

**PRACTICES AND CHALLENGES OF PERFORMANCE
MANAGEMENT SYSTEM: THE CASE OF DEUTSCHE
GESELLSCHAFT FÜR INTERNATIONALE
ZUSAMMENARBEIT (GIZ), ETHIOPIA COUNTRY
PROGRAM**

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Practice and challenges of Performance Management System: in the case of
Gesellschaft für Internationale Zusammenarbeit (GIZ), Ethiopia Program.

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Statement of Declaration

I, Merikokeb Tsegaye Asmamaw, declare that the work which is entitled “Practice and challenges of Performance Management System: in the case of Gesellschaft für Internationale Zusammenarbeit (GIZ), Ethiopia Program” is my original and has not been presented for a degree in any other university and that all sources of materials used for this research have been duly acknowledged.

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Letter of certification

This is certify that Merikokeb Tsegaye carried out a research on the “Practices and challenges of Performance Management System: The case of Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Ethiopia Country Program” under my supervision.

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Acronyms and Abbreviations

ATA	Agricultural Transformation Agency
FGD	Focus Group discussion
GIZ	Gesellschaft für Internationale Zusammenarbeit
GmbH	Gesellschaft mit beschränkter Haftung
HRMS	Human Resource Management system
KPI	Key performance indicators
PPP	Public private partnership
SMART	Specific, Measurable, Attainable, Relevant Time bounded
SPSS	Statistical package for Social Sciences
SSAP	Supporting Sustainable Agricultural Productivity
CIM	Center for International Migration and Development

Abstract

If an organization's performance management system is effectively implemented, it will serve as a "key building block" to its human capital management system. And a system called to be effective; it should serve as the basis for accurate measures of individual performance. It should be designed to provide feedback to employees about their strengths and weaknesses and, therefore, recommendations on developmental opportunities that will impact career progression for the employee and succession planning for the organization. It should also serve as a viable feedback mechanism regarding training and development requirements for all competency and skill levels throughout the organization. Therefore, the overall objective of this study is to assess the practice and challenges of performance system of an international bilateral organization called GIZ Ethiopia. The reason for the study is the complaints were heard from employees about process, measurement and awareness of the performance management of the organization. Literatures were used to explore performance management process and performance improvement issues that enable GIZ to create and sustain high performance culture. In order to achieve the intended objective, descriptive quantitative research method was employed target population was 446 and out of this 207 sample identified from all offices of the company and 191 questionnaires were returned that gave a response rate of 92.27%. It also uses focus group discussion and structure interview to be able triangulate the research. Regarding the questionnaire data were collected proportionally depending on the size of offices. Simple random sampling techniques is used for selecting respondents while informants were selected purposively for data generated through FGD and interview conducted. Collected data was decoded by using SPSS software and detail analysis and interpretation were made. The result of identified that GIZ has well written policy in performance management system but when we come to practice there are some limitation on the implementation of the system. The specific limitation was seen on alignment of the organization's mission, vision, goal to individual objective, setting SMART individual objective, clear expectation and performance standard, continuous feedback and coaching, job related training, self-appraisal on assessment, and one way communication on the review meeting is observed. Finally the researcher recommends implementing performance Management system effectively in order to bring the required result on performance improvement. A controlling and mentoring strategy should be designed to make sure everyone using the system.

Key Words: *Performance Management System, Alignment, Pre-requisite, Performance Planning, Performance execution, performance Assessment and review*

Chapter one

Introduction

1.1 Background of the study

If any organization wishes to be successful in whatever it intended to perform and stay competitive in the market share, it has to have capable, innovative, talented, motivated and committed human resources. One of the methods to achieve this is to apply performance management systems as a key tool to change employee's talent and motivation into a strategic business advantage.

Performance management is one of the key functions of HR. Performance management (PM) includes activities which ensure that goals are consistently being met in an effective and efficient manner. According to Armstrong (2006) Performance management is a strategic and integrated process that delivers sustained success to organizations by improving the performance of the people who work in them and by developing the capabilities of individual contributors and teams. Strategic and integrated are being the two important words in this definition. When we say PM should be strategic it means it should visualize what influence the organization as a whole and integrated with the other organization functions. The integration can be which is linking or aligning business, team and individual objectives and core competences and horizontal integration by linking different aspects of human resource management, especially organizational development, human resource development and reward, to achieve a coherent approach to the management, development and motivation of people. Performance management can focus on the performance of an organization, a department, employee, or even the processes to build a product or service, as well as many other areas.

The nature of PM is a continuous process between managers and the people they manage which are based on goal achievement, performance analysis and constructive feedback which leads to performance and personal development plans. Achievable and measurable goals are very important in the process of performance appraisal. The success of Performance appraisal depends on how clear the measurement of performance, how individual and organization benefit

and contribute to it and identifying the organization to follow performance management as a system and to understand and implement PM as organization system. (Armstrong, 2006).

Performance Management System contributes to the overall achievement of organizational goals as it is a constant monitoring tool. As it acknowledged by Weatherly (2004) a great deal of theory concerned with human motivation and human development argues that an effective performance management system should be a key building block of every organization's human capital management system.

As it is stated Armstrong (2009) that performance management system cannot be treated as a static approach to management. The environment is changing all the time and thus the strategic assumptions must be modified and strategy should be tested and systematically validated. In turn, the changes in strategy must trigger off the changes in performance management which is finally oriented toward strategy execution. A lot of time and energy could be spent in getting the goals and measures right, reviewing performance, and appraising it. However, things could go wrong and the required effectiveness of employee performance may not be obtained because of a failure to do one or more of the main activities in the system with the expected quality and regularity.

Therefore, the objective of this study to examine the performance management practice, process and system of an international bilateral organization called GIZ Ethiopia. It identifies the key challenges that the organization currently facing on the implementation of its performance management system. The study tries to compare GIZ Ethiopia performance management practice with modern practices in the field. The study also tries to site best/modern practices in performance management by going through some literature and identify key improvement areas.

1.2 Background of the Organization

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH (German Federal Enterprise for International Cooperation) or GIZ is an international global, enterprise owned by the German Federal Government, operating in many fields across more than 130 countries. It primarily works with states, state agencies, and the private sector. Its headquarters are located in Bonn and Eschborn, Germany. The organization was established on 1 January 2011 through a merger of the three German organizations Deutscher Entwicklungsdienst (DED), Deutsche

Gesellschaft für Technische Zusammenarbeit (GTZ), and Internationale Weiterbildung und Entwicklung (InWEnt). The GIZ mainly operates on behalf of the Federal Ministry for Economic Cooperation and Development (BMZ). Further clients are other departments of the government, international donors like the European Union, World Bank or the United Nations, partner countries and the private sector. The cooperation with private enterprises is an emerging field, promoted under the name of sustainable development. The GIZ is set up with International Services (IS) and the Public Private Partnership (PPP) in this area. (Personnel Policy of GIZ Ethiopia, 2010).

GIZ has been working in Ethiopia on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) since 1964. With about, 100 international staff (including 11 development advisors) and 575 national staff one of GIZ's largest in-country teams worldwide can be found in this country. In addition, 14 development workers are working in various programs, and 15 CIM experts are deployed in institutions and programs in Ethiopia. Priority areas and programs that GIZ is currently working are Sustainable Management of Natural Resources, Agriculture and Food Security, biodiversity in Amhara, Tigray Oromia and SNNPR regions, Labor Market Oriented Education and Training, CD for strengthening drought resilience (Afar), support to Agricultural Transformation Centre (ATA), Agricultural Training Centre, Kulumsa.

GIZ has four different operation departments which work side by side with its programs by giving all the supporting activities like controlling their finance, procuring and delivering the necessary supplies and material, hiring & managing its human resources and promoting its activities so that all the program functioning properly and fulfill the organization's stakeholders requirements as well as achieving the overall organization goal. Human resources department is one of the departments which support GIZ program by hiring the right employees, Handling staff's benefit and grievances managing the organization performance management system.

As stated above one of and most important function of Human resource department managing GIZ's Performance Management System together with top management teams (Country Director, Program & Operation Directors). The system was started on 2011 and the policy was developed by the headquarters. Since then many changes and improvements to the performance management system have been made. Throughout the process of implementing and maintaining

an effective performance management system constant reassessment of the system has been necessary. It has had to change with the needs of the individual and of the organization, as well as in response to the external environment.

Currently GIZ is using a very structured and modern performance management system, manuals and documentation technique.

Even though the organization's effective performance management system, process, communication technique and documentation is very essential for the organization it is also has have monitoring and controlling mechanism that those systems and processes are implemented according to strategic plan.

Aguinis(2009) stated that when performance management poorly implemented negative consequences will come like if the process is not seen as fair, employees may become upset and leave the organization. They can leave physically (i.e., quit) or withdraw psychologically (i.e., minimize their effort until they are able to find a job elsewhere).If a standardized system is not in place, there are multiple opportunities for fabricating information about an employee's performance. Self-esteem may be lowered if feedback is provided in an inappropriate and inaccurate way. This, in turn, can create employee resentment. Performance management systems cost money and quite a bit of time. These resources are wasted when systems are poorly designed and implemented. As a consequence of a deficient system, the relationships among the individuals involved may be damaged, often permanently. Motivation may be lowered for many reasons, including the feeling that superior performance is not translated into meaningful tangible rewards (e.g., pay increase) or intangible rewards (e.g., personal recognition). When the performance assessment instrument is not seen as valid, and the system is not perceived as fair, employees are likely to feel increased levels of job burnout and job dissatisfaction. As a consequence, employees are likely to become increasingly irritated. Expensive lawsuits may be filed by individuals who feel they have been appraised unfairly. Poorly implemented systems do not provide the benefits that well-implemented systems provide, yet they still take up managers' time. Such systems will be resisted because of competing obligations and allocation of resources (e.g., time). Worse, managers may simply choose to avoid the system altogether, both standards and individual ratings may vary across and within units, and may also be unfair, Personal values, biases and relationships are likely to replace organizational standards and Because of poor

communication, employees may not know how their ratings are generated or how the ratings are translated into rewards.

1.3 Statement of the problem

As it is stated on Armstrong (2009) Performance management is a process for establishing shared understanding about what is to be achieved and how it is to be achieved, and an approach to managing and developing people that improves individual, team and organizational performance. Therefore according to his definition, the process should bring a common understanding and expectation between superior and subordinate by serving as a guideline to achieve the individual goal at the same time organizational objectives. It is also critical business tool, particularly in translating a strategy into result. According to Cokins (2004) effective performance management system has to close the communication gap which is created in the organization, should be congruent with the unit and organization's strategy and it should be integrated in business, team and individual objectives, provide accurate assessment of employee productivity and quality of work and can motivate employees to higher level of performance by giving the employees helpful feedback. Performance management therefore, continues to grow and develop as an integrated business system, with strong links to business strategy, compensation, employee development, and other system Bernthal et.al, (1993) cited in Abiy (2014).

However, several organizations, in its implementation of their Performance Management System seems to be weak in many aspects especially in creating goal alignment at all levels of the organization, emphasizing on manager and employee training and development, and directing attention on radical-focused changes which are very critical considerations in developing an effective and efficient performance management system.

As far as PMS Policy is concerned, GIZ's has well organized and up dated policy, procedure and guideline for the effective implementation of the system but when it comes to its practice there are indications that there is problem. The researcher has observed that many employees don't have full knowledge of GIZ's mission, strategic goal and their contributions to the overall organizational objectives. It was also noticed that there has been a number of complaints about lack of: performance standard/criteria, ongoing performance feedback, trained appraisers, and

fair performance ratings during performance assessment period. Some department heads and managers also mention about the problem on the implementation of the system but no research has been done so far to identify where the real problem is and in what way the problem will be solved. It seems that the organization has not taken major action to prevent or solve this issue. But once the complaints are reported, the organization uses mediation as a possible resolution method for the problem.

Before the start of the research, the researcher has made discussion with the Head of the Human Resources and some employees of the organization in order to make the problem more clear and tangible.

From the discussion, it was observed there is an idea difference and disagreement on assessment and review period. Some of the disagreements were due to misconception of performance measurement process. They think performance evaluation is done only for the sake of organizational obligation and for paper work and nothing else. The supervisor also reported that the performance evaluation is the hardest and worst task from their entire job due to this disagreement. Furthermore, after looking further last year's assessment and evaluation data from human resources data base (GIZ HRMS), the head of Human Resources stated, 65% of the employees have wrote complaint on their rating and identified gaps which stated by their supervisors. Therefore, the researcher believes this disagreement and the subordinate's dissatisfaction about their assessment and evaluation can affect the relationship of supervisor and subordinate, working environment, the individual performance, as well as the organization if it is not addressed properly.

Hence, this study uses evidence based approaches for a better assessment of the underlying problems which are observed on the organization's performance management practices and provide advice to the organization in order to tackle the problem.

1.4 Basic Research question

This study intends to answer the general questions on the practices and challenges of performance management system in GIZ against the theories and principles.

1. How are individual goals aligned with the purpose and aims of the organization?

2. What are the practices and processes of performance management system in GIZ, Ethiopia Country Office?
3. What are the main challenges that GIZ confront in the implementation of the PM system?

1.5 Objectives of the study

A. General Objective

The major objective of this research is to assess the practice of the performance Management system in the organization and to identify the challenges that the organization is currently facing in performance management implementation and offer possible recommendation so that the organization uses effective PMS in order to achieve the organization's objectives. Specifically the study aims to;

B. Specific Objectives

The study has aimed to address the following specific objectives:

1. To explore whether there is an alignment between individual goal to overall organizational objective and partner organization expectation
2. To explore the details of practices of performance management system in GIZ, Ethiopia Country Office
3. To identify the processes of the performance management system in the organization.
4. To discover the main challenges that GIZ confronts in the implementation of the PM system and thereby recommend possible ways of improving the Performance Management processes in GIZ Ethiopia.

1.6 Significance of the study

The study will try to compare GIZ Ethiopia performance management practice with modern practices in the field and recommends ways of improve implementing the system. The study will try to site best/modern practices in performance management by going through some literature. It will also try to identify key improvement areas and recommend ways to improve the current system.

Therefore, the researcher identifies the major gaps of the existing PMS and recommends ways of improvement. This will also improve superior /subordinate relationship, by clearing the expectation, enhances the employee motivation, build confidence in performance assessment and measurement, encourage the employee to fully utilize their potential and finally it will increase the overall achievement of the organization objectives.

It is also believed that the study will be a starting point for further studies and investigations by the organization to solve other human resource related problems.

1.7 Delimitation/ Scope of the Study

Even though GIZ has many Human Resources Management practices, this study will be confined to look at Practices and challenges of the performance Management System in GIZ because it is always has been an issue and sensitive component to the organization. The study will also focus on major cycles of performance Management System which are; Alignment, performance Prerequisites, planning, execution, assessment and review.

Even if, the comparative study is needed regarding the practice and challenges of performance Management System in the other countries which the organization currently working, the researcher only focuses on and limited itself to the practice of GIZ Ethiopia which are found in bilateral programs due to time and budget constraint. The researcher excluded GIZ IS. This is because the office/ program mission and vision are different from bilateral program and the whole operation of the business is implemented independently including its HRM.

Furthermore, the study is also not cover employees of the GIZ who are working under a contract type of temporary and consultancy, since their contract agreement stays less than six months, they can't be part of the performance management system in the organization.

1.8 Limitation of the study

The studies of findings are giving us the picture on practice and challenges of performance management system in GIZ subject to a number of study limitations.

The scope of the study has limitation regarding fact that the study only describes the practice and challenges of performance management system in GIZ. This is considered as a limitation since it

does not explain the cause and effect of those practice, challenges brought on Individual performance at the organization overall performance. It doesn't measure how these problems could influence on the organization effectiveness.

The other limitation was challenges on collecting of data from participant. Since the issue has sensitive nature, there were unwillingness and reluctant to fill and give the questionnaire on the specified date.

The researcher uses an open end question for identifying the challenges the performance Management system in the organization. Since challenges of every employee on the performance management system is varied from one person to another and it is more subjective, this open ended question helps the respondents to share the challenges freely. But almost all of the respondents didn't respond to that question. So the researcher decided to make focus group discussion which will based on their region offices. Due to time and budget constraints, the research chose three offices which are closer to the researcher location, Addis Ababa, Hawassa, Oromia offices

Finally it is impossible to exhaustively say the findings are the only practices and challenges with particular reference to GIZ. Therefore, this limitation of the study forwards the chance for other researcher to investigate further to come up with better solutions for the problems.

1.9 Organization of the Research Report

This study will be a combination of five chapters. The first chapter is an introductory part which contains a brief background of the study, an overview of GIZ, statement of the problem, basic research questions, objectives of the study, significance of the study, and delimitation/scope of the study is address. Chapter two deals with a detail review of literature. Chapter three discusses on research design and methodology that was used to undertake the research. In this chapter the design of the study, the sample size, source and tools of data collection are presented. Chapter four explains the results and discussion by summarizing the findings of the study and discuss the findings and relate with the literature review. Finally chapter five presents summary of findings, conclusions, and recommendations.

CHAPTER TWO

Review of Related Literature

2.1 Introduction

In this chapter, the student researcher is looking at related literature review, in way that will analyze the performance Management's common definition, focusing on Performance Management Systems, processes, purposes and its challenges.

2.2 Performance

In today's competitive environment, performance Management system is found to be important tools that guide the line managers and HR practitioners Armstrong (2009). Most organization both business making and non-making firms have been implementing for the success of their organization.

According to The Oxford English Dictionary defines performance as: 'The accomplishment, execution, carrying out, working out of anything ordered or undertaken.' This refers to outputs/outcomes accomplishment) but also states that performance is about doing the work as well as being about the results achieved. Performance could therefore be regarded as behavior – the way in which organizations, teams and individuals get work done.

As it is stated on Van Dooren et al (2010) performance can be associated with a range of actions from the simple and mundane act of opening a car door, to the staging of an elaborate reenactment of the Broadway musical 'Chicago'. In all these forms, performance stands in distinction from mere 'behavior' in implying some degree of intent.

Almost all the definitions stated above said performance is concerned the required behavior and result. Behaviors derive from the performed and transform performance from abstraction to action. These definitions of performance lead to the conclusion that when managing the performance of a team and individuals, both inputs (behavior) and output (result) should be put in to consideration.

2.3 Performance Management

Performance Management is defined in different way by different authors and some of them are as follows;

As Armstrong discussed and cited The Institute of Personnel Management (1992) reveal the first definition as ‘A strategy that relates to every activity of the organization set in the context of its human resources policies, culture, style and communications systems. The nature of the strategy depends on the organizational context and can vary from organization to organization.’

The institute of personnel Management also described the definition of a performance management system as follows;

- It communicates a vision of its objectives to all its employees.
- It sets departmental and individual performance targets that are related to wider objectives.
- It conducts a formal review of progress towards these targets.
- It uses the review process to identify training, development and reward outcomes.
- It evaluates the whole process in order to improve effectiveness.
- It expresses performance targets in terms of measurable outputs, accountabilities and training/learning targets.
- It uses formal appraisal procedures as ways of communicating performance requirements that are set on a regular basis.
- It links performance requirements to pay, especially for senior managers.

Armstrong (2006) as Performance management can be defined as a systematic process for improving organizational performance by developing the performance of individuals and teams. On this statement, it is also expressed as future oriented with longer term business objectives, and integrated to produce sustainable achievement focusing on employee and organizational performance improvement and employee development so as to achieve the overall business strategy. Performance management is not all about the results, but also the processes, the behaviors, the method and the procedures. Additionally, performance improvement cannot be

succeeded unless there are effective processes of continuous employee development and capacity building.

Armstrong also stated on his book published on 2009 that Performance management is a process for establishing shared understanding about what is to be achieved and how it is to be achieved, and an approach to managing and developing people that improves individual, team and organizational performance.

Performance management can also be described as a strategic and integrated approach to delivering sustained success to organizations that focuses on performance improvement and employee development.

Performance management is a means of getting better results from the organization, teams and individuals within an agreed framework of planned goals, objectives and standards (Armstrong and Murlis, 1994).

The performance management process is the process by which the company manages its performance in line with its corporate and functional strategies and objectives. The objective of this process is to provide a pro-active closed loop system, where the corporate and functional strategies are deployed to all business processes, activities, tasks and personnel, and feedback is obtained through the performance measurement system to enable appropriate management decisions (Bitici, Carrie and McDevitt, 1997).

Performance management is a range of practices an organization engages in to enhance the performance of a target person or group with the ultimate purpose of improving organizational performance (DeNisi, 2000).

Performance management is a broad set of activities aimed at improving employee performance (DeNisi and Pritchard, 2006).

A systematic approach to improving individual and team performance in order to achieve organizational goals (Hendry, Bradley and Perkins, 1997).

A clear focus on how each employee can contribute to the overall success of the organization lies at the heart of performance management systems (IDS, 1997).

The essence of performance management is the development of individuals with competence and commitment, working towards the achievement of shared meaningful objectives within an organization that supports and encourages their achievement (Lockett, 1992).

Performance management aims to improve strategic focus and organizational effectiveness through continuously securing improvements in the performance of individuals and teams (Philpott and Sheppard, 1992).

Performance management is a systematic approach to improving business and team performance to achieve business objectives (Strebler, Bevan and Robertson, 2001).

Performance management is about ‘directing and supporting employees to work as effectively and efficiently as possible in line with the needs of the organization’ (Walters, 1995).

Therefore, looking to those definitions of performance management above, it is strategic and it’s about improvement the performance of the organization, teams and individual. It is also an integrated approach in that it has alignments with vertical, horizontal, human resources and other aspects of an organization.

2.4 Performance Management System

‘A performance management system is a set of interrelated activities and processes that are treated holistically as an integrated and key component of an organization’s approach to managing performance through people and developing the skills and capabilities of its human capital, thus enhancing organizational capability and the achievement of sustained competitive advantage’ Armstrong (2009). In this definition we can see that performance management system has interrelated and integrated approach. It means that the system should be aligned with overall corporate missions of the organizations and has multifaceted integration with other tools in the organization.

The definition also described performance management system as it is all about process continuousness, measurements based on standards, strategic people development and organized and planned achievement focusing on individuals, teams and the organization in a constant manner.

2.4.1 Purpose of Performance Management System

According to Armstrong (2009) an important aim of performance management is to support the achievement of the business strategy. It is integrated in four senses: 1) vertical integration – linking or aligning business, team and individual objectives; 2) functional integration – linking functional strategies in different parts of the business; 3) HRM integration – linking different aspects of human resource management, especially organizational development, human capital

management, talent management, learning and development, and reward, to achieve a coherent approach to the management and development of people; and 4) the integration of individual needs with those of the organization, as far as this is possible.

The overall objective of performance management is to develop and improve the performance of individuals and teams and therefore organizations. It is an instrument that can be used to achieve culture change in the shape of the creation of a high-performance culture. It aims to develop the capacity of people to meet and exceed expectations and to achieve their full potential to the benefit of themselves and the organization.

Performance management systems exist to do Lee (2005) the real goals of any performance management system are threefold – to correct poor performance, to sustain good performance and to improve performance. All performance management systems should be designed to generate information and data exchange so that the individuals involved can properly dissect performance, discuss it, understand it, and agree on its character and quality.

The aim is to improve performance. Rather than just saying that somebody's been very effective and ticking a box, the process is actually to sit down and have a discussion around the requirements of the role, dealing with what aspects are being done well and what aspects are not so good. Overall the purpose is to make it clear to people how their performance links in with the performance of the business.

Managing performance is about coaching, guiding, appraising, motivating and rewarding colleagues to help unleash potential and improve organizational performance. Where it works well it is built on excellent leadership and high-quality coaching relationships between managers and teams.

According to Smither & Manuel (2009) Implementing Performance Management system has six purposes.

A. Strategic Purpose

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

organizational objectives serves as a way to communicate what are the most crucial business strategic initiatives.

Even if for some reason individual goals are not achieved, linking individual goals with organizational objectives serves as a way to communicate what are the most crucial business strategic initiatives.

B. Administrative purpose

Performance management systems are a source of valid and useful information for making administrative decisions about employees.

The administrative decisions include:

- Salary adjustments,
- Promotions,
- Employee retention or termination,
- Recognition of superior individual performance, identification of poor performers,
- Layoffs, and merit increases.

In other words, the implementation of reward systems based on information provided by the performance management system falls within the administrative purpose. Having a good system in place is particularly relevant for the implementation of contingent pay (CP) plans, also called pay-for-performance. CP means that individuals are rewarded based on how well they perform on the job. Thus, employees receive increases in pay based wholly or partly on job performance.

C. Communication purpose

A performance management system can be an excellent communication device. Employees are informed about how well they are doing and receive information on specific areas that may need to be improved.

Performance management systems are a conduit to communicate the organizations and the supervisor's expectations and what aspects of work the supervisor believes are most important.

D. Developmental purpose

Feedback is an important component of a well-implemented performance management system.

Managers can use feedback to coach employees and improve performance on an ongoing basis. This feedback allows for the identification of strengths and weaknesses as well as the causes for performance deficiencies (which could be due to individual, group, or contextual factors).

Another aspect of the developmental purpose is that employees receive information about themselves that can help them individualize their career paths. Thus, the developmental purpose refers to both short-term and long-term aspects of development.

E. Organizational maintenance purpose

Performance management systems are the primary means through which accurate talent inventories can be assembled. Assessing future training needs, evaluating performance achievements at the organizational level, and evaluating the effectiveness of HRM interventions (for example, whether employees perform at higher levels after participating in a training program).

- Plan effective workforce
- Assess future training needs
- Evaluate performance at organizational level
- Evaluate effectiveness of HR interventions

F. Documentation purpose

Performance data can be used to assess the predictive accuracy of newly proposed selection instruments. Performance management systems allow for the documentation of important administrative decisions. This information can be especially useful in the case of litigation.

- Validate selection instruments

- Document administrative decisions and help meet legal requirements

2.4.2 Performance Management processes

Performance Management encompasses all those aspects of human resources management that are designed to improve the efficiency and effectiveness of both the individual and the organization. Brown & Armstrong (1999) consider performance management to be anything that an organization does to improve its total performance.

According to Smither & London (2009) when a performance management system is first implemented, the process follows the following six stages:

Performance Management Process (Overview/Review)

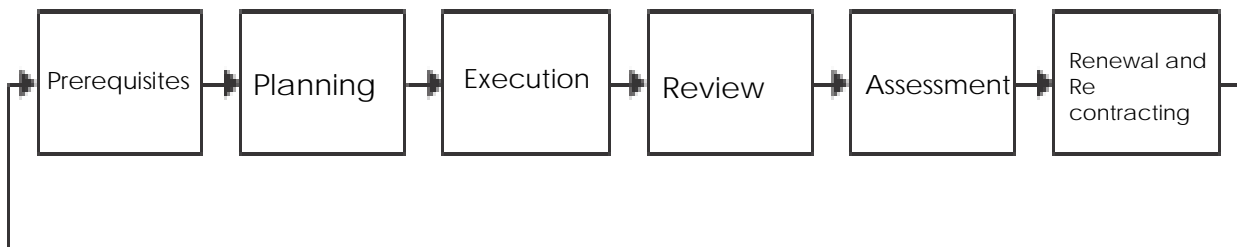


Figure 1 performance management process Source: James W. Smither & Manuel London (2009)

A. pre-requisites

An organization's mission and strategic goals are a result of strategic planning, which allows an organization to clearly define its purpose or reason for existing, where it wants to be in the future, the goals it wants to achieve, and the strategies it will use to attain these goals. Once the objectives for the entire organization have been established, similar goals cascade downward, with departments setting objectives to support the organization's overall mission and objectives. The cascading continues downward until each employee has a set of goals compatible with those of his or her unit and the organization.

There are two important prerequisites that are needed before a performance management system is implemented:

- knowledge of the organization's mission and strategic goals and
- Knowledge of the job in question.

There are three levels of pre-requisites;

a. Organizational Level

Mission statement: The mission of the corporation is to operate as a high-performing financial institution providing a wide range of profitable, competitive, and superior financial services in our market. Goals: To attract and retain an outstanding staff who are highly motivated and productive and who vigorously pursue revenue-generating and cost-reduction strategies.

Strategy: Critically review our existing branches and departments to ensure that all branches are consistent in their goals, strategies, and profit objectives.

b. Departmental Level

Mission (department level): We will increase the knowledge, management skills, and decision-making abilities of our branch managers so that we will minimize losses and other operating expenses while maximizing the profitability of our branching systems.

c. Individual (Supervisor) Level

Position description for HR manager: Administers a comprehensive human resources program in the division to ensure the expertise, effectiveness, motivation, and depth (including providing appropriate management succession) to the division's staff members.

Individual (Employee) Level Individual performance: Information on various responsibilities, standards expected goals to be reached, and actions to be taken to improve performance in the future.

According to finding on Weatherly (2004) the very best practice a firms should be more likely to have developed a clear strategic intent and communicated it effectively to employees. It same article also stated that one of critical success factors for the organization to ensure that the core values and beliefs important to your organization are fully integrated into your performance management system.

B. Performance planning

The performance planning stage has the goal for employees to have a thorough knowledge of the performance management system.

In fact, at the beginning of each performance cycle, the supervisor and the employee meet to discuss, and agree on, what needs to be done and how it should be done. This performance planning discussion includes a consideration of (1) results, (2), behaviors, and (3) development plan.

Results- Results refer to what needs to be done or the outcomes an employee must produce. A consideration of results needs to include the key accountabilities, or broad areas of a job for which the employee is responsible for producing results.

A discussion of results also includes specific objectives that the employee will achieve as part of each accountability. Objectives are statements of important and measurable outcomes. Finally, discussing results also means discussing performance standards. A performance standard is a yardstick used to evaluate how well employees have achieved each objective. Performance standards provide information about acceptable and unacceptable performance (for example, quality, quantity, cost, and time).

Behaviors - Although it is important to measure results, an exclusive emphasis on results can give an incomplete picture of employee performance. This is particularly true today because, in contrast to the hierarchical organization chart of the 20th - century organization, the 21st - century organization is far more likely to look like a web: a flat, intricately woven form that links partners, employees, external contractors, suppliers, and customers in various collaborations (Cascio&Aguinis, 2008b). Accordingly, for some jobs it may be difficult to establish precise objectives and standards. For other jobs, employees may have control over how they do their jobs, but not over the results of their behaviors.

Development plan - An important step before the review cycle begins is for the supervisor and employee to agree on a development plan. At a minimum, this plan should include identifying areas that need improvement and setting goals to be achieved in each area. Development plans usually include both results and behaviors. Achieving the goals stated in the development plan

allows employees to keep abreast of changes in their field or profession. Such plans highlight an employee's strengths and the areas in need of development, and they provide an action plan to improve in areas of weaknesses and further develop areas of strength (Reyna & Sims, 1995).

One of the components of planning is setting the objectives. According to Armstrong (2006) Objectives is describing something that has to be accomplished. Objective setting that result in an agreement on what the role holder has to achieve is an important part of the performance management processes of defining and managing expectations, and forms the point of reference for performance reviews.

Weatherly (2004) found that one of critical of success factors is to train managers in performance management: make an upfront investment in training to ensure that managers have the skill sets required to participate fully in the performance management system planning process. This should include all members of line management to ensure that everyone is on the same page, is speaking the same language, and are using the same tools and techniques. And Set clear expectations for employee development: Employee development will be crucial to the success of the performance management system. With flatter organizations and narrower spans of control, it will be essential for today's organizations to seek alternative ways to develop employee talent through ongoing skills mastery, special projects and assignments, team leadership opportunities, and formal education and training. As such, it is not unusual for organizations to establish a required minimum number of employee development hours per annum per employee to facilitate this process.

Types of objectives

The different types of objectives are:

- On-going role or work objectives – all roles have built-in objectives that may be expressed as key result areas in a role profile.
- Targets – these define the quantifiable results to be attained as measured in such terms as output, throughput, income, sales, levels of service delivery, cost reduction, reduction of reject rates.
- Tasks/projects – objectives can be set for the completion of tasks or projects by a specified date or to achieve an interim result.

- Behavior – behavioral expectations are often set out generally in competency frameworks but they may also be defined individually under the framework headings. Competency frameworks may deal with areas of behavior associated with core values, for example teamwork, but they often convert the aspirations contained in value statements into more specific examples of desirable and undesirable behavior, which can help in planning and reviewing performance.

Criteria for objectives

Many organizations use the following ‘SMART’ mnemonic to summarize the criteria for objectives:

- S = Specific/stretching – clear, unambiguous, straightforward, understandable and challenging.
- M = Measurable – quantity, quality, time, money.
- A = Achievable – challenging but within the reach of a competent and committed person.
- R = Relevant – relevant to the objectives of the organization so that the goal of the individual is aligned to corporate goals.
- T = Time framed – to be completed within an agreed time scale.

C. Performance execution

Once the review cycle begins, the employee strives to produce the results and display the behaviors agreed on earlier as well as to work on development needs. The employee has primary responsibility and ownership of this process. Employee participation does not begin at the performance execution stage, however. As noted earlier, employees need to have active input in the development of the job descriptions, performance standards, and the creation of the rating form. In addition, at later stages, employees are active participants in the evaluation process in that they provide a self - assessment and the performance review interview is a two - way communication process.

Although the employee has primary responsibilities for performance execution, the supervisor also needs to do his or her share of the work. Supervisors have primary responsibility over the following issues:

Observation and documentation - Supervisors must observe and document performance on a daily basis. It is important to keep track of examples of both good and poor performance.

Updates - As the organization's goals may change, it is important to update and revise initial objectives, standards, and key accountabilities (in the case of results) and competency areas (in the case of behaviors).

Feedback - Feedback on progression toward goals and coaching to improve performance should be provided on a regular basis, and certainly before the review cycle is over.

Resources - Supervisors should provide employees with resources and opportunities to participate in development activities. Thus, they should encourage (and sponsor) participation in training, classes, and special assignments. Overall, supervisors have a responsibility to ensure that the employee has the necessary supplies and funding to perform the job properly.

Reinforcement - Supervisors must let employees know that their outstanding performance is noticed by reinforcing effective behaviors and progress toward goals. Also, supervisors should provide feedback regarding negative performance and how to remedy the observed problem. Observation and communication are not sufficient. Performance problems must be diagnosed early and appropriate steps must be taken as soon as the problem is discovered.

Agunis (2009) when he write about the determinants of evaluating employee performance he argued that a combination of three factors allows some people to perform at higher levels than others: (1) declarative knowledge, (2) procedural knowledge, and (3) motivation. Declarative knowledge is information about facts and things, including information regarding a given task ' s requirements, labels, principles, and goals. Procedural knowledge is a combination of knowing what to do and how to do it and includes cognitive, physical, perceptual, motor, and interpersonal skills. Motivation involves three types of choice behaviors: (1) choice to expend effort (“ I will go to work today ”), (2) choice of level of effort (“ I will put in my best effort at

work ” versus “ I will not try very hard ”), and (3) choice to persist in the expenditure of that level of effort (“ I will give up after a little while ” versus “ I will persist no matter what ”).

Because performance is affected by the combined effect of three different factors, managers must find information that will allow them to understand whether the source of the problem is declarative knowledge, procedural knowledge, motivation, or some combination of these three factors. If an employee lacks motivation but the manager believes the source of the problem is declarative knowledge, the manager may send the employee to a company - sponsored training program so that he can acquire the knowledge that is presumably lacking. On the other hand, if motivation is the problem, then the implementation of some type of CP plan may be a good intervention. This is why performance management systems need not only to measure performance but also to provide information about the source of any performance deficiencies, which is done in the performance assessment stage.

D. Performance Assessment

In the assessment phase, both the employee and the manager are responsible for evaluating the extent to which the desired behaviors have been displayed, and whether the desired results have been achieved. Although many sources can be used to collect performance information (for example, peers or subordinates), in most cases the direct supervisor provides the information. This also includes an evaluation of the extent to which the goals stated in the development plan have been achieved.

It is important that both the employee and the manager take ownership of the assessment process. The manager fills out his or her appraisal form, and the employee should also fill out his or her form. The fact that both parties are involved in the assessment provides good information to be used in the review phase.

When both the employee and the supervisor are active participants in the evaluation process, there is a greater likelihood that the information will be used productively in the future. Specifically, the inclusion of self - ratings helps emphasize possible discrepancies between self - views and the views that important others (that is, supervisors) have. It is the discrepancy between these two views that is most likely to trigger development efforts, particularly when feedback from the supervisor is more negative than are employee self - evaluations.

The inclusion of self - appraisals is also beneficial regarding important additional factors. Self - appraisals can reduce an employee's defensiveness during an appraisal meeting and increase the employee's satisfaction with the performance management system, as well as enhance perceptions of accuracy and fairness and therefore acceptance of the system (Shore, Adams, &Tashchian, 1998).

E. Performance Review

The performance review stage involves the meeting between the employee and the manager to review their assessments. This meeting is usually called the appraisal meeting or discussion.

The appraisal meeting is important because it provides a formal setting in which the employee receives feedback on his or her performance. In spite of its importance in performance management, the appraisal meeting is often regarded as the "Achilles' heel of the entire process" (Kikoski, 1999). This is because many managers are uncomfortable providing performance feedback, particularly when performance is deficient (Ghorpade& Chen, 1995). This high level of discomfort, which often translates into anxiety and the avoidance of the appraisal interview, can be mitigated through training those responsible for providing feedback.

Providing feedback in an effective manner is extremely important because it leads not only to performance improvement but also to employee satisfaction with the system.

a. Performance standards

Performance standards are management approved expressions of performance threshold(s), requirement(s), or expectation(s) that employee must meet to be appraised at particular level of performance. standard of performance are different from goals. Goals should be set for an individual, rather for job the job itself. Therefore, managers who have several employees and do the same job will have one set of standards for the job but may have different goal for each person based on the person's experience skills and past performance. According to S. Armstrong (2010) Performance standards work as yardsticks in measuring employee performance. In most cases, they measure either productivity or quality. A productivity standard would require a salesman to close ten sales in three months. A quality standard would require a salesman to close

10 sales in three months without any processing errors. When standards are clear and in writing, it's more difficult to disagree about whether a goal was met.

b. Bell curve

CHRM Global (2015) published that bell curve system is of appraisal is forced ranking system imposed on the employees by the management. Force ranking has been defined as “a workforce management tool based on the premise that in order to develop and thrive, a company must identify its best and worst performers, then nurture the former and rehabilitate and/or discard the latter”. SW Learning. Bell curve system rates the entire workforce by comparing the performance of those engaged in similar activity and ranking them on the basis of their performance. The entire workforce is segregated as the top performers, medium performer and the poor performers. The percentile varies with the company policy; it could be top 10%, middle 80%, and bottom 10%.

The employees belonging to the higher grade contribute significantly to the enterprise. They are showered with reward like restricted stock options, bonuses etc so as to motivate them to continue their excellent service to the business entity. The middle percentile employees are significant in number and their presence ensures uninterrupted workflow within the organization. They generally have some weakness which is negated by the training facilities offered by the company. Similarly training is also provided to enrich their key skills to utilize in a way profitable to the entity. The bottom ranking consists of those whose performance needs significant improvement and whose is unsatisfactory. The ranking acts as working system that tells the employee where he/she stands in relation to his peers. The employees belonging to the lower strata are at times given the opportunity to improve their effort or are renounced from the system.

The greatest disadvantage of the system is that it is dependent on the supervisors who judge the capacity and contribution of the employee. The supervisor is to keep a day-to-day physical record of the favorable and unfavorable tasks performed by the employee. But as it is time consuming task, many supervisors record them just before the submission of the appraisal sheet to the HR leaving ample room for errors and omissions. This system is also open to the bias and prejudice of the supervisors. Ranking based on favoritism is a failure.

F. 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 re-contracting stage uses the insights and information gained from the other phases. For example, some of the goals may have been set unrealistically high given an unexpected economic downturn.

This would lead to setting less ambitious goals for the upcoming review period.

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. Recall that, in the end, one of the main goals of any performance management system is to promote the achievement of organization - wide goals. Obviously, if managers and employees are not aware of these strategic goals, it is unlikely that the performance management system will be instrumental in accomplishing the strategic goals.

2.5 Performance Management Best Practices

As it is stated on Dixit (2007), effective practice of performance management can start with clarification of organization goal. After the organizational goal is communicated, it will be translated to program, department, teams and individual goals. Finally this goal improves performance and brings the organization success. Superiors should rely on consensus and cooperation rather than controlling or coercion in performance management. He also indicated that superiors should promote self-management of individual's performance and encourage an open and honest leadership style which makes two way communications between the manager and employee very smooth. This will ensure continuous feedback that enables the experience and knowledge gained on the job by individuals and teams to influence organizational objectives. Monitor and measure all performance against the jointly agreed goals. It also important to

arrange training and development program for the employee according to gap or limitation observed on the process. Apply this practice to all employees' helps the effectiveness of the system. Uses of performance management should not be limited only to financial rewards.

Even though an organization has the above mentioned performance Management system, there are certain practical factors that constraint which may not allow the organization to implement those system. Aguinis(2009) mentioned some examples like 'there may not be sufficient funds to deliver training to all people involved, supervisors may have biases in how they provide performance ratings, or people may be just too busy to pay attention to a new organizational initiative that requires their time and attention'.

He also suggested we should strive to place a check mark next to each of these characteristics: the more features that are checked, the more likely it will be that the system will live up to its promise.

Strategic congruence - The system should be congruent with the unit and organization's strategy. In other words, individual goals must be aligned with unit and organizational goals.

Thoroughness - The system should be thorough regarding four dimensions. First, all employees should be evaluated (including managers). Second, all major job responsibilities should be evaluated (including behaviors and results). Third, the evaluation should include performance spanning the entire review period, not just the few weeks or months before the review. Finally, feedback should be given on positive performance aspects as well as those that are in need of improvement.

Practicality - Systems that are too expensive, time - consuming, and convoluted will obviously not be effective. Good, easy - to - use systems (for example, performance data are entered via user - friendly software) are available for managers to help them make decisions. Finally, the benefits of using the system (for example, increased performance and job satisfaction) must be seen as outweighing the costs (for example, time, effort, expense).

Meaningfulness -The system must be meaningful in several ways. First, the standards and evaluations conducted for each job function must be considered important and relevant. Second, performance assessment must emphasize only those functions that are under the control of the

employee. For example, there is no point in letting an employee know he or she needs to increase the speed of service delivery when the supplier does not get the product to him or her on time. Third, evaluations must take place at regular intervals and at appropriate moments. Because one formal evaluation per year is usually not sufficient, informal quarterly reviews are recommended. Fourth, the system should provide for the continuing skill development of evaluators. Finally, the results should be used for important administrative decisions. People will not pay attention to a system that has no consequences in terms of outcomes that they value.

Specificity - A good system should be specific: it should provide detailed and concrete guidance to employees about what is expected of them and how they can meet these expectations.

Identification of effective and ineffective performance - The performance management system should provide information that allows for the identification of effective and ineffective performance. That is, the system should allow for distinguishing between effective and ineffective behaviors and results, thereby also allowing for the identification of employees displaying various levels of performance effectiveness. In terms of decision making, a system that classifies or ranks all levels of performance, and all employees, similarly is useless.

Reliability - A good system should include measures of performance that are consistent and free of error. For example, if two supervisors provided ratings of the same employee and performance dimensions, ratings should be similar.

Validity - The measures of performance should also be valid. In this context, validity refers to the fact that the measures include all relevant performance facets and do not include irrelevant performance facets. In other words, measures are relevant (include all critical performance facets), not deficient (do not leave any important aspects out), and are not contaminated (do not include factors outside of the control of the employee or factors unrelated to performance). In short, measures include what is important and do not assess what is not important and outside of the control of the employee.

Acceptability and fairness - A good system is acceptable and is perceived as fair by all participants. Perceptions of fairness are subjective, and the only way to know whether a system is seen as fair is to ask the participants. We can ask about distributive justice, which includes perceptions of the performance evaluation received relative to the work performed, and

perceptions of the rewards received relative to the evaluation received, particularly when the system is implemented across countries.

Inclusiveness - Good systems include input from multiple sources on an ongoing basis. First, the evaluation process must represent the concerns of all the people who will be affected by the outcome. Consequently, employees must participate in the process of creating the system by providing input regarding what behaviors or results will be measured and how.

Second, input about employee performance should be gathered from the employees themselves before the appraisal meeting (Cawley, Keeping, & Levy, 1998). In short, all participants must be given a voice in the process of designing and implementing the system. Such inclusive systems are likely to lead to more successful systems, including less employee resistance, improved performance, and fewer legal challenges (Elicker, Levy, & Hall, 2006).

Openness- Good systems have no secrets. First, performance is evaluated frequently and performance feedback is provided on an ongoing basis. Therefore, employees are continually informed of the quality of their performance. Second, the appraisal meeting consists of a two - way communication process during which information is exchanged, not delivered from the supervisor to the employee without his or her input. Third, standards should be clear and communicated on an ongoing basis. Finally, communications are factual, open, and honest.

Correctability - The process of assigning ratings should minimize subjective aspects; however, it is virtually impossible to create a system that is completely objective because human judgment is an important component of the evaluation process. When employees perceive an error has been made, there should be a mechanism through which this error can be corrected.

Establishing an appeals process, through which employees can challenge what may be unjust decisions, is an important aspect of a good performance management system.

Standardization - Good systems are standardized. This means that performance is evaluated consistently across people and time. To achieve this goal, the ongoing training of the individuals in charge of appraisals, usually managers, is a must.

Ethicality -Good systems comply with ethical standards. Operationally, this means that the supervisor suppresses his or her personal self - interest in providing evaluations. In addition, the

supervisor evaluates only performance dimensions for which she has sufficient information, and the privacy of the employee is respected (cf. Eddy, Stone, & Stone - Romero, 1999).

2.6 Alignment

Alignment is defined as the extent to which employees are similarly connected to or have consistent line of sight to the vision and direction of the organization and its customers, often encapsulated within its current strategy. This would include three elements 1, the line of sight of employees' behaviors and result with unit, department, and overall organizational goal; 2, the line of sight to customers' need and expectations; and 3, behaviors that are sync with the organization's brand.

Nadler and Tushman (1997) as quoted in Smither and London (2009) say, "Other things being equal, the greater the total degree of congruence, or fit, among various components, the more effective the organization will be," or essentially "the degree to which, work, people, structure, and culture are smoothly aligned will determine the organization's ability to complete and succeed".

When alignment is low, there are many cited effects on employees, employers and customers. One of the most insidious outcome of low alignment is wasted time and energy. When individual (or teams or units) are well aligned with the vision, organizational goals, or what customer need and want, extra energy is required to reach the goals because time is often diverted to low or no value added activities. This not only reduce the impact on result, but is also frustrating to the individual (or teams) involved because they may feel that their efforts are not creating success—either a lack of accomplishment or that they are struggling to hit key goals after expending considerable effort. This often creates stress (related to work life balance: perceptions of time wasted) and other dysfunctional outcome, ranging from poor performance to turnover.

The following are some of the business impacts of low alignment

- Confusing brand promise
- Many urgent but not important activities
- Non-competitive cost due to low productivity resulting from misdirected activities or talent

- Burnout- Working hard, but not smart
- Overstaffing, to compensate for time lost on low-value activities
- Slow strategy execution
- Low teamwork; high conflict across interdependent unit
- Talent loss

The seven drivers of high alignment include:

- A clear, agreed-on vision strategy
- Translation of the vision and strategy into clear, understanding goal measures
- Acceptance or passion for the vision, strategy, goals among those who are implementing them
- Clarity regarding individual roles and requirements in supporting the strategic goals and the extent to which these been effectively cascaded and interlinked across the organization
- Sufficient capabilities (talent, information, and resources) to deliver the behaviors needed to reach the goals
- Clear, timely feedback on goal attainment and the drivers of those goals
- Meaningful incentive to encourage employees to develop or deploy sufficient capabilities to achieve the goals

As it is stated on findings Weatherly (2004) as one of critical success factors is link job descriptions to the performance management system: Ensure that the employees can see the direct relationship between the job competencies they are required to bring to the job, their job descriptions, and the goals and objectives targeted in their performance plan; if the link is unclear, this document should be brought into alignment and re-visited at least annually thereafter at each performance review.

2.7 Performance Appraisal and Perform Management

In most times people perceive that Performance Management and performance Appraisal are the similar but it is not true. According to Armstrong (2006) Performance appraisal can be defined as the formal assessment and rating of individuals by their managers at, usually, an annual review meeting. In contrast performance management is a continuous and much wider, more

comprehensive and more natural process of management that clarifies mutual expectations, emphasizes the support role of managers who are expected to act as coaches rather than judges and focuses on the future.

There are many important differences between performance management and performance appraisal which is the systematic description of an employee's strength and weaknesses. First, in contrast to performance management, performance appraisal does not usually include strategic business consideration. Second also in contrast to performance management, performance appraisal system usually does not include extensive and ongoing feedback that an employee can use to improve his/her performance in the future. Third performance appraisal typically once - a-year event that is often driven by H.R department whereas performance management is a year rounded of way of managing business that is driven by managers. In short performance appraisal often seen as HRM department requirement does not typically include business and strategic consideration, whereas performance management (because its emphasis on strategic alignment) can be a tool that help management improve organizational performance. Aguinis and Pierce (2008).

2.8 Challenges in implementing Performance Management System

According to Krishnan (2013) he mentioned some of the major challenges in managing performance could be as follows:

A. Wrong Design

The performance management system and tools must fit with the specific needs of the organization. It cannot be a duplication of a system designed and implemented in another organization, even an organization in the same industry or the same business group. Intense consultation with various stakeholders and users of the system is necessary. User trust is an absolute necessity for the success of the system. The design should be tried out on a pilot basis before it is rolled out to the organization as a whole. All documents and forms must be in place. The system should be fair and equitable. Performance management should be viewed as a continuous process and not an activity conducted once or twice a year. The design should also include mechanisms for rewarding performance and handling poor performers.

B. Absence of Integration

The performance management system has to be integrated with the strategic planning and human resource management systems as well as with the organizational culture, structure and all other major organizational systems and processes.

C. Lack of Leadership Commitment

Leadership commitment and support is a must for smooth implementation of the system. Leaders must drive the process and make performance management an integral part of the management of the company. Leaders contribute not only in setting the strategic direction and performance measures but also in monitoring and reviewing performance across the organization. They also reinforce the performance cycle by recognizing and rewarding performance.

D. Ignoring Change Management in System Implementation

Strategic management of change is a vital part of implementing the system. Driven by the top management, it involves careful management of resistance. Communication would be a major intervention and a key tool in managing the change. Implementation milestones and schedules must be followed. Proper documents must be in place.

E. Incompetence

Competence to use the performance management system is necessary to ensure smooth implementation of the system. Some of the major skills would include:

- Defining strategic objectives, performance indicators, core competencies and performance contracts
- Defining performance measures that correspond to the KPIs
- Giving and taking feedback, conducting appraisal interviews, and active listening
- Performance coaching

2.9 Improving performance

Armstrong (2006) the improvement of performance is a fundamental part of the continuous process of performance management. The aim should be the positive one of maximizing high performance, although this involves taking steps to deal with underperformance.

It is tempting for managements to say that poor performance is always someone else's fault, never theirs. But poor performance may be a result of inadequate leadership, bad management or defective systems of work. It is not necessarily the fault of employees. The failure can be at the top of the organization because well-defined and unequivocal expectations for superior performance have not been established and followed through. And effective processes of performance management can provide a valuable means of communicating these expectations.

A. THE PROBLEMS AT MANAGERIAL LEVEL

Managers, as Schaffer (1) points out, sometimes use a variety of psychological mechanisms as described below for avoiding the unpleasant truth that performance gaps exist.

Evasion through rationalization - Managers may escape having to demand better performance by convincing themselves that they have done all they can to establish expectations. They overlook the possibility of obtaining greater yields from available resources. When they do ask for more they are too ready to believe their staff when they claim that they are already overloaded, and they may weakly take in the extra work themselves. Or they may go to the opposite extreme and threaten workers with arbitrary demands, unaccompanied by specifications of requirements and deadlines for results.

Reliance on procedures - Managers may rely on a variety of procedures, programs and systems to produce better results. Top managers say, in effect, 'Let there be performance-related pay, or performance management or whatever' and sit back to wait for these panaceas to do the trick – which, of course, they won't unless they are part of a sustained effort led from the top, and are based on a vision of what needs to be done to improve performance.

Attacks that skirt the target -Managers may set tough goals and insist that they are achieved, but still fail to produce a sense of accountability in employees or provide the support required to achieve the goals.

B. DEALING WITH THE PROBLEM – OVERALL STRATEGY

The following strategy for action was suggested by Schaffer to deal with these problems and get better results:

- A. **Select the goal.** Start with an urgent problem: costs in a department too high; a budget seriously overrun; a quality specification missed; a shortfall in meeting a sales target. Generate a feeling that achievement of the goal is imperative, not merely desirable.
- B. **Specify the minimum expectations of results.** Broad, far-reaching or amorphous goals should be narrowed to one or two specific, measurable ones.
- C. **Focus energy on one or two sharply defined targets.**
- D. **Communicate expectations clearly.** Share with all concerned, both orally and in writing, the nature of the goal, the allocation of responsibility for achieving it, the timetable and the constraints.
- E. **Allocate responsibility.** Allocate responsibility for achieving each goal to one person even though the contribution of that person's team may be essential for success. Ensure that the manager responsible for each goal produces a written work plan for steps to be taken to reach it. The plan should specify how progress will be measured and reported. Then monitor the project.
- F. **Expand and extend the process.** Once success has been achieved on a first set of demands, it should be possible to repeat the process based on new goals or an extension of the first goal.

2.10 Conceptual frame work

According to Freifeld (2013) One of the biggest challenges for any company lies in achieving organizational alignment: that desired state in which the entire enterprise is working together to achieve business goals. But just like the tires on a car, if just one piece isn't aligned with the others, there will be no forward movement. And unlike a car, creating full alignment in an organization can't be achieved just by tinkering around with a few key components. Instead, achieving alignment involves a top-to-bottom transformation, in which leadership communicates goals and expectations and everyone has an understanding of what is expected and what they must do to advance the organization.

Smither and London (2009) stated performance management process/cycle has six stages. These are pre-requisites, performance planning, performance execution, performance assessment, performance review and performance renewal and re-contracting stages. To maximize the benefit out of the system these stages are mandatory.

It is stated that (Armstrong 2009) Performance management is all about communication and feedback: a manager and an employee arrive together at an understanding of what work is to be accomplished, how it will be accomplished, how work is progressing toward desired results, and finally, after effort is expended to accomplish the work, whether the performance has achieved the agreed-upon plan. The process recycles when the manager and employee begin planning what work is to be accomplished for the next performance period.

According to Aguinis (2005) implementing performance management system effectively has many advantages. From the perspective of employees, a good system increases motivation and self-esteem, helps improve performance, clarifies job tasks and duties, provides self-insight and development opportunities, and clarifies supervisors' expectations. From the perspective of managers, good systems allow them to gain insight about employees, allow for more fair and appropriate personnel actions, help them to communicate organizational goals more clearly, let them differentiate good and poor performers, and help drive organizational change. Finally, from the perspective of the HR function, a good system provides protection from litigation.

Based on reviewed theoretical and practical study the following conceptual frame work is developed.

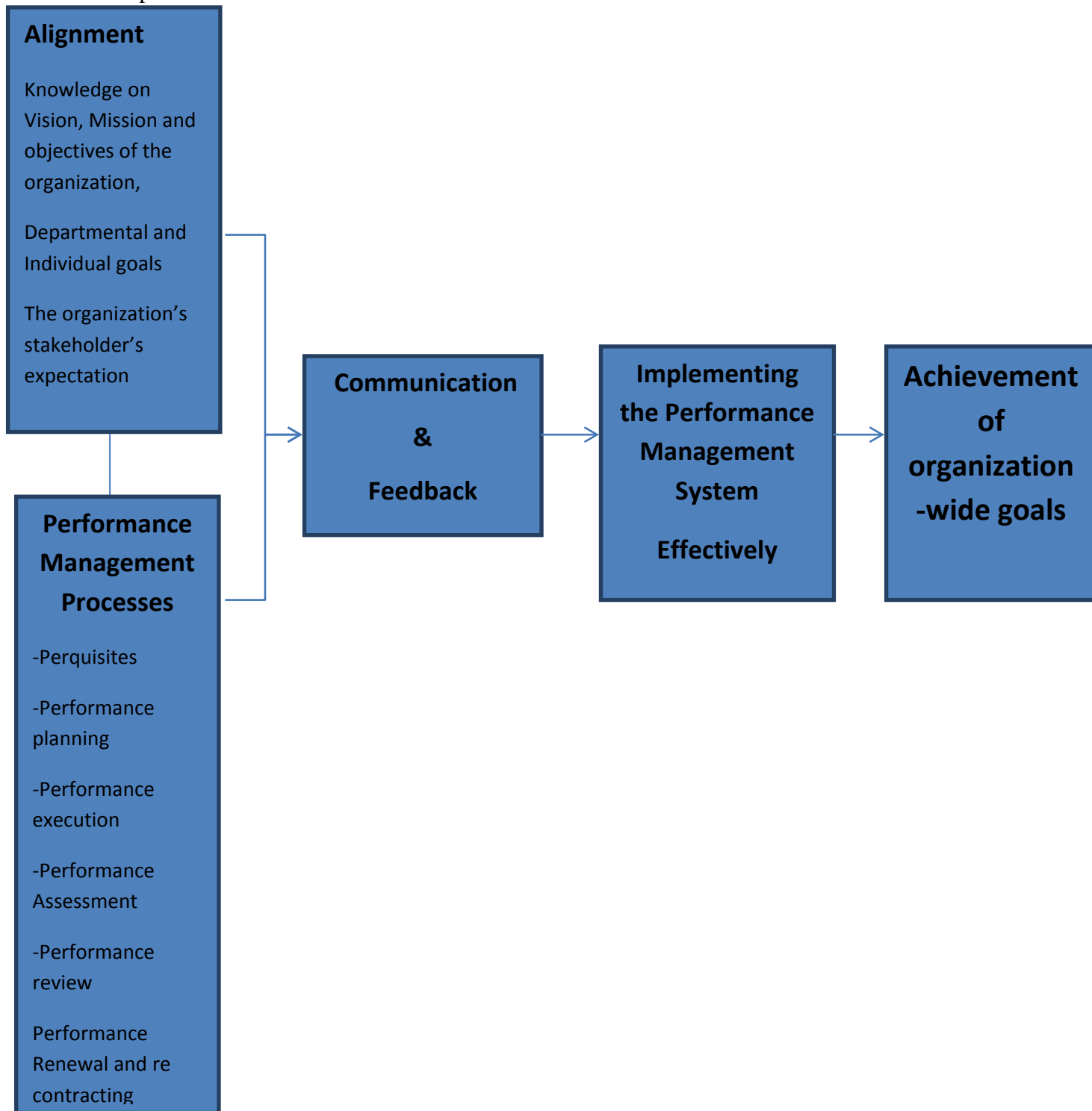


Figure 2 Conceptual frameworks, Source *Researcher Schematic (2015)*

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design and Methodology

There are two basic approaches to research, viz., quantitative approach and the qualitative approach. The former involves the generation of data in quantitative form which can be subjected to rigorous quantitative analysis in a formal and rigid fashion. Qualitative approach to research is concerned with subjective assessment of attitudes, opinions and behavior. Research in such a situation is a function of researcher's insights and impressions (Kothari C. R. 2004: 22). Hence, the research approach applied for this study was both quantitative and qualitative researches in order to get more relevant reliable data for the study.

The main purpose of this study is to assess the practice of PMS on GIZ Ethiopia Program and identify the main challenges on implementation of the system. It also briefly explain the impact those gaps brings to the organization and suggest some solution so that the organization to use the system effectively and efficiently in order to accomplish its goal. The researcher believed that the collection of essential data in the research needs to best describe the practice of GIZ Ethiopia Program. With regard to the purpose of the research, the study was of descriptive type as it presents the profile and describes the performance Management system of GIZ. According to (C.R. Kothari 1990) the descriptive type of research design uses survey and fact finding enquires. The stratified sampling design was utilized to obtain the data from respondents and to select sample from each strata the researcher used simple random sampling based on proportion of the population. In addition, cross sectional survey method was used in this study where data was collected once the population through sampling.

3.2 Sample and sampling Technique

The target populations of this study are all permanent national employees, Department Head and Field Managers of GIZ. GIZ has eight programs and who works in five regional offices. The organization currently has 575 National, 100 international and 29 temporary staff (GIZ SAP data

extracted on February 2015). For the sake of this research project the researcher focuses only to national permanent employees who works in GIZ bilateral programs. The target population is divided in five strata as per the organization offices in the regions.

The organization's national staffs are shown in detail;

Table 1 *Total population of the research*

Type of Employment	Name of Field offices						Total
	A.A(diff Pr.)	Tigray office	Amhara Office	Oromia Office	SNNPR Office	GIZ IS	
Permanent	221	67	48	75	35	129	575
Temporary	11	2	3	6	3	4	29
International	73	5	3	4	0	15	100
Total	305	74	54	85	38	148	704
Sub total	704 Employees						

Source: Secondary data from GIZ Office

For purpose of making observation and statistical inference about the PMS of GIZ Ethiopia representative sample was taken as the researcher could not study the entire population because of feasibility and cost constraints. Besides that the researcher exclude temporary, international and GIZ IS staff because for temporary staff, their contract agreement is not long enough to make them part of the performance management system in the organization, for International employees, their overall H.R management system are managed by the headquarter, Germany therefore, researcher doesn't have the access of their performance Management System information. Finally for GIZ IS, like the international staff, their office run independently from bilateral programs besides that their program will be phased out July 2015 Therefore the target population is 446.

A. Sample Size

To calculate the size of the sample in this study the size of the population is 446 and the desired precision the researcher choose ± 5 with 95 confidence level and the sample proportion is 0.5 which used in this case 'n' will be the maximum and sample will yield at least the desired precision.

$$n = \frac{Z^2 \cdot p \cdot q \cdot N}{e^2 \cdot (N - 1) + z^2 \cdot p \cdot q}$$

Where: 'N', is size of the population
 'n', is the size of the sample
 'e', is acceptable error (the precision)
 'Z', is standard variant at a given confidence level
 'P', is standard proportion, q=1-p

Source: C.R. Kothari, (2004)

Therefore the sample will be

$$= \frac{1.96^2 \times 0.5 \times 0.5 \times 446}{.05 \times (446-1) + 1.96^2 \times 0.5 \times 0.5}$$

$$n = 207$$

The researcher also double check the sample size by using www.surveysystem.com, www.raosoft.com, and www.macorr.com online sample size calculator to make sure the accuracy of sample size.

Then the researcher followed the method of proportional allocation under the size of the samples from the different strata as follows: strata one, Addis Ababa office, contains 221 employees out of which 103 are selected. The second strata is Mekelle offices consists of 67 employees out of which 31 of them are selected. The third strata is Bahir-Dar offices which have 48 employees and out of which 22 of them are selected. A fourth stratum is Oromia office consists of 75 employees out of which 35 of them are selected. Finally the last stratum is Hawassa office consists of 35 employees out of which 16 are selected. After this the researcher used Simple random sampling for selecting the samples.

The researcher also selected six management staff, (field Managers and department heads) for interview purposively. According to Cohen (2007) purposive sampling is used to access those people who have in depth knowledge about the organization problem. These management staffs are responsible for the organization's performance Management system.

B. Sampling Technique

A combination of sampling techniques was used to conduct the study. Stratified sampling technique was used to classify the offices based on the geographical location of employee in five Regions. The stratified sampling is chosen over simple random sampling method it ensures employee from each regional offices are included may therefore be more reliably representative unlike simple random sampling.

Once it was made sure each offices of the organization are reliably represented, simple random sampling technique was used to make sample from the five stratum. A sample is random if it is just as likely that it will be picked from the population of interest as any other sample of that size. Strictly speaking, statistical inference is not possible unless random samples are used (Shirley D., Stanley W. & Daniel C. 2004: p 29). Using systematic random sampling technique, random numbers were generated according to the required sample size from each stratum.

3.3 Source and Tools/Instruments of Data Collection

Both primary and secondary sources of data is used in order to address the research objective. The primary data is obtained from the structured questionnaires that is distributed to the selected employees in each office and field offices. Focus group discussion and semi-structured interview is conducted to the Department Heads and Field managers in Addis Ababa as well as in field offices. Secondary sources of data such as organization's published literatures, document of GIZ on this regards policies and principles, performance evaluation reports of GIZ, books, websites and GIZ HR databases were used. The combination of data sources were used since according to Maxwell, (2005: P.93) gathering data from different sources can maximize the trustworthiness of the information and minimize limitation.

Quantitative data is collected from questionnaires whereas qualitative data is obtained from focus group discussion (FGD) and interviews. The researcher translated the questionnaire to Amharic language for non-clerical employees so that they have better understanding about the points raised in the questionnaire and help to express their opinion in their own language.

As it mentioned above the primary data for this research was collecting self-administered questionnaires which were distributed to the sample participants in the presence of the researcher for Addis Ababa office to minimize the number invalid questionnaire from being returned. For

the rest of field offices the student researcher uses web-based administration by using Microsoft outlook which is the official communication means of the target organization and additionally Skype and other online communication methods will be used which will make possible easier data availability, superior confidentiality, cost effectiveness and greater time efficiency. A Five point Likert scale questionnaire ranging from 1(strongly disagree) to 5 (strongly agree) was developed.

The questionnaire was pre- tested to check for possible error in wording consistency and ambiguity.

Regarding FGD, in the Addis Ababa office, seven employees participated in the focus group discussion. The positions of the employees are Cleaner, Custom Clearance Officer, P.R Coordinator, Contract Officer, Driver and two Finance officers. In Hawassa,eight employees were participated on focus group discussion. Their positions are Office Manager, Monitoring and Evaluation Advisor, Senior Energy Advisor, Accountant casher, Management Assistant, contract and procurement Officer, Senior monitoring and evaluation Advisor and cook cleaner. In Oromia Office six employees participated on FGD with a position of Finance and Admin Officer, and Cleaner, Mentoring and evaluation Senior Advisor, Senior Program Advisor, Office Manager and Guard.

The researcher interviewed four program managers from each field offices and two department heads. The interview was made face to face for Addis Ababa office manager and department heads, and for regional offices telephone and skype.

3.4 Procedures of Data Collection

The research used both primary and secondary data. The primary data collected through three ways for triangulation which are questionnaire, Focus group discussion and Interviews.

Before the questionnaires distributed to the participants, the researcher got the consent of participants to fill out the questionnaire and to be interviewed by explaining the purpose of the research, the reason for the information is needed and giving assurance that the information collected will be kept confidentially and it will be used solely for the research purpose. The

researcher neither attempted to uncover the respondent identity nor examined the responses on an individual basis.

To ensure confidentiality, data was stored electronically in a database on a secured personal computer of the researcher and access was restricted to the researcher only. Printed questionnaire stored in a locked cabinet for a reasonable period of time until it will be destroyed.

The researcher conducted Interview and FGD in the respective offices. Each question on the interview and discussion was clarified thoroughly in order to get valid answer from the interviewee and FGD participants. Note was taken for analysis purpose.

3.5 Method of Data Analysis

The collected questionnaires analyzed through descriptive statistics such as mean, frequency distribution, reliability analysis. The data in the study was analyzed with the use of statistical software SPSS. In line with it, percentages are also computed; tabulation presentations are also be used.

Data analysis made by categorizing data in to meaningful groups, interpreting specific occurrences and use triangulation through interview and focus group discussion.

3.6 Reliability and Validity

Reliability refers to the consistency or dependability of a measurement technique, and it is concerned with the consistency or stability of the score obtained from a measure or assessment over time and across settings or conditions. If the measurement is reliable, then there is less chance that the obtained score is due to random factors and measurement error (Geoffrey M., David D. & David F. 2005:103).

Cronbach's alpha is a measure for the internal consistencies of the items that together cover the specific factor. It measures internal consistency of items to the concept (Raigama R. 2010:54).

Hence, before administering the questionnaire on the sample selected, it was tested and checked on a pilot scale for its reliability and the value of Cronbach's α (alpha) was calculated.

To insure validity of this research, a process of triangulation was used to compare multiple data source to arrive at common theme. The researcher used constructs adopted from previous researches to ensure content validity plus review of the prepared questionnaire with H.R head of GIZ, researcher' advisor and some colleagues of the researcher was conducted prior the survey.

3.7 Ethical Consideration

The ethical issues will be considered in the study: informed consent (by informing the respondents regarding the background of the study, including the importance of the data to be gathered from them) and issues of confidentiality (by ensuring the respondents that all of the information in this study will solely be used for academic purposes only.

In addition, the researcher will also make sure that all of the responses from the sample are given merit, whether the student researcher agree or not to their individual responses. The researcher will not disclose any personal information of the respondents, which will be explained in the conduction of the questionnaire and interview directly to the respondents.

CHAPTER FOUR

RESULT AND DISCUSSION

4.1 Introduction

As it stated on chapter one and three discussion over the focus group/ interview with Head of department and Field managers and questionnaire were distributed for each offices. The questionnaire has three parts Part –I was used to gather general information about the respondents, in part II 5 point Likert scale questions were used to collect information that are related with subject matter and part III contain one open question in order to allow respondent to answer the challenges that they are facing regarding PMS in GIZ freely.

Two hundred one questionnaires were distributed to each offices of the organization and it was distributed proportionally depending on the size and the number of employees the office has. The researcher include all permanent employee of GIZ because all of have passed through the processes and practice of Performance Management System in GIZ. From the total only nine questionnaires were not returned. From Addis Ababa office 3, Mekelle 2, Oromia1, Hawassa 1 and Bahir-dar 2 were not returned respectively. Since the head of the department and field manager didn't fill out the questionnaire because there were interviewed, from the sample size one respondent deducted from each field program (for field Managers) and two for Addis Ababa office (Department Heads).

Respondents' response were measured using five point Likert scale from '1' being 'strongly disagree' to '5' being 'strongly agree'. Once collected the data were tested for internal consistency using the commonly used statistical tool –Cronbach's Alpha coefficient. The result indicated that the collected data are highly reliable with Cronbach's alpha coefficient as shown in the table below. The closer the coefficient is to 0.7 the greater the internal consistency if data, which implies that the data is qualified, further analysis.(Nunnally, 1978)

Table 2 Reliability Statistics

Cronbach's Alpha	N of Items
.961	46

Source: own survey (2015)

4.2 Characteristics of Demographic Variables

Table 3

Variable	Group	Frequency	Percent
Gender	Male	128	67%
	Female	63	33%
	Total	191	100%
Work experience	0-1 Years	5	3%
	1-2 Years	33	17%
	2-4 Years	44	23%
	4 Years and above	109	57%
	Total	191	100%
	Program office	Mekele	26
	Bahir Dar	19	10%
	Addis Ababa	98	51%
	Hawassa	15	8%
	Oromia (finfine)	33	17%
	Total	191	100%

As can be seen in the above table 3 a total of 191 participants participated in this study of which 128 (67%) were male and the rest 63 (33%) were female participants. This data raise a question to see the whole population in GIZ data base. According to the data based most of the work forces are male employee. Regarding work experience of participants, the majority of participants, 109 (57.1%), were having 4 years and above in their work experience. 44 (23%) and 33 (17.3%) of participants were having work experience of 2-4 years and 1-2 years respectively. The rest, which is the minority of participants 5 (2.6%), were having work experience of 0-1 years. This figure shows most of the respondents has passed through at list one cycle of the Performance Management process and this indicates that the researcher collected information from employees who has the experience on the organization's PMP. Participants were represented from Addis Ababa office and four regional offices. Relatively the majority of participants, 98 (51.3) which is almost half of the total participants, were from Addis Ababa program office. Next to Addis Ababa, participants from Adama, 33 (17.3%), takes the second position in proportion. 26 (13.6%) participants represented from Mekelle. 19 (9.9%) and 15

(7.9%) participants were also represented from Bahir Dar and Hawassa respectively. Regarding the duty station it shows the majority of employees are working in Addis Ababa and it is because most the programs are implemented in Addis Ababa. The recently opened Afar project is also included in Addis Ababa since the work satiation of Afar staff is in Addis Ababa.

4.3 Alignment of individual objective with the organization’s objective

Alignment is the extent to which employee are similarly connected to or have a consistent line of sight to the vision and direction of the organization and its stakeholders, often summarized with in the current strategy of the organization.

Table 4.Descriptive statistics about Alignment of objectives

No	Alignment items		Response rates				
			Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
1	I clearly know GIZ’s mission, strategic goal and objectives	N	55	45	50	25	16
		%	28.8	23.56	26.18	13.09	8.38
2	I know how my job supports the overall organization’s strategic goal and objectives	N	40	56	43	30	22
		%	20.94	29.32	22.51	15.71	11.52
3	I have accountability that are aligned with the goal of GIZ	N	45	63	40	24	19
		%	23.56	32.98	20.94	12.57	9.95
4	I understand the other department’s goals and we support each other in order to attain the overall organization goal	N	47	51	46	28	19
		%	24.61	26.7	24.08	14.66	9.95
5	I understand the expectation of GIZ’s partners and stakeholder	N	53	47	41	32	18
		%	27.75	24.61	21.47	16.75	9.42
6	I know in what way my performance is linked to organization partners and stakeholders	N	49	56	32	31	23
		%	25.65	29.32	16.75	16.23	12.04
7	I feel my effort contributes to the organization success	N	45	58	36	27	25
		%	23.56	30.37	18.85	14.14	13.09

Total Mean = 2.57

Standard Deviation =

0.67Sources: Survey Questionnaire 2015

Note: For analysis purpose strongly agree and agree merged in category called “agree” and strongly disagree and disagree merged in category of “disagree”

Among 7 items of alignment, three items (item number 1, 2, 3,5and 7) were relatively rated as ‘strongly disagree’ by large number of participants.

Therefore,in the alignment section on table 4, item1intended to consider the awareness of GIZ’s mission, vision and goa. The result indicates that 100 (52.36%) of participants are not aware of the organization vision, mission and goal; whereas 41(21.47%) of the participants agree with the statement and 50(20.18%) of them said neutral. Therefore, it can be concluded that the majority of participants don’t have clear knowledge about the organization vision, mission and goal.

Regarding item number two on table 4 (I know how my job supports the overall organization’s strategic goal and objectives) indicates that the majority of participants 96 (50.26%) reported disagree. Whereas minority of participants 52(27.23%) reported as they agree that their job supports the overall organizations strategic goal and objectives. 43 (22.51%) said neutral. This result shows that most participantsdon’t have clear knowledge about their contribution toward the achievement of the organization goal. They only perform taskswhich came on their table.

As far as accountabilityis concerned, the above table 4 shows on item 3, the majority of participants 108(56.54%) reported that they disagree.On the other hand the minority of participants 43(22.52%) reported that they agreed. 40(20.94%) reported neutral.From this, it can be inferred that most participants doesn’t know whether they are accountable for the achievement organization goals. The failure of one his/his employee performance negatively contributes to the overall of the organization performance.

On Item number 5 on table 4 ask the participants whether they understand the expectation of GIZ’s partner organization; 100(52.36%)of the participants don’t know their expectation and 50(26.17%) agreed with the idea and 41(21.47%) said neutral. This indicates most of participants don’t have information about the expectation of their partner organization.

Alignment item number 7 which asks percipients precipitation about their effort contributes to the organization success, the above table 4 indicates that, the majority of participants 103(53.93%) reported disagree. This means they don’t know how their effort contributes to the organization success. Small percentage of participants 52 (27.23%) reported that they agree that their effort contributes to the organization success and 36(18.85%) reported neutral. This result

shows that in the current study, most participants don't fully understand that how their effort contributes to the organization success.

The total mean regarding alignment is below the average; if there is minimum alignment in the organization it affected the overall performance of the organization. If employee doesn't have a clear understand about what the organization objective they might waste their time and energy doing tasks which don't not having much relevance for achievement the department/program at the same time the organization goal. It is also bringing frustration to the employee because their efforts are not bringing any success. Therefore, Top Management (since they are responsible) of GIZ should take the responsibility and establish a strategy how to communicate the organization vision, mission and objective to all employee and make them understand very well. They should be also monitoring strategy is place whether the system, worked or not to make corrective action on time.

4.4 Performance Management Cycle –Pre-requisite

Performance pre-requisite is the first step in implementation of the organization's performance management process. This process allow the organization to clearly define its purpose or reason for existing, where it needs to be in the future, the goals it wants to be achieved and the strategies it will use to attain those goals. It is also the stage of implementing of job analysis.

Table 5 Pre-requisite

No	Prerequisite		Response rates				
			Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
1	I know my department goals are based on the organization's strategic goal	N	11	123	15	39	3
		%	5.76	64.40	7.85	20.42	1.57
2	I know my goals are based on our department's strategic goals	N	14	99	33	41	4
		%	7.33	51.83	17.28	21.47	2.09
3	My objectives support the overall mission, strategic goals and objectives of GIZ	N	21	85	31	50	4
		%	10.99	44.50	16.23	26.18	2.09
4	I have a clear understanding of how my job is related to the overall goal of the GIZ	N	29	92	33	32	5
		%	15.18	48.17	17.28	16.75	2.62
5	My duties and responsibilities are clearly defined to my understanding	N	15	34	34	89	19
		%	7.85	17.80	17.80	46.60	9.95

6	My superior encourage me to participate in my goal setting process	N	78	62	26	13	12
		%	40.84	32.46	13.61	6.81	6.28
7	Job analysis has been done by my superior before the duties and responsibilities has given to me	N	69	88	17	14	3
		%	36.13	46.07	8.90	7.33	1.57
8	I have a clear knowledge about the job I do	N	22	62	44	50	13
		%	11.52	32.46	23.04	26.18	6.81

Total Mean 2.81

Standard deviation: 0.72

Source: Survey Questionnaire 2015

Note: For analysis purpose strongly agree and agree merged in category called “agree” and strongly disagree and disagree merged in category of “disagree”

The researcher chose five items from prerequisite column which have higher percentage on disagree and these items also answer the most relevant points which should be raised on this stage.

Participants were asked whether they know their department goals are based on the organization’s strategic goals. It can be seen from the above table 5 item 1 that the participants 134 (70.16%) reported disagree. This indicates that most of the participants don’t know their department goals are based on the organization’s strategic objective. The minority of participants, 42(22%), on the other hand know that their department goals are based on the organization strategic objective. 15(7.85%) reported neutral. This implies that in general, on the current study most participants don’t know their department goals are based on their GIZ’s strategic objective. Developing a reasonable level of agreement among senior officials, managers, staff, and other key stakeholders on agency or program goals (including outcome-related goals) and on the resources, activities, and processes required to achieve the overall the organization objective. Wholey (1999)

On Table 5 item number 5 raised to measure the knowledge of participants regarding their understanding about their duties and responsibilities and Majority 108(56.54%) of them confirmed that they understand them well. 49(25.65%) of them disagreed. And 34(17.80%) reported neutral. Therefore this implies GIZ work well in providing the duties and responsibilities (J.D) of the employee.

On item number 6 the question was raised for the participant whether their superior encouraged them to participate on setting their goals. Participants replied 140(73.3%) disagree and 25(13.09%) agreed about the statement, 26(13.61%) reported neutral. This shows majority of participants didn't get the encouragement from their superior to involve on the process of setting their goals. According to Armstrong (2009) one of the acceptances of goals is achieved by encouraging and arrangement of employee to participate in goal setting. In addition he stated participating in goal setting improves performance, not because participation by itself is inherently motivating, but because it provides the employee with an increased understanding of expectations and strategies for goal accomplishment. Superior should also provide the information which required for individual objective setting like organization mission, vision and goal, department goal. They should also set together to discuss and review the goals, strategies and tactics. Therefore GIZ should work more with its superiors in order to make them informative and supportive for their subordinates on this stage.

Finally on item 7, they were requested to answer whether job analysis has been done by their superior before the job description is given to them. The above table 5 shows that, the majority of participants 157(82.5%) reported disagree whereas the minority of participants 17 (8.9%) reported agree and 17(8.90%) said neutral. From this result it can be concluded that most participant's job description is given to them without proper studying of their job(Job analysis). As it is stated on Smither and London(2009) a job analysis is a fundamental prerequisite of any performance management system. Without a job analysis, it is difficult to understand what constitutes the required duties for a particular job. If we don't know what an employee is supposed to do on the job, we won't know what needs to be evaluated and how to do so. From this result it can be concluded that the organization used tailor made job descriptions for its employee. It is recommend that GIZ should make analysis about overall tasks of the organization and develop its own Job description for its employee in order to be more effective on implementation of performance management system

Based on the aggregate result of this process is satisfactory. Therefore, GIZ should work more on communicating the organization's goals to its employees besides it should encourage and enforce its department heads to field managers to develop their department and program objectives and make sure those objectives are communicated to each team so that they have a better understanding on what they are doing. Employee should be highly involved on setting the department/program objective in order to have saying on the objectives (if there is an involvement of subordinates in planning of departmental goal it help the manager not to set unrealistic goal because they are the one who is doing the actual job). It also create self-belonging and motivation. Besides, it will be very easy for them to set their own goals.

4.5 Performance Management cycle - Performance Planning

On planning stage the superior and the employee meet to discuss and agree on what needs to be done and it should be done so as to let employee have a thorough knowledge about his/her objectives. According to Armstrong (2006) it is also concerned with developing people helping them to learn and providing them with the support they need to do well, now and in the future.

The plan deals with how their managers will provide the support and guidance they need.

Table 6 Performance Planning

No	Planning	Response rates					
			Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
1	GIZ's Performance Management system objectives are described to me	N	47	44	51	43	6
		%	24.61	23.04	26.70	22.51	3.14
2	My superior and I set goals and KPI at the beginning every fiscal year	N	32	77	33	36	13
		%	16.75	40.31	17.28	18.85	6.81
3	My superior gives me the opportunity to participate in performance planning and agreed on my job goals, objectives and measurement standard	N	27	76	41	39	8
		%	14.14	39.79	21.47	20.42	4.19
4	My superior clearly explains to me what is the expected performance	N	30	88	22	44	7
		%	15.71	46.07	11.52	23.04	3.66
5	My objectives are SMART (Specific, Measurable Attainable and Realistic and Time bounded) and challenging	N	55	74	29	24	9
		%	28.80	38.74	15.18	12.57	4.71
6	I reach an agreement with my superior on how my performance is measured	N	52	66	37	26	10
		%	27.23	34.55	19.37	13.61	5.24

7	The standard that are used to evaluated my work are explained clearly by my superior	N	34	80	37	31	9
		%	17.80	41.88	19.37	16.23	4.71
8	On the development plan meeting, my supervisor and I discuss both on my strength and areas which I need improvement and we set goal to achieve in each area.	N	17	88	44	36	6
		%	8.90	46.07	23.04	18.85	3.14
9	I get rewarded (bonus/other benefits) for accomplishing my development plan goals/objective	N	27	91	33	36	4
		%	14.14	47.64	17.28	18.85	2.09
10	My superior and I uses the previous performance assessments to set the current goals/objectives	N	24	78	48	39	2
		%	12.57	40.84	25.13	20.42	1.05

Total mean 2.78

Standard

deviation

0.86 *Source: Survey Questionnaire 2015*

Note: For analysis purpose strongly agree and agree merged in category called “agree” and strongly disagree and disagree merged in category of “disagree”

The first question in this category was intended to assess whether objectives of PMS is described to the participants 91(47.64%) disagree, 49(25.65%) agreed to this point and 51(26.70%) said neutral. The result shows that performance management system of the organization is described for some of the employee. GIZ should give training about the organization performance management system for all of its employee regardless of the position they have.

As indicated in table 6 item 2 to identify whether participants set objective and Key performance Indicators (KPI) at the beginning of every fiscal year. In this regard 109(57.06%) of the participants disagree whereas 49 (25.66%) agreed with the statement and 33(17.28%) said neutral. The result shows most of the participants don't have the experience on both goal settings and identifying key performance indicators to measure their performance. According to Armstrong (2009) key performance indicators are the results or outcomes that are identified as being crucial to the achievement of high performance and provide the basis for setting objectives and measuring performance. And the purpose of objectives is to communicate clearly the kind of work to be performed. Therefore, these two basic items are essential in performance management system.

The result from the study as depicted in table 6, regarding item number 4 (My superior clearly explains to me what is the expected performance) indicates that the majority of participants said 118(61.78%) disagree; whereas minority of participants 51(26.70%) reported as their superior clearly explained their expected performance. 22(11.52%) said neutral. This result shows that most superiors didn't provide their clear expectation regarding their staff performance. Clear expectation is very vital for goal achievement. Performance standards also needed to evaluate how well employees have achieved each objective. Therefore, some effort should be exerted to improve the provision of clear performance expectations in consistent manner.

As far as item number 5 is concerned about setting SMART, challenging but achievable objectives, the above table 6 shows that, the majority of participants 129(67.53%) reported as they disagree. On the other hand the minority of participants 33 (17.28%) reported agree and the rest 29(15.18%) said neutral. From this, it can be inferred that most participant's objectives were not SMART and challenging. SMART objectives are very mandatory for the achievement of individual, departmental and organizational objective. If this is not implemented well, the whole performance management will be facing difficulties in cascading it effectively.

As indicated in table 6 item number 8 concerning the development plan meeting with superiors majority of participants 105(54.97%) reported disagree and 42(21.98%) reported agree and the rest 44(23.04%) said neutral. This indicates that very few employees have a chance to discuss about their developmental plan with their superior. As it stated on Aguinis, (2009) Developmental plan should include identifying areas that need improvement and setting goals to be achieved in each area. Achieving the goals stated in the development plan allows employees to keep abreast of changes in their field or profession. In addition to this, the basic aim of establishing performance management system in the organization is for developmental purpose.

Looking the overall result, total mean value of this process is below average. Therefore, GIZ should work more on the implementation of performance planning process. Management team together with human resource department (since they are responsible) should create the awareness about the organization's PMS. Every employee should get the orientation/training about the system at the beginning of every year or during placement of new employee. There should be support from human resource on clarification about PMS whenever there is a need from the employees. There should be controlling mechanisms which enforce every employee to

have passed through this stage like the assessment period. The standard for measuring their performance should be set together with their objectives.

4.6 Performance Management cycle – Execution

Although the subordinates have primary responsibilities on this stage, the superiors also need give continuous feedback and guidance on their employees’ performance so that they can go towards to their objective. They the major responsibilities of superiors are observation of their employee performance documentation and coaching.

Table 7 Performance Execution

No	Performance Execution		Response rates				
			Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
1	I get positive, constructive and negative feedback on my performance regularly and timely from my superior	N	22	63	28	58	20
		%	11.52	32.98	14.66	30.37	10.47
2	The constructive feedback I get from my superior is based on my performance gaps to the point the way to further development and improvement	N	31	64	36	47	13
		%	16.23	33.51	18.85	24.61	6.81
3	The feedback I get from my superior is presented in a way that enables me to recognize and accept its factual nature (with based on the facts, collected information, result, behavior)	N	19	86	38	31	17
		%	9.95	45.03	19.90	16.23	8.90
4	I have the opportunity to give my opinion /feedback to my superior freely	N	47	67	37	31	9
		%	24.61	35.08	19.37	16.23	4.71
5	I get recognition whenever I done a very good job	N	43	65	24	48	11
		%	22.51	34.03	12.57	25.13	5.76

Total mean 2.89

Standard deviation 1.02

Source: Survey Questionnaire 2015

Note: For analysis purpose strongly agree and agree merged in category called “agree” and strongly disagree and disagree merged in category of “disagree”

The above table 7 item number 1 investigated the ongoing communication during the execution period. In this respect, the majority of participants 85(44.5%) disagree. Whereas 78(40.87%) said agree and 28(14.66%) reported neutral. This implies some of the participants receive continuous feedback from their superiors about their performance on a timely manner.

Regarding item number 4, it can be seen from the above table 7 that the majority of participants 114(59.68%) reported that they disagree with the idea of having the opportunity to give their opinion to their supervisor. The minority of participants, 40(20.94), on the other hand said they have the opportunity to give their opinion to their supervisor freely. 37(19.37%) reported neutral. This implies that most of participants didn't get the chance to give an answer on their own performance freely when they discussed with their superior.

Participants were asked on item number 5 on tables 7 whether they get recognition on their job. 108 (56.54%) participants disagreed and whereas 59 (30.89%) participants agree that they get the recognition whenever they have done a good job. The rest 24(12.57%) said natural. This indicates that the most of GIZ employee didn't any recognition on time when they have done a very good job.

Therefore, the whole result shows GIZ doesn't have uniform way of communication system on the execution period. These practices might discourage the GIZ employee to do better job everyday finally they will lose interest on their job and start to look for another job. Constrictive feedback should be given when gap on performance is observed by superior appropriately and on time so that the employees take the necessary step to improve those gaps before it is too late for correction.

4.7 Performance management cycle- Assessment

On this stage both the superiors and subordinates are responsible to do the assessment. This stage is very easy for both them if the above mentioned processes implemented properly. In most literatures it is advisable to do self-assessment because it reduce the employee's defensiveness during the assessment meeting and increase the employee's satisfaction with the performance management system as well as enhance perception of accuracy and fairness and therefore acceptance of the system.

Table 8 Performance Assessment

No	Performance Assessment	Response rates					
			Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
1	My performance is measured based on the agreement I reached with my superior	N	43	52	54	23	19
		%	22.5	27.2	28.3	12.0	9.9
2	My performance assessment covered those issues which were very important in performing the job	N	40	59	58	23	11
		%	20.9	30.9	30.4	12.0	5.8
3	There is a performance rating standard for all employees	N	42	47	47	33	22
		%	22.0	24.6	24.6	17.3	11.5
4	My performance is rated based on the standards established	N	42	52	53	19	25
		%	22.0	27.2	27.7	9.9	13.1
5	Chance is given to me to assess my performance	N	40	43	47	35	26
		%	20.9	22.5	24.6	18.3	13.6

Total Mean:2.93

Standard deviation: 1.08

Source: Survey Questionnaire 2015

Note: For analysis purpose strongly agree and agree merged in category called “agree” and strongly disagree and disagree merged in category of “disagree”

As portrayed on table 8 participants’ perception about the GIZ performance assessment process. Hence, on table 8 Item No. 1 participants were asked to rate whether their performance measured based on the agreement they reach with their superior. Accordingly, though 42 (21.9%) participant agree with idea, 95 (49.7%) participants disagree with the idea that their performance is measured based on the agreed points with their supervisor. 54(28.3%) reported neutral. This indicates on GIZ’s performance assessment process there is lack of standard and it was not based on agreed measurement.

Participants were asked on item 3 whether there was a performance rating standard for all employees. It can be seen from the above table 8 that the majority of participants 89 (46.6%) reported that there was no standard for rating their performance. The minority of participants 55(28.8%), on the other hand said there is standard developed for rating their performance. The

rest 47(24.6%) reported neutral. This implies that in general participants in the current study, standards are established for only few employees for their performance rating but not for all. The presence of biased-free evaluation is in question mark. As, biasness of ratings have different effects, this issue needs further investigation.

Regarding item 4, the above table 8 shows that, the majority of s participants 94 (49.20%) reported that their performance rating was not based on how well they do their job whereas the minority of participants 44 (23%) reported that their performance rating was based on how well they do their job. 53(27.7%) said neutral. From this result it can be concluded that most of participants said their performance rating is not based on the actual result of the performance. This shows that the practice of implementing the assessment in GIZ has biasness and subjectivity for majority of the employee.

The last enquiry for the performance assessment was made to assess whether the participants were given a chance to assess their own performance and 61(31.9%) of the participants agreed, but the majority 83(43.40%) respondents disagreed. The rest 47 (24.6%) said neutral. As discussed by Armstrong (2009) the main advantage of using a self-assessment approach is that it reduces defensiveness by allowing individuals to take the lead in reviewing their own performance rather than having their managers' judgements thrust upon them. It therefore helps to generate a more positive and constructive discussion during the review meeting, which can focus on joint problem solving rather than attaching blame. Therefore, GIZ should start giving the opportunity for its entire employee on this regard.

Looking in to the overall result, GIZ should use its performance management system fully and very effectively in order to tackle the challenges at it is stated above. If it implements effectively the employee's performance is measured accurately and the true gap should be identified for future improvement and development since the main purpose of the system is developmental. GIZ management team should also stress the fact that both parties (both superior and subordinate) are involved in the assessment which provides good information to be used in the review phase.

4.8 Performance Management cycle -Performance Review

On performance review cycle, both the superior and subordinate has to meet and review the assessment together by holding a positive thought in their mind and should strive for the performance recognition (if the positive performance observed) and improvement (when gaps are observed). It has to review the past that is what has done (result) and how it was done (behavior) at the same time it should include a discussion of the employee's development progress as well as plans for the future.

Table 9 performance Review

No	Performance Review	Response Rate					
			Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
1	I received formal appraisal once in a year	N	-	-	15	110	66
		%	-	-	30.9	34	35.1
2	There is mid / quarter year performance review in GIZ	N	15	69	38	46	23
		%	7.85	36.13	19.90	24.08	12.04
3	The performance review focus only on my past performance	N	2	11	33	102	43
		%	1.05	5.76	17.28	53.40	22.51
4	The performance assessment and review incorporates future Training & development plan	N	15	25	43	79	29
		%	7.85	13.09	22.51	41.36	15.18
5	My views view are respected and summarized by my superior	N	23	79	31	48	10
		%	12.04	41.36	16.23	25.13	5.24
6	My development progress as well as plans for the future are discussed on the review meeting	N	35	75	22	45	14
		%	18.32	39.27	11.52	23.56	7.33
7	If I don't agree with my rating, there is an appeal process	N	20	63	38	59	11
		%	10.47	32.98	19.90	30.89	5.76
8	The performance result I received has helped me for improving my performance	N	51	59	45	21	15
		%	26.70	30.89	23.56	10.99	7.85
9	I have attended training which is based on my performance gap identified	N	48	51	31	38	23
		%	25.13	26.70	16.23	19.90	12.04
10	I get reward/incentive/salary increase/promotion based on my performance	N	26	70	28	56	11
		%	13.61	36.65	14.66	29.32	5.76
11	In GIZ performance result provides basis for pay decision	N	13	33	20	91	34
		%	6.81	17.28	10.47	47.64	17.80

Total mean: 3.5

Standard Deviation:.82

Source: Survey Questionnaire 2015

Note: For analysis purpose strongly agree and agree merged in category called “agree” and strongly disagree and disagree merged in category of “disagree” .

For Performance review, 11 measures were set whose responses are summarized as follows.

GIZ has performance assessment and review period once in a year. Therefore for item number one on table 9 all of the participants have agreed with the statement.

With regard to availability of mid/quarter year performance review on item 3 on table 9 the majority of participants 84(43.98%) disagreed and 69(36.12%) said that they have agreed with the statement. 38(19.90%) said neutral. This result implies that there is mid/quarter year performance review in GIZ but it not fully practiced. As it is stated on Armstrong (2006) mid-year review is informal performance assessment and it is important when there is a change is needed on the objective of for the employee and it is one of the mechanisms of giving the performance feedback about the progress.

Item number four asked about whether the assessment and review incorporates future training and development plan. The table 9 above indicates that most of the participants 108(56.54%) reported agree. Whereas 40(20.94%)of participants reported disagree. 43(22.51%) said neutral. This result shows most of GIZ employee will plan about their training needs and developmental plan on the review period with their superior. Training need analysis could be conducted to address both organizational & personal development needs which can enable the organization to address employee performance gap and develop capability on skills needed for future requirements, respectively. Therefore it can be concluded that GIZ has good practice on planning training and development to its employee.

On Item 8whereask percipients if their performance result has helped them to improve their performances. The above table 9 indicates that, the majorities of participants 110(57.59%) reported disagree. This means that participants didn’t agree with the idea oftheir performance is improved by the performance result they have received in the past. Small percentage of participants 36(18.84%) reported that they agree that the performance feedback they get on the

review period has helped them to improve their future performance. 45(23.56%) said neutral. This result suggests that most of participants perceived that the feedback they get about their performance from their superior doesn't have that much relevance on improving their performance.

Respondents were asked on item 9 whether they have attended trainings which are planned on a review meeting, the above table 9 shows that, the majority of participants 99(51.83%) disagreed that employees didn't go through such training. On the other hand the minority of participants 61(31.94%) said they have attended the trainings. And the rest 31(16.23%) said neutral. From this it can be inferred that most participants haven't received the agreed training which were selected on the review meeting with their superior. Mone et al, (2011) found on their research that that informal and incidental learning, which lead to greater learning in the workplace. It can also enhance employee engagement. It is added that employee engagement is enhanced when managers offer their employees on-the-job learning opportunities as well as the autonomy to pursue those learning opportunities.

For item number 11 on table 9 majority of participants 125(65.44%) agreed with idea of GIZ pay decision is based on performance result and the small amount of participant 46(24.09%) disagree. 20(10.47%) said neutral. Therefore this implies GIZ uses performance result for basis of pay decision.

To conclude this analysis, even though every employee received performance review once in a year, the result they are getting from the review is not satisfactory because other cycles are not implemented properly. Therefore, GIZ should work more on implementing all the performance management system processes in order to be more effective and achieve the organization goal.

4.9 Focus Group Discussion (FGD)

Focus Group Discussion (FGD) was also used to assess the challenges the organization faces when implementing performance Management System. Three focus group discussions were held in Addis Ababa, Hawassa and Oromia (Findine) offices. Due to time and budget constraint the student couldn't include Behar dar (Amhara) and Mekelle (Tigray) offices.

Participants were asked to discuss on the challenges of GIZ performance Management system. The discussion was made on the alignment and detail process of the system.

4.9.1 Challenges on Alignment

According to FGD participants, the organization mission, vision and objective is communicated on induction course for band 3 and above (who are clerical and found middle level) therefore it can be said that it is partially done. The FGD participants also stated that induction course is not enough to notify them, therefore, other mechanism should be created; for example one of the participants said *“the mission statement should be posted on the wall so that everybody could see it”*. For the reason why they don't eager to knowing the GIZ mission, vision and goals one of participants said *“Since the organization doesn't give that much emphasis on communicating the mission, vision and objective, we feel that it is not that much important to know them”*. Only the program staff of GIZ knows and understands the expectation and the requirement of partner organization.

One participant added to this point by saying *“The workplace policies of GIZ are good and comprehensive. But the implementation of policies depends on the superior. That is why there are differences among programs and project/region”*. Participants from Hawassa added their points on alignment by saying that they have limited knowledge about GIZ as a whole but they know their programs and departments goals which are implemented at their field office. They also said since they work with government ministry on project basis, they have action plans and deadline in order to accomplish the task according to the government requirement with in project period. Therefore, the program unit is required to set objectives based on the government need not GIZ's. Based on the programs' goal/objective support staff will set their department goal but they set action plan to support the program. Participants from Oromia office also indicated that except few of the employee who are in managerial position, every employee doesn't understand the alignment their job to overall the organization goal, they also said they don't know what other GIZ office's goals and they are currently doing.

As understood from the FGD, the Program Directors (All of them are international staff) are the one who developed the organization mission, vision and goals and design the strategies. The program managers and department heads doesn't have saying on this process their only

responsibility is implementing the planned goal by developing program and department goal. Based on that they develop departmental objective and it goes to individual goal. But this process excludes support staffs; they only do tasks that come from the program unit.

For support staff, the expectation of their superior was not clear because they don't set individual goal and there is lack of communication on planning stage. In addition, the criteria for measuring performance are not clearly stated.

4.9.2 Challenges on Pre-requisite and Planning processes

One of the participants also mentioned Performance Management Process (PMP) of the organization is not included in the induction course as one part of introduction session; some of them didn't know its existence. Participants from Hawassa added that there is lack of knowledge about the performance management process in the organization this is because the training is given to superior by the headquarters and there is no follow-up mechanisms whether they have implement the process. One participant said *“the management like the idea of PMP but performance evaluators does not really understand what Performance Evaluation is. It should be taken seriously in constructive manner.”*

Regarding prerequisite and planning, department's objective is not communicated to the employees. Except very few program offices, every department and units only gives Job description once the selected candidate is placed in his/her assigned department. One participant stated *“The job description I received from my superior and the work I'm currently doing is different therefore this bring different results on performance measurement period”*. The same participants continued that since the job description are very general and similar; they couldn't differentiate the responsibility given to Officers and senior officers. Individual objective is not set and employees are evaluated based on their job description and that is the reason why the assessment/ evaluation part is made more difficult.

4.9.3 Challenges on Performance execution

The participants said when it comes to execution time, communication and coaching is minimal. They added that some supervisor's record when they see good and/or bad performance and on the assessment and evaluation period they use that to give the rating. Continuous follow-up and

feedback is very minimal. Supervisors rarely follow up and give advice only when they observe big mistakes. Regarding coaching one participant said *“Even though every expert in the program gives advice to the government officials based on his/her expertise and since she/he should update themselves every time, coaching is very mandatory but due to busy schedule of the supervisor and budget constraint we couldn’t get the required training”*.

Participants from Oromia office when they discussed about their experience on execution they said that constructive and negative feedback for bad performance is given on the spot orally but continuous follow up on the progress, feedback and performance development is few for the employee during the execution period. All the wrong doing and mistakes will be kept in the superior’s record and those points will be used on the performance assessment and review time.

GIZ organize trainings and workshops but this training are not job related. In many cases employees are given a chance to identify training needs, which is further discussed and agreed during the performance assessment. However, training attendance is delayed bringing up factors such as “budget “ and “unavailability” of the required training that will reduce one’s motivation to work as usual. One of the participants from Oromia office said *“Everyone should update him/herself in order to be competitive in the market. In our case as we are a technical expert in the program, GIZ should organize capacity building program and short term trainings since our major responsibility is to give advice for experts in government office let say for example in Ministry of Agriculture so I should be resource full and I should update myself every time. Training need of every employee is stated on the assessment/evaluation form but I’ve never taken those training because of the availability and budget limitation”*. They also said that recently, H.R department has revealed information recently via email saying that each staffs are responsible for searching and identifying for the training opportunities for him/herself and this creates burden to the employee. They also added that on job training for new staff is not adequate. Therefore it can be concluded that there is lack of professional development in the organization.

4.9.4 Challenges on Performance Assessment and Review

On performance assessment and review period, since the expectation and measurement of performance is not clear due to lack of objective setting, there is argument on the assessment

session. One participant said *“Subordinates become very defensive and the superior doesn’t have any clear justification for rating them on that specific way. So the superior create other excuse so that the subordinates accept rating on the evaluation form. One of the reasons is that there is quota on rating so they couldn’t give “excellent” or “superior” beyond that quota the management permit”*.

The FGD participant specified that on the performance assessment process Assessment talk (review meeting) is only one way; subordinate doesn’t have a saying. One participant added *“after the superior fill out his/her part on the performance evaluation form the subordinate is only allowed to sign on the form.*They also added that promotion opportunity is very rare. This is because there is lack of capacity building training and development programs. This is because GIZ prefers to hire a new employee with the required skill rather than educating and building the capacity of existing staff.

The Oromia FGD participants stated that on the assessment and evaluation period, due to the above reasons mentioned on the PMS, it makes the process very difficult. There will be disagreement between superior and employee because the expectation and measurement was not clear at the beginning; the superior doesn’t have justification for giving that rating. One participant from the group also added that *“Subjective impression of the assessor plays a big role. Challenges, even if they are of use for the official job performance, are not that much appreciated. Instead, sycophantic and timid behavior (of those to be assessed) and personal favor towards the superior matter (positively) are not few cases”*.

Participants from Hawassa field office added that yearly based salary increment is based on budget the program has, the relationship you have with your superior, and the superior’s persuasions skill to the management and is rarely on the real performance of the employee. One participant also stated that the percentage of the increment is very discouraging.

Regarding the performance rating they said the PMP in GIZ is done on quota basis and great emphasis is given to be mathematically correct. That is; it tries to put majorities of employees in a certain rating level (successful) thus, may not reflect the right individual performance level.

The FGD participants concluded that since backward feedback will start very soon, it may bring change by giving superiors a wakeup call provided the feedback is filled by subordinate without fear and reluctance.

The suggestions from FGD participants to improve the implementation of performance Management system are as follows;

- Even though the programs objective is known by employees on the field office, every employee should also have the knowledge of organization's mission, vision and objectives and performance management system so that everyone is acquires the bigger picture of GIZ.
- Everybody has to have a good understanding about GIZ's performance management system and some strategy should develop which enforce employee and monitor the process for implementation.
- Program staff should not be the only ones setting individual objective rather everybody has to set his/her objective in order to have clear expectation and criteria on performance measurement. The Individual objective should be SMART and it has to be done at the beginning for all employees.
- There should be mid or quarter year review meeting for all employees in order to notify the employee where he/she stand,
- Two way frequent communications should be developed. The relationship between superior and subordinates should be strong. Superior has to coach and build the capacity of their staff which enables them to develop professionally. In addition to that superior of every program and departments has to take the main role in bringing a change on developmental process by compiling the training needs of their staff and communicating to HR department and top management and frequently follow-up about the progress.
- The training needs on the evaluation form should be summarized and analyzed, and based on that training need and training opportunities has to be communicated to all employees on a timely manner. HR department should take this role.
- Clear measurement of performance should be placed and should be with evidence. Evaluator should minimize subjectivity and be free from bias. They should only assess and evaluate performance and no other criteria must interfere on measuring performance.

The Assessment/ Evaluation form shouldn't be generic; rather it should be specific to the position/profession.

- The assessment/Evaluation form should be revised and place should be there in order for the subordinate to write about the task he/she performed. Besides that, since there are different positions and experts in the organization the duties and responsibilities and measurements are different from one another. Therefore, evaluation should be specific to the position.
- Quota for getting “excellent” “Superior” rates should be excluded from the system. Everyone has to get his/her reward based on their performance result not based on quota
- The rating scale should be more specific, clear and self-explanatory.
- Reward should be based on real performance measurement also include other non-monetary rewarding mechanism. To get the reward an employee shouldn't wait a year. Other rewarding instruments should be there over the year when good performance is observed.
- Performance Management system shouldn't be for punishment rather it should be used for developmental purpose.

4.10 Interview with Head of department and Field Managers

As stated on many literatures, Interview is one of the commonly used primary data collection method. This method enables to obtain relevant information for highly targeted audience. Interview also provides the respondent with the opportunity to express their feeling and opinions.

4.10.1 Findings from the interview

Regarding the practice of alignment in GIZ most of them said they have fair knowledge of GIZ's vision and mission of the organization. But the program managers said they have better knowledge of their program's objective since they participated in planning process of their specific programs and their position requires further reading. About their staff, they are not sure if their staff are aware of the mission, vision and objective of the organization because the orientation organized is given only for specific positions where as lower positions that are found in band 1 and 2 didn't get this opportunity. One of the interviewee said that the head office should take the responsibilities for organizing this course for all employees. They also suggested it also should use different mechanism to make them aware of the organization's objective. But

HR head has argued that this induction course is prepared twice a year and the reason for excluding band 1 and 2 employees is because it is prepared in English which would be very difficult for them to understand. The H.R head added that newsletter publication about GIZ success story is disseminated to all GIZ staff semiannually in English and German language.

All the managers and head of departments said that only Management staff (they are directors of the program and International) has the role of developing organization mission vision and objectives of GIZ Ethiopia program. One Field Manager said *“once it is developed based on the organization objective, we develop our program objectives and action plans”*

The performance management system is placed in the organization to measure performance of every employee and to give feedback on employee performance so that they can continue to work on their strength and improve their weaknesses and consequently improve the overall organization’s performance.

But coming to the GIZ practice, all of them said the PMS is partially implemented in the organization. The Head of H.R said that *“I said partially because SMART objective is not practiced mostly and this shortcoming should be improved in the future”*. Only Assessment, review and rewarding employees on monetary form based on the assessment result is mandatory. So every superior has to do it. We know planning is very important but there is no controlling mechanism to monitor the processes (whether everybody has done the planning or not).

Even though all of the processes and stages of performance management system is found in policy of GIZ, the practice is only performance appraisal. HR Head added that *“In GIZ policy, planning, ongoing communication/feedback regarding employee performance is mandatory but there is no controlling mechanism. Besides that the practice is not prevalent. Assessment and evaluation is done once a year. There is mid-year review evaluation meeting only when there is a change in superior. Finally, performance related salary increase will be done at the beginning of each fiscal year”*

When the researcher asked about the effectiveness of PMS on identifying good and bad performer in GIZ, they said that it provides feedback for good and bad performer but is more subjective which is the result of lack of implementing the two process/stages on the system. One Department head said *“I can’t definitely say that it identifies good and bad performer because*

the existing practice is done partially, for example superiors and employees are not aware of the organization's mission and objective thus can't set their department goal based on the organization objective. If they don't do that I can't say the system is implemented effectively and the above mentioned gaps bring disagreement during the performance assessment and evaluation time."

According to HR head GIZ is using "Bell curve" system to control the rating system, most employee misperceived this system and think as GIZ is quotas for rating performance. When positive performance is observed it is linked with the monetary reward based on the rating he/she got. Staff gets salary increase based on the percentage decided by management every year. And when negative performance is observed there is no salary increment for that year. Based on the gap observed, improvement measures will be identified but there is no follow-up and controlling mechanism is practiced and major action taken to improve the employee performance is minimal.

One program manager said 'there is record for saying "room for improvement" but no action is taken either to terminate the employee or improve the performance'

The performance Management system training is provided only for superior once a year; furthermore, reading materials about the system is disseminated by the H.R department to all employees by email for those who have email access.

For the question "Do you or the organization facilitate or send training opportunities to employees based the training need observed on the assessment and evaluation period?"

All of them said HR department record all the training on its data every year after the evaluation form is collected from each program offices and departments before it is filed in the respective employee personnel file. But they haven't identified and send the training opportunities to the staff. It is the employee's responsibility to find and attend the required training.

For the reason why the opinion differs on the assessment talk and evaluation time, they said measurement of employee performance is not based on individual objective for most employee as there is lack of goal setting) There is also lack of continues communication/feedback during the year and the expectation is not clear, evaluation is based on J.D and J.D is developed for a

position not for an individual and the current practice of GIZ only focuses on performance Assessment review and is done at the end of the year.

One of the department head said *“There is no common ground for conducting the staff’s assessment talk. Even though planning and setting goal is a requirement in PMS of GIZ, when we come to actual practice it is not obligatory and there is no monitoring and controlling mechanism to oversee the implementation. Therefore, most organizational units do not plan, set objective or encourage its staff to set theirs. This results in lack of common ground to measure performance which finally results in dissatisfaction and belief that the evaluation is conducted only for paper work.*

But one program manager said *“ This being the case, when we come to employee, most of the times staff doesn’t want to hear their weakness sometimes, they are more ambitious and the other reason is since the reward is based on the evaluation, the subordinates doesn’t want to lose the salary increment.”*

4.10.2 Solution suggested by Head of the department and Program Managers

- It is better if managers and Head of departments have roles in establishing the vision, mission and objective of GIZ because it creates self-belongings for them and they will have saying.
- Individual objective setting in some of the program is practiced but it should be uniform to all employees. The objectives should be SMART. HR department should encourage superiors to set together with their subordinates on objective setting time to bring common understanding and expectation. Monitoring and controlling mechanisms should be placed in implementing the stated stage/process,
- Induction course or orientation should be organized to all employees. For band 1 and 2 it should be presented at least in Amharic,
- Continuous Training on PMP should be given to all employees at the beginning of the year and on induction course so that every employee has clear understanding,
- Mid-year review meetings and continuous feedback and communication should be encouraged to minimize the idea difference between superior and subordinate. It also makes the employee alert and informs the status the employee’s performance. HR

department should take the initiative to follow –up the proper implementation of the Mid-year review meetings,

- Since the main purpose of PMP is developmental, superior and HR department jointly should take the responsibility for staff development training and development. They should straggle for budget acquisition for training and development,
- HR department should use training needs assessment data to search for Training opportunities (custom made and job related) inside and outside of the country,
- Evaluation form should be translated in to local language for every field offices so that lower level (band 1 and 2) employee has better understanding how they are being evaluated.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.1 Introduction

Result and discussion of the study were presented in the previous chapter. This chapter first presents a brief summary of the study followed by conclusion, limitation of the study and recommendation.

The researcher of the study started the research having a general objective to assess employee Performance Management System of GIZ Ethiopia Program.

Mix of quantitative and qualitative research methods were used to collect and analyze data related to the research questions and the research objective. To gather relevant data for the study questionnaire, FGD, in-depth interview, and document analysis were used. SPSS-version 20 was used to analyze quantitative data collected through questionnaire. Information gathers from FGD and interview and document analysis was presented qualitatively.

5.2 Summary of major findings

- Regarding service year- 97.4% of the respondent's response that they have stayed in GIZ for a year and above indicating that most of the employees have passed through at list one cycle of performance management system.
- The mean value of alignment measures indicated that participants have slight agreement with awareness of the organization's vision, mission and goal. To see in detail, the analysis indicated that majority of the participants confirmed they don't have clear knowledge about the organization objectives. They also added that they don't understand how their jobsupports to the overall organization's goal, the other program and department's goals.Regarding expectation of GIZ's partner organizations, it is not clear to employee. Plus they don't know if their performance linked to GIZ partner organization and GIZ itself. They also don't how their effort contributes to the organization success. The focus group discussion result also supports the finding which is found from descriptive analysis by stating thatGIZ communicated the organization's vision, mission and goal on the induction course which is implemented twice in year. But

this induction course incorporates only clerical and managerial positions. And it is conducted in English language. On the interview session, they have said that they have fair knowledge about GIZ mission, vision and goal and this is due to lack of involvement on strategy development of the organization. The program manager indicated that they have better knowledge about their program goal than GIZ as a whole since they involve in planning process and so does their employees.

- Concerning on pre-requisite stage, major finding were; the majority of participants confirmed that they don't know whether their objective are based on strategic departmental goal. It is also indicating that most of participants don't understand the clear linkage between the individual goal to organizational objectives and values. They also indicated that they have job description but their superiors don't encourage them to participate in setting their objectives. Regarding job analysis, the majority said their job description didn't pass through to job analysis process. Member from focus group discussion and interviewee response stated that their department goal is not communicated well except for very few program offices and due to this majority of employee couldn't understand the linkage between the department goals to their work. Besides that their job description they received from their superior and the work they have been doing has difference and this is due to lack of job analysis. Thus, indicating similarity in the findings that there is lack of linkage between the organization objective, department goal and individual goals. Plus the employees are not familiar with the job analysis practice.
- The result indicated on the planning phase the organization's performance management system is not communicated to all employees and individual objective with performance standard measures and key performance indicator (KPI) is not set. Only few participants agree that they participated in performance planning, developmental planning meeting and have a clear understanding of what they are expected to do along with the measures. The descriptive statistics also indicating that most of employees didn't get the opportunity to reach with agreement with their superior on how their performance is measured. The result also shows that most superior don't use previous performance assessment to set the current individual objective. Beside SMART objectives are not set to all employees. The FGD and interview result also shows that there is lack knowledge

in GIZ Performance Management System because the introduction of this system is not included on the orientation rather superiors gets PMS training from the headquarters one month before the assessment and review period. The experience of setting individual SMART objectives is rare. From the interview it is found out that very few field Managers have the experience of setting their subordinate's objective as well as theirs based on their department objective. It is because there is lack of knowledge and experience about the process and the perception that the process is overwhelming and time taking. Besides, there is no follow-up mechanism whether they have implemented this process of PMS. The interviewee also agreed with FGD participants by saying the GIZ's PMS is implemented partially.

- It is found that getting on going (both positive and constructive) feedback about the progress of the performance on a timely manner is minimal on the execution period. Most participants stated the constructive feedback they get from their superior is not based on facts, result and behavior and performance gaps. Few participants get the opportunity to give opinion on the performance freely. Besides lack of recognition and coaching was identified as a gap. The FGD and interview finding also shows that the practice of continuous follow-up and feedback about the progress of performance is insignificant. The past trend on execution period is superior records when good or bad performance is observed and uses the recorded information on assessment and evaluation period. Regarding coaching, the practice is seen in some program offices. On the interview, Head of H.R stated that according to GIZ policy on going communication about the progress of the performance is encouraged in order to improve the individual performance. The practice however, is not fully being implemented.
- It is also found that chance is given occasionally for employees to assess their own performance on the assessment cycle. The analysis also indicates that performance is not rated based on the standards established and most of the participants agree that their performance is not based on how they do their job. The focus group also confirmed that even though performance assessment and review is done once in year with proper follow-up by H.R department, on the assessment/review meeting there is idea difference among subordinate and superior. Since clear expectation and standard measurement for performance are not set in most cases, the assessment becomes subjective and bias. Mid-

year review is provided in rare cases where new superior enter in to organization. The Interviewee also stated that the current practice of performance management system used to identify good and bad performer but it has some subjectivity and this is because the above mentioned processes are not applied properly and strategies are not build to control the implementation.

- Participants also indicated that the performance review focus on past performance. Majority of the participants agree that the training & development need are discussed and planned on the review meeting but most of them didn't attend those planned trainings. About the performance result they have received majority of participants perceived that it didn't improve their performance. It also indicated that most participants' view on performance are not summarized and noted by their superior. But most of them confirmed that there is appealing opportunity when there are idea differences with superior on evaluation time. In relation to reward majority of participants indicated that GIZ uses performance based pay decision. They also added that salary increase, promotion, incentives are based on the performance result which is provided by their superior. Both the FGD and interview result support this descriptive finding by saying GIZ organize and cascade soft skill trainings but job related trainings are minimal. They also added that training and development needs are discussed and placed on the evaluation forms but most of them are not taken. And there is always budget issue on approval of the trainings. Concerning the assessment and review, the interview stated that regarding training and development plan, the training needs are identified on the performance evaluation form and they are recorded on HR data base but it lacks follow – up and giving those job related trainings. This is due to not giving appropriate consideration on the issue, limitedness of this job related training in the country and budget constraints.
- When they discussed about the practice of performance review meeting, the participant specified that the result already predetermined by the superior before the meeting without their involvement. Similarly, the assessment and rating is written on the evaluation form before the meeting was held. This signifying that there is one way communication. The interviewee when they discuss about the performance review meeting, when positive performance is observed, monetary reward will be given. The percentage for the salary

When they discussed about the practice of performance review meeting, the participant specified that the result already predetermined by the superior before the meeting without their involvement. Similarly, the assessment and rating is written on the evaluation form before the meeting was held. This signifying that there is one way communication. The interviewee when they discuss about the performance review meeting, when positive performance is observed, monetary reward will be given. The percentage for the salary increment is decided by top management. (International employees) When gaps are identified, improvement plan is discussed and written on the evaluation form but there is no follow-up on performance improvement is done.

The opinion differences occur on the assessment and review meeting because the expectation and performance measurement is not specific and clear, the communication between superior and subordinates are minimal, the development plan is not implemented according to the plan. In addition, since the assessment result bring salary increment, every employee focus on the increment rather than their performance development.

- Finally on performance rating, most participants understood that the rating based on quota and they believe this quota system couldn't show the real performance of the employees. The HR head has indicates his different perception about this issue by saying that GIZ uses “Bel curve” to control the rating. As it mentioned on the literature review it is one of appraisal mechanism which control rating of performance by differentiating good, moderate, bad performer using percentage. In relation to the rating, the interviewee also stated that GIZ has 1 to 5 rating categories on the performance evaluation form. Poor, scope for improvement, successful, superior and Excellent are standard rating. Superiors are only required to write justification for giving “Poor” and “excellent”. When the overall performance result become “poor” and “room for improvement” no administrative major is not taken for either to improve performance or terminate the contract.

5.3 Conclusion

This research consisted of a case study on the performance management system at International Bilateral organization, specifically GIZ Ethiopia. The main purpose of the case study was to assess the practice and challenges of a performance management system at the GIZ. This was

done in detail in Chapter 4, which included a thorough review of documentary evidence, interview, focus group discussion and questionnaire to provide a detailed description and analysis of the implementation of the performance management system. This was followed by an assessment challenges on implementing the system and identifying of potential areas for future development of the GIZ's performance management system. Now in this part, based on the major findings stated above, the following conclusion has been reached.

5.3.1 CONCLUSION ON THE PROCESSE, PRACTICES AND CHALLENGES OF PERFORMANCE MANAGEMENT SYSTEM

The study shows that GIZ has had a well written performance management policy in place since November of 2010 but the procedures on the policy are not fully utilized. The specific points with regard to this are organized as in the following paragraphs.

It is reasonable to conclude that GIZ mission, vision and objectives are understood by limited number of employee. This is because the orientation which is given by the organization restricted non clerical position and besides that once it is given, there is no other way of reminding the employees. Alignment of the organization goal to their individual objective is not clear to the majority employees. In addition to that, all the communication regarding this process is implemented in English. Department heads and field managers don't have role in developing the organization goals rather when the approved goals are communicated to them by the top management (International staff) their responsibility is only implementing those goals as per the specified procedure. Therefore it can be conclude that the alignment part is partially done. Since alignment is the foundation of performance management system the organization should give due attention to improve this process.

Based on the study findings regarding prerequisite process one can also conclude that there is lack of awareness on performance management system. And it is because this is not included in the induction course. Department and program goals are communicated to some of the employee. Similarly, it is highly likely to conclude that field managers and department heads working in program have better understand about their program because they involved on planning system. GIZ's job analysis practice is very minimal.

On planning process it can be concluded that there are few practices on department and individual goal setting. Similarly, it is high likely that the practice of setting SMART objectives

is not well-executed. There is also no controlling mechanism for the implementation of this process. Since this process is not implemented effectively some subordinates don't have clear expectation about their performance. As Goal setting is vital on review of employee performance, performance expectations including both the behaviors employees are expected to exhibit and the results they are expected to achieve during the upcoming rating cycle should be stated clearly. Individual should get the opportunity to establish their individual objective based on their department goal.

Employees do not get timely and continuous performance feedbacks. In addition to that, coaching and the performance progress follow-up were not regularly performed. These practices are found to be the drawbacks of superior in the application. The practice of documentation of major performance events is witnessed partially on the superiors. Recognition when positive performance is observed is rare. It is known that setting individual goals is not going to be effective if there is no opportunity for feedback and chance to correct and clarify performance progress before the goal has been reached to the end. Therefore, top management, superior need to give due attention for implementing of this process.

From the study findings it can be concluded that self-evaluation by subordinates in the organization is not practiced. At the performance review time superiors seem to dominate employees. Most superior in GIZ don't encourage two way communications. Since there is clear expectation and performance standard are not there for most employees, there is idea difference on the performance result during the performance assessment period. But if the review meeting discussions couldn't narrow the thought discrepancy, there is an appeal procedure which employees can follow in the organization. Besides that training needs were identified on the development meeting but, the statistics indicates that developmental activities like coaching and training are very weak in the organization due to unavailability of job related trainings and budget constraint. There is mid-year review meeting for some cases. Most employees perceive the assessment is subjective and the evaluation form doesn't allow employee to state their justification on their performance result. In GIZ, there is annual salary increase based on performance result. Regarding the rating employee understood that the performance rating is decided on quota basis.

5.4 Recommendation

Performance management systems can assist an organization to achieve synergistic results. Therefore, based on the analysis and the above mentioned conclusions, the researcher recommends the below mentioned recommendation so as GIZ enable to implement its employee performance management system in the essence of its purpose and bring about the desired organizational change.

- Every employee of GIZ should know the Organization's mission, vision and objectives regardless of level of the position they have. Besides regarding to the induction course, GIZ should use other mechanism to make its employee aware of the vision, mission objectives such as preparing brochures, flyers and hanging mission statements on the organization wall to convey the information. They should be translated to the local language to ensure everybody understand it. A special Induction course program should be organized for non-clerical employees which will be conducted with their local language. The Induction should also incorporate PMS of the organization so that the employee has an adequate knowledge about the system and how to implement it.

- GIZ should implement its Performance management system effectively. All of the process of PMS which are clearly stated on the policy should be implemented. A controlling and monitoring mechanism should be designed for the implementation of the system.

- Performance Planning should be done at the beginning of every fiscal period and make sure all employees are part of the planning process. Employee should also involve in setting the department goal since it bring self-belongingness and motivation. Training about how to set SMART objectives should be given to all employees. In addition to that every employee should set their own individual objectives based on their departmental goal and Job description. The superior should also be encouraging, informative and highly involve during the time of goal setting to make sure the goals are SMART and challenging but achievable. A controlling system should be placed in order enforces employees to set their objectives. A superior and subordinate should have time to discuss

and set the objective together; there should be common understanding between them about the objective, the expectation should be clear for both them and the agreed objective should be documented. Job analysis should also be done in order to get clear job description and to ensure the employees understand their job very well.

- Performance standard with the expected performance result should be set and identified at the beginning in order to reduce subjectivity and personal judgment on the performance assessment and review period.
- Communication between superior and subordinate should be frequent so that there is continuous feedback about the progress of the employee performance. Training opportunities should be revealed by the HR department. Custom made, job related training should be organized instead of general training. The training opportunities should also include lower level employees in order to improve their performance and increase motivation. Based on the training need, enough budget should be allocated for training and development.
- GIZ requires putting in place ways in which employee conduct self-evaluations on the assessment period and a culture should be created which brings open/two way communication so that employees are able to discuss frankly/freely about their performance.
- Assessment and review forms should be translated in the local languages so that non-clerical employees have better understanding how they are being evaluated.
- Performance measurement standard guideline should be designed so that all can participate and follow it during planning, setting goals and upon measurement. This decreases the degree of subjectivity on the rating stage.
- GIZ performance ranking system “Bell Curve” should be explained to all employees in order to minimize the misunderstanding.
- Introduce other non-monetary performance recognition mechanism for employee like posting “employee of the year” on the organization newsletters and notice board, sending the employee for other countries which GIZ is working for experience sharing, short term assignment in different countries so that employees will be more motivated.
- Since it is very difficult to implement the performance management system without highly involvement and intervention of top management, the system should get high emphasis from management staff for effective implementation.

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ADDIS ABABAUNIVERSITY
SCHOOL OF COMMERCE
MA-PROGRAM
RESEARCH GUIDELINE FOR FGD
(TO BE DISCUSSED WITH EMPLOYEES)

THE PRACTICES AND CHALLENGES OF PERFORMANCE MANAGEMENT SYSTEM IN GIZ

1. How do you see the current practice of performance Management system in GIZ?
2. What challenges do you observe on implementation of the PMS in GIZ?
 - 2.1 What do think are the challenges on the Alignment?
 - 2.2 On Pre-requisites stage?
 - 2.3 On performance planning stage?
 - 2.4 On performance execution stage?
 - 2.5 On performance assessment stage?
 - 2.6 On performance review stage?
- 3 What do you think are the solutions for the mention problems?

ADDIS ABABAUNIVERSITY
SCHOOL OF COMMERCE
MA-PROGRAM
RESEARCH QUESTIONNAIRE
(TO BE FILLED BY EMPLOYEES)

**THE PRACTICES AND CHALLENGES OF PERFORMANCE MANAGEMENT SYSTEM IN
GIZ:**

This questionnaire is primarily intended as preliminary criteria for the partial fulfillment required for the award of **THE DEGREE OF MASTERS OF ARTS IN HUMAN RESOURCE MANAGEMENT (MA)**. The general objective of the study is to assess the practices and challenges Performance Management System of GIZ through this questionnaire to get firsthand information.

All data and information that will be gathered through this questionnaire for the sole purpose of the research and remain confidential. Therefore, you are kindly requested to respond to the questions with utmost good faith, freely and to the best of your knowledge.

There is no need to write your name on the questionnaire.

The questionnaire has three different parts, part I is used to gather general information about the respondent, part II questions with 5 point Likert scale are provided to collect information that are related with the subject matter and Part III contains open ended questions so as to enable you to describe your say in your own words.

I would like to extend my heart full gratitude in advance for being a volunteer to devote your valuable time in filling this questionnaire.

Your painstaking and genuine responses are reliable and relevant for the success of the study
 .All the information given will be kept confidential.

Thank you in advance for your cooperation

MerikokebTsegaye

Remarks:

1. Put an X or \sqrt mark wherever blank boxes are provided.
2. State your answers for the blank spaces provided, briefly.
3. Please feel free to write any response.
4. Read all the questions before you answer.

Part I. General Profile (Please put X or \sqrt that best represent you)

General Information

1. Sex: a. Male b. Female
2. How many years have you worked with GIZ?
 A. 0-1 years B. 1-2 years C. 2-4 years
 D. 4 years and above
3. Designation/ position of employee _____
4. Program office _____

Part II questions on practices of performance Management System

Dimensions	strongly disagree	disagree	Neutral	Agree	Strongly agree
Alignment	1	2	3	4	5
I clearlyknow GIZ's mission, strategic goal and objectives					
I know how my job supports the overall organization's strategic goal and objectives					
I have accountability that are aligned with the goal of GIZ					
I understand the other department's goals and we support each other in order to attain the overall organization goal					

I understand the expectation of GIZ's partners and stakeholder					
I know in what way my performance is linked to organization partners and stakeholders					
I know how my effort contributes to the organization success					
Performance prerequisites					
I know my department goals are based on the organization's strategic goal					
I know my objectives are based on our department's strategic goals					
My objectives support the overall mission, strategic goals and objectives of GIZ					
I have a clear understanding of how my job is related to the overall goal of the GIZ					
My duties and responsibilities are clearly defined to my understanding					
My superior encourage me to participate in my objective setting process					
Job analysis has been done by my superior before the duties and responsibilities has given to me					
I have a clear knowledge about the job I do					
Performance planning					
GIZ's Performance Management system objectives are described to me					
My superior and I set objectives and KPI (key performance indicators) at the beginning of every fiscal year					
My superior gives me the opportunity to participate in performance planning and agreed on my job goals, objectives and measurement standard					
My superior clearly explains to me what is the expected performance					
My Objectives are SMART (Specific, Measurable Attainable and Realistic and Time bounded) and challenging					
I reach an agreement with my superior on how my performance is measured					
The standard that are used to evaluated my work are explained clearly by my superior					
On the development plan meeting, my supervisor and I discuss both on my strength and areas which I need improvement and we set goal to achieve in each area.					

I get rewarded (bones/other benefits) for accomplishing my development plangoals/ objective					
My superior and uses the previous performance assessments to set the current goals/objectives					
Performance Execution					
I get positive, constructive and negative feedback on my performance regularly and timely from my superior					
The constructive feedback a get from my superior is based on my performance gaps to the point the way to further development and improvement					
The feedback I get from my superior is presented in a way that enables me to recognize and accept its factual nature (with based on the facts, collected information, result, behavior)					
I have the opportunity to give my opinion /feedback to my superior freely					
I get recognition whenever I done a very good job					
Performance Assessment					
My performance is measured based on the agreement I reached with my superior					
My performance assessment covered those issues which were very important in performing the job					
My performance is rated based on the standards established					
My performance rating is based on how well I do my job					
Chance is given to me to assess my performance					
Performance Review					
I received formal appraisal once in a year					
There is mid / quarter year performance review in GIZ					
The performance review focus only on my past performance					
The performance assessment and review incorporates future Training & development plan					
My view are respected and summarized by my superior					
My development progress as well as plans for the future are discussed on the review meeting					

