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Assessment of Performance Management Practice of
World Vision Ethiopia

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ABBREVIATIONS

ADP	Area Development Program
CFP	Coaching for Performance
FY	Fiscal Year
HR	Human Resource
HRIS	Human Resource Information System
LEAP	Learning Evaluation Accountability Planning
NO	National Office
P&C	People & Culture
PAS	Performance Appraisal System
PMs	Performance Management System
SPSS	Statistical Package for the Social Sciences
WVE	World Vision Ethiopia

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As thesis research advisor, I hereby certify that I have read and evaluated this thesis prepared, under my guidance, by **Alela Sertsu** Entitled “**Assessment of performance management practice of World Vision Ethiopia**”. I hereby recommend it to be submitted as fulfilling the thesis requirements.

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ABSTRACT

Performance management is the system of maintaining or improving the job performance of employees through the use of performance planning processes, along with coaching, mentoring and providing continuous feedback. The aim of this study was to assess the performance management practices of World Vision Ethiopia. The study applies to only national office staff of World Vision Ethiopia. Descriptive research design was applied using both qualitative and quantitative approach. The study used stratified sampling techniques and collected primary data from 136 staff through questionnaire. SPSS 16 version was used to process the primary data. Interview was also conducted with key human resource staff. It was found that staff has clear understanding of strategic mission and there exists participatory performance management environment. However, those in higher positions seems to be relatively better satisfied with the performance management practice as compared to those in the lower positions. Staff confirmed that performance results have helped them to improve performance and there exists goal alignment, however, staff development still needs attention. The issue of WVE having open and transparent environment is also questionable. WVE in general has areas of improvement in; considering factors hindering performance during appraisal, using performance results for promotion and advancement, and equipping managers to provide individualized recognition. Finally, WVE management should be a model by seeking feedback and coaching from others and find opportunities to create space for openness, transparency and clear communication to flow smoothly in all direction to get the desired result of performance management.

Key words: performance management, feedback, performance assessment, performance appraisal

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

All organizations, profit making business organizations and non-profit making organizations are basically social systems. The effective functioning of these organizations depends on how people work or behave in the organization. Human resources management is the process of integrating the human resource and organization together to ensure that the individual and collective goals are closely aligned (Robert B. Denhardt, 1996). Performance management as one of the aspects of human resource management is a process of advancing the performance of the organization to the higher expectation by developing the performance of individuals and teams in a systematic way. It is the process of cascading the goal of the organization down to teams and individuals with the aim of getting better result (Armstrong, 2009).

Performance Management is an integral component of HRM and represents an important system for managers to help staff to achieve goals which are important to an organization. According to Armstrong and Baron (2000), performance management is a strategic and integrated approach to delivering sustained success to organizations by improving performance of the people who work in them and by developing the capabilities of teams and individuals contributions.

Performance appraisal can be defined as the formal assessment and rating of individuals by their managers at, usually, an annual review meeting. In contrast, performance management is a continuous and much wider, more comprehensive and more natural process of management that clarifies mutual expectations, emphasizes the support role of managers who are expected to act as coaches rather than judges and focuses on the future (Armstrong, 2006). Performance management includes many other practices besides performance appraisal, like employee performance improvement, performance development, training, cross-training, challenging assignments, career development or coaching.

According to Hansen (2002), there have been two approaches to performance appraisal. Traditional approach is primarily concerned about the overall organization and has been involved with past performance, while developmental approach viewed the employees as individuals and has been looking

forward through the use of goal setting. Performance appraisal using traditional approach was used for promotion, feedback to employees, administrative purposes like reward decisions. Developmental approach performance appraisal adds to those additional purposes, like providing employees the opportunity to formally indicate the direction of the employee's ambition, showing organizational interest in employee development and providing satisfaction and encouragement to the employee who has been trying to perform well.

Organizations have been focusing their attention on performance management as a way to improve organizational performance and productivity (Boxall & Purcell, 2003; Buchner, 2007). Indeed, there exist several major problems with PM systems. For example, they hinder business results due to administrative burdens, managers and employees are reluctant to communicate candidly during performance reviews and discussions, and subjective feedback as well as feedback that is not provided in a timely manner prevent accurate performance assessment (Pulakos, Mueller-Hanson & O'Leary, 2008).

In addition, according to Lisa, Stacia, & Andy, 2014, companies worldwide are questioning their forced-ranking, rigid rating systems and once-a year appraisal process. Only 8% of companies report that their performance management process drives high levels of value, while 58 percent said it is not an effective use of time. Leading organizations are scrapping the annual evaluation cycle and replacing it with ongoing feedback and coaching designed to promote continuous employee development. A forced bell curve diminishes the value of the top performers and pushes many mid-level performers into the bottom. In the process, it inadequately rewards top performers and fails to motivate middle-of-the-road employees.

Nevertheless, the performance appraisal process is viewed as a key management tool that can enhance the development, communication and implementation of an organization's strategy, yet critics still debate the benefits. Muczyk and Gable (1987, cited in Petlijohn, 2001), state that organization's success or failure can often be determined by ways in which employee performance is managed. On the other hand, appraisal can motivate staff by clarifying objectives and setting clear future objectives with provision for training and development needs to establish the performance objective. These conflicts with assessing past performance and distribution of rewards based on past performance (Bach, 2005). Yet, appraisal results are directly or indirectly linked to remuneration in many organizations. That

means, the better performing employees get pay increases, bonuses and promotions while those poorer might get some counseling, or in extreme cases, demotion, dismissal or decreases in pay.

World Vision is an international Christian relief and development organization founded in 1950 and began its first intervention in Ethiopia in 1971 with relief. Relief, rehabilitation and small community development projects dominated the decade that followed. During the 1984/85 drought, World Vision Ethiopia participated in a massive relief operation that saved the lives of millions of people. ‘Coaching for performance’ is the term used by World Vision for performance management system. Coaching for performance (CFP) is a performance management system for managers and staff to use which features achieving results, while developing people to be the best they can be. This system is formally performed three times annually during agreement, mid-year review and end year review. Since fiscal year 2013, the organization uses performance results for merit based pay depending on the budget availability.

On the other side, at the end of fiscal year 2015, the turnover rate of the World Vision Ethiopia was 14%(WVE HRIS report, 2015) . Literature suggests that if performance differences are obvious and measurable but unrewarded, high performing individuals may leave or lose motivation (Gerhart & Rynes, 2003, p. 260). If the performance management system is believed to be biased, irrelevant or political, that could be a source of dissatisfaction with the system. It is not unusual that most employees perceive performance appraisal as evaluative in which case they consider it as a tool of punishment for unfavorable performance, even as a threat to their stay with the organization, than as one that aims at stimulating better future performance through enabling employees to learn from their past mistakes so that they contribute their best to the good of both parties in the future. It is assumed that performance related problems would be among one of the reasons underlying the frequent staff turnover and dissatisfaction that some staff are experiencing.

Therefore, knowing the practice and employee opinions with the system helps to analyze its effectiveness and efficiency in light of the performance management system and relevant literature. If effectiveness and efficiency is impaired the organization cannot meet its goals and objectives. These are practically, linked to the practice and problem with its employee’s performance management practice and needs to be investigated thoroughly by posing statement of the problems.

Background to World Vision

World Vision is an international Christian relief and development organization founded in 1950 and presently operating in over 100 countries. World Vision began its ministry in Ethiopia in the early 1970s and opened a national office in Addis Ababa in 1975. World Vision operated emergency response programmes during the 1984 famine, followed by a period of rehabilitation (1986-87) and a self-review that came up with the concept of Area Development Programmes (ADPs) as a model. World Vision Ethiopia has grown to become one of the biggest humanitarian and development organizations in Ethiopia. From the 1990s onwards, the integrated development approach of WV's ADP has ensured empowering, sustainable and transformational development across the nation. WV is currently delivering change for children through the 63 ADPs and a number of emergency and humanitarian responses, in partnership with the government, community, faith-based organizations and other stakeholders throughout Ethiopia.

World Vision Ethiopia has provided over \$1 billion over 40 years to support relief and development in the country. World Vision in general is what it is now because of a worldwide staff of more than 40,000, assisting approximately 100 million people in nearly 100 countries throughout Africa, Eastern Europe, the Middle East, Asia and the Americas. World Vision requires exceptional performance from its employees to accomplish this work. WV Ethiopia's 2016-2020 strategy outlines its continued commitments and aspirations toward child wellbeing. It is based on WV Ethiopia's accumulated experience over the last 40 years that have brought a meaningful and positive change in the lives of children and their communities. All national programs will align and contribute to the strategy goals as these will be cascaded down as Divisions, Departments, Cluster Programs and APs set their priorities.

With all this experience, the organization still continues to learn and respond in a changing world. The current One Plan One Region strategy for consolidated programming aims to increase visibility, improve government partnership and increase efficiencies for Area Development Programs and their projects. In order to assist WV staff achieve these and partnership goals, WV has outlined People & Culture (HR) Strategy. Performance management is one of the areas that applies to the 'Accountability' portion of the People & Culture Strategy. The strategic area of focus is to establish a strategically aligned culture of accountability through performance management. Hence, the performance management is a crucial area of focus that contributes to the effectiveness of the organization.

1.2. Statement of the Problem

Performance management system depends on the performance of an employee in terms of skill, knowledge and attitude. The more people are developed and able to work toward the strategy, the more they are important to the organization. According to Armstrong (2009), the main objective of performance management is to achieve the capacity of the employees to the full potential in favor of both the employee and the organization, by defining the expectations in terms of roles, responsibilities and accountabilities, required competencies and the expected behaviors.

World Vision (WV) is a leading organization in the world providing emergency and hunger relief, long-term community development programs, agricultural development assistance and leadership training. World Vision is what it is now because of a worldwide staff of more than 40,000, assisting approximately 100 million people in nearly 100 countries throughout Africa, Eastern Europe, the Middle East, Asia and the Americas. World Vision requires exceptional performance from its employees to accomplish this work. . In order to assist WV staff achieve these and partnership goals, WV has outlined People & Culture (HR) Strategy. Performance management is one of the areas that applies to the 'Accountability' portion of the People & Culture Strategy. The strategic area of focus is to establish a strategically aligned culture of accountability through performance management. Hence, the performance management is key area of focus that contribute to the effectiveness of the organization.

Therefore, World Vision Ethiopia in particular focuses on improving performance management culture of the organization. The introduction of the “merit pay” is an attempt by the world vision to link pay with performance. However, evidence from the US 2008 Federal Employee Viewpoint Survey shows that working in an organization that has a merit-based pay system consistently and negatively affects employees’ satisfaction with their pay, their organization, and their job. Perceptions about proper implementation of such systems are crucial to system success. According to Boswell and Boudreau (2000), perceptions of fairness of the system are important aspects that contribute to its effectiveness. If the Performance Appraisal System (PAS) is seen and believed to be biased, that may be a source of dissatisfaction with the system. Employee’s reaction to the performance appraisal system is a critical aspect of the acceptance and effectiveness of the system.

According to the preliminary interview, among the eight divisions, the majority of them used to bring up staff performance assessment disagreement and conflict cases to Human Resource (People & Culture) Division for guidance and solution. Especially during annual review, it was found that those staff who were rated as ‘needs improvement’ and ‘unsatisfactory’ tend to reveal their disagreement and disappointment to Human Resource (People & Culture) Division and symptom of employee’s dissatisfaction is exhibited afterwards in the workplace. On top of this, there might be a policy and procedure which clearly shows the steps, benefits and implementation process of performance management system; however, it only can be kept on paper as a policy unless it is converted into practice. Hence, this paper looks in to the practices of performance management which clarifies the significances of the study for the practitioners as well as organizations. Moreover, the student researcher hasn’t yet discovered any study on performance management practice of World Vision Ethiopia. All this is the rational for the student researcher to assess the practical implementation of the performance management system at World Vision Ethiopia.

Hence all this initiated the researcher to make it the focal point for this study as the researcher is also part and parcel of the organization working as administrative staff. However, the student researcher focuses on assessing the practice thereby look into employee opinions as it is related with job satisfaction. Job satisfaction is a good predictor of performance and a key measure of organizational effectiveness. Hence, this is time to understand practice and employee perception as it is critical for the effectiveness of the performance management system.

1.3. Research Questions

The general objective of the research was to assess performance management practice of World Vision Ethiopia. The specific research questions includes the following:

1. Do employees know the mission, vision, objectives and does the strategic mission align with individual’s performance objectives?
2. How are the planning, execution and assessment phases of performance management system carried out in WVE?
3. How do employees participate and benefit from the performance management practice?
4. How do managers give feedback and contribute to employees’ perceptions of performance management?

1.4. Objectives of the Study

The main objective of this project paper was to assess the performance management practice of World Vision Ethiopia (WVE) from the perspective of national office staff. The specific objectives include;

1. To assess employees knowledge of the prerequisites and goal alignment before implementation of performance management
2. To describe the practice of planning, execution, assessment phases of performance management.
3. To examine participation of employees and uses of performance management practice
4. To examine whether managers provide the necessary feedback and contribute for performance management

1.5. Significance of the Study

Performance management system is currently one of the strategic issues to bring about results. The paper focuses on World Vision Ethiopia (WVE) performance management. The paper will propose important recommendations and initiates the concerned organization to reassess its existing practices and put a renewed emphasis on this core human resource functions - performance management and administrative practices with a view to maximizing its benefits. Furthermore, the result of the study can be used as a ground for researchers to conduct further study on performance management.

1.6. Scope of the Study

Even though performance management system is applicable in all types of organization regardless of its size, nature and goal, the scope of this study is delimited to only the practice along with individual (employee) level focus of performance. For its manageability, the research limited itself to the study of performance management practice at the national office of World Vision Ethiopia. Thus, the applicability of the study result only applies to the National office. This is because the possibility of differences in practice that could arise from distance and diverse population at the remote Area Development projects. The reason for this includes researcher's capacity (financial and time) in order to include all staff. No distinction was be made between managerial appraisal and employee appraisal as the same tool is used in the organization.

1.7. Limitation of the Study

Due to geographical distance and capacity, the study finds it difficult to include emergency workers who actually work in the field. Lack of awareness among the respondents to fill out questionnaires with due care and return them on time were some of the limitations that the study faced while collecting the data from the respondents. In addition, the study is limited on assessing the current practice and analyzed responses with view from cumulative individual level of performance and understanding instead of team performance.

1.8. Definition of terms

Performance management: It is the system of maintaining or improving the job performance of employees through the use of performance planning processes, along with coaching, mentoring and providing continuous feedback (SHRM, 2012).

Key performance indicators (measures): KPI's are 'a set of measures focusing on those aspects of the organizational performance that are the most critical for the current and future success of the organization' (Parmenter, 2007).

Performance Evaluation: The activity used to determine the extent to which an employee performs work effectively (Ivancevich, 2004).

Coaching: is unlocking people's potential to maximize their own performance (Whitmore's, 1992)

1.9 Organization of the study

The study is composed of five chapters. The first chapter deals with the introductory part. Chapter two is the related literature where detailed discussion about the topic was undertaken. The third chapter will present the research methodology. In the fourth chapter, data presentation and analysis was discussed. The fifth and the final chapter covers the summary of major findings, conclusions drawn from the findings and recommendations.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Throughout this chapter, the researcher investigates the background of the research area and the organization. It will look at the performance management from its beginnings, where it is today and how it has advanced over time into a key talent management tool. It will also look at the most important features of the performance appraisal system and what elements are essential in implementing a successful appraisal system. It will also look at the relevant theories and models that have dominated research in these areas.

2.2 Performance Management

In most cases performance management system and performance appraisal are interlinked with each other. However, performance management system is the broader one which identifies measure, manage and develop performance of the human resource in an organization whereas performance appraisal is the sub set of performance management system in which we use it for evaluating the competence of employee"s (Robert N. and John R. 2013). According to Armstrong (2004), performance management is defined as a strategic and integrated approach to delivering sustained success to organizations by improving the performance of the people and by developing the capabilities of the teams and individual contributions.

When we say performance management is an integrated process, first it is linking of the organization objective with the teams and individual core competences as well as integration of different aspects of human resource management including, organizational development, human resource development, reward and recognition to ensure excellence in the management and development of people.

Robins (2007) defined performance management as an approach to creating a shared vision of the purpose and aims of the organization, helping each individual employee understand and recognize their part in contributing, to them, and in so doing manage and enhance the performance of both individuals and the organization.

Performance management is the set of interconnected practices which ensure that a person's overall capabilities and potential are appraised, so that relevant goals can be set for work and development and, through assessment, data on work behavior and performance can be collected and reviewed (Bratton and Gold, 2007).

2.3 Performance Appraisal and Performance Management

Before defining performance appraisal one has to know what Performance management is, therefore according to Armstrong (2009), Performance management is a systematic process for improving organizational performance by developing the performance of individuals and teams. It is a means of getting better results by understanding and managing performance within an agreed framework of planned goals, standards and competency requirements.

Performance can be defined as;

“What is expected to be delivered by an individual or a set of individuals within a timeframe. What is expected to be delivered could be stated in terms of results or efforts, tasks and quality, with specification of conditions under which it is to be delivered” (Kumari & Malhotra, 2012, p.78).

Armstrong (2006) defined Performance Appraisal as the formal assessment and rating of individuals by their managers at, usually, an annual review meeting. While The Chartered Institute of Professional Development (CIPD) have a more comprehensive and in-depth definition which argues that ‘Performance Appraisal is an opportunity for individual employees and those concerned with their performance, typically line managers, to engage in a dialogue about their performance and development, as well as the support required from the manager’ (CIPD, 2013).

Performance appraisal is not just about rating employees, Meenakshi (2012) identified that organizations carry out Performance Appraisal as a basis for administrative decisions such as promotion, allocation of financial rewards, employee development and identification of training needs. Fletcher (2004) believes that the general aims of Performance Appraisal also include Motivating staff, Succession planning and identifying potential, promoting manager-subordinate dialogue and formal assessment of unsatisfactory performance. However, Khan (2007) states that the fundamental objective of performance appraisal is to facilitate management in carrying out administrative decisions relating to promotions, firings, layoffs and pay increases. From carrying out the performance appraisal, management then has to make choices in relation to retention, future assignments and training and developmental needs (Hillman, 1990).

According to Obisi (2011), Organizational performance and its resultant efficiency and effectiveness can only be achieved when individuals are continuously appraised and evaluated. This explains why almost every organization carries out some form of performance appraisal either on its own or as part of their performance management system’.

The majority of recent literature on Performance Appraisal states that it needs to be carried out as part of a whole Performance Management system and none solely on its own. Performance Management can be defined as a systematic process for improving organizational performance by developing the performance of individuals and teams (Armstrong, 2006). Walters (1995) defined Performance Management as the ‘process of directing and supporting employees to work as effectively and efficiently as possible in line with the needs of the organization’. Williams (2002) believes the notion of Performance Management is creating a shared vision of the aims and purpose of the organization, helping each individual employee to understand and recognize their part in contributing to them, and thereby managing and improving the performance of both individuals and the organization.

Performance Appraisal plays a central role in Performance Management Systems; it is normally the vehicle behind which the organizational goals and objectives are translated into an individual’s objective. It also remains the primary way of discussing and acting on the development of the individual (Fletcher, 2004). When a part of performance management, appraisal is much more tightly linked with the larger business environment. Performance management has been seen to be more successful and brings a lot of benefits to an organization.

A study carried out by Fletcher and Williams (1996) in 9 UK organizations showed that features of performance management lead to organizational commitment and in particular, job satisfaction. Performance management systems are effective when they are based on goals that are jointly set and are driven by an organization’s business strategy (Lawler, Benson & McDermott, 2012). Performance Appraisal from a social-psychological perspective as opposed to the traditional tool for measurement is becoming more popular, viewing Performance Appraisal as a communication and social process.

2. 4 Brief overview of Performance Management

Performance management is not an appraisal event, but an ongoing process involving performance planning, feedback, evaluation and development. Performance management focuses on future

performance planning and improvement and personal development. It enhances teams and individual capacities (Armstrong, 2009). The phases of performance management are as follows;

a. Planning Phase

The performance planning phase refers to the confirmation of business performance goals, technical knowledge areas and behavioral competencies used to measure job performance. It involves identifying applicable performance criteria that link to the organizations business plan and defining success at varying levels of an organization. This process of performance planning is most effective when there is broad employee participation. This process requires the manager and the employee get together for a performance planning meeting where they discuss what the person will achieve over the next twelve months (the key responsibilities, goals and projects the person will work on) and how the person will do the job (the behaviors and competencies the organization expects from its staff) (Chingos & Marwick 1997; Grote, 2002). After performance planning, execution phase of performance management begins where the employee strives to produce the results and display the behaviors agreed on earlier as well as to work on development needs.

b. Implementation phase

This phase is ongoing throughout the performance period. The most significant aspect of this phase is the opportunity for enhancing communication throughout the performance period. According to Armstrong (2006), two of the main issues that may arise in the course of managing performance throughout the year are updating objectives and continuous learning. An inclusive element of the performance management system should involve all staff to ensure ownership of the system and enhance commitment of individuals to facilitate the implementation process. Both the employee and the supervisor are expected to be active participants in the assessment and evaluation processes.

c. Assessment phase

This phase typically occurs at the end of the performance period. Research and observation of real organizational behavior reveal that managers and employees alike, view performance management as a low priority, an unpleasant task to be avoided or both; and in practice goal setting, coaching and evaluation sessions are commonly late, rushed and incomplete or omitted altogether (Grote, 2002). Warner (2002) argues that organizations under use their performance management system because they become so focused on completing forms and reports that they lose sight of the real purpose behind the system.

2.5. Process of Performance Management

A performance management system is a set of interrelated activities and processes that are treated holistically as an integrated and key component of an organization's approach to managing performance through people and developing the skills and capabilities of its human capital, thus enhancing organizational capability and the achievement of sustained competitive advantage (Aguinis, 2009). As most authors has agreed on the meaning of performance management it is a continuous process that engages both the manager and an employee to set out how they can best work together to achieve the required results. As a result performance management system has its own process in order to execute the system effectively.

Even though there are different processes of performance management system indicated by different authors, the most common and concrete one is a process which encompasses the following phases which are pre-requisites, performance planning, performance execution, performance assessment and performance review. Each phase will be discussed briefly as follows.

2.5.1. Pre-requisites

Prior to implement performance management system every employees of the organization is expected to know the organization's vision, mission and strategic goals. If there is a lack of clarity regarding where the organization wants to go, or the relationship between the organization's mission and strategies and each of its unit ' s mission and strategies is not clear, there will be a lack of clarity regarding what each employee needs to do and achieve to help the organization get there (Aguinis, 2009).

2.5.2. Performance Planning

In performance planning stage employees should have clear knowledge of the performance management system (Aguinis, 2009). The supervisor and the employee should reach on consensus on what needs to be done and how it should be done. The performance planning cycle of performance management system is the first stage where employees will be enable to have a clear knowledge about the system. It is the first cycle where supervisor and employee meet to discuss and agree on what is to be done and how it is to be done by combining the result, behavior and development plan (Smither and London 2009).

By results we mean the outcomes that an employee must perform quality products and services with time in accordance to personal accountabilities. On the other hand, behavior is an important measure of

results on how employees do their job by discussing on competencies, which are measurable clusters of knowledge, skills, and attitudes that are critical in determining how results will be achieved. The third component of a planning phase is development plan. It is identifying areas of improvement and setting goals to be achieved in each area. It usually includes both results and behaviors. Such plans highlight an employee's strengths and the areas in need of development, and they provide an action plan to improve in areas of weaknesses and further develop areas of strength. And it helps employees to identify how continually learn and grow, to see the possibility of being better in the future and helps them to avoid performance problems faced in the past (Smither and London 2009).

To show the difference between result and behavior Dick Grote (2002) identified that, results include actual job outputs, countable products, measurable outcomes and accomplishment, and objectives achieved. It deals with what the person achieved. Whereas behaviors include competencies, skills, expertise and proficiencies, the individual's adherence to organizational values, and the person's style, manner and approach. Behaviors deal with how the person went about doing the job. According to Dick, performance planning is a discussion between supervisor and employee with the agenda of coming to agreement on individual's key job responsibilities, developing a common understanding of the goal and objective that needs to be achieved, identifying the most important competencies and creating an appropriate individual development plan (Dick Grote 2002).

While conducting the performance planning cycle, there are some responsibilities which will be expected both from the supervisor and the employee before the discussion and during the discussion. The responsibilities of the supervisor before the meeting is first to review the organization's mission, vision and values statement and department's goal, the second one is reading the individuals job description and thinking about the goals and objectives which the employees is expected to achieve in the appraisal period. The third and the fourth responsibilities of the supervisor is identifying the most important competencies and determining what consideration should be taken to the successfulness of performance in each area respectively. In addition to these during the meeting the supervisor will be responsible to discuss and come to an agreement with the individual on the most important competencies, key position responsibilities and goals and also he/she is responsible to come to an agreement on the development plan of an employee. On the other hand the employee has also the same responsibilities while conducting the performance planning stage in order to make the performance management system effective and successful.

2.5.3 Performance Execution

It is the process of implementing performance management. Employees endeavor to produce the results and display the behaviors agreed on as well as to work on development needs (Aguinis, 2009). Once the performance-planning phase has been completed, it's time to get the job done to execute the plan. For the individual, the critical responsibility in this phase is getting the job done achieving the objectives. Even if the line share of this phase will be taken by the employee, but the appraiser have also two major responsibilities: creating the conditions that motivate, and confronting and correcting any performance problems. In an effective performance management system, performance execution also includes a midterm review to ensure that performance is on track (Dick Grote 2002).

Smither and London has also mentioned the following responsibilities of supervisor in the execution stage of performance management system.

1. **Observation and documentation:** - it is an observation and documentation of employee's performance in a daily basis which helps to keep track of both good and poor performance.
2. **Updates:** - when there is a change in organizational goal, supervisors must update and revise the initial planned objectives, standards, key accountabilities and key competencies accordingly.
3. **Feedback:** - in order to improve performance, feedback should be provided regularly before the time of assessment and also supervisors should coach and mentor employees every time.
4. **Resources:** - without sufficient resource it is difficult for employees to achieve the planned objective. Thus supervisors have a responsibility of ensuring the availability of the necessary supplies and funding to perform the job properly.
5. **Reinforcement:** - supervisors must let employees know that their outstanding performance is noticed by reinforcing effective behaviors and progress toward goals. Also, supervisors should provide feedback regarding negative performance and how to remedy the observed problem. Observation and communication are not sufficient. Performance problems must be diagnosed early and appropriate steps must be taken as soon as the problem is discovered.

As the responsibility of supervisors was cited by Smither and London, Dick Grote talks about the responsibilities of employees as follows.

1. **Get the job done:** - performing the agreed objectives, competencies and development plan at the performance planning stage is solely the responsibility of the employee by carrying out them on a daily activity.

2. Solicit performance feedback and coaching: - even though giving feedback is the responsibility of supervisors, employees have to also ask for feedback on their performance and plead for coaching and mentoring while they face some problems in executing their day to day job.

3. Communicate openly with appraisers on progress and problems in achieving objectives: - at the performance execution stage, employees should feel free to communicate with their supervisors regarding their progress as well as problems while trying to achieve their objectives.

4. Update objectives as conditions change: - whenever there is a change in organizational objective, employees should update their objectives as well in order to comply with the new change.

5. Complete the development plan: - once employees put their development plan in the planning process, they have to complete it before the performance assessment stage. This is because without employees' development, performance management system is like a bird with one wing that does not able to fly.

6. Keep track of achievements and accomplishments: - employees should register their achievements and accomplishments while performing their job. This will help them to point out the major achievements at the time performance assessment with their supervisors.

7. Actively participate in the midterm review meeting: - this is the chance where employees can reach on an agreement with their supervisors about their performance in the past and the areas of improvement for the future.

2.5.4 Performance Assessment

In the assessment phase, both the employee and the manager are responsible for evaluating the extent to which the desired behaviors have been displayed, and whether the desired results have been achieved. Although many sources can be used to collect performance information (for example, peers or subordinates), in most cases the direct supervisor provides the information. This also includes an evaluation of the extent to which the goals stated in the development plan have been achieved. It is important that both the employee and the manager take ownership of the assessment process. The manager fills out his or her appraisal form, and the employee should also fill out his or her form. The fact that both parties are involved in the assessment process provides better information to be used during the review phase (Smither and London 2009).

When both the employee and the supervisor are active participants in the evaluation process, there is a greater likelihood that the information will be used productively in the future (Aguinis, 2009). Specifically, the inclusion of self - ratings helps emphasize possible discrepancies between self-views and the views that important others (that is, supervisors) have. It is the discrepancy between these two views that is most likely to trigger development efforts, particularly when feedback from the supervisor is more negative than are employee self - evaluations. The benefit of self-appraisal is to reduce an employee's defensiveness during the assessment meeting and also in increase employee's satisfaction and trust in the performance management system. According to Dick as the time for the formal performance appraisal nears, the manager reflects on how well the subordinate has performed over the course of the year, assembles the various forms and paperwork that the organization provides to make this assessment, and fills them out. The manager may also recommend a change in the individual's compensation based on the quality of the individual's work (Dick Grote 2009).

Habitually, people think that performance appraisal is an event required by the personnel department in which the manager fills out the form and then uses it to give feedback which is totally wrong. Rather performance assessment is one of the most important processes in performance management system in which supervisors are assessing their subordinates regarding their performance in the past which lays a ground for keeping the strength and improving on the weaknesses and working on the development plan for the future. Managers often complain that evaluating someone's performance is difficult. The reason that they find it difficult is usually that they have not done a good job of performance planning at the beginning of the year. If a manager has not held a planning discussion at that time, it's difficult to evaluate performance at the end of the year. In the performance assessment stage supervisors have the following major responsibility which helps them to evaluate their subordinate effectively and fairly.

1. Review the original list of competencies, goals, objectives, and key position responsibilities:- since performance assessment is made based on the goals, objective and competencies listed in the performance planning stage, supervisors should review them so as to cascade the assessment from them.

2. Prepare a preliminary assessment of the employee's performance over the entire year: - it helps to have a clear picture on the performance of the employee while accomplishing their planned objective as well as achieving organizational goal.

- 3. Review the individual's list of accomplishments and the self-appraisal:** - assessing the accomplishment made by the employee and referring to self-appraisal will help supervisors to remind every accomplishments and failure so as to make an accurate evaluation accordingly.
- 4. Prepare final assessment of the employee's performance:** - after reviewing the data gathered through self-appraisal, peer appraisal and self-evaluation made by supervisors, the final assessment should be prepared with fair judgment.
- 5. Write the official performance appraisal using the appraisal form**
- 6. Review the appraisal with the manager and obtain concurrence:** - the assessment filled on the appraisal form should be reviewed by the higher supervisors in order to cross check the fairness of the evaluation.
- 7. Determine any revisions needed to the employee's key position responsibilities, goals, objectives, competencies, and development plans for the next appraisal period:** - based on the past performance point out the areas which needs revision on the responsibilities, objectives, goals, competencies and development plans. This is highly appreciated when performance gap is identified.
- 8. Prepare for the performance review meeting:** - employees and supervisors should have a meeting to talk about the assessment as well as performance review for the next period.

Likewise individuals have also the above stated responsibilities in the performance assessment phase of the process.

2.5.5 Performance Review

The performance review stage involves discussion between the employee and the manager to evaluate their assessments (Aguinis, 2009). This meeting is usually called the appraisal meeting or discussion. The appraisal meeting is important because it provides a formal setting in which the employee receives feedback on his or her performance. In spite of its importance in performance management, the appraisal meeting is often regarded as the most difficult of the entire process because many managers are uncomfortable providing performance feedback, particularly when performance is deficient. This high level of discomfort, which often translates into anxiety and the avoidance of the appraisal interview, can be mitigated through training those responsible for providing feedback (Smither and London 2009).

Providing feedback in an effective manner is extremely important because it leads not only to performance improvement but also to employee satisfaction with the system. At this point, however, let's emphasize that people are apprehensive about both receiving and giving performance information, and this apprehension reinforces the importance of a formal performance review as part of any performance management system.

The performance review meeting is the basis for assessing the three key elements of performance (the three Cs), namely contribution, capability and continuous development. Such meetings are also the means through which the five primary performance management elements measurement, feedback, positive reinforcement, exchange of views, and agreement can be put to good use. A performance review should be rooted in the reality of the employee's performance. The latter is concrete, not abstract, and it allows managers and individuals to take a positive look together at how performance can become even better in the future and how any problems in meeting performance standards and achieving objectives can be resolved. Individuals should be encouraged to assess their own performance and become active agents for change in improving their results. Managers should be encouraged to adopt their proper enabling role (Armstrong 2000).

There should be no surprises in a formal review if performance issues have been dealt with as they should have been, namely as they arise during the year. In one sense the review is a stocktaking exercise, but this is no more than an analysis of where those involved are now, and where they have come from. This static and historical process is not what performance management is about. The true role of performance management is to look forward to what needs to be done by people to achieve the overall purpose of the job, to meet new challenges, to make even better use of their knowledge, skills and abilities, and to help them to develop their capabilities and improve their performance. This process also helps managers to improve their ability to lead, guide and develop both individuals and teams for whom they are responsible (Armstrong 2000).

Among different objective of performance review the followings are some of them which can be mentioned as the most important one (Smither and London 2009).

- It gives motivation to provide positive feedback, recognition, praise and opportunities for growth; to clarify expectations; to empower people by encouraging them to take control over their own performance and development.
- It encourages development by providing a basis for developing and broadening capabilities relevant both to the current role and any future role that the employee may have the potential to carry out. Note that development can be focused on the current role, enabling people to enlarge and enrich the range of their responsibilities and the skills they require, and to be rewarded accordingly. This aspect of role development is even more important in flatter organizations, where career ladders have shortened and where lateral progression is likely to be the best route forward.
- It gives a chance for communication to serve as a two-way channel for talking about roles, expectations (objectives and capability requirements), relationships, work, problems and aspirations.

Smither and London (2009) in their book “Performance Management” indicates the following six recommendations for conducting an effective performance reviews.

1. Identify what the employee has done well and poorly by citing specific positive and negative behaviors.
2. Solicit feedback from the employee about these behaviors. Listen for reactions and explanations.
3. Discuss the implications of changing, or not changing, the behaviors. Positive feedback is best, but an employee must be made aware of what will happen if any poor performance continues.
4. Explain to the employee how skills used in past achievements can help him or her overcome any current performance problems.
5. Agree on an action plan. Encourage the employee to invest in improving his or her performance by asking questions such as “What ideas do you have for?” and “What suggestions do you have for?”
6. Set up a meeting to follow up and agree on the behaviors, actions, and attitudes to be evaluated.

While carrying out performance review supervisors have seven primary responsibilities (Dick Grote 2002)

1. Review the agenda and time frame for meeting
2. Review and discuss the performance appraisal and the individual’s achievements list
3. Listen and respond appropriately to the individual’s perceptions and feedback
4. Discuss your assessment of the individual’s performance against objectives over the entire cycle, especially strengths/achievements, weaknesses/deficiencies and development needs
5. Ensure full understanding of the core message
6. Conclude the performance review discussion by scheduling the performance-planning meeting to plan next year’s performance
7. Handle all administrative requirements

Just as the manager has responsibilities, so too does the individual. There are six primary ones:

1. Discuss the achievements list that an employee wrote
2. Discuss the achieved one against the development plan
3. Compare the assessment of own performance with that of the appraiser.
4. Seek clarification for any assessments or examples that are unclear.
5. Consider how the appraiser’s feedback will influence the performance plan for the upcoming appraisal period.
6. Listen and respond appropriately to the appraiser’s perceptions and feedback.

2. 6. Uses of Performance Management

The whole purpose of performance management is to get better results from the organization, teams and individuals by understanding and managing performance within an agreed framework of planned goals, standards and competency requirements. It is a process for establishing shared understanding about what is to be achieved, and an approach to managing and developing people in a way which increases the probability that it will be achieved in the short and longer term. The fundamental goal of performance management is to establish a culture in which individuals and groups take responsibility for the continuous improvement of business processes and for their own skills and contributions (Smither and London 2009).

Performance management as a system can serve as a pillar for the development of individuals, teams and organization in a way that they intend to get to the desired goal. Performance management system has many purposes but the major ones are discussed below (Smither and London 2009).

Strategic: It links the organization's goals with individual goals, thereby reinforcing behaviors consistent with the attainment of organizational goals.

Administrative: It is a source of valid and useful information for making decisions about employees, including salary adjustments, promotions, employee retention or termination, recognition of superior performance, identification of poor performers, layoffs, and merit increases.

Communication: It allows employees to be informed about how well they are doing, to receive information on specific areas that may need improvement, and to learn about the organization's and the supervisor's expectations and what aspects of work the supervisor believes are most important.

Developmental: It includes feedback, which allows managers to coach employees and help them improve performance on an ongoing basis.

Organizational maintenance: It yields information about skills, abilities, promotional potential, and assignment histories of current employees to be used in workforce planning as well as assessing future training needs, evaluating performance achievements at the organizational level, and evaluating the effectiveness of human resource interventions (for example, whether employees perform at higher levels after participating in a training program).

Documentation: It yields data that can be used to assess the predictive accuracy of newly proposed selection instruments as well as important administrative decisions. This information can be especially useful in the case of litigation. And also for Dick Grote performance management system has so many purposes like, providing feedback to employees about their performance, determining who gets promoted, facilitating layoff or downsizing decisions, encouraging performance improvement, motivating superior performance, setting and measuring goals, counseling poor performers, determining compensation changes, encouraging coaching and mentoring, supporting manpower planning or succession planning, determining individual training and development needs, determining organizational training and development needs, confirming that good hiring decisions are being made, providing legal defensibility for personnel decisions and improving overall organizational performance (Dick Grote 2002)

Performance appraisal in particular is a vital component of a broader set of human resource practices; it is the mechanism for evaluating the extent to which each employee's day-to-day performance is linked to the goals established by the organization (Coutts and Schneider, 2004). According to Armstrong (2000), a PA function is a continuous and evolutionary process in which performance improves over time. It provides the basis for regular and frequent dialogues between managers and individuals about performance and development needs based on feedback and self-assessment. It is mainly concerned with individual performance but it can also be applied to teams.

According to Gomez-Mejia (2001), Organizations usually conduct appraisals for administrative and/or developmental purposes. Performance appraisals are used administratively whenever they are the basis for a decision about the employee's work conditions including promotions, termination and rewards. Development uses of appraisal which are geared toward improving employees' performance strengthening their job skills, including counseling employees on effective work behaviors and sending them for training. The major functions of PA are to give employees feedback on performance, to identify the employees' developmental needs to make promotion and reward decisions, to make demotion and termination decisions and to develop information about the organizations selection and placement decisions, as Nelson and et al. (1997) and Mondy, Noe and Premeaux (1999) discuss the PA purpose as performance appraisal data are potentially valuable for use in virtually every human resource functional areas such as:

- a) Human Resource Planning
- b) Recruitment and selection
- c) Training and development

- d) Career planning and development
- e) Compensation programs
- f) Internal employee relation
- g) Assessment of employee potential

2.6 Basic Factors for Successful Implementation of Performance Management

- Change Management

According to Armstrong (2009), change management is defined as the process of achieving the smooth implementation of change by planning and introducing it systematically, taking into account the likelihood of its being resisted.

- Alignment of Strategic plan with all other Management Systems

Alignment can be attained by cascading process so that objectives flow down from the top and at each level team or individual objectives are defined in the light of higher level goals. Performance management is a “continuous process of identifying, measuring, and developing the performance of individuals and teams and aligning performance with the strategic goals of the organization” (Aguinis, 2009).

- Organizational Leadership and Culture

Basically performance management system are manifestations of and powerful mechanisms for supporting the organization’s work culture. Therefore, any discussion of performance management system would be incomplete before exploring the meaning/context of culture, and its impacts on performance management system enabling one to suggest the type of culture that supports identification and development of an appropriate culture to an organization. Culture management will involve influencing behavior, attitudes and beliefs through process (Blunt and Jones, 1992). Armstrong and Baron (2002) stated that when culture matches as there is no one best way would contribute much for high performance, quality, involvement, openness, ease of communication and mutual trust that will serve as leverage for change if management is ready to subscribe and act.

- Awareness and Training

The performance management system should ensure that a development goal (preferably one) is identified for each individual, and a forward looking action plan is documented for how to get there. In

other words, the requirement is that managers, with their teams and the individual members of their team, should consciously agree on the lessons learnt from experience and how this experience could be put to good use in the future (Armstrong 1996).

- Recognition and Reward

Reward helps to attract and retain the high quality people the organization needs. It provides motivation for people and obtains their engagement and commitment, besides it develops a high- performance culture. Reward provides the right things to convey the right message about what is important in terms of behaviors and outcomes. (Greer, 2001). Rewards in various forms; bonus plans, recognition, the job itself and incentive system have all been shown to be more or less effective in different circumstances. Much of their effectiveness has been contingent on the ability to link individual or team performance to meaningful rewards and to provide those rewards in a timely fashion (James W. Smither and Manuel London, 2009).

- Communication

A performance management system can be an excellent communication device. Employees are informed about how well they are doing and receive information on specific areas that may need to be improved. Also, related to the strategic purpose described above, performance management systems are a conduit to communicate the organization 's and the supervisor 's expectations and what aspects of work the supervisor believes are most important. (James W. Smither and Manuel London, 2009).

- Flexibility and Simplicity

Performance management system should operate flexibly to meet different circumstances of the organization, and have to be accepted by all staff as a natural component of good management and work practice, transparent and operate fairly and equitably (Armstrong and Baron, 2002).

- Participation of staff and shared understanding of strategic mission

As an inclusive element the PMS should involve all staff to ensure ownership of the system and enhance commitment of individuals to facilitate the implementation process. Moreover commitment of staff will enhance organizational capacity by minimizing inefficient and ineffective processes (Armstrong and Baron 2002). The mission statement, goals, and strategies at the organizational level served as the foundation for developing the strategies for individual departments and units (James W. Smither and Manuel London, 2009). In addition, procedures, relevant resources and information management should be availed for sound performance management program.

2.7 Effective Performance Appraisal

From reviewing the literature, there appears to be no one single best method of Performance Appraisal, although there are certain common elements throughout all effective methods. ‘Effective performance appraisals are commonly associated with clear goals that are attached to specific performance criteria and are well-accepted by both appraiser and appraise’ (Mustapha & Daud, 2012). All effective performance appraisals include elements such as linking appraisal to rewards, the supervisor and employee working together to identify goals, performance goals clearly defined, feedback given to the appraiser on their effectiveness and compliance with legal requirements (Rankin & Kleiner, 1988).

Aguinis, (2005) indicated that performance management system usually include measures both behaviors (what an employee does) and results (the outcomes of an employee’s behavior). In order to realize the purpose of performance appraisal, organizations should carefully design appraisal system and implement accordingly. According to Gomez-Mejia (2001), the first step in the performance appraisal process is identifying what is to be measured. This process seems fairly simple at first glance. In practice, however, it can be quite complicated. Identification of performance dimensions is the important first step in the appraisal process. If a significant dimension is missed, employee morale is likely to suffer because employee who do well on that dimension is missed, employee will not be recognized or rewarded. If an irrelevant or trivial dimension is included, employees may perceive the whole appraisal process as meaningless. The Second step in performance appraisal process is measuring employee’s performance. Measuring employee performance involves a number to reflect an employee’s performance on the identified characteristics or dimensions. Technically numbers are not mandatory. Label such as “Excellent”, “Good”, “average” and “Poor might be used instead.

The third step in performance appraisal is managing performance. The effective management of human performance in organizations requires more than formal reporting and annual rating. A complete appraisal process includes informal day to day interaction between managers and workers as well as formal face to face interviews. Although the ratings themselves are important, even more critical is what managers do with them.

Smither and London (2009) in their book “Performance Management” indicates the following six recommendations for conducting an effective performance reviews.

1. Identify what the employee has done well and poorly by citing specific positive and negative behaviors.
2. Solicit feedback from the employee about these behaviors. Listen for reactions and explanations.

3. Discuss the implications of changing, or not changing, the behaviors. Positive feedback is best, but an employee must be made aware of what will happen if any poor performance continues.
4. Explain to the employee how skills used in past achievements can help him or her overcome any current performance problems.
5. Agree on an action plan. Encourage the employee to invest in improving his or her performance by asking questions such as “What ideas do you have for?” and “What suggestions do you have for?”
6. Set up a meeting to follow up and agree on the behaviors, actions, and attitudes to be evaluated.

2.8 Employee Perception

‘The success of any HR intervention in organization is heavily dependent on employees’ perception of that intervention’ (Rahman & Shah, 2012). For performance appraisal to be effective and useful, it is vital that those taking part, the appraiser and the appraisee, are both benefiting from it and find the procedure a productive tool, as without this, it would be impossible for the system to work.

According to Armstrong (2009), Perception is the intuitive understanding, recognition and interpretation of things and events. Behavior will be influenced by the perceptions of individuals about the situation they are in. The term ‘psychological climate’ has been coined to describe how perceptions give the situation psychological significance and meaning. Therefore, the perception of employee about their performance management practice depends upon their understanding of themselves and interpretation of their own.

Employees' thoughts of performance appraisal systems could be as important to the continuing success of the system as reliability and validity (Dipboye and Pontbriand, 1981). Employee perceptions of the fairness of their performance appraisals are useful in determining the success of performance appraisal systems (Erdogan, Kraimer & Liden, 2001). Fletcher (2004) listed the three things that employees being appraised looked for in a performance appraisal, these are: perceiving the assessment as accurate and fair, the quality of the existing relationship with the appraiser and the impact of the assessment on their rewards and well-being.

According to Cawley (1998), subordinates reactions to Performance appraisal can be a way of measuring their outlook towards the system. The main reactions that can be assessed are their

satisfaction from the appraisal, the utility, whether they felt they were fairly appraised, how motivated they were from the appraisal and the accuracy of the system.

“Performance appraisal isn't about the forms. The ultimate purpose of performance appraisal is to allow employees and managers to improve continuously and to remove barriers to job success, in other words, to make everyone better. Forms don't make people better, and are simply a way of recording basic information for later reference. If the focus is getting the forms "done", without thought and effort, the whole process becomes at best a waste of time, and at worst, insulting”(Bacal, 1999). From her studies, she found that for performance appraisal to be effective the system should be confidential, informative, have clear guidelines and be educative. In order to have effective appraisal, the process must be embedded completely throughout the organization where the values shape part of the fabric of the everyday life of the workplace (Piggot-Irvine, 2003).

As previously mentioned Rankin & Kleiner (1988) believed that effective performance appraisals have six key factors. These six factors are:

- Performance goals must be specifically and clearly defined.
- Attention must be paid to identifying, in specific and measurable terms, what constitutes the varying levels of performance.
- Performance appraisal programs should tie personal rewards to organizational performance.
- The supervisor and employee should jointly identify ways to improve the employee's performance, and establish a development plan to help the employee achieve their goals.
- The appraiser should be given feedback regarding his/her effectiveness in the performance appraisal process.
- The performance appraisal system, regardless of the methodology employed, must comply with legal requirements (notably, Equal Employment Opportunities guidelines).

Having both the manager carrying out the appraisal and the employee setting goals mutually is crucial for the effectiveness of the performance appraisal. This can ensure that the employee will work harder to reach these goals as they participated in setting them initially. Folger (1987), as cited by Roberts (2003) stated that the participation of employees in the appraisal system gives employees a voice and empowers them to rebut ratings or feedback that they are unhappy with.

Pettijohn, Pettijohn, Taylor & Keillor (2001) identify participation and perceptions of fairness as integral to employees' perceptions of job satisfaction and organizational commitment. They conclude that Performance Appraisal Systems can be used to actually improve employees' levels of job satisfaction, organizational commitment, and work motivation.

2.9 Challenges of Performance Management

First, the challenges on the management style of entrepreneurship, market orientation, learning orientation and organizational flexibility have existed (Barrett, Balloun & Weinstein 2005). Secondly, top management involvement would help to promote the restructuring of the business organization and to expedite the management of change that would also occur in the organization (Chakrabarty & Tan 2007). This supports the fact that top management commitment or leadership has been one of the challenges that has been indicated to be critical for successful implementation of performance.

According to Johnson & Swisher (2003), training and awareness have been found to play a vital role in ensuring the success in the performance management implementation. Thus, another part of challenge has been training and awareness in the acceptance and effective implementation of performance management. Cultural aspects has also been major area that requires attention from management of the organization. Cultural changes could have major impact on any implementation of performance metrics (Coronado & Anthony, 2002). According to Coronado and Anthony (2002), one of the critical success factors in the performance metrics implementation has to be the satisfaction of the customers and the quality characteristics have been found to be emphasized upon. According to Sparrow and Hiltrop (1994), there are a number of reasons for the failure of performance management systems, including the following:

- The system is not used and supported by top management
- Line managers view the system as an administrative burden and do not see the benefits of energy invested in making the system work.
- Performance objectives are written so subjectively that measurement is not possible.
- Performance objectives set at the beginning of the year seem less important by end of the year if linked to certain projects that were not deemed critical success factors.
- Managers are unable to give feedback and deal effectively and constructively with the conflict generated by the assessment of employees' performance.

2.10 Critics of Performance Appraisal

Both researchers and management have worked for many years to try to find better ways to improve performance in organizations, however managing and evaluating performance is still a major challenge for the majority of managers today (Armstrong, 1994). Throughout the literature, there are many authors who feel that Performance Appraisal is a waste of time. Grint (1993) stated that ‘Rarely in the history of business can such a system have promised so much and delivered so little’.

According to Redman and Wilkinson (2009) the critics of Performance Appraisal believe it is an expensive process, that it can cause conflict between the appraiser and appraisee, is not hugely valuable and might also be debilitating the development of employee performance.

One thing that is common with the critics of Performance Appraisal is that they do not have a suggestion as to what should replace it, what can be introduced as an alternative. Instead of eliminating Performance Appraisal, organizations need to work on improving their system and make sure that it is effective. They need to reinvent, update and renew their performance appraisal procedures so that they are more compatible with the organization and its environment.

Wiese & Buckley (1998) state that ‘often, the goal of the rater is not to evaluate the performance of the employee, but to keep the employee satisfied and not to deleteriously influence employee morale’. This can lead to confusion as the goals of the manager and the organization are conflicting. If the manager is concerned with his own image and doesn’t want to give negative rating then this is differing from what the organization wants. It is vital that when trying to find ways to improve Performance Appraisal in organizations that they look at making sure the Performance Appraisal system is used as it was intended to be and teaching this to the management involved.

2.11 Empirical Literature Review

There were extensive empirical studies in relation to performance management system. Therefore, in this section the most selected and related empirical finding of related literatures were presented.

Mark J. Hooper and David Newlands (2009) carried out study on performance management: survey evidence of appraisal and evaluation from Libyan corporations revealed that the system did not identify their work strengths and weaknesses besides it considered that their system is not a proper tool for promotion and training. The current performance appraisal of the organization characterized by bias,

which negatively influenced employee's performance and it did not clarify how they can improve their performance. Again the study indicated that no effective feedback on their performance and lack of common implementation i.e. It showed that there were no smooth relationship between employees and management. Its working environment is a significant factor inducing low performance and assures that stressful responsibilities, conflicts, working overtime without allowances, limited resources and company rules and regulations negatively affected their performance. Similarly the study stated that they had never received any kind of formal training.

Hall (2002), reports that most American counties have institutionalized approaches for improving organizational performance. Performance management is one tool that provides idea for implementing Government Performance and Results Act (GPRA). GPRA is a law that focuses on interpreting strategies and resources to get the outcomes needed for unique missions. The focus of the GPRA through the President's Management Agenda (PMA) is a citizen-centered government that is accountable for results.

S. Machingambi, C. Maphosa, A. Ndofirepi, E. Mutekwe and N. Wadesango (2013) conducted an empirical study on Perceived Challenges of Implementing the Performance Management System in Zimbabwe high schools. The study found that lack of training on performance management (PM), abuse of the system by school heads, failure by school management to provide staff development programs, lack of meaningful reward as well as shortage of resources were the major obstacles affecting the implementation of performance management system. The study conducted by Hassan Danial Aslam (2010) on improving performance management practices in IT firms of Pakistan indicated that the organization needs to remind itself the crucial role of HR in employee's performance evaluation and development. The result of the research findings shown that there is high level of discomfort, job dissatisfaction or motivation is creating rigid gap between employees and management which is speedily leading the company towards performance decline.

M. Khasro Miah and Chowdhury Golam Hossan (2012) have conducted an empirical study on performance management system in UK retail industry found that implementation of performance management system is different what it is supposed to be. The top level management acknowledges that they are not good in implementing their employee performance management system and most of their

line managers are not trained enough to conduct the employee performance review. There is no performance management committee and no formal procedures for performance appraisal.

According to SHRM survey, the 2000 Performance Management Survey showed that performance management in organizations is evolving from a system dominated by the performance appraisal to a system that focuses on employee development. However, the transition is far from complete. Stronger executive support for performance management and increased employee participation in development activities is needed in order for performance management systems to truly become a tool to help attract and retain talent.

Reports from an Australian organization revealed that Performance Management System (PMS) had a more positive impact on performance than it did on employees. The work groups that were already performing well benefited from PMS, whereas those that were not, had a more negative attitude to PMS and was less positive about its impact on performance (Harper and Vilkinas, 2005).

Alwadael (2010) carried out a study on employee's perception of satisfaction with performance appraisal of electricity and water authority at kingdom of Bahrain and data were collected from 258 sample respondents. The descriptive finding of the study indicates that performance appraisal satisfaction is low with mean=2.66 and SD=1.14. This finding indicates that employees are dissatisfied in the existing performance appraisal system. Abdulkadir (2012) conducted a study on the effects of strategic appraisal, career planning and employee participation on organizational commitment at 24 Mega banks in Nigeria. A total of 57 questionnaires were distributed to the sampled 19 banks. The study finding indicates that there is a significant positive relationship between performance appraisal system and organizational commitment with correlation coefficient of 0.57.

Brief overview of performance management of World Vision

World Vision has a vision for every child, life in all of its fullness. Aligning the organization around the vision requires leaders who develop a ‘strategic mindset’ in all employees so that everyone takes greater pride and ownership of their work in an environment that prepares them for achieving their work goals.

World Vision coaching for performance is a system for managers and staff to use which features achieving results, while developing people to be the best they can be. Based on the model of Jesus and Biblical principles, coaching for performance features the empowerment of staffs to be responsible for their work and achieve sustainable outcomes. Prior to the major shifts in thinking, traditional system of performance have been viewed skeptically by some and negatively by others because of their perceived top down, adversarial, once –a –year focus, which often negatively impacts staff. By way of contrast, the ‘coaching for performance’ system provides a step up to principles that support a collaborative approach between staff and management to own, implement, monitor and review desired outcomes on a continuous basis.

Coaching for performance model is a cyclical process of ensuring that all staff performs to their maximum potential for the benefit of both the individual and organization. These desired results are achieved by creating a framework which;

- Clarified organizational, team and individual targets and objectives
- Provides regular coaching and feedback
- Identifies relevant development methodologies to meet needs.

A ‘one size fits all’ process can’t be universally applied to encourage staff to achieve their best results. However, common to all the approaches used is the core capability framework. In a coaching process, the manager’s task is to build the coaches' self-awareness and self-management ability. Role of Employee is to be attentive to feedbacks, make decisions, take successful actions & recognize their full potential for both. CFP is a collaborative process where managers and staffs are partners in process and staff s have voice in setting goals as they assume ownership of work. Staffs and managers’ review of the work occurs on an ongoing basis, where joint reviews allows clearer perceptions for process improvement and better results.

The Core Capabilities framework, the foundation of the coaching for performance process

The core capabilities framework (CCF) is a set of thirteen groups of related knowledge, skills, abilities and behaviors which world vision desires to see demonstrated in all staffs to some level of proficiency. As a result the CCF serves as a foundation for selecting, developing, and reviewing the performance of staff at world vision. The core capabilities assessment and development tool is used to conduct a baseline assessment of the employees' core capability strengths, job fit and development opportunities relevant to the position.

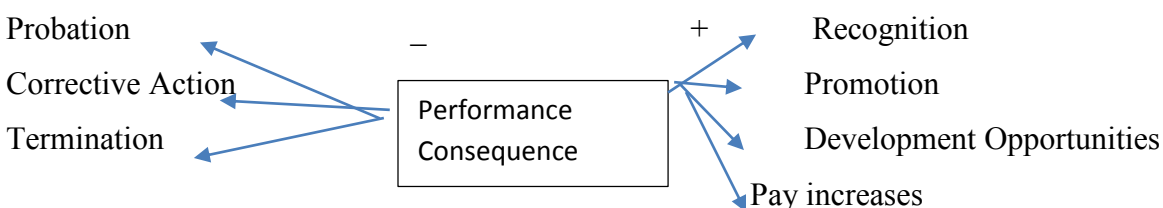
Phases of the coaching for performance cycle

The coaching for performance cycle encompasses an entire year. The annual review represents a comprehensive analysis covering 12 months of the fiscal year. A 5 point scale is used (outstanding, commendable, fully competent, needs improvement, unsatisfactory) to give an overall sense of how someone is doing. The process begins with the performance agreement, continues with interim feedback sessions, and concludes with the annual performance review. During the year, the manager may have conversations which turn into 'coachable moments' with staff. The key principles that form the foundation of the model and process for coaching for performance are listed below;

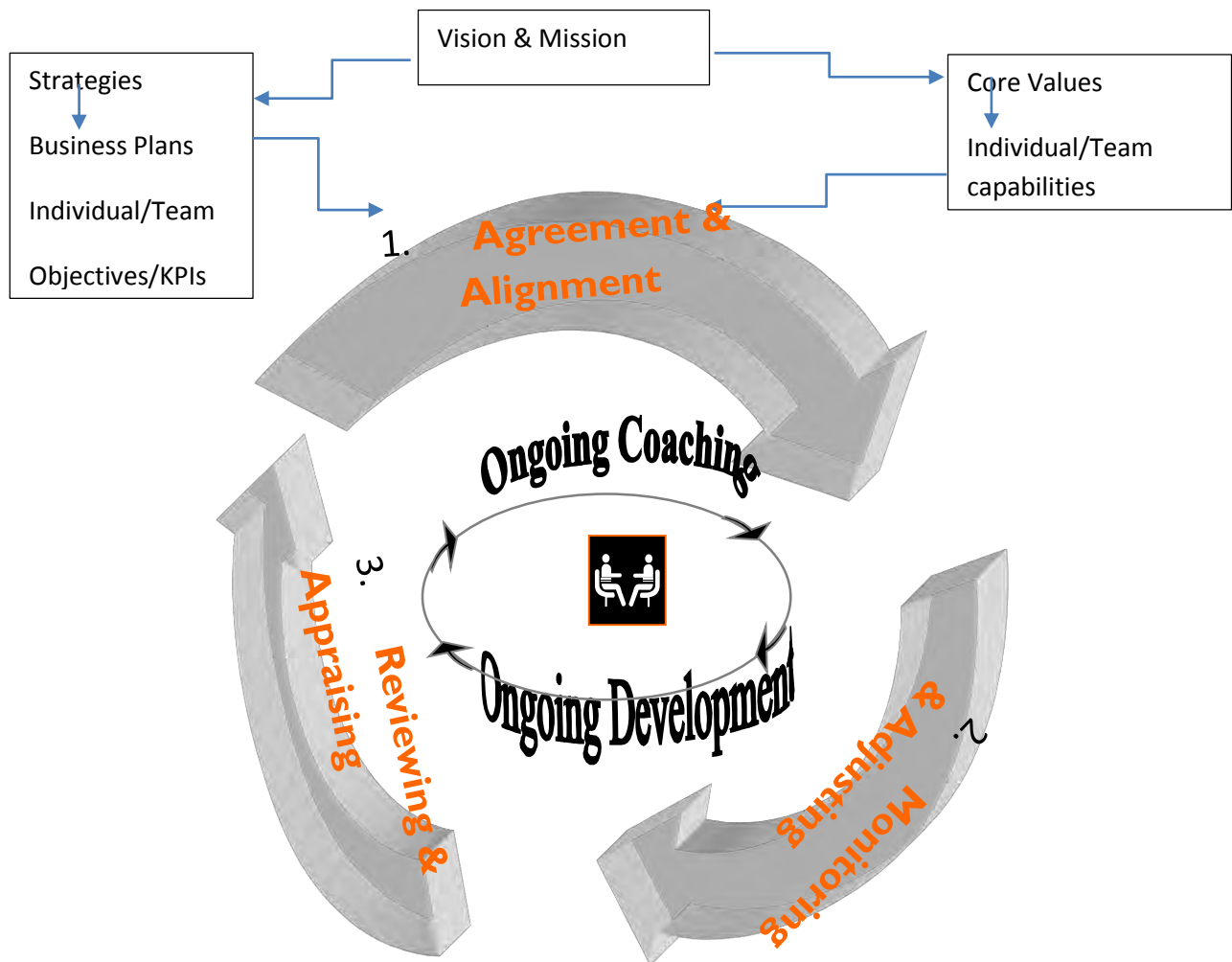
1. Improving Accountability
2. Self-Management and shared responsibility
3. An ongoing process, not an event
4. Starts with agreement
5. Results/outcomes focused
6. Includes core capability framework
7. Ongoing development is critical
8. Monitoring and feedback are continuous
9. Complete the loop by reviewing outcomes
10. Excellent performance is recognized; poor performance is addressed

Consequences for performance

A range of consequences exist for the manager to consider depending up on the level and quality of performance. Both excellence and poor performance need attention. Possible consequences are indicated below;



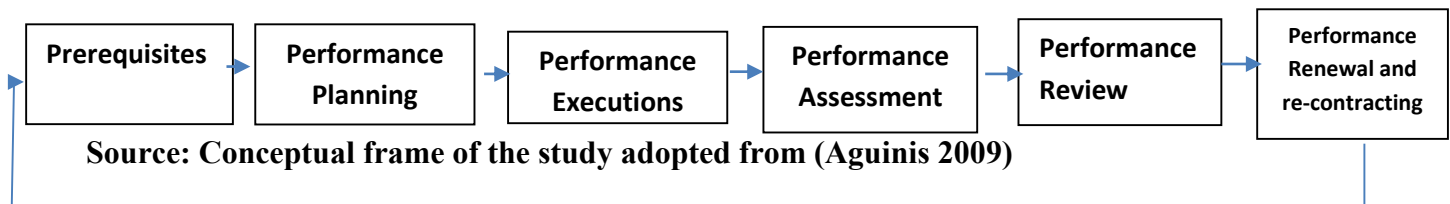
Below is the diagram of World Vision performance management model (Source: WVI PM, Partnership Management Policy Core Capabilities)



2.12 Conceptual Framework

Almost all the literature review and the existing ‘Coaching for performance’ model agree on areas that performance management is concerned with identification of organizational visions, missions and goals, bringing managers and employees on the same page towards the achievement of organizational strategic objectives/alignment, provision of coaching and periodic performance review, final performance evaluation, and attaching results with reward and/or punishment depending on the nature of result.

The variables under study have been represented diagrammatically to show the performance management as drawn from the literature review.



The process follows the following steps (Aguinis, 2009; Grote, 1996):

Stage 1: Prerequisites

There are two important prerequisites that 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.

Stage 2: Performance Planning

This performance planning discussion includes a consideration of (1) results, (2), behaviors, and (3) development plan.

Stage 3: Performance Execution

Once the review cycle begins, the employee strives to produce the results and display the behaviors agreed on earlier as well as to work on development needs. Supervisors have primary responsibility over the following issues: *Observation and Documentation, Updates, Feedback, Resources, Reinforcement*

Stage 4: Performance Assessment

Both the employee and the manager are responsible for evaluating the extent to which the desired behaviors have been displayed, and whether the desired results have been achieved.

Stage 5: Performance Review

It involves the meeting between the employee and the manager to review their assessments. This meeting is usually called the appraisal meeting or discussion. The appraisal meeting is important because it provides a formal setting in which the employee receives feedback on his or her performance.

Stage 6: Performance Renewal and Recontracting

This is identical to the performance planning component. The main difference is that the renewal and recontracting stage uses the insights and information gained from the other phases.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

In this chapter, the practical methods that was used in order to answer the research questions and meet the objectives of this research are presented. The purpose of this research is to assess the practice of performance management system of World Vision Ethiopia. The main reason for this research is the belief that assessing the existing practice and employees' opinion regarding the performance management process is critical to the long-term effectiveness of the system.

3.2 Research Design

In order to explore all the necessary information that best describes the practice of the current performance management practice of WVE, the researcher student used descriptive research design. In this study, descriptive survey research design was applied using qualitative and quantitative approach. Descriptive research is a valuable tool when trying to describe or assess certain characteristics of a given population (Babbie 1995, 86). By using descriptive research method, it enables to use various forms of data as well as incorporating human experience which allows the researcher to look the study in so many various aspects and provide bigger overview about the subject matter. Thus, this research is descriptive in that it describes the performance management practice and looks into the employee's perception as well with special emphasis on merit pay.

A combination of both qualitative and quantitative research methodology approach was applied. Thus, quantitative research using simple random sampling was be applied to get representative data and because the research is objective, measurable, reports in terms of quantified analysis. Qualitative approach was used by conducting interview with human resource department heads and HR coordinators under the study. After the required data is collected, it was processed, and analyzed by using Statistical Package for the Social Sciences, (SPSS). To gain a better understanding by obtaining data from different sources, such as interviews, questionnaire and secondary data which helps to harnesses diverse ideas about the same issue and assist in cross-checking the results, and consequently helps to increase the validity, reliability of the findings and data analysis.

3.3 Sources of Data

Sources of data for the study are both primary and secondary. The primary source of data was collected through questionnaire from WV Ethiopia employees using stratified sampling. The questionnaires contain

Likert five scale ratings. It was best to collect data from a large number of respondents with reasonable cost and relatively short time.

The qualitative type of data was employed to get reliable information to support the quantitative data regarding the specific objectives of the study through interview. Hence, semi structured interview was made with Human Resource Manager and focal persons to enhance the reliability of information. Interview with HR head and coordinator made using purposive sampling method. Secondary data was gathered from published and unpublished theoretical literatures and empirical studies. This helped in understanding and the analysis of the data from each source.

3.4 Sampling Technique

The study used both stratified and purposive sampling techniques. The population of the study also included those with six month experience as they underdone with mid-year review and the organization has a practice of including them in merit increase.

Stratified sample greatly enhances the likelihood of the proper representation of strata in the sample. The population of the national office is observed to be heterogeneous; hence, it is divided in to strata according to job category. Employees in the strata, then, was given equal opportunity of being selected in the sample irrespective of age, sex and educational background. In this study, questionnaires was sent to sample at the national office. Statistics such as frequencies, percentages, means, modes and other relevant statistics was used to analyze the data. According to Field (2005), whenever it is possible to access the entire population, it is possible to select data from sample and use the behavior within the sample to infer about the behavior of the population. The sample size is determined using Slovin's formula, which is stated as follows:

$$n = N / (1 + Ne^2)$$

Where;

$$N = \text{Population size} \quad n = \text{Sample size} \quad e = \text{Level of error} = 0.05$$

Using the above formula, the sample size of the study was determined as;

$$N=209/1+209(0.05)^2 = 137$$

Calculation of stratum allocation is done using Kumar (1976) technique:

$$nh = n \times NH / N$$

Where; nh = stratum allocation n = sample size NH = stratum population

N = Overall population

The target sample was taken proportionally from each category using the formula above;

Table 3.1 Stratified Random Sampling

Strata Category	Population size	Sample Size
Director	8	5.23
Manager	43	28.11
Specialist	35	22.88
Coordinator	27	17.65
Officer	36	23.54
Other support staff	61	39.88
Total	210	137

Out of 140 questionnaires distributed, 136 were completed and analyzed. Purposive sampling was used to conduct two interviews from Human Resource Management.

3.5 The Study Subjects

The population under the study is 210. Other emergency workers are excluded as they are working in the field for a short period of time. Participants in the research were selected from each stratum. Another was Human Resource Management Manager and HR coordinator.

3.6 Data Collection Methods

Data was collected by way of a survey questionnaire that was adopted by the student researcher to allow responses gathered in a standard way, bringing out objectivity and to present data numerically. SHRM(Performance Management Survey) & relevant literature review was made and (BIZUAYEHU YEGAZU) conducted similar research using this tool, thus, the measurement instrument is adopted. The researchers used this instruments following standard questionnaire development stages. Both Validity and Reliability were tasted through the collected data of study. In addition, feedback was obtained from some professionals before conducting the research.

Interview was conducted with the human resource manager and coordinator of the company. The questionnaire uses scaled questions (Likert scale). The advantages of using the Likert is that it is simple to construct (especially for the self-created questions), easy to read and complete, it is likely to produce a high reliable scale and provides more variation responses (Page, 2003). Interview was held with Human Resource focal persons, to further explain the system and practices. Secondary data was used by the researcher which are documented and found in the organization and reputable journals. These include the HRM policy, Strategy and procedure manuals, and periodical reports and relevant articles.

3.7. Methods of Data Processing and Analysis

After collecting the required data, Statistical Package for the Social Sciences (SPSS) version was used for the purpose of processing and analysis of the results. Descriptive statistics based on tables was used to analyze information on all factors/variables including respondent personal information. Likert scale; measurement was used on the basis of the survey; 5=strongly agree; 4=agree; 3=undecided (indifferent); 2 = disagree; 1=strongly disagree. The variables were analyzed by using frequency counts, percentages, mean values and standard deviation. Finally, information obtained through questionnaire, interview and document review are thematically analyzed and interpreted.

3.8 Reliability and Validity

According to Kothari, (2004), sound measurement must meet the tests of validity, reliability and practicality. In fact, these are the three major considerations one should use in evaluating a measurement tool. “Validity refers to the extent to which a test measures what we actually wish to measure. Reliability has to do with the accuracy and precision of a measurement procedure. Practicality is concerned with wide range of factors of economy, convenience, and interpretability ...” Therefore, we briefly take up the relevant details concerning these tests of sound measurement. To ascertain the data quality and reliability purpose of questionnaire was explained and respondent was supported at times of need of clarity, in order to make respondents comfortable in understanding the essence of the questionnaire. In addition face to face interview was conducted with the human resource head, for the purposes of triangulation. Therefore, the validity, reliability and practicality of this study are ascertained.

Table 3.2: Cronbach’s Alpha Test Resulted from SPSS

Case Processing Summary			
		N	%
Cases	Valid	135	95.7
	Excluded ^a	6	4.3
	Total	141	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.873	31

As shown in the above table, the reliability of the scale was determined by Cronbach's alpha method. According to Bryman and Bell(2003) the Cronbach's alpha result of 0.7 and above implies acceptable level of internal reliability. Therefore, the result indicated that the questionnaires of the study were internally consistent by 87.3 percent.

3.8 Ethical Considerations

Confidentiality – the respondents was assured that they will not be confused and that their response will remain confidential. The information they provide is confidential and used for academic purpose only. Purpose of the study was explained to the respondents prior to the collection of data.

Organizational approval – A written letter that explains the research ideas were provided to study the site. The researcher obtained approval prior to any research activity at the specified location is carried out.

CHAPTER FOUR: DATA PRESENTATION AND ANALYSIS

4.1 Introduction

This chapter deals with the discussion and analysis of data obtained from the questionnaires and interviews. Among the 140 distributed questionnaires to the strata, 136 responses were returned. The remaining unreturned and incomplete ones were from the category of other support and specialist staff. Thus only 136 responses are employed in the analysis, which represents the response rate of 97% (136/140). For better triangulation of the information obtained, interview were made with the HR focal persons.

4.2 Demographic Characteristics of Respondents

The first part of the questionnaire consists of the professional background and demographic data of the respondents. The variables include age, gender, educational level, current position and work experience. Accordingly, these variables of the respondents are summarized and described in the table below;

Table 4.1: **Demographic Characteristics**

No	Item	Variables	Frequency	Percent
1	Age	18-30	29	21.3
		31-40	70	51.5
		41-50	25	18.4
		>51	12	8.8
		Total	136	100
2	Gender	Female	37	26.2
		Male	99	70.2
		Total	136	100
3	Education	Grade 12 or 10+2 complete	3	2.2
		Certificate	3	2.2
		Diploma	8	5.9
		BA BSC	57	41.9
		MA MSC	65	47.8
		PHD	-	-
		Total	136	100
4	Position	Director	5	3.7
		Manager	28	20.6
		Specialist	23	16.9
		Coordinator	19	14
		Officer	23	16.9
		Other Support Staff	38	27.9

		Total	136	100
5	Experience in WV	<12 months	9	6.6
		1-3years	38	27.9
		3-5years	20	14.7
		5-10years	32	23.5
		10-15years	18	13.2
		>15years	19	14
		Total	136	100

Source: Survey Questionnaire

Out of 136(100%) respondents, 70(51%) of respondents were between the age group of 31-40 years. 29 (21%) percent of respondents were between the age of 18-30 years of age, while 25(18%) of the respondents were between the age of 41-50 years of age. The rest 12(8%) of the respondents are above 51 years of age. Regarding sex of the respondents, 99(70%) were males while the rest 37(26%) were females. This implies that the majority of the national office employees of WV Ethiopia are male.

With respect to the educational level of the respondents, 65(47%) of the respondents are MA/MSc (Masters) degree holders. 57(41%) of the respondents are bachelor degree holders. 8(5%), 3(2%), 3 (2%) were Diploma, certificate, grade 12 complete or 10 complete respectively. The data obtained reveals that no PhD holder is there among the respondents. Depending on the response, it can be said that most employees of WVE are qualified at Master's degree level followed by bachelor degree, diploma and certificate levels respectively. This implies that WVE has more qualified manpower that has potential for the development of both individual and organizational performance. With regard to the position of respondents as shown in the above table, majority of respondents are support staff, 38(27%) followed by Managerial staff, Specialist, Officer, Coordinator and Director which represents 28(20%), 23(16%), 23(16%), 19(14%), 5(3%) respectively. This reveals that most of the employees are support staff.

Looking into work experience of the respondents, the 38(27%) of the respondents have one to three years of experience in WVE, The rest, 32(23%),20(14%),19(14%) and 9(6%) of respondents have five to ten years, three to five years, above fifteen years and less than one years of service respectively. Therefore the majority have one to three years and five to ten years of experience and this gives an opportunity to reflect their understanding clearly on the performance management practice of the organization.

4.3 Data Analysis on Performance Management Practice

4.3.1 Knowledge of Respondents (Prerequisites)

According to Aguinis (2009), there are important prerequisites that are needed before a performance management is implemented; knowledge of the organization’s mission and strategic goals and knowledge of the job in question. The researcher assessed whether staff know the overall mission, goals and objectives as one of performance prerequisite. Besides, respondents were asked whether they have clear knowledge of their job as well. Accordingly, the following responses are presented and analyzed as follows;

Table 4.2: Knowledge of Respondents on WV mission, strategy and objectives and related job

No	Item	Rating						
		Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Total	
1	Knowledge of WV's Mission, strategy, Objectives	Frequency	-	1		51	83	136
		%	-	0.7		37.5	61	100
2	Regular Management communication of WV's Mission and objectives	Frequency	1	13	32	62	28	136
		%	0.7	9.6	23.5	45.6	20.6	100
3	Commitment to WV's Vision, mission, strategic goals	Frequency	-	-	4	41	91	136
		%	-	-	2.9	30.1	66.9	100
4	Clear understanding of job relation to overall WV's Mission	Frequency	1	5	21	62	47	136
		%	0.7	3.7	15.4	45.6	34.6	100
5	Clearly defined duties and responsibilities	Frequency	1	6	6	61	62	136
		%	0.7	4.4	4.4	44.9	45.6	100

Source: Survey Questionnaire

A clear agreed on vision and strategy is the necessary step for effective performance management. Regarding knowledge, the above responses show that 83 (61%) of the respondents strongly agree and 51(37%) of the respondents agree that they have understanding of WV’s mission, strategy and objectives. Only 1(0.7%) of the respondent disagreed and none of them said they strongly disagree. From this finding along with mean=4.61 and standard deviation=0.547, it can be said that WVE employees have clear knowledge about the mission, strategies and objectives. This implies that the management is in agreement on the strategy and goals.

For goal setting, the manager is expected to communicate management’s expectations and goals to the employee and works collaboratively to develop individual goals in alignment with organization goals.

As depicted in the above table, more number of respondents that is 62(45.6%) and 28 (20.6%) of the respondents indicated that they agree and strongly disagree respectively for the question that required to respond on regular management communication practice of WV's mission and objectives. However, 32(23.5%) of the respondents indicated indifferent or undecided response, while 13(9.2%) and 1(0.7%) of the respondents disagree and strongly disagree respectively. In addition, with mean=3.76 and standard deviation= 0.915, it can be said that management regularly communicates in clear manner, though there are some number of staff who indicated that there is lack of communication from management side. Thus, the company needs to increase the capabilities of middle managers through more effective communications tools with a view to enhance the ability of supervisors to translate and break down overall strategic objectives into goals and targets that are meaningful to each individual.

While understanding an agreed on strategy is a foundation, people must also embrace it. Therefore, staff were asked about their commitment level. As indicated in the same table on the area of commitment to WV's vision, mission, strategic goals, 91(66.9%) and 41(30%) of the respondents strongly agree and agree respectively that they are committed to WV's vision, mission, strategic goals and objectives. Only 4 (2.9%) of the respondents did rate undecided. From this finding along with mean= 4.64 and standard deviation=0.54, it is understood that the majority of staff s of WVE is committed to WV's vision, mission strategic goals and objectives. Thus, it's clear that the organization has not only the minds but also the hearts of its employees.

Performance management is all about setting up a shared understanding of what is to be achieved at an organizational level. Accordingly, clarity regarding individual roles and requirements in supporting the strategic goals and the extent to which they have effectively cascaded and interlinked goals across the organization was areas of measurement in the survey. Hence, with respect to the clear understanding of job relation to overall WV's mission, 62(45.6%) and 47(34.6%) of the respondents agree and strongly agree respectively whereas 21(15.4%), 5(3.7%) and 1(0.7%) of the respondents rate undecided, disagree and strongly disagree respectively. On top of this, with mean= 4.1 and standard deviation = 0.842, the findings indicates that majority of the staff of WVE national staff have clear understanding of how jobs related to the overall WV's mission. Effective goals should flow from the top down and be aligned with an organization's business philosophy, vision and mission statement. As summarized in the same table concerning understanding of duties and responsibilities, 62(45%) and 61(44.9) of the respondents strongly agree and agree respectively while only 6(4.4%), 6(4.4%) and 1(0.7%) rate undecided, disagree

and strongly disagree. With mean= 4.3 and standard deviation = 0.81, majority of the responses indicated that they have clear understanding of duties and responsibilities. In general, even though it is the responsibilities of all employees to know their organization’s mission and objective, management is more responsible to aware and communicates the rest of employees to have depth knowledge of their organization’s mission and objectives.

Table 4.3: Knowledge of Respondents on WV mission, strategy and objectives and related job.

No	Item	Rating						
		Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Total	
1	Clear understanding of Performance Management process	Frequency	2	5	22	65	42	136
		%	1.5	3.7	16.2	47.8	30.9	100
2	Supervisor offering assistance to easily understand the Performance Management	Frequency	-	18	18	69	31	136
		%	-	13.2	13.2	50.7	22.8	100
3	Orientation/training obtained on performance management	Frequency	5	30	24	65	12	136
		%	3.7	22.1	17.6	47.8	8.8	100

Source: Survey Questionnaire

To ensure understanding and commitment, the development of effective goals carries a number of required elements. Among them, both the employee and his or her manager conducting the performance planning should be equally informed and aware in advance of the steps in the process. Accordingly, staff were asked about their level of understanding of performance management. As shown in the table above, 65(47.8%) and 42(30.9%) of respondents rate agree and strongly agree respectively whereas 22(16.2%) of the respondents remain undecided. Only few 5(3.7%) and 2(1.5%) rate disagree and strongly disagree respectively. With mean 4.03 and standard deviation of 0.869, these findings indicates that the majority of staffs have understanding of performance management process. Training of users of performance is important regardless of the system is being used across or not. In addition, to optimize the value here, the company can provide management training in this skill and formalize the process and tools in the organization that support coaching and development.

With regard to the role of supervisor offering assistance to staff in order to easily understand the performance management, most of the 69(50.7%) and 31(22.8%) of the respondents are in agreement level that supervisors make performance management easy to understand and provide assistance when needed. On the other hand, 18(13.2%) and 18(13.2%) of the respondents responded undecided and

disagree respectively. With mean of 3.83 and standard deviation of 0.931, these findings show that there exists the role of supervisor in making performance management easy to understand and offer assistance to staff in this process.

The last question on this category focuses on the level of agreement of respondents regarding obtaining orientation or training on performance management practices. As a result, 65(47.8%) and 12(8.8%) of the respondents are in agreement level. On the other hand, 30(22%) and 5(3.7%) of the respondents disagree and strongly disagree. The rest 30(22.1%) of the respondents remain undecided. With mean of 3.36 and standard deviation of 1.038, this findings indicates that though the majority is provided with orientation, still some staff need training on performance management.

4.3.2 Performance Planning & Execution

According to Aguinis (2009), at the beginning of each performance cycle, the supervisor and the employee meet to discuss, and agree on, what needs to be done and how it should be done. Performance planning is a stage where the supervisor and the employee meet together to discuss and agree on what will be done for the future and how it should be done. Once the review cycle begins, the employee strives to produce the results and display the behaviors agreed on earlier as well as to work on development needs. Therefore, the participation of employees contributes for the ownership and effective practice of performance management.

Table 4.4: **Involvement of Staff in Performance Planning & Execution**

No	Item	Rating						
		Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Total	
1	Involvement of employees in Performance Planning	Frequency	4	17	13	66	36	136
		%	2.9	12.5	9.6	48.5	26.5	100
2	PM enabling Participatory environment	Frequency	2	17	24	68	25	136
		%	1.5	12.5	17.6	50	18.4	100
3	Managers provision of clear, constructive and	Frequency	7	9	27	72	21	136
		%	5.1	6.6	19.9	52.9	15.4	100

	timely feedback on performance							
4	Satisfaction with PM practice	Frequency	3	25	34	60	14	136
		%	2.2	18.4	25	44.1	10.3	100

Source: Survey Questionnaire

Effective goals should be participative. Both manager and individual should be involved in the development of goals to ensure understanding and commitment. Accordingly, respondents were asked about their participation. As a result, majority of respondents agreed and strongly agreed that they participate in performance planning process which represents 66(48.5%) and 36(26.5%) together. On the other hand, 17(12.5%) and 4(2.9%) of the respondents responded disagree and strongly disagree respectively. The rest 12(9.6%) remain undecided in their involvement. Therefore, with mean =3.83 and standard deviation of 1.051, it can be said that majority of staff jointly plan with their supervisors. Nevertheless, interview result indicate that there is gap in setting SMART (Specific, measurable, attainable, relevant and time bounded) goals. Therefore, for goal setting, it is the employee’s role to participate in developing SMART goals aligned with the organization’s goals and to commit to them in good faith.

Table 4.5: Current Position vs Involvement in Performance Planning Crosstabulation
Involvement in Performance Planning

Position		Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Total
Director	Count	0	0	0	4	1	5
	% within Position	0.00%	0.00%	0.00%	80.00%	20.00%	100.00%
Manager	Count	0	1	1	15	11	28
	% within Position	0.00%	3.60%	3.60%	53.60%	39.30%	100.00%
Specialist	Count	0	3	2	12	6	23
	% within Position	0.00%	13.00%	8.70%	52.20%	26.10%	100.00%
Coordinator	Count	0	2	2	11	4	19
	% within Position	0.00%	10.50%	10.50%	57.90%	21.10%	100.00%
Officer	Count	0	3	4	11	5	23
	% within Position	0.00%	13.00%	17.40%	47.80%	21.70%	100.00%
Other Support Staff	Count	4	8	4	13	9	38
	% within Position	10.50%	21.10%	10.50%	34.20%	23.70%	100.00%

Source: Survey Questionnaire

According to the above table, we can learn that almost all in Director Position are in agreement level that they participate in performance planning process. However, those in other support staff (42.10% of the respondents) responded that they are undecided and in disagreement level which implies a key concern area in joint planning process.

With respect to whether there exists participatory environment in performance management practice, majority of the respondents that is 68(50%) and 25(18.4%) of the respondents agree and strongly agree to the fact that performance management practice enables participatory environment. On the other side, 17(12.5%) and 2(1.5%) are at disagreement level. The remaining 24(17%) rated undecided. From this and with mean=3.71 and standard deviation of 0.958, it can be inferred that the majority still in agreement level that the practice creates a participatory environment.

Regarding the regular feedback about employee's performance, the researcher forwarded question to see the respondent's level of agreement. Accordingly, with respect to the existence of clear, constructive and timely feedback provision during performance execution, the majority still responded in agreement level which accounts for 72(52.9%) and 21(15.4%) of the respondents. Only 9(6.6%) and 7(5.1%) are in disagreement level. The rest 27(19.9%) of the respondents remain undecided. The result gained from the interview also shows that there is either a monthly or quarterly, mid-year and annual meetings held to assess and give feedback on the performance of an employee. With majority of responses along with mean=3.67 and standard deviation of 0.989, the finding indicates that there exists clear, constructive and timely feedback provision on performance. Nevertheless, feedback toward goals and coaching to improve performance should be provided on a regular basis and certainly before review cycle is over. Most importantly giving feedback allows employees to be informed about how well they are doing, to receive information on specific areas that may need improvement and to learn about the organization's and supervisor's expectation.

One area of performance management internal control is to determine the level of satisfaction. In addition, as literature indicates that merit pay was not always associated with positive employee attitudes (Satisfaction with pay, the job or the employee), therefore, it was relevant to assess the level of employee satisfaction with the current performance management practice. Thus, concerning the satisfaction level with the performance management practice, still 60 (44.1%) and 14(10.3%) of the respondents agree and strongly agree on satisfaction. The remaining 25(18.4%) and 3(2.2%) of the respondents disagree and strongly disagree respectively. Only 25% remain undecided. Therefore with mean 3.42 and standard

deviation of 0.978, it can be concluded that at least half of the employees are satisfied with the practice. However, the organization need to note that when employees believe in the performance measures and accept the reward system, then their performance can be enhanced.

Table 4.6: **Current Position * Satisfaction with PM practice Crosstabulation**

Current Position		Satisfaction with PM practice					Total
		Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	
Director	Count	0	0	2	3	0	5
	% within Position	0.00%	0.00%	40.00%	60.00%	0.00%	100.00%
Manager	Count	0	1	10	12	5	28
	% within Position	0.00%	3.60%	35.70%	42.90%	17.90%	100.00%
Specialist	Count	0	4	3	13	3	23
	% within Position	0.00%	17.40%	13.00%	56.50%	13.00%	100.00%
Coordinator	Count	1	4	6	8	0	19
	% within Position	5.30%	21.10%	31.60%	42.10%	0.00%	100.00%
Officer	Count	0	8	4	8	3	23
	% within Position	0.00%	34.80%	17.40%	34.80%	13.00%	100.00%
Other Support Staff	Count	2	8	9	16	3	38
	% within Position	5.30%	21.10%	23.70%	42.10%	7.90%	100.00%

Source: Survey Questionnaire

As per the above table, we can understand that those in higher positions (Director and Manager), the majority of them seems to be relatively better satisfied with the performance management practice, still, significant number of staff(40% and 35.7% respectively) responded indifferent or undecided. On the other hand, when the positions gets lower (Officer and other support staff), the number of those who are not satisfied and doubtful increased (52.2% and 50.1% respectively).

4.3.3 Performance Assessment

Assessment includes both objective and subjective assessment of how well an employee has performed during the period under review. According to Aguinis (2009), the appraisal meeting should also include a discussion of the employee’s development progress as well as plans for the future. Thus, performance appraisal aims at 'feedback, development and assessment.' The performance assessment and review can help to sustain motivated workers through: the acknowledgement of individual employee performance, promotions and career movements, structured training, and disciplinary decisions etc.

With this in mind, the following table will present whether assessment stage is effectively executed or not.

Table 4.7: Performance Assessment

No	Item	Rating						Total
		Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree		
1	Individual development needs are continuously assessed as part of work	Frequency	5	24	35	58	14	136
		%	3.7	17.6	25.7	42.6	10.3	100
2	Provision of good prospects for promotion, advancement	Frequency	10	31	51	37	7	136
		%	7.4	22.8	37.5	27.2	5.1	100
3	Factors are taken into consideration during performance appraisal/assessment	Frequency	3	31	38	59	5	136
		%	2.2	22.8	27.9	43.4	3.7	100
4	Freedom of expression of disagreement on performance appraisal	Frequency	2	22	14	80	18	136
		%	1.5	16.2	10.3	58.8	13.2	100

Source: Survey Questionnaire

Performance dialogues lead to business unit meetings capitalizing on the identification of shared business obstacles/individual development needs. Achieving the goals stated in the development plan allows employees to keep abreast of changes in their field or profession. Accordingly, respondents were asked whether individual development needs are being continuously assessed as part of work or not. Thus, with mean= 3.38 and standard deviation of 1.011, the majority of the responses that is 58(42.6%) and 14(10.3%) of the respondents rated agree and strongly agree respectively that development needs are being continuously assessed as part of work. On the other hand, 35(25.7%) of the respondents remained undecided while 24(17.6%) and 5(3.7%) of the respondents are in disagreement level. This finding has some similarity with the interview response, however, there is concern raised on the attention given for development assessment. Therefore, individual development plan should be strengthened enough by providing the necessary resources, development opportunities and support self-development.

Performance reviews usually used for administrative purposes, such as for promotions and merit raises. With respect to the view that whether WVE provides employees with good prospects for promotion and advancement (e.g Merit pay), the majority of them undecided, disagree and strongly disagree which cumulatively accounts for 67.7% of the respondents. On the other hand, only 37(27.2%) and 7(5.1%)

of respondents are in agreement level. Thus with mean=3 and standard deviation of 1.004, , it can be said that promotion and advancement is under question. With regard to advancement program, the majority of the response also may mean that the current merit increase practice may not fully address employee's need for progressive development. Hence, Performance management plans must recognize employee contributions with rewards that are valued by the employee. This implies that the promotion and the rewards must conform to what the employees' values. The organization need to strive to develop systems that are regarded as fair from both distributive and procedural perspectives.

The process of performance assessment should concentrate on the job of an employee, the environment of the organization, and the employee him- or herself. These three factors are inter-related and inter-dependent. In providing an employee with constructive feedback, it is important to focus on accurate internal or external factors that the employee and/or manager can control (Aguinis, 2009). Regarding the response on the consideration of factors hindering performances during performance appraisal, with mean=3.24 and standard deviation of 0.921, majority of 52.9% cumulative responses of the respondents consists of responses; undecided, disagree and strongly disagree. On the other hand, 59(43.4%) and 5(3.7%) are at agreement level. Therefore, it is possible to say that WVE doesn't take into account factors hindering performance during appraisals.

With respect to the freedom of expression of disagreement on performance appraisal, with mean=3.66 and standard deviation=0.952, 80(58%) and 18(13.2%) of respondents are in agreement level while only 22(16.2%) and 2(1.5%) of the respondents are in disagreement level. The rest 14(10.3%) of the respondents remain undecided. This indicates that majority of staff feel free to express their issue of disagreement during appraisal decision.

4.3.4. Performance Review

Performance review is the meeting between the supervisor and the employee to review their assessment and to be on the same page about the employee's performance. This meeting is usually called the appraisal meeting or discussion. The appraisal meeting is important because it provides a formal setting in which the employee receives feedback on his or her performance. According to Aguinis (2009), feedback is an important component of a well - implemented performance management system. Managers can use feedback to coach employees and improve performance on an ongoing basis. Feedback connected with rewards drive change. Hence, the researcher tried to forward the following question and found out the result which is presented below;

Table 4.8: Review, Feedback and Recognition response

No	Item		Rating					
			Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Total
1	Annual formal appraisals consistently being done	Frequency	2	9	8	65	52	136
		%	1.5	6.6	5.9	47.8	38.2	100
2	Managers provision of recognition when exceeding expectations	Frequency	6	14	28	64	24	136
		%	4.4	10.3	20.6	47.1	17.6	100
3	WVE is open, transparent and communicate well	Frequency	10	20	44	49	13	136
		%	7.4	14.7	32.4	36	9.6	100
4	Manager knows provision of individualized recognition	Frequency	2	24	44	52	14	136
		%	1.5	17.6	32.4	38.2	10.3	100
5	Understanding of Manager's comments during feedback	Frequency	1	8	19	88	20	136
		%	0.7	5.9	14	64.7	14.7	100
6	Managers respectful treatment	Frequency	2	2	16	83	33	136
		%	1.5	1.5	11.8	61	24.3	100

Source: Survey Questionnaire

Regular, formal and constructive communication is the central mission of the performance review process. As shown in the above table, formal performance appraisals are consistently done annually, 65(47.8%) and 52(38.2%) of respondents agree and strongly agree while 9(6.6%) and 2(1.5%) of the respondents are in disagreement level. The rest 8(5.9%) remain undecided. With mean=4.15 and standard deviation of 0.907 in combination of the results of the interview proved that, there is consistent performance assessment and review. As per the interview conducted, it was also found that the organization uses five point rating scale and provide manager's rating guide and other relevant documents during performance assessment, however, it's all done manually.

As shown above, the majority 64(47%) and 24(17.6%) of respondents together agree and strongly agree respectively that their manager provides recognition when they exceed expectations. On the other hand, 14(10.3%) and 6(4.4%) of the respondents are in disagreement level. The rest 28(20.6%) of the respondents remain undecided. With mean=3.63 and standard deviation=1.031, the study indicates that there exists managers provision of recognition when staff exceeds expectations. However, there is concern revealed during one of the interviews that, ratings are misconceived with the potential benefit or loss as it is related with merit increment, promotion or termination that staff would draw up to later, hence, supervisors are challenged with giving realistic feedback and resulting ratings.

When candor is high, people tend to have higher levels of insight and are typically more receptive to feedback and discussing their developmental priorities. Nevertheless, concerning WVE being open, transparent and communicate well, with mean= 3.26 and standard deviation of 1.061, 54.5% of the cumulative response accounts for undecided, disagree and strongly disagree while only 49(36%) and 13(9.6%) of the respondents are in agreement level. This implies that openness, transparency and well communication is under question at the national office. Therefore, WVE needs to tailor coaching or feedback mechanism by assessing the country's as well as organization's development culture and values.

Motivation can only be high when employees see clear connections among: their actions and the results they produce, the actual level of results they produce and the evaluation of these results, the outcomes they receive based on these evaluations, and the degree that these outcomes satisfy their needs (Pritchard & Ashwood, 2008). These outcomes may be formal (such as promotions or raises) or informal (such as social praise or recognition). In total, 51% of respondents cumulatively responded undecided, disagree and strongly disagree while in close proximity that is 48.5% of the respondents are in agreement level that their manager knows how they liked to be recognized. Nevertheless, with mean=3.38 and standard deviation of 0.943, it can be said that about half of the staff feels that their manager doesn't know how they personally liked to be recognized or rewarded. Each person's most powerful motivations are unique, although most people share a number of values to some extent, including money, recognition, affiliation and a sense of belonging, security, sense of purpose, opportunities to learn, and feeling valued. Therefore, employees need to be satisfied with the amount of recognition they receive from their managers.

Supervisors must let employees know that their outstanding performance is noticed by reinforcing effective behaviors and progress toward goals. Also, supervisors should provide feedback regarding negative performance and how to remedy the observed problem. Accordingly, respondents were asked whether they clearly understand manager's comments during feedback or not. As a result, the majority that is 88(64.7%) and 20(14.7%) of the respondents are in agreement level and with mean=3.87 and standard deviation of 0.758, it can be said that they clearly understand their manager's feedback. While only 8(5.7%) and 1(0.7%) of the respondents are in disagreement level where as 19(14%) remain undecided. Feedback on progression toward goals and coaching to improve performance should be provided on a regular basis, and certainly before the review cycle is over. Even, the case of high level of discomfort, which often translates into anxiety and the avoidance of the appraisal interview, can be mitigated through training those responsible for providing clear feedback (Aguinis, 2009). This will lead not only to performance improvement but also to employee satisfaction with the system.

Coaches can build and enhance the coaching partnership by being respectful and listening attentively, focusing on the people's agendas and helping them accomplish their own goals, being supportive and encouraging, and being accepting and non-judgmental (Smither & Reilly, 2001). Consequently, respondents were asked whether their manager provides respectful treatment or not. Hence, the majority that is 83(61%) and 33(24.3%) of the respondents feel that their manager treats them with respect. Only 3% of the respondents are in disagreement level while 11.8% of the respondents remain undecided. With mean=4.05 and standard deviation of 0.744, it can be said that there exists respectful treatment. Therefore, supervisors can capitalize on those relationship by acting as being supporting and respectful to bring about desired result in performance and satisfaction with the system.

4.3.5 Uses of Performance Reports

The primary purpose of performance management conversations is to drive immediate changes in current behavior to meet expectations. In addition, there is an update performance goals at the individual and business unit level to reflect new performance initiatives and to align with new organizational strategic goals.

Table 4.9: Response on use of performance reports

No	Item	Rating						
		Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Total	
1	Performance result and feedback has helped in improving performance	Frequency	6	11	26	67	26	136
		%	4.4	8.1	19.1	49.3	19.1	100
2	Alignment of WVE PM and staff goals	Frequency		10	36	70	20	136
		%		7.4	26.5	51.5	14.7	100
3	Benefited from the WVE PM practice as it provided with personal development & promotion	Frequency	9	15	43	58	11	136
		%	6.6	11	31.6	42.6	8.1	100
4	Use of PM for training need assessment	Frequency	9	27	48	47	5	136
		%	6.6	19.9	35.3	34.6	3.7	100
5	WVE PM practice is a matter of formality	Frequency	7	30	39	45	15	136
		%	5.1	22.1	28.7	33.1	11	100

Source: Survey Questionnaire

Performance management can facilitate adaptability and continually improving performance in rapidly changing contemporary workplaces. To do so, however, traditional periodic performance appraisal initiatives need to be supplemented by ongoing performance coaching (London, 2003). A key ingredient for effectively coaching employees is the practical use of goal setting. Accordingly, the majority of the respondents that is 67(49.3%) and 26(19.1%) are in agreement level that performance results and feedback has helped them to improve their performance whereas only 11(8.1%) and 6(4.4%) of the respondents are in disagreement level. The rest 19.1% of the respondents remained undecided. At the conclusion of an effective performance review, the employee will know what will be expected of him or her going forward. Accordingly, with mean=3.71 and standard deviation of 1.012, the findings indicates that performance result and feedback has helped them in improving their performance.

Similarly, the majority of respondents that is 70(51.5%) and 20(14.7%) are in agreement level that WVE performance management aligned WVE overall objectives with that of individual goals. On the other hand 36(26.5%) of the respondents are undecided while only 10(7.4%) of the respondents are in disagreement level. It was observed that there is no strong disagreement response. From this finding along with mean=3.74 and standard deviation of 0.800, it can be said that there exists alignment of WVE objectives with that of individual goals. Likewise similar question was also forwarded while conducting the interview and the response was more or less the same. The performance review in general should provide an opportunity to develop goals for the coming year and to discuss career advancement issues to ensure the employee's development and growth.

On the other hand, with respect to being benefited from WVE performance management practice with personal development and promotion, half of the respondents that is 50.7% are in agreement level while 43(31.6%) of the respondents remain undecided. The rest, 17.6% of the respondents are in disagreement level. With mean=3.35 and standard deviation of 1.006, the study findings indicate that staff has benefited from performance management practice in the past as it provided them with personal development and promotion.

Regarding the use for training need assessment, 38.3% of the respondents are in agreement level where as 35.3% of the respondents are undecided. The rest 26.5% of the respondents are in disagreement level. Still, with mean=3.09 and standard deviation of 0.977, the use for training need assessment is under question. In terms of saying that WVE performance management practice is simply a formality issue, with mean =3.23 standard deviation of 1.075, 44.1% of the respondents agree and 28.7% of the respondents remain undecided that it's a matter of formality. The rest 27.2% of the respondents disagree. This implies that there is area of concern as significant number of staff feels that WVE performance management practice is a matter of formality.

When interviewed how organization goals are linked from top to down, all the interviewees revealed that goals are linked to individuals even up to job description and ultimately cascaded downward to individual level of work. With regard to the frequency of performance reviews, they responded that it is formally done twice a year. Concerning whether performance planning discussion includes a consideration of results, behaviors and development plans, they revealed that all are part of the planning phase, however, more consideration is given for that of performance results as compared to behaviors

and development plans. With regard to employee participation, they confirmed on employee giving input and involvement practice. However, one of the interviewee responded that input is always obtained in some cases like for the position of Drivers and even others help them filling the inputs.

It was also revealed that the appraisal program require employee to receive feedback on their performance. For instance, one of the interviewee said that reasons for late recruitment is immediately requested, accordingly feedback is given. However, sometimes, the way feedback is given is autocratic one and with motive of accusations to make employee accountable which usually interpreted negatively by staff.

With regard to the factors that affect performance management of WVE, objective setting(lack of measurable ones), employee and supervisor relationship creating biasness and issue of similar positions which may not be equally planned and evaluated and judged by different supervisors differently. This being the case, poor ratings may be inflated while strong performance may be rated low which creates inconsistency and validity problem. The other interviewee also responded that staff knowledge of performance management especially with merit based payment would be another factor as employees may view appraisals in terms of money that they would gain instead of performance. Another factor would be manager's tendency for subjectivity and lack of records or evidences, as a result, many consider appraisal as time consuming and dislike doing formal performance appraisals. Another is the issue of favoritism to those who shares same cultural background. The other factor pointed out is the educational background of supervisors which influence on the staff performance follow-up and potential to enter into disagreement with specialist staff because of lack of knowledge and skill to understand employee's especial area of work. The other factor revealed is that supervisors tend to focus on the gap instead of achievement and they lack evidence based review.

Finally, regarding any suggestion to improve performance management practice of WVE, the interviewees responded that objective setting has to be SMART, continuous coaching should be provided in that manager's skill need to be enhanced on coaching and mentoring, and improve record management.

CHAPTER FIVE: SUMMARY OF THE FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of the Major Findings

As a result of having gone through the analysis and interpretation of the data obtained from both the questionnaires and interview, the student researcher come up with the following summary of findings.

- Above 96% of the staff confirmed that they have clear understanding of and commitment to WV's mission, strategy and objectives.
- 57% of staff response agree that they have obtained orientation and training on performance management
- 74% of the staff agree that they have participated in planning process and 68% of staff response revealed that there exists participatory performance management environment.
- Only 54% staffs are satisfied with performance management practice. The majority of those in higher positions (Director and Manager) seems to be relatively better satisfied with the performance management practice, as compared to those in lower positions (Officer and other support staff where the number of those who are not satisfied and doubtful is 52.2% and 50.1% respectively).
- The study found out that with cumulatively response rate of 67.7%, WVE having good prospects for promotion and advancement is questionable.
- With the majority of 52.9% cumulative responses, the study revealed area of concern that WVE doesn't effectively take into account factors hindering performance during appraisals.
- 52% of the response indicate that staff development needs are continuously assessed as part of work but issues are there in giving attention to it.
- At least 84% of the responses of staff confirmed that their manager treats them with respect, provides feedback and recognition, however, employees are doubtful and feel that manager doesn't know well how they personally liked to be recognized or rewarded.
- About 68% of the responses revealed that performance results have helped staff to improve performance
- Cumulative responses of 54.5% of staff indicated that openness, transparency and communication of WVE is questionable
- Cumulative responses of 61.8% of the response indicate that the practice of using performance management for training need assessment is doubtful and in disagreement level.

5.2. Conclusion

The main purpose of this study was to assess the performance management practice of World Vision Ethiopia. To this end, the current performance management practice in this organization was examined in view of the performance management conceptual framework and literature. In order to explore all the necessary information that best describes the practice of the current performance management, descriptive survey research design was applied using qualitative and quantitative approach.

The performance management system is formally performed three times annually during agreement, mid-year review and end-year review. Based on the assessment result, there exists knowledge of the prerequisites in terms of understanding the mission, strategy, objectives and alignment with that of individual goals. In addition, it can be concluded that staff are provided with orientation and managers also assist them to easily understand performance management process. There is involvement of employees in performance planning stage, however, there is skill gap in goal setting process. On the overall, there exists participatory performance management environment and staffs are satisfied with the practice. However, those in higher positions (Director & Manager) seems to be relatively better satisfied with the performance management practice as compared to those in the lower positions (Officer & other support staff).

In terms of performance assessment and review, annual formal appraisals are consistently being done in the organization. Nevertheless, the study concludes that there is area of concern in taking into account factors hindering performance during appraisals. On the other hand, managers provide clear, constructive and timely feedback on performance, however, managers doesn't know well enough how individuals personally liked to be recognized or rewarded. The study has also made it evident that the issue of WVE having good prospects for promotion and advancement is questionable.

With respect to the use of performance, staff confirmed that performance results have helped them to improve performance and there exists goal alignment, however, staff development needs attention. Nevertheless, there is concern in the area of openness, transparency and communication in WVE. Moreover, the practice of using performance management for training need assessment is questionable. In general, WVE performance management practice has areas of improvement in; considering factors hindering performance, using performance results for promotion and advancement, providing individualized recognition, openness, transparency and communication.

5.3. Recommendations

On the basis of the findings and conclusions, the student researcher has forwarded the following practical recommendations.

- WVE performance management system should be a source of valid and useful information for making administrative decisions about employees. As a result employees should be provided with promotion and rewards opportunities based on what the employee values. An employee might choose a monetary incentive, formal recognition or time off as a reward. On the other hand, those employees who value their status as subject matter experts may need the option of choosing management or expert tracks for career progression. Hence, areas of improvement may include promotion policy review and reward program review.
- WVE performance appraisals program should be flexible enough to review various factors which influence performance and consider provision of counselling on further improvements. It is good to have multiple sources to gain accurate information about an employee's performance rather than sticking only with supervisor's feedback while rating. Therefore, managers should plan performance development strategies in a structured manner for each employee. In doing so, they should keep the goals of the organization in mind and aim at optimal utilization of all available resources, including financial.
- Performance management will be enhanced when the development needs that are identified in a performance feedback session are implemented in an environment that supports formal and informal learning at the policy and local levels. Therefore, WVE should build a learning experience that motivates staff to develop themselves and improve their performance by equipping managers on coaching skills, setting SMART (simple, measurable, attainable, relevant and time bounded) goals, providing career training, assigning staff training funds and making staff responsible for their own development etc
- WVE management should strengthen the practice of individual development plans and assessment by recognizing and rewarding those managers who support and ensure their staff learning.
- To ensure excellence in the management and development of people, WVE need to build motivation into the performance management process by linking the individual performance not only to merit increment, but also to meaningful and timely recognition along with training managers on giving regular recognition to individual staff.

- WVE management should be a model by seeking feedback and coaching from others and find opportunities for meetings with staff that matches with the company's culture and values in order to create space for openness, transparency and clear communication to flow smoothly in all direction to get the desired result of performance management.
- In order to have sufficient information about employee's performance, development and report, WVE should find effective means like technological system of performance management software to collect reliable performance data and conduct training need assessment along with creating space for manager to have face to face conversation with staff on all areas of performance management.

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Appendix I
ADDIS ABABA UNIVERSITY
COLLEGE OF COMMERCE
SCHOOL OF GRADUATE STUDIES
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT

Questionnaire to be filled by Employees of World Vision Ethiopia

Dear Respondent,

The purpose of this questionnaire is to collect primary data for conducting a study on the topic, "Assessment of Performance Management Practice of World Vision Ethiopia "as partial fulfillment to the completion of the Masters of Art in Human Resource Management Program at Addis Ababa University College of Commerce. This study is purely for academic purpose & in no ways that affects the respondent's personality. It will be kept confidential. So that, your genuine view, frank opinion & timely responses are very valuable in determining the success of the study. Therefore you are kindly requested to extend your cooperation honestly by providing relevant information & filling out the following questionnaires that are prepared for this intention.

General Instructions

- No need to write your name
- In all cases where answer options are available please tick (√) in the appropriate box.

Thank you, for your cooperation and timely response in advance

A. General Background of Respondents (Demographic Information)

1. Age: - 18-30 years 31-40 years 41-50 years above 51years

2. Sex: Male Female

3. Educational level:- Grade 10+2 or 12 completed Certificate Diploma

BA/BSc MA/MSc PhD

4. Your current position:-

Director Manager Specialist Coordinator Officer Other Support Staff

5. Your work experience at World Vision

< 12 months 1-3 years 3-5 Years 5-10 years 10-15 years above 15 years

B. Questions on performance management practices.

Rate each statements on the scale of 1-5 where 1=strongly disagree, 2=Disagree, 3=Undecided, 4= Agree and 5=strongly agree.

No	Descriptions	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
I	Knowledge of Performance management					
1	I have clear understanding of WV's mission, strategy and objectives					
2	Management regularly communicates in concise manner the WV's mission , and objectives throughout the organization					
3	I am committed to the WV's vision, mission strategic goals and objectives					
4	I have a clear understanding of how my job related to the overall WV's mission.					
5	My duties and responsibilities are clearly defined to my understanding.					
6	I have a clear understanding of performance management(PM) process.					
7	My supervisor makes it easy to understand the PM and always offering assistance to me when needed.					
8	I have been given a clear and useful orientation/ training on PM practices					
II	Involvement of employees in performance planning					
1	I take part in performance planning process					
2	The PM practice of the WV creates a participative environment.					
3	I am initiated and satisfied with PM practices of the WVE					

		Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
III	Performance assessment					
1	Formal appraisals are consistently done annually.					
2	WVE provides people with good prospects for promotion and advancement					
3	My performance development needs are continuously assessed as part of normal work and management processes.					
4	All factors facilitating and hindering performances are taken into consideration while appraising the performance.					
5	I feel free to express to my appraiser, my disagreement regarding the appraisal decisions.					
IV	Recognition and Feedback					
1	My manager provides recognition when I exceed expectations.					
2	My manager provides clear and timely feedback on my performance.					
3	My organization is open, transparent and communicate well					
4	My manager knows how I personally liked to be recognized.					
5	I clearly understand my manager's comments and opinion during the feedback.					
6	My manager treats me with respect.					
VI	Uses of performance management					
1	The performance result I received has helped me to improve my performance					
2	I can say that WVE PM aligned staff(individuals) goals to that of the WVE's overall objectives					
3	I am benefited from the WVE PM practices since it provides me personal development and promotion					
4	PM practices of the WVE is used for training and need assessment					
5	I can say that PM practices of the WVE is simply a matter of formality					

Appendix II

Interview questions

1. How organizational goals are linked from top to down at individual worker level?
2. How frequently are performance evaluations conducted for employees?
3. Does performance planning discussion include a consideration of results, behaviors, and development plan.
4. Was the appraisal program designed with input from employees and their representatives?
5. Does the appraisal program require that employee receives a progressive review (feedback) on their performance?
6. What are factors that affect performance management of WVE?
7. Any suggestion to improve performance management practice of WVE?