



MA in human resource management

An assessment of the contribution of performance management system to employee job motivation in the case of Anbessa Shoe Share Company.

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HRM (MA) PROGRAM**

**An assessment of the Contribution of Performance
Management System to Employee Job Motivation
(The Case of Anbessa Shoe Share Co. in Addis Ababa)**

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Letter of Certification

This is to certify that, this project work “**An assessment of The contribution of Performance Management System To Employee Job Motivation: the case of Anbessa Shoe Share Co In Addis Ababa**”,undertaken by **Abebezuhan Aberham Tekle** for the partial fulfillment of Masters of Art (HRM) at Addis Ababa University school of commerce, is an original work and not submitted earlier for any Degree either at this university or any other university.

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Letter of Declaration

I, **Abebezuhan Aberhan Tekle**, declare that this study entitled '**An assessment of the Contribution of Performance Management System To Employee Job Motivation: the case of Anbessa Shoe Share Co.**' is carried out by me and only me independently except for the guidance and suggestions of the research advisor. The paper was not submitted for any other degree or diploma in this or other university by any other person so far. I also declare that I have fully acknowledged all the sources used and I have not committed plagiarism in any form.

Abebezuhan Aberham

Signature: _____

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Table of contents

Acknowledgment.....	I
List of table	II
Acronyms	III
Abstract	IV
CHAPTER ONE: Introduction	1
1.1 Background of the Study	1-3
1.2 Statement of the Problem	3-4
1.3 Basic Research Questions	4
1.4 Objectives of the Study	4
1.4.1 The General Objectives	4
1.4.2 Specific Objectives	5
1.5. Hypotheses of the Study	5
1.6. Significance of the Research Study	5
1.7 Scope of the Study	6
1.8 Limitation of the Study	6
1.9 Definition of Key Terms	6
1.10 Organization of the Research Report	7
CHAPTER TWO: Literature Review	8
2.1 Performance Management	8
2.1.1 Historical Development of Performance Management	8
2.1.2 Definition of Performance Management	8-9
2.1.3 Performance Management Process	10-15
2.1.4 Purpose of Performance Management	16-17
2.1.5 Evaluating Performance	17-18
2.1.6 Feedback	18
2.1.7 Factors to be Embedded on Good PMS	18-19
2.1.8 Result of Poorly Designed PMS	20
Motivation	20
2.2 Motivation Defined	20
Types of motivation	20
2.2.1 Intrinsic Motivation	20-21
2.2.2 Extrinsic Motivation	21
Theories of Motivation	21
2.3. Maslow`s Hierarchy of Needs	21
2.4 Hertzberg`s Two Factors Theory	21-22
2.5 Goal-Setting Theory	22
2.6 Expectancy Theory	23

2.7 Empirical Evidence	24-25
2.8 The Research Frame Work	25-26
CHAPTER THREE: Research Design & Methodology	27
3.1 The Research Design	27
3.2 Sample and Sampling Technique	27
3.3 Instrument Validity and Reliability	28
3.4 Methods of Data Analysis	28
3.5 Source and Instruments of Data Collection	28-29
3.6 Ethical Consideration	29
CHAPTER FOUR: Data Presentation and Analysis	30
4.1. Introduction	30
4.2. Characteristics of Profile Variables for producers	30-33
4.3. Characteristics of Profile Variables for Management staff.....	33-35
4.4. Characteristics of the IMPMS (producers).....	35-37
4.5. Characteristics of the EP towards PMS (producers).....	38-41
4.6 Characteristic of nature of PMS (managers).....	41-43
4.7. Characteristics of IMPMS (managers)	44-46
4.8. Characteristics of EP towards PMS (managers).....	46-50
4.9. The Relations of IMPMS with Profile Variables (producers)	50-52
4.10 The Relation of EP with Profile Variables (producers)	52-54
4.11 The Relation of nature of PMS with Profile (managers)	54-55
4.12 The Relation of IMPMS with Profile Variables (Managers)	55-56
4.13 The Relation of EP of PMS with Profile Variables (Managers).....	57-58
4.14 The Level of PMS & Motivation (producers).....	58
4.15 The Level of PMS & Motivation (managers)	59-61
4.16 Correlation Between PMS Score and Employee Motivation.....	61
4.17 The Extent to which Variables Contribute Employee Motivation	61-63
4.18 Discussion	64-65
CHAPTER FIVE: Major Findings, Conclusions & Recommendations	66
5.1 Major Findings	66-67
5.2 Conclusions	68-69
5.3 Recommendations	70
References	
Appendices	

List of Tables

Table.4.1.4 Frequency and Percentage of Profile Variables of the Participants ..	30-31
Table 4.2.4 Frequency and Percentage of Profile Variables (Managers).....	33-34
Table 4.3.4 Frequency Table for Implementation of PMS (producers).....	35-36
Table 4.4.4 Frequency Table For Employee Perception towards PMS (Producers)	38-39
Table 4.5.4 Frequency For Nature of Current PMS (Managerial Staffs).....	41-42
Table 4.6.4 Frequency For Implementation of PMS (Managers).....	44-45
Table 4.7.4 Frequency For Employee Perception towards PMS(Managers).....	46-48
Table 4.8.4 The Relationship of Implementation of PMS(Producers)with Profile Variables of Respondents.	50-51
Table 4.9.4 The Relationship Between Employee Perception and Profile Variables of Participants (producers)	52-53
Table 4.10.4 The Relationship Between Nature Of PMS and Profile Variables of the Respondents. (Managers).....	54-55
Table 4.11.4 The Relationship Between Implementation of PMS and Profile Variables of the Participants (Managers).....	55-56
Table 4.12.4 The Relationship between EP and the Profile Variables of the Respondents (Managers).....	57-58
Table 4.13.4 Level of PMS of the Participants(Producers).....	58
Table 4.14.4 The level of Motivation of Participants (producers).....	59
Table 4.15.4 Level of PMS of Participants (Managers).....	60
Table 4.16.4 Level of Motivation (Managers).....	60-61
Table 4.17.4 Pearson Correlation Analysis.	61
Table 4.18.4 Regression Analysis of Criterion Variables of Employee Motivation. Model summary	61-62
Table 4.19.4 Regression Coefficients of Predictors Variables.....	62
Table 4.20.4 Employee Motivation Level.....	62-63
Table 4.21.4 Cronbach`s Alpha for Reliability of Managerial Staff`s PMS Questions	63
Table 4.22.4 Cronbach`s Alpha for Reliability of Managerial and Non-Managerial Staff`s PMS questions.....	63
Table 4.23.4 Cronbache`s Alpha for Reliability of Managerial and Non-Managerial Staff`s EP.....	63

Acronyms

PM:- Performance Management.

PMS:- Performance Management System.

IMPMS:- Implementation of Performance Management System.

EP:- Employee Perception.

SPSS:- Statistical Package for Social Science.

Abstract

The organization with Variety of human resource application, grants opportunity to employers to assess employees` contribution so as to enforce the acceptable boundaries to motivate to do their best, providing feedback in which the employee get motivated. In addition, managers and employees meet to discuss and agree what to be done and how to be done with the goal found in planning stage. The need to fulfill these activities, planned and adequate performance management system is highly required. Thus, the main objective of this study was to assess the contribution of performance management system to employee job motivation, with the main independent variables i.e. setting objective, feedback and employee evaluation. To collect necessary information for the purpose of the study, the researcher used questionnaire and document review. Questionnaires were distributed to a sample of 274 employees out of which 264 questionnaires were returned. Based on the returned questionnaire, descriptive statistics were used to analyze the data using SPSS software. The results of the analysis shows that, in the performance management systems practice of Anbessa Shoe Share company there are some strong areas to be further strengthened and as well as weak areas to be improved. Among the weak areas, employees were not given opportunity to participate jointly with managers identify specific and achievable goals, in performance planning, they were not aware of the evaluation standards, their performance assessment was not based on what the employees and their supervisors jointly agreed and performance review stage could not allow to receive feedback, supervisors were not willing to invest on employee development and motivation, performance process was not transparent and used for just formality purpose. Concerning the recommendation, the study proposed managers and employees should meet in planning stage to identify goals, there should be standard that evaluation is done accordingly and feedback should be given to employees.

Key terms:- Performance management systems, evaluation, feedback, motivation and performance.

CHAPTER ONE

Introduction

The HRM is said to be a nervous system of any organization. It coordinates and controls each and every activity either directly or indirectly for the purpose of organizational development and growth. Among all the tools of HRM, Performance Management is a system that ensures and maintains the proper flow of life blood in every section and unit of organization, which is human capital (personal knowledge, skills, experience and abilities). Performance Management does not only evaluate the employees' performances but achieve organizational goals through improving employee performance, employee development, employee engagement and retaining them (*Mansoor Ahmed Junejo 2010*).

1.1 Background of the study

According to Armstrong.M. (2009), the formal and organized process of performance management started after the latter half of the 1980s, which is the manner of improving organizational performance by developing the performance of individuals and teams.

The study focused on analyzing and exploring the contribution of performance management system on employee motivation. According to Armstrong .M.(2009), Performance management system is a set of interrelated activities and processes that are treated holistically as an integrated and key components of an organization 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.

According to Chan and Layyn (1991), In order to organize a company effectively, companies must rethink how they hire, train and reward their employees, therefore, the employees could be encouraged to be competitive.

Organizations are seeking to develop, motivate and increase the performance of their employees in a variety of human resources applications (Guangor, 2011).

According to Pulakos D. (2004), performance evaluation in performance management process, grants opportunity to employers to assess their employees` contribution so as to enforce the acceptable boundaries of performance, promote staff recognition and motivate individual to do their best.

Receiving feedback about one's performance increases the motivation for future performance. Knowledge about how one is doing and recognition of one's past successes provide the fuel for future accomplishments. This is one of many advantages associated with implementation of performance management systems ,in contrast, if performance management system does not work as expected, employees may become upset and may leave the organization .They can leave physically (i.e. quit) withdraw psychologically(i.e. minimize their effort until they are able to find other job elsewhere (Aguinis,H. 2005).

The reason why the researcher wanted to make study concerning the research topic is that performance management system through its process can play an indispensable role to motivate employees so as to accomplish organizational goals. (Stevers & Joyce T., 2000).

Therefore, the researcher made the study on Anbessa Shoe Share Company in Addis Ababa and assessed the contribution of performance management system to employee job motivation. By doing so, the researcher emphasized on three main independent variables of performance management systems, such as, Objective setting, Feedback and Evaluation of work and lastly, provided related recommendation based on the literatures written about.

ANBESSA SHOE SHARE COMPANY: is one of the oldest shoes manufacturing business in Ethiopia and is recognized to be a pioneer in terms of introducing modern shoe making technology to the country. Its formation dates back to the late 1930s and it started production of shoes at the time when such conveniences were not widely known among the general populace of the country. Its establishment was apparently in response to the increased demand for shoes , which must have been triggered by the presence of a sizable Italian occupation army that invaded the country.

The present form of Anbessa Shoe Share company is a result of many changes and reorganizations which took place over the past 60 or more years until it has been transferred to private entrepreneur in 2008.

The company offers a wide range of leather footwear for gents, ladies and children. Its export standard products for those users have already won a reputation in more than fourteen European countries. As its catalogue reflects, the company has also product categories for children, military, workers and sportsperson all made in quality.

Vision:- To be a leader in product quality and customer service within the leather industries.

Mission:- Produce and sale leather products by using up to date production, technologies and qualified man power in order to satisfy the needs and requirements of customers in leather industries center.

1.2 Statement of the problem

Performance management is often referred to as the `uncovered activity` of Human Resource Management. All modern organizations face the challenge of how best to manage performance. That is they must determine the best way to set goals, evaluate work and distribute rewards in such a way that performance can be improved overtime. The way the firms respond to their

challenges will be dependable on their culture, technology or simply tradition make it difficult to be directly applied of the technique that have worked in one setting to a different setting. (Armstrong. M. 2009)

According to Aguinis.H (2005), the performance management system can manage capacity of employees through identifying, measuring and developing performance. On the other hand, poorly designed and implemented performance management system can de-motivate employees.

According to the information from the Anbessa Shoe Share Company Human Resource Management staffs, even though, it is believed that they somehow use performance management system, the company found it difficult to be beneficiary of its contribution to employee job motivation.

The problem of this research study therefore was to assess the job motivational result of performance management system in Anbessa Shoe Share Company in Addis Ababa and the consequences of not doing so.

1.3 Basic Research Questions

In fulfilling the requirement of the research objectives to be achieved, the basic research questions were:-

1. What is the relationship between profile variables and performance management system?
2. What is the relationship between profile variables and employee perception towards performance management system?
3. What is the relationship between the implementation of performance management system and employee job motivation?

Sub- question:

- ✓ To what extent do objective setting, seeking feedback and motivation contribute to employees` job motivation?

1.4 Objectives of the study

The objectives of this research study were provided with the following categories:

1.4.1 The general objectives

The general objective of this research study was, to investigate the contributions of performance management system to employee motivation through setting objective, seeking feedback and evaluation of work. In order to achieve these goals, well defined performance management system should be applied (Aguinis H. 2005).

1.4.2 Specific Objectives

The specific objectives of this research study were:-

- ✓ To determine the relationship between profile variables and performance management system.
- ✓ To determine the relationship between profile variables and employee perception towards performance management system.
- ✓ To assess the contribution of Setting Objective, Seeking Feedback and Evaluation to employee job motivation.

1.5. Hypotheses of the study

This research hypothesized the following hypotheses which need to be investigated:

H₁:- There is a significant relationship between implementation of performance management system and employees` motivation.

H_{1a}:- Setting objectives in the company contributes to employees` job motivation.

H_{1b}:- Seeking feedbacks in the company contributes to employees` job motivation.

H_{1c}:- Evaluations of work in the company contribute to employees` job motivation.

1.6 Significance of the research study

The study consisted of the performance management system which contributes to find motivated employees in an organization. The study supports ANBESSA SHOE SHARE COMPANY to find out the importance of performance management system to have motivated employees so as to achieve its business strategy. In addition, it contributes ongoing researches to be reference material to understand the variables to be used to measure the employees performance and then providing rewards in order to motivate them.

1.7 Scope of the study

The study was confined to the matter of an assessment of the contribution of performance management system to employee motivation at Anbessa shoe share Co. in Addis Ababa. It was also delimited to a single shoe factory so as to make information being easily available and get precisely.

1.8 Limitation of the study

The limitations of this research study were: because of cost and time constraints, it was engaged only a single factory that of Anbessa Shoe, located in Addis Ababa within two factories. Concerning other limitation, the questionnaires that were distributed had not given back on time.

1.9 Definition of key terms

The definitions of key terms which have been included in the topic of this proposed research study were:-

- ✓ Performance: the accomplishment of a given task measured against pre-test known standards of accuracy, completeness, cost and acceleration. in a contract, performance is deemed to be fulfillment of an obligation, in a manner that releases the performer from all liabilities under contract(www.businessdictionary.com)
- ✓ Management: according to Harold Koontz, management is the act of getting things done through and with people in formally organized group.
- ✓ System: an organized purposeful structure that consists of interrelated and interdependent elements (components, entities, factors, members, parts etc.). These elements continually influence one another (directly or indirectly) to maintain their activity and the existence of the system so as to achieve the goal of the system.(www.businessdictionary.com).

1.10 Organization of the research report

The study was organized into five chapters. The first chapter deals with the introductory idea and background about the topic, statement of the problem, objectives, hypotheses, significances, scope, limitations and definitions of key terms of the study. The second chapter is literature review where detailed discussion about the topic and empirical evidence were presented. The third chapter deals with research design and methodology. The fourth chapter deals with data presentation, analysis, discussion and interpretation were given. The final chapter is devoted to major findings, conclusions and recommendation.

CHAPTER TWO

Literature Review

2.1 Performance Management

2.1.1 Historical Development of Performance Management

According to Koontz (1971), as M. Armstrong cited on his hand book of Performance Management (2009), during the Wei dynasty (AD 221-65), the first known example of performance appraisal took place in the time of the emperor employed an “Imperial rater” to evaluate the performance of the official family. In the 16th century Ignatius Loyola established a system for formal rating of the members of the Jesuit society.

The first monitoring systems, developed gradually out of the work of Frederick Taylor and his followers before the First World War. Rating for officers in armed force in US in 1920s and this spread to the UK, as did some of the factory-based American systems, here after, merit rating came to the fore in the USA and the UK in the 1950s and 1960s respectively, when it was re christened performance appraisal.

Management by objectives then came and largely went in the 1960s and 1970s, and simultaneously, experiments were made with assessment techniques such as behaviorally anchored rating scales. A revised form of results-orientated performance appraisal emerged in the 1970s and still exists today. The term performance management was first used in the 1970s but it did not become a recognized process until the latter half of the 1980s.

2.1.2 Definition of Performance Management

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 with in an agreed framework of planned goals, standards, and competency requirements. As Weiss and Hartile (1997), as it has been cited by Armstrong M. (2009), commented, performance management is A process for establishing a shared understanding about what is to be achieved and how is to be achieved and an approach to managing people that increases the probability of achieving success.

Performance management is concerned with the following:

- Aligning individual objectives to organizational objectives and encouraging individuals upholds to corporate core values.
- Enabling expectations to defined and agreed in terms of role responsibilities and accountabilities (expected to do), skills (expected to have) and behaviors (expected to be).
- Providing opportunities for individuals to identifies their own goals and develop their skills and competencies.(Armstrong M. ,2009).

Armstrong M. (2004), defined, performance management is as a means of getting better results from the whole organization by understanding and managing with in an agreed framework, performance of planned goals, standards and competence requirements. Performance management is a process of designing and executing motivational strategies, interventions and drivers with on objectives to transform the raw potential of human resource into performance. All human beings poses potential within themselves in a few or more functional areas. However, utilization and conversion of this potential into deliverable performance is often sub-potential due to a variety of reasons.

Performance management acts as an agent in converting the potential into performance by removing the intermediate barriers as well as motivating the human resource. Kandula.S.R.(2006 :5).

The Researcher acknowledges that the implementation of performance management system is to help employees to be motivated for delivering performance to the organization.

H₁:- Therefore, there is a positive relationship between performance management system and employee job motivation

2.1.3 Performance Management Process

As Armstrong M. (2009), explained, performance management is a natural process of management. Many of pertinent models on performance management consist a simple five or six steps in which the performance management processes could be passed through in order to achieve the corporate objectives.

As noted earlier, performance management is a continuous process. However, when a system is first implemented, the process follows the following stages. (Aquinis, 2009: Grote, 1996).

- 1) Pre-requisites.
- 2) Performance Planning.
- 3) Performance Execution.
- 4) Performance Assessment.
- 5) Performance Review and
- 6) Performance Renewal and Re-contracting.

Stage One: Pre-requisites

As it is explained briefly, before a performance management is implemented, there are two needed important prior condition.

- 1) knowledge of the organization`s mission and strategic goals
- 2) knowledge of the job in question.

These two pre-requisites help the organization where to go or to make the cooperation between the organization mission and strategies and each of its units mission and strategies. They also provide clarity regarding what each employee needs to do and achieve to help the organization get there. An organization's mission and strategic goals are a result of strategic planning which helps the organization to define its purpose or reason why existing, its place wanted to be in the future, the goal it wants to achieve and strategies in which rely on to achieve these goals. The goal which is similar to the overall goal get cascaded downward after once the goal for the entire organization have been established, along with department setting objectives to support the organization's overall mission and objectives. This cascading activities continues downward until the compatibility of employee's set of goals with his or her unit and the entire organization.

The second important prior action is to understand the job in question which is done through job analysis. This job analysis is a process of determining the key components of a particular job including, activities, tasks, products, services and processes. Since a job analysis is a fundamental prior action of any performance management system, it is difficult to understand what constitutes the required duties for a particular job without it. We won't know what needs to be evaluated and how to do so if we do not know what an employee is supposed to do on the job.

Stage Two: Performance Planning

The performance planning stage helps to have the goals for employees to hold a through knowledge of the performance management system. This situation takes the supervisor and the employee to meet at the beginning of each performance cycle to discuss and agree on what needs to be done and how it should be done. This discussion considers: 1) Result 2) Behaviors and 3) Development plan.

Result: refers to what needs to be done or the employee must produce as outcomes. A discussions of results includes specific objectives that the employee will achieve as part of each accountability as objectives are statements of important and measurable outcome. Finally, discussing results also means discussing performance standards which is a yardstick used to evaluate how well employee have achieved each objectives. Thus, the objective is the desired level of performance whereas the standard is usually a minimum acceptable level of performance.

Behaviors: refers to how a job is done. This is probably why, in addition to sales figures, sales people like to be appraised on such behavioral criteria as communication skills and product knowledge.(Pettijohn, Parker, Pettijohn & Kent, 2000).

A consideration of behaviors includes discussing competencies, which are measurable clusters of knowledge, skills and attitudes (KSAs) that are critical in determining how results will be a achieved (Shippmann C.F et al. 2000).

Development Plan: the step before the review cycle in which supervisor and employee to agree on development plan. The minimum duty of this stage is identifying areas that needed improvement and setting goals to be achieved in each area. Development plan usually includes results and behaviors. The goals to be achieved in the development plan, allows employees to keep abreast of changes in their field or profession. This plans high light an employee`s strength and the area in need of development and providing action plan to improve weakness and further develop areas of strength.(Reyna & Sims, 1995). In nutshell, performance development plans allow employees to answer the following questions:

- ✓ How can I continually learn and grow in the next year?
- ✓ How can I do better in the future?
- ✓ How can I avoid performance problems faced in the past?

Information to be used in designing development plans comes from the appraisal form, specially, a development plan can be designed based on each of the performance dimensions evaluated. For instance, if communication is rated as sub-standard, this area would be targeted by the development plan. In addition, to improve performance, the inclusion of development plans and more general terms, the identification of employee strengths and weakness as part of the performance management system have another important benefit: employees are more likely to be satisfied with the system. (Boswell & Boudreau, 2000).

The direct supervisor or line manager has played important role in the creation and completion of the employee's development plan. This playing role allows the supervisor to understand the process from the employee's perspective, anticipate, potential roadblocks and defensive attitudes and create a plan in collaborative fashion. (Dunning, 2004). The supervisor explains what need to be required through steps to improve performance, refer employees to appropriate development activities that can assist to achieve their goals, reviews and make suggestion concerning the development objectives, through assuring the goals are achievable, specific and doable, checks on the employee's progress toward achieving the development goals. Finally, the supervisor needs to provide reinforcement to motivate employees to achieve the development goals.

Reinforcement can be extrinsic rewards such as bonuses and additional benefits and it can include the assignment of more challenging and interesting work that takes advantage of the new skills learned.

Supervisors themselves need to be motivated to perform functions that help employees' completion of their development objectives. To say so, supervisors must be rewarded for doing a good job in helping their employees develop. (Ellis, 2003).

The tool helping employees in supervisory roles, improve performance, by gathering information from different groups, found around the employee, such

as, superiors, peers, customers and subordinates is the 360-degree feedback system. (Morgeson et.al 2005).

A gap analysis is conducted to identify large discrepancies between self perceptions and the perceptions of others. The 360-degree feedback system report usually includes information on dimensions which further development is needed about. Thus, this ongoing information is used to create a development plan. To conclude, in performance planning, the creation of development plan through specific, doable, and achievable objective along with providing reinforcement can motivate employees to achieve developmental goal. Therefore, the researcher conforms that:-

H₁(a):- There is a positive relationship between setting objective and employee job motivation.

Stage Three: Performance Execution

Employee has primary responsibility and ownership of this process. Although, it is said to be, the supervisor also needs to do his or her share of work. Then, supervisors have primary responsibility over the following issues:

- ✓ **Observation and Documentation:** supervisors do this on daily basis to keep track of examples of both good and poor performance.
- ✓ **Updates:** when an organization goal is needed to be changed, updating and revising the initial objectives, standards and key accountabilities(in the case of results) and competency areas(in the case of behaviors).
- ✓ **Feedback:** before the review cycle, feedback on progression toward goals and coaching should be provided on a regular basis.
- ✓ **Resources:** employees should be provided with necessary resources and opportunities by supervisors to participate in development activities. Thus, it is the supervisors responsibility to ensure that the employee has the necessary supplies and funding to perform their job properly.

- ✓ **Reinforcement:** supervisors should allow employee to know that their outstanding is noticed by reinforcing effective behaviors and progress toward goals. Also, feedback should be provided even to negative performance along with the way how to remedy the problem observed. However, performance problem must be diagnosed early and appropriate steps must be taken accordingly, since only observation and communication are not sufficient.

Stage Four: Performance Assessment

In this stage, both the employee and the manager are responsible for evaluating the desired behaviors have been displayed and whether the desired results have been achieved by using the information which is mainly provided by the direct supervisor. (Aguinis & Piece, 2008 : Bnnett, et.al 2006)

In this assessment, the manager the employee fill their own form respectively. This two parties involvement in the assessment, provide constrictive information to be used in the review phase. There is a greater likelihood that the information will be used productively in the future, for both parties are active participants in the evaluation process.

The inclusion of self-appraisal reduce an employee`s defensiveness during an appraisal meeting and increase the employee`s satisfaction with the performance management system as well as enhance perceptions of accuracy and fairness and therefore, acceptance of the system. (Shore, et.al, 1998)

Stage five: Performance Review

This stage involves the assembly between the manager and the employee to review their assessment is usually called the appraisal meeting or discussion. This meeting is important as it provides a formal setting in which the employee receives feedback on his or her performance that is vital for it leads not only to performance improvement but also employee satisfaction and being motivated to improve his or her performance. (Rhaman,2006).

In most cases, the appraisal meeting is regarded as a review of the past , that is, what was done (results), and how it was done (behaviors). (Soltani,2003). However, discussion of the employees development progress as well as plan for the future should also be included in appraisal meeting. Therefore, a good appraisal meeting focuses on the past (what has been done and how), the present (what compensation is received or denied as a results), the future (goals to be attained before the upcoming review session). The researcher understand that in review stage, which provides feedback to employees to improve their performance and to get satisfied. Thus, researcher confirms that:-

H₁(b):- There is a positive relationship between feedback and employee job motivation.

Stage six: Performance Renewal and Re-contracting

This final stage process is identical to the performance planning component but the main difference is that this stage uses the insights and information gained the other phases. For example, it helps to setting less ambitious goals for the upcoming review period, if the goals have been set unrealistically high. The cycle is not over after this stage but the process starts all over again with the organization`s mission, strategic goals and the job`s KSAs. In the end, to promote the achievement of organizational wide goals is the main aim of any performance management system. Clearly to say so, managers and employees should have awareness of these strategic goals, if not, it is unlikely that the performance management system will be instrumental to accomplishing the strategic goals.

2.1.4 Purpose of Performance Management

According to Armstrong M.,(2006), the overall purpose of performance management is to establish a high performance culture in which all parties are responsible for the sustainable improvement of business process and for their

own skills and contributions within a framework provided by effective leadership. Specifically, the purpose is to develop the capacity of people to meet and exceed expectations and to achieve their full potential to the benefit of themselves and the organization.

Performance management system is able to serve the following six purposes:

- ✓ **Strategic:** it reinforces behaviors that consistent with the the attainment of overall organizational goals through linking the organizational goals with the individual goals.
- ✓ **Administrative:** it gives an access of getting information about employees, including salary adjustment, promotion, employee retention or termination, recognition of high performance, identification of poor performance, layoffs and merit increases.
- ✓ **Communication:** it gives an opportunity to employees to be informed about the work they are doing, what the supervisor expect them with her or his most important aspect and specific areas which need improvement.
- ✓ **Developmental:** it provides managers opportunities to give feedback being used to coach employees and to help them to improve performance on an ongoing basis.
- ✓ **Organizational maintenance:** it is used to give information about skills, abilities, promotional potential and assignment histories of current employees to be used in human resource planning as well as assessing future training needs, evaluating performance achievements at the organizational level and evaluating the effectiveness of human resource intervention.
- ✓ **Documentation:** it provides data in which the predictive accuracy newly proposed selection instruments and important administrative decisions can be assessed. This information can be especially important in the case of litigation.

2.1.5 Evaluating Performance

According to, Family Practice Management, www.aafp.org/fpm, (2003) and Pulakos D. (2004), performance evaluation provides employers` with an opportunity to assess their employees` contributions to the organization are essential to developing a powerful work team. It also enforces the acceptable boundaries of performance, promote staff recognition and effective communication and motivate individuals to do their best. The primary goals of a performance evaluation system are to provide an equitable measurement of an employee`s contribution to the work force, produce accurate appraisal documentation to protect the interest of both employer and employee and obtain a high level of quality and quantity in the work produced.

The five steps to conduct performance evaluation system:

- ✓ **Develop an evaluation form:** it focuses on more meaningful and relevant area.
- ✓ **Identify performance measures:** it is standardized performance measure to evaluate employee`s job performance objectively can cut down the amount of time and stress.
- ✓ **Set guide lines for feedback:** it is what performance evaluations are all about through what feedback to give, how to give it and how to get it from.
- ✓ **Create disciplinary and termination procedures:** it is done when the performer will continue to perform poorly.
- ✓ **Set an evaluation schedule:** it is used to ensure that each appraiser consistently meets the dead line. The above information gives clues that evaluation of performance in an organization enables the employers to assess their employees contribution and to motivate them to do their best. Thus, the researcher assures that:-

H_{1(c)}:- There is a positive relationship between evaluation and employee job motivation.

2.1.6 Feedback

According to Armstrong M.(2009), feedback is the provision of information to people on how they have performed in terms of results, events, critical incidents and significant behaviors. Feedback can be positive when it gives information for the work well done whereas, it is negative when it tells people about the work done poorly.

Feedback is also seen as an important source of motivating potential on the job and its presence has been proposed to lead to increased satisfaction and motivation.(Angelo.S. 2000).

According to Ward (1995), the systematic collection and feedback of performance data on an individual or group derived from a number of the stakeholders on their performance which is also called multi-source assessment or multi-rater feedback is generally called 360-degree feedback.

Feedback may be presented direct to individuals or to their managers or both and also expert counseling and coaching for individuals as a result of the feedback may be provided by a number of the HR department or by an outside consultant.(Armstrong M. 2006)

2.1.7 Factors to be embedded on Good Performance Management System

According to James W. Smither and Manuel London, editors (2009), the factors which should be embedded in good performance management system are as follows:

- ✓ **Strategic Congruence:** the system should be congruent with unit and organizational strategy.
- ✓ **Thoroughness:** being thorough regarding:-
 - All employees along with managers should be evaluated.
 - All job major responsibilities should be evaluated.

- The evaluation should include performance spanning the entire period.
 - Feedback should be given.
- ✓ **Practicality:** the system should be easy-to-use and benefit of using the system must be seen as outweighing the cost.
 - ✓ **Meaningfulness:** the system must be meaningful and the evaluation and the standard must be considered to be important and relevant.
 - ✓ **Specificity:** it should be specific and provide detailed and concrete guidance to employee.
 - ✓ **Identification of effective and ineffective performance:** the system should allow performance for distinguishing between effective and ineffective behaviors and result.
 - ✓ **Reliability:** it should include measure of performance that are consistent and free of error.
 - ✓ **Validity:** the performance measures include all relevant performance facets and do not include irrelevant performance facets.
 - ✓ **Acceptability and fairness:** a good system is acceptable and is perceived as fair by all participants.
 - ✓ **Inclusiveness:** it includes inputs from multiple sources on an ongoing basis.
 - ✓ **Openness:** it does not have secrets for which performance is evaluated frequently and performance feedback is given on an ongoing basis.
 - ✓ **Correct ability:** state of establishing an appeals process, through which employees can challenge what may be unjust decisions.
 - ✓ **Standardization:** the system should allow performance could be evaluated consistently across people and time.
 - ✓ **Ethicality:** it should comply with ethical standards in which the privacy of the employee is respected.

2.1.8 Result of Poorly Designed Performance Management System

According to Engelmann and Roesch (1996), poorly designed or inadequate performance management system results:-

- ✓ poor motivation and self-esteem ,because of employee`s inadequate feedback upon their work performance.
- ✓ little or no focused communication about performance between supervisors and employees.
- ✓ inefficient use of supervisors` time.
- ✓ litigation over alleged discriminatory actions.

Motivation

2.2 Motivation defined

Motivation is the inner drive that directs a person`s behavior towards goals. It can be defined as a process which energizes, directs and sustains human behaviors. In HRM the term refers to person`s desire to do the best possible job or to exert the maximum effort to perform assigned tasks.(Human Resource Management, (MGT 501) VU of Pakistan).

According to Armstrong M. (2009), motivation is concerned with the strength and direction of behavior and the factors that influence people to behave in certain ways. Motivating other people is to make them move in the direction you want them to go to achieve a result, whereas, motivating yourself is about setting a direction independently and having a course of action that ensure you get there, so motivation can be described as goal-directed behavior.

Types of motivation

There are two types of motivation:-

2.2.1 Intrinsic motivation:- it is able to arise from the self-generated factors which influence people`s behaviors. It can take the form of motivation by the work itself when individual feels that the work

is important, interesting and challenging, providing them freedom to act, opportunity to achieve..etc. (Deci and Ryan 1989).

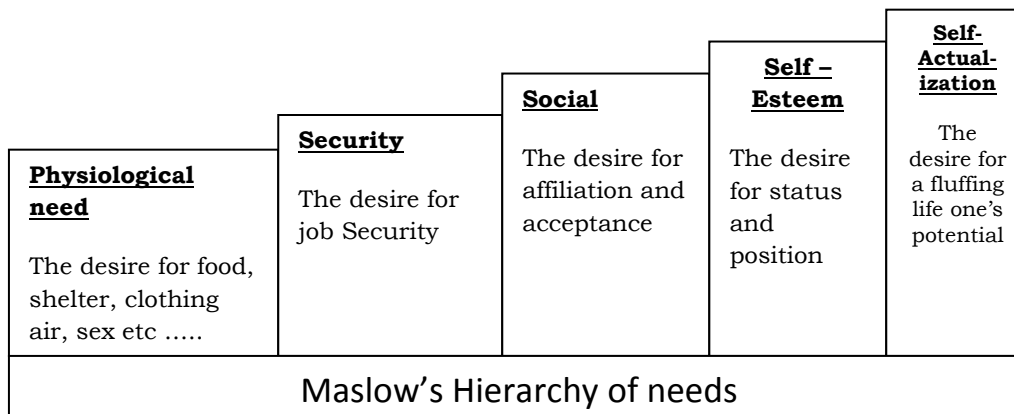
2.2.2 Extrinsic motivation:- this occurs when things are done for or to people to motivate them, that include rewards and punishments. (Armstrong M. 2009)

Theories of Motivation

2.3 Maslow`s Hierarchy of Needs

The one formulated by Maslow (1954), which classifies needs, explains five major need categories that apply to people in general, starting from physiological needs and leading through a hierarchy of safety, social and esteem need to the need for self-fulfillment that is the highest need of all.(Armstrong M. 2009)

According to Maslow`s needs theory, when a lower need is satisfied, the next highest becomes dominant and then the individual`s attention is turned to satisfying this highest need.(Armstrong M. 2006)



2.4 Herzberg`s Two Factors Theory

This theory of satisfiers and dissatisfiers was developed by Herzberg et. al (1957), based on the investigation into source of job satisfaction and dissatisfaction of accountants and engineers. (Armstrong M. 2009)

The theory consists of two main factors, these are:-

- ✓ **Motivators:** that are Achievement, Recognition, Work itself, Responsibility, Advancement and Growth.
- ✓ **Hygiene factors:-** that are Supervision, Company policy, Relationship with supervisor, Working conditions, Salary, Peers relationship, Personal life, Relationship with subordinates, Status and Security.

Herzberg called the extrinsic factors that create job dissatisfaction hygiene factors. When these factors are adequate, people will not be dissatisfied, but they will not be motivated either, to motivate people he suggested emphasizing motivators, intrinsic factors having to do with the job itself.(Stephen P. et.al 2010)

2.5 Goal-Setting Theory

Goal-setting theory as developed by Latham and Locke (1979), states that setting specific goals by individuals results a high performance and motivation, for a means of getting agreement to the setting of higher goals, participation in a goal setting important. Difficult goals must be agreed and their achievement reinforced by guidance and advice. Finally, particularly, towards the achievement of higher goals, feedback is important, even in maintaining motivation. (Armstrong M. 2009).

According to Stephen P. et. al (2010), there are two contingencies besides feedback influence the goal-performance relationship:-

- ✓ **Goal commitment:-** commitment is more likely when goals are made public, at the time, an individual has an internal locus of control and when the goals are self-set rather than assigned.
- ✓ **Self-efficacy:-** refers to an individual's belief that he or she is capable of performing a task. The higher your self-efficacy, the more confidence you have in your ability to succeed in a task.

2.6 Expectancy Theory

This Victor Vroom's theory is the most comprehensive expectation of how employees are motivated.

The theory states that an employee tends to act in a certain way based on the expectation that act will be followed by a given outcome to the employee.

This theory includes three variables as follows:-

- ✓ **Expectancy or effort-performance:-** is the state of probability of perceiving of individual that to exert a given amount of effort will lead to a certain level of performance.
- ✓ **Instrumentality or performance-reward linkage:-** the state of believing of an employee that performing at a particular level is instrumental in attaining the desired outcomes.
- ✓ **Valence or attractiveness of reward:-** is vital that an employee places on the potential outcome or reward that can be succeeded on the job. It considers both the needs and the goals. (Stephen P.et.al 2010)

According to Armstrong M. and Helen Murlis (2005), the individuals need to be motivated through expectancy theory, they have to:-

- ✓ feel able to change their behavior
- ✓ feel confident that a change in their behavior will produce a reward.
- ✓ value the reward sufficiently to justify the change in behavior.

Expectancy theory just as much to non-financial as to financial rewards.. It explains why extrinsic motivation, such as an incentive or bonus scheme works only if the link between effort and reward is clear and the value of the reward is worth the effort. It also explains why intrinsic motivation sometimes be powerful for its outcomes are more under the control of individuals who rely on

their past experiences to indicate the extent to which positive results likely to be obtained by their behaviors.

2.7 Empirical Evidence

According to Farooq.E et .al (2013), that presented the research result on the contribution of setting objective what has been included in the development plan, that identify the gap between achievable and unachievable activities and then improving the weak side by using improvement tool (i.e. training) could not bring employee job motivation. In addition, the researchers tasted recognition what is always the result of evaluation which identifies contribution boundaries of the employees.

Concerning the result what the researchers found, evaluation for it is source of recognition, could not contribute to employee job motivation to put effort on their job. on the other hand, setting objective, that is the prerequisite of development plan which is also the source of seeking training to fill the gap, could not motivate employees for their effort, it implies that, if training does not motivate, setting objective(development plan) is not expected to motivate employees as well. Thus, the researchers approved that, setting objective and evaluation could not contribute to employees job motivation in the commercial banking sector of Karachi, Pakistan.

According to Shaemi B.A. et. al,(2012), the evaluation of employees` performance has contribution on employee motivation. Those researchers tested the data with  $P < 0.05$  for its contribution and showing, its positive contribution with 0.441 correlation coefficient on the study of the effect of employees` performance appraisal procedure on their motivation, which is related with the topic study of this research.

According to Hafiza N.S. et. al (2011), there is a significant and positive relationship between evaluation and employee motivation, as reward is the source of evaluation, affected one by another, but the research observed that

organizations are not offering right amount of reward to their employees in this sector, even if performance pay and fringe benefit do motivate employees to increase their job efficiency in the organizations had been used as case of this study, could not fulfill rewards. Therefore, evaluation, that is the source of reward also could not motivate employees in the non-profit organization of Pakistan.

According to NDAFUDA. N. (2013), employing effectively implemented PMSs has a motivating effect on employees and enhance performance within the organization. Findings suggest that motivation and performance are enhanced when goals are clearly set (setting objective), continuously reviewed (seeking feedback).

The research results also confirmed that goal setting and feedback are critical factors essentials for the successful and effective implementation of PMS which can motivate employees to put effort on their job. However, those factors could not contribute to employee job motivation, in the research topic of the contribution of PMS to employee performance (job motivation).

Seleshi H. (2013), performed research on the topic of the impact of PMS on employee motivation the case of EIC(Ethiopian Insurance Company) explained performance management practice was low, due to fact that, employees do not participate in the planning process (setting objective), performance management process could not translate the organizational goal into individual job objective, employees could not get feedback and recognition, hence employees thought that their performances are not accurately measured or employers expectations are not realistic that de-motivate them. Finally, the researcher assured that there was lack of effective PMS that leads to an increased risk of litigation.

2.8 The research frame work

According to the hypotheses the researcher developed, the research frame work could be established concerning the following variables of the research topic.

Independent variables

Objective setting
Feedback
Evaluation

Dependant variable

Job motivation

According to the reasons stated with some authors bellow, the researcher emphasizes on only the above three independent variables, though, there are other variables of performance management systems.

As Fletcher (1996), suggested that the objective setting is the main building block of performance management systems. In addition to this, according to Rogers and Hunter (1991), objective setting is the fundamental aspect for an organization as it is a job motivational process.

Firstly, based on the above reasons, the researcher would test the relationship between objective setting and employee job motivation.

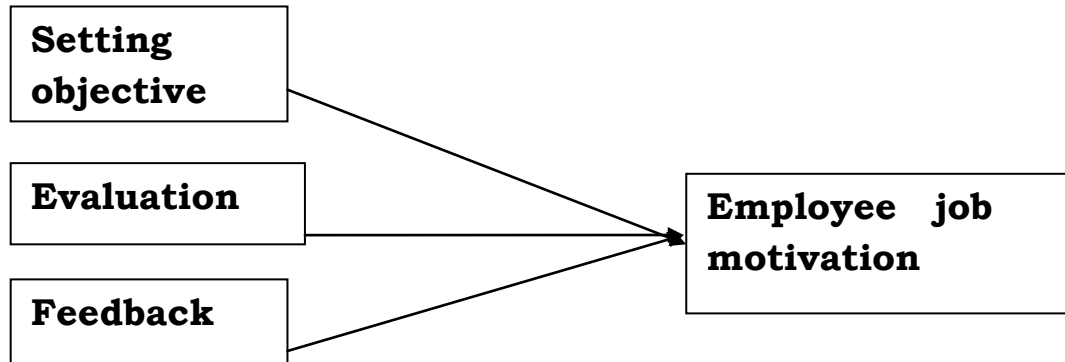
Concerning “ feedback” as independent variable, Angelo S.et.al (2000), stated that feedback is a vital source of motivating potential on the job and its presence has been proposed to lead to increased motivation.

Therefore, secondly, the researcher would test the relationship between feedback and employee job motivation.

According to Judy Capko (2003), performance evaluation system can motivate staff to do their best and the practice by promoting staff recognition.

Lastly, based on the above reason, the researcher would test the relationship between evaluation of work and employee job motivation.

The Research Model



Source: The researcher with different literatures

CHAPTER THREE

Research Design & Methodology

3.1 The Research Design

According to Kothari C.R (2004), descriptive research study is to study that concerned with describing the characteristics of individual or a group with specific predictions and narrations of facts. In addition, it emphasizes on listing specific objectives in its first step, the same is true this study focused on its specific objectives.

Thus, to describe the contribution of performance management system to employee motivation, the case of Anbessa Shoe Share Co, in Addis Ababa, descriptive research study was used.

3.2 Sample and Sampling Technique

As C.R. Kothari (2004), stated that systematic random sampling from a finite population is a method of probability sampling selection which gives each possible sample combination an equal probability of being picked up and lets each item have an equal chance of being included in the sample.

Considering access to participants for the related information and homogeneity of their job, this research focused on only 590 employees who were production and management staffs out of the total population of 1270 employees in Anbessa Shoe Share Company within two factories in Addis Ababa.

Since systematic random sampling technique provides equal chance of selection, the researcher used this technique to select 274 respondents as sample out of the total population of employees working in Anbessa Shoe Share Company in Addis Ababa.

The sample size has been determined by applying the, $n = N / 1 + N(e)^2$ to find 274 as representative sample size.

3.3 Instrument Validity and Reliability

As Joppe M. (2000), stated that, Instrument validity pertains to the ability to accurately measure what to intends to measure based on objective of the study. By saying this so, the researcher discussed with the advisor and other management staffs about the questionnaires before it had been distributed.

The researcher provided explanations concerning on the questions to the respondents before they had given answer for it. This conforms the reliability of the available data.(Ibid.)

3.4 Methods of Data Analysis

The data entry and cleaning was done by using SPSS Version 20 and frequency and cross tabulation as Statistical model are used for data analysis , to present the result in tables. At the end, the study tried to give recommendations on actual practice of the contribution of performance management system to motivate employees based on literature review of the study.

3.5 Source and Instruments of Data Collection

For the vital information of this research study, questionnaire was used to collect primary data from Anbessa Shoe Share Company. The used questionnaires adopted from different literatures and previous research papers related to the study and have been customized in order to suit to this research study. The questionnaires were composed of close ended questions and translated into “Amharic” the working language of the region of Addis Ababa. (Ref. Appendix)

The questionnaires were distributed to management and non-management staffs. The first one that contains extra questions on nature of performance management system in the company was prepared for management staffs. The

second one omitted those questions but similar with the remaining ,distributed to non-management staffs who were producers. A total of 274 distributed questionnaires, 264 were collected, out of this, 40 respondents were from management staff. In general, 96.4% of responses were analyzed in this research. Reliability test of questionnaires was done on 30 sample respondents and applying SPSS software of Cronbach Alpha which resulted 0.879, 0.869 and 0.801 for managerial staffs` PMS, both managerial and non-managerial staffs` PMS and managerial and non-managerial staffs` employee perception respectively. Concerning content validity of the questionnaires, the researcher consulted experts including my assigned advisor to improve the item quality.

3.6 Ethical Considerations

Polit and Beck(2008:753) describe ethics as a system of moral values concerned with the degree to which research procedures adhere to professional, legal and social obligation of the participants. Therefore, ethical consideration in research should up hold fairness , honesty, openness, disclosure of methods and the purpose for which the research is being carried out. The aspect of confidentiality will be given optimum attention. In this case, the identity of the participants of Anbessa Shoe Share Co. was not disclosed alongside guarantying them security for any complications.

CHAPTER FOUR

Data Presentation & Analysis

4.1 Introduction

This chapter deals with the analysis and presentation of the quantitative data collected through questionnaire. The questionnaires composed close ended questions which are summarized and presented quantitatively in tables using SPSS software. The researcher used some secondary data from published and unpublished documents of the case company. The following questionnaires were distributed for 274 respondents, 10 of the questionnaires were not returned which makes the response rate is 96.4%.

The researcher, as much as possible, made the questionnaire easy to read and answer without difficulties, thus, the questionnaires had been translated into the working language of the capital,” Amharic “ language. (Ref. Annex)

4.2 Characteristics of Profile Variables for Producers

Table 4.1:- Frequency and percentage of profile variables of the participants

Variable		Frequency	Percent
Position	Non managerial staff(Producers)	224	100.0
	Total	224	100.0
Gender	male	122	54.5
	Female	102	45.5
	Total	224	100.0
Age	18-25	60	26.8
	26-35	59	26.3
	36-45	74	33.0
	46-55	28	12.5
	>55	3	1.3
	Total	224	100.0
	Certificate	123	54.9
Educational status	college Diploma	75	33.5
	first degree	19	8.5
	Masters Degree	7	3.1
	Total	224	100.0

Current position	Coordinator	61	27.2
	Producer	153	68.3
	Clerical Staff	10	4.5
	Total	224	100.0
Work experience	< 2 Years	61	27.2
	2-6 Years	72	32.1
	7-10 Years	62	27.7
	> 10 Years	29	12.9
	Total	224	100.0
Performance evaluation experience	Yes	171	76.7
	No	50	22.4
	Total	221	99.1
Type of performance	Formal	84	37.5
	Non formal	93	41.5
	Total	177	79.0
Duration of performance assessment	Only once	58	25.9
	Twice	85	37.9
	Several times	36	16.1
	Never	44	19.6
	Total	223	99.6
Performance assessment conducted by	managers/supervisors	114	50.9
	Employees	85	37.9
	Both	24	10.7
	Total	223	99.6
Use of performance feedback	for employee improvement	72	32.1
	for rewards	91	40.6
	only for formality	60	26.8
	Total	223	99.6

As can be seen in the above table , total 224 participants who were producers and represents 84.8% of the whole sample size of the study. There were 54.5% male and 45.5% female participants who participated in this study, one can conclude that, there was almost average gender distribution. Regarding the age of participants, the majority of participants (33.0%) were in the age range of 36-45 years old whereas the minority of participants (1.3%) were in the above 55 years old, we can conclude that, majority of the participants were found to be in adult age group. Among the total participants, the majority of, 54.9%, were certificate holders, 33.5% were diploma holders, 8.5% were first degree holders and only 3.1% of participants were found to be MA degree holders, we can conclude that, 88.4% of the participants were not well educated except, 11.6% of them were found to be well educated producers.

Regarding work position, the above table indicates that, majority of the respondents (68.3%) were direct producers, (27.2%) were coordinators whereas the minority of participants (4.5%) were found to be clerical staff related with the company production, we can conclude, majority of the participants were direct producers. Based on the work experience, the above table shows that the majority of participants (32.1%) were having work experience of from 2 years up to 6 years, whereas the minority of participants (12.9%) were having above 10 years work experience, the researcher can conclude that, majority of the respondents were not highly experienced. Among the total participants, 76.3% of them had performance evaluation experience however, 22.4% of participants reported that they never had performance evaluation experience, one can conclude that, even if, majority of the participants were experienced of performance evaluation, 22.4% of them had not any performance evaluation experience.

It can be seen from the above table that, the participants (37.5%) had formal type of performance evaluation whereas 41.5% of them had non-formal type of evaluation, we can conclude that, almost average of the participants had formal and non-formal performance evaluation. 25.9% of participants have taken performance assessment only once, 37.9% have taken twice, 16.1% have taken several times, however, 19.6% of participants reported that they never had taken any performance assessment, we can conclude that, the participants (16.1%), had taken several time of it but 19.6% of them had not taken even once. The majority of participants (50.9%) reported that their performance assessment was conducted by managers/supervisors, 37.9% of participants reported that their assessment was conducted by employees whereas the minority of participants (10.7%) reported that their performance assessment was conducted by both managers/supervisors and employees, we can conclude that, except 10.7% of the participants the remaining confirmed, the assessment was conducted by managers/supervisors. Finally regarding the use of performance feedback, 40.6% of participants believed that performance

feedback was done for the purpose of rewards, 32.1% believed that it was done for the purpose of employee improvement whereas the rest (26.8%) believed that performance feedback was done for the purpose of only for formality, finally, the researcher conclude that, majority of the respondents assured that, feedback was used for the purpose of reward but 32.1% of them confirmed that feedback was used for the purpose of employee improvement while the rest assured that feedback was used for the purpose of only for formality.

4.3. Characteristics of Profile Variables for Management Staffs

Table 4.2:- Frequency and percentage of profile variables (Managers).

Variable		Frequency	Percent
Position	Managerial staffs	40	100.0
	Total	40	100.0
Gender	male	21	52.5
	Female	19	47.5
	Total	40	100.0
Age	18-25	17	42.5
	26-35	16	40.0
	36-45	6	15.0
	46-55	1	2.5
	Total	40	100.0
Educational status	Certificate	4	10.0
	College Diploma	16	40.0
	First degree	18	45.0
	Masters Degree	2	5.0
	Total	40	100.0
Current position	Top Management	4	10.0
	Middle Management	16	40
	Clerical Staff	11	27.5
	Lower Level Management	9	22.5
	Total	40	100.0
Work experience	< 2 Years	21	52.5
	2-6 Years	11	27.5
	7-10 Years	7	17.5
	> 10 Years	1	2.5
	Total	40	100.0
Performance evaluation experience	Yes	30	75.0
	No	10	25.0
	Total	40	100.0
Type of performance evaluation	Formal	26	65.0
	Non formal	4	10.0
	Total	30	75.0
Duration of performance assessment	Only once	9	22.5

	Twice	15	37.5
	Several times	8	20.0
	Never	8	20.0
	Total	40	100.0
Performance assessment conducted by	managers/supervisors	25	62.5
	Employees	7	17.5
	Both	8	20.0
	Total	40	100.0
Use of performance feedback	for employee improvement	22	55.0
	for rewards	7	17.5
	only for formality	11	27.5
	Total	40	100.0

As can be seen in the above table, total 40 participants who were managerial staffs and represents 15.2% of the whole sample size of the study. There were 52.5% male and 47.5% female participants who participated in this study, to conclude, there was an average gender distribution in the company. Regarding the age of participants ,42.5% and 40.0% were found to be in the age range of 18-25 and 26-35 respectively, whereas the minority of participants (2.5%) were in the age range of 46-55 years old, to conclude, 82.5% of the participants were found to be young. Among the total participants, 45.0%, were first degree holders, 40.0% were diploma holders, 10% were certificate holders and only 5.0% of participants were found to be MA degree holders, we conclude that, 85.0% of the participants were well educated but minority of them(5.0%), were found to be more than first degree.

Regarding work position, the above table indicates that, the respondents (10.0%) were in top level management, 40.0% were in middle level management, 27.5% were found to be in the clerical staffs level and 22.5% were in the lower level management. Based on the work experience, the above table shows that the majority of participants (52.5%) were having work experience of less than 2 years and the participants (27.5%) and (17.5%) were having range of 2-6 and 7-10 years of work experience respectively, whereas the minority of participants (2.5%)were having above 10 years work experience, this implies that, most of the participants had less than 2 years experience. Among the total participants, 75.0% of them had performance evaluation

experience however, 25.0% of participants reported that they never had performance evaluation experience, even if, majority of them had performance evaluation experience, 1/4th of them had not any performance evaluation experience in the company.

It can be seen from the above table that ,the majority of participants (65.0%) had formal type of performance evaluation whereas 10.0% of them had non-formal type of evaluation, to conclude, majority of them had formal type of evaluation and 22.5% of participants have taken performance assessment only once, 37.5% have taken twice, 20.0% have taken several times, we can conclude, almost average of participants had taken performance assessment once, twice and several times, However, 20.0% of participants reported that they never had taken any performance assessment. The majority of participants (62.5%) reported that their performance assessment was conducted by managers/supervisors, to conclude, majority of the participants confirmed that, performance assessment was conducted by only managers/supervisors. Finally, regarding the use of performance feedback, 55.0% of the participants believed that performance feedback was done for the purpose of employees improvement and 27.5% of them believed that it was done for the purpose of only for formality, we can conclude, more than half of the respondents assured that feedback was used for employee improvement but more than 1/4th of them confirmed that it was used for only formality.

4.4. Characteristics of the IMPMS (producers)

Table 4.3:- Frequency Table for Implementation of PMS (producers)

No	Variable	Frequency	Percent
11	IPMS Feedback:- Supervisors write statement about strength, weakness and suggest for improvement during performance review.		
	Strongly Disagree	19	8.5
	Disagree	62	27.7
	Neutral	57	25.4
	Agree	57	25.4
	Strongly agree	29	12.9
	Total	224	100.0

12	IPMS Setting Objective:- Supervisors use performance management process to develop their subordinates	N	Percentage
		Strongly Disagree	22
		Disagree	75
		Neutral	65
		Agree	46
		Strongly agree	16
		Total	224
13	IPMS PMS:- Performance Process is transparent.	N	Percentage
		Strongly Disagree	35
		Disagree	89
		Neutral	56
		Agree	29
		Strongly agree	15
		Total	224
14	IPMS Setting Objective:- Management and employees jointly identify specific and achievable goals.	N	Percentage
		Strongly Disagree	39
		Disagree	87
		Neutral	57
		Agree	31
		Strongly agree	10
		Total	224
15	IPMS Setting Objective:- The individual goal is used as standard by which employee result will be evaluated	N	Percentage
		Strongly Disagree	43
		Disagree	68
		Neutral	64
		Agree	35
		Strongly agree	14
		Total	224
16	IPMS Setting Objective:- Employee involvement in setting goals.	N	Percentage
		Strongly Disagree	49
		Disagree	97
		Neutral	47
		Agree	22
		Strongly agree	9
		Total	224

As it can be seen in the above table, the respondents (27.7%) said “disagree” and 25.4% of them said “agree” and also 12.9% said “strongly agree “ and 8.5% of them said “strongly disagree”, about survey statement of **“Supervisors write statements about employee strength, weakness & suggest for improvement during performance review”**, we conclude that, 38.3% and 36.2% of the respondents agreed and disagreed respectively, thus average of them confirmed that, supervisors provide a formal setting in which the employees receive feedback that leads to performance improvement.

Concerning the second statement survey of **“Supervisors use performance process to develop their subordinates”**, 33.5% of the respondents said “disagree” and 20.5% of them said “agree”, in addition, the respondents (8.5% and 7.1%) said “strongly disagree” and “strongly agree” respectively, we conclude, majority of the participants(42.0%), assured that, the PMS of the company was utilized for development in which motivation can be provided by reinforcement within.

The response was also given for the survey statement of **“Performance process is transparent”**, with 39.7% of the respondents said “disagree” and 15.6% of the respondents said “strongly disagree”, therefore, we conclude, 55.3% of the respondents assured that, there was no transparent performance process in the company in which performance management process could be passed through in order to achieve the corporate objectives.

The response which have been given to the survey statement, **“Management and employees jointly identify specific and achievable goals”**, informs that, the respondents (38.8%) said “disagree” and 17.4% of them said “strongly disagree” but the minority of the respondents (4.5%), said “strongly agree”, we can conclude, 56.2% of the respondents assured that, there was problems of identifying specific and achievable goals together with employees in the company.

The above table, informs about the response on the survey statement **“The individual goal is used as standard in which evaluation is done”**, with 30.0% of the respondents said “disagree” and whereas, 19.2% and 15.6% of them said “strongly disagree” and “agree” respectively, to conclude, 49.2% of the respondents confirmed, there was the problem of setting specific objectives which can be a standard being used to evaluate how well employees have achieved each objectives. There was also responses on the survey statement

“There is employee involvement in setting goals”, with majority of the respondents (43.3%) said “disagree” and even, 21.9% of them said “strongly disagree”, this shows that, 65.2% of the respondents confirmed that, there was problems of supervisors and employees discussion at the beginning of each performance cycle to agree on what needs to be done and how it should be done hold through knowledge of PMS.

4.5. Characteristics of the EP towards PMS (producers)

Table 4.4:- Frequency Table For Employee perception towards PMS (Producers)

No	Variable	Frequency	Percent
17	EP Evaluation:- My performance is fairly measured based on agreed goals since my assignment.		
	Strongly Disagree	36	16.1
	Disagree	85	37.9
	Neutral	47	21.0
	Agree	33	14.7
	Strongly agree	23	10.3
	Total	224	100
18	EP Motivation:- I am motivated with the recognition I received	N	Percentage
	Strongly Disagree	43	19.2
	Disagree	96	42.9
	Neutral	43	19.2
	Agree	35	15.6
	Strongly agree	7	3.1
	Total	224	100.0
19	EP Evaluation:- The pay matches my responsibilities as per evaluation result.	N	Percentage
	Strongly Disagree	80	35.7
	Disagree	42	18.8
	Neutral	48	21.4
	Agree	40	17.9
	Strongly agree	14	6.3
	Total	224	100.0
20	EP Motivation :- The management invests on employees development, motivation and satisfaction as per performance review	N	Percentage
	Strongly Disagree	48	21.4
	Disagree	105	46.9
	Neutral	41	18.3
	Agree	42	9.8
	Strongly agree	8	3.6
	Total	224	100.0

21	EP Motivation :- Performance management process motivates me	N	Percentage
	Strongly Disagree	40	17.9
	Disagree	104	46.4
	Neutral	52	23.2
	Agree	23	10.3
	Strongly agree	5	2.2
	Total	224	100.0
22	EP Motivation:- Performance based payments are used to motivate employees	N	Percentage
	Strongly Disagree	17	7.6
	Disagree	48	21.4
	Neutral	53	23.7
	Agree	85	37.9
	Strongly agree	21	9.4
	Total	224	100.0
23	EP PMS:- Performance management system is used just for formality.	N	Percentage
	Strongly Disagree	6	2.7
	Disagree	17	7.6
	Neutral	43	19.2
	Agree	139	62.1
	Strongly agree	19	8.5
	Total	224	100.0
24	EP Setting Objective:- Performance appraisal is used to develop employee's knowledge, skill and efficiency.	N	Percentage
	Strongly Disagree	39	17.4
	Disagree	75	33.5
	Neutral	70	31.3
	Agree	34	15.2
	Strongly agree	6	2.7
	Total	224	100.0
25	EP Feedback:- Supervisors provide continuous, timely and constructive feedback to subordinates.	N	Percentage
	Strongly Disagree	49	21.9
	Disagree	102	45.5
	Neutral	46	20.5
	Agree	18	8.0
	Strongly agree	9	4.0
	Total	224	100.0
26	EP Motivation:- PMS is used to promote employees.	N	Percentage
	Strongly Disagree	17	7.6
	Disagree	43	19.2
	Neutral	79	35.3
	Agree	70	31.3
	Strongly agree	14	6.3
	Total	224	100.0

Concerning EP in the above table, the respondents answered for the statement of **“My performance is fairly measured based on agreed goals at the beginning of my assignment”**, with 37.9% of them said “disagree” and 16.1% said “strongly disagree”, we can conclude that, more than half of the respondents assured that, the employees could not be assessed based on their contribution to have recognition and to be motivated to do their best. As it can be observed from the above table, the majority of the respondents (42.9%), said “disagree”, even 19.2% of them said “strongly disagree” , on the survey statement of **“ I am satisfied with the recognition received for my accomplishment”**, the researcher can conclude that, 62.1% of the participants confirmed that, the system could not make employee know the acceptable boundaries of performance to promote staff recognition and motivation.

The respondents provided the responses on the statements **“ The pay matches my responsibilities as per evaluation result”**, 35.7% of the participants said “disagree” and, in addition to this, even, 21.4% of the participants said “strongly disagree” and minority of them (6.3%) said “strongly agree”, as 59.1% of the respondents disagreed and , we can conclude that, the company could not provide equitable measurement of an employee`s contribution and produce accurate appraisal documentation to protect the interest of both employee and employer. The survey statement **“ The management staff s are willing to invest on employee development, motivation and job satisfaction based on performance review”** was given the answer with the majority of respondents(46.9%) said “disagree”, on the other hand, 21.4% of them said “strongly disagree” , we can conclude that, majority of the participants(71.3%), assured that, the management staffs did not do on the identification of employees strength and weakness and explain the needs to be required and to improve performance and provide reinforcement to motivate employees. The majority of the participants (46.4%) said “disagree” and the minority of them (2.2%) said “strongly agree”, apart from this, 17.9% of them said “strongly disagree” on the given statement survey of **“Performance management process motivates me”**, the researcher conclude that, 64.3% of the respondents assured that, the participants could not be motivated in the stages one comes after the others of a continuous process of PMS which consists motivational activities. Concerning the survey statement of **“The performance based payments are used to motivate employees”**, 37.9% of the participants said “agree” but 21.4% of them said “disagree”, in addition, 9.4% of the participants said “strongly agree”, we conclude that, 47.3% of the respondents assured that the company could implement performance based

payment to motivate employees in which development goals can be achieved with.

The statement survey of “ **Performance management system is used for just formality**”, did get the answer of “agree” with the majority of participants (62.1%) and “strongly disagree” with the minority of the participants (2.7%), we conclude that, 70.6% of the respondents confirmed that, PMS is used for formality even it has motivational purpose for the existed employees.

In the case of survey statement of “**Performance appraisal is used to develop knowledge, skill and efficiency of employees**”, 33.5% and 17.4% of the respondents said “disagree” and “strongly disagree” respectively, we conclude that, 50.9% of the participants disagreed, then these employees assured the company has problems to develop knowledge, skills and efficiency of the employees in the appraisal discussion period. The majority of the respondents (45.5%) said “disagree” , in addition to this, 21.9%, of the participants said “strongly disagree”, on the survey statement of “**Supervisors provide continuous, timely and constructive feedback to subordinates**”, we conclude, majority of the respondents (67.4%) disagreed, assured that, the supervisors could not provide continuous, timely and constructive feedback to be used in the review phase. Lastly, the respondents answered the survey statement of “**Performance management system is used to promote employees**”, 31.3% of them said “agree” , on the other hand, 6.3% of them said “strongly agree”, to conclude, 37.6% of the participants assured that there was the promotional potential that is one of the purposes of PMS.

4.6 Characteristic of nature of PMS (managers)

Table 4.5:-Frequency For Nature of Current PMS (Managerial Staffs)

No	Variable	Frequency	Percent
11	Setting Objective:- Pm begins to identify the organizational objective.		
	Strongly Disagree	1	2.5
	Disagree	4	10.5
	Neutral	6	15.5
	Agree	20	50.0
	Strongly agree	9	22.5
	Total	40	100
12	Evaluation:- performance evaluation function relates the organization's performance expectation in each level.	N	Percentage

	Strongly Disagree	0	0
	Disagree	8	20.0
	Neutral	14	35.0
	Agree	14	35.0
	Strongly agree	4	10.0
	Total	40	100.0
No	Variable	Frequency	Percent
13	Evaluation:- Performance management process evaluates the employee performance against the acceptable level performance standard.		
	Strongly Disagree	0	0
	Disagree	7	17.5
	Neutral	10	25.0
	Agree	19	47.5
	Strongly agree	4	10.0
	Total	40	100.0
14	Setting Objective:- Performance management purpose reinforces to translate organization goals into individual job objectives.	N	Percentage
	Strongly Disagree	3	7.5
	Disagree	11	27.5
	Neutral	13	32.5
	Agree	9	25.5
	Strongly agree	4	10.0
	Total	40	100.0
15	Feedback:- The performance review stage allows employees to receive feedback.	N	Percentage
	Strongly Disagree	5	2.5
	Disagree	12	30.0
	Neutral	8	20.0
	Agree	12	30.0
	Strongly agree	3	7.5
	Total	40	100.0
16	Motivation:- Performance management process motivates employees under my supervision.	N	Percentage
	Strongly Disagree	3	7.5
	Disagree	9	22.5
	Neutral	16	40.0
	Agree	10	25.0
	Strongly agree	2	5.0
	Total	40	100
17	PMS:- PMS is properly executed.	N	Percentage

	Strongly Disagree	5	12.5
	Disagree	6	15.0
	Neutral	15	37.5
	Agree	11	27.5
	Strongly agree	3	7.5
	Total	40	100.0
18	Evaluation:- Employers applies similar format and technique to evaluate all job.	N	Percentage
	Strongly Disagree	2	5.0
	Disagree	5	12.5
	Neutral	11	27.5
	Agree	17	42.5
	Strongly agree	5	12.5
	Total	40	100.0

Concerning the nature of PMS in the company in the above table, the respondents answered for the statement of **“PM begins to identify the organization`s objective”**, with 50.0% of them said “agree”, 22.5% said “strongly agree”, we can conclude that, as majority of the respondents assured, PM begins to identify the organization goal before performance management is implemented in the company. As it can be observed from the above table, the respondents (35.0%) said “agree”, in addition, 10.0% of them said “strongly agree”, on the survey statement of **“ Evaluation function relates the expectation in each level”**, we can conclude that, 45.0% of the respondents assured there was evaluation in relating with expectation in each level to evaluate how well employees have achieved each objective.

The respondents provided the responses on the statements **“The PM process evaluates employee`s performance as per the level of standard”**, 47.5% and 10.0% of the participants said “agree” and “strongly agree” respectively, whereas, we can conclude that, PM process uses standard as a yardstick to evaluate with. The survey statement **“The purpose of PM is to reinforce to translate organizational goals to individual job objectives”** was given the answer with 27.5% of the respondents said “disagree” and 7.5% of the respondents said “strongly disagree”, the researcher conclude that, majority of them assured that, the company could not utilized one of PMS purposes that is STRATEGIC which consistent with the attainment of overall organizational goals through linking with the individual goals. The participants (30.0% and 12.5%) said “disagree” and “strongly disagree” respectively, on the given statement survey of **“Performance review stage allows to receive feedback”**, we conclude that, 42.5% of the respondents assured that the company`s

performance review stage could not allow to receive feedback. Concerning the survey statement of **“The PM motivates employees in my supervision”**, 25.0% and 22.5% of the participants said “agree” and “disagree” respectively, on the other hand, 7.5% and 5.0% of them said “strongly disagree” and “strongly agree” respectively, to conclude, almost equal number of the respondent believed both “agree” and “disagree” of it, so, there was in between to say motivation because of PMS in the company. The statement survey of **“PMS is properly executed”**, did get the answer of “agree” and “strongly agree” with 27.5% and 7.5% of the participants respectively, we conclude that, majority of the respondents assured that there was properly execution of PMS in the company. Lastly, 42.5% and 12.5% of participants said “agree” and “strongly agree” respectively, on the survey statement of **“Similar format and technique are applied to evaluate all jobs”**, to conclude, majority of them assured that similar format and technique was used to evaluate all jobs.

4.7. Characteristics of IMPMS (managers)

Table 4.6:- Frequency For Implementation of PMS (Managers)

No	Variable	Frequency	Percent
19	Feedback:- Supervisors set guide line for feedback for improvement during performance review.		
	Strongly Disagree	4	10
	Disagree	10	25.0
	Neutral	13	32.5
	Agree	10	25.0
	Strongly agree	3	7.5
	Total	40	100.0
20	Setting Objective:- Managers utilize performance process to develop the subordinates.	N	Percentage
	Strongly Disagree	5	12.5
	Disagree	8	20.0
	Neutral	13	32.5
	Agree	10	25.0
	Strongly agree	4	10.0
	Total	40	100.0

21	Evaluation:- Supervisors conduct transparent evaluation activities.	N	Percentage	
		Strongly Disagree	4	10.0
		Disagree	14	35.0
		Neutral	11	27.5
		Agree	8	20.0
		Strongly agree	3	7.5
		Total	40	100.0
22	Setting Objective:- Management jointly with employees set specific goal as standard in which evaluation is done accordingly.	N	Percentage	
		Strongly Disagree	6	15.0
		Disagree	10	25.0
		Neutral	16	40.0
		Agree	6	15.0
		Strongly agree	2	5.0
		Total	40	100.0
23	Setting Objective:- Pm planning involves employees inputs to set individual goals.	N	Percentage	
		Strongly Disagree	6	15.0
		Disagree	6	15.0
		Neutral	19	67.5
		Agree	6	15.0
		Strongly agree	3	7.5
		Total	40	100.0

Concerning the implementation of PMS in the company in the above table, the respondents answered for the statement of **“Supervisors set guide line for feedback for improvement in performance review”**, with 25.0% and the same percent said “disagree” and “agree”,, respectively, but 10.0% of them said “strongly disagree”, to conclude, 35.0% of them disagreed supervisors set guide line to use feedback for improvement of employee performance. (Rhaman, 2006). As it can be observed from the above table, the respondents with 25.0% and 20.0% of them said “agree” and “disagree” respectively, in addition, 10.0% of them said “strongly agree”, on the survey statement of **“PM process is utilized to develop the subordinates”**, the researcher concluded that, 35.0% of them assured that the PMS of the company was utilized for development in which motivation can be provided by reinforcement within.

The respondents provided the responses on the statements of **“Supervisors conduct transparent evaluation activities”**, 35.0% of the participants said “disagree”, in addition, 10.0% of them said “strongly disagree”, more of the respondents (45.0%), disagreed with the statement, and also 35.0% of them were not sure of it, to conclude, there is problem of setting the acceptable boundaries of performance, promote staff recognition and effective communication and motivate individuals. The survey statement **“Managers set specific goals jointly with employees being used as standard to be evaluated”** was given the answers with 25.0% and 15.0% of the respondents said “disagree” and “agree” respectively, on the other hand, 15.0% and 5.0% of them said “strongly disagree” and “strongly agree” respectively, as 40.0% and the same percent of the participants assured that there was the problem of setting specific objectives which can be a standard being used to evaluate how well employees have achieved each objectives. The participants of 15.0% and equal percent of them said “disagree” and “strongly disagree” respectively, on the survey statement of **“ PM planning involves employees` inputs to set individual goals”**, for about 30.0% of the respondents disagreed , one can conclude that, there was problems of supervisors and employees discussion at the beginning of each performance cycle to agree on what needs to be done and how it should be done hold through knowledge of PMS.

4.8. Characteristics of EP towards PMS (managers)

Table 4.7:- Frequency For Employee perception towards PMS(Managers)

No	Variable	Frequency	Percent
24	Evaluation:- My performance is fairly measured based on agreed objective at the beginning of my assignment.		
	Strongly Disagree	3	7.5
	Disagree	8	20.0
	Neutral	13	32.5
	Agree	13	32.5
	Strongly agree	3	7.5
	Total	40	100.0
No	Variable	Frequency	Percent
25	Motivation:- I am motivated with the recognition I received		
	Strongly Disagree	4	10.0
	Disagree	10	25.0
	Neutral	10	25.0
	Agree	15	37.5
	Strongly agree	1	2.5
	Total	40	100.0

No	Variable	Frequency	Percent
26	Motivation:- Managers are willing to work on employees development and motivation based on performance review result.		
	Strongly Disagree	7	17.5
	Disagree	11	27.5
	Neutral	7	17.5
	Agree	12	30.0
	Strongly agree	3	7.5
	Total	40	100.0
No	Variable	Frequency	Percent
27	Evaluation:- The pay matches my responsibility as per my job description.		
	Strongly Disagree	10	25.0
	Disagree	18	45.0
	Neutral	2	5.0
	Agree	6	15.0
	Strongly agree	4	10.0
	Total	40	100.0
No	Variable	Frequency	Percent
28	Motivation:- Performance management process motivates me.		
	Strongly Disagree	8	20.0
	Disagree	16	40.0
	Neutral	7	17.5
	Agree	6	15.0
	Strongly agree	3	7.5
No	Variable	Frequency	Percent
29	PMS:- The company uses PMS for only formality purpose.		
	Strongly Disagree	1	2.5
	Disagree	9	22.5
	Neutral	8	20.0
	Agree	16	40.0
	Strongly agree	6	15.0
	Total	40	100.0
No	Variable	Frequency	Percent
30	Motivation:- Performance based payment is used to motivate employee.		
	Strongly Disagree	7	17.5
	Disagree	18	45.0
	Neutral	10	25.0
	Agree	4	10.0
	Strongly agree	1	2.5
	Total	40	100.0

No	Variable	Frequency	Percent
31	Setting Objective:- Performance appraisal is used to develop employees` knowledge, skills and efficiency.		
	Strongly Disagree	3	7.5
	Disagree	11	27.5
	Neutral	16	40.0
	Agree	9	22.5
	Strongly agree	1	2.5
	Total	40	100

No	Variable	Frequency	Percent
32	Feedback:- Supervisors provide continuous, timely and constructive feedback to subordinates.		
	Strongly Disagree	5	12.5
	Disagree	20	50.0
	Neutral	4	10.0
	Agree	8	20.0
	Strongly agree	3	7.5
	Total	40	100.0
No	Variable	Frequency	Percent
33	Motivation:- Performance management is used to promote employees.		
	Strongly Disagree	4	10.0
	Disagree	8	20.0
	Neutral	15	37.5
	Agree	9	22.5
	Strongly agree	4	10.0
	Total	40	100.0

No	Variable	Frequency	Percent
34	PMS:- PMS is well planned.		
	Strongly Disagree	3	7.5
	Disagree	10	25.0
	Neutral	18	45.0
	Agree	8	20.0
	Strongly agree	1	2.5
	Total	40	100.0

Concerning EP in the above table, the respondents answered for the statement of **“My performance is fairly measured based on agreed goals at the beginning of my assignment”**, with 32.5% of them said “agree”, on the other hand, 20.0%, 7.5% and equal percent of them said “disagree”, “strongly disagree” and “strongly agree” respectively. We can conclude that, the employees could be assessed based on their contribution to have recognition

and to be motivated to do their best. As it can be observed from the above table, 37.5%, and equal percent of the respondents said “agree”, and “disagree” respectively, but 10.0% and 2.5% of them said “strongly disagree” and “strongly agree” respectively on the survey statement of **“ I am motivated with the recognition received for my accomplishment”**, therefore, to conclude, almost half of the respondents, disagreed about the statement, if so, the system could not make employee know the acceptable boundaries of performance to promote staff recognition and motivation.

The respondents provided the responses on the statement **“Managers are willing to work on employees development and motivation”**, 27.5%, and 17.5% of the participants said “disagree” and “strongly disagree” respectively, but 30.0% and 7.5% of them said “agree” and “strongly agree” respectively, we can conclude that, majority of the participants confirmed that, the management staffs did not do on the identification of employees strength and weakness and explain the needs to be required and to improve performance and provide reinforcement to motivate employees. The survey statement **“The pay matches my responsibility as per my description”** was given the answer with the majority of respondents(45.0%) said “disagree” , in addition, 25.0%, of them said “strongly disagree”, therefore, the company could not provide equitable measurement of an employee’s contribution and produce accurate appraisal documentation to protect the interest of both employee and employer. The majority of the participants (40.0%) said “disagree”, apart from this, 20.0%, of them said “strongly disagree”, on the statement survey of **“PM process motivate me”**, to conclude, 60.0% of the participants could not be motivated in the stages one comes after the others of a continuous process of PMS which consists motivational activities. Concerning the survey statement of **“PMS is used for only formality purpose”**, 40.0% and 22.5% of the participants said “agree” and “disagree” respectively, in addition 15.0% of them said ,“strongly agree” , therefore, majority of the respondents assured that, PMS is used for formality even it has motivational purpose for the existed employees. The statement survey of **“Performance based payment is used to motivate employee”**, did get the answer of “disagree” and, “strongly disagree” with the participants of 45.0%, and 17.5% respectively, this implies that, as more than half of participants explained, the company could not implement performance based payment to motivate employees in which development goals can be achieved with.

In the case of survey statement of **“Performance appraisal is used to develop knowledge, skill and efficiency of employees”**, 27.5% and 22.5% of the respondents said, “disagree” and “agree” respectively, on the other hand, 7.5% and 2.5% of them said “strongly disagree” and “strongly agree” respectively, based on the above findings, we can conclude that, majority of the respondents had not any idea and disagreed, so, the company has problems to develop knowledge, skills and efficiency of the employees in the appraisal discussion period. (Rhaman, 2006). The majority and minority of the respondents (50.0%) and (7.5%) said “disagree” and “strongly agree” respectively, in addition to this, 12.5% of the participants said “strongly disagree” , on the survey statement of **“Supervisors provide continuous, timely and constructive feedback to subordinates”**, this result makes the researcher say, more than half of the respondents approved that the supervisors could not provide continuous, timely and constructive feedback to be used in the review phase. The respondents answered the survey statement of **“Performance management system is used to promote employees”**, 22.5% and 20.0% of them said , “agree” and “disagree” respectively, on the other hand, 10.0% and equal percent of them said “strongly disagree” and “strongly agree” respectively, we conclude that, 32.5% of the respondents agreed, almost average of them confirmed that there was the promotional potential that is one of the purposes of PMS. The survey statement of **“PMS is well planned”**, was given the answers of “disagree” and “agree” with, 25.0% and 20.0% of the respondents respectively, in addition, “strongly disagree” with 7.5% of the participants, we can conclude that, 32.5% of the respondents assured that, PMS in the case company could not be well planned in which all factors were embedded to make it good PMS and also 45.0% of them had not proper idea about it.

4.9. The relations ship of IMPMS with profile variables of respondents (producers)

Table 4.8:- The relationship of Implementation of PMS(Producers)with background variables of respondents.

No.	Variables	Poor	Good	P-Value
1	Sex:- Male	58(47.5%)	64(62.7%)	
	Female	6(52.7%)	38(37.3%)	
2	Age:- 18-25	18(14.8%)	42(41.2%)	.000
	26-35	38(31.1%)	21(20.6%)	
	36-45	44(36.1%)	30(29.4%)	
	46-55	20(16.4%)	8(7.8%)	
	> 55	2(1.6%)	1(1.0%)	
3	Educational Status:-			

	Certificate College Diploma First Degree Masters Degree	71(58.2%) 44 5(4.1%) 2(1.6%)	52 31(30.4%) 14(13.7%) 5(4.9%)	
4	Current Position:- Coordinator Producer Clerical Staff	20(16.4%) 99(81.1%) 3(2.5%)	41(40.2%) 54(52.9%) 7(6.9%)	.000
5	Work Experience :- < 2 years 2-6 years 7-10 years > 10years	19(15.6%) 48(39.3%) 41(33.6%) 14(11.5%)	42(41.2%) 24(23.5%) 21(20.6%) 15(14.7%)	.000
6	Performance Evaluation Experience since you joined Yes No	 101(83.5%) 20(16.5%)	 70(68.6%) 30(29.4%)	
7	Type of Performance Evaluation you have been given:- Formal Non-formal	 32(31.1%) 71(68.9%)	 71(68.9%) 22(29.7%)	.000
8	How long have you had any performance assessment within the last 2 years? Only once Twice Several times Never	 26(21.3%) 53(43.4%) 23(18.9%) 20(16.4%)	 32(31.7%) 32(31.7%) 13(12.9%) 24(23.8%)	
9	Who conduct the performance assessment? Managers/Supervisors Employees Both	 77(63.6%) 31(25.6%) 13(10.7%)	 37(63.3%) 54(52.9%) 11(10.8%)	.000
10	The use of performance feedback For employee improvement For reward Only for formality	 22(18.0%) 51(41.8%) 48(39.3%)	 50(49.0%) 40(39.2%) 12(11.8%)	.000

The findings have been divided based on cumulative median of IMPMS of the respondents i.e. 16.00, to say any number less than 16.00 is “1” that is called “poor” and greater than 16.00 is “2” that is called “Good” in the above table.

As can be seen in the above table , group analysis of variance result indicated that there was no statistically significant difference between groups of background variables like managerial position, gender, educational status, performance evaluation experience, frequency of performance assessment on performance management system score.

However, there was a statistically significant difference between background variables like age, current position, work experience, type of performance, a person by whom assessment performance is conducted and the use of performance feedback on performance management score. Regarding age, group analysis using cross tab shows that, participants in the age range of 18-25 years old scored “Good” in median with 42(41.2%) had significantly higher implementation of PMS score than the rest age group, $P < 0.001$.

As far as current position is concerned, group difference analysis indicates that, statistically significant difference was found with position of producer, which scored “Good” in median with 54(52.9%) comparing with other position group, $p < 0.01$. Regarding work experience, group difference analysis shows that participants having work experience less than 2 years which scored “Good” with 42(41.2%) had significantly higher implementation of PMS within the group, $p < 0.001$.

There was a statistically significant difference between groups of type of performance on implementation of PMS score. Thus, participants with formal type of performance evaluation scored “Good” in median with 71(68.9%) had significantly higher implementation of PMS with $p < 0.01$ comparing with other type. Concerning with the variable, by whom performance assessment is conducted, participants who were assessed said “by managers/supervisors” and “both” scored “Good” in median with 37(36.3%) and 11(10.8%) had significantly less implementation of PMS score. participants who were assessed said “by employees” scored “Good” in median with 54(52.9%) had significantly higher implementation of PMS score with $p < 0.01$.

Finally, regarding the use of performance feedback, group difference analysis indicates that there was significant implementation of PMS score “Good” in

median with 48(66.7%) among participants who perceived the use of feedback is for employee improvement, $P < 0.001$.

4.10 The relationship of EP with profile variables of respondents (producers)

Table 4.9:- The relationship between Employee Perception and profile variables of participants (producers).

No	Variables	Poor	Good	P-Value
1	Sex:- Male Female	71(56.8%) 54(43.2%)	51(52.0%) 47(48.6%)	
2	Age:- 18-25 26-35 36-45 46-55 > 55	25(20.0%) 30(24.0%) 48(38.4%) 19(15.2%) 3(2.4%)	35(35.7%) 29(20.6%) 25(25.5%) 9(9.2%) 0(0.0%)	
3	Educational Status:- Certificate College Diploma First Degree Masters Degree	74(59.2%) 36(28.8%) 9(7.2%) 6(4.8%)	48(49.0%) 39(39.8%) 10(10.2%) 1(1.0%)	
4	Current Position:- Coordinator Producer Clerical Staff	28(22.4%) 94(75.2%) 3(2.4%)	33(33.7%) 58(59.2%) 7(7.1%)	
5	Work Experience < 2 years 2-6 years 7-10 years > 10 years	18(14.4%) 50(40.0%) 41(32.8%) 16(12.8%)	43(43.9%) 22(22.4%) 20(20.4%) 13(13.3%)	.000
6	Performance Evaluation Experience Since you joined Yes No	104(83.2%) 20(16.0%)	66(68.0%) 30(30.9%)	
7	Type of performance Evaluation you have been given Formal Non-Formal	31(29.2%) 75(70.8%)	53(75.7%) 17(24.3%)	.000
8	How long have you had any performance assessment within the last 2 years? Only once Twice Several times Never	27(21.6%) 58(46.4%) 20(16.0%) 20(16.0%)	31(32.0%) 27(27.8%) 15(15.5%) 24(24.7%)	
9	Who conduct the performance assessment?			

	Managers /Supervisors	72(63.7%)	41(36.3%)	
	Employees	41(48.2%)	44(51.8%)	
	Both	12(50.0%)	12(50.0%)	
10	The use of performance feedback	24(33.3%)	48(66.7%)	.000
	For employee improvement	55(60.4%)	36(39.6%)	
	For reward	45(76.3%)	14(23.7%)	
	Only for formality			

The findings have been divided based on cumulative median of Employees` Perception towards PMS of the respondents i.e. 16.00, to say any number less than 16.00 is “1” that is called “poor” and greater than 16.00 is “2” that is called “Good” in the above table.

As can be observed in the table above, group analysis of variance result indicated that there was no statistically significant difference between groups of background variables like Sex, Age, Educational status, Current position, Performance evaluation experience, frequency of performance assessment on PMS, Who conduct performance assessment in EP towards PMS score.

However, there was a statistically significant difference between background variables like, work experience, type of performance and the use of performance feedback on Employees` Perception towards PMS score. Regarding Work Experience, group analysis using cross tab shows that, participants who were experienced less than 2 years scored “Good” in median with 43(43.9%) had significantly higher EP towards PMS score than the rest years of experience, $P < 0.001$.

As far as type of performance evaluation is concerned, group difference analysis indicates that, statistically significant difference was found with type of evaluation what producers had taken, which scored “Good” in median with 53(75.7%) comparing with other group, $p < 0.01$. Regarding the use of feedback, group difference analysis shows that participants having said that it is used for employees` improvement which scored “Good” in median with 48(66.7%) had significantly higher EP towards PMS within the group, $p < 0.001$.

4.11 The relationship of nature of PMS with profile variables of respondents (managers)

Table 4.10:- The relationship between Nature Of PMS and background variables of the respondents. (Managers)

No	Variables	Poor	Good	P-Value
1	Sex:- Male Female	12(54.5%) 10(45.5%)	9(50.0%) 9(50.0%)	
2	Age:- 18-25 26-35 36-45 46-55	8(36.4%) 9(40.9%) 4(18.2%) 1(4.5%)	9(50.0%) 7(38.9%) 2(11.1%) 0(0.0%)	
3	Educational Status: Certificate College Diploma First Degree Masters Degree	2(9.1%) 9(40.9%) 10(45.5%) 1(4.5%)	2(11.1%) 7(38.9%) 8(44.4%) 1(5.6%)	
4	Current position : - Top level management Middle level management Clerical Staff Lower level management	1(4.5%) 7(31.8%) 6(27.3%) 8(36.4%)	3(16.7%) 9(50.0%) 5(27.8%) 1(5.6%)	
5	Work experience <2 years 2-6 years 7-10 years >10 years	14(63.6%) 5(22.7%) 2(9.1%) 1(4.5%)	7(38.9%) 6(33.3%) 5(27.8%) 0(0.0%)	
6	Performance Evaluation Experience since you joined Yes No	15(68.2%) 7(31.8%)	15(83.3%) 3(16.7%)	
7	Type of performance Evaluation You have been given Formal Non-formal	14(93.3%) 1(6.3%)	12(80.0%) 3(20.0%)	
8	How long have you had any performance assessment within the last 2 years? Only once Twice Several times Never	5(22.7%) 8(36.4%) 3(13.6%) 6(27.3%)	4(22.2%) 7(38.9%) 5(27.8%) 2(11.1%)	
9	Who conduct the performance assessment? Managers/Supervisors Employees	14(63.6%) 4(18.2%)	11(61.1%) 3(16.7%)	

	Both	4(18.2)	4(22.2%)	
10	The use of performance feedback			
	For employee improvement	10(45.5%)	12(66.7%)	
	For reward	2(9.1%)	5(27.8%)	
	Only for formality	10(45.5%)	1(5.6%)	

In the table, findings have been divided based on cumulative median of Nature of PMS of the respondents i.e. 26.00, to say any number less than 26.00 is “1” that is called “poor” and greater than 26.00 is “2” that is called “Good”.

Concerning the background variables in the above table, the results through cross tab indicates that there is no any variable which had significantly different within the group asked identical question. Thus, $P > 0.05$ for every variable.

4.12 The relation ship of IMPMS with profile variables of respondents (Managers)

Table 4.11:- The relationship between Implementation of PMS and background variables of the participants (Managers).

No	Variables	Poor	Good	P-Value
1	Sex:- Male Female	14(58.3%) 10(41.7%)	7(43.8%) 9(56.2%)	
2	Age:- 18-25 26-35 36-45 46-55	8(33.3%) 11(45.8%) 4(16.7%) 1(4.2%)	9(56.2%) 5(31.2%) 2(12.5%) 0(0.0%)	
3	Educational Status:- Certificate College Diploma First Degree Masters Degree	2(8.3%) 10(41.7%) 11(45.8%) 1(4.2%)	2(12.5%) 6(37.5%) 7(43.8%) 1(6.2%)	
4	Current Position Top level management Middle level management Clerical staff Lower level management	3(12.5%) 7(29.2%) 7(29.2%) 7(29.2%)	1(6.2%) 9(56.2%) 4(25.0%) 2(12.5%)	
5	Work Experience:-			

	< 2years 2-6 years 7-10ears > 10 years	12(50.0%) 6(25.0%) 5(20.8%) 1(4.2%)	9(56.2%) 5(31.2%) 2(12.5%) 0(0.0%)	
6	Performance Evaluation Experience since you joined:- Yes No	19(79.2%) 5(20.8%)	11(68.8%) 5(31.2%)	
7	Type of performance Evaluation you have been given:- Formal Non-formal	16(84.2%) 3(15.8%)	10(90.9%) 1(9.1%)	
8	How long have you had any performance assessment within the last 2 years? Only once Twice Several times Never	6(25.0%) 9(37.5%) 4(16.7%) 5(20.8%)	3(18.8%) 6(37.5%) 4(25.0%) 3(18.8%)	
9	Who Conduct the performance assessment? Managers/Supervisors Employees Both	15(62.5%) 5(20.8%) 4(16.7%)	10(62.5%) 2(12.5%) 4(25.0%)	
10	The use performance feedback For employee improvement For reward Only for formality	12(50.0%) 3(12.5%) 9(37.5%)	10(62.5%) 4(25.0%) 2(12.5%)	

In the above table, findings have been categorized based on cumulative median of Implementation of PMS of the respondents i.e. 15.00, to say any number less than 26.00 is “1” that is called “poor” and greater than 15.00 is “2” that is called “Good”.

As far as the categorized findings are concerned, the cross tab result shows that all variables which were categorized had not any significant relationship with IMPMS within a group asked identical question.

4.13 The relationship of EP towards PMS with profile variables of respondents (Managers)

Table 4.12:- The relationship between EP and the profile variables of the

respondents (Managers)

No	Variables	Poor	Good	P-Value
1	Sex:- Male Female	13(61.9%) 7(36.8%)	8(38.1%) 12(63.2%)	
2	Age:- 18-25 26-35 36-45 46-55	5(29.4%) 10(62.5%) 4(66.7%) 1(100.0%)	12(70.6%) 6(37.5%) 2(33.3%) 0(0.0%)	
3	Educational Status:- Certificate College Diploma First Degree Masters Degree	1(25.0%) 7(43.8%) 11(61.1%) 1(50.0%)	3(75.0%) 9(56.2%) 7(38.9%) 1(50.0%)	
4	Current Position: Top level management Middle level management Clerical Staff Lower level management	3(75.0%) 7(43.8%) 6(54.5%) 4(44.4%)	1(25.0%) 9(56.2%) 5(45.5%) 5(55.6%)	
5	Work experience:- < 2 years 2-6 years 7-10 years > 10years	11(52.4%) 5(45.5%) 4(57.1%) 0(0.0%)	10(47.6%) 6(54.5%) 3(42.9%) 1(100.0%)	
6	Performance Evaluation Experience since you joined:- Yes No	17(56.7%) 3(30.0%)	13(43.3%) 7(70.0%)	
7	Type of Performance Evaluation You have been given: Formal Non-formal	15(57.7%) 2(50.0%)	11(42.3%) 2(50.0%)	
8	How long have you had any performance assessment within the last 2 years? Only once Twice Several times Never	7(77.8%) 6(40.0%) 4(50.0%) 3(37.5%)	2(22.2%) 9(60.0%) 4(50.0%) 5(62.5%)	
9	Who conduct the performance assessment? Managers/Supervisors Employees Both	12(48.0%) 6(85.7%) 2(25.0%)	13(52.0%) 1(14.3%) 6(75.0%)	
10	The use of performance feedback For employee improvement For reward Only for formality	10(45.5%) 2(28.6%) 8(72.7%)	12(54.5%) 5(71.4%) 3(27.3%)	

In the above table, findings have been categorized based on cumulative median of EP of PMS of the respondents i.e. 29.00, to say any number less than 29.00 is “1” that is called “poor” and greater than 29.00 is “2” that is called “Good”. The above table explains that, categorized EP of the respondents could not show any significant relationship with background variables of the managerial respondents at the time of the research period. This happened because of the result of, $P > 0.05$.

4.14 The level of PMS & motivation of participants (producers)

Table 4.13:- Level of PMS of the participants(Producers)

According to SPSS, soft ware analysis of the given data, the level of PMS has been computed as follows:-

Valid	224
Missing	0
Mean	2.7222
Median	2.7273

The above information has been categorized by being said, as any number less than the median, 2.7273 is “1” and called ‘Poor” and any number greater than is “2” and called “Good”.

Categorical PMS

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1.00	118	52.7	52.7	52.7
2.00	106	47.3	47,3	100.0
Total	224	100.0	100.0	

Concerning the figure explained in the above table, the level of PMS of the participants (Producers) is low as it was found to be less than the median (2.73), was scored as 52.7 that is categorized in “poor” level, on the other hand, 43.3% of the respondent were found to be in the category of “Good” level of PMS. This shows that, PMS was not established in adequate way in which the company benefits from the process of designing and executing motivational strategies (M. Armstrong, 2004). In addition to this, the company could lost its advantages that are able to convert the potential into performance by removing

the intermediate barriers as well as motivating the human resource. (Kandula .S.R. 2006:5)

4.15 The level of PMS & motivation of participants (managers)

Table 4.14:- The level of motivation of participants (producers)
According to SPSS soft ware analysis method, the following results were computed as follows:
Level of motivation

N Valid	223
Missing	1
Mean	2.6619
Median	2.6000

The above information has been categorized by being said, as any number less than the median, 2.600 is “1” and called ‘Poor” and any number greater than is “2” and called “Good”.

Category level motivation

	Frequency	Percent	Valid Percent	Cumulative Percent
N Valid 1.00	144	64.3	64.6	64.6
2.00	79	35.3	35.4	100.0
Total	223	99.6	100.0	
Missing system	1	4		
Total	224	224		

According to the above table, the level of motivation based on the result a sure that majority of the respondents (63.3%), were found to be less than the median, i.e., in the category of “Poor” level of motivation, whereas, 35.3% of them were found to be greater than the median, i.e., in the category of “Good” level of motivation.

This implies that, the company could not implement PMS in which employees can be motivated in order to perform the job they are assigned for. These poor implementation of PMS can be caused for this “poor” level of motivation, as

Engelmann and Roesch (1996) explained that, inadequate PMS results poor motivation and self-esteem.

Table 4.15:-Level of PMS of participants (Managers).

Statistics

Level of PMS

N	Valid	40
	Missing	0
Mean		3.0319
Median		3.0000

The above information has been categorized by being said, as any number less than the median, 3.0000 is “1” and called ‘Poor” and any number greater than is “2” and called “Good”.

Category level PMS.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	20	50.0	50.0	50.0
	2.00	20	50.0	50.0	100.0
		40	100.0	100.0	
Total					

The result explained in the above table shows, PMS in the company was found as an average level i.e. between “poor” and “Good” according to managerial staffs responses. It implies that, the PMS was not adequately performed to bring motivation and self-esteem by using setting-objective, seeking feedback and employee job evaluation as independent variables.

Table 4.16:-Level of motivation (Managers)

Statistics

Level of motivation

N	Valid	40
	Missing	0
Mean		2.7750
Median		2.5833

The above information has been categorized by being said, as any number less than the median, 2.58 is “1” and called ‘Poor’ and any number greater than is “2” and called “Good”.

Category level of motivation(Managers)

	Frequency	percent	Valid Percent	Cumulative Percent
Valid 1.00	20	50.0	50.0	50.0
2.00	20	50.0	50.0	100.0
Total	40	100.0	100.0	

The above level of motivation table shows that, the management staffs in the company were in between of “Poor” and “Good” category of motivation level. These PMS which had been happened in the level of PMS in managerial staffs brought this result as it was also in between of “Poor” and “Good” category of PMS level of managerial staffs.

4.16 Correlation between PMS score and Employee Motivation.

Table 4.17:- Pearson Correlation Analysis.

	PMS	Motivation
PMS	-	0.454**

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

As shown in table above, there was a strong positive correlation between participants’ performance management system and employee motivation. This implies that if there is high performance management system in a given organization more likely employees will be more motivated and vice-versa.

Therefore, we can conclude that, there is significant relationship between PMS and Employee job motivation, to say so, if the company performs PMS in an adequate way, the employees get motivated to do their best.

4.17 The extent to which variables contribute employee motivation.

Table 4.18:- Regression Analysis of Criterion Variables of Employee Motivation.
Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.587 ^a	.345	.337	1.68572

As can be seen from the above table, the value of R square is 0.345. This value tells how much of the variance in the dependent variable (employee motivation) is explained by the model (setting objectives, feedback and evaluation). In other words, multiplying R Square value with 100, the model explains 34.5% of the variance in the dependent variable (employee motivation), $F(3,260) = 45.59$, $P < 0.001$.

Table 4.19:- Regression coefficients of predictors variables.

Predictor variable	B	Beta	T	Sig.
Feed Back	.155	.311	3.713	.000
Setting Objectives	.064	.112	1.511	.132
Evaluation	.229	.231	3.266	.001

To evaluate the contribution of each independent variable to the dependent variable, one can see the Beta value. In the table, the Beta value for predictor variable feedback equals to 0.311 which implies that feedback made

the first strong positive and statistically significant contribution to explain the dependent variable (employee motivation) when the variance explained by all other variables in the model is controlled for. Predictor variable, evaluation made the second significant strong positive contribution in predicting employee motivation (Beta = 0.231). However, predictor variable setting objective didn't make statistically significant contribution of predicting employee motivation.

Table 4.20:- Employee motivation level.

	N	Minimum	Maximum	Mean	Std. Deviation
Motivation total	264	1.00	5.00	2.6995	.69016

It can be seen from the above table __ that the participants' total employee motivation mean score was 2.70 as well as 1 and 5 minimum and maximum individual mean score scores respectively. In a 5-point Likert scale the possible score ranges from 1-5 and 3 become average score. A calculated mean score less than 3 can be considered as low score whereas greater than 3 can be considered as high mean score. Therefore the calculated participants' employee motivation mean score is less than 3, the level of participants' employee motivation in the current study was low.

Table 4.21:- Cronbche`s Alpha for reliability of managerial staff`s PMS questions.

**Reliability
Statistics of
managerial staffs'
PMS**

Cronbach's Alpha	N of Items
.879	8

Table 4.22:- Cronbach`s Alpha for reliability of managerial and non-managerial

staff's PMS questions.

**Reliability
Statistics of both
managerial and
non-managerial
staffs' PMS**

Cronbach's Alpha	N of Items
.869	6

Table 4.23:- Cronbach's Alpha for reliability of managerial and non-managerial

staff's EP questions.

**Reliability Statistics both
Managerial and non-
managerial staff's EP**

Cronbach's Alpha	N of Items
.801	10

4.18 Discussions

The aim of this research was to identify the contribution of pms to employee job motivation. The results quite according to the research questions of the research. The result showed, the independent variable setting objective could not contribute to employee job motivation in the company, while other researchers approved that setting objective could not motivate in their research. According to Farooq et.al(2013), research found out setting objective could not bring job motivation happened on commercial bank of Karachi, Pakistan. The season why the result found to be the same in these two organizations, there was not effort addressed to planning stage of the pms which is vital for employee development coming from management and employee discussion. In addition, based on research done by Seleshi. H. (2013) on the impact of pms to employee motivation the case of Ethiopian Insurance Company(EIC), the researcher also confirmed that setting objective did not

contribute employee job motivation, for company's management could not let employees have chances to have a part in setting objective, managers could not translate organizational objectives to individuals ones. Therefore, this research result similar to those researches have been seen, even if, those are service giving company, pms is vital to process of an approach to manage people that increase the probability of achieving success and also executing motivational strategy(Armstrong M. 2009).

Thus, companies should emphasis on giving attention to provide the remedies for the above deficiencies of variables.

According to NDAFUDA. N. (2013), the research happened on the contribution of PMS to employee motivation(performance),suggested that setting objective and feedback could not contribute to employee motivation in different organizations in Namibia. The same is true in this study except feedback which contributes high while being compared with other independent variables setting objective and evaluation even if, PMS as a whole could not contribute to employee job motivation in the case company, Anbessa Shoe Share Company. The reason why the similarity of the findings of the previous research and this study, the planning stage did not help employees have goals with knowledge of PMS and the appraisal meeting did not let employees have feedback in which performance improvement and employee satisfaction done with(Rhaman, 2006).

Based on Seleshi. H(2013), research on the impact of PMS to employee job motivation, the case of Ethiopian Insurance Company(EIC), result assured that employee could not participate in planning process, performance process could not translate organizational goals into individual objectives, employees could not get feedback and recognition, hence, employees thought that their performance is not be measured fairly and employers expectation is not realistic so, de-motivate them and finally the researcher concluded that there

was lack of effective PMS in the company in which employees can be motivated with. These all reasons for the unsuccessful of PMS happened in this study, therefore, we, the researchers have the same result. Thus, the companies should plan with letting the employees have their own goals, they should give timely, continuous and constructive feedback to employees, employees and managers should be responsible for evaluation of the desire result(Armstrong, 2009).

CHAPTER FIVE

MAJOR FINDINGS, CONCLUSION, AND RECOMMENDATION

5.1 Major findings

This part is devoted to the discussion of the research major findings, conclusion of some important points of the study, and the possible remedies for the problems or gaps identified in the current performance management practices of the company. Based on the data analysis presented in chapter four, findings of different results are presented here. Analysis of the data resulted in both positive and negative findings. The positive findings (e.g. PMS begins to identify the company's objective, PM process evaluates as per the level of standard, the feedback is used for employee improvement etc.) show the areas where the institution is good at and expected to further strengthen them. Whereas, the negatives indicate the weak areas that need to be improved. Thus, more emphasis was given to summarize the weak areas as they should be deserved some possible recommendations.

Concerning setting objective, purpose of PM was not to reinforce to translate organizational goals to individual, performance process was not used for subordinate development and was not transparent and also supervisors were not willing to invest on employee development and motivation. In the case of seeking feedback, performance review stage did not allow to receive feedback and based on motivation, employee performance was not fairly measured based on agreed goals, the pay did not match the responsibilities as per evaluation result, employee were not motivated with recognition they received. Finally, concerning PMS, PM process could not motivate the employee and PMS was used for just formality.

Based on the relationship between IMPMS, EP and profile variables of producers participants, those with age (18-25), current position "producer", work experience of <2 years, formal evaluation, assessed by both managers and employees, utilized feedback for improvement had significantly higher IMPMS score, with $p < 0.05$, in addition, those who had <2 years work experience,

formal evaluation and who confirmed feedback used for improvement had significantly higher EP with, $p < 0.05$. On the other hand, managers participants had not any significant difference in nature of PMS, IMPMS and EP with background variables, $p > 0.05$.

Based on the level of PMS, 52.7% of producers participants were found to be in “poor” score of PMS with less than the median (2.73), in the case of level of motivation, 63.3% of the producer participants were found to be in “poor” score, whereas, PMS level of management participants was found to be in between “Poor” and “Good” score with median(3.00) and the same is true to their level of motivation with median(2.58).

There was a strong positive relationship between PMS and employee job motivation, with $P < 0.05$, also independent variables (setting objective, feedback and evaluation) change dependent variables(job motivation) with 34.5%. In the case of regression, feedback made the first strong positive and statistically significant contribution to job motivation with Beta value(0.311) and evaluation was second contributor with Beta value(0.231). However, variable setting objective, did not make statistically significant contribution of job motivation relatively.

Finally, employee motivation level is low in current study, since 3 become average in a 5- point likert scale and all participants were found to be less than 3 mean score.

5.2 CONCLUSIONS

Performance management is a continuous process of identifying, measuring, and developing the performance of individuals and teams, in order to align them to the strategic goals of the organization. For any types of organizations, effective implementation of performance management will result in various benefits like, facilitating promotion decision, encouraging performance improvement, Align individual and organizational objectives, develop a high-performance culture, providing basis for personal development, increase motivation and engagement, inform performance pay decisions etc. Likewise, in the production center, it improves the assessment practice and provides reward(evaluation), initiates employee improvement (feedback) and helps aligning organizational goals with individual ones(setting objectives). For these benefits to happen in an production company, the performance management system must be well designed, the steps and procedures involved in the system must be well communicated to the participants.

Performance management system has three stages according to the model chosen for the purpose the study. However, the focus of this study is on three areas of the system namely, performance planning (setting objectives), managing performance (feedback) and assessment (evaluation) and finally study focused on the uses of those results to bring employee job motivation results. The study was aimed to assess the contribution of PMS to the employee job motivation. The study also, emphasized on the process in which PMS has been accomplished for the dependent variable(motivation) in which it influences to be varied with.

Based on the evidences obtained from the analysis part, even if, some profile variables of producers respondents had significance relationship with PMS, no profile variables of management respondents had significant relationship with PMS of the company and employee`s claimed that they are not participating in involvement of setting objective, thus employees(producers and managers) participated in the study could not be assessed based on agreed goals.

Moreover, the participants witnessed, supervisors could not allow them to receive feedback in performance review stage which should be constructive and timely. Therefore, majority of the respondents(producers & managers) approved that, the management system could not develop and motivate them to do their best. Therefore, the study concluded that the PMS was not used to develop skill, knowledge and efficiency in the discussion period, while supervisors & employees meet. Finally, based on the direct result of the participants, we can conclude that PMS was not well planned in the company.

As clearly mentioned under the scope and limitation of the study, giving generalization about the whole performance management system of the company with its contribution to employee job motivation is beyond the scope of the study. However, it is possible to predict the contribution of these basic components from the total performance management system and finalizing to say PMS contributes to employee job motivation. Setting objective, seeking feedback and performance evaluation are identified as building block of an effective performance management system to motivate employees. Thus, failures in this step will have consequence on the other subsequent steps.

5.3 RECOMMENDATIONS

To help employees understand the objectives and the processes of the performance setting objective, the company in general and the departments in

particular should communicate with employees about, why the setting objective is needed, what purpose does it serve, and the cascading objective procedures before asking their own perception about it is used for motivation. Employee and managers participation is a very important element for successful performance evaluation system. Thus, the organization should create a platform through which employees participate in performance assessment process and should be encouraged to share own inputs.

The organization should clarify to its employees, the available performance measures, standards which critical requirements to assess employees level of progress towards the overall goals. Knowledge of such critical variables helps the employees to distinguish acceptable level of performance that can motivate them from unacceptable one that can de-motivate them and thereby refine their performance according to the expectations.

Regarding performance feedback employees must be given chances to participate in appraisal meeting. The things to be assessed is important for it gives feedback to employees in their performance that is vital for it leads to motivation. Thus, seeking feedback should be based on what the employees and their supervisors agreed during the planning stage.

The company should try to utilize transparent performance process i.e. from pre-requisite to performance renewal in which performance management process could be passed through that can motivate employees in order to achieve the corporate objectives.

Finally, some quality of good PMS are Strategic Congruence, in which the system should be congruent with unit and organizational strategy. On the other hand, its Thoroughness, in which all employees along with managers should be evaluated, the evaluation should include performance spanning the entire period and feedback should be given. Therefore, PMS will motivate employees long with managers.

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Appendix -1

QUESTIONNAIRES

**Addis Ababa University Department of Business
Administration and Information Systems.**

Masters Degree in Human Resource

Management in 2015 G.C

Questionnaire for Employees.

Dear respondent

The main aim of this study is to assess the contribution of Performance Management System on employee Motivation at Anbessa Shoe Share Company and to find out problems related to the subject matter under the research topic and also to have practical knowledge related to the topic.

As this study is meant only for academic purpose, the provided information from your honor will be kept confidential. I, therefore, kindly beg you to fill this questionnaires honestly and accurately. The correct information you provide, determines the acceptable quality of the study, that is its reliability.

I would like to express my great gratitude in advance for your willingness by sparing your the most precious time to provide prompt responses in filling this academic use questionnaires.

N.B. 1) These questions are to be answered by **Managerial staffs** of Anbessa Shoe Share Co. at main factory in Addis Ababa.

2) No need to write your name on the questions paper.

Abebezuhan Aberham Tekle Tel. 0911-73-79-47,

E-mail:- abebezu2030@gmail.com

Instruction:- please put “ X “ mark inside the box to your response and explain on the space provided (if any).

PART I:- General Profile of Respondents.

1) Sex	a) Male	☐	b) Female	☐
				☐
				☐

2) Age a) 18-25
 c) 36-45
 e) Above 55

b) 26-35
d) 46-55

3) Educational Status

a) Certificate ☐

b) College Diploma ☐

c) 1st Degree

d) Masters Degree ☐

e) Others

4) Your current position in the company.

a) Top level management ☐

b) Middle level management ☐

c) Clerical staff

e) Lower level management ☐

5) How long have you been working in the company?

a) Less than 2 years ☐

b) 2- 6 years ☐

c) 7-10 years ☐

d) Above 10 years

6) Have you had any kind of performance evaluation since you joined, other than your probation period?

a) Yes ☐

b) No ☐

7) If your answer for item No, 6 is “yes”, what type of performance evaluation had been given?

a) Formal ☐ b) Non-formal ☐ c) Both ☐

8) If you have been in Anbessa Shoe Share Co. for the last 2 years , how long have you had any performance assessment?

a) Only once ☐ b) Twice ☐ c) Several times ☐ d) Never ☐

9) Who conduct the performance assessment?

- a) Managers/ Supervisors ☐ b) Employees ☐ c) Both employees & managers ☐

10) The result from performance feedback in Anbessa Shoe Share Co is used_____

- a) For employee improvement ☐ b) For rewards ☐
c) Only for formality ☐

Part II:- Nature Of Current Performance Management System

Statement from survey	Strongly agree (5)	Agree (4)	Not sure (3)	Disagree (2)	Strongly disagree (1)
1)In Anbessa Shoe Share Co. performance management begins to identify the organization`s objective.					
2)The performance evaluation function relates the organization`s performance expectation in each level.					
3)Performance management process in Anbessa Shoe Share Co. evaluates the employee`s performance against the acceptable level performance standard.					
4)It is possible to say that performance management purpose of Anbessa Shoe Share Co. reinforce to translate organization goals into individual job objectives.					
5)The performance review stage of Anbessa Shoe Share Co. allows employees to receive feedback about their job performance.					
6)I can say that the process of performance management in Anbessa Shoe Share Co. motivate employees under my supervision.					
7)Performance management system in Anbessa Shoe Share Co. is properly excuted.					

8)Anbessa Shoe Share Co. applies similar format and technique to evaluate all jobs.					
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Part III:- Implementation Of Performance Management System

Statement of survey	Strongly agree (5)	Agree (4)	Not sure (3)	Disagree (2)	Strongly disagree (1)
1)In Anbessa Shoe Share Co. supervisors set guide line for feedback for improvement during performance review.					
2)Managers utilize performance management process to develop the subordinates.					
3)In Anbessa Shoe Share Co. supervisors conduct transparent evaluation activities.					
4)In Anbessa Shoe Share Co. management along with employees jointly set specific goals as standard employees result will be evaluated accordingly.					
5)Performance management planning in Anbessa Shoe Share Co. involves employees inputs to set individual goals.					

Part IV:- Employee Perception

Statement of survey	Strongly agree (5)	Agree (4)	Not sure (3)	Disagree (2)	Strongly disagree (1)
1)I feel that my performance is fairly measured based on agreed objectives at the beginning of my assignment.					
2)I am motivated with the recognition I receive for my accomplishment.					
3)The company managers are willing to work on employees development and motivation based on performance review result.					
4)The pay matches my responsibility as per my job description.					
5)Performance management process in Anbessa Shoe Share Co. motivates me.					
6)Anbessa Shoe Share Co. uses performance management system for only formality purpose.					
7)The company uses performance based payment to motivate employees.					
8)Performance appraisal in Anbessa Shoe Share Co. is used to develop employees` knowledge, skills and efficiency.					
9)Supervisors in Anbessa Shoe Share Co. provide continuous, timely and constructive feedback to subordinates.					
10)In Anbessa Shoe Share Co.performance management is used to promote employees.					
11)Performance management system in Anbessa Shoe Share Co. is well planned.					

Thank You!!!

Appendix -2

QUESTIONNAIRES

ADDIS ABABA UNIVERSITY DEPARTMENT OF BUSINESS ADMINISTRATION AND INFORMATION SYSTEMS.

Masters Degree in Human Resource Management in 2015 G.C.

Questionnaire for Employees.

Dear respondent

The main aim of this study is to assess the contribution of Performance Management System on employee Motivation at Anbessa Shoe Share Company and to find out problems related to the subject matter under the research topic and also to have practical knowledge related to the topic.

As this study is meant only for academic purpose, the provided information from your honor will be kept confidential. I, therefore, kindly beg you to fill this questionnaires honestly and accurately. The correct information you provide, determines the acceptable quality of the study, that is its reliability.

I would like to express my great gratitude in advance for your willingness by sparing the most precious time of you to provide prompt responses in filling this academic use questionnaires.

N.B. 1) These questions are to be answered by **Non-managerial staffs** of Anbessa Shoe Share Co. at main factory in Addis Ababa.

2) No need to write your name on the questions paper.

a) Formal ☐ b) Non-formal ☐ c) Both ☐

8) If you have been in Anbessa Shoe Share Co. for the last 2 years , how long have you had any performance assessment?

a) Only once ☐ b) Twice ☐ c) Several times ☐ d) Never ☐

9) Who conduct the performance assessment?

a) Managers ☐ b) Employees ☐

c) Both employees & managers ☐

10) The result from performance feedback in Anbessa Shoe Share Co is used_____

a) For employee improvement ☐ b) For rewards ☐

c) only for formality ☐

Part II:- Implementation of performance management systems

Survey Statement	Strongly Agree (5)	Agree (4)	Not sure (3)	Disagree (2)	Strongly Disagree (1)
1)In Anbessa Shoe Share Co., supervisors write statement about employee`s strength, weakness & suggest for improvement during performance review.					
2)Supervisors in Anbessa Shoe Share Co., use performance management process to develop their subordinates.					
3)In Anbessa Shoe Share Co., performance process is transparent.					
4)In Anbessa Shoe Share Co., the management and employees jointly identify specific and achievable goals.					

5) In Anbessa Shoe Share Co. the individual goal is used as standard by which employees result will be evaluated.					
6)In Anbessa Shoe Share Co. there is employees involvement in setting goals.					

Part III:- Employee Perception

Strongly Agree (1)	Agree (5)	Not sure (4)	Disagree (3)	Strongly Disagree (2)	Strongly Agree (1)
1)I feel that my performance is fairly measured based on agreed goals at the beginning of my assignment.					
2)I am satisfied with the recognition I recieved for my accomplishment.					
3)The pay matches my responsibilities as per evaluation result.					
4)The company management stuffs are willing to invest on employees development, motivation and job satisfaction based on performance review result.					
5)Performance management process in Anbessa Shoe Share Co. motivates me.					
6)The company uses performance based payment, such as bonus and incentives to motivate employees.					
7)The company uses performance management system just for formality.					

(Performance Management)

☐ ☐ ☐ **3** ☐
☐ ☐ ☐ ☐ ☐
☐ ☐ ☐
☐ ☐ ☐ ☐
☐ ☐ ☐ ☐ ☐ ☐

98

1) 100% 100% 100% 100% (100%) 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% (feedback) 100% 100% 100% 100% 100%					
2) 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100%					
3) 100% 100% 100% 100% 100% 100% 100% 100% 100% 100%					
4) 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100%					
5) 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100%					

100% 40 100% 100% 100% 100% 100% 100%

100% 100%	100% 100% (5)	100% (4)	100% 100% (3)	100% (2)	100% 100% (1)
1) 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100%					
2) 100% 100% 100% 100% 100% 100%					
3) 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100%					
4) 100% 100% 100% 100% 100% 100% 100% 100%					
5) 100% 100% 100% 100% 100% 100% 100% 100% (motivation) 100%					
6) 100% 100% 100% 100% 100% (system) 100% 100%					
7) 100% 100% 100% 100% 100% 100% 100% (motivation) 100%					
8) 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100%					
9) 100% 100% 100% 100% 100% 100%					

55

11

[illegible]

☐) ☐☐☐☐☐☐ ☐☐ ☐☐☐

2) 組織が 何を 組織の 目的 達成のため					
3) 組織が 何を 組織の 目的 達成のため					
4) 組織が 何を 組織の 目的 達成のため					
5) 組織が 何を 組織の 目的 達成のため					
6) 組織が 何を 組織の 目的 達成のため					
7) 組織が 何を 組織の 目的 達成のため					
8) 組織が 何を 組織の 目的 達成のため					
9) 組織が 何を 組織の 目的 達成のため					
10) 組織が 何を 組織の 目的 達成のため					

組織が何を!!!