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Assessment of Employee Performance Management System
Implementation Practices in Public Enterprises in Ethiopia: The Case of
Ethiopian Railways Corporation.

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This is to certify that the thesis prepared by SHEGAW ANTENEH entitled Assessment of Employee Performance Management System Implementation Practices in Public Enterprises in Ethiopia: The Case of Ethiopian Railways Corporation, which is submitted in partial fulfillment of the requirements for the degree of Master in Public Management and Policy (MPMP), complies with the regulations of the university and meets the accepted standards with respect to originality and quality.

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ABSTRACT

This study was undertaken to assess the employee performance management system implementation practices in public enterprises in Ethiopia: The Case of Ethiopian Railways Corporation. The design used in this research is a descriptive survey research using both qualitative and a quantitative method that is mixed research approach. Questionnaires were distributed to collect the data from sample respondents. The data was analyzed using thematic content analysis, and SPSS software was used for tabulation and graphical presentation of data. The findings show that the role of PMS is not clearly known by employees, no improvement measures done for poor performers, PMS implementation is not supported by top management, feedback is not regularly given for employees and there is no consistent standard for measuring performance. Recommendations were provided based on the findings. These include role of PMS must be clearly stated, continuous feedback should be given to employees for better improvement of future performance, top management body should support PMS implementation in ERC.

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ACRONYMS

AALRT	Addis Ababa Light Rail Transit
ERC	Ethiopian Railways Corporation
HRM	Human Resource Management
KPI	Key Performance Indicators
NPM	New Public Management
PMS	Performance Management System

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

No one knows precisely when formal methods of reviewing performance were first introduced. According to Koontz (1971), the emperors of the Wei Dynasty (AD 221-265) in China had an ‘Imperial Rater’ whose task was to evaluate the performance of the official family. A revised sort of results-oriented performance appraisal emerged within the 1970s, which still exists today (Jain, Sameeksha et al., 2014).

Historically, public sector organizations have relied on action controls (rules and procedures) to control organizations; however, the past decade has witnessed various changes in management control of public sector organizations, including a shift towards output controls (Verbeeten, 2008). Recent efforts to —reinvent the government and improve performance in public sector organizations (also known as New Public Management, NPM) have focused on performance management practices (Hood, 1995 as cited by Verbeeten, 2008). Performance management is about recuperating results from the organization, teams and individuals by understanding and managing performance within an agreed framework of planned goals, standards and competing requirements (Armstrong, 2009).

According to Argyris and Schon (1996), the fundamental goal of employee performance management system is to establish a culture which individuals and groups take responsibility for continuous improvement of business processes and for their own skills and contribution and is a holistic process, bringing together many of the elements which make up the successful practice of people management, including in particular learning and development.

The level of employee motivation, productivity, and the behavior of employees and trade unions are all affected by the personnel policies and practices of an enterprise. The challenge for public enterprises is to follow such policies and practices that inculcate positive attitudes and encourage performance among their employees. (Mohan Kaul, 1990).

Many companies believe performance management system to stay ahead within the race. Because performance management system helps employees to understand what exactly is predicted out of them and assure line managers and strategic planners that employee behaviors are going to be aligned with the organization's goals (Jain, Sameeksha et.al, 2014). When employees fail in their jobs, part of the organization also fails. Performance management aims to eliminate or a minimum of significantly reduce this possibility (Cappelli, 2008: 196, as cited by Armstrong, 2014: p.334).

An organization that develops a carefully considered employee performance management system links the organization's goals to performance targets and directs employees' expectations and rewards resulting to a more motivated workforce (Hornsby and Kuratko, 1999 as cited by Obwaya, 2010). According to Dick Grote (2002), PM is an ongoing process that comprises four phases: Performance Planning, Performance Execution, Performance Assessment, and Performance Review.

Therefore, this research assesses the practice of performance management system implementation in ERC.

1.2. Statement of the problem

One of the main goals of any performance management system is to promote the achievement of the organization's broad goals. If managers and employees are not aware of these strategic goals, it is unlikely that the performance management system will be instrumental in accomplishing the strategic goals. The question of the

implementation of performance management has become an important consideration for organizations. However, the literature clearly documents government inability to effectively implement the PMS. This is supported by Luthuli (2005, in Kgwefane 2013) when he postulates that policy implementation has not been as successful as policy formulation. This failure of many organizations to translate the PMS into proper outputs has also darkened the image of the public sectors (Masekwameng, 2016).

The management of employee performance has long been a contentious issue. Although many understand the virtues of performance management systems for aligning employee effort with the strategic direction of the organization (Hartog, Boselie, and Paauwe, 2004; Fletcher, 2001), performance management also has some critics. Its ineffective or inappropriate use has detrimental effects (Winstanley and Stuart-Smith, 1996). According to Karen Becker et.al, (2011), performance management is arguably one among the foremost contentious human resource management topics, with much written about the effective use and misuse of performance management. Thus, undertaking this research is helpful to eliminate such misuse. Performance measurement should be timely and consistent in its application. ERC mainly uses balanced score card as a tool for performance measurement to identify and improve various functions and their resulting outcomes. Employees are not regularly informed of how they are performing no regular feedback about their performance (ERC Report, 2010). Taking infrequent feedbacks to assess the performance taken also pose a serious threat to PMS of the organization.

According to the study of Masekwameng (2016), regular reviews of individual performances should be conducted during the financial year to ensure that bad performances are eliminated. This should be done to give bad performers an

opportunity to improve on their performances. In addition to these, the employee submits self-appraisal to their respective immediate boss (departments) for the purpose of formality rather than for expecting feedbacks or improvement of performance weakness. Appraisal should be seen by the organization as an excellent vehicle for creating programmes for employee development and motivation (Maslow, 1954). Obwaya (2010) states that apart from identifying high performing individuals who are committed to the organization, the data will identify individuals who may represent resource inefficiency and necessary steps to be taken. The resulting information of individual performance allows for creation of goals and improvement targets. Oliver (2008) states that, when benefits regarding performance management are discussed, it often happens that the first thought given to this subject is directed at benefits in terms of incentives for employees. Obwaya (2010) in his research describes that performance management is based on the principle of Management by agreement or contract rather than management by command. It emphasizes development, self-managed learning plans and integration of individual and corporate objectives. But in ERC the participation of employees to participate on the formulation of corporate plan is undermined.

The potential value of using PMS as a tool to manage and measure both employee and organizational performance depends largely on the standard of how the system is implemented.

Well designed and implemented PMS has positive impact on the overall performance and financial results of the organization. According to Pulakos (2009:3), performance management system is the most difficult system to implement in organizations (Ogut Miruka, 2014). Researches are undertaken by different individuals in relation with employee performance management system. According to Hika Nigatu, Feleke

Solomon & Alemtshay Gedion (2017) study employee performance management system is investigated with a special emphasis to performance review/ evaluation.

Their study finding indicates that the role of PMS is not clearly known by employees, no improvement measures done for poor performers, PMS implementation is not supported by top management, feedback is not regularly given for employees and there is no consistent standard for measuring performance.

However, the aforementioned researches didn't discuss EPMS in relation with performance planning, assessment, execution and problems encountered. So this research is believed to fill the gap that it will try to focus not only on performance evaluation which is a single aspect of PMS. Thus, this research assesses the employee performance management system practice and related challenges of its implementation at ERC.

1.3. Basic Research Questions

The research was undertaken to answer for the following basic research questions.

These are:

- i. How is the ERC implementation practice of PMS based on the PMS process?
- ii. How is the organization using the outcome of the Performance management?
- iii. How is the involvement of employees on the different stages of PMS process in ERC?
- iv. What are the main challenges facing during the implementation of PMS?

1.4. Objective of the Study

1.4.1. General Objective

The main purpose of this study is to assess the employee performance management system implementation practices in public enterprises in Ethiopia the case of ERC.

1.4.2. Specific Objectives

The specific objectives of the study will include:

- A. To assess whether the PMS implementation practice is based on its guidelines.
- B. To explore whether the performance management system is taking place properly or not.
- C. To assess the role of performance appraisal at ERC.
- D. To identify the challenges of PMS implementation in ERC

1.5. Significance of the Study

The study is expected to benefit mainly the Ethiopian Railways Corporation by pinpointing some of the problems prevalent in the organizations performance management system and would help it to reassess its existing practice with a view to minimize its weaknesses and maximize its benefits. Also, it is helpful to give additional knowledge to those policy makers works on the same topic. In addition to these, it also contributes to developing knowledge in the field or study.

1.6. Scope of the Study

The study will be conducted specifically on Ethiopian Railways corporation head quarter because of the fact that it is difficult and costly to undertake it in all the public enterprises of Ethiopia in general, while the units of analysis focus on those employees of the corporation related to performance management system.

1.7. Limitations of the study

Even though performance management system is applicable in all types of organization regardless of its size, nature and goal, the scope of this study is delimited to only the practice and challenges of performance management system in Ethiopian Railways Corporation. The study was conducted only on employees of Railways corporation head quarter. Thus, it does not include employees of the remaining branch offices under the corporation due to budget and time constraints. Furthermore, since the sample will be taken particularly from a single public enterprise, it is not large enough to represent the entire organization nationwide. The outbreak of COVID-19 pandemic in our country, the place where the research is undertaken, had a significant impact on the research data collection.

1.8. Organization of the study

The study will be composed of five chapters. The first chapter deals with the introductory part. Chapter two is the review of related literature where detailed discussion about the subject matter/ the title will be undertaken. The third chapter will present the research methodology. In the forth chapter data presentation, analysis and interpretation will be discussed. The fifth and the final chapter will cover the summary of major findings and conclusions drawn from the findings and also the possible recommendations will be forwarded by the researcher.

CHAPTER TWO

LITERATURE REVIEW

2.1 Theoretical Literature

2.1.1 Concept of Performance Management

Performance could be defined simply in terms of the achievement of quantified objectives. But performance is not only a matter of what people achieves but also how they are achieving it. A high performance result comes from appropriate behavior and the effective use of required knowledge, skills and competencies (Tutourialspoints, 2106; pp.8). Performance management must examine how results are attained because this provides the knowledge necessary to think about what must be done to enhance those results. The concept of performance has been expressed by Brumbrach (1988) as follows: ‘Performance means both behaviors and results. Behavior emanates from the performer and transforms performance from abstraction to action (ibid).

Performance management influences performance by helping people to know what good performance means and by providing the knowledge needed to enhance it.

As defined by Aguinis (2005: 2): ‘Performance management may be a continuous process of identifying, measuring and developing the performance of people and teams and aligning performance with the strategic goals of the organization.’ Pulakos (2009: 3) emphasized that: ‘Performance management is the key process through which work gets done. It’s how organizations communicate expectations and drive behavior to realize important goals; it’s also about how organizations identify ineffective performers for development programmes or other personnel actions’ (Armstrong, 2014; pp: 334).

Performance management are often described as a process by which organizations set goals, determine standards, assign and evaluate work, and distribute rewards (Varma et al., 2008 cited by McMahon, Gerard, 2013).

Armstrong (2006) argues that PMS exists to align employee performance with company's needs and to make sure that the trouble isn't only sustained and improved, but that it also provides the results required at every level to fulfill the company strategy and objectives, thus safeguarding and increasing shareholder value. Hence employee performance or the lack thereof, is very much important because it has a profound effect on both the achievements of strategic objectives/goals and the overall performance results of any organization (Miruka, Ogutu, 2014; pp.179).

Performance management systems usually include measures of both behaviors (what an employee does) and results (the outcomes of an employee's behavior). The definition of performance doesn't include the results of an employee's behaviors but only the behaviors themselves. Performance is about behavior or what employees do, not about what employees produce or the outcomes of their work (Aguinis, 2013; pp.88).

2.1.2 Historical Development of Performance Management

During the industrial revolution industrial managers understood the positive link between employee performance and output productivity. Performance Management was implemented in a business context as early as the 18th century, where the industrial revolution provided the platform for the employer and employee relationship (Norman and Kabwe, 2015; pp.214).

No one knows precisely when formal methods of reviewing performance were first introduced. According to Koontz (1971), the emperors of the Wei Dynasty (AD 221-265) in China had an 'Imperial Rater' whose task was to evaluate the performance of

the official family. A revised form of results-oriented performance appraisal emerged in the 1970s, which still exists today (Jain, Sameeksha et al., 2014).

The concept performance management was coined by Beer and Ruh (Armstrong, 2003) in 1976 and was never recognized as a distinctive approach until the mid 1980's out of the realization that a continuous and integrated approach was needed to manage and reward performance (Obwaya, 2010).

Performance management system as a process which contributes to the effective management of people and teams so as to realize high levels of organizational performance (Armstrong and Baron, 2005, as cited by Obwaya, 2010).

2.1.3 The Implementation of the Performance Management System

There are two important prerequisites that are required before a performance management system is implemented: (1) knowledge of the organization's mission and strategic goals and (2) knowledge of the job in question (Aguinis, 2013; pp.38).

Effective implementation of PMS involves a process or steps to be followed. The first step in this process is the adaptation of a participatory approach in planning and decision making. The second is the aligning of institutional and employees' objectives to the strategic plan of the institution, and thirdly, is the setting of departmental and individual performance targets related to the objectives of the institution. Finally, is the evaluation of the whole process (Maloba, 2016 as cited by Mbanga, Kachana, 2018; pp.15- 16).

Performance management is a process management which consists of the following activities:

Stage 1: Prerequisites – At this stage the organization's mission and strategic goals has to be understood and the specific jobs should be well known. Afterwards, the

strategic goals should be cascaded at organization level, departmental level, supervisor level and employee level.

Stage 2: Performance Planning – At this stage discussions will be focused on results, behaviours and development plan. Results are the outcomes that an employee is responsible for based on the objectives; behaviours is about the knowledge, skills and attitudes (KSAs) which determines how the job is done. Development plan is about identifying areas of improvement and how the identified tasks can be improved.

Stage 3: Performance Execution – At this stage employees exert effort to get the intended outcomes and display the pre-agreed behaviours. Although the owner of this stage is the employee, the manager has a role of observing and documenting the performances on a daily basis, updating the employee in organizational changes, providing regular feedback, providing resources and opportunities to develop, and reinforcing effective behaviours which lead towards the intended goals.

Stage 4: Performance Assessment – At this stage the achievement of the desired behaviours and demonstration of the desired behaviour is assessed. This process is actively led by both the employee in making self evaluation and the manager separately. The manager collects performance comments from peers, subordinates, partners, and other parties who have work relationship with the employee and provide these comments to the employee.

Stage 5: Performance Review – At this stage meeting takes place between the employee and the manager to review the assessment done separately on what was done (results) and how it was done (behaviors). This process is “Achill”s heel of the entire process” Kikoski (1999) as cited by Aguinis, (2009). This was said because managers are usually uncomfortable in providing feedbacks, particularly when there

is under performance. The discomfort leads to anxiety and avoidance of the review meeting. Besides, development progress and future plans are subjects which are discussed in the review meeting.

Stage 6: Performance Renewal and Reconstructing – This is a final stage of the process and is a time where the objectives are reviewed and if needed changed to the new direction or focus by using the information and insights gathered from the previous processes. (Aguinis, 2009) Performance management can be described as a continuous process cycle as shown in the following figure, which follows the plan–act–monitor–review sequence as described above (Tutorialspoint, 2016; pp.14).

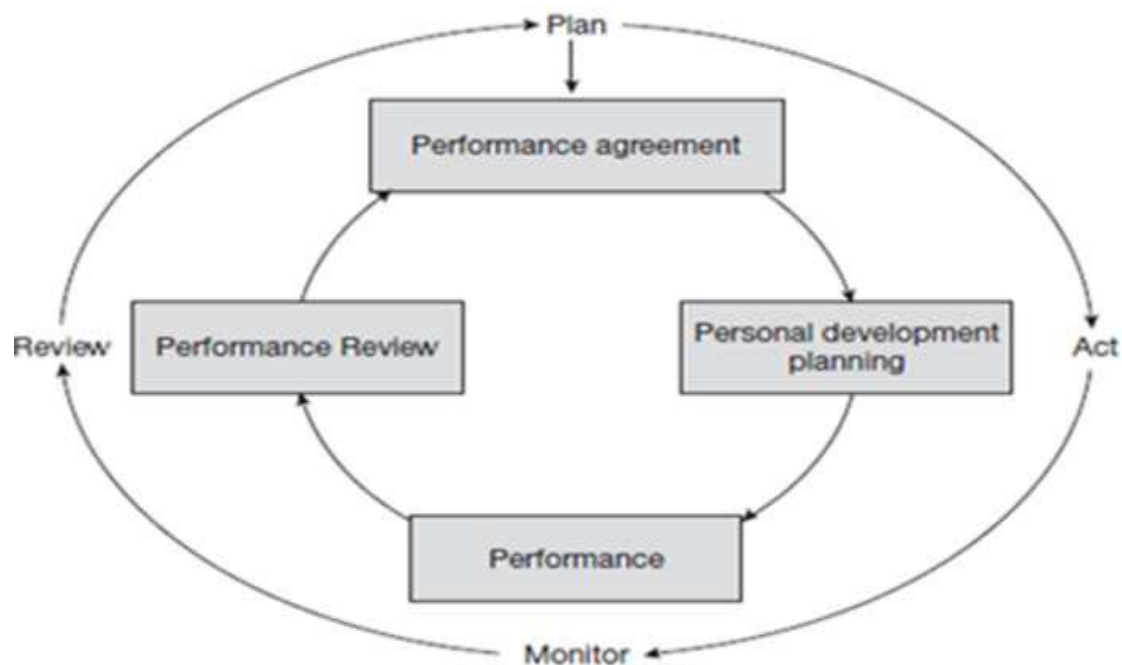


Figure 2.1: Performance Management Cycle

Source: Tutorialspoint, 2016.

Due to the fact that a performance management system process is derived firstly from organizational objectives down to individual objectives it is important to highlight how these objectives are articulated across organizations, Torrington's (2011) 'objective setting cascade' depicts that objectives cascade down the organization from

the board level, to functional levels, to departmental levels, to team levels and finally, to individual levels. Torrington then states that feedback on these objectives goes back up the organization (from the individual level to the board level). Torrington (2011) also provides a useful description of a typical performance management system process present within organizations; according to Torrington there are four cyclical stages: these are Definition of business role (Job Description, objectives of the department/group), Planning Performance (Individual objectives, Development plans), Developing and Monitoring (Ongoing support, ongoing review), and Assessment and Rewards (Annual assessment, Link to pay) (Norman & Kabwe, 2015).

2.1.4 Implementation challenges of PMS

There is a view that an efficient implementation of performance management requires best performance management implementation model and practice.

Senior and administration Commitment: If senior and administration don't show commitment to the implemented PMS, the workers also will not take it serious. Line managers got to show a true sense of ownership during implementation of PMS.

Lack of data and Skill: the weakness during a performance management system arise primarily because the PMS is poorly designed or training on the PMS has not transferred into the organization to support its implementation.

Resistance to Change: The most critical and frequently experienced challenge in the development, implementation and maintenance of PMS within organizations is probably organizational culture (Markus, 2004). The traditional organizational culture is a significant obstacle to effective performance management. Cultural challenges are typically the result of people's inherent resistance to change. Employees may feel

threatened by new system being implemented, or may become paranoid as a result of the failure of previous system.

Evaluating Performance: Traditionally, performance evaluations are an annual or semi-annual event that sometimes are often seen by employees as routine and insignificant. Evaluating performance competencies is usually the most difficult part of performance management. Line managers are generally less comfortable discussing and giving feedback on behaviors, and because they are more subjective and less quantifiable than objectives, as a result managers tend to avoid this area.

Keeping the System Active: It is important to periodically monitor the system, revise portions of it when necessary, and refreshes people's interest in the system. Too often, organizations ignore the system then are faced with completely dismantling it after the system has become woefully out of step with the days, or employees mistrust its use.

Linking Job Descriptions to Performance Management: individual job description must be congruent with the organization and unit's strategic plans. The managers need to ensure that the job descriptions and objectives are aligned with the organization's strategic objectives. Objectives should be based on the individual's job description and should be achievable, with expected outcomes, performance standards and time-scales linked to each objective.

The implementation requires more time and effort than expected: Implementation of a PMS takes a considerable period of time, after which the organization has to start learning the new system which also takes time. During this entire period, commitment and support from management is required otherwise the PMS can be seen as "flavor of the month" by organizational members (Miruka, Ogutu, 2014; pp.179-181).

2.1.5 Characteristics of successful PMS

The characteristics of successful PMS includes; the system is actively supported by top management both in their practices and resource allocations, the system's objectives are clear, compatible, attainable and acceptable, there is consultation with all affected parties in the design and review processes, appropriately customized training programmes are provided for reviewers and reviewees, with refresher and specialized programmes available as required, involve a joint approach to goal setting and problem solving, the system is part of an on-going feedback process, the system is characterized by efficiency and results rather than bureaucracy and paperwork and the system is the subject of on-going monitoring and evaluation (McMahon, Gerard, 2013).

2.1.6 Tools of Performance Management

There are a wide range of performance management tools (or methods) used by organizations. The most common performance management tools are presented as follows: objective setting, performance appraisal, self-appraisal, performance related pay, 360 degree feedback, team performance evaluation, and peer reviews.

Performance Appraisal

Performance Appraisal was once seen as the main method of reviewing employees' performance in the workplace. However, since organizations realized that there was more significance in developing an individual's performance, and the strategic value in doing so, meant that performance management started to rapidly overtake performance appraisal, with the latter now seen as a tool of performance management overall (Pareek and Rao, 2007). Despite its popularity within organizations, performance appraisal has received heavy criticism with anecdotal, empirical and personal experiences highlighting an array of problems with performance appraisals

(Roberts, 2003), namely rating biases and poor communication (Pregitzer & Roberts, 2007).

Peer Review

Peer review is the evaluation of workplace performance by colleagues of equal rank against established performance criteria, it arose due to managers seeking time and cost savings through performance management (Schneier *et al*, 1995). Peer reviews are most appropriate where teamwork is critical to job success, namely head office retail environments where departments must form effective teams in order to succeed, in turn, peer review promotes higher levels of teamwork (Pope, 2005). Due to the fact that peer reviews are a subjective tool of performance management, it is susceptible to human-based errors (Bhattacharyya, 2011). However, peer review pitfalls can be avoided through proper preparation and implementation, making peer reviews a valuable and useful performance management tool (Schneier *et al*, 1995).

Team Performance Evaluation

Much like peer reviews, team performance evaluation is most appropriate in organisations where teamwork is more critical to success than individual work. As such, team performance evaluation revolves around rewarding team-based performance, rather than individual performance (Deb, 2009). Team based evaluation is a modern approach to performance management and has increased in popularity after its profound success within the health care industry (Drumm, 2006).

360 Degree Feedback

A performance management tool that gathers feedback on individual performance from a wide variety of sources, including, colleagues, customers and suppliers (CIPD, 2014). 360-degree feedback was first developed as early as World War 2; the German military recognized the value of gaining insights on performance from multiple

individuals, leading to a more effective evaluation of performance (Fleenor & Price, 1997). 360 degree feedback has gone on to become one of the most popular performance management tools since its growth in popularity (Lobsenz *et al*, 2004) during the late 20th century and early 21st century (Fleenor *et al*, 2008).

Self-Appraisal

Self-appraisal requires employees to give feedback on their own performance, define their training needs and outline their development needs (Bhattacharyya, 2011). Self-appraisals are mostly common when integrated with other tools of performance management (Pope, 2005). For example, a manager will ask an employee to complete a self-appraisal and then the manager will appraise the employee his/herself. However, if the manager and employee are separated on the views of the individual's performance then this can result in the individual dismissing the feedback, becoming demoralised and unmotivated. Research suggests that this is the case as employees, on average rate their performance at the 78th percentile within the office/workplace (Pregitzer & Roberts, 2007).

Performance Related Pay (PRP)

Performance Related Pay is a commonly used tool of performance management, with financial reward usually tied in with other tools from which reward can be distinguished (Atkinson and Shaw, 2002). The goals of PRP are to encourage high performance levels, and to embed a high performance culture across the organization (CIPD, 2014). PRP was predominant in the private sector but has now been translated to the public sector where it forms around 10% of pay on average (Toynbee, 2013). Performance Related Pay is very popular within retail, around 5,000 Tesco managers and directors are entitled to performance related pay (Wallop, 2012). Despite its popularity, PRP has continuously been under criticism due to its over-emphasis on

short term performance over long term organizational objectives (Nunberg, 1992). Additionally, CIPD (2012) report that 49% of employees are dissatisfied with the pay decisions made at their organization.

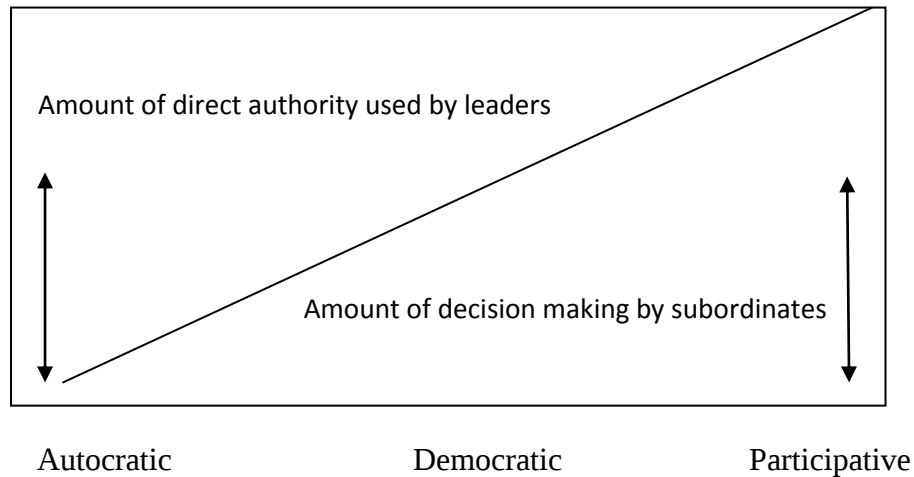
Objective Setting

Objective setting is the basic term for Drucker's 'Management by Objectives' (MOB (1954)), previously outlined in the history and evolution of performance management section. Management by objectives involves defining concrete and specific objectives so that managers and subordinates understand what the employee is expected to achieve, usually in the form of SMART objectives (Pulakos, 2009). Drucker's work on the development of MOB paved the way for future development in performance management, with Latham and Lockhart (1979) developing their 'Goal Setting Theory' from the basis of Drucker's work, implementing an emphasis on continuous improvement of performance management systems (Samwel, Janes, 2018).

2.1.7 Leadership style and employee performance

The business writer Daniel (2002) categorized different leadership styles. They suggested that leadership styles might be explained on a scale starting from autocratic through democratic to participative to point out the degree of authority and decision makes power of leaders and employees. Fiedler leadership contingency model theory proposed that effective employees performance depended upon the right match between a leaders' ability to steer is contingent upon situational factors that include the leaders' capabilities, preferred style, and behavior, competency of employees. This theory propounded that leaders should adopt that style which best to things and immediately stimulate the worker performance. an efficient leader features a responsibility to supply guidance and share the knowledge to the worker to steer them

for better performance and make them expert for maintaining the standard (cited by Iqbal N et al., 2015: pp.3).

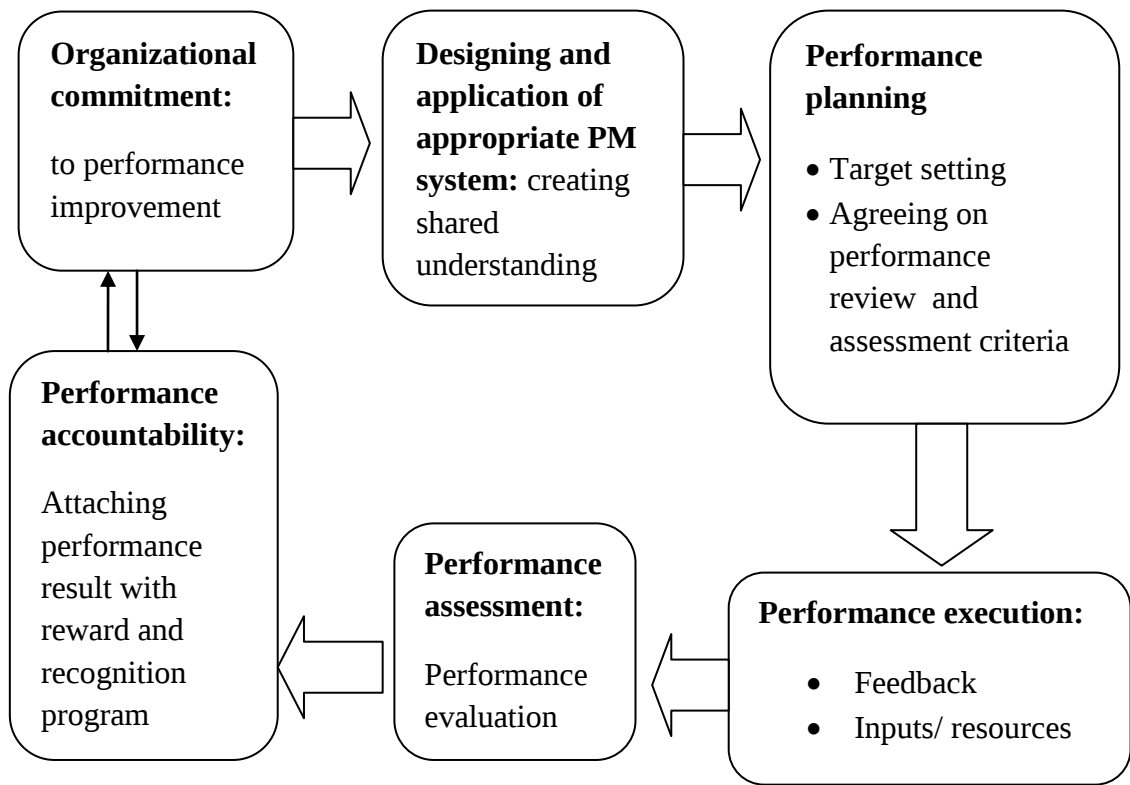


Source: Iqbal et.al, 2015

Figure 2.2: Leadership style

2.2 Conceptual Framework

From the conceptual frame work we can understand that, the first thing that we have for implementing EPMS in the organization is organizational commitment to improve performance. Then after, the appropriate PMS application will developed. And, then performance planning will take place to reach an agreement regarding review and assessment criteria. Provision of continuous support through couching, mentoring and providing resources to execute their jobs will follow. Then periodic performance review and performance evaluation will be executed. Finally, performance accountability where best performers will be rewarded and underperformers will receive actions will be done. Efficiently doing all these processes has its own contribution for performance improvement. (Mulu Bishaw, 2016)



Source: Mulu Bishaw, 2016

Figure 2.3: Conceptual Framework

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter discusses the methods that the researcher adopts to undertake the study which includes the research design, sources and method of data collection, sampling techniques and so on.

3.1. Research design and Method

The research design of the study was descriptive research both qualitative and quantitative methods that is mixed research approach. Descriptive research is research went to “describe” a situation, subject, behavior, or phenomenon. Quantitative method is systematic empirical investigation and explanation of phenomena by collecting numerical data that can be analyzed mathematically or by computational techniques. Qualitative method is exploring, understanding and analyzing of unstructured data, which requires direct interaction with individual respondents and does not involve measurements and statistics. Mixed methods research is an approach to inquiry involving collecting both quantitative and qualitative data, integrating the two sorts of data. The core assumption of this type of inquiry is that the mixture of qualitative and quantitative approaches provides a more complete understanding of a search problem than either approach alone (Creswell, 2014).

3.2. Sources and Types of Data

In the research both primary and secondary data were utilized to enhance the quality of the study. Since the research was undertaken in ERC head office, employees (staffs, experts and line managers/team leaders etc) of the corporation HQ were the target population and are the primary sources of the data. Secondary data and

information include websites, different organizational reports, magazines and other research papers, and related materials were reviewed. The reliability of the research instrument was checked. The result of the alpha coefficient is 0.78. Cronbach alpha provides a measure of internal consistency of a test or scale. It is expressed as a number between 0 and 1. The closer the alpha coefficient is to 1.0, the greater the internal consistency and the reverse is true (Kebre, 2016). The acceptable value of alpha is ranging from 0.70 to 0.95 (kebre, 2016 as cited by Melat, 2014).

3.3. Sampling Technique and Sample Size

Sampling is the process or technique of selecting a suitable sample for the purpose of determining parameters or characteristics of the whole population. There are two basic sampling techniques which are probability and non- probability sampling. A probability sample is defined as a sample in which every element of the population has equal chance of being selected. Alternatively if sample units are selected on the basis of personal judgment the sampling method is non- probability sampling.

Stratification means that specific characteristics of individuals (e.g., gender—females and males) are represented in the sample and the sample reflects the true proportion in the population of individuals with certain characteristics. When randomly selecting people from a population, these characteristics may or may not be present in the sample in the same proportions as in the population; stratification ensures their representation (Creswell, 2014). Stratified random sampling methods used by dividing the staff and managers as different sub-groups. The respondents list (sample frame) was taken from ERC human resource department.

Sub-groups	Managerial	Non-managerial staff	Total	
			Sample	Population
Sample size	38	116	154	310

Source: ERC, HR department.

If a 95% confidence level is selected, 95 out of 100 samples will have the true population value within the range of precision specified (Singh,Ajay S, 2014). Yamane (1967) provides a simplified formula to calculate sample sizes. This formula used to calculate the sample sizes. A 95% confidence level and P = .5 are assumed. The sample size was determined by using the Slovin's formula.

$$n = \frac{N}{1 + N(e)^2} \quad \text{where } n = \text{sample size}$$

N= population size

e= level of precision/ confidence interval

$$n = \frac{310}{1 + 310(0.05)^2}$$

$$n = 175$$

Therefore, applying 5% error margin the samples size for the study was 175 members of the target population.

3.4.Data Collection Techniques/ Tools

In order to undertake this study both questionnaire and interview data collection tools were used. ERC staff members were requested to fill the designed questionnaire. In addition to this, managers and or department heads were also interviewed. The questionnaire has 34 total question and has include profile of the respondents, the

main research related close-ended questions (also include likert scale from strongly agree to strongly disagree).

Even though the majority of respondents fill the questionnaire by hardcopy, the remaining small amount of questionnaire was distributed electronically (i.e. by Telegram, and messenger). A total of 175 questionnaires were administered, 154 of them representing 88 % returned and the remaining 21 (12%) were not returned.

3.5.Data Analysis Methods

Data which are collected by the aforementioned techniques was analyzed by thematic content analysis and statistical package for social science (SPSS) software version 20 was used for tabulation and graphical presentation. Throughout the analysis process percentages and frequencies tables are employed.

3.6.Ethical Considerations

The researcher notified the respondents about the purpose of the research in the advance and confidentiality of the information provided by the respondents i.e. respondents' anonymity was assured. The researcher also provides acknowledgement/ credit for the work of others and indicates the sources in the study to protect academic plagiarism.

CHAPTER FOUR

DATA PRESENTATION, ANALYSES AND INTERPRETATION

This chapter covers the analysis and interpretation of the various data collected through the use of questionnaires and interview as per objectives of the study.

4.1.Profiles of the Respondents

Under this sub-section information's of the respondents are analyzed to understand the variations of respondents that includes gender, age, period of employment, educational level and job levels distribution data will be presented as follows.

Figure 4.1.1 Gender of the Respondent

As the collected data indicates from the total number of 154 respondents, 67.53% (i.e. 104) were Male respondents who took the big share of the total respondents and the remaining 32.47% (i.e. 50) were Female respondents.

Table 4.1.1 Age of Respondent

Age	Frequency	Percent
21-30	25	16.2
31-40	88	57.1
41-50	38	24.7
51 and above	3	1.9
Total	154	100.0

Source: Survey, 2020.

According to the data shown on table 4.1.1, the age group of the respondents, the larger portion of the respondents that is 88 (57.1%) falls within the age group of 31 to

40. Age group from 41 to 50 and 21 to 30 hold 38 (24.7%) and 25 (16.2%) number of respondents respectively.

Period of Employment

The following data table shows that, the largest percentage of the respondents, which is 36.4% (56), served the organization for about 2-5 years. The second largest percentage of the respondents, which is 30.5% (47), worked for 6-9 years.

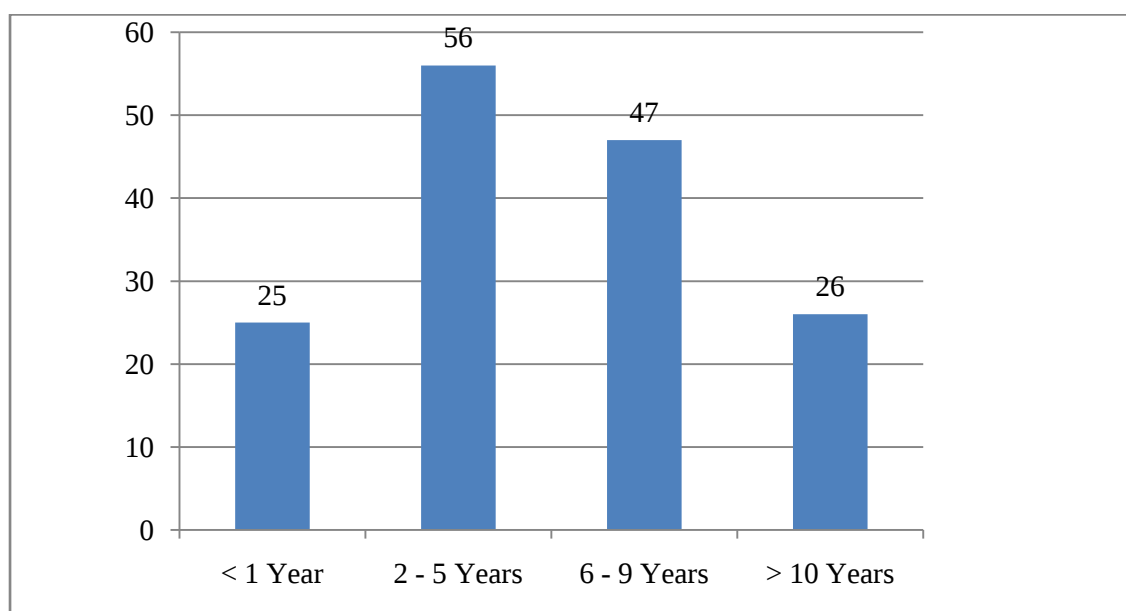


Figure 4.1.1 Respondents period of employment in ERC

Source: Survey, 2020.

Table 4.1.2 Respondents level of Education

Level of education	Frequency	Percent
TVET/ College diploma	26	16.9
Degree	87	56.5
Masters	41	26.6
PhD	-	-
Total	154	100.0

Source: survey, 2020

As table 4.1.2 clearly depicted that, from the total amount of 154 respondents 26.6% (41) of them are Masters Degree holders following 56.5% (87) of Degree holders which constitutes the biggest share and the researcher learnt that the remaining 16.9% (i.e. 26) of the respondents were graduates of TVET/College diploma.

Table 4.1.3 Respondents Job Level

Job Levels	Frequency	Percent
Manager/ Department Head	8	5.2
Team leader	30	19.5
Coordinator/ Supervisor	26	16.9
Senior Officer	56	36.4
Junior Officer	34	22.1
Total	154	100.0

Source: survey, 2020

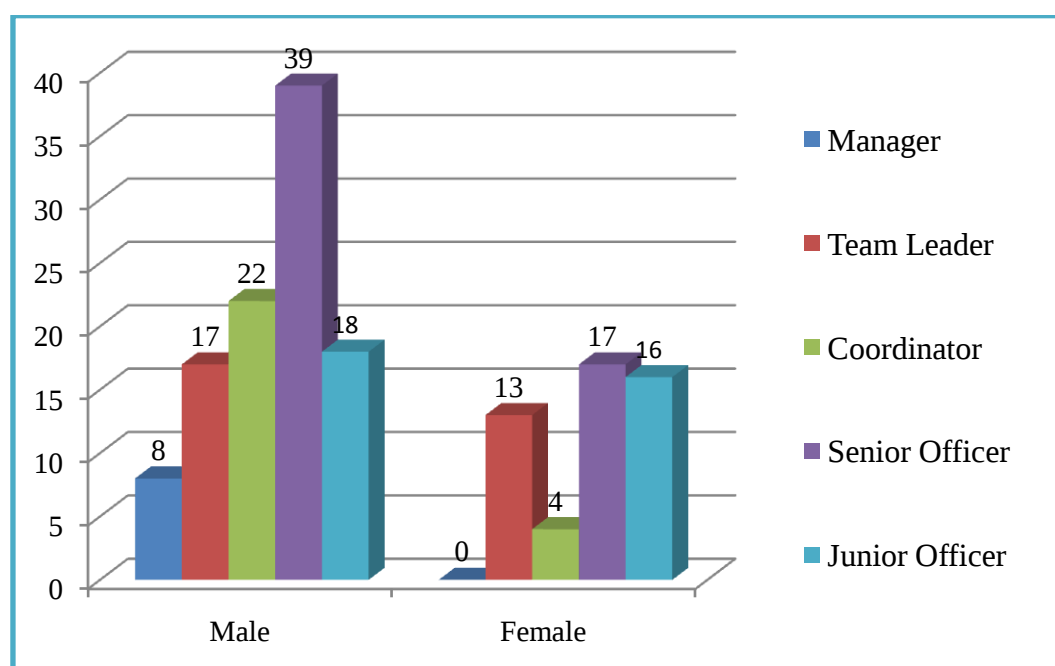


Figure 4.1.2: Respondents job level

Source: Survey, 2020.

The aforementioned figure 4.1.3 tried to differentiate the respondent's level of job depending on gender variable. According to the survey data collected out of 154 respondents' from the total of 36.4 % (Refer table 4.1.3) senior officers 39 and 17 of Male and Female constitute respectively, followed by junior officers 22.1% (34) of which male accounts 22 and female 4. The remaining 19.5% and 16.9% of the respondents are recognized as team leaders and coordinators followed by additional 5.2% (8) managers.

4.2.Data Analysis of PMS implementation at ERC

Table 4.2.1: Methods of Performance Appraisal

Alternatives	Frequency	Percent
Performance rating	18	11.7
Employee self assessment/ self-appraisal	34	22.1
Appraisal by supervisor/ immediate boss/	76	49.4
Other	26	16.9
Total	154	100.0

Source: survey, 2020

Appraisal is a formal way of assessing an individual employee's performance against predetermined goals. In addition, the main purpose of appraisal is to motivate good performance.

As shown in table 4.2.1 the methods of performance appraisal the majority of the respondents state that evaluation of performance is undertaken by supervisor/immediate boss which constitutes 49.4% (76) followed by self assessment by employee of 22.1% (34). Performance rating method constitutes the smallest response with 11.7% (18).

Role of PMS in ERC

Alternatives	Frequency	Percent
Reward allocation/ motivational strategy	8	5.2
Identification of training and development needs	23	14.9
Facilitates promotion transfer and termination decisions	13	8.4
Identifying barriers to performance	35	22.7
Others	75	48.7
Total	154	100.0

Source: survey, 2020

Table 4.2.2 Role of PMS in the ERC

Performance appraisal may be used for promotion, pay raises, retention decisions, or simply to regularly meet and discuss how the workers are doing. When done properly, they are an effective management tool (Brock Williams and Dane Galden, 2015:pp.80).

As the aforementioned table 4.2.2 depicts that the largest share of the respondents for the role of PMS in ERC replied the “Other” alternative with 48.7% (75) and related with this answer the researcher was provided with open ended question if they answer it, and according to the respondents most of them indicates that Performance evaluation in the corporation is just a formality with no advantage observed before.

Performance management involves developing a shared understanding about what is to be achieved and how it is to be achieved. The aim is to develop the capacity of people to meet and exceed expectations and to achieve their full potential to the benefit of themselves and the organization. Shields (2007: 24) explained that a performance management system has a fourfold purpose: Strategic communication,

Relationship building, Employee development and Employee evaluation (Michael Armstrong and Stephen Taylor, 2014; pp.336). The information collected by a performance management system is most frequently used for salary administration, performance feedback, and the identification of employee strengths and weaknesses. In general, however, performance management systems can serve the following six purposes: strategic, administrative, informational, developmental, organizational maintenance, and documentational purposes (Herman Aguinis, 2013; pp.14-15).

Alternatives	Frequency	Percent
Strategic	23	14.9
Administrative	2	1.3
Informational	17	11.0
Developmental	17	11.0
Organizational Maintenance	2	1.3
Documentational	87	56.5
Other	6	3.9
Total	154	100.0

Table.4.2.3 Role of PMS in ERC

Source: survey, 2020.

According to the collected data, as shown above on table 4.2.4, the respondent's states that despite performance evaluation took place its purpose is documentational which is supported by 56.6% of the total respondents. From this we can understand that performance appraisal is undertaken as a formality. This is supported by the data collected from the respondents about the fate of poor performers on Table 4.2.3 in

which the majority of the respondents states that no action is taken to drag out poor performers from their unsatisfactory level of performance.

Period of Performance Appraisal

Appraisals must be done regularly and be based on written criteria, which allow a person to understand the standards to which they are compared (Brock Williams and Dane Galden, 2015:pp.81).

Period of Appraisal	Frequency	Percent
At the end of every month	27	17.5
After every three months	53	34.4
After every six months	41	26.6
Annually	33	21.4
Total	154	100.0

Table 4.2.4 Period of Performance Appraisal

Source: Survey Data, 2020.

In any organization, performance appraisal has its own time to be conducted. Everyone in the organization has its own time to conduct performance appraisal depending on their own philosophy of time period (Mullins 1996) with the majority of schemes, staff receives an annual appraisal and for many organizations this may be sufficient. Also more frequent appraisals may be appropriate for new members of staff, those recently promoted or appointed to a new position or for those whose past performance has not been up to the required standard (Hika Nigatu et.al, 2017).

Table 4.2.3 shows the period/time to conduct performance appraisal in ERC. According to the survey data as the majority of the respondent's states the corporation conducts performance evaluation after every three months which holds 34.4% (53) followed by appraisal period of six months which is 26.6% (41), and the rest of the

respondents constitute 21.4% (33) & 17.5 % (27) for the alternative period of annually and for end of every month respectively.

Measures taken upon Poor Performers at ERC

There are about five main ways to overcome performance problems associated with a lack of ability. Consider using them in this sequence, which starts with the least intrusive: Resupply, Retrain, Refit, Reassign and Release (David A. Whetten and Kim S. Cameron, 2011; pp.27).

Sometimes poor performance has its roots in low motivation. When this is the case, it needs to work closely with the employee to create a motivating environment in which to work. There are three key interventions that may improve people's motivation: Setting of performance goals, Provision of performance assistance and Provision of performance feedback (William Robinson, 2011).

Alternatives	Frequency	Percent
Training	11	7.1
Improvement coaching	14	9.1
Nothing	125	81.2
Relocation	4	2.6
Total	154	100.0

Table 4.2.5 Destiny of Poor Performers at ERC

Source: Survey data, 2020.

As the literature show coaching is an interactive process between an employee and a manager in closing gaps and improving performance. It also includes overcoming personal obstacles, achieving new skills and competencies, prepare employees for

new responsibilities, motivating employees and help them to get skill in managing themselves more effectively.

Table 4.2.4 indicates that the measures taken to those who are identified as poor performers and based on the data collected the largest amount of the respondent's states that nothing is being done to step up their performance which shares 81.2% out of the total respondents. The remaining alternatives i.e. improvement coaching, provision of training and relocation the staff accounts for 9.1%, 7.1% & 2.6% respectively. As per the interview discussion session with the management members of ERC they also agree with the majority of respondents reply. According to them it is seen as a mere formality though performance evaluation is not regularly undertaken.

Table 4.2.6 Challenges of PMS implementation in ERC

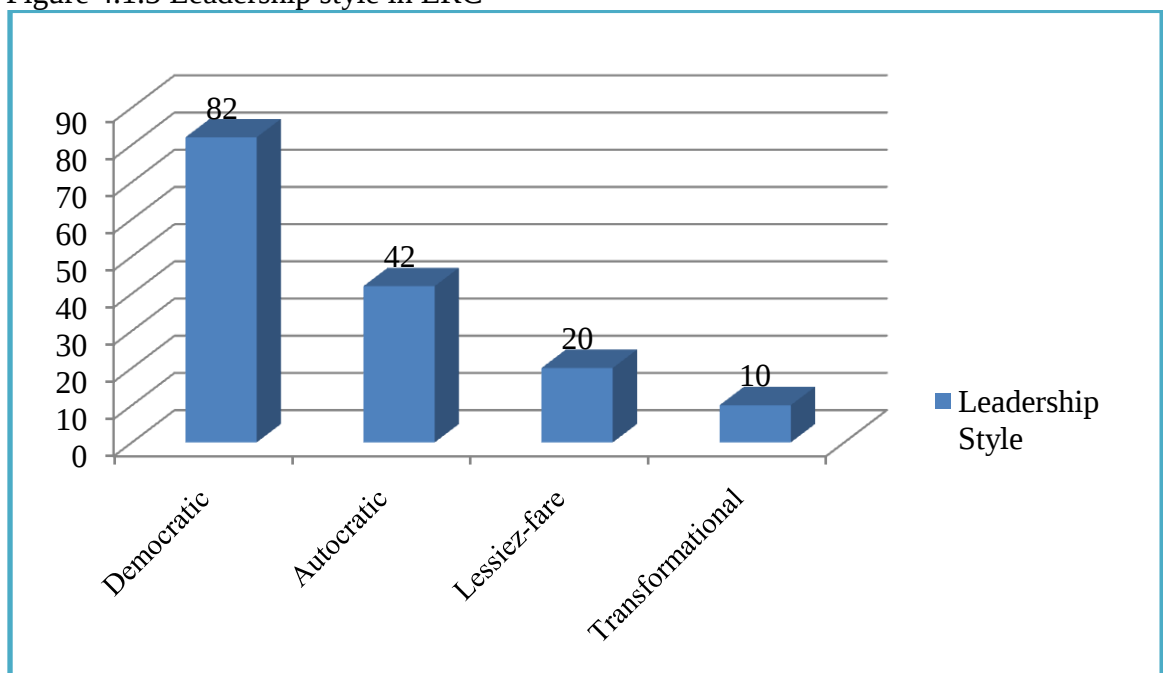
Alternatives	Frequency	Percent
Senior and line management: team leader's lack of commitment and employees will not take it as serious.	81	52.6
Lack of Knowledge and Skill: (poorly designed or training on the performance management system)	19	12.3
People's inherent resistance to change	5	3.2
Evaluating performance seen by employees as routine and insignificant	47	30.5
Others	2	1.3
Total	154	100.0

Source: Survey data, 2020.

Khan et al. (2013) identified a number of problems faced by organizations while implementing PMS which include low priority on implementation by the

management, insufficient resources, more effort and time required in implementation than expected, unstable phase, unclear goal for PMS implementation, negative attitudes towards PMS, PMS and information-communication technology, organizational strategy, definition of critical success factors and key performance indicators, goals for lower levels, linkage between KPI, individual employee, team and departments, change management process, reward system and PMS, updating PMS system and others (Albert Ahenkan et.al, 2016; pp.524). The above table tells us about the main challenges faced in ERC on PMS implementation. Among the alternatives provided the data shows that senior and line management: team leader's lack of commitment and employee will not take it as serious holds the major share which is 52.6% (81) followed by performance evaluation seen by employees as routine and insignificant with 30.5% (47). The remaining alternatives took the lowest shares of responses.

Figure 4.1.3 Leadership style in ERC



Source: Survey, 2020.

Hogan, Curphy and Hogan (1994) suggested that leadership effectiveness should be measured in terms of group, team, or organizational effectiveness (Renata Borges, 2017; pp.110). According to Chung-Hsiung Fang et.al (2009) leadership style can affect organizational commitment and work satisfaction positively and work satisfaction can affect organizational commitment and work performance positively. Those different dimensions of leadership styles affects on Employee satisfaction, team work, organizational change, employee performance. Leadership style, organizational commitment and work satisfaction are interrelated. Thus leadership styles can affect quality of work life. Figure 4.1.4 depicts that the majority leaders of the corporation follows democratic/ participative type of leadership style with the respondent's amount of 53.2% (82) and Autocratic leadership style constitutes 2.3% followed by 13% laissez-faire and 10% transformational. There are many benefits of democratic leadership. Team members tend to have high job satisfaction and are productive because they're more involved in decisions. This style also helps develop people's skills. Team members feel in control of their destiny, so they're motivated to work hard by more than just a financial reward. The downside of democratic leadership is that it can often hinder situations where speed or efficiency is essential. For instance, during a crisis, a team can waste valuable time gathering people's input. Another downside is that some team members might not have the knowledge or expertise to provide high quality input (Mwalala 2008 as cited by Jeddy Muthike, 2014; pp.16).

4.3. Respondents perception on Performance Management system of ERC

This section will tell us about the perception of respondents up on issues like individual and organization goal alignments, performance planning, execution, monitoring and review.

Table 4.3.1 Respondents Perception on Alignment of goal

Items		S.D	Disagr.	N	A	S. A	Total
I am aware of about goal of the corporation (mission, vision)	Freq.	0	0	23	39	92	154
	Per.	0%	0%	15%	25%	60%	100%
My individual goals are aligned with the organization goal.	Freq.	15	6	29	63	41	154
	Per.	10%	4%	19%	41%	27%	100%

Source: Survey data, 2020.

At PM process prerequisite stage the organization's mission and strategic goals has to be understood and the specific jobs should be well known. Afterwards, the strategic goals should be cascaded at organization level, departmental level, supervisor level and employee level (Kebre Hailu, 2016; pp.12).

Goals have been considered important as expressions of organizational values that can stimulate and generally orient employees to the organization's mission (Rainey, 2003 as cited by Selamawit, 2016). A goal setting is defining the results that employees aim to achieve. It should be top-down process which begins from the company's strategy towards operation level strategy and individual employee level objective. This clearly indicates the alignment of goals to the organization strategy (Kebre Hailu, 2016; pp.11).

According to the response provided from the respondents we can is clearly understand that employees of the corporation have a better awareness about the goal of the corporation in which the result show 60% of strongly agree, 25% agree and 15% neutral. The next question asked to the respond were about the alignment of their goal with the corporation (organization) goal and as table 4.3.1 depicts that the majority of

respondents agree with question with the amount of 63% out of the total respondents, with 6% of disagreement and 15% of strongly disagree response.

Table 4.3.2 Respondents Perception on Performance Planning

Items		S.D	Disagr.	N	A	S. A	Total
In my opinion, my department objectives are clear and SMART (specific, Measurable, Attainable, Relevant and Time-bounded)	Freq.	2	14	49	60	29	154
	Per.	1%	9%	32%	39%	19%	100%
My department goals are challenging (neither too easy nor too difficult)	Freq.	25	28	26	40	35	154
	Per.	16%	18%	17%	26%	23%	100%
I involve/ participate in setting goal of the department with my teammates, team leader and or manager i.e. planned objectives are mutually agreed	Freq.	37	5	59	42	11	154
	Per.	24%	3%	38%	27%	7%	100%
My department goals are highly complex, i.e. it needs sufficient time to achieve and is overwhelming to the individual.	Freq.	7	47	56	25	19	154
	Per.	5%	31%	36%	16%	12%	100%

Source: Survey data, 2020.

Based on the literature performance planning is a process by which the manager and the employee get together for a discussion to set a goal which will be performed by the employee with a specific period of time. It is the first cycles where employees will

be able to have a clear knowledge about the system. According to Armstrong (2009) one of the acceptances of goals is achieved by encouraging employees to participate in the goal setting process.

The data collected and summarized on table 4.3.2 above shows that, only 10% (16) disagree and 58% (89) agree on the point of objective clarity and its SMART characteristics, and likewise on the point of whether objectives are challenging 49% (75) agree and 34% (53) disagree. In both cases, 32% (49) and 17% (26) of the respondents answer were remained neutral or undecided.

To the questions of employee participation on goal setting 34% (53) agreed that department goals are mutually developed and 27% (42) of them disagree on the point. To the last question concerning performance planning 28% (44) of respondents agreed that their department goals are complex and 36% (54) disagree with it. During the interview session with the managers, it is learned that the managers reply on the above issues reaffirm the respondents answer.

Respondents Perception on Performance Execution

As the literature indicates in chapter 2, at performance execution stage employees exert effort to get the intended outcomes and display the pre-agreed behaviors. Although the owner of this stage is the employee, the manager has a role of observing and documenting the performances on a daily basis, updating the employee in organizational changes, providing regular feedback, providing resources and opportunities to develop, and reinforcing effective behaviors which lead towards the intended goals. According to table 4.3.3, respondents indicate that they didn't get feedback from their boss in a continuous basis and is strengthen by 47% (57) disagreement and 33% (51) agree on it. This was reaffirmed by the managers during interview.

Items		S.D	Disagr.	N	A	S. A	Total
In my opinion, I get constructive feedback from my boss in a continuous basis.	Freq.	15	41	47	37	14	154
	Per.	10%	27%	31%	24%	9%	100%
My boss has the skill and knowledge to coaching & monitoring performance	Freq.	2	27	28	54	43	154
	Per.	1%	18%	18%	35%	28%	100%
The feedback that my boss gave me targets towards the goals/results than personal behavior.	Freq.	1	11	25	26	70	21
	Per.	1%	7%	16%	17%	45%	14%

Table 4.3.3 Respondents Perception on Performance Execution

Source: Survey data, 2020.

To the next question about their boss skill and knowledge to coach and monitoring performance the major share of the respondents i.e. 63% (93) agreed that they have the skill and knowledge while 19% (29) of the respondents didn't agree with it. The remaining amount of the respondents for both questions didn't decide on it with 31% (47) and 18% (28) respectively.

Table 4.3.4 Respondents Perception on Performance Monitoring (assessment)

Items		S.D	Disagr.	N	A	S. A	Total
In my opinion, my boss encourages me to express my feeling openly.	Freq.	16	14	37	43	44	154
	Per.	10%	9%	24%	28%	29%	100%
Getting feedback from my boss helps me to become more competent and improve future performance.	Freq.	8	37	45	38	26	154
	Per.	5%	24%	29%	25%	17%	100%
I evaluate myself by filling out self-assessment forms	Freq.	31	16	27	48	32	154
	Per.	20%	10%	18%	31%	21%	100%

Source: Survey Data, 2020.

According to Armstrong (2006), PM is a tool to provide effective feedback. Feedback is a positive reinforcement and dialogue between employee and manager which encourages good performance and recognizes areas of improvement. Likewise, Aguinis (2009) states regular feedback enhances individual's improvement and development. In the point of the first question 57% (87) the respondents agreed that their boss encouraged them to express their feeling openly but 19% (30) of them doesn't agree with this point of view. As we have observed on figure 4.4 the leadership style in ERC is overwhelmingly democratic. Thus, the researcher learnt that this can contribute the subordinates to be free to express their feeling freely and can be understand that it is a result of good communication between the managers and subordinates. As shown on table 4.3.3, despite they didn't get continuous feedback from their boss when they have it seldom the respondents agreed that it is helpful for them to be competent and improve future performance and this is strengthen by 42% (64) agreement, where as 29% (45) disagree with it. According to the last question, the respondents agreed with 52% (80) that employees evaluate performance by themselves through filling self-assessment form, while 30% (47) out of the total 154 respondents didn't agree on it. Based on data collected with the interviewed managers, they explain that it is believed that works of performance management is belongs to HR department and mostly department heads are not interested to do so. But sometimes through BSC performance is evaluated.

Table 4.3.5 Respondents Perception on Performance Review/ Evaluation

Items		S.D	Disag r.	N	A	S. A	Tot al
My department has consistent criteria/ standard for measuring performance	Fre q.	41	27	45	27	14	154
	Per.	27 %	18%	29 %	18 %	9%	100 %
My boss gives me formal/ written feedback both positive and or negative based on what I done.	Fre q.	9	36	46	39	24	154
	Per.	6%	23%	30 %	25 %	16 %	100 %
I fully participate in performance review process	Fre q.	28	36	47	32	11	154
	Per.	18 %	23%	31 %	21 %	7%	100 %

Source: Survey data, 2020.

As the data collected on table 4.3.5 depicts that the major share of the respondents agree that ERC doesn't have consistent standard for measuring performance which is supported by 45% (68) out of the total respondents, where as 27% (41) of them agreed that there is. For the next question, on the point of whether the boss gives feedback based on work done i.e. not personal behavior, the majority of respondents agreed which constitutes 41% (63) and 29% (45) disagree on it. The remaining respondents i.e. 45 (29%) and 46 (30%) preferred to be neutral for the two questions respectively. As the literature implies in chapter 2 Performance review is a meeting takes place between the employee and the manager to review the assessment done separately on

what was done (results) and how it was done (behaviors). It is remembered that according to table 4.2.1 among the alternatives given the biggest share of the respondents replied that appraisal by supervisor or boss was the leading answer. On the performance review process, according to the data collected, 41% (64) didn't fully participate on performance review, where as 28% (43) agree that they participate on it.

CHAPTER FIVE

CONCLUSION, SUMMARY OF FINDINGS AND RECOMMENDATIONS

5.1.Conclusion

Performance management is a continuous process of identifying, measuring and developing the performance of individuals and teams and aligning performance with the strategic goals of the organization.’ The main objective of this study is to assess the implementation of PMS practice in Ethiopian Railways Corporation. In order to undertake the study 175 sample were selected. Therefore, based on the data collected the researcher concludes that employee’s doesn’t get an opportunity to know about the benefits of performance management system, why evaluation is needed, for what purpose does it serve the evaluation procedures and components and instruments of the process of performance management. According to the data the respondents declared that they didn’t get a regular or continuous feedback from their boss. In addition to this the corporation does not have a standardized appraisal methods. In relation with PMS challenges, as the data implies Senior and line manager/ team leader’s lack of commitment and employees will not take it as serious. This hinders PMS to be seen by other subordinates as routine and insignificant.

5.2.Summary of Major findings

Based on the analysis, there were both positive and negative findings concerning the implementation of the employee performance management system by Ethiopian Railways Corporation.

The positive points of ERC include;

- employees awareness about the vision and mission of the organization,

- most of the respondents affirm that managers at ERC follow democratic style of leadership and
- the majority of respondents agreed that their individual goals are aligned with the organization goals.

To the other side, as the data obtained from the respondents shows the following points need focus of attention in ERC:

- According to the majority of respondents the role of performance management system is not clearly known by employees
- The respondents ascertain that nothing is done upon the poor performers in ERC to upgrade them.
- Most of the respondents asserts that senior and line management/ team leader's lack of commitment is the main challenge for implementation of PMS at ERC and it leads employees to no take it as serious.
- As the collected data shows employees doesn't get feedback in a continuous basis.
- The major share of the respondents states that there is no consistent standard for measuring performance in ERC.

5.3.Recommendations

In considering the major findings of the study and the conclusions drawn, some efforts were made to forward possible recommendations by the researcher for the attainment of a better result out of the performance management system in Ethiopian Railways Corporation.

These include:

- The role of PMS in the corporation should be clearly identified/ stated through establishing strong work relationships with employees, promote easy access to information and feedback, promote employee involvement in planning and development activities.
- As the analysis indicates performance evaluation/ appraisal must be undertaken in a continuous basis.
- Managers must give attention towards the better implementation of PMS and subordinates will act accordingly and will not look it as insignificant.
- Employees should get feedback based on the works done and should help them to improve future performance.
- Employees should get the chance to be involved or participate in performance review process.
- Consistent standard of measuring performance should be developed.

Generally as the collected data clearly shows, PMS in ERC should follow the guidelines starting from the performance planning up to the performance review stages. As the literature indicate each step in performance management should be followed strictly and the system has to be supported by the top management both in the practice and resource allocation, identify area of PMS improvement, provision of regular feedback, make a mutual assessment review between the employee and manager on what was done.

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APPENDICES

Appendix I: Questionnaire

ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF PADM

Questionnaire to Be Filled By Employees of Ethiopian Railways Corporation

Dear Respondents,

This questionnaire is designed to gather firsthand data for a research in partial fulfillment of the requirement for the Master of public management and policy (MPMP) regarding “Employee Performance Management System Implementation Practices in Public Enterprises in Ethiopia: The Case of Ethiopian Railways Corporation/ ERC/”. Thereafter, the information obtained shall be used for academic purposes only and shall be treated with utmost confidentiality. It is only through your response that this study can be successfully completed. Thank you in advance for taking your valuable time and collaboration to fill out the questionnaire!

Instruction: - Please respond to the following questions by writing the appropriate information on the space provided or by writing “✓” mark in one of the boxes provided.

If you have any question, please don't hesitate to contact: +251-960- 29 02 38,
samsocy@gmail.com

Part I: Respondents background Information

1. Gender: ☐ Male ☐ Female
2. Age: ☐ 21 – 30 ☐ 41 - 50
☐ 31 – 40 ☐ ≥51

3. Marital status: ☐ Single ☐ Married ☐ Divorced ☐ widowed
4. Educational Level: ☐ High school graduate ☐ Masters
☐ TVET/ College diploma ☐ PhD
☐ Degree ☐ Other -----
5. How long have you been in ERC?
- ☐ < 1 year ☐ 2 to 5 years
- ☐ 6 to 9 years ☐ 10 years and above
6. Your job level:
- ☐ Manager/ Department Head ☐ Senior Officer
☐ Team leader ☐ Junior Officer
☐ Coordinator/Supervisor ☐ Other, please specify

Part II:

7. Please indicate the methods of performance appraisal using in your organization? (please tick as many boxes as appropriate)
- ☐ Performance rating:
- ☐ 360-Degree appraisal: - feedback from employees about other employees (a type of employee performance review in which subordinates, co-workers, and managers all anonymously rate the employee)
- ☐ Employee self assessment/ Self-appraisal
- ☐ Appraisal by supervisor /immediate boss/
- ☐ Any others? Please specify
8. Why do you have performance management systems in your organization? (please tick as many boxes as appropriate)

- ☐ Reward allocation/ Motivational strategy
- ☐ Retention strategy/ to reduce employee turnover
- ☐ Identification of training and development needs
- ☐ Facilitates promotion transfer and termination decisions
- ☐ Identifying barriers to performance
- ☐ Any others ? Please specify

9. In your opinion, which factor is mainly considered in your organization (ERC) when conducting performance appraisal process?

- ☐ Employee competency
- ☐ Meeting the job targets
- ☐ Good work habits and behaviors
- ☐ Others, please specify ...
- ☐ Adherence to corporation rules and procedure

10. What is the Period of conducting performance appraisal in your organization (ERC)?

- ☐ At the end of every month
- ☐ After every six months
- ☐ After every three months
- ☐ Annually

11. What does your organization do when poor performers get identified? (please tick as many boxes as appropriate)

- ☐ Training
- ☐ Relocation
- ☐ Improvement coaching
- ☐ Dismissal/ Discharge
- ☐ Nothing
- ☐ Others ? Please specify

12. What strategies of your organization have been linked to the performance management systems to make it more effective? (please tick as many boxes as appropriate)

☐ Reward strategy

☐ Teamwork strategy

☐ Leadership strategy

☐ Other, please specify

13. Which motivational function do you think is more important for the corporation to gain a better job performance? (please tick as many boxes as appropriate)

☐ Individual motivation/ desire to achieve a goal/

☐ Ability/ skills and knowledge required to perform the job/

☐ Environment/ the resources, information, and support one needs to perform well/

☐ Others, please specify -----

14. what is the challenge for the implementation of performance management system in your organization? (Please tick as many boxes as appropriate)

☐ Senior and line management: team leader's lack of commitment and employees will not take it as serious.

☐ Lack of Knowledge and Skill: (poorly designed or training on the performance management system)

☐ People's inherent resistance to change

☐ Evaluating performance seen by employees as routine and insignificant

☐ The implementation requires more time and effort than expected

☐ Other, please specify

15. which type of leadership style best describes your boss?

☐ *Democratic/Participative leader* - share decision-making with group members/ subordinates

☐ *Autocratic leader* - the individual leader control over all decisions

☐ *Laissez-Faire Leadership* - rights and power to make decisions is fully given to the subordinates

☐ *Transformational leader* - work to change or transform their followers' needs and redirect their thinking

☐ Other, please specify

16. In your opinion, which purpose of Performance management system (PMS) best describes the corporation practice? (Please tick as many boxes as appropriate)

☐ *Strategic* – the corporation uses PMS to achieve strategic business objectives by linking the organization's goals with individual goals

☐ *Administrative* - the corporation uses PMS for making administrative decisions about employees (like salary adjustments, promotions etc.)

☐ *Informational* – (i.e. serves as an important communication device)

☐ *Developmental* - (i.e. to identify my strengths and weaknesses)

☐ *Organizational maintenance* - (i.e. for planning & assessing future training needs)

☐ *Documentational* - (i.e. for several documentation purposes)

☐ Other? Please specify.....

17. How do you think that your organization's performance management practice is effective in improving overall employee performance?

☐ Not Effective ☐ Effective ☐ Very effective
☐ Somewhat effective ☐ Extremely Effective

Please tick the “✓” mark for each questions on the box provided that best describes your perception.

Note:- 1. Strongly Disagree 3. Neutral 4. Agree
 2. Disagree 5. Strongly Agree

Concepts	Items	1	2	3	4	5
Goal setting & Alignment of goals	In my opinion, I am aware of about goal of my team/department and the corporation					
	My individual goals are aligned with the organization goal.					
Planning	My department objectives are clear and SMART (short, Measurable, Attainable, Relevant and Time-bounded)					
	My department goals are challenging (neither too easy nor too difficult)					
	In my opinion, I involve/ participate in setting goal of the department with my teammates, team leader and or manager i.e. planned objectives are mutually agreed.					

	My department goals are highly complex, i.e. it needs sufficient time to achieve and is overwhelming to the individual.					
Performance Execution	I get constructive feedback from my boss in a continuous basis.					
	My boss has the skill and knowledge to coaching & monitoring performance					
	The feedback that my boss gave me targets towards the goals/results than personal behavior.					
Performance Monitoring/ assessment	My boss encourages me to express my feeling openly.					
	The team leader/manager gives me the performance progress feedback regularly.					
	Getting feedback from my boss helps me to become more competent and improve future performance.					
	I evaluate myself by filling out self assessment forms					
	I am satisfied with the performance rates that my boss gave to me.					
Performance review	My department has consistent criteria/ standard for measuring performance					
	My boss gives me formal/ written feedback both positive and or negative based on what I done.					
	I fully participate in performance review process					

Are there any other comments you would like to make about your performance management arrangements not covered in the questions above? -----

Appendix II: Interview Questions

Interview Questions To be answered by those who are above the position of managerial levels (i.e. Managers, department heads, directors and those division heads) to support and fill the information gaps collected through questionnaire.

Dear Madam/Sir,

Thank you in advance for devoting your precious time to answer my questions. I'm a final year student at AAU, School of Graduate Studies and conducting a research on the topic "Assessment of Employee Performance Management System Implementation Effectiveness in the Public Enterprises of Ethiopia: the Case of Ethiopian Railways Corporation". Your responses will be kept confidentially and used for academic purposes only.

Thank you in advance for your time and contribution!

1. How do you describe the performance management system practice at ERC?
Do you think that the practice follows PMS guidelines/ cycle?
2. In your opinion, who should be responsible to operate the performance management activities? Why?
3. What kind of performance appraisal techniques you use to evaluate the performance of your subordinates? Why you prefer it?
4. As a leader, how you are supporting your subordinates to maximize their performance?
5. Have you ever use the performance evaluation results of your staff for any purpose? Can you mention?

6. What could be the significant challenges to measure the performance of your subordinates?
7. Do you have any suggestions/ recommendations to improve the performance management system of the corporation? Can you mention it?
8. If you have any ideas that you want to add, please take a chance.

Thank you again!