



ADDIS ABABA UNIVERSITY

COLLAGE OF BUSINESS AND ECONOMICS

**AN ASSESSMENT OF EMPLOYEE PERFORMANCE
MANAGEMENT SYSTEM PRACTICES -
CASE OF THE COMMERCIAL BANK OF ETHIOPIA**

BY

NIFTALEM MENGISTU YIMENU

JANUARY, 2024

ADDIS ABABA, ETHIOPIA

**AN ASSESSMENT OF EMPLOYEE PERFORMANCE
MANAGEMENT SYSTEM PRACTICE -
CASE OF THE COMMERCIAL BANK OF ETHIOPIA**

BY NIFTALEM MENGISTU YIMENU

**A RESEARCH PROJECT SUBMITTED TO ADDIS ABABA
UNIVERSITY COLLEGE OF BUSSINESS AND ECONOMICS IN
PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE
DEGREE OF EXECUTIVE MASTERS OF BUSINESS
ADMINISTRATION (EMBA)**

JANUARY,2024

ADDISABABA, ETHIOPIA

ADDIS ABABA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

**AN ASSESSMENT OF EMPLOYEE PERFORMANCE
MANAGEMENT SYSTEM PRACTICE -CASE OF THE
COMMERCIAL BANK OF ETHIOPIA**

BY NIFTALEM MENGISTU YIMENU

APPROVED BY BOARD OF EXAMINERS

Advisor:

Dejene Tulu (PhD)

Signature:



Date:

External Examiner:

Taye Amogne (PhD)

Signature:



Date:

20/02/24

Internal Examiner:

Meskerem Mitiku (PhD)

Signature:



Date:

20/02/24

Chair Person:

Signature:

Date:

DECLARATION

I, the undersigned, certify that this is my original work, which I completed with assistance from Dejene Tulu (PhD). I have properly cited all sources of information used in this research project. I additionally certify that the research project has not been submitted, in whole or in part, to any other university or college with the intention of receiving a degree

Niftalem Mengistu Yimenu



Name

Signature

Addis Ababa University, Addis Ababa

January, 2024

ENDORSEMENT

This research project has been submitted to Addis Ababa University, College of Business and Economics, Department of Management Graduate Studies for examination with my approval as a university advisor.

Dejene Tulu (PhD)

Advisor's Name



Signature

Addis Ababa University, Addis Ababa

January, 2024

ACKNOWLEDGEMENTS

First of all, I thank and praise the Almighty God for his wonderful works which He has done for me throughout this research and the study program as a whole.

My earnest gratitude shall then go to my advisor, Dr Dejene Tulu (PhD), whose comments and valuable advice contributed tremendously to the success of this Research Project.

Special thanks go to Ato. Girma Leweyehu (Manager Corporate Employee Performance Management in CBE), for his unreserved support by providing me direction with materials, valuable advice, and comments. Thanks!

My earnest gratitude goes to my team members for their unreserved support and service in their time of need. Thank you all!

Finally, my heartfelt thanks go to my family: who stood by my side and gave me heartedly and unreserved morals and encouragement; Special thanks to my wife Bezaye Temesgen Korje for her ever-encouraging unconditional moral support, my daughter, Haniel Niftalem, and Bless Niftalem, for their understanding gave me the energy and dedication, thank you eternally and love you so much!

To all of you, either listed here or somewhere in my memory yet unrecalled, I offer my heartfelt gratitude. God blesses you all forever!

ACRONYMS

BSC	Balanced Score Card
CBE	Commercial Bank of Ethiopia
CHRM	Corporate Human Resources Management
EPM	Employee Performance Management
FSFM	Frankfurt School of Finance and Development
HRD	Human Resources Development
HR	Human Resource
HRM	Human Resources Management
PM	Performance Management

Contents

DECLARATION	4
ENDORSEMENT	5
ACKNOWLEDGEMENTS	6
ACRONYMS	7
LIST OF FIGURES	11
LIST OF TABLES	11
ABSTRACT	12
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background of the Study	1
1.2 Background of the Organization	3
1.2 Statement of the Problem	4
1.3 Research Questions	5
1.4 Objective of the Study	6
1.4.1 General Objective	6
1.4.2 Specific Objectives	6
1.5 Significance of the Study	6
1.6 Scope of the Study	7
1.7 Limitations of the Study	8
1.8. Organization of the Study	8
CHAPTER TWO	9
2. REVIEW OF LITERATURE	9
2.1 What is Performance Management?	9
2.2 Should we evaluate Performance?	9
2.3 Challenges of Performance Management Assessment	10
2.4 Employees' perceptions of the performance appraisal system in the bank	10
2.4 Performance measures and factors affecting the quality	11
2.5 Employee Performance Management cycle	11
2.3.1. Employee Readiness	12

2.3.2 Performance Planning	13
2.3. 3 Feedback and Coaching	14
2.3.4 Data tracking involves gathering, observing, and documenting Data Tracking	16
2.3.5 Performance Appraisal	17
2.3.6 Rewarding & Improvement	18
2.4 Consequences of Poor Performance Management System Practice	19
2.5 Conceptual framework	20
3. RESEARCH METHODOLOGY	21
3.1 Research Design	22
3.2 Research Approach	22
3.3 Data Types and Sources	23
3.4 Population and Sampling Techniques and Data Collection Procedure	23
3.5 Data Collection Instrument, Reliability and Validity	25
3.5.1 Data Collection Instruments,	25
3.5.2 Validity and Reliability	26
3.6 Data Analysis and Presentation	27
3.7 Statical Correlation Analysis	27
3.8 Ethical Consideration	28
CHAPTER FOUR	29
4. DATA INTERPRETATION, ANALYSIS AND PRESENTATION	29
4.1Demographic of the Respondents	29
4.2 Employee Performance Readiness	30
4.3 Performance Planning	33
4.4 Feedback and Coaching	36
4.5 Performance Appraisal	38
4.6 Rewarding and Improving	40
4.7 Performance Management as a System	43
4.8. Statistical Analysis Result	45
4.8.1. Correlation Analysis.....	45
CHAPTER FIVE	49
5.SUMMARY, CONCLUSION, AND RECOMMENDATION	49
5.1. Summary	49
5.2 Conclusion	50

5.3 Recommendation	52
<i>References</i>	<i>54</i>
<i>APPENDIX</i>	<i>57</i>

LIST OF FIGURES

Figure 2.3 1 Employee Performance Management Cycle.....	12
Figure 2.5.1 Conceptual Framework.....	32

LIST OF TABLES

Table 3. 1 Reliability Employee Table Employees.....	33
Table 3. 2 Reliability Employee Table Supervisors	33
Table 4. 1 Demographic of the Respondents.....	35
Table 4.2. 1 Descriptive Statistics for Employee Readiness.....	36
Table 4.2. 2 Descriptive Supervisor Readiness.....	37
Table 4.3. 1 Descriptive for Employee Performance Planning.....	39
Table 4.3. 2 Descriptive for Supervisor Performance Planning.....	40
Table 4.4. 1 Descriptive for Employee Feedback and Coaching.....	42
Table 4.4. 3 Descriptive for Supervisor Feedback and Coaching.....	43
Table 4.5. 1 Descriptive for Employee Performance Appraisal.....	45
Table 4.5. 2 Descriptive for Supervisor Performance Appraisal.....	46
Table 4.6. 1 Descriptive for Reward and Improving Employee.....	46
Table 4.6. 2 Descriptive for Reward and Improving Supervisor.....	49
Table 4.7 1 Descriptive for Overall Performance Management Employee.....	51
Table 4.7 2 Descriptive for Overall Performance Management Supervisor.....	52
Table 4.8.1 Correlation for Employee Performance Management (Employee).....	61
Table 4.8.2 Correlation for Employee Performance Management (Supervisor).....	62

ABSTRACT

The case study evaluates the employee performance management system of the Commercial Bank of Ethiopia (CBE), aiming to identify challenges and assess practices, and awareness among managers and employees. Adopting descriptive research design, utilizing quantitative and qualitative research approaches via survey, both primary and secondary data were collected through structured and unstructured interviews with 34 line managers and 127 non-managerial employees. The data was analysed using descriptive statistics of mean, standard deviation, and correlation using SPSS version 26 software. The study examines six variables covering various stages of the performance management system. CBE, a major player in the banking sector with a large workforce and extensive branch network, emphasizes contemporary HR practices for strategic execution. With the assistance of an international consultant, the bank implemented the performance management system. The study recommends several areas for improvement, including Providing appropriate and timely training to staff regarding the various aspects of the performance management system. Establishing a system to track and document performance data. Encouraging and fostering a culture of coaching and feedback within the organization. Revision of metrics and performance standards to minimize subjectivity, impreciseness, and inappropriateness. giving managers and staff the tools, resources, and information they need to become more involved and take responsibility of their work. Expressing the performance management system's overall consequences in a straightforward manner. The bank can improve this system's efficacy and bring it closer to line with its strategic goals by taking care of these issues.

Keyword's: Performance Management, Readiness, Feedback & Coaching, Performance Appraisal, Performance Planning, Reward and Development

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Performance Management – it's a relatively new concept in management. Initially, it's applied to the private sector and later is going to be used in the public sector. Performance Management identifies the organization's objectives, the necessary results to achieve these objectives, the ways to be effective in these objectives, and the drivers to achieve them. This means that being engaged is not the same as achieving results. It makes us understand that the training, work, and great commitment – are not results. Just for this, performance management has its focus on achieving the best results within the organization, department, team, or individual through understanding and performance management, orienting our efforts towards efficiency within a framework of planned goals, standards, and skills required. (Maliqi, Osmani and, 2012)

States on his journal article on performance management systems is crucial for employee motivation, according to a study on the impact of the performance appraisal process on employee motivation done by Kathmandu University (KUSOM), Kathmandu, Nepal. The use of performance rating systems at work has improved worker performance. Employee motivation is a result of routine performance evaluation. For the purpose of motivating employees, the performance standards are quantified and based on an individual evaluation. One strategy that might be thought of as having a beneficial impact on work performance and employee motivation is performance appraisal rating. If the appraisal procedure is founded on accurate and up-to-date job descriptions, the employees might become more motivated. To increase worker productivity and motivation, performance issues are identified through performance appraisal. (Dangol, 2021) Academic editor Wen-Tsao Pan of the School of Business & Economics, University of San Carlos-Downtown Campus, P. Del Rosario Street, Cebu City 6000, Philippines, concluded

in his study the results show that the management staff's enthusiasm has improved and the enterprise's vitality and market competitiveness have been enhanced following the optimization of the management staff's performance appraisal system. (Peng J. , 2022)

Likewise, the research conducted on the financial sectors Commercial Bank of Ethiopia, (Fekade, 2022) discovered in a particular branch that the employee performance management system's procedures did not closely match the employees' actual performance. Additionally, there aren't enough supervisor-employee exchanges about the latter's daily performance. Furthermore, because the employee's cascaded plan is not based on workplace study and evaluation, it is not a true indicator of the employee's actual performance. The branch has been given a plan that is more guesswork-based than strategic. Additionally, top-performing employees receive no recognition for their achievements. Employees may become discouraged about their performance going forward.

The researcher conducted a preliminary review of the employee performance management practice at the Commercial Bank of Ethiopia, taking into account the concept and practice of performance management. Through physical interviews, empirical reviews, and observations, the researcher discovered that there are some deviations in the CBE practice of performance management processes, such as readiness for performance Management, performance planning, feedback and couch, performance appraisal, reward, and improvement. As a result, the researcher looked for any empirical reviews and discovered that previous studies and findings were inadequate, narrowed in their scope, and primarily concentrated on the difficulties associated with performance management and performance rating procedures. Aware of this fact, the study looks into the execution of the Commercial Bank of Ethiopia's performance management program, focusing mostly on readiness performance planning, feedback, and couch. performance appraisal, reward, and improvement.

1.2 Background of the Organization

The Commercial Bank of Ethiopia is the leader of all the commercial banks in Ethiopia both in market share as well as customer base in other word in number of customers. The bank operates more than 1,900 branches across the country and employs over 45,000 individuals. Its organizational structure consists of three head office processes overseen by 15 vice presidents, one Executive Vice President, and various offices led by directors. The bank envisions itself as a world-class commercial bank that will drive Ethiopia's future through its financial services. In line with this vision, the bank has identified four key themes that guide its strategic direction. One of these themes recognizes the importance of modern HR practices in implementing its strategy effectively. As part of this effort, the bank collaborated with international consultants from the Frankfurt School of Finance and Management to update its human resources procedures. One of the strategic efforts in this regard was the implementation of an employee performance management system (EPM). The bank has created a comprehensive framework to aid in the successful implementation and oversight of the EPM system. The bank feels that the EPM system is essential for integrating and aligning individual employees with the company's strategic objectives, which are further cascaded to various processes and sub-processes using the four perspectives of the Balanced Scorecard (BSC). (Bank Official website, Bank's Repository on Performance Management, Bank's Internal Publications, information obtained from interview)

In addition, the implementation of the EPM system by the CBE began in April 2013 with a pilot program in selected areas of Addis Ababa. The system was officially rolled out throughout the bank on July 01, 2014, with a focus on synchronizing processes, sub-processes, and offices to align with the cascaded annual scorecard and the defined duties and responsibilities outlined in each employee's job description. However, despite the recognition of its potential benefits and the allocation of significant resources, it is important to acknowledge that the successful functioning of the performance management system cannot be guaranteed, and its impact on both employees and the organization may not meet initial expectations.

Furthermore, it is essential to consider the context of the CBE's long-standing commitment on the way to improving employee performance management systems were relied heavily on subjective assessments of employee performance without sufficient involvement of line managers in coaching and providing timely feedback. Additionally, the bank's emphasis on rewarding processes and sub-processes based on their scorecard performance rather than recognizing individual contributions, along with the lack of integration between performance evaluation and human resource management decisions, highlights the need to evaluate the effectiveness of the EPM system practices within the Commercial Bank of Ethiopia. This evaluation becomes particularly important in light of the bank's commitment to a transformative change that requires a shift in attitudes and work practices, necessitating a comprehensive assessment of the EPM system's alignment with these objectives.

1.2 Statement of the Problem

The CBE's overarching vision of becoming a world-class commercial bank that drives Ethiopia's future indicates its preparation to thrive in a highly competitive business environment influenced by both local and global dynamics. This vision also suggests the bank's need to develop a strategy that elevates its status to that of a financially influential institution, which necessitates the presence of qualified professionals who coordinate their efforts with the goals and expectations of the bank. The bank has collaborated with consultants from the Frankfurt School of Finance and Management (FSFM) to implement a new employee performance management (EPM) system as part of its HRD strategy. The system's ultimate goal is to improve continuous performance improvement throughout the bank by coordinating individual performance with the goals and objectives of the organization, setting specific goals and performance targets, and tracking progress toward achieving them. The bank has created an EPM system structure as a general guide to enable effective execution, simple follow-up, and thorough monitoring of the system overall in order to successfully execute the EPM system. According to the CBE, EPM is a critical strategic component of its HRD strategy because it makes it possible to integrate and align

the efforts of individual workers with the corporate strategic objectives. These objectives are then cascaded down to processes and sub-processes through the use of the four perspectives provided by the Balanced Scorecard (BSC). Furthermore, considering the bank's long-standing wish to surpass the employee management system that heavily relies on subjective evaluations of employee performance, the lack of engagement of line managers in coaching and providing timely feedback to their subordinates, the tendency to reward processes based solely on scorecard performance rather than individual contributions, and the absence of linking performance to human resource management decisions, it becomes evident that an assessment of the effectiveness of the EPM system practices is necessary. This assessment is crucial to ensure that the EPM system effectively addresses these challenges and supports the transformative change envisioned by the bank, which requires a paradigm shift in individuals' attitudes and work practices.

1.3 Research Questions

The purpose of this study was to assess the employee performance management (EPM) system of the Commercial Bank of Ethiopia (CBE) and to investigate the following research issues.:

- To what extent was the EPM system implemented comprehensively in the CBE to ensure its effectiveness?
- How well do employees, including both line managers and employees themselves, understand and take ownership of the concept and technical aspects of the EPM system?
- What challenges are being encountered in the implementation of the EPM system, and what remedial actions can be taken to enhance its effectiveness?
- What is the relationship between employee performance management and readiness, performance planning, feedback, coaching, performance appraisal, and reward and improvement

These research questions were designed to investigate the practices of the EPM system within the CBE, evaluate the level of its implementation, assess the understanding and ownership of the system among employees, and identify any challenges that may hinder its

effectiveness. The ultimate aim was to provide insights and recommendations for improving the EPM system within the bank.

1.4 Objective of the Study

1.4.1 General Objective

Evaluating employee performance management system practice in the context of CBE was the main goal of this study.

1.4.2 Specific Objectives

The study attempted to accomplish the aforementioned general goal by focusing on the following particular goals.

- ❖ To Describe the Commercial Bank of Ethiopia employs the EPM system.;
- ❖ To assess supervisors' and employees' awareness of practice About the idea and technical features of the EPM system
- ❖ To recognize possible obstacles in the employee performance management system and to list out the possible recommendations.
- ❖ To Assess the relationship between employee performance management and readiness, performance planning, feedback, and couch, performance appraisal and reward and improvement

1.5 Significance of the Study

This study holds significant value for the Commercial Bank of Ethiopia (CBE) as it allows them to assess the progress and effectiveness of the employee performance management (EPM) system that was implemented as part of their broader Human Resource Development (HRD) strategy a decade ago. By evaluating the current practices of the EPM system, the study will help the bank understand its progress and identify areas that require attention to ensure successful implementation.

Furthermore, the findings of this research will be valuable for the employee performance management team, who are responsible for monitoring the system's progress and developing tools such as policies, procedures, guidelines, and appraisal tools. The insights gained from the study will provide practical implications for these practitioners, enabling them to improve the effectiveness of the EPM system.

1.6 Scope of the Study

The study focuses on the case of the Commercial Bank of Ethiopia (CBE), which operates an extensive branch network with approximately 1,950 branches across the country and employs over 45,000 individuals. Within the CBE, there is a practice of evaluating the performance of processes and sub-processes using scorecards that are cascaded from the corporate Balanced Scorecard (BSC). This evaluation process extends from managerial roles to officer roles, with Vice Presidents, Chief Officers, and Directors being assessed based on their scorecard performance. The implementation of the employee performance management (EPM) system was initiated throughout the entire bank in July 2014. However, the EPM system has been selectively applied to specific job grades, specifically job grades 9 to 15. This range includes professionals with at least a bachelor's degree, whereas clerks and secretaries are not included, regardless of their level of schooling. Job grades 9 through 15 cover a wide range of positions, including those of officers, analysts, experts, CSR managers, lawyers, collateral valuers/engineers, CSR managers, team leaders, and managers. While the focus is on the head office, it's crucial to acknowledge that this decision comes with certain limitations. The findings may not be fully representative of the entire organization, as different branches or departments could have unique dynamics. However, this deliberate choice enables a more concentrated analysis and a thorough examination of the factors influencing employee performance management in the head office. The goal is not to compromise the relevance of the study but to enhance the depth of insight within the chosen context. By understanding the details of the head office environment, the research aims to offer valuable insights that can contribute to broader discussions about performance management practices within the organization. Future studies could then build upon these

findings by exploring other branches or departments to provide a comprehensive organizational perspective

1.7 Limitations of the Study

The study was purposefully restricted to personnel working for the Commercial Bank of Ethiopia (CBE) in the Addis Ababa region. Time and resource constraints forced this decision to be made. While including employees at the branches would have made the study more thorough and complete, focusing on a certain subset of employees was important to ensure a reasonable research endeavor. Including branch employees in the study would have required additional time, resources, and logistical considerations. Conducting research at numerous branches spread across the country would have increased the complexity and scope of the study. Therefore, the decision was made to concentrate on the head office organs to obtain valuable insights into the implementation and practices of the employee performance management (EPM) system within that specific context. It's important to note that by studying the head office organs, the research can still provide valuable insights and recommendations that can be applied to other areas of the organization in the future.

1.8. Organization of the Study

The study is organized into five chapters, the first of which covers the backdrop, problem statement, objectives, significance, and scope of the investigation. The relevant literature is provided in Chapter 2. The research methodology is covered in Chapter 3, which includes an outline of the study area, the research design, the demographic and sampling strategy, the tools and methods used for collecting data, the processes used to gather data, a brief explanation of the data processing and presentation method, and ethical considerations. The section on data presentation, analysis, and interpretation is covered in Chapter 4. Chapter five concludes with the study's shortcomings, summary, and conclusion

CHAPTER TWO

2. REVIEW OF LITERATURE

2.1 What is Performance Management?

Systems for managing performance include training, development, incentives, feedback, appraisal, and performance planning. The system makes sure that the objectives of the organization and the personnel are in line, gives regular performance reviews, pinpoints areas for improvement, and recognizes and rewards exceptional work. (Nuru Siraj , Istvan ´ Hagen ´ , 2023)

2.2 Should we evaluate Performance?

The conventional wisdom surrounding the evaluation of job performance is typically unquestioned, with debates centered on methods rather than questioning the necessity of the practice itself. Upon closer examination, it becomes evident that the issue lies not in how performance evaluation is conducted, but rather in the act of evaluation itself. The notion that assessing job performance is beneficial rests on several assumptions, none of which hold up under scrutiny. Firstly, performance evaluation assumes that there are significant differences in individuals' job effectiveness. However, research on the distribution of job performance challenges this assumption by casting doubt on the existence of such meaningful variations. Secondly, the belief in the necessity of performance evaluation presupposes that it is feasible to accurately measure performance. Yet, decades of research into performance evaluation methods have failed to produce reliable and valid means of assessment, undermining the feasibility of the practice. These initial two assumptions address the practicality of performance evaluation. If there are no substantial differences in performance or if they cannot be accurately measured, the entire endeavor of performance evaluation is called into question. However, even if it were feasible to evaluate performance, it remains uncertain whether such evaluations provide any tangible benefits for employees or organizations. (Murphy, 2019)

2.3 Challenges of Performance Management Assessment

The main challenges involved in the evaluation of performance are:

- ***Defining the evaluation criteria***; -Identification of assessment criteria is one of the biggest problems facing the executive manager. In order to access the evaluation, the selected criteria should be measurable.
- ***Creation of assessment instruments***; -The assessment performance process aims to evaluate the performance of employees more than that of employers. The focus should be on developing the organization's employees.
- ***Lack of competence***; *The executive Manager must carefully choose the evaluators. They should have the necessary knowledge to determine the evaluation criteria carefully. They should have the experience and training needed to implement objectively the process of evaluation.*
- ***Errors in the assessment***; -Many errors based on personal bias of evaluators, and the influence of others can drag the evaluation process. Therefore, the evaluator must make an objective assessment (not subjective), impartial, and fair of the employee's performance.
- ***Resistance***; -The assessment process can be faced to resistance from employees and trade unions, for fear of negative assessment. Therefore, communication with employees is needed to make clear to them the purpose and process of performance assessment. Also, the standards must be clear and known by staff, so that every employee should be aware of what is expected of him /her. (Maliqi, Osmani and, 2012)

2.4 Employees' perceptions of the performance appraisal system in the bank

Migiro and Taderera (2011) findings reflect on their article a mixed perception among bank employees regarding performance appraisal. While employees acknowledged the

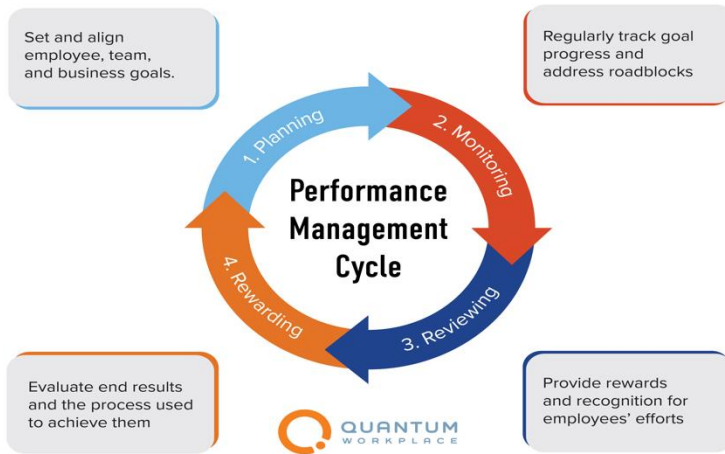
importance of feedback, promotion incentives, and accountability, there was a lack of universal understanding of the system linking performance to pay. A significant portion expressed concerns about the fairness and transparency of the appraisal system. Moreover, a majority believed that reward outcomes did not consistently align with performance appraisal results. Open responses indicated negative consequences, such as strained relationships, perceived threat, and demotivation, suggesting that the implementation of performance appraisal systems may have varied and potentially adverse effects on employee morale and relationships within the organization. (Migiro S. O. and Taderera M. M., 2011)

2.4 Performance measures and factors affecting the quality

The selection of appropriate performance measures, a tool to gauge their level of fulfillment, and potential use in corporate management are the primary factors influencing the success of performance measurement and management. Several different indicators can be used to evaluate the performance of a company. Which of these metrics is best for gauging long-term business success is still up for debate. The so-called traditional financial performance measuring metrics have been abandoned in recent years. The present direction of financial management stems from a shift from accounting to market-based metrics and an emphasis on managing corporate values. The switch to value-based management is crucial. The new idea is predicated on updated financial indicators that allow for a more accurate identification of procedures that can enhance the long-term value for shareholders as well as overall organizational value. (Lucie Jelinkovaa, 2015)

2.5 Employee Performance Management cycle

To guarantee that corporate objectives are met, performance management is the process of identifying, assessing, and improving employee performance. The various phases used to plan, monitor, evaluate, and reward employee performance are referred to as the performance management cycle. The cycle is crucial because it helps to match organizational objectives with those of the workforce. The majority of the material that has been published online in books, journals, and articles has four stages to it: planning, monitoring, reviewing, and rewarding. (Chellappa, 2024)



Source;

-
<https://www.quantumworkplace.com/future-of-work/performance-management-cycle>

Figure 2.3 2 Performance Management Cycle

However, CBE with advice from the Frankfurt School of Management and Finance came up with five stages of the performance management cycle by adding Employee Readiness which was not found in publications with Performance Planning, Performance Data Tracking(Couching and Feedback), Performance Appraisal, Reward and Improvement, (Data obtained from Unstructured interview from Manager Corporate Employee Performance .)

2.3.1. Employee Readiness

According to (Bacal, 1999) this step involves two dimensions: first, gathering the necessary information and data to establish meaningful and measurable goals for each staff member, and second, preparing and educating the staff. Establishing goals that are in line with the overarching aims and function of performance management as a system that points the business, its departments, and its workforce in the same direction requires the collection of information and data. Furthermore, aligning individual performance expectations with the success of the organization provides greater meaning and motivation (Bacal, 1999)

During the job design step, it is crucial to fulfill the necessary inputs and requirements of the job, which includes conducting a job analysis to determine specific job

specifications, duties, and accountabilities (Robert Cardy, Brian Leonard, 2011). In the job design activity, the main outcomes include;

- Identifying and defining work procedures and processes for documentation
- Identifying the skills needed to complete the task
- Determining precisely the essential competencies needed
- supplying a foundation for job-standard-based performance evaluations;
- Establishing a distinct connection between duties, obligations, and objectives.

Another aspect of readiness, as described by (Robert Cardy, Brian Leonard, 2011), is the step where the duty areas, tasks, and requirements of the job need to be clearly identified and articulated through job descriptions.

According to Leanne H. Markus (2004, p.7), effective communication and clarification of job expectations are crucial factors in job performance. Employee readiness involves ensuring that employees have a clear understanding of the "why," "what," and "how" elements of performance management, outfitted with the tools required to complete their assignments as scheduled. Highlighting its importance and benefits to the entire performance management process, (Aguinis, 2007) explains that the successful implementation of a performance management system requires a clear understanding of how the system works and its benefits from the perspectives of all parties involved. As a result, before the system is launched, a communication strategy is required. The communication strategy should cover important topics such as defining performance management, demonstrating how it fits into the organization's vision, outlining employee benefits, outlining the workings of the system, outlining employee obligations, and outlining how it links to other HR efforts.

2.3.2 Performance Planning

At this stage, the manager meets with the employee to set personal goals and targets that should align with the overall organizational strategy and objectives. Establishing individual employee goals collaboratively will guarantee that all parties are in

agreement, which will facilitate the achievement of the goals. At this point, it is possible to determine the training needs of the staff and create a personal development plan to meet those needs. The objectives must be SMART (specific, measurable, reasonable, achievable, and time-bound). Performance planning and development includes setting goals and objectives for individual workers with the help of managers, supervisors, and workers themselves. Employees get a sense of ownership and involvement from this process, which motivates them. The necessary competencies—behavior, abilities, and knowledge—are outlined in this step and matched to the performance standards. In order to establish an environment where employees can be evaluated according to their output and performance, standards are objectively created. This step links the employee's goals and targets to the organization's overarching goals and objectives. It also highlights the necessity of the line manager or supervisor and the employee working together to clearly define and communicate expectations for the upcoming performance period. Together, they identify the support the employee requires from their manager, address any potential barriers to good performance, and develop a shared understanding of job priorities and authority levels (Bacal, 1999)

Performance planning involves a negotiation process between the supervisor and the employee, acknowledging their shared interest in achieving success. The intended outcomes of this process, as outlined by (Bacal, 1999) include: aligning individual employee job tasks and objectives with department/division goals and objectives, helping the employee understand the connection between their responsibilities and the overall goals, considering work contexts as factors that may modify job responsibilities, and reaching a mutual understanding and agreement between the supervisor and employee regarding major job tasks and objectives, how success will be measured, the importance level of assignments, and the level of authority the employee needs to demonstrate in relation to their job responsibilities.

2.3. 3 Feedback and Coaching

At this phase, the objectives are monitored to make sure staff members are headed in the correct direction toward reaching the goals established during the planning phase. The best

way to monitor performance is to schedule regular one-on-one meetings with employees to discuss the employee's performance against the set targets and to address any challenges hindering their performance. This will help to get optimal performance from the employees. Effective communication plays a crucial role in enhancing the efficiency of performance management by elucidating the relationship between evaluation and planning. Providing opportunities for employees to receive feedback on their performance has a positive impact on their motivation and improvement (Bacal, 1999). Performance management involves various interrelationships, including those between managers and individuals, managers and teams, team members, and individuals and other stakeholders (Michael Armstrong, Angela Baron, 2005) Effective two-way communication serves as the foundation for an effective performance management system. When it comes to addressing concerns and difficulties pertaining to individual performance, coaching is essential in making sure that contributions meet the objectives of the business. By means of coaching, supervisors can provide support to help employees become aware of their performance levels, identify areas for improvement, and determine learning needs. Coaching also involves delegating new tasks or expanding areas of work with appropriate guidance, monitoring performance, using situations as learning opportunities, and providing guidance on specific tasks to facilitate employee learning (Michael Armstrong, Angela Baron, 1998).

The coaching process enables managers to identify employees' strengths and shortcomings and collaborate with them to devise strategies and chances to optimize strengths and enhance deficiencies, as per the training materials on coaching for success provided by the Frankfurt School of Finance and Management. Employee development and performance must be regularly assessed for a performance management system to be effective. This assessment should concentrate on the individual's actions as well as the team dynamics that affect the workplace in addition to the outcomes attained. The effectiveness of the performance appraisal that is carried out at the end of the appraisal period is largely dependent on the regular feedback that supervisors and employees exchange, as well as the supervisors' continuous observation and documentation of the extent to which employees are meeting their performance objectives.

2.3.4 Data tracking involves gathering, observing, and documenting Data Tracking

The performance management system is primarily focused on improving individual employee contributions toward the achievement of team and organizational objectives. It is important to appreciate both good and poor performance, by recognizing and praising good performance identifying the causes of poor performance, and finding ways to address them. Therefore, systematically collecting and organizing data about employee performance, known as data gathering, is crucial for the credible and reliable use of the data when needed (Bacal, 1999).

According to (Bacal, 1999), the following is the basic goal of collecting, monitoring, and recording data:

Maintain a fact-based record of all employee performance, both good and bad, so that it can be used to inform decision-making; recognize potential issues early on so that the worker can address them and grow; identify worker strengths so that they can be developed further and then used most effectively; increase worker motivation by praising hard work; gather sufficient precise data to address issues; and document performance details and communications for use in related grievances and potential legal complaints..

Absolutely, data gathering, observing, and documenting in performance management are crucial for basing decisions and actions on factual information rather than subjective opinions or feelings. This ensures fairness and objectivity in evaluating employee performance and determining areas for improvement. By relying on facts, organizations can avoid making decisions based on biases or personal preferences.

Moreover, having accurate and well-documented data allows organizations to support any necessary disciplinary actions with evidence. This is important as it helps to mitigate potential legal risks and costs associated with incorrect or unsubstantiated disciplinary actions. Having a solid factual basis ensures that disciplinary actions are fair, transparent, and defensible, protecting both the organization and the employee involved. Overall, data

gathering, observing, and documenting in performance management provide a reliable foundation for decision-making, performance improvement, and disciplinary actions, ensuring that actions are based on objective facts and minimizing the potential for costly mistakes or legal issues (Bacal, 1999)

2.3.5 Performance Appraisal

The manager and employee meet at the conclusion of the performance management period (quarterly, half-yearly, or annually) to discuss performance and assess whether the period's objectives were reached. At this point, cooperation is also required as the manager and the worker provide input on how well the predetermined goals were achieved. This is the time for the management to assess the process's efficacy and make any required adjustments. At this point, cooperation is also required as the manager and the worker provide input on how well the predetermined goals were achieved. This is the time for the management to assess the process's efficacy and make any required adjustments.

According to (Bacal, 1999) performance appraisal is a component of the performance management process that involves assessing an individual's work performance to determine how well they have performed during a specific period. Performance appraisal is an evaluation process that judges the value of demonstrated performance, taking into account both the positive and negative aspects of an employee's performance (Robert Cardy, Brian Leonard, 2015) One important aspect of the appraisal process is the quality of rating scales. It is crucial to minimize confusion, subjectivity, ambiguity, and conflict in rating scales. If rating scales reflect any of these elements, it can undermine the reliability of the performance appraisal process. Therefore, it is essential to emphasize the importance of clear and objective rating scales.

The performance assessment or appraisal meeting provides an opportunity to review, summarize, and highlight the employee's performance over the appraisal period. It focuses on issues that have been properly tracked, documented, and discussed throughout the year,

ensuring that there are no surprises during the appraisal meeting. The performance appraisal meeting aims to summarize the work accomplished during the appraisal period in relation to the goals that were set at the beginning of the period. This includes discussing key results, accomplishments, and areas where the employee may have fallen short. The meeting also provides an opportunity to document any challenges encountered during the year and identify areas for training and development. Additionally, any unforeseen barriers to achieving objectives can be identified and discussed during the appraisal meeting.

2.3.6 Rewarding & Improvement

Rewarding performance requires a shared understanding and ownership among all employees of the organization. Employee involvement and contribution to their own self-development are valuable in enhancing the effectiveness of the reward system. Nyemberzi (2009), as cited in (Ying, 2012), emphasizes the importance of procedural justice concerns to ensure that employees perceive the performance appraisal process and its linkage to pay as fair. Personnel development and linking performance to pay are key activities in this step. Identifying the results or performance achievements is crucial for determining the appropriate rewards. Schneier, Beatty, and Baird (1987), as cited in (Ying, 2012), highlight the significance of personnel development and linkages between performance and pay. By involving employees in the reward process and ensuring fairness in the performance appraisal and pay linkage, organizations can enhance employee motivation, engagement, and satisfaction. When employees perceive that their efforts are recognized and rewarded fairly, they are more likely to be motivated to improve their performance and contribute to the overall success of the organization. Cooperation is now also necessary as the worker and manager offer feedback on how successfully the predefined goals were met. Now is the time for management to evaluate the effectiveness of the process and make any necessary modifications. Since it is impossible to expect employees to join in a partnership if there are no benefits in place for them, it is crucial to address how PM helps them. PM is a process that is carried out in cooperation with employees (Bacal, 1999).

“It is impossible to improve performance without efficient continuous development procedures. This discusses both the individual and

collective talents as well as the organization's key competencies. "Performance and development management" is the correct word for "performance management" (Michael Armstrong, Angela Baron, 2005).

According to (Michael Armstrong, Angela Baron, 1998), the organization must establish performance standards and measures, use only available rewards and make them visible, ensure that all employees are eligible, make rewards timely and dependent on performance, use non-financial rewards, and, last but not least, make rewards reversible. This is the phase in which workers receive rewards for meeting predetermined targets and goals. Giving out rewards is a crucial strategy for inspiring workers and promoting even greater output in later performance management cycles. Employee performance can be recognized and rewarded in a number of ways, such as bonuses, salary evaluations, promotions, and recognition. Following this phase, the cycle recommences. If workers don't meet their performance targets, the organization may think about putting them on a Performance Improvement Plan (PIP)

2.4 Consequences of Poor Performance Management System Practice

(Lwidiko Badi, Esther Ishengoma, 2014)It's not always the case that errors resulting from a poor PMS are made accidentally. It is very likely that standardized procedures won't be in place in a badly executed PMS. Lack of uniform processes and unclear communication cause ratings to differ between departments and even within them for similar performances. It also causes people to be unaware of the process used to determine a given rating or how it relates to a specific level of compensation, among other issues. Additionally, it opens the door for unfair activities including biased decision-making, favoritism, and fabrication of information regarding an employee's performance.

This can occasionally lead to another kind of issue for a company: lawsuits brought by irate workers who believe they have been the victims of unjust treatment as a result of an unjust PMS. It would be wise to invest the necessary time and effort to establish a strong PMS because a poorly designed and implemented PMS can result in a number of problems, including high attrition, employee dissatisfaction, loss of motivation, and complaints of unfair treatment, costly lawsuits against the company, and damage to the organization's reputation. This will be a long-term investment that will continue to pay off handsomely for the company and its staff.

2.5 Conceptual framework

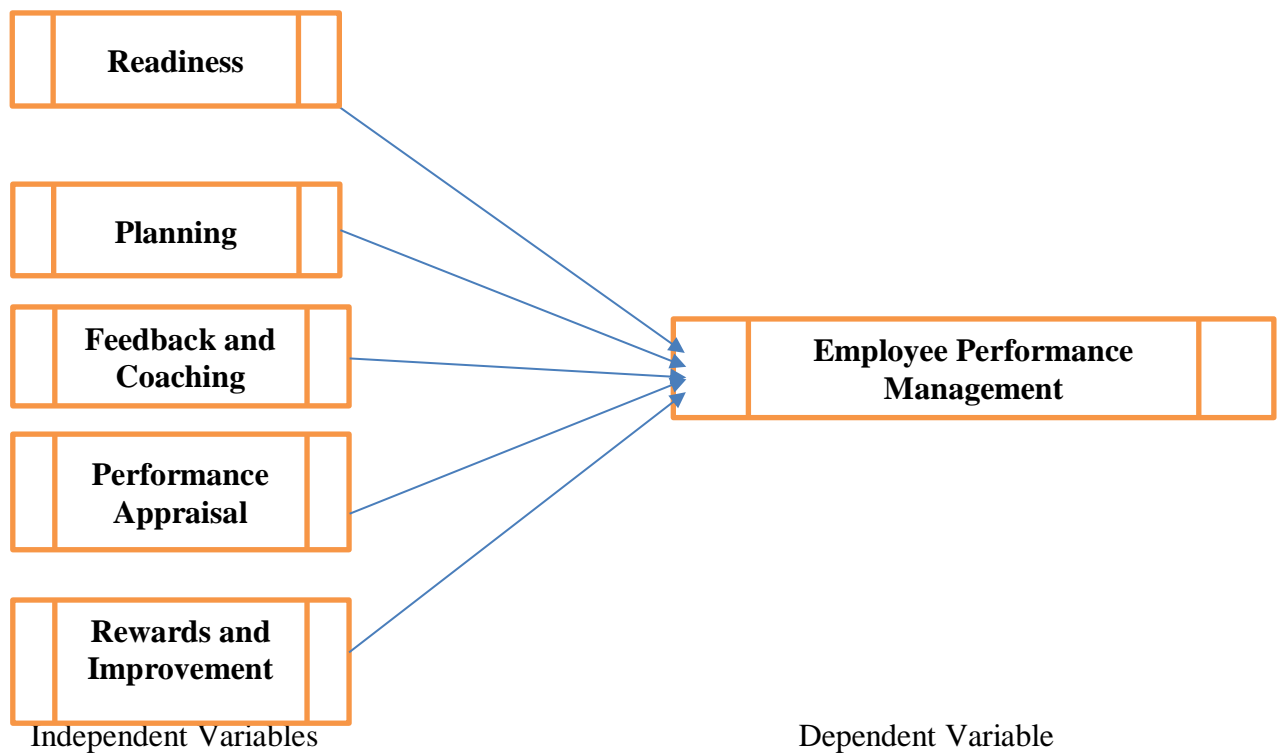


Figure 2.5.3 Conceptual Framework

CHAPTER THREE

3. RESEARCH METHODOLOGY

The research methodology chapter is essential in achieving the research objective as it outlines the approach and steps used in conducting the study. This chapter covers various areas, including the research design, population and sampling techniques, types of data and instruments of data collection, the procedure of data collection, methods of data analysis, and ethical considerations. The research design section explains the overall structure and approach of the study, such as whether it is qualitative, quantitative, or mixed methods, and the specific research design employed. The population and sampling techniques section describes the target population and the methods used to select a representative sample. The types of data and instruments of data collection section discusses the types of data collected and the specific tools used, such as surveys, interviews, or observations. The procedure of data collection section provides a step-by-step explanation of how data was gathered, including participant recruitment, obtaining informed consent, and administering surveys or interviews. The methods of data analysis section outline the techniques and procedures used to analyze the collected data. This may involve statistical analysis, thematic analysis, content analysis, or other relevant methods.

Lastly, the ethical considerations section addresses the ethical aspects of the research, including participant confidentiality, informed consent, and any potential risks or benefits. It also discusses any ethical approvals or consent processes followed during the study.

By presenting a detailed research methodology, this chapter ensures transparency, reliability, and validity in the research process. It allows other researchers to understand and evaluate the methods used and contributes to the credibility of the research finding

3.1 Research Design

The study aimed to identify potential challenges within the system, evaluate its practices, and assess the level of awareness among line managers and employees regarding the concept and technical aspects of the system and provide recommendations to enhance its effectiveness. To address the research problem, a descriptive research approach was employed. This approach allowed for an informative analysis of the findings, providing a detailed understanding of the current state of the system and identifying areas for improvement. By using descriptive research, the study was able to provide valuable insights and recommendations to enhance the effectiveness of the system. A descriptive research method can be applied in different contexts and for different objectives. However, the objectives and design of the survey must be considered before beginning any survey. It is impossible to predict if one will achieve the research objective even after doing these actions. The data was collected using a self-administered structured questionnaire with a quantitative approach to obtain numerical data. Unscheduled conversation. Utilizing descriptive statistical analysis, the Employee Performance Management System Practice will be evaluated in light of the information gathered from the participants.

3.2 Research Approach

The current study used a mixed research methodology, incorporating both quantitative and qualitative techniques, to thoroughly examine the workings of staff performance management procedures at the Commercial Bank of Ethiopia. To measure performance indicators, evaluate trends, and pinpoint statistical linkages, the quantitative phase entails conducting surveys and analyzing relevant organizational data. At the same time, the qualitative phase uses focus groups and in-depth interviews with managers, staff members, and HR specialists to learn more about the experiences, perspectives, and contextual elements influencing performance management in the company. This mixed study methodology intends to provide an extensive and deep understanding of the complexity of employee performance management in the particular context of the Commercial Bank of Ethiopia by incorporating both quantitative and qualitative data. Therefore, the researcher

would be used descriptive design when analyzing variables about the practices of employee performance management.

3.3 Data Types and Sources

To capture the unique perspectives and experiences of supervisory or managerial level employees, as well as non-supervisory level employees, the researcher developed two distinct questionnaires. This differentiation was based on the understanding that their roles and duties differ when it comes to Employee Performance Management. In order to ensure the inclusion of relevant and validated questions, the researcher referred to various literature sources, such as published articles in journals and previous research studies. By drawing upon existing knowledge and established measurement scales, the researcher aimed to incorporate well-defined and reliable questions into the questionnaires. Additionally, the researcher sought guidance and consultation from their advisor. Working closely with an advisor can provide valuable insights and expertise in developing effective questionnaires. The advisor may have guided the selection of appropriate questions, the adaptation of existing scales, and the overall questionnaire design. By incorporating questions derived from literature and publications, as well as consulting with an advisor, the researcher aimed to ensure the questionnaires were robust, comprehensive, and aligned with established theories and concepts. This approach enhanced the validity and reliability of the questionnaires, leading to more accurate and meaningful data collection for assessing the Employee Performance Management System Practice.

3.4 Population and Sampling Techniques and Data Collection Procedure

The population for the study consists of 5,167 employees, according to the CBE HR database as of December 31, 2023. Among them, 451 employees are managers, ranging from job grade 9 to 15, while the remaining 3,772 employees hold non-managerial roles. To account for the different roles and responsibilities of these two groups regarding the employee performance management (EPM) system, the population was stratified into managers and

non-supervisory employees. This stratification allows for a more focused analysis and comparison of findings between the two groups. Descriptive statistics play a crucial role in summarizing and understanding data characteristics. Measures of center, such as the mean, median, and mode, are commonly used in descriptive statistics and are applicable across various fields of mathematics and statistics. The mean, or average, is calculated by summing up all the values in the dataset and dividing the sum by the total number of values. It provides a numerical representation of the central tendency of the data. In the context of the study, descriptive statistics will help provide concise summaries of the sample and data measures. This will aid in describing and comprehending the characteristics of the data related to the employee performance management system. The analysis of descriptive statistics will allow for a better understanding of the perceptions and agreement levels of both managers and non-supervisory employees, as well as facilitate comparisons and contrasts between the two groups..(Hayes .,2023) Using an online sample size calculator<https://www.calculator.net/sample-size-calculator.html>.To ensure an equal representation of both managers and non-supervisory employees from each head office process, a sample size proportion of 50% was determined for each group. This means that the sample size for each group will be half of the total number of managers or non-supervisory employees in the respective head office process. For example, if a head office process has 100 managers and 200 non-supervisory employees, the sample size for managers would be 50 (50% of 100) and the sample size for non-supervisory employees would also be 100 (50% of 200).By using this approach, the sample sizes for managers and non-supervisory employees will be proportional to their representation in the respective head office processes. This will help ensure that both groups are adequately represented in the sample and that the findings can be generalized to the larger population of managers and non-supervisory employees within each head office process. Which is 254 and 171 for employees at 90% confidence level & 5% margin of error. due to shortage of time and resource limitation researcher preferer to use biased sampling techniques and out of which determined by sample size calculator choose 20% or 34 managers and 50% of or 127 employees.

3.5 Data Collection Instrument, Reliability and Validity

3.5.1 Data Collection Instruments,

In addition to using an administered structured questionnaire, unstructured interviews were also employed as a primary data collection method in the study assessing the Employee Performance Management (EPM) system practice in the Commercial Bank of Ethiopia (CBE). Unstructured interviews involve open-ended questions and allow for a more flexible and conversational approach to data collection. Through unstructured interviews, the researchers could engage in in-depth discussions with the target respondents, such as managers and non-supervisory employees, to gather qualitative data and gain insights into their experiences, perceptions, and challenges related to the EPM system. The administered structured questionnaire and unstructured interviews together provided a comprehensive approach to data collection. The structured questionnaire allowed for quantitative data analysis, while the unstructured interviews provided qualitative information that complemented and enriched the finding. By utilizing both primary data collection methods, the researchers were able to obtain a well-rounded understanding of the EPM system practice in the CBE. The structured questionnaire provided numerical data on various aspects of the system, while the unstructured interviews captured the nuances, individual experiences, and detailed perspectives of the respondents. Overall, the combination of an administered structured questionnaire and unstructured interviews enhanced the comprehensiveness and depth of the data collected, enabling a thorough assessment of the EPM system practice and identification of any constraints or challenges faced in the Commercial Bank of Ethiopia. The structured questionnaires were developed using the 5-point Likert Scale because each variable or topic comprises a series of questions that fit with the mere purpose of using a rating scale, that is, it allows respondents to express both the direction and strength of their opinions about a given topic. Likert scales easily operationalize complex topics by breaking down abstract phenomena into recordable observations. Likert scales are closed-ended and do not require responders to justify their answers or views. This makes them quick for respondents to fill out and ensures they can easily yield data from large samples. (Bhandari,2023) The 5-point Likert scale used in the study allowed respondents to express

their level of agreement or disagreement with specific variables related to each topic or construct. The scale consisted of five response options, each representing a different degree of agreement: strongly disagree (1), disagree (2), agree (4), agree (5), and neutral (3). By using this 5-point Likert scale, the researchers were able to capture the varying degrees of agreement or disagreement among the respondents. The scale provides a range of response options that allow for finer distinctions in the levels of agreement and disagreement, enhancing the granularity of the data collected.

3.5.2 Validity and Reliability

Two primary criteria were utilized to assess the study's quality. The evaluation of validity can be done through empirical or theoretical methods. In this regard, the validity of the current study was addressed through the review of related literature and adapting instruments used in previous research Article (Dangol,2021). Therefore, the scale reliability value for this study is substantial because the highest reliability that can be obtained is one and this is an indication that the items in the questionnaire are accepted for further analysis. We have tested the Reliability of questionnaires using SPSS V26 statistic software to confirm the truth explained in theory.

Table 3. 2Reliability Employee Table

Case Processing Summary				Reliability Statistics	
		N	%	Cronbach's Alpha	N of Items
Cases	Valid	127	100.0	.926	52
	Excluded	0	.0		
	Total	127	100.0		

Questionnaires prepared for employee's Reliability Status

Table 3. 3Reliability Supervisors table

Case Processing Summary				Reliability Statistics	
		N	%	Cronbach's Alpha	N of Items
Cases	Valid	34	100.0	.971	61
	Excluded ^a	0	.0		
	Total	34	100.0		

Questionnaires prepared for Supervisors/line Managers Reliability Status

The consistency or stability of a measurement across a range of circumstances under which essentially equivalent results could be found is known as reliability. Internal consistency is most commonly tested using Cronbach's coefficient alpha. A measure of dependability called Cronbach's alpha, is between 0 and 1. provides the following ways: if $\alpha < 0.5$ = Unacceptable, $\alpha > 0.5$ = Poor, $\alpha > 0.6$ = Questionable, $\alpha > 0.7$ =Acceptable, $\alpha > 0.8$ = Good, and $\alpha > 0.9$ =Excellent. Regarding the above Table all 52 & 61 dependent and independent variables returned Cronbach's alpha values is 0.926 & and 0.971 this indicated that the variables used in this study were reliable and sufficient for data analysis.

3.6 Data Analysis and Presentation

The primary technique of analyzing the data obtained from the questionnaire was descriptive data analysis. The data was framed using the statistical data analysis method, with each construct's variables identified, and the data evaluated by the study's goal. SPSS version 26 was used to analyze each construct's mean. The research findings were also summed up from the respondents' open-ended responses, which try to answer all research questions. The data was displayed using tables and numbers that represented the mean, standard division scores, and correlations.

3.7 Statical Correlation Analysis

statistical correlation test to analyze the relationships between various factors within the employee performance management system. These factors include employee readiness, performance planning, feedback and coaching, rewards, and improvement initiatives. The goal is to understand how these components interrelate and influence overall employee performance outcomes. By examining correlations, organizations can identify which aspects of performance management are most impactful and tailor their strategies accordingly. This data-driven approach helps optimize performance management processes, enhance employee performance, and ultimately contribute to organizational success. Using SPSS V26 Statistical software.

3.8 Ethical Consideration

Respecting the willingness of the study respondents to fill out the questionnaires is an important ethical consideration in research. By obtaining verbal consent before distributing the questionnaire papers, the researchers ensured that participants had the opportunity to willingly participate in the study and provide their responses. To protect the privacy and confidentiality of the respondents, the names of individuals were not mentioned. This practice helps maintain the anonymity of the participants and ensures that their identities are not disclosed. Furthermore, any information or data that could be considered confidential or that may negatively impact the name of the organization under study was excluded from the report. This step demonstrates the researchers' commitment to maintaining the confidentiality and integrity of the data collected and to conducting the study in an ethical manner. Respecting participants' willingness to participate, obtaining consent, ensuring anonymity, and safeguarding confidential information are all essential practices in research ethics. Adhering to these principles helps protect the rights and well-being of the participants and maintains the integrity of the research process.

CHAPTER FOUR

4. DATA INTERPRETATION, ANALYSIS AND PRESENTATION

The CBE's employee performance management system practices are evaluated by going over each of the six constructs that address the study's framework one at a time while adhering to the questionnaire's chronological order. The data is analyzed and interpreted based on the items' average scores, which represent the respondents' degree of acceptance or agreement and support the interpretation. Conclusions are then drawn with the intention of making useful and constructive recommendations. A summary is provided of the responses obtained from the open-ended questions addressing the challenging aspect of each concept. The following is a presentation of the descriptive analysis and data interpretations.

4.1 Demographic of the Respondents

According to table 4.1's summary, the majority of respondents in both categories are older than 25 and have worked for the bank for more than five years. Every respondent has completed a BA degree or higher in school, while 46% of workers and 68% of managers have completed an MA degree or higher. These characteristics of the respondents enhance the validity of the study since their experience, age, and educational background enable them to evaluate the variables in a knowledgeable and reasonable manner.

Table 4. 1: Respondents' demographic characteristics

Respondents' demographic characteristics		Managers		Employees	
		Freq.	%	Freq.	%
Sex	Female	9	26%	41	32.28%
	Male	25	74%	86	67.72%
	Total	34	1	127	1
Age	<25	-	-	18	13%
	25-35	5	15%	91	72%

	36-45	20	59%	29	23%
	>46	9	26.47%	7	5.51%
	Total	34	1	127	1
Educational level	BA	11	32%	69	54%
	MA and Above	23	68%	58	46%
	Total	34	100%	127	100%
Experience at the Bank	Below 5	0	0%	53	42%
	5 15	13	38%	38	30%
	Above 15	19	56%	27	21%
	Not mentioned	2	6%	9	7%
	Total	34	100%	127	100%

Source: Own survey computation, 2024

4.2 Employee Performance Readiness

One component of the employee performance management system, readiness, focuses on gaining the cooperation and understanding of staff members regarding the "why," "what," and "how" of performance management while providing them with the fundamental tools necessary to complete their work as intended.

Table 4.2. 2Employee Readiness Descriptive Statistics.

EMPLOYEE REEDENESS	Mean	Std. Dev
Employees have a clear understanding of the processes and methods required to perform their work effectively.	3.64	.813
Employees assigned to positions that align with their skills, knowledge, and qualifications.	3.60	.819
Availability of Required Resources	3.81	.843
Clear Communication of Job Descriptions:	3.68	.825
Guidance on Expectations and Performance	3.54	.794
You were informed about the competency requirements related to your performance through communication	3.47	.733
The organization is dedicated to fostering a culture cantered around performance excellence	3.63	.785
Readiness Mean	3.62	.386

Source: Own survey computation, 2024

Supervisors Readiness Mean	Mean	Std. Dev
Employees have a clear understanding of the processes and methods required to perform their work effectively.	3.76	.740
Employees assigned to positions that align with their skills, knowledge, and qualifications.	4.26	.665
Availability of Required Resources	3.58	.701
Clear Communication of Job Descriptions:	4.08	.792
Guidance on Expectations and Performance	3.79	.808
Clarity in Performance Management Responsibilities of your staff	4.08	.753
You have revised and updated job descriptions for all employees under your supervision	3.70	.759
As a supervisor, you possess the expertise, know-how, and capabilities required to efficiently oversee performance.	4.20	.640
Sufficient training on employee performance management is provided prior to the implementation of the employee performance management system	3.26	.709
Before employees conduct target setting, make sure that all required resources and training are fulfilled.	3.08	.792
Supervisor readiness mean	3.78	.454

Table 4.2. 3 Descriptive Statistics for Employee Readiness

Source: Own survey computation, 2024

Table 4.2.1 & 4.2.2 above demonstrate in terms of employee readiness, managers in a better position than employees, as evidenced by the mean scores for the managers and employees' groups are 3.78 and 3.62, respectively, indicating moderate satisfaction. However, the bank's efforts in this area are still considered modest, suggesting room for improvement. The highest-rated items include managers' job descriptions (4.08), managers' defined responsibilities for managing performance (4.08), managers being assigned based on competency (4.26), and managers possessing the necessary knowledge, skills, and abilities

to manage performance (4.20). On the other hand, the lowest-ranking items pertain to employee readiness. Managers may disagree with the following statements: sufficient training was provided regarding employee performance (3.26), necessary resources and training are completed before employees conduct target setting (3.08). The lowest-rated items by the employee group include guidance regarding expectations and how to meet them (3.54); and communication of competency requirements related to performance (3.47). The theory suggests that Two important prerequisites are needed 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. The goals and objectives of each unit within the organization, as well as the relationship between them, should all be clearly understood. Only then will it be clear what each employee must accomplish in order to contribute to the organization's success. The outcome of strategic planning is an organization's mission and strategic goals. It enables an organization to precisely identify its reason for being, where it wants to go in the future, the objectives it wants to meet, and the tactics it will employ to do so. Similar goals cascade downward after the organization's overall goals are created, with departments establishing targets to support them. An organization's mission and strategic goals are the result of strategic planning. It helps an organization to clearly define its mission, goals, future direction, and strategies for achieving those goals. Once the organization's overarching goals are established, departments set targets to support these higher-level goals.

4.3 Performance Planning

The process of establishing personal objectives and goals for each employee with the assistance of managers or supervisors and the individual worker is referred to as "planning performance." In this step, the company's goals and objectives are linked to the individual's aspirations.

Table 4.3. 2 Descriptive data in relation to Employee performance management.

Performance Planning Employee Response	Mean	Std. Deviation
Do you possess a clear comprehension of performance criteria, indicators, and objectives?	3.77	.737
Are your objectives and targets aligned with your job description?	3.68	.755
Do your objectives and targets stem from the organization's overarching goals and objectives?	3.89	.847
Are your objectives and targets SMART (Specific, Measurable, Achievable, Realistic, and Timely)?	3.57	.895
Are you given the chance to review and provide feedback on your objectives and targets by your immediate supervisor?	3.36	1.021
Are you provided with the opportunity to address your feedback during the signing of the contractual agreement?	3.37	.871
Do you finalize the contractual agreement with your supervisor once an agreement on critical job-related objectives and targets is reached?	3.53	.889
Are performance-related communications characterized by factual, transparent, and honest discussions based on tracked data and observable employee behaviours?	3.36	.870
Do you perceive the work you perform as highly significant to the organization?	4.19	.753
Are performance measures pertinent to your set targets?	3.71	.757
Are targets and performance measures consistent across similar roles and positions?	3.69	.821
Do you believe that performance management primarily falls under the responsibility of line managers	3.64	.763
Planning Employees Mean	3.64	.470

Table 4.3.2 Descriptive data in relation to Employee performance management.

Performance Planning Supervisor Response	Mean	Std. Deviation
You possess a clear understanding of performance standards, indicators, and targets.	3.97	.673
Your goals and targets align with your job description.	3.73	.751
Your goals and targets derive from the organization’s objectives and goals.	4.08	.668
Your goals and targets adhere to the SMART criteria (Specific, Measurable, Achievable, Realistic, and Timely).	3.38	.551
You are provided with the opportunity to review and provide feedback on your goals and targets by your immediate supervisor.	3.70	.759
You have the option to address your feedback during the signing of the contractual agreement.	4.17	.672
You finalize the contractual agreement with your supervisor after reaching an agreement on goals and targets critical to your job role.	3.82	.757
Performance-related communications are factual, transparent, and honest, based on data tracking and observable employee behaviours.	3.47	.662
You believe that the work you do is highly important to the organization.	4.61	.493
As a supervisor, you clearly communicate expectations to your staff through the planning/target setting process.	4.20	.640
Supervisor Planning mean	3.91	.446

Source: Own survey computation, 2024

Table 4.3.3 Performance Planning Supervisors' descriptive statistics

Table 4.3.1 & 4.3.2.1 above demonstrates. Based on the mean scores provided, the bank's effort to align individuals' and teams' goals and targets, as well as the performance planning aspect, is generally rated as strong. The mean score for managers is 3.91, while for employees it is 3.64. The highest rated items in this aspect, as reported by managers, the alignment of goals and targets with the organization's objectives and goals received a high mean score of 4.08, suggesting a clear perception of alignment between individual and team goals and the overall organizational objectives. The option for managers to address comments during the signing of the contractual agreement also received a positive mean score of 4.17, indicating that managers feel empowered to provide input or clarification

during the goal-setting process. Additionally, managers express a strong belief in the significance of their work, with a high mean score of 4.61, highlighting a profound understanding of the impact of their contributions on the organization. The clarity in communicating expectations to staff during the planning/target-setting process is reflected in the mean score of 4.20, suggesting effective communication from managers to their staff. From the employees' perspective, the alignment of goals and targets with the organization's objectives received a slightly lower mean score of 3.89, indicating a perception of reasonable alignment between their goals and the overall goals of the organization. Similar to managers, employees also hold a strong belief in the importance of their work, with a mean score of 4.19. While the bank's efforts to align goals and targets and implement performance planning are generally rated as strong, there may be some gaps to address, particularly in enhancing alignment from the employees' perspective. Identifying and addressing these gaps can contribute to a more comprehensive and effective performance planning process.

It is important to identify and address these gaps to ensure clearer goal alignment, effective communication of expectations, and a shared understanding of the importance of individual and team contributions to the organization's objectives. This can further enhance the effectiveness of the performance planning process. Performance planning is a strategic procedure that guarantees employees meet the objectives of the organization. It entails establishing clear, quantifiable, achievable, relevant, and time-bound objectives for staff members and then coming up with a strategy to support them in achieving those objectives.

4.4 Feedback and Coaching

The feedback and coaching process involves actions undertaken by managers to empower staff members in understanding their performance levels, identifying areas for improvement, and recognizing areas where further development is necessary. It also includes assigning staff members new responsibilities or broader areas of work with appropriate guidance and monitoring their progress, supported by continuous supervision and documentation of their advancement towards performance objectives

Table 4.4. 2Descriptive statistics for Employee Feedback and Coaching

Employee Feedback and Couch	Mean	Std. Dev
You receive feedback on your performance on a regular basis, both positive and poor	3.37	.824
Feedback sessions are scheduled at your branch, subprocess, or process.	3.01	.792
Your direct supervisor is providing you with appropriate guidance	3.42	.830
Using two-way communication is one method of establishing an atmosphere that can help you reach your goals	3.62	.899
You receive regular performance-enhancing feedback from your supervisor	3.56	.813
You and your colleagues are responsible to your supervisor for your work performance	3.77	.768
You have faith in your supervisor's feedback	3.65	.849
our immediate boss and co-workers are providing you with the necessary assistance and direction.	3.59	.912
Feedback and Couch Mean	3.49	.494

Source: Own survey computation,2024

Table 4.4. 3Descriptive statistics for coaching and feedback from supervisors

Feedback and Couch Supervisors	Mean	Std. Deviation
You receive feedback on your performance on a regular basis, both positive and poor	3.26	.863

Feedback sessions are scheduled at your branch, subprocess, or process	3.11	.685
Using two-way communication is one method of establishing an atmosphere that can help you reach your goals	3.82	.716
You have a history of regularly monitoring employee performance data and providing ongoing feedback	3.47	.563
You possess the fundamental knowledge and abilities of a coach	3.97	.626
You have ample time and resources available to offer timely feedback on both positive and negative performance;	3.00	.696
You consistently monitor business targets and employee behavioural observations	3.64	.773
You, as a supervisor, view performance management as your primary duty.	4.17	.626
Feedback and couch supervisor Mean	3.54	.443

Source: Own survey computation, 2024

Table 4.4.1 & 4.4.2 Based on the mean scores presented in In terms of the feedback and coaching component within the employee performance management system, the bank's efforts in implementing this aspect appear to be moderate. Both managers and employees provided mean scores of 3.54 and 3.49, respectively, indicating a middling level of satisfaction. However, the lowest-rated items in this area pinpoint specific areas requiring improvement. From the managers' viewpoint, the availability of time and resources to offer timely feedback on both positive and negative performance garnered a mean score of 3.00. Similarly, employees rated the consistency of feedback sessions, indicating that they are not consistently planned and conducted, with a relatively low mean score of 3.01. These ratings suggest potential challenges in delivering timely and consistent feedback, which can significantly impact the overall effectiveness of the feedback process. Research in this domain underscores the importance of establishing clear expectations and metrics when providing feedback. It's essential to continuously capture and document data while engaging in regular but informal performance observations to enhance the feedback process. Addressing these areas of improvement can lead to more effective feedback and coaching within the performance management system. By utilizing such practices, organizations can ensure that feedback is based on objective criteria and contribute to meaningful performance

improvement. To enhance the effectiveness of the feedback and coaching aspect, the bank should address the identified gaps.

4.5 Performance Appraisal

The process of determining how well a person performed at work with the ultimate goal of addressing how much the employee's performance was satisfactory during the review period is called performance appraisal, and it is one of the steps in the performance management process.

Table 4.5. 2Employee Performance Appraisal: Descriptive Statistics

Employee Planning Mean	Mean	Std. Deviation
Your regular performance review is grounded in objectively recorded data	3.74	.819
You are not surprised by the review	3.47	.871
The standards and evaluations for each job function are deemed appropriate and relevant	3.48	.967
Your supervisor ensures adequate time for you to review your performance throughout the appraisal period.	3.35	1.011
The review and evaluation occur on a regular basis and at the appropriate times	3.87	.854
Performance reviews are seen as a tool for team and organizational performance development	3.91	.904
Performance reviews are based on job standards;	3.77	.818
Your immediate supervisor used performance and behaviour data tracking during the review	3.58	.886
Your supervisor is equipped with the necessary knowledge, skills, and abilities to effectively manage performance	3.78	.806
Performance Appraisal Mean	3.66	.529

Source: Own survey computation,2024

Table 4.5.3 Descriptive statistics for Employee Performance Appraisal Supervisors

Employee Performance Appraisal Supervisors	Mean	Std. Dev.
Your regular performance review is grounded in objectively recorded data	3.82	.757
You are not surprised by the review	4.26	.618
The standards and evaluations for each job function are deemed appropriate and relevant	3.79	.769
Your supervisor ensures adequate time for you to review your performance throughout the appraisal period.	3.73	.751
Evaluations and appraisals occur on a regular basis and at the right times	3.97	.758
Performance reviews are thought of as a tool for team and organizational performance enhancement	3.73	.709
Job standards serve as the basis for performance reviews	3.52	.787
There is a direct correlation between your performance and that of your subordinate	3.97	.758
Feedback is given for both good and negative performance	3.88	.728
You constantly base your employee evaluations on information gathered about organization goals and staff behaviours.	3.87	.725
The performance evaluation system works well to encourage impartiality, fairness, and high-quality work.	3.79	.769
Supervisors Performance Appraisal	3.86	.634

Source: Own survey computation, 2024

Based on the mean scores presented in Table 4.5.1 and 4.5.2, the performance appraisal aspect of the bank's progress is deemed satisfactory but falls short of At the anticipated level, the lowest-rated items in this context are as follows: Both employee and managerial groups tend to disagree with the notion that performance appraisals are founded on job standards, garnering a mean score of 3.57. This suggests a perception among both parties that there's a disconnect between performance evaluations and the established job standards. Additionally, employees provided relatively lower ratings, with a mean score of 3.77, for the item about

receiving continuous feedback and encountering no surprises during the appraisal process. This implies that employees may feel that feedback and appraisal outcomes are not consistently communicated and that there may be unexpected elements during the appraisal discussions. The appropriateness of job evaluations and standards received a relatively low rating (mean score of 3.48). This suggests that employees and managers may perceive a need for improvement in the clarity and relevance of job evaluations and performance standards. This indicates that there is a sense of regularity and fairness in the appraisal process. From the employees' group, the highest rated items include performance appraisals conducted at regular intervals (mean score of 3.87), moderate confidence in the competency of their managers (mean score of 3.78), and the belief that performance appraisals contribute to improving team and organizational performance (mean score of 3.91). Overall, while the bank's progress in the performance appraisal aspect is viewed as satisfactory, there are specific areas that require attention and improvement, such as aligning appraisals with job standards, providing continuous feedback, ensuring appropriate job evaluations, and allocating sufficient time for appraisal discussions. Addressing these gaps can enhance the effectiveness and fairness of the performance appraisal process. Peng (2022) Three basic definitions are associated with performance evaluation: (1) Performance appraisals begin with the business objectives of the company, assess the work process and outcome of the employee, and then integrate the findings with the different facets of human resource management to efficiently assist the company in realizing its objectives. (2) An essential component of the human resource management system is performance appraisal. It is an evaluation that is carried out in accordance with organizational institutional standards, procedures, and methodologies as well as a set of management systems. (3) A performance appraisal is an assessment of an organization's members' behavior, aptitude, attitude, and overall performance in the course of their regular workday, based on verifiable data.

4.6 Rewarding and Improving

Emphasizes the importance of acknowledging the benefits of Performance Management (PM) for employees, as PM is a collaborative process that requires their active participation. Expecting employees to engage in a partnership without perceived benefits for them is

unrealistic. (Bacal, 1999)

Table 4.6. 2Descriptive Data for Improvement and Reward

Reward and Improving Employee Response	Mean	Std. Dev
Good performance is rewarded	2.74	1.183
There are procedures in place to deal with poor performance	2.82	1.191
There are different mixes of rewarding mechanisms	2.65	1.171
Performance reviews are impartial enough to be considered when making critical decisions about human resources	2.96	1.178
Employees are acknowledged and rewarded for their outstanding performance	3.04	1.057
Salary increases are contingent on job performance;	2.72	1.067
Variations in performance are acknowledged and addressed in a manner that holds significance and value	2.97	1.119
you feel personally empowered about work procedures.	3.43	.868
Reward and Improvement Employee Mean	2.91	.759

Source: Own survey computation, 2024

Table 4.6.3 Descriptive statistics for Reward and Improving Supervisors

Reward and Improving Supervisor Response	Mean	Std. Dev.
Good performance is rewarded	3.35	.733
Effective procedures are established to address instances of poor performance	3.20	.808

There are different mixes of rewarding mechanisms	3.00	.651
Performance reviews are impartial enough to be considered when making critical decisions about human resources	3.11	.728
Employees are acknowledged and rewarded for their outstanding performance	3.47	.861
Salary increases are contingent on job performance	2.82	.716
Performance differences are acknowledged in a significant manner	3.11	.844
Key choices regarding human resources are made using the outcomes of appraisals	3.26	.665
Workers feel empowered personally as a result of Performance variations are acknowledged in a significant manner	3.55	.823
Supervisors Reward and Improve Mean	3.21	.489

Source: Own survey computation, 2024

As can be observed from Tables 4.6.1 & and 4.6.2 above, The mean scores of 3.21 and 2.91 for the two groups highlight that the reward and development facet of the employee performance management system at the Commercial Bank of Ethiopia (CBE) has received comparatively lower evaluations. This suggests a potential shortfall in the implementation of effective systems and mechanisms to leverage individual employee performance for recognition and enhancement. The reward and development component is pivotal, influencing the repercussions of both positive and subpar performance.

The data indicates that the bank may lack a robust system or mechanisms to appropriately link individual employee performance to rewards and improvement. This absence of a clear connection between performance and rewards holds significant consequences for the recognition of exemplary performance and addressing areas of improvement. Consequently, it can undermine the credibility and sustained acceptance of the performance management

system, as employees may perceive their efforts are not adequately acknowledged or rewarded. Addressing this gap is crucial for fostering trust and engagement in the performance management process within the organization.

Agunis (2005) points out that when employees perceive a lack of recognition and reward for their performance, they may experience job dissatisfaction, and resentment, and may reduce their effort until they find employment elsewhere. This can lead to a waste of valuable resources, including financial resources and skilled employees.

4.7 Performance Management as a System

Performance management is a structured procedure that entails cooperation between managers and employees to efficiently strategize, oversee, and assess an employee's work objectives and overall contribution to the organization. It encompasses various stages, including setting clear objectives, monitoring progress, providing regular coaching and feedback, and conducting periodic evaluations of individual performance. This comprehensive approach aims to reward and recognize high performance while also identifying areas for improvement and providing support to enhance performance. By implementing a robust performance management system, organizations can foster a culture of continuous improvement and development, ultimately contributing to overall organizational success.

Table 4.7 3Descriptive Data for Comprehensive Performance Management

Overall Performance Management Employee Response	Mean	Std. Dev.
It's worth your time to devote to performance reviews	2.61	1.114
There is no need to alter the existing performance management system because it is effective.	3.44	1.044
The bank can discern between good and poor performance inside the organization with the help of quarterly and annual appraisals.	3.44	.989
Performance management enhances your ability to accomplish your duties.	3.81	.897

Performance management facilitates the growth of your abilities and capabilities	3.67	.891
Following a performance assessment, you feel encouraged.	3.49	.916
You know completely how the organization's business needs link to your goals and performance criteria.	3.81	.843
You've had sufficient instruction in performance management	2.65	1.130
Employee Performance Management	3.36	.511

source: Own survey computation, 2024

Table 4.7 4 Descriptive Data for Complete Performance Management

Performance Management Supervisors Response	Mean	Std. Dev.
It's worth your time to devote to performance reviews	3.82	.757
There is no need to alter the existing performance management system because it is effective.	2.08	.712
The bank can discern between good and poor performance inside the organization with the help of quarterly and annual appraisals	3.26	.898
Performance management enhances your ability to accomplish your duties.	3.91	.712
Performance management facilitates the growth of your abilities and capabilities	4.14	.657
Enhancing team performance is possible with performance management.	4.11	.685
Performance management facilitates the communication of expectations to your staff.	4.32	.474
You feel at ease conducting evaluations of performance.	3.64	.691
You possess the necessary training to maximize the benefits of the performance management procedure.	3.44	.746
You have no trouble negotiating on goals or expectations for each team member individually.	3.17	.796
The performance management documentation is helpful and clear.	3.50	.825
Overall Employee Performance Management	3.58	.440

Source: Own survey computation, 2024

Table 4.7.1 & 4.7.2 The average score displayed reflects the assessment of opinions and level of agreement regarding the effectiveness of the performance management system's benefits summary, along with key factors influencing its efficacy. The mean score of 3.58 from the managers group suggests that the bank isn't fully realizing the benefits of the system. This is primarily due to challenges in aligning with employees on performance standards and objectives, indicated by mean scores of 2.08 and 3.17, respectively. Respondents also highlighted issues with poor standards, outdated job descriptions, and readiness challenges. Similarly, the employee group's mean score of 3.36 indicates significant room for improvement, particularly in training lower-level employees and revising the current system, with mean scores of 2.65 and 2.61, respectively. Without addressing these issues, biases may replace standards, leading to the use of false or unfair information and declining performance motivation, ultimately impacting the system's overall purpose.

Challenges noted include limited awareness and training on the system's effects, lack of streamlined data collection systems, inappropriate performance standards, and inadequate tools such as the EPM policy and procedure document.

In terms of comprehension and ownership, both managers and staff show reasonable understanding and ownership of the system's benefits, but the low mean score on involvement suggests inadequate training may be hindering full ownership.

4.8. Statistical Analysis Result

4.8.1. Correlation Analysis

Correlation analysis is a statistical technique used to measure the strength and direction of the relationship between two or more variables. It is commonly used to determine the extent to which changes in one variable are associated with changes in another variable. The correlation coefficient, usually denoted as r , is a measure of this relationship. It ranges from -1 to +1, where a positive value indicates a positive correlation (both variables move in the same direction), a negative value indicates a negative correlation (both variables move in opposite directions), and a value close to zero indicates no or weak correlation.

Table 4.8.1 Correlation statics for Employee Performance Management (Employee)

		Correlations					
		Readiness	Planning Employees	Feedback and Couch	Performance Appraisal	Reward and Improvement	Employee Performance Management
Readiness	Pearson Correlation	1	.506**	.379**	.416**	.273**	.427**
	Sig. (2-tailed)		.000	.000	.000	.002	.000
	N	127	127	127	127	127	127
Planning Employees	Pearson Correlation	.506**	1	.695**	.740**	.411**	.635**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	127	127	127	127	127	127
Feedback and Couch	Pearson Correlation	.379**	.695**	1	.713**	.505**	.714**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	127	127	127	127	127	127
Performance Appraisal	Pearson Correlation	.416**	.740**	.713**	1	.462**	.608**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	127	127	127	127	127	127
Reward and Improvement	Pearson Correlation	.273**	.411**	.505**	.462**	1	.606**
	Sig. (2-tailed)	.002	.000	.000	.000		.000
	N	127	127	127	127	127	127
Employee Performance Management	Pearson Correlation	.427**	.635**	.714**	.608**	.606**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	127	127	127	127	127	127

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

All variables (Readiness, Planning Employees, Feedback and Couch, Performance Appraisal, Reward and Improvement, Employee Performance Management) show positive correlations with each other, meaning that as one variable increases, the other variables tend

to increase as well. The correlations range from moderate to strong, with correlation coefficients ranging from .379 to .740. The highest correlation coefficient is observed between Planning Employees and Performance Appraisal (.740**), indicating a strong positive relationship between these variables. All correlations are statistically significant at the 0.01 level, meaning that the observed relationships are unlikely to occur by chance.

The sample size for all variables is 127, indicating a relatively large sample size for the analysis. Overall, these results suggest that there are positive relationships between the various aspects of employee performance management, including readiness, planning employees, feedback and coaching, performance appraisal, reward and improvement, and employee performance management. These findings can be used to inform and guide decision-making processes related to employee performance management strategies and interventions.

Table 4.8.2 Correlation statistics for Employee Performance Management (Supervisor)

		Correlations					
		Readiness	Planning Employees	Feedback and Couch	Performance Appraisal	Reward and Improvement	Employee Performance Management
Readiness	Pearson Correlation	1	.859**	.810**	.868**	.467**	.784**
	Sig. (2-tailed)		.000	.000	.000	.005	.000
	N	34	34	34	34	34	34
Planning Employees	Pearson Correlation	.859**	1	.880**	.930**	.521**	.887**
	Sig. (2-tailed)	.000		.000	.000	.002	.000
	N	34	34	34	34	34	34
Feedback and Couch	Pearson Correlation	.810**	.880**	1	.814**	.736**	.870**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	34	34	34	34	34	34
Performance Appraisal	Pearson Correlation	.868**	.930**	.814**	1	.402*	.801**

	Sig. (2-tailed)	.000	.000	.000		.019	.000
	N	34	34	34	34	34	34
Reward and Improvement	Pearson Correlation	.467**	.521**	.736**	.402*	1	.605**
	Sig. (2-tailed)	.005	.002	.000	.019		.000
	N	34	34	34	34	34	34
Employee Performance Management	Pearson Correlation	.784**	.887**	.870**	.801**	.605**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	34	34	34	34	34	34

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

* . Correlation is significant at the 0.05 level (2-tailed).

All variables (Readiness, Planning, Feedback and Couch, Performance Appraisal, Reward and Improvement, Employee Performance Management) show strong positive correlations with each other, meaning that as one variable increases, the other variables tend to increase as well. The correlations range from strong to very strong, with correlation coefficients ranging from .402 to .930. The highest correlation coefficient is observed between Planning and Performance Appraisal (.930**), indicating a very strong positive relationship between these variables. All correlations are statistically significant at the 0.01 level, except for the correlation between Performance Appraisal and Reward and Improvement, which is significant at the 0.05 level. This means that the observed relationships are unlikely to occur by chance. Overall, these results suggest that there are strong positive relationships between the various aspects of employee performance management, including readiness, planning, feedback and coaching, performance appraisal, reward and improvement, and employee performance management.

CHAPTER FIVE

5.SUMMARY, CONCLUSION, AND RECOMMENDATION

5.1. Summary

The research evaluates the implementation of the employee performance management system (EPM) within the Commercial Bank of Ethiopia (CBE), utilizing six variables to address key components based on literature and the bank's EPM framework. The study aims to assess the effectiveness of the EPM system, evaluate awareness and ownership among managers and employees, and identify challenges and potential solutions.

- **Employee Readiness:** Managers exhibit higher readiness (mean score: 3.78) compared to employees (mean score: 3.62), indicating gaps in employee readiness and ownership. Specific areas for improvement include training on employee performance and clear guidance on expectations.
- **Performance Planning:** Alignment of goals and targets is rated fairly strong (mean score: 3.91 for managers, 3.64 for employees), highlighting the importance of clear communication and goal alignment. Areas for improvement include enhancing clarity of expectations and providing more opportunities for employee input.
- **Feedback and Coaching:** Efforts in feedback and coaching are moderate (mean score: 3.55 for managers, 3.49 for employees). Challenges include availability of time and resources for feedback and lack of consistency in feedback sessions. Improvement areas include providing managers with more resources and establishing a structured approach to feedback.
- **Performance Appraisal:** Progress in performance appraisal is satisfactory but not optimal (mean score: 3.84 for managers, 3.66 for employees). Gaps include lack of alignment with job standards and insufficient feedback. Improvement areas involve clearer alignment with job requirements and providing continuous feedback.
- **Reward and Development:** This aspect receives the lowest scores (mean score: 3.21 for managers, 2.91 for employees), indicating a lack of effective systems for linking

performance to rewards and development. Improvements are needed to establish clear criteria for recognition and reward.

Challenges: Respondents highlight various challenges including limited awareness and training, lack of trust, resistance to change, outdated job descriptions, lack of coordination, consistency in feedback, openness, transparency, time constraints, and inadequate data tracking and evaluation tools. Addressing these challenges requires enhancing awareness, trust, communication, and implementing robust systems for data tracking and evaluation. Overall, the study provides valuable insights for the CBE to enhance the effectiveness of its EPM system and align it with organizational goals and employee needs.

5.2 Conclusion

The provided analysis outlines several key findings and challenges related to the implementation of the employee performance management system at the Commercial Bank of Ethiopia (CBE). Here's a summary of the main points: The CBE has made moderate progress in implementing the performance management system. While there are strengths in certain areas such as performance planning, feedback, and coaching, there are also notable gaps in aspects like reward and development alignment and communication of system benefits.

- ❖ **Employee Readiness:** There's a moderate level of readiness among employees and managers, with managers generally exhibiting higher readiness levels. However, there are significant gaps in training and resource provision, particularly for employees, indicating the need for enhanced preparation and ownership of the system.
- ❖ **Performance Planning:** The alignment of goals and targets is generally rated as strong, indicating progress in this aspect. However, there are areas for improvement in setting SMART goals, defining objective measures, and recording trend data to ensure a structured and effective planning process.
- ❖ **Feedback and Coaching:** While feedback and coaching efforts are moderate, there

are challenges in providing consistent and structured feedback sessions. Additionally, time and resource constraints hinder managers' ability to provide timely feedback, suggesting the need for better support and processes in this area.

- ❖ **Performance Appraisal:** There has been satisfactory progress in performance appraisal, but there are challenges in areas such as providing continuous feedback, ensuring the appropriateness of job evaluations, and allocating sufficient time for discussions. Improving data tracking, evaluation tools, and communication can enhance the effectiveness of the appraisal process.
- ❖ **Reward and Development:** The alignment of performance with rewards and development is rated the lowest, indicating significant gaps in this area. Improving transparency, communication, and establishing clear reward systems linked to performance can address these challenges and motivate employees.

The study also incorporate Various system challenges, such as limited awareness and training, outdated job descriptions, lack of consistency in feedback, and inadequate data tracking, hinder the effectiveness of the performance management system. Addressing these challenges requires comprehensive training, updating systems, and fostering a culture of openness and transparency.

5.3 Recommendation

These recommendations provide a comprehensive plan for the Commercial Bank of Ethiopia (CBE) to improve the effectiveness of its employee performance management system. Let's break down each recommendation:

- **Enhancing Awareness and Training:** Continuously emphasizing the benefits of the system and providing training workshops can improve employee confidence and understanding. This ensures that all stakeholders are aware of their roles and responsibilities within the system, ultimately enhancing its effectiveness.
- **Improve Performance Data Tracking:** Developing a dedicated system for tracking performance-related data addresses a critical gap highlighted in the research. By implementing a system tailored to the bank's needs, managers can better monitor and document employee performance, leading to more informed decisions and evaluations.
- **Revise Appraisal Tools and Standards:** Updating appraisal tools and standards is essential for accurately assessing employee performance. By aligning these tools with individual performance levels and task variations, the bank can ensure fair and objective evaluations, promoting a culture of meritocracy.
- **Disseminate Clear Procedures:** Clear and transparent procedures are crucial for ensuring consistent implementation of the performance management system across the organization. By communicating these procedures effectively, the bank fosters a common understanding among stakeholders, reducing ambiguity and enhancing efficiency.
- **Implement Change Management:** Change management is vital for guiding employees through the transition to a new system. By providing support and guidance, the bank can mitigate resistance to change and facilitate a smooth adoption process, maximizing the benefits of the performance management system.
- **Link Performance with Rewards and Development:** Aligning performance with rewards and development initiatives reinforces the value of the system to employees. By implementing reward mechanisms for good performance and investing in

employee development programs, the bank can incentivize high performance and support continuous improvement.

- **Revise Organization Structure:** Reviewing and revising the organization structure to facilitate feedback and coaching processes is essential for enhancing the effectiveness of the performance management system. Simplifying these processes and integrating them into existing systems streamlines operations and promotes accountability.
- **Top Management Involvement and Support:** Active involvement and support from top management are critical for driving change and sustaining improvements. By demonstrating commitment to the performance management system, top management sets a positive example for the rest of the organization and ensures ongoing support for implementation efforts.

Generally, these recommendations provide a strategic roadmap for the CBE to address the identified gaps and enhance the effectiveness of its employee performance management system. By implementing these measures, the bank can align its performance management practices with its corporate objectives, ultimately driving improved performance and organizational success.

References

- Aguinis, H. (2005). Performance management. Edinburgh Business School; Heriot-Watt University.
- Aguinis, H. (2007). Performance management. The Business School University of Colorado at Denver and Health Sciences Center.
- Armstrong, M., & Baron, A. (1998). Performance management: The new realities. Institute of Personnel and Development.
- Armstrong, M., & Angela, B. (2004). Performance management: Action and impact. CIPD.
- Armstrong, M., & Baron, A. (2005). Managing performance: Performance management in action. CIPD.
- Awan, S. H., Habib, N., Akhtar, C. S., & Naveed, S. (2020). Effectiveness of performance management system for employee performance through engagement. *SAGE Open*, 10(4), 215824402096938. <https://doi.org/10.1177/2158244020969383>
- Bacal, R. (1999). Performance management: Energize every employee, improve performance through feedback, and learn how to measure performance.
- Biswas, P., & Biswas, P. (2014, December 28). Disadvantages of a poorly implemented performance management system. Vskills Blog. <https://www.vskills.in/certification/blog/disadvantages-of-a-poorly-implemented-performance-management-system/>
- Cardy, R. (2004). Performance management concepts, skills, and exercise. PHI Learning Private

Limited.

Cardy, R., & Leonard, B. (2011). *Performance management concepts, skills, and exercise* (2nd ed.). PHI Learning Private Limited.

Cokins, G. (2004). *Performance management: Finding the missing pieces (to close the intelligence gap)*. John Wiley & Sons, Inc.

Chellappa, S. (2024, January 25). The 4 stages of performance management cycle. Engagedly.
<https://engagedly.com/blog/the-4-stages-of-a-performance-management-cycle/>

Dangol, P. (2021). Role of performance appraisal system and its impact on employee motivation. *Quantitative Economics and Management Studies*, 2(1), 13–26.
<https://doi.org/10.35877/454ri.qems119>

Fekade, Y. (2022). The assessment of challenges and benefits of performance management: Case of Commercial Bank of Ethiopia in selected Addis Ababa Branch.

Frankfurt. (2011). Frankfurt School of Finance and Management Consultants: A comprehensive HRD strategy design of the CBE.

Gallo, A. (2022, October 12). A refresher on regression analysis. Harvard Business Review.
<https://hbr.org/2015/11/a-refresher-on-regression-analysis>

Harvard Business Essentials. (2006). *Performance management: Measure and improve the effectiveness of your employees*.

Markus, L. (2004). *Performance management—Problems and potential: 12 key steps to ensure top performance from your staff*. Leanne Markus Centranum Ltd.

MarshiMcNANNAN. (2013). *2013 Global Performance Management Survey Report Executive Summary*.

Siraj, N., &Hágen, I. (2023). Performance management system and its role for employee performance:

Evidence from Ethiopian SMEs. *Heliyon*, 9(11), e21819.

<https://doi.org/10.1016/j.heliyon.2023.e21819>

Zhang, Y. (2012). The impact of performance management system on employee performance.

APPENDEX
ADDIS ABEBAUNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT
EMBA PROGRAM

Questionnaire to be filled by Employees

Dear Respondent,

This questionnaire is intended to gather primary data for a study on "An Assessment of the Employee Performance Management System- in the Case of the Commercial Bank of Ethiopia" that will be conducted as a requirement for the Addis Ababa University Executive Masters of Business Administration (EMBA) program. Regarding this, I would appreciate it if you could give me accurate information that you know as much as possible so that the study's conclusions serve the intended purpose. In addition to helping me earn my EMBA, your quick attention to this study will enable me to make a minimal contribution to the field of employee performance management. I firmly promise that your responses will be treated in confidence. I sincerely appreciate you for completing this form, and I promise to treat your responses with the utmost confidentiality. Additionally, kindly be aware that I will only utilize your comments for study.

Directions

- No need to write your name
- Answer by making a \surd mark, or in writing wherever appropriate
- In case you have ambiguities on any of the questions, please do not hesitate to contact me through my mobile number 091128-32-00 & email address niftalem11@gmail.com

With best regards.

Niftalem Mengistu

Questioner to be filled by employees

PERSONALPROFILE

1. Sex: Male Female
2. Age: Below 25 25-35 36-45 46-55 Above 55
3. Educational Background: High School Complete Diploma
 First Degree Masters and above

Part I. Readiness Related Questions

2. Are there any challenges/weaknesses concerning ensuring employee readiness as part of the overall employee performance management? Yes No
3. If your answer to item no.2.is Yes, please specify them;

Part II. Planning Related Questions

NO.	ITEM	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.1.	You have a clear understanding of performance standards, indicators and targets.					
1.2.	Your goals and targets are in line with your job description					
1.3.	You know well how your work contributes to the goals of the organization					
1.4.	Performance measures are relevant to your targets.					
1.5.	Your goals and targets are cascaded from the organization's objectives and goals					
1.6.	Your goals and targets are SMART (Specific, Measurable, Achievable, Realistic and Timely)					

1.7.	You have given the opportunity to review and comment on your goals and targets by your immediate supervisor					
1.8.	You have an option to address your comments during the signing of the contractual agreement					
1.9.	You sign off contractual agreement with your supervisor after you reach an agreement with goals and targets critical to your job role					
1.10.	Targets and measures of performance are consistent for similar roles and jobs					
1.11	Performance related communications are factual, open and honest based on data tracking and tangible evidence					
1.12.	You believe that performance management is then a job responsibility of line managers					

2. Are there any challenges/weaknesses with the Bank's performance planning system as part of the overall employee performance management? Yes. No

3. If your answer to item no.2 is Yes, please specify them;

Part III. Questions in relation to Feed back and Coaching

NO.	ITEM	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.1.	Your supervisor gives your ongoing feed back that helps you to improve your performance					
1.2.	Your supervisor holds you and your co-workers accountable for their performance					
1.3.	You trust the feedback you receive from your supervisor					
1.4.	You get feedback frequently both on good and poor performance					
1.5.	You are getting proper support and guidance from your immediate supervisor and work colleagues					
1.6.	Feedback sessions are planned at your process/sub-process/branch					
1.7.	You are getting proper coaching from your immediate supervisor					
1.8.	Two-way communication is being applied As one way of creating a conducive environment to achieve your targets.					

2. Are there any challenges/weaknesses with the Bank’s Feedback and Coaching system as part of the overall employee performance management? Yes No

3. If your answer to item no.2. is Yes, please specify them;

Part IV. Appraisal Related Questions

NO.	ITEM	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.1.	Your periodic performance appraisal is based on objectively recorded data					
1.2.	Your immediate supervisor used data tracking on your performance and your behaviors while conducting performance appraisals.					
1.3.	You received continuous feedback on your performance and performance appraisal are not a surprise for you					
1.4.	Standards and evaluations for each job function are appropriate/relevant					
1.5.	Your super visor gives enough time to discuss on your performance during the appraisal period					
1.6.	Appraisal/evaluation take place at regular intervals and at appropriate moments					
1.7.	Performance appraisal is perceived as a developmental tool to improve team and organizational performance					
1.8.	Performance appraisals are based on job standards					
1.9.	Your supervisor has the knowledge, skills and abilities necessary to manage performance effectively					

2. Are there any challenges/weakness with the Bank’s performance appraisal system as part of the overall employee performance management? Yes No

3. If your answer to item no.2.is Yes, please specify them;

4. How do you see the fact that the same appraisal format/rating standard is used across all process and to all employees irrespective of the type of task they are accomplishing? What do you recommend in this regard?

Part V. Rewarding and Improving Related Questions

NO.	ITEM	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.1.	There is culture of rewarding good performance in the Bank					
1.2.	Mechanisms are put in place to address poor performance					
1.3.	There are different mixes of rewarding mechanisms					
1.4.	The performance evaluations are fair enough to be used for important human resource decisions					
1.5.	You have a feeling of personal empowerment concerning work processes					
1.6.	Employees are recognized for their high performance					
1.7.	Pay raises depend on how well employees perform their jobs					
1.8.	Differences in performance are recognized in a meaningful way					

2. Are there any challenges/weakness with the Bank

's Rewarding and Improving system as part of the overall

employee performance management? Yes

No

3. If your answer to item no. 2. is Yes, please specify them;

Part VI. General Comments

1. Do you think that line managers are executing employee performance management as part of their everyday work? (Please note that line managers are all operational managers whose primary responsibility is managing their specific business/team).

B. Yes B. No

2. If your answer for item no. 1 is yes, please specify your response why you responded yes;

3. What comments/suggestions (any type of reflection) do you have regarding the employee performance management system practice and the involvement of top management, line managers and employees in effectively executing it? _____

Thank You !!

NO.	ITEM	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.1.	Performance management helps you to do your job better					
1.2.	Performance management helps you to develop your skill and potential					
1.3.	You feel motivated after a performance review					
1.4.	You fully understand how your objectives/performance standards relate to the business needs of the organization					
1.5.	You have received adequate training in performance management					
1.6.	The system of performance management used here works well and does not need to change					
1.7.	Time spent on performance management is worthwhile					
1.8.	The quarter and annual appraisals support the organization to distinguish good and poor performance in the organization					

ADDIS ABEBA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT
EMBA PROGRAM
Questionnaire to be filled by Line Managers/supervisors

Dear Respondent,

This questionnaire is intended to gather primary data for a study on "An Assessment of the Employee Performance Management System- in the Case of the Commercial Bank of Ethiopia" that will be conducted as a requirement for the Addis Ababa University Executive Masters of Business Administration (EMBA) program. Regarding this, I would appreciate it if you could give me accurate information that you know as much as possible so that the study's conclusions serve the intended purpose. In addition to helping me earn my EMBA, your quick attention to this study will enable me to make a minimal contribution to the field of employee performance management. I firmly promise that your responses will be treated in confidence. I sincerely appreciate you for completing this form, and I promise to treat your responses with the utmost confidentiality. Additionally, kindly be aware that I will only utilize your comments for study.

Directions

- No need to write your name
- Answer by making a ✓ mark, or in writing wherever appropriate
- In case you have ambiguities on any of the questions, please do not hesitate to contact me through my mobile number 091128-32-00 & email address niftalem111@gmail.com

With best regards.

Niftalem Mengistu

Question to be filled by Linemanagers/supervisors

PERSONAL PROFILE

1. Sex: Male Female
2. Age: Below 25 25-35 36-45 46-55 Above 55
3. Educational Background: High School Complete Diploma
First Degree Masters and above
4. Job experience in present organization 0-5 5-15 Above 15

Part I. Questions about Readiness

1. Please indicate to what extent you agree or disagree with each of the following statements by putting a check mark (✓) in the appropriate column within a range between strongly disagree (1) and strongly agree (5).

NO.	ITEM	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.1.	Your responsibilities for managing the performance of your staff have been clearly defined					
1.2.	Processes and methods of doing your work are defined and communicated to you					
1.3.	You are assigned to a position where you have the required competence					
1.4.	Required resources are available to you					
1.5.	Your job descriptions are clearly communicated to you					
1.6.	Guidance is being provided about what is expected of you and how you can meet these expectations					
1.7.	You have updated job descriptions for all employees in your process/district/sub process/branch					
1.8.	As a supervisor, you have the knowledge, skills and abilities necessary to manage performance effectively					
1.9.	Adequate training was provided with Employee performance management before the implementation of the Employee performance management system					
1.10	The required resources and trainings are fulfilled before employees conduct target setting					

2. Are there any challenges/weakness with respect to ensuring of employee readiness as part of the overall employee performance management? Yes No

3. If your answer to item no. 2. is Yes, please specify them;

Part II. Questions in relation to Planning

NO.	ITEM	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.1.	You have clear understanding of performance standards, indicators and targets					
1.2.	Your goals and targets are in line with your job description					
1.3.	your goals and targets are cascaded from the organization 's objectives and goals					
1.4.	Your goals and targets are SMART (Specific, Measurable, Achievable, Realistic and Timely)					
1.5.	You have given the opportunity to review and comment on your goals and targets by your immediate supervisor					
1.6.	You have an option to address your comments during the signing of the contractual agreement					
1.7.	You sign off contractual agreement with your supervisor after you reach an agreement with goals and targets critical to your job role					
1.8.	Performance-related communications are factual, open, and honest based on data tracking and tangible evidence demonstrated by employees' behaviors					
1.9.	You believe that the work you do is very important to the organization					
1.10.	As a supervisor, you have laid out expectations to your staff through the planning/target-setting process					

2. Are there any challenges/weakness with the Bank's performance planning system as part of the overall employee performance management? Yes No

3. If your answer to item no. 2 is Yes, please specify them;

Part III. Questions in relation to Feedback and Coaching

NO.	ITEM	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.1.	You get feedback frequently both on good and poor performance					
1.2.	Feedback sessions are planned at your process/sub-process/branch					
1.3.	You are getting proper coaching from your immediate supervisor					
1.4.	Two-way communication is being applied as a new way of creating conducive environment to achieve your targets					
1.5.	You have been frequently tracking data on performance and provide feedback on ongoing basis					
1.6.	You have the basic skill how to coach people					
1.7.	You have adequate time and resource to provide timely feedback (both on good and poor performance)					
1.8.	You always track data on business targets and behavioral observation demonstrated by the employees					
1.9.	You, as supervisor, are taking performance management as your major responsibility					

2. Are there any challenges/weakness with the Bank's Feedback and Coaching system as part of the overall employee performance management? Yes No

3. If your answer to item no. 2. is Yes, please specify them;

Part IV. Questions in relation to Appraisal

NO.	ITEM	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.1.	Your subordinate's performance directly Correlates with your performance					
1.2.	Your periodic performance appraisal is based on objectively recorded data					
1.3.	performance appraisal is not a surprise for you					
1.4.	Feedback is provided both on negative and positive performance					
1.5.	Standards and evaluations for each job function are appropriate/relevant					
1.6.	Your supervisor gives enough time to discuss on your performance during the appraisal period					
1.7.	Appraisal/evaluation take place at regular intervals and at appropriate moments					
1.8.	Performance appraisal is perceived as a developmental tool to improve team and organizational performance					
1.9.	You used to evaluate performance dimensions for which you have sufficient information only					
1.10.	Performance appraisals are based on job standards					
1.11.	You always evaluate your employees based on data tracked on business targets and behaviors demonstrated by the employees					
1.12.	The performance appraisal system is effective in promoting quality work, fairness, and unbiased					

1. Are there any challenges/weaknesses with the Bank's performance appraisal system as part of the overall employee performance management? Yes No

2. If your answer to item no. 2. is Yes, please specify them;

4. How do you see the fact that the same appraisal format/rating standard is used across all process and to all employees irrespective of the type of task they are accomplishing? _____

5. What do you recommend in this regard? _____

Part V. Questions in relation to Rewarding and Improving

NO.	ITEM	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.1.	Good performance is rewarded					
1.2.	Mechanisms are put in place to address poor performance					
1.3.	There are different mixes of rewarding mechanisms					
1.4.	Appraisal results are being used for important human resource decisions					
1.5.	enough to be used for important human resource decisions					
1.6.	Differences in performance are recognized in a meaningful way					
1.7.	Employees have feeling of personal empowerment with respect to work process					
1.8.	Employees are recognized for their high performance					
1.9.	Pay raises depends on how well employees perform their jobs					
1.10.	Differences in performance are recognized in a meaningful way					

2. Are there any challenges/weakness with the Bank's Rewarding and Improving system as part of the overall employee performance management? Yes No

3. If your answer to item no. 2. is Yes, please specify them;

Part VI: Questions in relation to the performance management as it applies to you as a line manager in your organization

NO.	ITEM	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1.1.	Performance management helps you to motivate your people					
1.2.	Performance management helps you to develop the skills and capabilities of your team					
1.3.	Performance management helps your team to perform better					
1.4.	Performance management helps you to communicate to your team what is expected of them					
1.5.	You are comfortable with conducting performance review					
1.6.	You have been adequately trained to get the best out of the performance management process					
1.7.	You have no difficulty in agreeing objectives or performance standards with individual members of your team					
1.8.	The time you spend on performance reviews is worthwhile					
1.9.	The documentation associated with performance management is clear and helpful					
1.10.	The current performance management system works well and does not need to change					
1.11.	The quarter and annual appraisals support the organization to distinguish good and poor performance in the organization					

Part VII. General Comments

1. Do you think that all line managers are executing employee performance management as part of the everyday work? (Please take note that line managers are all operational managers whose primary responsibility is managing their specific area).

A. Yes B. No

2. If your answer for item no. 1 is yes, please specify why responded yes;

3. If your answer for item no. 1 is No, please specify why you responded No;

4. What comments/suggestions (any type of reflection) do you have regarding the implementation of the employee performance management, and the involvement of top management, line managers and employees in effectively executing it?
