locke & Latham, 2002), the fundamental principles of goal-setting theory, suggest that setting specific and challenging goals leads to higher levels of performance compared to easy or vague goals. Latham also explored the mechanisms

through which goals influence motivation and behavior that elaborates on the relationship between goal difficulty and performance. In addition, Latham discussed how setting moderately difficult goals can enhance performance by providing a level of challenge that motivates individuals to put in effort and engage in problem-solving strategies. Moreover, how goal-setting programs can be implemented effectively, the role of managers and supervisors in supporting goal achievement, and the potential challenges in aligning individual goals with organizational objectives.

(Austin & Vancouver, 1996), discuss the relationship between goal difficulty and employee productivity. According to goal-setting theory, setting moderately challenging goals can lead to higher levels of performance and productivity. However, excessively difficult goals may lead to stress or overwhelm, potentially affecting productivity negatively. Also, emphasize the importance of employee commitment to goals in driving productivity. When employees are involved in the goal-setting process and feel a sense of ownership and commitment towards their goals, they are more likely to be motivated and engaged in achieving them, thereby positively impacting productivity.

Performance Monitoring: involves the collaborative process between managers and employees to develop performance plans. It includes identifying key performance indicators, setting performance expectations, and discussing the resources and support needed to achieve the desired outcomes.

(Bourne, 2003) In his journal, he explores the role of performance monitoring in aligning organizational activities with strategic goals.

Performance evaluation: Performance evaluation is the formal process of assessing an employee's performance against the predetermined goals and performance criteria. This can be done through various methods, such as performance appraisals, self-assessments, and 360-degree feedback.

(Armstrong, 2006)Emphasizes the importance of performance evaluation as a means to assess employee performance, provide feedback, and drive continuous improvement. He highlights that effective performance evaluation processes are crucial for organizations to align individual performance with organizational goals and objectives. (Armstrong, 2006) Acknowledges the challenges associated with performance rating and calibration, particularly issues of rating bias and subjectivity. He discusses strategies for reducing rating biases, such as calibration sessions and the involvement of multiple evaluators, to enhance the fairness and accuracy of performance evaluations.

Feedback and Coaching: Providing employees with constructive feedback and coaching is vital for their growth and development. Managers should offer regular feedback on strengths, areas for improvement, and suggestions for enhancing performance.

(Aguinis, 2013) Has extensively researched and written about various aspects of performance management, including feedback and coaching. (Aguinis, 2013) also emphasizes the importance of feedback as a critical tool for improving individual and organizational performance. Furthermore, it advocates for the provision of timely and specific feedback that is focused on actionable steps for improvement.

Coaching, (Aguinis, 2013) recognizes its value in supporting employee development and performance enhancement. He highlights the role of coaching in

providing guidance, support, and motivation to individuals and teams. Aguinis believes that effective coaching can facilitate skill development, increase job satisfaction, and ultimately contribute to organizational success.

Development and Training: Performance management should include provisions for employee development and training. This component focuses on identifying skill gaps, providing necessary training opportunities, and creating development plans to enhance employee capabilities and performance.

(Wade & Recardo, 2001) Emphasize that development and training initiatives are critical components of an effective performance management system. They argue that investing in employee development not only enhances individual skills but also contributes to the overall organizational capability and performance.

They advocate for the alignment of development and training programs with strategic goals and objectives. According to (Wade & Recardo, 2001) perspective, training should be designed to address specific skill gaps and support employees in acquiring the knowledge and capabilities required to succeed in their roles.

(Wade & Recardo, 2001) Highlight the need for ongoing learning and development opportunities to keep pace with the constantly changing business environment. They emphasize that a culture of continuous improvement and learning can drive employee engagement, motivation, and productivity.

Recognition & Rewards: Recognizing and rewarding employees for their achievements and contributions is an important aspect of performance management. This

can include monetary rewards, promotions, bonuses, or non-financial recognition, such as public acknowledgment or opportunities for career advancement.

In their book, (Maia, 2011), introduced the Two-Factor Theory, also known as the Motivation-Hygiene Theory. According to their theory, recognition and rewards are considered motivators that contribute to job satisfaction and employee motivation.

Additionally in the Two-Factor Theory recognition, such as praise, acknowledgment, and appreciation, serves as a powerful motivator by fulfilling individuals' psychological needs for achievement, recognition, and personal growth. Rewards, on the other hand, refer to tangible incentives like bonuses, promotions, and other forms of compensation that are linked to performance.

(Maia, 2011) Suggest that while recognition and rewards can positively influence job satisfaction and motivation, they are not sufficient on their own. They propose that to truly motivate employees and enhance performance, organizations should focus on providing opportunities for challenging and meaningful work, autonomy, and opportunities for personal and professional growth.

2.2.3 Performance Management Framework

Performance management frameworks are systematic approaches that organizations use to effectively manage and enhance employee performance. These frameworks provide a structure for defining goals, tracking progress, providing feedback, and aligning individual and team performance with strategic objectives. Here are a few commonly used performance management frameworks:

Assessing an employee's performance facilitates making appropriate and logical administrative decisions at the individual employee level. Additionally, it offers crucial

statistics and information for assessing the efficacy of personnel-system components and procedures like recruiting and hiring guidelines, development plans, training and development programs, selection standards, marketing tactics, and reward distribution. (Landy, 2017)

Balanced Scorecard: The Balanced Scorecard is a performance management framework that was introduced by Robert Kaplan and David Norton in the early 1990s. The Balanced Scorecard is a framework that helps organizations translate strategic goals into operational objectives that drive behavior and performance (Kaplan & Norton, 1992). It is designed to provide a comprehensive view of an organization's performance and align it with its strategic objectives. The framework recognizes that financial measures alone are insufficient to gauge an organization's overall success and, therefore, incorporates additional non-financial perspectives.

The Balanced Scorecard consists of four key perspectives:

✓ **Financial Perspective:** This perspective focuses on traditional financial measures such as revenue, profitability, and return on investment. It considers the financial performance of the organization and its ability to generate value for shareholders.

Putting effort, time, energy, and resources into providing high-quality services and satisfying customers, as well as expertise and other elements in the various perspectives, without incorporating indicators that demonstrate the financial performance of the company, may not result in appreciable benefits. (Niven, 2002)

✓ **Customer Perspective:** The customer perspective emphasizes meeting customer needs and expectations. It examines factors such as customer satisfaction, loyalty, and market share to assess the organization's ability to deliver value to its customers.

According to (Niven, 2002) to achieve satisfactory financial results, organizations need to create and deliver quality products and services, which customers perceive as adding value to them. This way they will be able to retain customers, increase market share, gain high customer satisfaction, and better competitive advantage than other competitors will.

✓ **Internal Process Perspective:** This perspective examines the internal processes and operational activities that contribute to the organization's success. It identifies key processes and measures their efficiency, effectiveness, and quality to ensure they align with strategic goals.

(Kaplan & Norton, 1992) Assume that in order for managers to meet the needs of their customers, they must concentrate on the procedures, choices, and activities that lead to excellent customer performance.

✓ **Learning and Growth Perspective:** The learning and growth perspective focuses on the organization's ability to foster employee development, acquire necessary skills and knowledge, and promote a culture of innovation. It encompasses factors such as employee training, motivation, and technological capabilities.

(Kaplan & Norton, 1992) Stresses that "learning" is more than just "training"; it includes things like having mentors and coaches within the company and having easy access to communication among employees so they may quickly seek assistance with a problem when needed.

Objective by Key Result (OKR): Objectives and Key Results, which is a goal-setting framework commonly used by organizations to drive performance and align efforts towards strategic objectives. OKRs was popularized by Intel and later adopted by companies like Google and other tech giants.

(Doerr, 2018)Emphasizes the importance of setting ambitious objectives and clear key results to drive organizational performance and alignment.

In the OKR framework, objectives are the overarching goals that organizations or teams aim to achieve. Objectives should be ambitious, inspiring, and aligned with the organization's overall strategy. They provide clarity and direction to guide the efforts of individuals or teams.

Key Results are specific, measurable outcomes that indicate progress toward achieving the objectives. Key Results are quantifiable and time-bound, allowing for clear evaluation of success and tracking of progress.

They help ensure that goals are actionable and provide a means to measure performance.

The key characteristics of OKRs include:

✓ **Alignment:** OKRs should align with the organizations overall strategy and cascade down from high-level objectives to individual goals. This ensures that everyone is working towards a common purpose.

(Wodtke, 2016) Emphasizes providing practical guidance on implementing OKR effectively, emphasizing the importance of alignment, transparency, and continuous learning.

✓ **Ambition:** Objectives should be challenging and stretch individuals or teams to push beyond their comfort zones. Ambitious goals encourage innovation, growth, and continuous improvement.

✓ **Measurability:** Key Results should be quantifiable and measurable, providing clear indicators of progress and success. This enables effective tracking and evaluation of performance.

✓ **Transparency:** OKRs are typically shared openly throughout the organization, fostering transparency and creating a shared understanding of goals and progress. This promotes collaboration and accountability.

(Grove, 2015) Emphasizes the need for clear objectives and measurable key results to enhance focus, accountability, and execution in organizations.

✓ **Regular Check-ins:** OKRs are reviewed regularly, often quarterly, to assess progress, provide feedback, and make any necessary adjustments. Regular check-ins ensure focus and enable timely course corrections.

Management by Objective (MBO): Management by Objectives, which is a performance management approach developed by Peter Drucker in the 1950s. MBO

emphasizes collaborative goal setting between managers and employees to improve organizational performance.

(Drucker, 2012) Emphasized the importance of setting clear objectives, establishing performance standards, and aligning individual and organizational goals.

In the MBO framework, the process begins with setting clear and specific objectives that are aligned with the organization's overall goals. Objectives should be measurable, achievable, relevant, and time-bound, following the SMART criteria. This ensures that goals are well defined and provides a clear direction for employees to work towards.

Once the objectives are established, managers and employees engage in a participatory process to define the actions, resources, and timelines needed to achieve those objectives. This collaborative approach fosters engagement, ownership, and commitment from employees.

(Odiorne, 1967) Provides practical guidance on implementing MBO and highlights its benefits in enhancing employee motivation and performance. Throughout the performance cycle, regular communication and feedback sessions are conducted between managers and employees to monitor progress, provide support, and discuss any challenges or adjustments needed to achieve the objectives. This ongoing dialogue ensures continuous alignment and helps address any performance gaps or development needs.

MBO promotes a results-oriented culture, where performance is measured and evaluated based on the achievement of objectives. It shifts the focus from mere activities to outcomes and encourages employees to take personal responsibility for their performance.

Key features of MBO include:

✓ **Goal alignment:** MBO ensures that individual objectives are aligned with the overall organizational goals, creating a sense of purpose and direction.

(Drucker, 2012) Emphasize the importance of setting challenging but achievable goals to drive performance and focus efforts.

✓ **Employee involvement:** MBO encourages employees to actively participate in the goalsetting process, fostering a sense of ownership and commitment.

(Odiorne, 1967) Emphasize the involvement of employees at all levels in the goal-setting process, fostering a sense of ownership, commitment, and engagement.

✓ **Performance measurement:** MBO emphasizes the measurement of performance against predetermined objectives, providing a clear basis for evaluation and feedback.

(Locke, 2015) Highlight the need for ongoing monitoring, evaluation, and communication of performance results to ensure alignment and accountability.

✓ **Continuous improvement:** Through regular performance discussions, MBO supports ongoing development, coaching, and adjustment of objectives to enhance performance.

SMART: SMART is an acronym that represents a set of criteria for effective goal setting. It is a popular framework used to ensure that goals are clear, specific, and actionable. SMART stands for:

✓ **Specific:** Goals should be well defined and articulated. They should answer the questions of who, what, where, when, and why. Specific goals provide clarity and focus on what needs to be achieved.

✓ **Measurable:** Goals should include specific criteria or indicators that can be quantified or objectively measured. This allows for tracking progress and determining when the goal has been achieved. Measurable goals provide a tangible way to assess success.

✓ **Achievable:** Goals should be realistic and attainable. They should consider the available resources, skills, and capabilities of the individual or team responsible for achieving the goal. An achievable goal is challenging yet within reach with effort and commitment.

✓ **Relevant:** Goals should be aligned with the broader objectives and priorities of the organization or individual. They should contribute to overall success and make sense within the given context. Relevant goals ensure that efforts are directed toward meaningful outcomes.

✓ **Time-Bound:** Goals should have a specific timeframe or deadline for completion. This creates a sense of urgency and helps prioritize actions. Time-bound goals provide a sense of focus and prevent procrastination.

The SMART framework is widely used in various settings, including personal goal setting, project management, and performance management. By applying the SMART criteria, individuals and organizations can ensure that goals are well-defined, realistic, and measurable, increasing the likelihood of achievement. **360-Degree Feedback:** 360-degree feedback, also known as multi-rater feedback, is a performance evaluation technique that gathers feedback from a variety of sources to provide a comprehensive assessment of an individual's performance. The feedback is collected from multiple perspectives, including supervisors, peers, subordinates, and sometimes even external stakeholders such as clients or customers.

The process typically involves the following steps:

- ✓ **Selection of Raters:** Individuals who will provide feedback are selected based on their working relationship and familiarity with the individual being evaluated. This can include supervisors, colleagues, direct reports, and others who regularly interact with the individual.

- ✓ **Feedback Collection:** Raters are asked to provide anonymous feedback on various aspects of the individual's performance, such as their strengths, areas for improvement, and specific behaviors or competencies. This feedback can be in the form of ratings, open-ended comments, or both.

- ✓ **Compilation and Analysis:** The feedback is compiled and analyzed to identify common themes, patterns, and areas of agreement or disagreement. This process helps to ensure a holistic and balanced view of the individual's performance.

✓ **Feedback Discussion:** The feedback is shared with the individual in a structured feedback discussion. A manager or a trained professional who guides the conversation typically facilitates this discussion, helps interpret the feedback, and identifies areas for development.

2.2.4 Employee Productivity

Employee productivity is the extent to which an employee is effective and efficient in his or her performance of all assigned tasks and responsibilities, resulting in the achievement of organizational goals and objectives within a set time. It is concerned with the relationship between the inputs a worker contributes and the output or outcomes of that worker's efforts and performance.

(Locke, 2015) Extensively studied the relationship between goal setting and employee productivity. Their research highlights the importance of setting specific and challenging goals, providing feedback, and linking rewards to performance in enhancing employee motivation and productivity.

Productivity may be assessed on an individual worker, team, department, or even the entire organization. It may be measured in terms of the number of units produced, sales revenue, number of tasks completed, or customers satisfied.

(Grant, 2008) Emphasizes the importance of fostering a culture of psychological safety, collaboration, and meaningful work to enhance employee engagement and productivity.

The key factors that influence productivity in the workplace include time management, availability of required knowledge and skills, good working environment,

high level of motivation and engagement, and work-life balance. Time management involves the basics of knowing how best to use the 24 hours a day at work and still have enough for other activities outside work. Prioritizing tasks, focusing on important and urgent work, and avoiding distractions can help employees manage their time efficiently and be productive. Having the required knowledge and skills for the job and the availability of necessary resources such as equipment, information, technology, etc. at work.

(Taylor, 2004) Focuses on improving worker productivity through scientific methods and time-motion studies. Taylor's principles emphasized efficiency, standardization, and the use of incentives to enhance employee productivity.

In addition to a good working environment, a positive attitude and culture, clear communication, and information flow can motivate and encourage employees to be productive. Good motivation and engagement, opportunities for recognition, career growth, and development, can also influence employee productivity. Lastly, a good work-life balance, which allows employees to recover and unwind after work, can help them look forward to work and give their best.

2.2.5 Performance Management and Employee Productivity

The link between performance management and employee productivity is very vital to organizational effectiveness. Indeed, the practices of performance management can significantly affect employee focus, efficiency, and effectiveness in the attainment of set goals for the organization.

(Kaplan & Norton, 1992) Argued that a holistic approach to performance measurement, which includes financial and non-financial measures, can enhance employee productivity and organizational performance.

Here is a discussion on the topic:

✓ **Performance Feedback:** Performance feedback should be given as often as necessary and should be constructive to drive employee productivity. It gives employees information on their performance relative to expectations, and areas for improvement and recognizes strengths and achievements. Performance feedback helps individuals understand what is expected of them, make adjustments, learn, and re-focus to achieve set outcomes. When performance feedback is well delivered and received, it can stimulate employees to do better and thereby raise their level of productivity.

✓ **Recognition:** Many organizations have recognized that the act of acknowledging the contributions and achievements of employees affects productivity positively. Recognition is a way of positive reinforcement for employees, affirming to them that the organization notices and values what they do well and encourages them to keep it up. It can improve employee morale, job satisfaction, and a sense of belonging, which can translate to increased performance and productivity.

✓ **Development Opportunities:** Some performance management practices offer employees growth and development opportunities that can result in increased productivity. Organizations that invest in their employees to develop their skills, knowledge, and other competencies are contributing to their

productivity. Training opportunities, mentoring, and career development programs can help employees get equipped to perform their tasks effectively and efficiently, resulting in high performance and productivity.

(Armstrong, 2006) Emphasizes the need for a comprehensive and systematic approach that includes setting performance goals, regular feedback, performance appraisal, and development planning. (Armstrong, 2006) Also highlights the role of effective performance management practices in improving employee productivity and engagement.

✓ **Goal Alignment:** Some performance management practices align individual employee goals with that of the organization and contribute to increased productivity. When employees are aware of how their contributions fit into the overall goals and objectives of the organization, they are more inclined to focus on tasks and activities that positively affect the organization. Clear alignment of goals facilitates employees to prioritize their work and make decisions on what to pursue and which resources to allocate for greater organizational productivity.

✓ **Performance Measurement and Monitoring:** some performance management practices measure, monitor performance regularly, and stimulate productivity. Organizations can take corrective measures and optimize productivity by keeping track of progress, identifying bottlenecks, and filling gaps in performance. Performance metrics and key performance indicators (KPIs) are used to assess levels of productivity and identify areas for improvement.

(Daniels, 2014) Focuses on the application of positive reinforcement and behavior-based techniques to improve employee performance and productivity. Daniels emphasizes the importance of clear performance expectations, continuous feedback, and recognition in driving employee motivation and productivity.

As a whole, good performance management practices, whether it is performance feedback, recognition, development opportunities, alignment of goals, measurement, and monitoring of performance, can help improve employee focus, efficiency, and effectiveness in their performance and thereby raise their level of productivity.

Organizations can foster a high-performance culture by developing and sustaining such practices that encourage continuous performance improvement to attain organizational goals.

2.3 Empirical Literature Review

(Dixit, 2021) Performance management practices include various approaches to significantly assess organizational performance and productivity. This study helps in the critical assessment of various performance management practices and their effect on employee productivity in textile firms of Bhilwara City. The performance management practices comprised of an employee appraisal system, training and development, reward system, and feedback, which all are considered as independent variables and the dependent variable is defined as employee productivity. The research paper incorporates primary data collected through a structured questionnaire from a sample size of 100 respondents who worked at various managerial levels in textile firms. A descriptive research design is used for the analysis of data with the help of mean, standard deviation, and regression analysis to accomplish the research

objective of assessing the effect of independent variables performance appraisal, training & development, reward system, and feedback on employee productivity. Various hypotheses are framed to test the results and draw inferences for the population. The study focuses on the implementation of various approaches that can enhance employee productivity, develop a workforce through proper training and evaluation with the help of review and feedback mechanisms, and ensure the growth of individuals as well as the organization and fulfillment of organizational goals. The result was analyzed through regression that helps in the adoption of sustainable HR practices forced to rethink decisions on employee productivity.

The finding of a survey conducted A population of 278 respondents was identified and random stratified sampling was undertaken to come up with a sample size of 68 respondents. 46 questionnaires were answered and returned, which comprised of 67.6% response rate. Data analysis was done by the use of mean, percentages, standard deviation, and regression analysis where the effect of independent variables; employee appraisal, and employee performance feedback was determined on employee productivity. The study found that there was a strong positive correlation between both employee appraisal and employee performance feedback on employee productivity. The study therefore recommended that organizations undertake both appraisals for their employees as well as offer feedback on their performance as it increased the productivity of the employees. (Carol & Florah, 2019) Performance management practices and Employee productivity at the state department of Labour, Kenya.

(Okeke, 2019), the study examined the effect of performance management on employee productivity in selected large organizations in South East, Nigeria. Specifically, the study examined the extent to which 360-degree feedback appraisal, performance

evaluation, self-assessment, and performance review influence employee productivity. The population of the study was 2081 and the sample size was 366 using Taro-Yamane's formula. Simple percentages, descriptive statistics, and Multiple Regression Analysis (MRA) were used in testing the hypotheses. Findings from the analysis showed that 360-degree feedback appraisal had a significant influence on employee productivity, performance evaluation had a significant effect on employee productivity, self-assessment had no significant influence on employee productivity and performance review had a significant effect on employee productivity. Based on the findings, the study concluded that performance management has a significant effect on employee productivity in the Nigerian banking industry. The study recommended that organizations should emphasize 360-degree feedback appraisal since it was found to have a significant relationship with employee productivity. Performance evaluation should be based on the job description given to the employees. Organizations should pay adequate attention, monitor, and emphasize self-assessment systems to improve employee productivity (Fang & Layraman, 2022), the Effect of Performance Management System on Employee

Productivity in Cross-Border E-Commerce Enterprises in China. The target population is comprised of 400 employees in China's cross-border e-commerce enterprises. Descriptive statistics were utilized as a data analysis tool. The demographic profiles of the respondents were analyzed using percentages and frequencies. Inferential statistics such as correlation and regression analysis established the relationship between dependent and independent variables. The study recommends that performance management practices should be optimized to improve employee performance. Performance reviews should be focused on the contributions of the individual employees to meet the organizational objectives. For every possible opportunity, the manager

should formally recognize good employee efforts for enhanced work performance. Effective performance management practices that edify appraisal and reward should be used to achieve organizational goals and enhance employee productivity.

(Oluoch, 2019) Investigated the impact of employee performance management practices on Kenya Airways employee productivity. The study made use of an explanatory research design the collected data was analyzed with descriptive and inferential statistics. In addition, the Statistical Package for Social Sciences (SPSS) was used to analyze the data. According to the findings of the research, 96 percent of Kenya Airways employees indicated that the organization had implemented employee performance management and sensitized its employees on the importance of employee performance management before its implementation through seminars and workshops. The results of the hypotheses tested revealed that goal setting, rewards and recognition, and training and development all had a positive effect on Kenya Airways' productivity.

(CHELANGAT, 2022) Employee productivity is an indispensable aspect for an organization to remain economically viable in contemporary business atmosphere. This is because the success of every institution is predominantly subject to the production of the employees. Thus, employee output has turn out to be a significant objective for business growth and survival. The primary goal of study was to investigate the effect of the performance management process impact productivity of an employee in Development Financial Institutions, a case of Shelter Afrique Nairobi City County, Kenya. The study contributed in terms of highlighting the significant drivers of employee productivity in a development financial institution in Nairobi City County, Kenya. The results revealed that there is positive correlation between employee productivity and performance appraisal,

training and performance feedback. The results further showed that reward system did not have a significant correlation with employee productivity even though the correlation coefficient was positive. This concluded that all the variables have impact on employee productivity apart from reward system. The analysis concluded that there is positive and significant correlation between the four variables performance appraisal, training, reward and performance feedback. The study recommended future research to be carried out in other Development Financial Institution using mixed approach of qualitative and quantitative methods to ascertain the effect of the performance management process on employee productivity.

(Woldegebriel, 2018) Performance management systems is always a big concern of any organization. An organization should manage its human resources effectively and efficiently by creating alignment between the overall strategic aims of the company with individual and team goals to overcome the present and future challenges. The main purpose of the study was to assess the employees' Performance Management system of Ethio Telecom. Primary data was collected using a Likert scale. The questionnaire format was administered to 122 respondents and data analysis was carried out using descriptive analysis. The study concluded to get positive results from the system there must be a well-planned, fair, and transparent employee PMS. The study also recommended that employees should participate in the organization's goal and objectives-setting process to perform the task effectively and efficiently. The company should provide a continuous training program for management members to enable them effectively to carry out the performance Evaluation.

(TADESSE, 2020) Also asses' Employee PMS: The case of Commercial Bank of Ethiopia, Addis Ababa. The main objective of this study is to investigate the performance management practice of Commercial Bank of Ethiopia, Addis Ababa area. The finding indicates that though some gaps are observed the performance management practice of the bank is good. The main gaps identified by this study include while undertaking performance prerequisite the bank does not involve the employee on target setting, the bank lacks personal development plan, and the bank did not effectively apply employee feedback and coaching package. In addition, the bank is also dependent on one computerized performance management system, hence does not use 360-degree assessment, and peer-to-peer review. Finally, employees were not rewarded according to their performance besides training and developments were expected to give based on employee performance however, training and development program provided randomly. Based on the findings and conclusions drawn from the study the researcher finally came up with recommendations that the bank should increase employee involvement during target development, the bank should arrange personal development plan for the employee, implement on going feedback and coaching packages, similarly the bank is expect to reward good performers in terms of financial and nonfinancial and include poor performers for feedback and coaching.

2.4 Conceptual Framework

A conceptual framework is a theoretical structure that helps researchers organize their thoughts, identify key variables, and understand the relationships between these variables within a particular research context. It serves as a guide for formulating research questions, developing hypotheses, collecting data, and interpreting findings. A well-

developed conceptual framework provides a foundation for conducting rigorous and meaningful research.

A conceptual framework is a description of the way a researcher understands the factors and/or variables that are involved in the study and their relationships to one another. The purpose of a conceptual framework is to articulate the concepts under study using relevant literature and to clarify the presumed relationships among those concepts (Rocco and Plakhotnik, 2009)

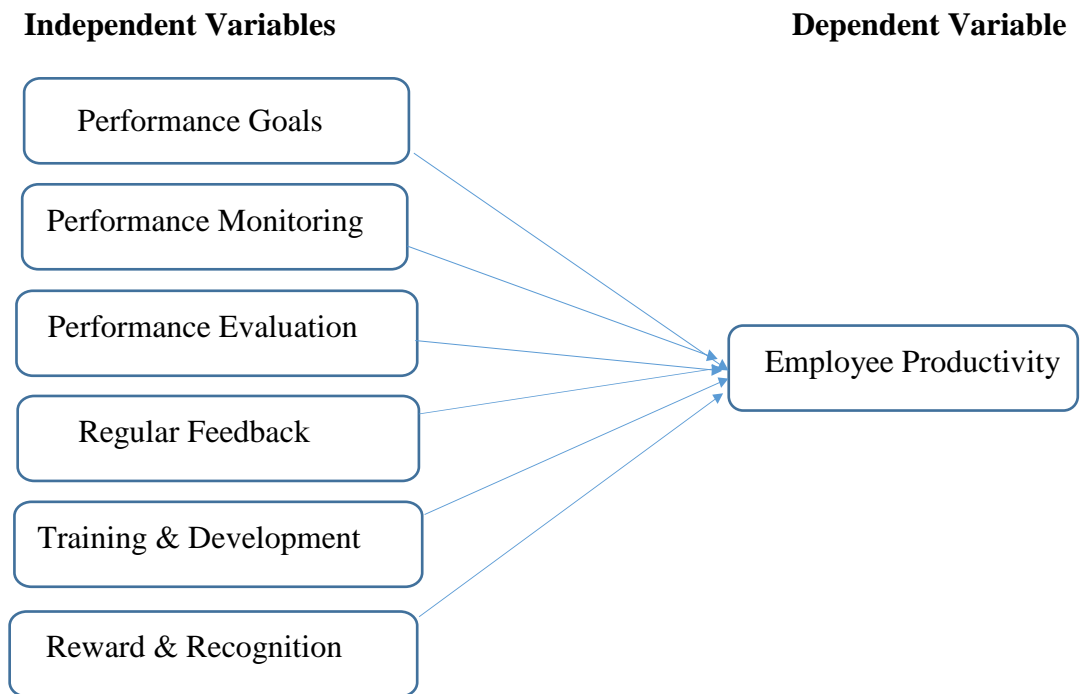


Figure 1.1 Conceptual Framework of the Research

Dependent Variable =Employee Productivity

Independent Variable =Performance Goals, Performance Monitoring, Performance Evaluation, Regular Feedback, Training & Development and Reward & Recognition

2.5 Hypothesis

Here is the hypothesis testing based on the above literature review

H1: Putting clear performance goals has a significant impact on employee productivity

H2: Performance monitoring has a significant impact on employee productivity

H3: Performance evaluation has a significant impact on employee productivity

H4: Regular feedback has a significant impact on employee productivity

H5: Training and development have a significant impact on employee productivity

H6: Reward and Recognition have a significant impact on employee productivity

In all the cases, the independent variables (performance goals, performance monitoring, Performance evaluation, regular feedback, Training & Development, and Reward & Recognition) positively influence the dependent variable (Employee Productivity). The findings of the study will be summarized in evaluating the set hypothesis.

CHAPTER 3: RESEARCH DESIGN & METHODOLOGY

This chapter outlines the techniques to be employed in carrying out the study. The topics it covers include sample size and sampling procedures, sources of data, data gathering tools, research design, and data analysis.

3.1 Research Design

A research design is a comprehensive framework or the basic plan within which the researcher carries out the research work. It is the total of the procedures and steps that the researcher will take to answer the questions raised by the study, to collect and analyze data, and to reach conclusions. A research design gives a plan and organization to a study and its validity and reliability.

According to (Creswell, 2014) “Research design is the plan, structure, and strategy of investigation so conceived as to obtain answers to research questions or problems.”

Also According to (Kothari, 2004), research design is “the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure.”

To capture the logical structure of the study, the researcher used an explanatory research design. Explanatory research seeks to look for reasons or causes and to provide evidence and explanations that support or refute an explanation. It explains why something happens and how it happens. It answers both the why and how parts of the research question. This design assisted in determining the cause-and-effect relationship of the research question. This design assisted in determining the cause-and-effect relationship between variables of the study PMS dimensions and employee productivity.

3.2 Research Approach

A research approach is the general methodological framework within which a researcher carries out a study. It describes the overall strategy and the guiding principles underlying the selection of data gathering and analysis techniques, interpretation of findings, and conclusions.

Research approaches are of different types with distinct characteristics and apply to different research questions and situations. They are Qualitative, Quantitative, and Mixed Approaches.

For this study, the researcher employed a quantitative research approach, which includes closed questions. This approach is based on collecting and analyzing data in the form of numbers to establish patterns, relationships, and statistical significance. It generally involves the use of large samples, standardized data collection instruments, and statistical analysis.

According to (Kothari, 2004) , in his book “Research Methodology: Methods and Techniques.” the quantitative approach to research is the systematic collection and analysis of numeric data, produced by the study of social phenomena. Kothari pointed out that quantitative research seeks to establish relationships, patterns, and generalizations using statistical data analysis.

3.3 Population of the Study

Coca-Cola Beverages Africa, Ethiopia (CCBA), has more than five plants that are located across the country. Which are Addis Ababa, Dire Dawa, Bahir Dar, Sebeta, and Ambo. Moreover, CCBA, Ethiopia employs more than 2300 permanent employees.

Which 1096 in Addis Ababa, 283 in Dire Dawa, 390 in Bahir Dar, 289 in Sebeta, and 255 in Ambo plant as of April 2024.

As said before on the limitation of the study section the study does not include Dire Dawa, Bahir Dar, Sebeta, and Ambo plants and mainly focuses on Addis Ababa Plants. For this study, the data is collected from employees who are permanent in the company excluding employees who are Casual workers, interns, and freelancers. Employees in these positions were not included in the study because the majority of them lacked the necessary knowledge, experience, and ability to respond to the research questions and were not considered part of the critical workforce. Therefore, the total number of the target population will be permanent employees from the Addis Ababa plant, which is 571. There are seven departments in the plant, which are Manufacturing, Logistics, Commercial, Human Relations, Finance, Procurement, and Public affairs communication.

3.4 Sample Size and Sampling Technique

3.4.1 Sample Size

Sample size and sampling technique are a matter of concern in research design because they affect the reliability and the generality of research findings. It is very crucial to choose a sample that is a true representation of the population. The total population cannot be studied due to impediment factors and such as time, cost, and accessibility. (Singh, 2006), the sample size can be determined in different ways. In this paper, the researcher used a sample size determination formula adopted from (Kothari, 2004). This formula can be used to calculate the minimum representative sample size from a given population and sample size for each strata

This formula can be used to calculate the minimum representative sample size from a given population and the sample size for each stratum.

The sample size determination formula is presented below:

$$n = \frac{N}{1 + N(e)^2}$$

Where: n=sample size

N= the size of the population

e= Error Margin (0.05)

$$n = \frac{571}{1 + 571(0.05)^2}$$

$$n=235$$

Therefore, **235** will be the sample size for the research study.

3.4.2 Sampling Technique

In this study, the researcher decided to employ a stratified random sampling technique that allows including representatives from various segments of various departments. This will increase the validity and generality of the researcher's findings. By selecting samples from each stratum, the researcher will capture the variations and diversity that exist and or occur across departments. This will allow the investigator to obtain reliable and accurate results for the research project.

The population frame was split up into homogenous, no-overlapping classes called strata, which in this study are the departments. Thereafter proportionate stratified sampling was employed and drawn from each stratum according to employee size. (Sekaran, 2003), stated that stratified random sampling involves a process of stratification, followed by a Random selection of representatives from each stratum.

No	Department	Total no of Employees	The sample size for strata	Percentage of strata
1	Manufacturing	218	90	38%
2	Logistics	160	66	28%
3	Commercial	120	49	21%
4	Human Resource	30	12	5%
5	Finance	24	10	4%
6	Procurement and Planning	15	6	3%
7	Public Affair Communication	4	2	1%
	Total	571	235	100%

Table 3.1 Sample Size Division

3.5 Data Collecting Instrument

The majority of the primary data for this research were obtained from surveys using fixed-response Questionnaires. “The advantage of this method is that it implies less cost, it allows anonymity and it assists in acquiring more valid and honest responses”, noted (Krishnaswami, 2007). Moreover, Secondary data are from theoretical literature that has been published and Secondary source data have been studied in books, HR procedural manuals, and the CCBA portal page.

The questionnaire uses using five-point Likert scale (Strongly Agree, Agree, Moderate Agree, Disagree, and Strongly Disagree) to measure and collect the responses of the respondents.

The questionnaire is probably the easiest to construct using the Likert scale and it takes less time to read and to complete. The questionnaire was developed by considering several previous studies on similar subjects and modifying it to the problem of study. Based on the preliminary suggestions, the questionnaires were then revised. The questionnaire was selected since it is cheap, fast and it helps in collecting bulky data at a lower cost and it provides access to bulky geographical coverage areas in a very short duration.

3.6 Method of Data Analysis

The quantitative data analysis method was used in this study to analyze the collected data. Descriptive and Inferential analysis methods were used. Such as frequencies and percentages are presented to describe quantitative data and shown in the form of tables and graphs. Data was coded and entered into the computer using the statistical package for social science (SPSS Version 20) to facilitate analysis. It provides means, standard deviations, correlations, coefficient of variables, and All ANOVA results including statistical model specification output, and frequency distribution of each independent and dependent variable. Inferential Analysis Pearson's correlation coefficient was used to determine the relationships between the performance management system and employee

productivity. Regression analysis was used to investigate the effect of performance management practice (independent variable) on employee productivity (dependent variable).

The study used the statistical model specification methods to decide which independent variable to include & exclude from a regression equation to avoid biased results. These statistical models' specifications are the chosen models that have larger adjusted and predicted R-squared values, the p-values have been less than the significance level but reducing the model until the model contains only significant terms and by omitted variable bias in multiple regression model.

$$EP = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \varepsilon$$

Where:

- ✓ EP (Employee Productivity) in the dependent variable.
- ✓ β_0 is the EP- intercept, i.e., the value of EP when X_1, X_2, X_3, X_4, X_5 & X_6 are 0.
- ✓ $\beta_1, \beta_2, \beta_3, \beta_4,$ and β_5 are the regression coefficients representing the change in EP relative to the one-unit change in X_1, X_2, X_3, X_4, X_5 and X_6 respectively.
- ✓ ε is the model's random error (residual) term.

3.7 Validity

Validity is the most important criterion and refers to the extent to which an instrument measures what it is supposed to measure (Kothari, 2004). Content validity is one of the methods to test validity which refers to the appropriateness of the content of the

questionnaire is right to measure the latent concept that we are trying to measure (planning, communication, review, assessment, and reward). The validity of a research study refers to the degree to which the results among the study participants accurately represent true findings among similar individuals outside the study.

The content of validity of the data collection instrument is determined through discussing the study instrument with the experts in the field of study, in this case the research advisor. The valuable comments and suggestions, given by the advisor assisted the validation of the instrument. Before issuing the questionnaire to respondents, comments and suggestions given by the advisor have been applied accordingly.

3.8 Reliability

Reliability refers to the degree to which a measurement procedure yields the same answer whatever and whenever it is carried out. The scales were determined by Cronbach's alpha method According to (Burns, 2008) Cronbach's alpha result of 0.7 and above suggests an acceptable level of internal reliability.

The research reliability test is done for all the variables, which are performance goals, performance monitoring, performance evaluation, regular feedback, training and development, and reward & recognition shows that the internal consistency test for each independent variable, results that all of the values for Cronbach's alpha are reliable and greater than 0.7.

3.9 Ethical Consideration

Ethical conduct entails that the researcher must assess carefully the possibility of harm to research participants, and to the extent that it is possible, the possibility of harm

should be minimized. (Burns, 2008) During data collection and interpretation, the researcher assured the participants that any confidential information they provide will not be disclosed to anyone. The respondents also were informed that the responses they gave would be used for academic purposes only. Accordingly, each questionnaire was accompanied by a cover letter that indicated the purpose of the study.

4. CHAPTER FOUR DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Response Rate

To address the research questions raised in the previous chapter, this chapter presents, analyzes, and interprets the data collected from the chosen respondents via the online questionnaire that was given to them. 235 questionnaires were sent out in all; 202 of those have 0% missing information, demonstrating that the surveys were well managed (with a 1% contingency for collectability included). This is because all questions must be answered online and no submission with missing values will be accepted. Furthermore, the response rate surpasses 70%.

According to (Saunders, 2009), an analysis can be completed with a questionnaire survey response rate of at least 70%.

This chapter evaluates each study question and hypothesis using the evidence presented.

N o of Item	Item	Charact eristics	Frequency	Percentage
1	Gender	Male	125	61.8
		Female	77	38.2
2	Age Group	20-30	95	47
		31-40	86	42.6
		41-50	18	8.9
		51 & Above	3	1.5
3	Acad emic Qual ificat ion	Diploma	30	14.9
		Degree	158	78.2
		Masters	14	6.9
		Above masters	-	-
4	Work Experience in CCBA, Ethiopia	1-5	103	51
		6-10	56	27.7
		11-15	30	14.9
		16 & Above	13	6.4
5	Current Position	Non- Management	147	72.8
		Supervi sor	35	17.3
		Managem ent	20	9.9

6	Work Division	Human Resource	12	5.9
		Manufacturing	78	38.6
		Commercial	41	20.3
		Logistics	53	26.2
		Finance	10	5
		Procurement	6	3
		PAC	2	1

Table 4.1 Demographic Characteristics of Respondents

Regarding gender, 61.8% of them are male and 38.2% female workers, which indicates that as the majority of most manufacturing industries female research participants, are less than male participants are.

The highest percentage of respondents (47%) belong to the 20–30 age group followed by the 31–40 age groups (42.6%), 41–50 age groups (8.9%), and above 51 years old (1.5%) which show that majority of research participants belong to 20–40 age groups. Based on the findings, it can be concluded that young adults are the majority of CCBA, Ethiopia employees, and the majority of the employees fall into working ages.

In terms of education, 78.2% of the respondents had their first degree. Merely 14.9% and 6.9% of the participants had completed a diploma and a master's degree, respectively. This demonstrates the respondents' high degree of literacy.

Concerning the length of period that respondents have been serving CCBA, in Ethiopia 51% of the respondents have served CCBA, Ethiopia between 1 and 5

years.27.7% are between 6-10 years,14.9% are between 11-15 years, and the remaining 6.4% were with the company for more than 16 years.

The vast majority of respondents (72.8%) held non-management positions, followed by supervisory positions (17.3%) and management positions (9.9%).

Regarding the respondents' work division, they were chosen using the proposed sampling technique, and 38.6% of them were from manufacturing, 26.2% from logistics, 20.3% from commercial, 5.9% from human resources, 5% from finance, 3% from procurement, and 1% from public affairs communication (PAC). This show that CCBA, Ethiopia's main business units are Manufacturing, Logistics, and Commercial in the manufacturing industry.

4.2 Reliability Test

The study adopted Cronbach's alpha approach, widely used to measure the internal consistency of an entire instrument, and was utilized in this research. Reliability is the degree to which a measure of a construct is consistent or dependable; a value of 0.70 is recommended. The Cronbach's alpha coefficient was used to assess for dependability, and items with scores higher than acceptable were retained.

Reliability Statistics

	Cronbach's Alpha	N of Items
Performance Goals	.715	4
Performance Monitoring	.716	4
Performance Evaluation	.717	4
Regular Feedback	.731	5
Training & Development	.725	5
Reward & Recognition	.754	4
Employee Productivity	.748	5

(Source: Researcher's Survey 2024)

Table 4.2 Reliability statistics for the variables

The reliability test results for each variable are displayed in the above table. The table displays the results of the internal consistency test for each independent variable, demonstrating that all of the values for Cronbach's alpha are reliable and greater than 0.7. For performance goals the result is 0.715 for four items and similarly, the questions for performance monitoring, performance evaluation, regular feedback, training & Development, Reward & Recognition, and employee productivity are comprised of four, four, five, five, four, and five items, respectively, with alpha values of 0.716, 0.717, 0.731, 0.725, 0.754, and 0.748.

4.3 Descriptive Analysis

An analysis has been done by contrasting these mean scores and respondent variances. Descriptive statistics are used to compare the various aspects that influence an employee's productivity level by utilizing the means and standard deviations of the data. The mean value representing the total employee productivity is displayed in the Table below with a mean score of 3.62. On a 5-point Likert scale, the performance management system's impact on employee productivity is above the satisfactory level, according to this descriptive statistic. This suggests that employee productivity is influenced by the following variables: performance goals, performance monitoring, performance evaluation, regular feedback, training & development, and reward & recognition.

Descriptive Statistics

	Mean	Std. Deviation	N
A(Performance Goals)	3.6262	.34261	202
B(Performance Monitoring)	3.6450	.36261	202
C(Performance Evaluation)	3.6525	.32938	202
D(Regular Feedback)	3.5814	.33305	202
E(Training & Development)	3.612	.3351	202
F(Reward & Recognition)	3.6289	.33689	202
G(Employee Productivity)	3.6428	.33237	202

(Source: Researcher’s Survey 2024)

Table 4.3 Descriptive statistics for the variables

The interpretation is made based on the following measurement scale intervals or ranges. Mean scores are 4.51-5.00 excellent very good, 3.51-4.50 good, 2.51-3.50 average or moderate, 1.51-2.50 fair, and 1.00-1.50 (Btawee, 1987)

Based on a Likert scale of 1 to 5, the 202 respondents' summed mean score of employee productivity toward the determining aspects of the performance management systems efficiency is displayed in the above table. It displays that the performance goals have an average score of 3.62 and a standard deviation of +0.34. This suggests that the respondents agree more than the average amount with the performance management system's inclusive factor level. The mean score for performance monitoring is 3.64, with a standard deviation of +0.36. This suggests that the employees have a positive impression of this factor. The respondents with the degree of performance evaluation in the performance management system, as evidenced by the mean performance evaluation

score of 3.65 and the standard deviation of + 0.32. With a mean score of 3.58 and a standard variation of +0.33, the Regular feedback also indicates that the respondent agrees with the performance management system. A mean score of 3.61 and a standard deviation of + 0.33 shows respondents' agreement with the factor "Training & Development of Performance Management System". Once more, the standard deviation is 0.33 and the mean score for reward and recognition is 3.62. Employee productivity has a mean score of 3.64 and a standard deviation of +0.33. Workers have expressed agreement that PMS support and encourage improvement in the workplace.

4.4 Assumption Tests

Before applying regression analysis, some tests were conducted to ensure the appropriateness of data to assumptions regression analysis, which is as follows

4.4.1 Correlation Analysis

The below table shows the result of the correlation coefficient between the dependent variable (Employee Productivity) and independent variables (Performance goals, Performance Monitoring, Performance evaluation, Regular Feedback, Training & Development, and Reward & Recognition).

According to (Marczyk, 2010) general guidelines, correlations of .01 to .30 are considered small, correlations of .31 to .70 are considered moderate, correlations of .71 to .90 are considered large, and correlations of .91 to 1.00 are considered very large.

Correlations

		A	B	C	D	E	F	G
A	Pearson Correlation	1	.736**	.728**	.697**	.692**	.691**	.765**
	Sig. (2-tailed)		<.001	<.001	<.001	<.001	<.001	<.001
B	Pearson Correlation	.736**	1	.669**	.644**	.616**	.659**	.747**
	Sig. (2-tailed)	<.001		<.001	<.001	<.001	<.001	<.001
C	Pearson Correlation	.728**	.669**	1	.707**	.622**	.648**	.703**
	Sig. (2-tailed)	<.001	<.001		<.001	<.001	<.001	<.001
D	Pearson Correlation	.697**	.644**	.707**	1	.580**	.605**	.726**
	Sig. (2-tailed)	<.001	<.001	<.001		<.001	<.001	<.001
E	Pearson Correlation	.692**	.616**	.622**	.580**	1	.671**	.710**
	Sig. (2-tailed)	<.001	<.001	<.001	<.001		<.001	<.001
F	Pearson Correlation	.691**	.659**	.648**	.605**	.671**	1	.797**
	Sig. (2-tailed)	<.001	<.001	<.001	<.001	<.001		<.001
G	Pearson Correlation	.765**	.747**	.703**	.726**	.710**	.797**	1
	Sig. (2-tailed)	<.001	<.001	<.001	<.001	<.001	<.001	
N		202	202	202	202	202	202	202

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

(Source: Researcher's Survey 2024)

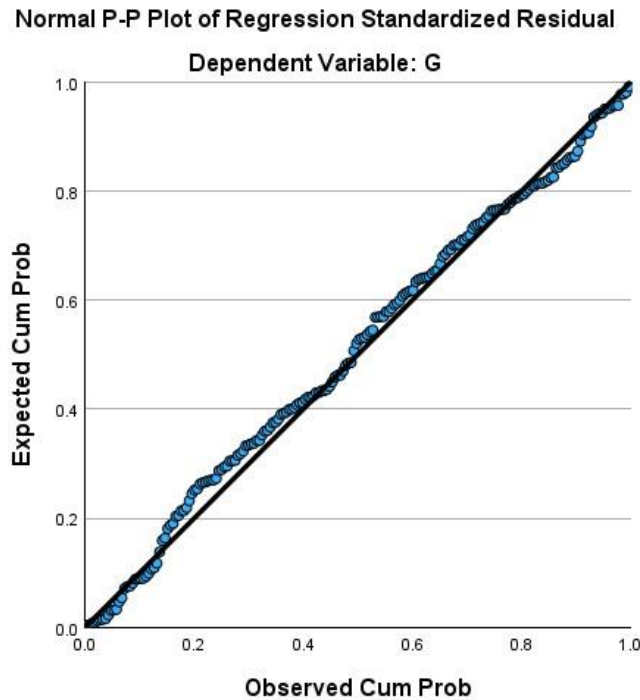
Table 4.4 Correlation Analysis for the Variables

The link between employee productivity and PMS performance targets exhibited a positive coefficient of 0.765, as the table below illustrates. This outcome demonstrates that there is a substantial correlation between employee productivity and the PMS's performance goals. With a score of 0.747, the correlation coefficient between performance monitoring and employee productivity is positive. This suggests that performance monitoring and employee productivity are positively correlated. The positive values of 0.703, 0.726, 0.710, and 0.797 indicate the correlation coefficient between employee productivity and performance evaluation, regular feedback, training & development, and rewards & recognition, respectively. All have a high correlation result and a favorable, substantial association with employee productivity based on the correlation range.

4.4.2 Linearity Test

The degree to which a change in the independent variables is correlated with a change in the dependent variable is known as linearity.

Plots of the regression residuals created with SPSS software were used to check whether the link between the dependent variable and the independent variables (Performance Goals, Performance Monitoring, Performance evaluation, Regular Feedback, Training & Development, Reward & Recognition, and Employee Productivity) is linear.



(Source: Researcher’s Survey 2024)

Figure 4.1 P-P Plot for Standard Residual

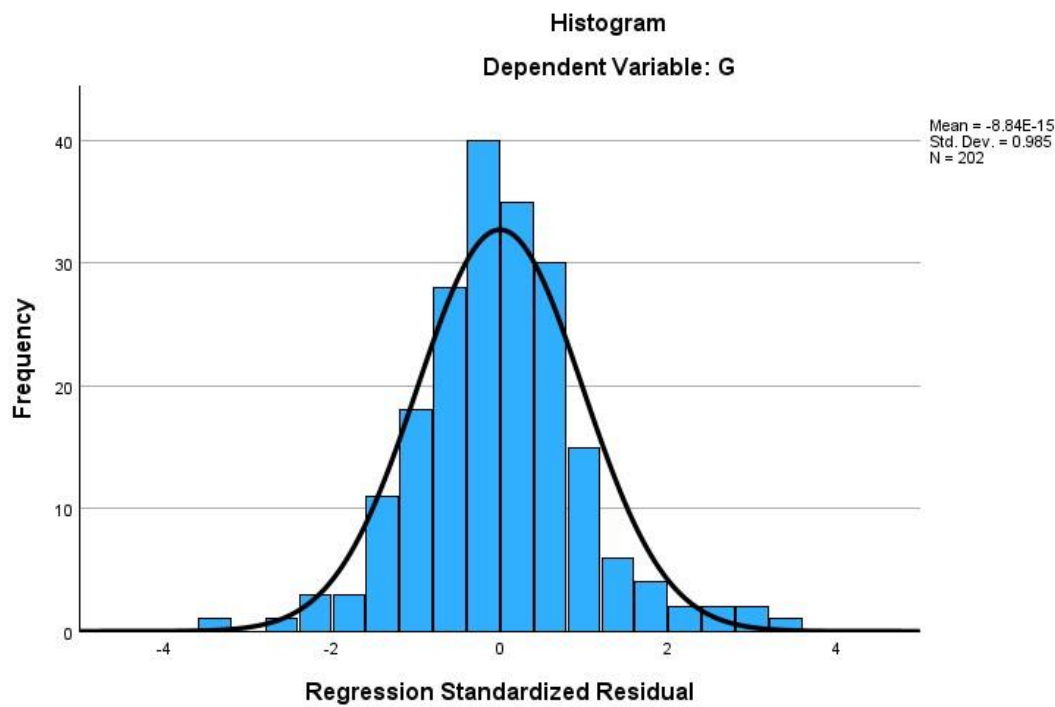
As you can see in the above graph, the scatter plots of residuals show no large difference in the spread of the residuals. This indicates that the relationship we are trying to demonstrate is linear.

4.4.3 Normality Test

According to (Field, 2005), normally distributed data considered that the data are from one or more normally distributed populations. The rationale behind hypothesis testing relies on having normally distributed populations and so if these assumptions are not met then the logic behind hypothesis testing is flawed.

The below figure shows the frequency distribution of the standardized residuals compared to a normal distribution. In addition, the histogram is bell shaped which lead to

infer that the residual (disturbance or errors) are normally distributed. Thus, no violations of the assumption normally distributed error term.



(Source: Researcher's Survey 2024)

Figure 4.2 Histogram for Normality Test

4.4.4 Multicollinearity Test

To prevent biases in the assessment of the partial influence of independent variables on the dependent variable, a multicollinearity test was conducted. Multicollinearity or correlation between the independent variables should not happen in a good regression model. Test multicollinearity as the foundation for the Variance Inflation Factor (VIF) value of the SPSS multicollinearity test findings. There is no multicollinearity if the VIF value falls between 1 and 10, but if it does, there are issues with it.

Coefficients^a

Model		Unstandardized Coefficients		Standardize d Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3.268	.142		22.945	<.001		
	A	.029	.060	.063	.490	.625	.293	3.410
	B	.025	.050	.058	.513	.609	.384	2.602
	C	.030	.056	.061	.528	.598	.361	2.774
	D	.046	.052	.096	.883	.378	.412	2.428
	E	-.068	.050	-.141	-1.341	.181	.436	2.294
	F	.044	.052	.092	.841	.402	.408	2.454

a. Dependent Variable: G

(Source: Researcher’s Survey 2024)

Table 4.5 Multicollinearity Test

From the above Coefficients Output –co-linearity Statistics, the VIF values of the independent variables are obtained between 1 - 10, and it can be concluded that there are no multicollinearity issues.

4.4.5 Regression Analysis

Here is a summary of the total regression model and it is ANOVA.

The table displays several regressions between employee productivity and the variables in the performance management system.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Akaike Information Criterion	Amemiya Prediction Criterion	Prediction Criteria		Durbin-Watson
							Mallows' Prediction Criterion	Schwarz Bayesian Criterion	
1	.844 ^a	.713	.704	.08706	-979.336	.308	7.000	-956.178	2.294

a. Predictors: (Constant), F, B, D, C, E, A

b. Dependent Variable: G

(Source: Researcher's Survey 2024)

Table 4.6 Regression Analysis for the Variables

The goodness of fit of the explanatory variables (performance goals, performance monitoring, performance evaluation, regular feedback, training & development, and reward & recognition) in explaining variation in employee productivity indicators has been examined using R-squared. The corrected R square value for the regression model was 0.704, as the table makes evident. It is clear from this that the explanatory variables in this study, performance goals, performance monitoring, performance evaluation, regular feedback, training and development, and reward and recognition explain roughly 70.4 percent of the variation in employee performance levels. Other factors not included in or covered by the model account for the remaining only 29.6% of the variation in the level of employee performance in CCBA, Ethiopia. The employee productivity level of CCBA, Ethiopia can therefore be explained by several factors related to the performance management system, however, it should be noted that not all of these system components

have a statistically significant correlation with the employee productivity level of CCBA, Ethiopia.

Below here is an Analysis of Variance Results of the Regression Analysis between Predictor Variables and Employee Productivity.

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3.671	6	.612	80.709	<.001 ^b
	Residual	1.478	195	.008		
	Total	5.149	201			

a. Dependent Variable: G

b. Predictors: (Constant), F, B, D, C, E, A

(Source: Researcher’s Survey 2024)

Table 4.7 Analysis of Variance Results

The information on the dependent variable variation explained by the current model utilized for this study is summarized in Table 4.7 above, along with the residual, which shows the dependent variable variation not covered by the model. The results show that the independent variables have a significant impact on the dependent variable, with an F-value of 80.709 and a p-value of less than 0.05 (i.e., p-value <0.001), suggesting that the study's model does a significant job of explaining the dependent variable's variation overall.

In addition, the model's overall test of significance was measured using the F statistics, and the null hypothesis may be rejected because the p-value is 0.000, which is sufficiently low, the model is well fitted at a 6 percent level of significance. Below here is regression Coefficients of the Relationship between Employees Productivity and the six variables.

Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error				Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	.264	.156		1.695	.092	-.043	.572		
	A	.125	.059	.131	2.113	.036	.008	.242	.383	2.612
	B	.185	.055	.197	3.384	<.001	.077	.292	.436	2.295
	C	.258	.056	.268	4.649	<.001	.149	.368	.443	2.257
	D	.118	.048	.142	2.473	.014	.024	.212	.446	2.243
	E	.178	.054	.196	3.309	.001	.072	.284	.421	2.373
	F	.075	.046	.086	1.615	.108	-.017	.166	.525	1.905

a. Dependent Variable: G

(Source: Researcher's Survey 2024)

Table 4.8 Regression Coefficients of the Variables

As mentioned earlier, this research aims to identify the most contributing independent variable in the prediction of the dependent variable. Thus, the strength of each predictor (independent) influencing the criterion-dependent variable can be investigated via a standardized Beta coefficient. From the above table, we can develop the following major findings: Coefficient analysis shows the relationships between dependent variables and independent variables. Accordingly, were statistically significant at a 5% level in agreement with the hypothesis

This means they have a great contribution to improving employee performance. The regression equation is therefore, $EP = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6$

Where, EP= Employee Productivity, X1 = performance goals, X2 = performance monitoring, X3 = performance evaluation, X4 = Regular Feedback, X5 = Training & Development and X6=Reward & Recognition.

When the values from above table 10 are computed, the equation becomes:

$EP = 0.264 + 0.125X_1 + 0.185X_2 + 0.258X_3 + 0.118X_4 + 0.178X_5 + 0.075X_6$ With the statistical result of Std.

Error (0.156) (0.059) (0.055) (0.056) (0.048) (0.054) (0.046), T values (1.695) * (2.113) * (3.384) * (4.649) * (2.473) *(3.309)*(1.615)

The regression coefficient explains the average amount of change in the dependent variable that is caused by a unit of change in the independent variable. The larger value of the Beta coefficient that an independent variable has will bring more support to the dependent variable as the more vital determinant in predicting the dependent variable. As illustrated in the Table above, the co-efficient value for performance evaluation was 0.258. This means that all things being equal, when the other independent variables (performance goals, performance monitoring, regular feedback, training& development, and reward & recognition) are held constant, employee productivity would increase by 25.8% if there is 100% performance evaluation in PMS. This was statistically significant ($0.00 < 0.05$) i.e. the variable (performance evaluation in PMS) is making a significant unique contribution to the prediction of the dependent variable (employee productivity) again. The coefficient of performance monitoring with ($\beta=0.185$), implies that a 100%

change in performance monitoring brings about an 18.5% positive change in employee productivity level. Also the coefficient of training & development with ($\beta=0.178$), implying that a 100% change in training and development brings about a 17.8% positive change in employee productivity level. Another beta value with ($\beta=0.125$) for performance goals brings about a 12.5% positive change in employee productivity if the other independent variables held constant (performance evaluation, performance monitoring, regular feedback, training& development, and reward & recognition) and for the beta value of ($\beta=0.118$), implying that a 100% change in regular feedback brings about 11.8 % positive change in employee productivity. Lastly with beta value of ($\beta=0.075$) for reward & recognition brings about a 7.5% positive change in employee productivity level.

All the explanatory variables have a significant positive effect on employee performance with the PMS of CCBA, Ethiopia. The findings provide significant support for performance goals, performance monitoring, performance evaluation, regular feedback, training & development, and reward & recognition, which advocates that the variables influence employee productivity in CCBA, Ethiopia.

	<i>Hypothesis</i>	<i>Result</i>
<i>H1</i>	<i>The performance goals of the PMS has a positive and significant effect on employee productivity at CCBA, Ethiopia.</i>	<i>Supported</i>
<i>H2</i>	<i>The performance monitoring of the PMS has a positive and significant effect on employee productivity at CCBA, Ethiopia.</i>	<i>Supported</i>

H3	<i>The performance evaluation of the PMS has a positive and significant effect on employee productivity at CCBA, Ethiopia.</i>	<i>Supported</i>
H4	<i>The regular feedback of the PMS has a positive and significant effect on employee productivity at CCBA, Ethiopia.</i>	<i>Supported</i>
H5	<i>The training & development of the PMS has a positive and significant effect on employee productivity at CCBA, Ethiopia.</i>	<i>Supported</i>
H6	<i>The reward & recognition of the PMS has a positive and significant effect on employee productivity at CCBA, Ethiopia.</i>	<i>Supported</i>

Table 4.9 Summary of Hypotheses Testing Hypothesis Result

5. CHAPTER FIVE SUMMARY OF FINDINGS, CONCLUSION & RECOMMENDATION

This Chapter presented a comprehensive summary of the study, conclusion, and recommendation for the relevant bodies.

5.1 Summary of Finding

The result of the background of respondents indicated that the majority of the respondents were males with a total of 125 (61.8%). In line with their age, most of the respondents were in the range of 20-30 years old (47%), and the majority of the respondents, 158 (78.2%) were degree holders regarding their educational level.

Concerning the respondents' work experience in their current organization, the majority of them, 103 (51 %), served within one up to five years. and most of the respondent's current positions 147 (72.8%) are under non-management positions. finally, the majority of respondents were from the manufacturing department holding 78(38.6%) of the total respondents.

The results obtained from descriptive statistics showed that the majority of respondents were satisfied with participation in PMS, having an average mean score of 3.6. Performance goals, performance monitoring, performance evaluation, regular feedback, training & development, and reward & recognition. It is observed that employees were satisfied with the performance management system.

Effective PMS, Performance goals, Performance Monitoring, Performance Evaluation, Regular feedback, Training & development, and Reward & Recognition are all positively

correlated with Employee Productivity, according to correlation analysis. As a result, employee productivity and the performance management system have a strong and beneficial relationship.

Furthermore, the regression model's adjusted R-square value was 0.704. This shows that 70.4 percent of the variation in the degree of employee productivity can be explained by the explanatory variables Performance Goals, Performance Monitoring, Performance Evaluation, Regular Feedback, Training & Development, and Reward & Recognition. Other factors not included in the model account for the remaining only 29.6% of the variation in the staff productivity level of CCBA, Ethiopia.

5.2 Conclusion

In the case of CCBA, Ethiopia, the research attempted to determine how performance management influenced employee productivity. To accomplish this goal, the study has primarily focused on two tasks: The first is a critical analysis of the literature on the variables under consideration, both theoretical and empirical. The researcher has been able to identify the theoretical reasons regarding the impact of performance management on employee productivity. Furthermore, the top-level empirical literature analysis completed so far aids in predicting future results in other industries or nations. The second achievement is the organized questionnaire-based data collection from specific samples, which is utilized to examine the connection between employee productivity and performance management.

Moreover, a multiple regression equation is employed to determine the degree to which performance management predicts employee productivity using the same set of data. This contributes to addressing the initial research issues of the investigation.

The theoretical literature review has shown the controversies on what determines employee productivity. As discussed, there are external factors to determine employee productivity and organizational factors such as human resources and management that are internal to the organization. The researcher concluded from the literature in chapter two that as the organizational factors impact more and the paper has followed the same argument in selecting organizational factors such as performance goals, performance monitoring, performance evaluation, regular feedback, training & development, and, reward & recognition as determinants of employee productivity. However, the statistical test has shown that in the case of CCBA, Ethiopia. These variables explain only 70.4 % of the variations in employee productivity. Hence, one can conclude that the remaining 29.6% might be explained by other factors that are not the target of this research.

The empirical literature review has also shown different case studies on the impact of performance management on employee productivity where one can conclude that the outcomes are different from company to company based on different company or country-specific cases. Even though the relationship between the two is positive in most of the study findings, it is null or has no impact on a few due to different factors.

Different conclusions can also be drawn from the samples and the analysis undertaken:

- ✓ The correlation analysis shows that there is a positive and good relationship between performance goals, performance monitoring, performance evaluation, regular feedback, training & development, and reward and recognition as independent variables, and employee productivity as dependent variable.
- ✓ The linear multiple regression shows that performance evaluation, performance monitoring, training & development, performance goals, and regular feedback positively influence employee productivity.
- ✓ However, reward and recognition does not have a positive impact compared to the other variables statistically less significant impact on employee productivity.

5.3 Recommendation

One of the significances of this study is to come up with recommendations based on the findings of the analysis that might help CCBA Ethiopia and other researchers to leverage the research.

- ✓ Performance evaluation, Performance monitoring & Training & development of performance management systems have highly significant positive effects on employee productivity. Accordingly, the researcher recommends that CCBA, Ethiopia needs to have better and further focus on these dimensions to enhance higher employee productivity.
- ✓ Reward& recognition factors of performance management have also a significant effect on employee productivity. Moreover, CCBA, Ethiopia should work towards the improvement of these factors to improve its employee performance.

- ✓ Setting up accurate, consistent, and clear standard measures helps employees to achieve their performance goals. Furthermore, such a goal and plan could stimulate and boost employee initiative and commitment to their jobs.
- ✓ Continuous and timely feedback on employee actual performance helps employees to identify their gaps and take improvement actions. Communication between the subordinate and supervisor should be a two-way communication and employees should be allowed to express their ideas so they perceive the system as open and fair.

5.4 Recommendation for Future Research

The complexities associated with performance management systems are so high that one study could not discover all. Moreover, due to geographical location, resource limit, and time, this study could fill 202 questionnaires even though the study could have covered a wide area. This study also investigates the determinants of performance management systems that have a major impact on employee productivity in CCBA, Ethiopia. However, the variables included in the study were not exhaustive. Future researchers could include other variables that are not included in this study. Given the above, the researcher recommends that the study be replicated in other private or government manufacturing industries and other sectors in Ethiopia since the findings of the current study indicated that there are varied advantages as well as challenges with the performance management system.

APPENDIX

SAMPLE QUESTIONNAIRES

Purpose: The main objective of this questionnaire is to collect primary data for the study on:

“The Impact of Performance Management on Employee Productivity: The Case of Coca-Cola Beverages Africa, Ethiopia.” It is initiated to get the information required from you, as you are an important source of data for this research. Your thoughtful and sincere response will therefore greatly advance the research. You can be sure that the data you submit will be kept private and utilized only for academic purposes.

Direction

- I. No need to write your name.
- II. The questionnaires contain statements about performance management and employee

Productivity. Give your own opinion and feelings about each item. Please mark (√) your Response to each statement according to the following five-point scale in terms of your Agreement and disagreement with the statement. 5 = Strongly Agree, 4 = Agree, 3 = Neutral, 2 = Disagree, 1= Strongly Disagree.

Part1:Respo

ndants

profile

1. Gender:

1. Male

2. Female

2. What is your age group?

- 1. 20-30 years of age
- 2. 31-40 years of age
- 3. 41-50 years of age
- 4. 51 years & above

3. What is your highest Academic Qualification?

- 1. Diploma
- 2. Degree
- 3. Masters
- 4. Above Masters

4. Your Work experience at CCBA Ethiopia?

- 1. 1-5 years
- 2. 6-10 years
- 3. 11-15 years
- 4. Above 16 years

5. What is your current position classification in the organization?

- 1. Non-Management
- 2. Supervisor
- 3. Management

6. Where is your work division/department?

- 1. Human Resource
- 2. Manufacturing
- 3. Commercial
- 4. Logistics
- 5. Finance
- 6. Procurement
- 7. PAC

Part 2: Questions related to the topic (Please put a “√” mark in the box next to the point that highly relates to your perception.)

II	Effectiveness of performance management practices	Measurement Scale
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	NB: Please indicate your response about the determinant factors of an effective performance management system as implemented in CCBA, Ethiopia	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
	Performance Goals	1	2	3	4	5
1	I have clear performance goals and objectives set by my superiors.					
2	The performance goals and objectives that have been set for me are difficult yet attainable					

3	I am provided with adequate resources and support to enable me to meet performance goals.					
4	The performance goals set for me are regularly reviewed and adjusted to reflect changing organizational priorities					

	Performance Monitoring	1	2	3	4	5
5	My work activities are regularly monitored or assessed by my superiors					
6	There is an established Performance monitoring system in place to help me keep track of my activities to meet expectations.					
7	The performance monitoring process is transparent and fair.					
8	Performance is monitored and feedback is given in a friendly and non-intimidating way					

	Performance Evaluation	1	2	3	4	5
9	I undergo formal performance evaluations within my organization.					
10	The Performance evaluation helps me know where I am performing well and where I need to improve					
11	Performance evaluations contribute to my motivation and productivity.					
12	The performance evaluation process is fair and unbiased					

	Regular Feedback	1	2	3	4	5
13	I receive regular feedback from my superiors or colleagues regarding my work performance.					
14	The feedback I receive is delivered in a constructive and supportive manner.					

15	The feedback given to me is timely and practical					
16	The feedback I receive is specific and focuses on both strengths and areas for improvement					

17	The organization provides multiple channels for feedback, such as one-on-one meetings, performance reviews, and anonymous surveys.					
	Training and Development	1	2	3	4	5
18	My organization offers training and development opportunities.					
19	I feel that my organization values and invests in my professional growth.					
20	The training and development opportunities in the organization improve my job knowledge and skills.					

21	My organization promotes a culture of continuous learning and development					
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22	I am given adequate support and resources to use the skills learned from training and development programs.					
----	---	--	--	--	--	--

	Reward and Recognition	1	2	3	4	5
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23	I receive recognition or rewards for my achievements and contributions.					
----	---	--	--	--	--	--

24	Reward and recognition have a positive effect on my productivity and motivation.					
----	--	--	--	--	--	--

25	The organization has a culture of reward and recognition					
----	--	--	--	--	--	--

	that boosts overall employee productivity.					
26	The organization has several reward and recognition options to motivate employees.					
III	Employee Productivity	1	2	3	4	5
27	I have a clear understanding of my job responsibilities and expectations.					
28	I am satisfied with the work-life balance in my current position.					
29	The work environment in my organization is conducive to productivity.					

30	There is teamwork and interaction between team members to encourage and support each other.					
31	The organization promotes and supports employee wellbeing.					

Thank You!

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