
**EFFECT OF PERFORMANCE MANAGEMENT ON PERCEIVED JOB
PERFORMANCE: A CASE OF BERHAN INTERNATIONAL BANK**



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LETTER OF CERTIFICATION

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STATEMENT OF DECLARATION

I declare that the thesis work that entitled “**EFFECT OF PERFORMANCE MANAGEMENT ON PERCEIVED JOB PERFORMANCE IN BREHAN INTERNATIONAL BANK** ” is my original work and all sources of material used for the work have been duly acknowledged.

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LIST OF ACRONYMS

BrIB : Berhane International Bank

CC : Continues communication

FB: Feedback

HR: Human resource

PE: Performance evaluation

PF: Performance feedback

PMP: Performance management practice

PMS: Performance Management System

SO :Setting objective

Abstract

The purpose of this study seek for relationship between performance management practices and job performance in Berhan International Bank and sought to achieve to assess the employees' perception on performance management practices ,to scrutinize the performance management practices that influence on perceived job performance and to examine to what extent performance management practices affect job performance. The study employed the explanatory design that employed stratified random sampling and used questionnaires to collect primary data. The questionnaires were distributed to the head office and seven branches of the bank in Addis Ababa. 136 participants were involved in the study. The data collected was analyzed using both descriptive and inferential statistics. SPSS version 20 was used to analyze the data. The Findings indicated that there is significant relationship between the performance management as a system with job performance. And performance feedback has greater effect on job performance whereas performance evaluation has less influence. The study concluded that there is implementation of performance management practice in the bank but it is not in the desired level. Therefore , the study recommended that the bank should strengthen the practices of its performance feedback and redesign its performance management process to enhance the job performance of the employees and the success of the bank in general.

Key words: *Performance management practices , Goal setting, Communication, Feedback, Evaluation and Perceived job performance.*

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

In recent years, the value of performance is a hotly debated issue in the business world. Hence every functional institution give due consideration for the performance of employees and its management so as to meet the desired goal of the organization.

Heinrich (2002) performance management defined as it is the process of defining goals, selecting strategies to achieve those goals, allocating decision rights, and measuring and rewarding performance. Besides many organization also realized that they can gain competitive advantage by the knowledge, skills and attitude of their employees in order to get business success and competitive advantage. This leads them so much concerned about performance management and its system.

Defining goals and selecting strategies are essential for an organization to achieve its goals as stated in the above definition. But it is not merely guaranty unless an organization takes in to consideration for the performance development of employees. Developing performance of employees in an organization is becoming as a vehicle for enhancing organizational performance. In line with this Armstrong (2006) defines performance management as systematic process for improving organizational performance by developing the performance of individual and teams.

Walters (1995), strengthen the above definition that it is about directing and supporting employees to work as effectively and efficiently as possible towards the needs of the organization. Thus Performance management viewed as beyond performance appraisal, it is not only reactive action. According to Yaseen (2015) performance management is ‘a proactive system of administration of employee performance for motivating the individual and the organization towards desired performance and results.’ Therefore, providing worth value for managing employees’ performance in a systematic ways and supporting them ensure an organization’s success.

On the other hand, according to Chompukum (2012) performance management is dependent on managing employee performance; both are indispensable for the success of an organization. This relation depicts that there is a cause and effect relation between them. To mean that if there is

unfair performance evaluation system and source of those information are not credible, employees of the organization develop negative perception towards performance management system of the organization. This result in employee become reluctant to accept feed back in the performance management system.

Considering this, Berhan International Bank's HR departments develop performance management system in order to manage its employee's performance. However, developing a smart performance management system is one thing, but that may not be guaranty to implement performance management practices. So the student researcher choose to investigate whether performance management practices in Berhan International Bank affects job performance of the employees of the bank .

1.1.1 Background of the Organization

Berhan International Bank S.C / here after BrIB/ is one of private bank that contributing its share for the development of the country's economy. BRIB was formed in accordance with Article 304 of the Commercial Code of Ethiopia with the objective of operating in the banking industry. This objective has been ensured in Article 3 of the Memorandum of Association of the Company. The Bank was registered and licensed by the National Bank of Ethiopia on 27 June 2009 with an authorized capital of 300,000,000 Birr.

The Bank employed two thousands six hundred sixty seven employees who work in eight department, 171 branches and five foreign currency exchange bureaus which are spread over major towns in the country. One of the most challenging but rewarding job for such kind business company with wide divers work force is managing the performance to achieve its goals and objectives. Thus the bank established HR department to meet objectives of organizations and gave priority and emphasis to manage its human recourses in line with labor related laws of the country./from its annual report of 2016/17.

1.2 Statement of the Problem

Many research revealed that management of human resource in company has become an increasingly important for firm performance and business goals achievement. Employees are

considered as valuable assets to an organization, which require effective management of these employees in firms.

Performance management is a process of improving the performance of an organization by helping individuals and team to develop their capacity to reach the intended destination (Armstrong 2006). Smither and London (2009) strengthen this definition by stating that it is a “continuous process of identifying, measuring, and developing the performance of individuals and teams and aligning performance with the strategic goal of the organization”.

On the other hand Chompukum (2012) argues that performance management is mistaken as performance evaluation, it is also misunderstood especially by human resource practitioner and managers. It can results in misperception of employees and affect performance management effectiveness. Mone, and Scott (2004) state that there are several problems regarding practicing performance management. Among these careless implementation with little attention to interpersonal dynamics and psychometric testing is a problem in managing employees’ performance. This little attention for employees’ perception, that is their attitude towards performance management system influence on the job performance. In performance evaluation studies, Chompukum (2012) stated that appraisal reaction was important: employees were more likely to ignore information they received from their performance evaluation when they perceived that the performance evaluation system is not fair and source of those information were not credible.

When we come to in the case of Berhan International Bank S.C, even though the bank has HR policy, procedure and guideline for implementation of performance management system but there is an indication that a problem which related to performance management system in the perspectives of the above studies . The researcher has observed that many HR employees of the bank have misperception on performance management. They consider it as performance evaluation. Employees’ job performance output is influenced by human resources department misperception on performance management. Subsequently this misperception on performance management of the bank might be affecting the perception of the employees towards the bank performance management system and employee job performance.

In addition to this, in the context of Ethiopia there are some researchers conducted on performance management practices effect on organizational effectiveness and employees ‘performance. But, due to their studies objectives, they did not address the influence of their

variables on perceived job performance. For instance Yohannis S. (2016) studies on ‘The Effect of Performance Management System on the employees’ Performance of Commercial Bank of Ethiopia.’ This study examined the relation of performance management practices and organizational performance and their effect on employees’ performance as well. It did not examine regarding its variable effect on perceived job performance due to the above mentioned cause. Hence, because of there is not conducted a research on the effect of performance management practice on perceived job performance in Ethiopia bank industry, and the observed problem in BrIB as stated in the above are the reasons behind the researcher to conduct this research.

1.3 Research Questions

The thesis expected to address the following Research Questions.

1. How performance management practices are implemented at the BrIB?
2. How do employees perceive the existing performance management practices of the bank?
3. What is the relationship exist between performance management practices and perceived job performance?
4. Does performance management practice affect perceived job performance?

1.4 Objectives of the Study

1.4.1 General Objectives

The major objectives of this study are to determine the effect of performance management practice on organizational perceived job performance in Berhan International Bank.

1.4.2 Specific Objectives of the Study

- ❖ To investigate how to performance management practice implement in BrIB.
- ❖ To assess the employees’ perception on performance management practices of the bank?
- ❖ To examine the relationship between the practices of performance management and perceived job performance.
- ❖ To examine to what extent performance management practices affect on perceived job performance.

1.5 Significance of the Study

The results of this study useful in the following way:

The results of this study have greater input to the human resource practitioners that will design and administer performance management. In particular, this study as greater importance for Berhan International Bank S.C to redesign its performance management system which drives employee productivity.

The study also use for the academic research and literature in the field by becoming reference to those who wish to replicate. Therefore, this study provide empirical evidence on how performance management practice affects the bank's perceived job performance.

1.6 Scope of the Study

Berhan international bank has 171 branches throughout the country. Among this 1376 employees are working in 78 branches in Addis Ababa. The researcher cannot study the entire population of the bank because of many factors such as time and cost constraints. So to make the research manageable, the researcher is delimited geographical and theoretical. Thus the study area were on seven Addis Ababa branches and the head office and permanent employees including department directors, division managers of the bank. Furthermore, this study applied only quantitative research methodology due to almost all the data collected through close-ended questionnaire.

1.7 Limitation of the Study

The study is conducted on a single private company. After all it is delimited on seven Addis Ababa branches and head office only even though the bank has 178 branches throughout the country. Therefore, the results might be difficult for generalization.

On the other hand, since the components of performance management are many, and so difficult to includes all its part at a glance, this study emphasized on only the prominent components of performance management those are goal setting, communication, feedback and evaluation. Besides there was lack of empirical studies in bank industry related to this study topic in the context of Ethiopia.

1.8 Operational Definition of Key Terms

Feedback: This refers to the information reflecting past performance and results and given by the manager to the employee (Solmon and Podgursky, 2010).

Perception: is the process people use to make sense out of the environment by selecting, organizing and interpreting information from the environment (Daft, 2000).

Perceived job performance: is an important factor that contributes to improve the outcomes, behavior and traits of the employees.

Performance Management: it can be defined as a systematic process for improving Organizational performance by developing the performance of individuals and team (Armstrong, 2006).

Performance appraisal: is formal assessment and rating of individuals. (Armstrong 2006).

Performance Management System: - is an ongoing process that includes setting and aligning goals, coaching and developing employees, providing informal and formal feedback to performance linked to recognition and rewards (Aguinis, 2009).

1.9 Organization of the Study Report

The study paper consists five chapters. The first chapter focused on general idea on the background ,objectives of the study, research question, statement of the problem, significant of the study, methodology of the study ,validity and reliability of the study and describes briefly the delimitation/scope/ and delimitation of the study ; and the organization of the paper. The second chapter dealt with review of related literature and the theoretical framework of the subject matter to reinforce the study by discussing the relevant literature from different materials by various scholars in the field of HRM and performance management. The third devoted on the methodology to the research. The fourth chapter concentrate on the major empirical findings from assessment of performance management practice and its impact in perceived job performance where in the data gathered, and analyzed. And finally, the fifth chapter finalize the study by giving summarization of findings, conclusions and recommendations based on the research finding .

CHAPTER TWO: REVIEW OF RELATED LITERATURE

2.1 Introduction

This chapter serve as the foundation for the development of the study. Therefore, the primary purpose of this chapter is to give the theoretical understanding in performance management practice and its impact on organizational perceived job performance. More specifically, review of up-to-date related literatures regarding the concept of performance management, and its purpose, system, process, and employee's perception on performance management are presented.

2.2 The Concept and Definition of Performance Management

In recent years, the value of performance is a hotly debated issue in the business world. Hence every functional institution give due consideration for the performance of employees and its management so as to meet the desired goal of the organization.

According to Fletcher(2001),who gave a completed and comprehensive HR related performance management definition which is “an approach to creating a shared vision of the purpose and aims of the organization, helping each individual employee understand and recognize their part in contributing to them, and in so doing manage and enhance the performance of both the individual and the organization”. Similarly, performance management is a management process for ensuring employees is focusing on their work efforts in ways that contribute to achieving the organization's mission. It consists of three phases: (a) setting expectations for employee performance, (b) maintaining a dialogue between supervisor and employee to keep performance on track, and (c) measuring actual performance relative to performance expectations. Armstrong (2004) also defined performance management as a means of getting better results from the whole organization by understanding and managing within an agreed framework, performance of planned goals, standards and competence requirements.

Performance management comprehensively defined as: an ongoing communication process, undertaken in partnership, between an employee and his or her immediate supervisor that involves establishing clear expectations and understanding about: the essential job functions of employee are expected to do; how the employee's job contributes to the goals of the organization; what doing the work well means in concrete terms; how employee and supervisor will work together to sustain, improve, or build on existing employee performance; how

performance management will be measured, and identifying barriers to performance and removing them (Bacal 1999).

The similarities of general performance management and HR related performance management are the goal setting, planning, evaluation, feedback and rewarding activities. However, the HR related performance management focus on the management of employee or managers, then motivating employees and managers. Moreover, general performance management was defined more widely than HR related performance management. It considers the definition of goals and the measurement of goal attainment not just financially but also in terms of meeting all stakeholder aspirations.

2.3 Performance Management System

In different literature, there are various models of performance management. Each model has its importance as a system for managing organizational performance, managing employee performance, and for integrating the management of organizational and employee performance. Performance management involves multiple levels of analysis, and is clearly linked to the topics studied in strategic HRM as well as performance appraisal. Different terms refer to performance management initiatives in organizations, for example, performance-based budgeting, pay-for performance, planning, programming and budgeting, and management by objectives (Heinrich, 2002). A performance management system, according to Rudman (2003), is increasingly seen as a means of integrating HRM activities with the business objectives of the organization, where management and HR activities are working together to influence individual and collective behavior to support the organization's strategy. Besides, he also stressed that the performance management system must fit with the organization's culture. Performance management system is a kind of completed and integrated cycle for performance management. The emphasis of performance management systems is on continuously improving organizational performance, and this is achieved through improved individual employee performance (Macky & Johnson, 2000). Ying (2012) also suggested that the main building blocks of a performance management system approach include: development of the organization's mission and objectives; enhancing communication within the organization so that employees are not only aware of the objectives and the business plan, but can contribute to their formulation; clarifying individual responsibilities and accountabilities; defining and measuring individual performance;

implementing appropriate reward strategies, and developing staff to improve performance, and their career progression further in the future.

2.4 Purposes of Performance Management System

The whole purpose of performance management is to get better results from the organization, teams and individuals by understanding and managing performance within an agreed framework of planned goals, standards and competency requirements. There are a number of purposes that formal performance management systems might serve. They can provide employees with information about how they are perceived in the organization and where they stand.

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

2.4.1 Strategic Purpose:

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

2.4.2 Administrative Purpose:

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

2.4.3 Communication Purpose:

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

2.4.4 Developmental Purpose:

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

2.4.5 Organizational Maintenance Purpose:

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

2.4.6 Documentation Purpose:

It yields data that can be used to assess the predictive accuracy of newly proposed selection instruments as well as important administrative decisions. This information can be especially useful in the case of litigation.

And also performance management system has so many purposes like, providing feedback to employees about their performance, determining who gets promoted, facilitating layoff or downsizing decisions, encouraging performance improvement, motivating superior performance, setting and measuring goals, counseling poor performers, determining compensation changes, encouraging coaching and mentoring, supporting manpower planning or succession planning, determining individual training and development needs, determining organizational training and development needs, confirming that good hiring decisions are being made, providing legal defensibility for personnel decisions and improving overall organizational performance (Grote 2002).

2.5 Performance Management Process

The Performance Management Process as it is inferred from the definitions given by different authors performance management is a continuous, extensive and ongoing process that involves different stages in which the stages take place in a cyclical and ongoing manner. Different authors discuss the performance management process in different ways or stages. According to

Armstrong (2009), the performance management system takes place in the following process: plan, act, monitor and review. On the other hand, Eliane (2004) while discussing the process of performance management system describes the phases as follows: performance planning, ongoing feedback, employee input, performance evaluation and performance feedback. Although the authors discuss the process by taking different models, the whole idea is the same. The most common and popular performance management process takes six phases as it is described by Aguinis(2009).

2.5.1 Pre-Requisites

This is the first stage of the process which requires having knowledge of the organization's mission and strategic goals and understanding of the job in question. Aguinis (2009) states that if there is a lack of clarity regarding where the organization wants to go, or the relationship between the organization's mission and strategies and each of its unit's mission and strategies is not clear, there will be a lack of clarity regarding what each employee needs to do and achieve to help the organization get there. Organizations are required to define the purpose or the reason for existence, where they want to be in the future, what objectives to achieve by deploying different strategies to achieve those objectives. Once the goals for the entire organization have been established, similar goals cascade downward, with departments setting objectives to support the organization's overall mission and objectives and the cascading continues to individual level. (Aguinis, 2009).

As it is discussed in the above, at this stage of the performance management process, the first requirement is knowledge of the organization's mission and strategic goals. In this regard, Kaplan and Norton (1996) state that the first barrier to strategic implementation occurs when the organization cannot translate its vision and strategy into terms that can be understood and acted upon. They state that where fundamental disagreement exists about how to translate the lofty vision and mission statements into actions, the consequence is fragmentation and sub optimization of efforts. The second prerequisite of the performance management process is knowledge about the job in question which is done through job analysis. Job analysis is a process of determining the key components of a particular job, including activities, tasks, products, services, and processes.

2.5.2 Performance Planning

At this stage of the performance management system what is expected is that employees need to have a comprehensive knowledge of the performance management system. In relation to this, Armstrong (2006) stated that performance planning is the process of agreeing objectives and competence requirements and producing performance agreements and performance improvement and personal development plans. As Aguinis (2009) stated that in the performance planning stage, the discussion should include results, behaviors and development plan. Accordingly:

2.5.2.1 Results

Refer to what needs to be done or the outcomes an employee must produce which includes accountabilities (major areas of a job in which the employee is responsible), specific objectives that the employee will achieve as part of each accountability and performance standards (i.e refers to a yardstick used to evaluate how well employees have achieved each objective) provide information about acceptable and unacceptable performance.

2.5.2. 2 Behaviors

Refer to how work is completed. Even though measuring results of a given job is important, but it does not give comprehensive picture of the employees' performance. In addition to this, sometimes it's difficult to measure the results of a given job because for some jobs it may be difficult to establish precise objectives and standards and in such cases, behaviors should be given more priority/importance/ than results. Aguinis (2009) 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 achieved.

2.5.2.3 Development plans

It is the other important issue that must be addressed and both parties (i.e employee and supervisor) reached at an agreement before heading to the next step of the process. The plan should incorporate areas that need future improvement and setting goals on how to attain those improvements. Reyna & Sims (1995) as cited by Aguinis (2009) development plans highlight an

employee's strengths and the areas in need of development, and they provide an action plan to improve in areas of weaknesses and further develop areas of strength. In order to detect the employee's strength and weakness and to create and complete the development plan that will increase the effectiveness of the employee's, direct supervisors and line managers should play an important role to make it effective. Moreover, Smither and London (2009), stated that this active role will help the supervisor understand the process from the employee's perspective, anticipate potential roadblocks and defensive attitudes, and create a plan in a collaborative fashion.

2.5.3 Performance Execution

Performance execution is the stage where the employee expected to perform or implement the agreed upon goals during the performance planning phase of the process by delivering the results, behaviors as well as developmental plans. Aguinis(2009) stated that, the employee has the primary responsibility and ownership of this process of the performance management system. As it is discussed earlier, at this stage the employee is expected to put all his or her effort to produce the expected result by displaying the required behaviors as well. Additionally, Aguinis (2009) argued that although the employee has primary responsibilities for performance execution, the supervisor also needs to do his or her share of the work.

Supervisors should provide the necessary resources that facilitate the employee to perform his or her responsibilities and also create the opportunities to involve employees in developmental activities. In general supervisors have a responsibility to ensure that the employee has the necessary supplies and funding to perform the job properly.

2.5.4 Performance Assessment

Performance assessment phase is the stage where both parties (employee and supervisor) should take their part regarding to evaluate whether performance (result) is on the right track with the desired level of behavior. It is important that both the employee and the manager take ownership of the assessment process. The reason is that firstly, it provides good information to be used in the review phase since both parties have a saying. Secondly, there is a greater likelihood that the information will be used productively in the future (Aguinis, 2009).

Moreover Aguinis (2009) stated that the inclusion of self – ratings to helps emphasize possible discrepancies between self - views and the view that is important to others (that is, supervisors) have. It is the discrepancy between these two views that is most likely to trigger development efforts, particularly when feedback from the supervisor is more negative than are employee self - evaluations. The inclusion of self-appraisals is also beneficial regarding important additional factors.

2.5.5 Performance Review

The Performance review is a formal setting where both parties (i.e the employee and supervisor) meet face to face to discuss their respective self-assessment made in the performance assessment phase of the performance management process. This phase covers achievements, growth and difficulties requiring revision upon performance agreement and personal development plan.

Armstrong (2009) argued that the performance review should be rooted in the reality of the individual's performance. It is concrete, not abstract and it allows managers and individuals to take a positive look together at how performance can become better in the future and how any problems in meeting performance standards and achieving objectives can be resolved. Overall, the performance review meeting is the means through which the five primary performance management elements of agreement, measurement, feedback, positive reinforcement and dialogue can be put to good use. Even if appraisal meeting /performance review/ is important since employees receive formal performance feedback, however, supervisors are reluctant to do that. In line with this Eliane (2004) states that managers are reluctant to provide candid feedback and have honest discussions with employees for fear of reprisal or damaging relationships with the very individuals they count on to get work done. Employees feel that their managers are unskilled at discussing their performance and ineffective at coaching them on how to develop their skills. Moreover, Aguinis (2009) despite of its importance in performance management, the appraisal meeting is often regarded as the “Achilles’ heel of the entire process”. This is because many managers are uncomfortable providing performance feedback, particularly when performance is deficient.

2.5.6 Performance Renewal and Re-contracting

The final stage in the performance process is renewal and re-contracting. Essentially, this is identical to the performance planning component. The main difference is that the renewal and reconstructing stage uses the insights and information gained from the other phases.

The performance management process includes a cycle that starts with prerequisites and ends with performance renewal and re-contracting. The cycle is not over after the renewal and re-contracting stage. In fact, the process starts all over again: there needs to be a discussion of prerequisites, including the organization's mission and strategic goals and the job's KSAs. Because markets change, customers' preferences and needs change, and products change, there is a need to continuously monitor the prerequisites so that performance planning, and all the subsequent stages, are consistent with the organization's strategic objectives.

2.6 Employee Performance

Employee performance is originally what an employee does or does not do. Performance of employees could include: quantity of output, quality of output, timeliness of output, presence at work, cooperativeness

To perform is to take a complex series of actions that integrate skills and knowledge to produce a valuable result. A performer can be an individual or a group of people engaging in a collaborative effort. Sinha (2001) stated that employees' performance is depending on the willingness and also the openness of the employees themselves on doing their job. He also stated that by having this willingness and openness of the employees in doing their job, it could increase the employees' productivity which also leads to the performance.

Stup (2003) also explained that to have a standard performance, employers have to get the employees' task to be done on track as to achieve the organization goal or target. By having the work or job done on track, employers could be able to monitor their employees and help them to improve their performance.

There are several factors that being described by Stup (2003) towards the success of the employees' performance. The factors are such as physical work environment, equipment, meaningful work, performance expectation, and feedback on performance, reward for good or bad system, standard operating procedures, knowledge, skills and attitudes.

Franco et. al, (2002) defined performance that relies on internal motivation but presence of internal factors such as necessary skills, intellectual capacity and resources to do the job clearly have an impact. As a consequence employers are supposed to provide appropriate working conditions in order to make sure the performance of employees meet the required standards.

2.6.1 Theory of Employee Performance

2.6.1.1 The Goal Setting Theory

It suggests that the individual goals established by an employee play an important role in motivating employee performance. It helps employees to keep following their goals. If goals are not achieved, they either improve their performance or modify the goals and make them more realistic. In case the performance improves it will result in achievement of the performance management system aims (Guest 2002).

The goal-setting theory had been proposed by Edwin Locke in the year 1968. This theory suggests that the individual goals established by an employee play an important role in motivating him for superior performance. Skills required include the ability to engage employees in mutual goal setting clarify role expectations and provide regular performance feedback. Time and energy will also need to be given to providing relevant performance incentives, managing processes, providing adequate resources and workplace training. It also advice that in order to drive the organization to peak performance managers and supervisors must put out front the human face of their organization. Principle here is the human-to-human interaction through providing individualized support and encouragement to each and every employee (Salaman et al, 2005).

Employee performance is a major multidimensional construct aimed to achieve results and has a strong link with planned goals of an organization (Abbas and Yaqoob, 2009). Performance is the key multi character factor intended to attain outcomes which has a major connection with planned objectives of the organization (Sabir et al. 2012).

Employees goals achievement in this theory is by creating of work environment attractive, comfortable, satisfactory and motivating to employees so as to give them a sense of pride and purpose in what they do. How working environment is designed and occupied affects not only how people feel, but also their work performance, commitment to their employer, and the creation of new knowledge in the organization (Taiwo, 2009) .

2.6.1.2 The Expectance Theory

It is based on the hypothesis that employees adjust their behavior in the organization on the basis of anticipated satisfaction of valued goals set by them. The employees modify their behavior in such a way which is most likely to lead them to attain these goals. The theory underlies the concept of performance management as it is believed that performance is influenced by the expectations concerning future events (Guest 2002).

The most widely accepted explanations of motivation have been propounded by Victor Vroom. His theory is commonly known as expectancy theory. The theory argues that the strength of a tendency to act in a specific way depends on the strength of an expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to the individual to make this simple. Expectancy theory says that an employee can be motivated to perform better when there is a belief that the better performance will lead to good performance appraisal and shall result into realization of personal goal in form of some reward future events. The theory focuses on three things efforts and performance relationship, performance and reward relationship, rewards and personal goal relationship (Salaman et al, 2005).

This theory is based on the hypothesis that individuals adjust their behavior in the organization on the basis of anticipated satisfaction of valued goals set by them. In order for employees to perform in this theory is by making sure each employee's workplace goals and values are aligned with the organization's mission and vision is important for creating and maintaining a high level of motivation. That can lead to higher productivity, improve employee performance, reduce the chances of low employee morale, encourage teamwork and instill a positive attitude during challenging times.

According to Shields (2007) indicator of high level performances are:

Quality increases: results or products are more effective in meeting or exceeding the expectations of stakeholder's

Cost decreases: amount of effort or financial resources to produce a result goes down; amount of waste goes down.

Capability increases: ability to tackle more challenging performances or projects increases.

Capacity increases: ability to generate more output increases.

Knowledge increases: depth and breadth of knowledge increases.

Skills increase: abilities to set goals persist; maintain a positive outlook, etc. increase in breadth of application and in effectiveness.

Identity and motivation increases: individuals develop more sense of who they are as professionals; organizations develop their essence.

2.7 Job Performance:

Much research over the years has investigated the relation between organizational commitment and job performance. In general, affective commitment has been shown to be positively related to job performance, although the magnitude of this relation is not strong (Mathieu & Zajac, 1990; Meyer & Allen, 1997). Determining the mechanisms behind these relations is difficult, however, because these studies have used a wide variety of performance criterion measures. For example, some have used supervisors' ratings of overall performance, others have used objective indexes such as cost control and others have utilized self-ratings of performance. One commonality among these studies, however, is that the relation between affective commitment and performance is mediated by employees' effort. Employees who possess high levels of affective commitment tend to work harder and exert more effort than employees who possess lower levels of affective commitment. In some cases, this higher level of effort will translate into higher levels of performance, although this is not always the case. This link between affective commitment and effort suggests that commitment is positively related to performance when employees possess adequate ability, when performance is primarily determined by motivation, and when employees have some level of control over performance. This explains why researchers have generally found that affective commitment predicts organizational citizenship behavior (OCB) better than in-role performance (Meyer & Allen, 1997; Organ & Ryan, 1995). Since OCB is largely motivationally based, employees have greater control over it than they do over in-role performance. Compared to affective organizational commitment, considerably less research has examined the performance-related implications of either continuance or normative commitment. Meyer and Allen (1997) point out; however, that most of the available empirical research has shown that neither of these forms of commitment is strongly related to either in-role performance or OCB. Furthermore, it is difficult to come up with a conceptual justification for why they would be related to performance. For example, there is no reason why continuance commitment would prompt an employee to exert high levels of effort or go appreciably beyond

his or her required job duties. It is somewhat more plausible that high levels of normative commitment would engender high levels of effort toward organizational goals. One can also make an equally plausible counter argument that commitment based on employees' feelings of obligation will not necessarily lead to greater levels of effort on behalf of the organization. To the contrary, one can even imagine that an employee who feels compelled to remain in an organization out of a sense of obligation may even grow to resent that organization and perhaps be compelled to engage in counterproductive behaviors

2.8 Perception of Employees' on Performance Management

Performance management is traditionally seen as management's systematic application of processes aimed at fully utilizing human resources and it carries somewhat negative connotation when considered from the performer's perspective (Buchner, 2007). It is important to consider how employees react to performance management system. One factor that may affect employees' perceived performance management effectiveness is their attitude towards performance evaluation. In review of performance evaluation studies, Levy and Williams (2004) stated that appraisal reaction was important: employees were more likely to ignore information they received from their performance evaluation when they perceived that the performance evaluation system is not fair and source of those information were not credible. Since performance evaluation is a source of input for performance management process (DeNisi and Pritchard, 2006), attitudes toward performance evaluation tend to affect attitudes towards performance management effectiveness. In addition, performance evaluation is one major elements of performance management that directly have consequences on employees in many ways including their advancement and rewards. In fact, based on the survey results, it is suggested that the quality of performance evaluation should be measured if organizations want to increase performance management effectiveness (Oakes, 2007). Moreover, from another survey of performance management, out of nine factors that are key practices that can lead to perceived performance effectiveness, there are five factors that is related to performance evaluation, i.e., plans for helping employees develop in the work period after the evaluation, training for managers on how to conduct a performance evaluation meeting, metrics of the quality of performance evaluation, performance evaluation that is not limited to the judgment of supervisors, and consistency of performance evaluation across the whole organization

2.9 The Relationship between Performance Management System and Employee Performance

2.9.1 Developing and Planning-Mission and Individual Objectives:

The first stage of performance management system is developing and planning. In this stage, business needs to set up mission and objectives, and then clarify the individual responsibility and duty. A mission is an organization's character, identity, and reason for existence. It can be divided into four inter-relating parts: purpose, strategy, behavior standards and values. Purpose addresses why an organization is in being; strategy considers the nature of the business; behavior standards are the norms and rules of 'the way we do things around here'; values are the beliefs and moral principles that lie behind the behavior standards, beliefs that have normally been formulated within the organization by a founding dynasty or a dominant management team (Campbell and Yeung, cited in Zhang 2012 p, 19).

According to Zhang (2012), performance management supports a company's or organization's overall business goals by linking the work of each individual employee or manager to the overall mission of the work unit. Individual targets or responsibilities could be the mechanism to enable the performance of individuals within the organization to be aligned with the mission statement and the way of adjusting performance requirements to meet new challenges which may arise.

In the first stage, the most important thing of developing and planning performance is setting mission and objectives. Mission and objectives could motivate employees to act by the directions; therefore, motivated employees are more engaged and involved with their jobs.

2.9.2 Managing and Reviewing Performance:

In this second stage, there are lots of activities that include observing and document efforts and accomplishments; provide feedback, coach and counsel employee regarding performance. In this stage, enhancing communication within the organization, so that employees are not only aware of the objectives and the business plan but can contribute to their formulation. Besides, employee communication could be discussed in the narrowly defined context of mediated communication.

According to Robertson (2005), an effective communication climate is based on such topics: job, personal, operational and strategic issue. Moreover, Hargie & Tourish (2009) concluded top six topics were cited for 'information needed'--how problems that I report in my job are dealt with; how my job contributes to the organization; how decisions that affect my job are reached; things that go wrong in my organization; staff development opportunities, my performance in my job. According to Ainspan and Dell (2000), favorable employee communication has been shown to increase job satisfaction and employee performance and finally result in organizational success (Baskin, Aronoff, & Lattimore, 1996).

On the other way, providing the quantitative and qualitative standards for judging individual and organizational performance are important elements in managing performance. As a result, individual employees would be aware of the standards which will encourage them and be the main objectives of them. Performance reviews can be regarded as learning events, in which individuals can be encouraged to think about how and in which ways they want to develop (Teke, cited in Ying 2012 p.20). Performance feedback has significant potential to benefit employees in terms of individual and team performance.

2.9.3 Coaching

It is an important tool in learning and development. Coaching is developing a person's skills and knowledge so that his or her job performance improves, leading to the achievement of organizational objectives (Cunneen, 2006). Similarly, Apperbaum and Armstrong (2003) pointed that the knowledge bases of coaching provide the company's employees with a new professional outlook that in the long term leads to a higher level of productivity. An individual's attitude towards an issue is factually the vision that he or she form around that entity. Positive attitude affects the productivity of the organization, affects the productivity of the organization, while skills refers to the employee's ability in undertaking the practical tasks. The employees feel more efficient and confident in performing their duties when they learn what material would be needed, how the material must be collected and interpreted.

2.9.4 Rewarding Performance

Rewarding performance happens on the end of performance period. The main activities include evaluating employee's accomplishments and skills; discussing evaluation with employees

(McAfee and Champagne,1993). It evaluates the effectiveness of the whole process and its contribution to overall organizational performance to allow changes and improvements to be made, and also provides the feedback to the organization and to individual staff about their actual performance. The effectiveness of any organization is dependent on the quality of its personnel. The right people must be originally selected into the organization, motivated to work; and sound personnel promotion and training decisions must be made in filling non entry level. An effective personnel performance evaluation system is a crucial cornerstone in this process, as it provides the data needed for most of the required administrative decisions. This system plays a key role in motivating people to utilize their abilities in pursuing the organization's goals (Musgrove & Creighton, cited in Zhang (2012 p,21).After the evaluating and checking the feedback, managers or organizations should provide the pay-for-performance. Financial appraisal is a useful tool to incentive employee's passion for their work. In this stage, managers still need to focus on developing staff to further improve performance, and their career progression, in the future.

2.10 Empirical Review

Ahmad and et.al., (2011) carried out a study on Impact of human resource practices on employee perceived performance in banking sector of Pakistan and found out that there is a strong relationship between employee perceived performance and HR practices such as performance management.

Similarly Chompukum (2012) in his research work Performance management effectiveness in Thai banking industry, as predicted attitude toward performance evaluation is positively related to linkage between consequences and targeted performance, coaching and perceived performance management effectiveness.

In another study, Yohannes (2017) the research on the effect of performance management system on the employees' performance of Commercial Bank of Ethiopia, he concluded that performance management practice has a positive and significant relationship with employee performance.

Yaseen (2015) also conducted on performance management practices and its impact on Banks' performance, there is a positive relationship between loyalty, motivation and effectiveness with true Performance Management Systems. His works also shows that absence of guidance and feedback in current appraisal system leads to dissatisfaction amongst employees. Besides continuous communication within organization and personnel development impact significantly

and positively on employee performance Zhang (2012) , this study conducted on the impact of performance management system on employee performance concluded that setting mission and objectives in planning performance stage could impact negatively on employee performance. Coaching and communication between employees and supervisors also have positive relationship with employee performance.

According to (Amber & Mubashir, 2013) conducted on the impact of performance management on the organizational performance: The researcher concluded that performance appraisal have positive relationship with employee performance because it is very important to recommend appropriate training and development session for the below average workers. This help the below average workers to improve their productivity in the long run.

On the other hand Mgbemena et al., (2015) on their study concluded that effective performance management is desirable in any organization to facilitate efficient and effective performance of the employees towards the realization of organizational goals.

As Yaseen (2015) study result show that absence of guidance and feedback in current appraisal system leads to dissatisfaction amongst employees.

Another study that is conducted by Developmental Dimension International (DDI) organization (1997) ,this study prove that Performance management systems directly influence employee job satisfaction. And this organization also conducted study on “The Impact of Performance Management on Organizational Success”. This study result substantiates that performance management systems can have a significant impact on financial performance and productivity of the organization.

In line with this, Verbeeten (2007) conducted study on “Performance management practices in public sector organizations Impact on performance”, and the result revealed that dentition of clear and measurable goals is positively associated with quantity performance as well as quality performance.

On the other hand, Munzhedzi (2011)studied on performance management system and improved productivity: A case of the department of local government and housing in the Limpopo province stressed that PMS has not contributed to the improvement of productivity of the DLGH in the Limpopo province concluded that PMS plays significant role in the improvement of productivity but in this study PMS has not contributed to the improvement of productivity of the DLGH in the

Limpopo province because of poor understanding of the PMS in the Department and setting of unrealistic performance targets which are unrealistic.

2.11 Conceptual Framework

The impact of performance management practices which are the focus of this research are taken from the theoretical aspect of performance management stated by Chompukum (2012). That is considering how employees react to performance management system. One factor that may affect employees' perceived performance management effectiveness is their attitude towards performance evaluation. In review of performance evaluation studies, employees were more likely to ignore information they received from their performance evaluation when they perceived that the performance evaluation system is not fair and source of those information were not credible. Since performance evaluation is a source of input for performance management process, attitudes toward performance evaluation tend to affect performance management effectiveness. On the other hand there are nine factors that are key practices that can lead to perceived performance effectiveness, among these there are five factors that is related to performance evaluation, i.e., plans for helping employees develop in the work period after the evaluation, training for managers on how to conduct a performance evaluation meeting, metrics of the quality of performance evaluation, performance evaluation that is not limited to the judgment of supervisors, and consistency of performance evaluation across the whole organization. This leads to Performers' attitude toward performance evaluation is positively related to perceived performance management.

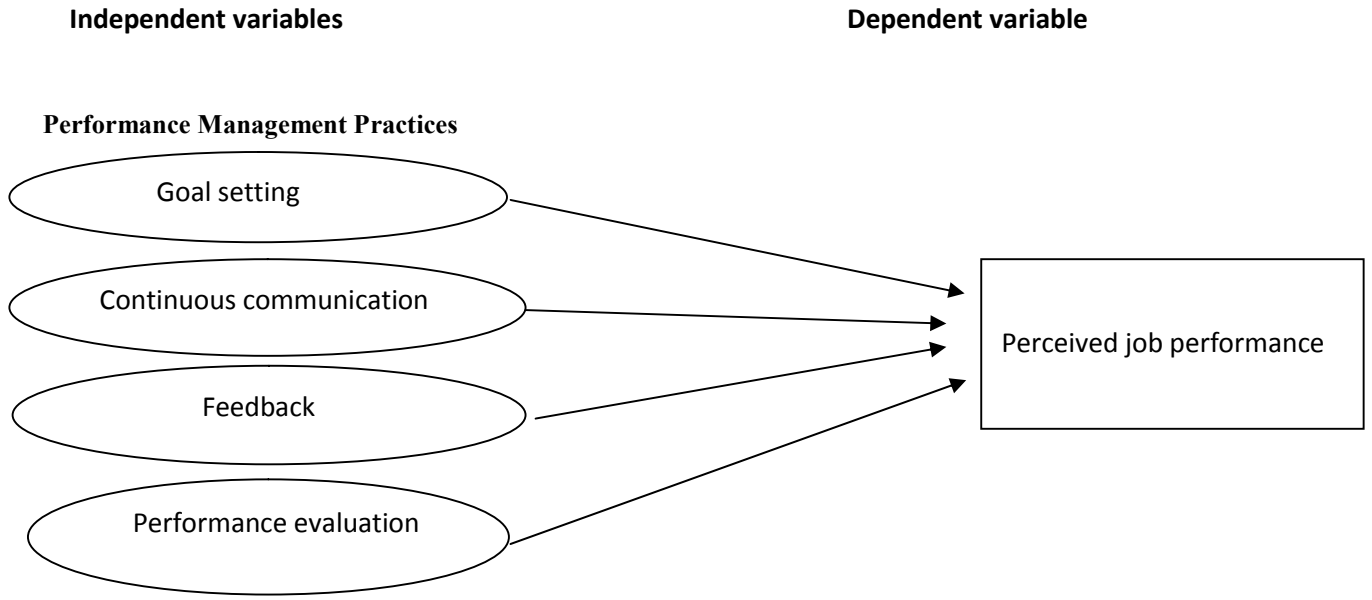


Figure 2.1 **conceptual model** (adopted from Zhang ,2012).

2.12 Hypotheses

The following research hypotheses are developed from the conceptual framework depicted in Figure 2.1

H 1: There is a significant relationship between performance management practice and job performance.

H₀: There is no relationship between performance management practice and job performance

H 2: Goal setting has a significant effect on job performance.

H₀: Goal setting has no effect on job performance.

H 3: Continuous communication has a significant effect on job performance.

H₀: Continuous communication has no effect on job performance

H 4: Performance feedback has a significant effect on job performance.

H₀: Performance feedback has no effect on job performance.

H 5: Performance evaluation has a significant effect on job performance.

H₀: Performance evaluation has a significant effect on job performance.

2.13 Variables

In this study, some variables are identified from literature review. These variables are categorized into independent variables, and dependent variables.

2.13.1 Independent Variables

In this study, the independent variables are the activities in performance management process. This independent variables from literature review establishes relationship with dependent variable, i.e. with job performance. Goal setting (Independent variables) from stage of goal setting, Continuous Communication and feedback from performance review and performance evaluation from performance assessments are taken from the literature review.

2.13.2 Dependent Variable

In this research, the dependent variable is the job performance. This dependent variable is measured by a well-established instrument that design specifically to assess performance in the bank. Each of the items in the instrument is measured on five point Likert scale, ranging from 1, strongly disagree, to 5, strongly agree.

CHAPTER THREE: RESEARCH METHODOLOGY

This study conducted to examine impact of performance management practice on perceived job performance in BrIB. To realize the objectives and answer the basic research questions, the following research design and methodology were used.

3.1 Research Design and Approach

In this study, the researchers apply explanatory research design. This design establishing the cause and effect relationship between variables i.e. between performance management practice and employee perceived job performance. It aims to understand phenomena by discovering and measuring causal relations among them (Mitchell and Jolley, 2004).

This research used quantitative approach due to the study use closed ended questionnaire. Quantitative research involves studies that make use of statistical analyses to obtain their findings. Key features includes formal and systematic measurement and the use of statistics (Geoffery,et.al.,2005).The quantitative method is in the form of questionnaire with close ended questions. In order to answer the research questions and the problems, the researcher used regression analysis. Because this types of analysis help the researcher to see the effect of performance management practice on the job performance.

3.2 Population and Sampling

The population for this particular study is all permanent professional employees of BrIB that includes department directors, all levels of managers, all levels of accountants, branch auditors, senior customer service officers, Customer service officers.

3.3 Sampling Methods and Sampling Size

3.3.1 Sampling Methods

This research applied stratified sampling method so as to address the heterogeneity multiple stage because of the targeted population of the research is diversified in terms of age, gender, and educational level. According to Kothari (2004), stratified sampling method is applied if a population from which a sample is to be drawn does not constitute a homogeneous group.

Stratified random sampling is a method of sampling that involves the division of a population into smaller groups known as strata. In stratified random sampling, the strata are formed based on members' shared attributes or characteristics. These subsets of the strata are then pooled to form a random sample (Kothari 2004).

Since the strata's are different functional group in the bank as managerial, and clerical, and non clerical the researcher used simple random sampling method.

3.3.2 Sampling Size

Berhan International Bank has 171 branches out of which 78 city branches and others are outlying branches. The organization currently has 3061 employees. The employees are mainly categorized as "managerial", "clerical" and "non clerical" employees. This categorization is based on the job characteristics and the hierarchical level. They have a moderate to very high educational level. Except non clerical the employees mostly function on tactical and management levels. From the total of 3061 employees, 1371 employees are currently working in Addis Ababa. Among these employees, 452 of them are found on managerial and Clerical position.

These 452 managerial and Clerical employees of Addis Ababa are adopted as the research population in this study. This research focused only permanent clerical and managerial employees those are working in seven Addis Ababa branches and head office, among this employees the sample size is determined by Laurentina P. From the total population 234 employees were selected. That is 52%. The researcher determines 99% confidence ($z=2.58$ from Z score table) with 1% acceptable error ($e=0.01$), P maximum largest proportion which is conventionally 50% of the population (0.5).

$$Ss = \frac{NZ + [Se^2(1-p)]}{NSe + [Z^2 P(1-P)]}$$

Where Ss =sample size

N= Total population	N= 234
Z= Confidential level	Z= 99 % = 2.58
Se = sampling error	Se= 1% =0.01
P= largest possible proportion	P= 0.5

Thus 148 employees were selected from permanent managerial and clerical employees by simple random stratified sampling to fill out the questionnaire. But employees of the bank those were in provision period were automatically excluded from the research population even though they were the part of the population. .

The management staffs and clerical employees were responsible for the organization's performance management system to implement than non clerical because their day to day activities are related with performance management practices.

3.4 Data Sources and Data Collection Procedure

3.4.1 Data Sources

Data were collected primary and secondary data collection method. Primary data were gather from Berhan Bank S.C staff working both the head quarter and seven its branches through questionnaire. Employees of BrIB were requested to fill questionnaire that would be designed. These professionals of the staff are consider as the best representative of the study because it is believed that they are highly responsible in managing performance of the day to day activities and also they are the active participants of performance management system and process from its planning to review phase.

3.4.2 Data Collection procedures

The student researcher adopted the appropriate questionnaire from other studies that related with this study objectives and then distributes the questions to the sample employees. After effectively collecting the information, the researcher insert, analyze and summarize with SPSS version 20 and put it both in table and graph form and the major findings of the study is identified and interpreted taking in to account the theoretical perspective and based on that conclusions drawn and feasible recommendations forwarded.

3.5 Method of Data Analysis

Data was analyzed by using both descriptive statistics and inferential statistics. Descriptive statistics including means and standard deviation were used to provide an overview of the respondents' perception on the various aspects of performance and management of performance evaluated by the

study. The mean was used to evaluate the appreciation for each of the aspects while standard deviation was used to evaluate consistency in the responses. A higher mean was indicative of higher appreciation for a given variable while large standard deviation was indicative of higher inconsistency in responses. Frequencies were also used in cases where there was need to inform on presence and magnitude of given factors. Regression analysis was used to evaluate the relationship between the employee perception on performance management and employee performance. Performance management was evaluated based on the dimensions of goal setting, communication, feedback and performance evaluation. These were measured in terms of the means of the various aspects that define the four variables. The means were regressed on employee performance which was also measured in terms of the mean of the various aspects in the variable. The correlation coefficient (R) was used to evaluate the strength and direction of the relationship between employee perception on performance management and employee performance while the coefficient of determination (R²) was used to evaluate the explained variation. The significance of the individual variables on performance was evaluated using the t statistic. The relationship was evaluated based on the following equation:

$$Y=B_0 + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + \epsilon$$

Where

Y represented Job Performance as the dependent variable and X₁ to X₄ represented the independent variables (X₁ = goal setting , X₂ = continues Communication, X₃ = performance feedback , X₄ = performance evaluation. B₀ represented a constant, B₁, B₂, B₃, B₄ were Coefficients and ϵ represents the Error Term.

3.6 Validity and Reliability

As (Geoffrey, et al., 2005) stated that, validity highlights the need to eliminate or minimize the effects of extraneous influences, variables, and explanations that might detract from a study's ultimate findings.

It is also a measure of the truthfulness of measuring instruments. To ensure content validity, the researcher used questionnaires adopted from previous research work of Melat Y. (2014) and Melaku W.(2015) some questions were improved according the objective of this study. In addition the questionnaires were distributed and collected by the researcher in person.

3.6.1 Reliability

To determine the reliability of the variables to make sure that they are free from error and therefore yield consistent result. Internal consistency of item which is the level of homogeneity of scale measures incorporated in the instrument was checked by using Cronbach's Alpha and the SPSS results for the measure of general questions on performance management practices: goal setting, communication, feedback, and performance evaluation on the job performance.

3.7 Ethical consideration

So as to get the required results, during data collection and data interpretation process, the researcher made it realistic and free from biases as much as possible. Furthermore, the researcher also put effort to persuade the participants of the survey about the importance and the purpose of such study that helps the bank in identifying the gap in practicing performance management, and promise that any confidential information that they disclose is will be kept confidential and as promised information do not disclosed to nobody.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

4.1 Introduction

This chapter discusses the study findings on effect of performance management on perceived job performance at Berhan International Bank. The findings are based on information that was collected by use of questionnaires from the employees who were directly involved in performance management system functions in the bank. A total of 148 questionnaires were distributed; out of which 136 questionnaires were returned representing a response rate of 89.8%. This response rate was considered large enough for the study. The information captured from the questionnaires was analyzed in light of the objectives of the study and addressed the respondents' general information, on performance management system.

4.2 Reliability Statistics

Testing reliability of the constructs to make sure that whether they are free from error is the prerequisite task of the researcher. Thus before conducting the research testing, the data collecting instrument, the questionnaire in a scientific way help to collect reliable data. Internal consistency of items, which is the level of homogeneity of a scale measures incorporated in the instrument was checked by using Cronbach's coefficient alpha and the SPSS results for the measures of general questions on performance management practices: goal setting ,continuous communication, feedback, performance evaluation with job performance are shown in the following table .

Table 4. 1 Cronbach's Alpha statistics of the survey questionnaire

Cronbach's Alpha	No. of Items
.796	43

Source: own survey, 2018

As indicated in Table 4.1 the Cronbach's Alpha test reveals that the instrument's internal consistency is 79.6%. Since the value is above the acceptable figure (70%), the research instrument is reliable and the forthcoming findings and conclusions are acceptable.

4.3 Demographic Information of Respondents

In this section, the general background the respondents of the study is summarized by focusing their gender, age group, educational status, years of service and category of position classification.

Table 4.2 sex of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	72	52.9	52.9	52.9
Female	64	47.1	47.1	100.0
Total	136	100.0	100.0	

As we can see from the above table 4.2 among the total respondents 72 (52.9%) of them were male and the remaining 64(47.1%) were female. This shows that the number of female staff is closer to be half percent of the total staff. Which indicate there is gender confirmatory action takes place during recruitment in the organization.

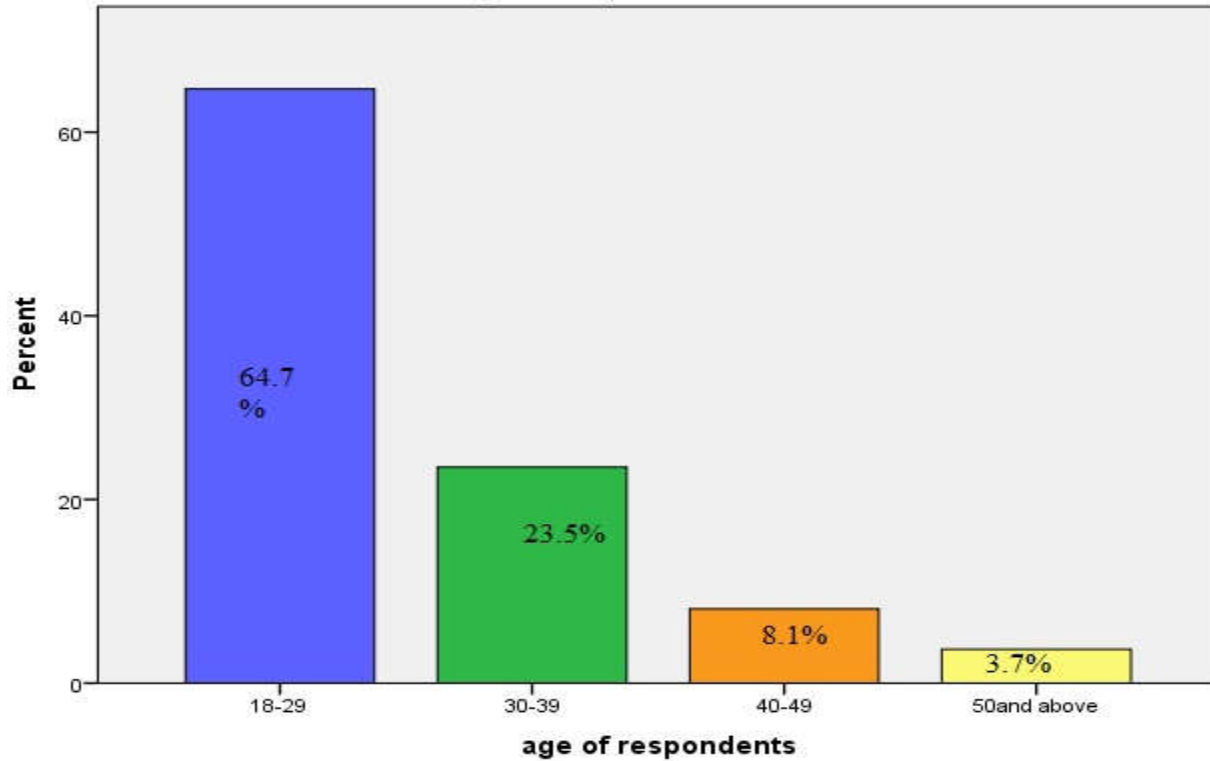


Figure 4.1 Age of respondents

Regarding the age group of the respondents, the larger portion of the respondents that is 88 (64.7%) Age between 18-29 falls within the age group of 18 to 29. Age group from 30 to 39 and 40 to 49 hold 33 (23.5%) and 11 (8.1%) number of respondents respectively. Respondents of age group 50 and above contain the least number of respondents, which is 5 (3.7). From this we can say that BrIB has more younger, energetic and productive manpower that can be able to transform the mission and vision of the organization into reality.

Table 4.3 educational qualification

	Frequency	Percent	Valid Percent	Cumulative Percent
Diploma	22	16.2	16.2	16.2
Degree	103	75.7	75.7	91.9
MA and above	11	8.1	8.1	100.0
Total	136	100.0	100.0	

As shown in the above table 4.3 educational status of the respondents, staffs who are degree graduates have the largest portion which is around 103 (75.7%), among the total respondents, 11 (8.1%) of them have masters degree and above and the rest of the respondents which is 22(16.2%) are graduated with college diploma. The fact that almost all of the respondents being educated in different levels it is believed that they can easily understand the questionnaire as desired by the researcher.

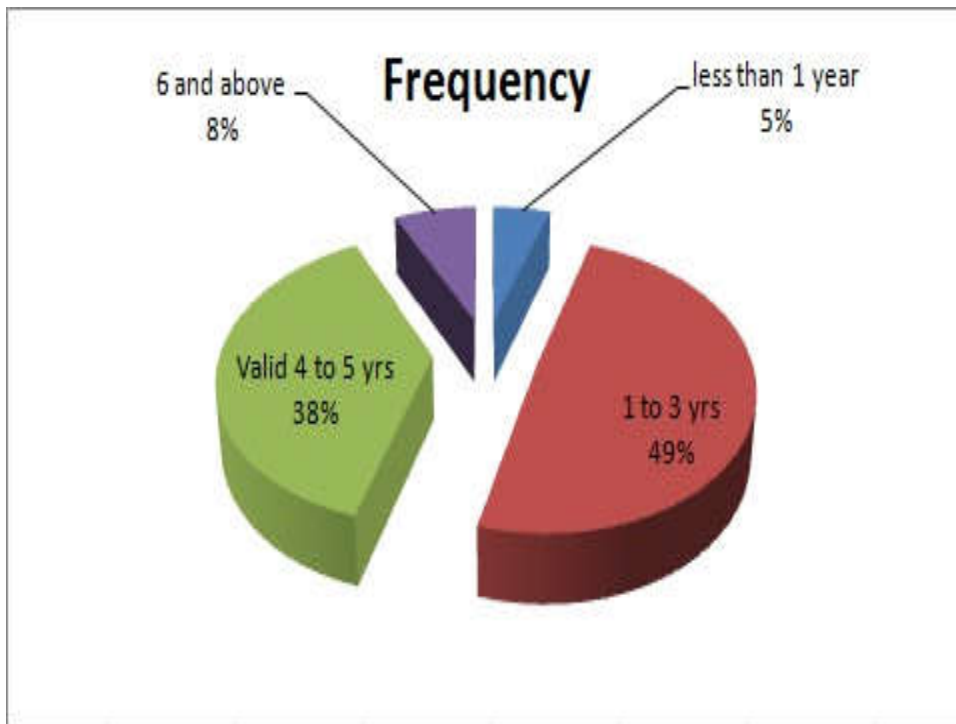


Fig. 4.2 work experience in BrIB

As it illustrated on fig 4.2 the data collected through questionnaire, the large portion of respondents 67(49.3%) fall within the range of one to three years of service in BRIB, the second highest percent of the respondents within the range of four to six years of experience is 38.2% and have more than six and above years of experience, 9 (7.4 %) respondents have joined the bank. The figure indicate that continues communication and feedback in the bases of the performance for these deployed employees needed than the senior employees since these respondents have less years of experience relatively.

Table 4.4 Respondents' work category

	Frequency	Percent	Valid Percent	Cumulative Percent
managerial	7	5.1	5.1	5.1
Clerical	129	94.9	94.9	94.9
Total	136	100.0	100.0	

As we can see the work category in table 4.4 the larger share of the respondents goes to clerical and the remaining are managers which is 129 (94.9%) and 7 (5.1%) respectively. Simply to the position states of the respondents, all 136(100%) respondents are direct actors of the performance management practices of the bank. In general, the above work category table which is characteristics of the respondents shows that the study is represented by those who are qualified. Therefore the participants could understand the questionnaire well. As a result it is the researcher belief that the study is well represented by the respondents which helps to get the opinion of all which assures the accurate data have been secured from the respondents of the sample size.

4.5 Magnitudes of Employees Perception towards Performance Management System

Table 4.5 Frequency table for Employee Perception to ward Participating in Setting Goals

Statement	Level of perception					Mean
	Strongly disagree %	Disagree %	Neutral %	Agree %	Strongly Agree %	
I know the strategic objective of the bank	2	6	12	92	24	3.9
	1.5	4.4	8.8	67.7	17.6	
I am well clear about my business process/work unit strategic objective	4	4	5	88	25	3.9
	2.9	2.9	11	64.7	18.4	
My business process/work unit's goal is aligned	5	5	16	79	31	3.9

with the strategic mission of the organization	3.7	3.7	11.8	58.1	22.8	
My individual goal is aligned with the strategic objective of my business process/work unit as well as the organization	5	10	29	65	27	3.7
	3.7	7.4	21.3	47.8	19.9	
My business process/work unit objective is realistic and attainable	1	30	0	84	21	3.9
	.7	22	0	61.7	15.4	
I am clear about what my job responsibilities are and what is expected from me	14	6	83	32	1	4
	10.3	4.4	61.1	23.5	.7	
In BRIB goal setting is carried out with the discussion between the employee and the supervisor	2	17	27	69	21	3.6
	1.5	12.5	19.9	50.7	15.4	
While setting a goal my supervisor clearly tell me the expectation he/she has from my performance	4	14	13	87	18	3.7
	2,9	10.3	9.6	64	13.2	
I am informed and reach on an agreement with my supervisor about the standards that will be used to evaluate my work	4	16	22	78	16	3.6
	2.9	11.8	16.2	57.4	11.8	
My supervisor and I reached to an agreement about my development plan to enhance my performance	1	29	30		57	3.4
	.7	21.3	41.9		14	
The goals setting for me supports to achieve the strategic objective of the business process/work unit as well as the Bank.	1	13	26	75	21	3.7
	.7	9.6	19.1	55.1	15.4	

As we shown in the table 4.5, the respondents 92(67.7%) said “agree” and 24(17.6%) of them said “strongly agree”, 12(8.8%) “Neutral” and also 4(2.9%) said “ disagree “ and 2(1.5)% of them said “strongly disagree”, about survey statement of “**I know the strategic objective of the bank** ”, From this the researcher concluded that more than 85% of the respondents have a knowhow on the bank’s strategic objectives. As stated Edwin Lock(1968) in goal setting theory the employees of the bank can play an important role for superior performance.

Concerning the second statement survey of **“I am well clear about my work unit strategic objective ”**, 64 % of the respondents said “strongly agree” and 18.4% of them said “strongly agree”, where as only 5.8% the respondents said “agree” and “strongly agree” and the remaining 11%of the respondents neither agree nor disagree. More than half of the respondents (83.1%)assured that there is clarity in their work unit strategic objectives. In terms of the statement **“ My business process/work unit’s goal is aligned with the strategic mission of the organization”** 80.9% of the respondents said strongly agree, and agree while 11.8 % of them respond said neutral. But only 7.4% of the respondent neither agrees nor disagrees on the work unit’s goal is aligned with the strategic mission of the organization. This figure simply tells us the concerned managers communicate the strategic objectives of the bank well. Similarly more than half of (68.7%) the respondents strongly agree and agree on their individual goal whether align with the strategic objective of their work unit and the organization as well. This responses depicts that the employees of the bank day to day activities connection with the strategic objectives. But 21.3% of the respondents did not feel that their individual goal align with the strategic objective of their work unit and the organization. 72.1% of the respondents believed that their **work unit objective is realistic and attainable whereas 22.7 % of them have not trust on it**. Concerning to the respondents on the survey statements of **“I am clear about what my job responsibilities are and what is expected from me”** almost 85% of the respondents agree and strongly agree. Contrary to this 10.3% and 4.4% respondents said strongly disagree and agree respectively. This indicate that most of respondents perform their work on the bases of their expectation. The level of agreement on the statement of on **“goal setting is carried out with the discussion between the employee and the supervisor in the bank”** 66.1% of respondents said “strongly agree and agree.” but 19.9 % of respondents said that “neutral”. From this the researcher concluded that, more than half of the respondents said that they set goal with respective body of the bank. This indicates that those performance goals are mutually developed in the bank. The response on the survey statement **“While setting a goal my supervisor clearly tell me the expectation he/she has from my performance”**, 77.2% of the respondents said “strongly agree” and agree whereas, 12.2 % and 19.9 % of them said “strongly disagree and disagree” , and “neutral ” respectively. To conclude, Significant level of the respondents confirmed that, the relevant performance expectations are set between supervisor and employee. The response on the survey statement **“My supervisor and I reached to an agreement about my development plan to enhance my performance”**, 41.9 % and 13.9 % of the respondent said “agree”, and “strongly agree “. From this the researcher

concluded that more than half of the respondents did reach an agreement to improve their performance. Regarding the last statement “The **goals setting for me supports to achieve the strategic objective of the business process/work unit as well as the Bank,**” most (70%) of the respondents believe that goal setting enable them to meet the strategic objectives of their work unit and the bank as well. Contrary to this 19.1% of respondents have doubt on goal setting support them to achieve their work unit’s objectives.

To sum up except and reaching on an agreement about employee development plan with supervisor to enhance their performance and knowhow about their work unit strategic objective, the respondents have positive attitude towards the remaining 82 % of the positive provided items on the issues. This indicate that respondents have positive attitude towards the implementation of goal setting in the bank.

Table 4.6 Frequency table for Employee Perception towards Participating in Continuous Communication

Statement	Level of Perception					mean
	4	3	2	1	0	
Continuous Communication						
I’m informed about how well doing my job.	4	7	20	91	14	3.7
	2.9	5.1	14.7	66.9	10.3	
I receive information on specific areas that need to be improved .	4	2	32	89	9	3.7
	2.9	1.5	23.5	65.4	6.6	
There is an ongoing basis of feedback systems from supervisor	22	0	23	77	14	3.6
	16.2	0	16.9	56.6	10.3	
Most of the information I need in doing my job is delivered earlier before I am required to work on it	3	28	42	62	1	3.2
	2.2	20.6	30.9	45.6	7	
There is easy exchange of information with other members within my department	4	9	41	54	27	3.9
	2.9	6.6	30.1	39.7	19.9	
There is easy exchange with members of other departments	0	16	41	59	20	3.6
	0	11.8	30.1	43.4	14.7	

Exchange of information with other departments can be done by word of mouth	4	24	43	43	22	3.4
	2.9	17.6	31.6	31.6	16.2	
I am informed early when I am supposed to work extra job.	3	21	43	58	11	3.3
	2.2	15.4	31.6	42.6	8.1	

As we can see from table of 4.6 survey statement “I’m **informed about how well doing my job.**” the respondents said that 42.6 % “agree” , and 8 % strongly agree. In the contrary, 17.6% respondents feel that they did not informed how well doing their job. And also a significant 43 (31.6 %) of the respondent neither agree nor disagree on the statement. This implies that almost half of the respondents did not get information how to do their job. Concerning to the survey statement “ **I receive information on specific areas that need to be improved**”, 61% and 11% of respondents said that agree and strongly agree respectively, but almost 27% Of the respondents feel that they did not get information to improve their job on specific areas. On the issue of ‘**there is an ongoing basis of feedback systems from supervisor**’, 66.9 % of the respondents said that they had got continuous feedback but 16.9 of them neither “agree “nor “disagree”, and the remaining respondents did not agree the presences of ongoing feedback. This indicates that one third (33.8 %) of the respondents rate feel that the supervisors of the bank had not provide support to their subordinates whenever they need. Regarding to the survey statement ‘**Most of the information I need in doing my job is delivered earlier before I am required to work on it**’, More than half (57.7 % of the respondents feel that they did not get large enough information to do their job. In the contrary, more than half (59.7%) of the respondents feel that **there is easy exchange of information with other members within their department.** Regarding the survey statement “**There is easy exchange with members of other departments**”, above half (58.1%) of the respondents believe that there were the presence of communication between their department and others. These indicate that most of the respondents trust on other department to get information than their department relatively. On the survey statements of “**can be done Exchange of information with other departments by word of mouth**” , almost half (47.8%) of the respondents said that they get information by words of mouth. Regarding the survey statements of “**I am informed early when I am supposed to work extra job**”, almost half (50,7 %) of the respondents said that “agree” and “strongly agree” ,but 31.6% of them neither “agree” nor “disagree”. The remaining 17.6% of them agree and “disagree” on the statement.

In general, the respondents' negative attitude towards continuous communication of the bank was closer to the half percent of the provided measure. This indicate that the bank need to give consideration to built the interaction between the employees and the top level managers and supervisors.

Table 4.7 Frequency table for Employee Perception toward Participating in Performance Feedback

Statement	Level of perception					
	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	mean
Performance feedback						
I receive feedback regularly about my performance from my supervisor	0	32	6	83	15	3.5
	0	23.5	4.4	61	11	
I receive performance feedback timely	37	27	60	12	12	3.3
	27.2	19.9	44.1	8.8	8.8	
I'm always informed about any change made in my initial performance target by my supervisor	0	40	32	48	16	3.2
	0	29.4	23.5	35.3	11.8	
I clearly understand my supervisors comments and opinion during the feedback session	0	16	30	68	22	3.2
	0	11.8	22.1	50	16.2	
The feedback I receive is helpful in increasing my productivity	3	6	27	79	21	3.8
	2.2	4.4	19.9	58.1	15.4	
The feedback I receive helps me in identifying improvement areas and what corrective action to take	3	25	15	69	24	3.6
	2.2	18.4	11	50.7	17.6	
My supervisor regularly records my performance and critical incidents with the intention of giving objective feedback	6	23	18	73	16	3.5
	4.4	16.9	13.2	53.7	11.8	
Performance feedback in my organization is fair and unbiased	6	11	19	94	6	3.6
	4.4	8.1	14	69.1	4.4s	

As depicted on the table 4.7, on the survey statement of “**I receive feedback regularly about my performance from my supervisor**” most of the respondents 95 (72%) agreed that they receive feedback regularly about their performance from their supervisor whereas 23.5 (23.5%) of

respondents responded that they didn't receive regular feedback. This data indicate that employees receive performance feedback regularly. The second statement on **"I receive performance feedback timely"** 64 (47.1%) respondents said that "strongly disagree" and "disagreed" that they did not receive performance feedback timely. On the contrary, 24(17.6%) respondents said agree and strongly agree. But 44.1% of the respondents said neither agree nor disagree. This implies that performance feedback was not given timely. Concerning to the statement " I'm always informed about any change made in my initial performance target by my supervisor ", 64 (47.1%) respondents "agreed" and "strongly agree ". But significant respondents, 32 (23.5%) respondents neither agree nor disagree. The survey statement of **"I clearly understand my supervisor's comments and opinion during the feedback session"** shows 90 (66.2%) respondents strongly agreed and agree that they clearly understand their supervisors' comments and opinion during the feedback session but 30 (22.1%) respondents neither agree nor disagree on the statement. This response points out that the majority employees could clearly understand their supervisors' comments and opinion during the feedback session. On the statement of "The feedback I receive is helpful in increasing my productivity" ,100(73.5%) respondents believed that the feedback they receive is helpful in increasing their productivity. But 27 (19.9%) respondents said neither agree nor disagree. This implies that employees feel that the feedback they receive is helpful in increasing their productivity.

On the survey statement of **"The feedback I receive helps me in identifying improvement areas and what corrective action to take"**, 93(68.3%) respondents agreed that the feedback they receive helps them in identifying improvement areas and what corrective action to take. In the contrary, 28 (20.6%) respondents did not consent on it. This response points out that the feedback employees receive helps them in identifying improvement areas and what corrective action to be taken. 89 (65.5%) respondents said agree and strongly agree on the statement of **"My supervisor regularly records my performance and critical incidents with the intention of giving objective feedback"** but 21.3% of the respondents did not agree. These simply mean that supervisors regularly record critical incidents with the intention of giving objective feedback

On the last survey of statement, **"Performance feedback in my organization is fair and unbiased."** 100 (73.5%) respondents said "agree" and "strongly agree". But 19% of the respondents said neither agree nor disagree and the remaining 17(12.5) of the respondents believe performance feedback is unfair and biased. Where as 45 (22.6%) respondents stood on the opposite side to this response.

Generally it can be conclude that performance feedback is carried out in a sound manner since almost all statements response rate are above the average.

Table 4.8 Frequency table for Employee Perception toward Participating in Evaluating

Statement	Level of perception					mean
	Strongly disagreed	Disagree	Neutral	Agree	Strongly Agree	
Evaluating performance						
I believe the Performance evaluation of the Bank use to evaluate my performance is capable of distinguishing effective and infective performance	0	28	25	77	6	3.4
	0	20.6	18.4	56.4	4.4	
I accept the performance system of the bank is meaningful/ includes relevant standards.	4	44	17	60	11	3.2
	2.9	32.4	12.5	44.1	8.1	
My rater is influenced by his/her personal liking and disliking when evaluating my performance.	9	42	27	47	11	3.0
	6.6	30.9	19.9	34.6	8.1	
My rater evaluates my performance based on my accomplishment and achievement.	2	18	22	81	13	3.6
	1.5	13.2	16.2	59.6	9.6	
In my recent evaluation, my rater gave me a fair assessment compared to by co-worker	2	11	46	66	11	3.5
	1.5	8.1	33.8	48.5	8.1	
Performance management is completely measurable and fair comparing with previous one.	4	12	46	59	15	3.5
	2.9	8.8	33.8	43.4	11	
Measured Performance is against the factors previously agreed up on.	2	33	35	56	10	3.2
	1.5	24.3	25.7	41.2	7.4	
Effective personal recognition is provided during review meeting.	8	36	28	50	14	3.1
	5.9	26.5	20.6	36.8	10.3	

Among all survey statements, "My rater is influenced by his/her personal liking and disliking when evaluating my performance" and "Measured Performance is against the factors previously agreed up on." 43% and 48.6% of respondents agreed respectively. This implies that those respondents have negative feeling about the evaluation system of the Bank. And also the respondents agreement level is below the average rate for survey statement of "Effective personal recognition is provided during

review meeting”, that is 47%. In the contrary, the respondents agreed on all the remaining five survey statements even though their response rate was not far away from the average except the survey statement of **“My rater evaluates my performance based on my accomplishment and achievement”** that is 69.2%.

Generally it can be conclude that almost half of the bank employees had not trust on the implementation of performance evaluation system of the bank.

Table 4.9 Frequency for Employee Perception towards Participating in Job Performance

Statement	Level of perception					
	Strongly disagree %	Disagree %	Nutral%	Agree%	Strongly Agree %	Mean
Job Performance						
The company encourages employees to work to the best of their abilities	0	27	16	69	24	3.6
	0	19.9	11.8	50.7	17.6	
The company is able to maximize employee potential	3	24	21	69	19	3.5
	2.2	17.6	15.4	50.7	14	
My job enables me to make use of my skills and abilities	1	14	16	82	23	3.8
	0.7	10.3	11.8	60.3	16.9	
I get a sense of personal accomplishment from my work	0	12	22	71	31	3.8
	0	8.8	16.2	52.2	22.8	
I am held accountable for achieving specific results	2	9	19	82	24	3.9
	1.6	6.6	14	60.3	17.6	
Knowing my objective helped me to concentrate on my work and hence better performance	4	4	27	73	28	3.8
	2.9	2.9	19.9	53.3	20.6	
The feedback helped me to continuously improve my mistakes	0	28	22	64	26	3.5
	0	20.6	16.2	47.1	16.2	
The performance management system of the company improved my work performance	3	18	34	59	22	3.5
	2.2	13.2	25	43.4	16.2	

As illustrated on the table 4.9, on the survey statement of “**The company encourages employees to work to the best of their abilities**” most of the respondents 93 (68.3%) agreed that they were encouraged to work to the best of ability. In the contrary 27 (19.1%) of respondents responded that they didn’t encouraged to work to the best of ability. This data indicate that most of the employees were provided support to accomplish best of their abilities. The second statement on “**The bank is able to maximize employee potential**” 88 (64.7%) respondents said that “strongly agree” and “agreed”. On the contrary, 27(19.8%) respondents said “disagree” and “strongly disagree”. But 21(15.4 %) of the respondents said neither agree nor disagree. This implies that the majority employees of the bank have trust on their bank capable of enhancing their potential.

Concerning to the statement “**My job enables me to make use of my skills and abilities** “, 88(64.7) respondents “agreed” and “strongly agreed “. But 27 (19.8%) respondents said disagree and strongly disagree, whereas 21(15.4) of respondents neither agree nor disagree. This response points out the majority of employees believed that their job enable them to practice their own skills and ability. Besides,102 (75%) of respondents agreed for the survey statement of “**I get a sense of personal accomplishment from my work**”, but 22(17.2) of the respondents neither agreed nor disagreed on the same statement. On the survey statement of “**I am held accountable for achieving specific results**”, 77.9% of said agreed and 16.2% of the respondents said “neutral”. This data indicate that 75% of the bank’s employees know their own responsibility to meet the specific result. Regarding the sixth statement “**Knowing my objective helped me to concentrate on my work and hence better performance**“, 101(73.9%) respondents agreed on the statement whereas the 27(19.9%) of employees neither agreed nor disagreed. Besides more than half of the respondents 90(63.3%) and 81(60.6%) agreed the statements of “**The feedback helped me to continuously improve my mistakes** “and “**The performance management system of the company improved my work performance** “respectively. On the contrary 34(25%) the respondents did not agreed upon the performance management of the bank improve their work performance.

Generally it can be conclude that since all the provided statements on the job performance accepted by above the average rate of the respondents , the bank is found in better position related to the above provided survey statement of job performance

Table 4.10 Group Mean Value of Setting Objective, Continues Communication, Performance Evaluation, Performance Feedback and Job Performance

		SO	CC	PF	PE	JP
N	Valid	136	136	136	136	136
	Missing	0	0	0	0	0
Mean		3.7761	3.5928	3.5625	3.3603	3.7574
Std. Deviation		.49384	.68160	.72919	.61821	.63595
Skewness		-.488	1.814	-.432	-.452	-.542
Std. Error of Skewness		.208	.208	.208	.208	.208

Source: own survey, 2018

As shown on Table 4.10, total mean value of general questions on the setting objectives practice measures is 3.77 and has a negative skewness value of -0.488 which shows that the responses are skewed to the right side i.e. towards agreement. Hence, majority of the respondents agreed with the items provided. All in all, the mean value for all measures of continues communication is 3.59 (SD: 0.682, Skewness: 1.814) implying that responses are slightly inclined to the right side where scales of agree exist

Concerning performance feedback system, the total mean value of 3.56 and negative skewness value of -0.432 are acquired which indicates that majority of respondents have agreement on the measure.

The total mean of performance evaluation practice of the bank measures is 3.360 which shows and negative skewness value of -0.452 are acquired which indicate that majority of respondents have slight agreement on the saturated around the middle point and respondents didn't agree on majority of the measures. This is not a positive implication as performance evaluation is a critical aspect in determining employee job performance s.

Regarding job performance, the total mean for all measures is 3.75 with a standard deviation of 0.635 and Skewness value of -0.542 which indicates that the responses are saturated towards agreement on the measures. This infers that is well developed measures.

4.5 The Relationship between Goal setting, Continues communication, Feedback and Evaluation with Job Performance

Correlation analysis studies the joint variation of two or more variables for determining the strength and direction of the relationship among the variables (Kothari 2004). To identify whether dependent and independents have a joint variation or not, pearson's product moment correlation coefficient was computed. Pearson's Product Correlation Coefficient was computed to determine the relationships between goal setting, continues communication, performance feedback with job performance. Correlation analysis is a useful way of exploiting relation among variables. The value of the coefficient (r) ranges from -1 to +1. The value of coefficient of correlation (r) indicates both the strength and direction of the relationship. If $r = -1$ there is perfectly negative correlation between the variables. If $r = 0$ there is no relationship between the variables and if $r = +1$ there is perfectly positive relationship between the variables.

Table 4.11 Correlation result interpretation guide

Correlation Value in Range	Interpretation
0.00 to 0.09	Weak correlation
0.20 to 0.39	Low correlation
0.40 to 0.59	Moderate correlation
0.60to 0.79	High correlation
0.8 to 1.0	Very high correlation

Source: Marczyk, DeMatteo, Festinger (2005)

Thus the student researcher examine whether there is relationship between dependent and independent variables in the bases of the above correlation interpretation guide to determine the presence or absence of correlation and strength and direction of the relationship between the variables here under

Table 4.12 Correlation Result of Dependent and Independent Variables

		Setting Objective	Continues communication	Feedback	Evaluation	PMS	Job performance
Setting Objective(SO)	Pearson Correlation	1	.290**	.308**	.117	.565**	.369**
	Sig. (2-tailed)		.001	.000	.175	.000	.000
	N	136	136	136	136	136	136
Continues Communication(C C)	Pearson Correlation	.290**	1	.425**	.074	.608**	.397**
	Sig. (2-tailed)	.001		.000	.393	.000	.000
	N	136	136	136	136	136	136
Feedback	Pearson Correlation	.308**	.425**	1	.353**	.838**	.710**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	136	136	136	136	136	136
Performance Evaluation (PE)	Pearson Correlation	.117	.074	.353**	1	.496**	.170*
	Sig. (2-tailed)	.175	.393	.000		.000	.048
	N	136	136	136	136	136	136
Performance management system (PMS)	Pearson Correlation	.565**	.608**	.838**	.496**	1	.801**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	136	136	136	136	136	136
Job performance (JP)	Pearson Correlation	.369**	.397**	.710**	.170*	.801**	1
	Sig. (2-tailed)	.000	.000	.000	.048	.000	
	N	136	136	136	136	136	136

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

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

Source: own correlation, 2018

As illustrate on table 4.12 the relationship between goal setting , feedback , evaluation and communication are found to have positive association with job performance. But goal setting , continues communication and performance evaluation have low correlation with job performance. On the contrary feedback has strong correlation with job performance. All the four components of performance management practice as a system are found to have a significant correlation with job performance. Since two-tailed significance test values are less than 0.05. Further, the person’s correlation value illustrates that goal setting ($r= 0.369, p<0.05$), continues communication ($r= 0.397, p<0.05$) , performance feedback ($r= 0.710, p<0.05$),and performance evaluation ($r= 170, p< 0.05$) have significant relationship with job performance.

On the other hand, the student researcher creates a new variable named performance management practice that includes all variables to assess the association between performance management practice and job performance. Pearson’s correlation value (Table 4.12) shows that performance management practice ($r= 0.801$, $p<0.05$) has positive and significantly very strong correlation with job performance.

4.6 Effect of Performance Management practices on job performance

Multiple regression is a statistical technique that allows us to predict someone’s score on one variable on the basis of their scores on several other variables .Conducting multiple linear regression analysis helps to understand the relationship between one effect variable, called the dependent variable, and one or more predictors, also called independent variables. By using regression analysis, it is possible to examine whether performance management practices influence on job performance or not.

Basically, regression analysis was carried out in order to test the extent of impact of independent variables on dependent variable. Thus, this multiple regression analysis is conducted so as to address the hypothesis of this study.

Table 4.13 Regression Result of Performance management Practices and Job Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.736 ^a	.541	.527	.43731

a. Predictors: (Constant), evaluation , continues, setting objective , performance feedback

From the correlation analysis (Table 4.12), it is found out that performance management practice is positively related to job performance because of its very high correlation value which is $R= 0.74$. The result reveals that there is high positive correlation with job performance in the bank. The R square indicates the proportion of variance in job performance that can be explained by the four predictors. Thus 54% of variation in job performance is explained by goal setting, communication, performance evaluation and feedback. The remaining 46 % variation is explained by factors that are not explained in the model.

Table 4.14 ANOVA Test

ANOVA^s

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	29.545	4	7.386	38.623	.000 ^b
Residual	25.053	131	.191		
Total	54.598	135			

a. Dependent Variable: job performance

b. Predictors: (Constant), evaluation, communication, setting objective, feedback

The ANOVA Table 4.14 shows that the overall multiple linear regression model is significant because $p < 0.05$, this implies that the model describe the effect of performance management practice on the job performance in the bank.

Table 4.15 Multiple Regression Coefficients

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.000	.356		2.810	.006		
	SO	.197	.082	.153	2.420	.017	.874	1.145
	CC	.073	.062	.078	1.175	.242	.785	1.274
	FB	.575	.062	.660	9.258	.000	.689	1.450
	PE	-.090	.065	-.087	-1.369	.173	.867	1.153

a. Dependent Variable: JP

Source: Own Multiple Regression Coefficient(2018)

To ensure that whether there is multi colinearity among the variables, tolerance and variance inflation factor (VIF) values were examined. Pallant (2005) states that tolerance is an indicator of how much of the variability of the specified independent variable is not explained by another independent variable in the model and if its value is less than 0.1, it indicates that the multiple correlation with other variables is high, implying possibility of multi co linearity. Whereas, VIF is the inverse of tolerance value (1 divided by tolerance). If VIF value is above 10, it signals chance of multi colinearity. Accordingly, the above Table shows that there is no possibility of multi colinearity

among the variables in the model since all the tolerance values are above 0.1 and the corresponding VIF values are below 10. In the order to show the regression function of the variables, the unstandardized coefficients are used to multiply the independent variables to identify the impact of their unit change on the dependent variable. Hence, the fitted regression model drawn from the output is:

$$Y=B_0 + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + \epsilon$$

Where

Y represented Job Performance as the dependent variable and X₁ to X₄ represented the independent variables (X₁ = goal setting , X₂ = continues Communication, X₃ = performance feedback , X₄ = performance evaluation. B₀ represented a constant, B₁, B₂, B₃, B₄ were Coefficients and ϵ represents the Error Term.

The b value in the table 4.15 indicates how many unit job performance increases for a single unit increase in each predictor. Likewise, one point increase on setting objectives corresponds to 0.20 point increase on the job performance and, one point increase on feedback mean that correspond to 0.58 points. This indicates that the increasing the presence of performance feedback associated with higher job performance. The t- value of 9.25 and the significance level of 0.000 shows the model is significant at $p < 0.001$. These indicate that performance feedback as a predictor variable had significantly explained the variance on job performance. Therefore, performance feedback which is =.575, characterizes the increase of the level of job performance by 58% if performance feedback is increased by one unit.

Thus it can be predict job performance by developing regression model as here under to compute:

$$\text{Job performance} = 1.00 + (0.20 \text{ X setting objectives}) + (0.73 \text{ X communication}) + (0.58 \text{ X feedback}) + (0.90 \text{ X evaluation}).$$

4.7 Summary of Hypothesis Result

H 1: There is a significant relationship between performance management practice and job performance.

As illustrated in Table 4.12, the existing performance management system that includes all variables has (B= 0.801, p-value=0.000) which is a positive and significance relationship with job performance.

H 2: Goal setting has a significant effect on job performance

As it shown on table 4.15 goal setting has influence on job performance. The beta value is .0.197, and the $p < 0.05$ which indicate that 20% of variance in job performance is due to goal setting.

H 3: Continuous communication has significant effect on job performance.

Table 4.15 confirms that it has insignificant influence on employee job performance. (B =0.073, P >0.05).

H 4: Performance feedback has a significant effect on job performance

As it shown on table 4.15 performance feedback has greater impact on job performance. The beta value of feedback is .575, which indicate that 57% of variance in job performance is due to performance feedback, and the $p < 0.05$.

H 5 : Performance evaluation has significant effect on job performance.

Table 4.15 depicts that performance evaluation has insignificant effect on job performance (B = - 0.091, P>0.05).

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.1 Summary of Findings

The purpose of this study aimed at finding the effect of performance management practices on perceived job performance and their relationship. In this regard an attempt has been made to divide performance Management into its key factors which are goal setting, continues communication, feedback, and performance evaluation. Almost all questionnaires were developed and tested by other researcher and also ensured by scientific techniques before dispatched for participant. Out of 148 questionnaires that were distributed, 136 fully completed questionnaires were collected which gave 89.8% response rate.

The following are the major findings with regards to the demographic, general perception questions of the performance management practice of the banks and relationship and its effect on job performance:

- ✚ The larger portion of the respondents that is 88 (64.7%) falls within the age group of 18 to 29, From this we can say that BrIB has more younger, energetic and productive manpower that can be able to transform the mission and vision of the organization into reality,
- ✚ 75.7%, of the staff have BA degree holder and, (8.1%) of them have masters degree and above. It is believed that this work force capable of practicing the performance management practices in line with the bank's strategic objectives.
- ✚ the large portion of respondents 67(49.3%) have one to three years of service , the second highest percent of the respondents within the range of four to six years of experience is 38.2% . The figures indicate that continues communication and feedback in the bases of their job performance are needed.
- ✚ As stated by Aguinis (2009) an organization communicates its strategic objectives for its employees, BrIB did it well due to 85.3% of the its employees have a knowhow on the bank's strategic objective and 80.9 % of its employees believe that their work unit's goal is aligned with the strategic mission of the bank,
- ✚ 72% of employees believed that they receive feedback regularly about their performance from their supervisor.

- ✚ More than half (57.7 %) of the employees feel that they did not get large enough information to do their job.
- ✚ 73.5% employees believed that Performance feedback in the bank is fair and unbiased. .
- ✚ **73.5% of the employees feel that** the feedback they receive is helpful in increasing their job performance.
- ✚ Almost half of the bank employees have not trust on the implementation of performance evaluation system of the bank.
- ✚ All the provided survey statements on the job performance accepted by above the average rate of the respondents, indicate that better service is provided in the bank.
- ✚ There is relationship between goal settings; feedback, evaluation and communication with job performance. But goal setting, continues communication and performance evaluation have low correlation with job performance. goal setting ($r= 0.369$, $p<0.05$), continues communication ($r= 0.397$, $p<0.05$) , performance feedback ($r= 0.710$, $p<0.05$),and performance evaluation ($r= 0.170$, $p< 0.05$) have significant relationship with job performance.
- ✚ Contrary to Feedback has strong correlation with job performance.
- ✚ All the independent variable of performance management practice as a system in this study are found to have a significant correlation with job performance. Performance Management practice ($r= 0.801$, $p<0.05$) has positive and strong correlation with job performance. The result of multiple regression analysis of this study are strengthen yohannes (2016) studied that Performance management practices as a system has positive and significant relationship on employee's performance in Commercial Bank of Ethiopia.
- ✚ Contrary to Zhang(2012)studied on impact of performance management system on employee performance, Performance feedback has greater impact on job performance due to its beta value 0.575. It explained 58% of variation in job performance. This indicates that increasing the practice of performance feedback associated with higher job performance. This study result is against to
- ✚ On the contrary performance evaluation has less impact and negatively related with job performance.

- ✚ Performance management of the bank is affected negatively by the job performance since the perception of these employees has a negative attitude towards performance evaluation. This implies that performance evaluation has an insignificant effect on job performance ($B = -0.091$). Similarly, continuous communication has also an insignificant influence on job performance in the bank.

5.2 Conclusions

The study was based on an explanatory design and sought to answer five questions; How are performance management practices implemented at the company? How do employees perceive the existing performance management practices of the bank? What kinds of relations exist between performance management practices and job performance in terms of degree? Does performance management practice affect perceived job performance? What extent do performance management practices impact on perceived job performance?

Based on the findings, the study concluded that the perception of employees towards participating in performance feedback and job performance is somewhat good, but the data indicate that there is a gap in practicing goal setting, performance evaluation, and continuous communication. The reasons behind these problems were lack of communication and involvement in setting objectives. Likewise, the participants of employees on this study thought that the implementation of performance evaluation was influenced by their rater's personal liking and disliking during evaluating their performance, and the measures were against the factors previously agreed upon. Consequently, the respondents developed negative feelings about the evaluation system of the Bank.

But there was good practice on performance feedback in the bank. Consequently, performance feedback has a greater effect on job performance in the bank, relatively.

On the other hand, performance management practice as a system is positively related to job performance because of its very high correlation value. Besides, above fifty percent of the job performance of the bank was influenced by the independent variables of this study.

5.3 Recommendation

Based on the findings and conclusions the researcher recommends the following:

- The bank should strengthen the practice of performance feedback .
- The bank should redesign performance management system of the bank since performance evaluation and continues communication have insignificant effect on job performance .
- The bank should inform timely for employees what the bank expected from them.
- Effective two-way communication must be part of the performance process prior to any evaluation to set the standard by which employees' performance will be judged.
- Top managers should follow up on whether effective performance management practice put in to practice at the grass root practitioners of the bank.
- Senior employees should share their experience for less experienced employees.
- In general since all observed problem in the bank connected with performance management process the HR department should take remedial action where necessarily.
- Finally ,other study in this area could be done in broader scope to include the other organization and conclusiveness of the finding.

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ANNEX

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE

Department of Human Resource Management

This questionnaire is intended to collect primary data to be used for a thesis entitled “The Impact of Performance Management Practice on Perceived job performance at Berhan International Bank S.C” in partial fulfillment of requirement for Masters of Arts Degree in Human Resource Management. So, I respectfully request your kind cooperation in answering the questions as clearly as possible. I would like to assure you that the information you provide will be used for academic purpose only and all responses will be treated in strict confidentiality. Please put “ X ” mark in the box to the point which highly reflects your idea and no need of writing your name. Your honest and unbiased response will greatly contribute for the research to achieve its objective. Thank you very much, in advance, for your sincere cooperation.

Part One: Demographic and Other Information

Please put (X)mark in the circle which most closely represents your personal situation. Please mark one item only per question.

1. Gender Male Female
2. Age 18 - 29 30 - 39 40 - 49 50 and above
4. Educational Qualification Diploma First Degree Master’s Degree &above
4. Work Experience in BrIB less than 1 year 1-3 years 4-5 years 6 & above
5. Position Status Managerial clerical

The following questions are presented on a five point Likert scale.

If you completely disagree with the item choose 1 (Strongly disagree) If you moderately disagree with the item choose 2 (Disagree) If you do not have any information about the item choose 3 (Neutral) If you moderately agree with item choose 4 (Agree) and If the item strongly matches with your response choose 5 (Strongly agree)

Part Two: General Questions on the Bank’s Performance Management Practice .

No.	Setting objectives	1	2	3	4	5
1	I know the strategic objective of the bank					
2	I am well clear about my business process/work unit strategic objective					
3	My business process/work unit’s goal is aligned with the strategic mission of the organization					
4	My individual goal is aligned with the strategic objective of my business process/work unit as well as the organization					
5	My business process/work unit objective is realistic and attainable					
6	I am clear about what my job responsibilities are and what is expected from me					
7	In BIB goal setting is carried out with the discussion between the employee and the supervisor					
8	While setting a goal my supervisor clearly tell me the expectation he/she has from my performance					
9	I am informed and reach on an agreement with my supervisor about the standards that will be used to evaluate my work					
10	My supervisor and I reached to an agreement about my development plan to enhance my performance					
11	The goals setting for me supports to achieve the strategic objective of the business process/work unit as well as the Bank.					

No.	Continuous communication	1	2	3	4	5
1	I'm informed about how well doing my job.					
2	I receive information on specific areas that need to be improved .					
3	There is an ongoing basis of feedback systems from supervisor.					
4	Most of the information I need in doing my job is delivered earlier before I am required to work on it					
5	There is easy exchange of information with other members within my department					
6	There is easy exchange with members of other departments					
7	Exchange of information with other departments can be done by word of mouth					
8	I am informed early when I am supposed to work extra job.					

	Performance feedback	1	2	3	4	5
1	I receive feedback regularly about my performance from my supervisor					
2	I receive performance feedback timely					
3	I'm always informed about any change made in my initial performance target by my supervisor					
4	I clearly understand my supervisors comments and opinion during the feedback session					
5	The feedback I receive is helpful in increasing my productivity					
6	The feedback I receive helps me in identifying improvement areas and what corrective action to take					
7	My supervisor regularly records my performance and critical incidents with the intention of giving objective feedback					
8	Performance feedback in my organization is fair and unbiased					

No .	Evaluating performance	1	2	3	4	5
1	I believe the Performance evaluation of the Bank use to evaluate my performance is capable of distinguishing effective and infective performance					
2	I accept the performance system of the bank is meaningful/ includes relevant standards.					
3	My rater is influenced by his/her personal liking and disliking when evaluating my performance.					
4	My rater evaluates my performance based on my accomplishment and achievement.					
5	In my recent evaluation , my rater gave me a fair assessment compared to by co-worker.					
6	Performance management is completely measurable and fair comparing with previous one.					
7	Measured Performance is against the factors previously agreed up on.					
8	Effective personal recognition is provided during review meeting.					

1	Employee job performance					
2	The bank encourages employees to work to the best of their abilities					
3	The bank is able to maximize employee potential					
4	My job enables me to make use of my skills and abilities					
5	I get a sense of personal accomplishment from my work					
6	I am held accountable for achieving specific results					
7	Knowing my objective helped me to concentrate on my work and hence better performance					
8	The feedback helped me to continuously improve my mistakes					
9	The performance management system of the company improved my work performance					

Thank you so much