



**ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE GRADUATE STUDIES**

**ASSESSMENT OF PERFORMANCE MANAGEMENT PRACTICES AND
CHALLENGES: THE CASE OF COOPERATIVE BANK OF OROMIA IN ADDIS
ABABA HEAD OFFICE**

**THESIS SUBMITTED TO ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE
FOR THE PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD
OF MASTER'S DEGREE IN HUMAN RESOURCE MANAGEMENT**

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**JUNE, 2024
ADDIS ABABA, ETHIOPIA**

Student's Declaration

I declare that this thesis entitled *Analysis of Performance Management Practices and Challenges: The Cases of Cooperatives Bank of Oromia in Addis Ababa Head Office* is my work and has not been submitted to any university for a similar purpose. The references used in this proposal are duly recognized by proper citations.

Genet Bogale Negasa
Name of Student

Signature

Date

Statement of Certification

This is to certify that the thesis work submitted by Genet Bogale Negasa, titled “*Analysis of Performance Management Practices and Challenges: The Cases of Cooperatives Bank of Oromia in Addis Ababa Head Office*” and submitted in partial fulfillment of the requirements for the Master of Degree in Human Resource Management is her original work and is under my guidance and supervision. Finally this research paper has been presented for examination with my approval as university appointed me as advisor and supervisor.

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We, the undersigned members of the Advisor and Examiners of the final defense by Genet Bogale Negasa, entitled “*Analysis of Performance Management Practices and Challenges: The Cases Cooperatives Bank of Oromia*” have read and evaluated, her thesis is the bona fide research work and the thesis has not formed the basis for the award previously of any diploma, degree, master, associate ship, fellowship or any other similar title. This is therefore to certify that the thesis has been accepted in partial fulfilment for the award of the degree of Master of Art in Human Resource Management.

Approved by Board of Examiners

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Acknowledgment

First of all, I would like to thank the almighty God who led me through all the rough and difficult times and gave me the strength and encouragement to complete this study.

Second, it makes me the greatest pleasure to express sincere gratitude to my advisor, **Zegeye Muliye (PhD)**, his tireless proactive guidance, support, constructive comments as well as offering with helpful advice and direction from the beginning to the culmination of this research paper.

Thirdly, I want to thank my beloved husband for his unwavering support, and gracious financial support, which proved essential in helping me succeed in my academic goals which has been crucial in advancing my professional life.

My appreciation also goes to all head office employees of Cooperative Bank of Oromia who extended their utmost cooperation and valuable response for my questionnaires.

Last but not least, taking this opportune moment, I would like to express my sincerest thanks to my families and friends those encourage me with various aspects during my education in general and this research paper in particular.

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Acronyms

BSC	Scorecard of Balanced
CBO	Cooperative Bank of Oromia
KPI	Key Performance Indicators
S.C.	Share Company
PMS	Performance Management System
SPSS	Statistical Package for the Social Sciences

Abstract

This study explores the intricacies of performance management practices and the challenges organizations face in effectively implementing these systems. Performance management is a critical process that aligns individual and organizational goals, enhances employee engagement, and drives overall productivity. However, despite its significance, many organizations struggle with various challenges, including inadequate communication, lack of clear objectives, and resistance to change. Related to the above fact, the purpose of this study is to assess and elucidate the performance management practices and challenges at the Cooperative Bank of Oromia head office organ. The study aims to address the fundamental questions of what are the current practices during implementation of performance management system in CBO, the major challenges that affecting the performance management system in CBO, perceptions of employees towards the bank performance management system, processes of conducting performance management system and the alignment of performance management system with strategic goal of the bank. The study design of the descriptive survey has used quantitative research methodologies to tackle these concerns. Questionnaire was used as the main data collection instrument for this study, and 193 employees answered it using a straightforward random sampling method. The data gathered from the questionnaire was compiled using SPSS software. The descriptive statistical method was used to examine the data from surveys and contextual analysis was used to the data from document analysis. The results of the analysis were presented in tables and figures. The scope of the study was limited to head office organs within Addis Ababa. Overall, the study's conclusions demonstrated that practices and challenges of performance management system. However, the primary problems found included a dearth of frequent feedback, doubts about the raters' rating accuracy, and a lack of PMS automation software. In light of this, the researcher concluded that even though CBO possesses some strong qualities, such as the ability to clearly define the purpose, vision, and values and to create strategy maps, more work needs to be done before the performance management system can be more advantageous for the business. Increasing employee participation in the PMS process, increasing employee awareness of the PMS's purpose, setting mutually agreeable goals, gathering data about an employee's performance from multiple sources, offering regular feedback, and setting realistic, non-delusional goals are just a few of the recommendations made in an effort to close the identified gap. Finally, it was recommended that the evaluation be carried out at the proper time and that the evaluation standards be made absolutely objective.

Key Words: *Performance measurement, CBO, Challenges*

CHAPTER ONE

INTRODUCTION

The study's background, the problem statement, the research questions, the objectives, its significance, the scope, the limitations, the organization, and the definitions of key terms are all included in this chapter.

1.1. Background of the Study

In today's changing world, managing human resources is essential since people are an organization's most valuable resource (Piwowar-Sulej, 2021). A successful organization places a high priority on employee well-being and continuous performance improvement to help them accomplish both personal and professional objectives (Leitão et al., 2019). Companies implement development programs in an effort to improve employee performance, which improves business results ((Alqudah et al., 2022)). Organizations must prioritize performance at all levels in the cutthroat business climate of today in order to gain an advantage and endure in the marketplace. The topic of performance management is becoming more and more popular in today's challenging and fiercely competitive leadership environment. Through the identification, assessment, and motivation of employee performance, performance management seeks to enhance organizational performance. This technique is employed by managers to guarantee that employee behavior and outputs align with the organization's objectives (Den Hartog et al., 2004). Collaborative goal-setting, frequent communication, progress reports, coaching, feedback, employee plan implementation, and acknowledging achievements are all included in human resource performance management ((Team, n.d.)). This means that understanding the intended activities and how they are planned, organized, carried out, and evaluated is necessary for this process to guarantee that expectations are satisfied. It also entails giving each management and staff feedback.

In order to improve overall efficiency, performance management is a systematic procedure that enhances team and individual performance levels within an organization. It is a method for improving exceptional performance by transferring goals, structuring assign-

ments within a crucial skill framework, and setting achievable criteria. To get successful results in businesses, [Armstrong & Baron \(2002\)](#) described a comprehensive and integrated approach that increases individual and team capabilities as well as productivity. Finding, measuring, and improving group and individual performance while aligning it with the strategic goals of the business organization is the purpose of performance management, which is a continuous process [Asiedu-Boamah & Asare \(2018\)](#).

The performance management system is one of the most popular developments in the banking sector. Basically, the main element influencing an organization's output and efficacy is employee performance review. This method was first created as a simple way to guarantee financial stability during World War II, but it is now considered necessary for any business. There is always opportunity for improvement, even if many banking organizations already have effective performance management systems in place. These days, bankers realize that raising revenue and profitability requires them to perform better. However, they are now unable to increase performance due to a lack of reliable business information. The banking sector requires a robust performance management system in order to successfully manage risk, improve the operations of its many branches, develop and implement better and more successful marketing campaigns, attract and retain more clients, and increase profitability. Founded in 2004, the Cooperative Bank of Oromia is one of the most significant financial institutions in Ethiopia. With an emphasis on promoting financial inclusion and supporting economic progress, the bank has played a significant role in the establishment of the cooperative movement across the country. It is important to look at how the bank's overall financial performance relates to the performance management system and how the system may be utilized to align employee goals with organizational objectives. The potential of performance reviews to affect employee engagement, motivation, and job happiness as well as to identify high-potential workers and future corporate leaders should also be looked into. Accordingly, even though the Cooperative Bank of Oromia and other public and private organizations, as well as the banking industry, developed and are currently using the performance management system, the practice has faced numerous implementation-related difficulties that have affected overall performance. This provides the rationale why the purpose of this study is to assess the performance management system of the Cooperative Bank of Oromia. Thus, the purpose of this study is to assess the potential, applicability, and challenges of performance management system at the Cooperative Bank of Oromia's Addis Ababa head office organ.

1.2. Statement of the Problem

By transferring deposits from governments, businesses, and households who have saved more money by restricting their spending to those who are low on finances because they want to spend more than they produce, the banking system performs essential economic services. Saleh and associates (2005) Spending plan. It is now widely accepted that financial development is essential for long-term economic success after years of research in that field. Broken financial institutions, however, have the capacity to cause economic instability and incite social unrest. Beginning in 2007, the US domestic market was hit by the worst financial crisis in living memory. Performance evaluations are used to evaluate an employee's motivation in addition to their general job performance (Idowu, 2017). A consistent and efficient approach to managing employee performance may be used to understand how workforces are managed successfully in terms of hiring, integrating, training, and coordinating workers in order that the organization's aim may be understood as expected (Bauer, 2010). Since employee performance has an effect on the organization as a whole, managing human resource performance is crucial for a business's long-term success and, finally, its survival. Generally speaking, a bank's capacity to offer excellent customer service is determined by the skill, diligence, professionalism, and effective management of its workforce. (GOBENA, 2011) using the Balanced Scorecard (BSC) framework, which addresses both qualitative and quantitative aspects of performance evaluation. However, the research never discussed the purpose of the Performance Management System technique, how to execute it, or the challenges encountered in the case study. Yirdaw (2018) has examined employee performance management systems in relation to practices and difficulties at certain private commercial banks in Ethiopia. Cooperative Bank of Oromia got less attention than other banks in an attempt to provide a comprehensive grasp of the issues pertaining to Ethiopian private banks Oromia cooperative banks generally since the study was limited to a single study. According to an Ethiopian Management Institute study on performance management practices (MEKONNEN, 2014),

there are a number of significant issues with the application of PMS, including inconsistent employee performance data collection, inconsistent feedback, and organizational goals that are not fully aligned with departmental and individual goals. Moreover, not all workers participate in PMS at the planning stage.

Thus, it has been proposed that performance management is one of the best management techniques for motivating employees, boosting output, and accomplishing both business and personal goals. Because of this, the role of financial institutions, and the banking sector in particular, has become increasingly complex and multifaceted, going beyond the traditional deposit-lending function to include a variety of tasks like stabilizing a nation's overall economic performance and, in the case of banks, comprehending their lofty aspirations. One of the cornerstones of the logical and well-organized processes of human capital management is performance management. Analysts has presume that if a performance management system is successfully implemented and results are transferred to the workforce, then better staff performance will increase the performance of the company by (Pulakos, 2004). This leads to gaps in the study's focus and thorough evaluation. Using the Cooperative Bank of Oromia as a framework, (WOLDE, 2020) examined the connection between incentive systems and motivation, concentrating on Addis Ababa branches. The study did not take performance management as a system of operations; instead, it concentrated on a specific aspect of performance management. (Adugna, 2018) examined the procedures and issues surrounding employee performance management using a sample of certain Ethiopian private banks, out of which the Cooperative Bank of Oromia was excluded.

1.3. Research Questions

The research would attempt to address the following questions:

- What are the current practices during implementation of performance management system in CBO?
- What are the major challenges that affecting the performance management system in CBO?
- What are the perceptions of employees towards the bank performance management system?
- Does the processes of performance management being conducted in an objective manner?
- Does the performance management system aligned with strategic goal of the bank?

1.4. Research Objectives

1.4.1. General Objective

The general objective of the study is to assess the practices and challenges of Performance Management System in Cooperative Bank of Oromia.

1.4.2. Specific Objectives

- To assess the current practices of Performance Management System in CBO.
- To assess the major challenges impeding the implementation of Performance Management System in CBO.
- To determine the perceptions of employees towards the bank's performance management system.
- To identify the processes of performance management being conducted in an objective manner.
- To measure whether the performance management system aligned with strategic goal of CBO.

1.5. Significance of the Study

The research's findings will make it possible for Oromia's Cooperative Bank to obtain the required information and take the required action to ensure that the performance management system is applied successfully. Apart from acting as a guide for companies that want to design and execute a performance management system, the study will provide enough information to support individuals who want to do more research in a related field. It will also improve the body of written knowledge regarding the performance management system.

1.6. Scope of the Study

Regardless of an organization's size, objectives, or nature, a performance management system is a universally applicable, wide idea. It assesses performance on an individual, team, and organizational level. The sole organization included by this study is the Head office of the Cooperative Bank of Oromia; Ethiopia's banking industry consists of twenty-five private banks. Evaluating the practices, prospects, and challenges of the performance management system at the Cooperative Bank of Oromia head office at Addis Ababa is the primary goal of the research. The researcher look for a representative sample that can be obtained from this target group owing to time limits, study feasibility, and other variables in order to arrive at a genuine conclusion. As a result, the proposed research study's purview would be reduced to a subset of permanent staff members of the head office in Addis Ababa.

1.7. Limitation of the Study

During this study, the following limitations were encountered:

- A particular problem is the bank's lack of current and pertinent material. Incorporating pertinent research can enhance the precision and comprehensiveness of findings.
- According to the distributed nature of the CBO expansion network, which makes it challenging to engage every employee and obtain the needed information in the allocated time, the study focuses on workers in the head office, Addis Ababa. The expense of conducting the study is also involved. and
- The study's objectives may be complicated by external variables such as interviewees' unwillingness to provide relevant information and respondents' lack of engagement.

1.8. Organization of the Study

There might be five chapters in this research paper. The introductory portion is covered in the first chapter. A review of relevant literature is covered in the second chapter, and research methodologies are covered in the third chapter, data presentation, interpretation, and discussion is covered in the fourth chapter, and conclusions, recommendations are discussed in the fifth chapter.

1.9. Definition of Key Terms

It is expected that the following crucial ideas would be often utilized in this recommended study project: The ability of an organization to use its resources effectively and efficiently to achieve its goals is known as "performance." This ability raises a company's share price, sales, market share, productivity, net present value, earnings, cash flow generation, risk-taking, and leverage while satisfying the needs of its three main stakeholders: customers, employees, and owners.

Performance Management System: a management tool assists staff members in defining goals that are strategically aligned, assessing their progress, and developing the competencies required to meet the objectives. This helps employees perform better on a continuous basis.

Employee performance: is the end result of using resources and technical know-how to do tasks at a low cost.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

The study's conceptual framework, the performance management system as a whole, its implementation, the challenges posed by particular change management strategies, and the ways in which they impact organizational performance are all summarized in this chapter. Additionally, an empirical assessment of the research is included in this chapter.

2.1. Performance and Management of Performance Concepts

Performance is the process of carrying out a task or an action that requires a lot of effort, according to the Oxford Advanced Learner Dictionary (2006), and performance management is a strategy that guarantees alignment between employee activities or outputs and organizational goals by (Thusi et al., 2023). When employees are productive, they assist a business achieve its goals and objectives, which in turn leads to success. It may also be seen of as behavior related to how groups, teams, and people complete tasks. According to (Mkhize, 2017), performance management systems facilitate the annual performance review process, continuous performance discussions, and communication of employee performance goals. It is a methodical and tactical process that offers a set of tools and techniques to managers, employees, leaders, and stakeholders at different levels to plan, monitor, measure, review, and report organizational performance in terms of performance indicators and goal-setting for efficacy and efficiency.

2.1.1. Performance Management Stages

According to Zhu et al. (2021), there were five steps to performance management: designing and planning performance, managing and reviewing performance, rewarding performance, and rewarding performance. A number of key goals, tactics, and plans, including information flows, target-setting, reward/punishment, evaluation or measurement, and other topics discussed by Kuhil et al. (2019), are involved in the construction of an organizational performance framework. The main elements of the performance management system are as

follows, despite variations in the approaches taken by the scholars to develop the framework, as previously disclosed: the steps for planning, preparing, evaluating, rewarding, and developing; the requirement for continuous coaching, communication, and feedback; and the data tracking, observation, and documentation at which the omission of any of these tasks negatively impacts the effectiveness of the system. Every firm wishing to implement performance management should create a customized version that meets its unique requirements, according to (Armstrong & Baron, 2005). The majority of the literature indicates that the process consists of the following six steps. Prerequisites, Performance planning, Performance execution, Performance assessment, Performance review, and Performance renewal and re-contracting.

Prerequisites

Prior to the implementation of a performance management system, there are two crucial requirements that must be met, understanding of the job in question knowledge of the organization's objective and strategic goals. According to Zhu et al. (2021), the five stages of performance management included managing the efficacy of the performance management system as well as developing and planning performance. Employees won't know what their particular tasks are or how they will contribute to the success of the business if there is uncertainty regarding the organization's goals or the link between the mission and strategies of each of its divisions. An organization may clearly define its mission, vision, objectives, and strategies by using strategic planning to determine why it exists, where it wants to go, and what it wants to accomplish. The mission and strategic objectives of an organization follow from this. Blenko et al. (2010) agree that there's a presumption the company has to take significant action to determine the performance expected of the organization as a whole before it can plan and control individual performance. This usually entails a goal statement, which allows performance to be viewed in relation to an overarching theme, as well as strategic business objectives that are necessary to remain competitive in the present business environment and to be consistent with the organization's mission statement. Therefore, it is essential to determine the objective, strategic goal, and task in position prior to adopting the requirements of the performance management system.

Performance planning

Performance planning provides an orderly way for people and groups to reach the necessary performance standard. According to some writers, 80% of time and effort should be put into the planning phase, which is crucial ((Griffiths et al., 2008)). If the focus is on the organization's deficiencies, then none of the next stages will be helpful (i.e., the goals don't assist the fulfillment of the long-term plan and stakeholder demands). According to (Griffiths et al., 2008), managers and staff can collaborate to create individual goals based on team goals and a mutually agreed-upon job description. These objectives are well-defined, goal- or results-oriented rather than task-oriented, and include metrics that must be assessed. Each individual is intended to be challenged, to offer chances for personal development, and to fulfill organizational needs. The employee and supervisor meet to determine what needs to be done and how each performance cycle will begin. In this performance planning discussion, the goals, routines, and development plan are all taken into account. It's imperative that the supervisor and employee agree on a growth plan prior to the commencement of the review cycle. At minimum, this strategy ought to pinpoint areas in need of enhancement and establish goals for every area to be completed (Pulakos et al., 2012).

Performance execution

Performance evaluation is an essential part of running a business and managing staff. Crucial elements of the assessment process include providing accurate feedback on the assessment and relating it to job responsibilities and organizational objectives (Kuhil et al., 2019). When the performance management cycle begins, workers make an effort to satisfy growth criteria, produce the intended results, and display the behaviors that were previously decided upon. In this case, (Mnisi, 2019), the following conditions must be met: Goal achievement, constant coaching and performance evaluation, supervisor-subordinate contact, collecting and sharing performance information, and performance review preparation. Employees must be committed to the stated goals. One way to boost commitment is to let the worker have an active role in creating goals. When workers participate in the process, their ownership and engagement with the system rise. Moreover, it provides important information that will be incorporated into the performance review, which is discussed after this.

Performance assessment

As per (Macharia, 2021), performance appraisal is a procedure that assesses the work performance and advancement of an employee. An additional definition of it is an evaluation procedure that establishes performance standards and criteria and necessitates employee observation in order to weigh the merits of shown performance against the positive and negative aspects of an employee's work. Both management and the employee are responsible for determining if the desired results have been achieved and to what extent the necessary behaviors have been exhibited throughout the assessment period. In assessment sessions, they also reduce defensiveness and increase employee satisfaction with the performance management system. Moreover, they enhance perceptions of fairness and correctness, which in turn increases system acceptance (Aguinis, 2009). Evaluating performance (Gafarova, 2019) describes a performance assessment as a method that evaluates an employee's job performance and development. Its definition was additionally broadened to include an assessment procedure that establishes performance standards and criteria, requires employee observation, and assesses the value of shown performance in relation to both positive and negative elements of an employee's performance.

At present, the employee and management meet to go over their assessments. The meeting is important because it is a formal setting for giving the employee a performance review and because it is seen as retrospective in nature, looking back at previous behaviors, activities, and results (Smither & London, 2009). Furthermore, (Kuhil et al., 2019) shown that regular formal assessments are required to highlight developmental issues and to support the employee. In addition, an annual review and appraisal of the extent to which objectives have been met are necessary, and this may have an effect on the salary that is earned. The thing (Mamo, 2017) provides an overview of the performance reward and recognition system. As a result, there are many different methods to apply reward. For example, you might involve the performer in decision-making processes that promote accountability, transparency, responsiveness, and capacity building, all of which raise the standard of products and/or services that a company offers. To encourage performer devotion, institutions should include a performance reward system handbook in their performance management policy.

There are several ways to be rewarded, such as salary increases, cash bonuses, specialty products, job promotions, and more (Kikoito, 2014). A guidebook on the performance reward procedure should be part of performance management policies. Many alternative tactics exist for rewarding employees, such as cash incentives, job promotions, high-tech supplies, salary raises, and more (Kikoito, 2014).

2.1.2. The Performance Management System's Best Practices

To provide good results for team, organizational, and individual performance, performance management has to have a few key components. However, it is plausible that the practical constraints impede the complete integration of these features. For example, there could not be sufficient funding to teach all involved parties, managers could make biased performance evaluation decisions, or employees might just be too busy to devote their time to a new organizational initiative that requires their attention. Nonetheless, as scientists and practitioners, we should try to cross off each of these characteristics; the more features we are able to do so, the more likely it is that the system will work as intended. During a pilot test, the complete system all of its parts is put into use, but only for a small number of participants. Employee records do not have results. Rather, the aim is to get input from those taking part in the pilot-test on potential issues and how to make the system better. Additionally, by examining the elements of the performance management system's best practice outlined below, pilot testing will assist in determining whether or not the system is appropriate for the particular firm.citephudson2009mapping.

Strategic congruence: -The system must correspond with the organization's and the unit's plan. Stated differently, objectives at the individual, group, and organizational levels need to align.

Thoroughness: - Each of the four dimensions should be completely covered by the system. The first step should be to review every employee, including supervisors. Second, an evaluation of all significant work duties is necessary (including behaviors and results). Third, performance during the full review period not just the weeks or months leading up to the review should be included in the evaluation. Lastly, constructive criticism should be offered for both good and poor performance elements.

Realistic: - It goes without saying that complicated, costly, and time-consuming systems will not work.

Identification of effective and in-effective performance: - The information provided by the performance management system should enable the distinction between effective and

ineffective performance. Put another way, the system should make it possible to discriminate between actions and outcomes that are successful and ineffective, making it possible to identify workers who exhibit varying degrees of performance effectiveness.

Reliability: - Accurate and consistent performance metrics are essential components of a well-designed system. For instance, evaluations have to be comparable if they were given by two supervisors for the same employee and performance metrics.

Validity: - Additionally, the performance metrics must to be reliable. All pertinent performance features should be included in the metrics; irrelevant performance facets should not be included. Stated differently, metrics take into account what matters and do not evaluate what is unimportant or beyond the employee's control.

Inclusiveness: - Good systems continuously incorporate input from a variety of sources. First and foremost, the interests of every individual impacted by the decision must be represented in the appraisal process. Employees must thus contribute to the system's development by advising on what actions or outcomes should be tracked and by what means. Secondly, before to the evaluation meeting, the employees themselves have to provide feedback regarding their performance. To put it briefly, everyone involved in the system's design and implementation must have a voice.

Openness: - There are no secrets in good systems. First, there is regular performance evaluation and continuous performance feedback. As a result, workers are always aware of how well they are performing. Secondly, information is shared, not provided, during the two-way communication process that is the evaluation meeting.

Ethicality:- Systems that are good adhere to moral principles. In terms of operations, this implies that the supervisor resists the desire to give personal assessments. Additionally, the employee's privacy is maintained, and the supervisor only assesses performance factors for which she has adequate information.

2.2. The Performance Management System's Challenges

In the current business climate, performance management presents a variety of obstacles for firms, and developing targeted efforts to address these issues is not a foolproof strategy. Managing the performance system, handling bad performance, leadership and management challenges, lack of alignment, inadequate metrics, and skill gaps are some of the challenges associated with PMS. Derived on a doctoral dissertation titled "Integrated Performance Management Systems" by (MEKONNEN, 2014), the contemporary corporate landscape presents a multifaceted performance management issue for enterprises.

Lack of Alignment

The first challenge is the lack of alignment caused by the creation of separate organizational processes; the performance management system lacks alignment between departmental performance, organizational delivery, and individual performance; as a result, all systems revert to financial measurements. The link between strategy development, budgeting, and operational planning is developed by different groups of people using different frameworks.

Lack of Measurements

At many organizational levels, subpar metrics are created; frequently, goals are established but no appropriate action is taken. In other situations, it is not possible to gather data or save it as proof to monitor performance.

Leadership and Management commitment

The integration and alignment of a management system to produce a comprehensive performance management system is significantly impacted by the leadership and management problem. Performance success depends on management's and leadership's dedication to and comprehension of the conditions necessary to establish a practical performance system.

Managing poor performance

Although managing subpar performance is often a reactive process, it is frequently postponed and becomes a tough to frame conversation. Lack of reliable measurements and the gathering of necessary proof and measurement data are other reasons why subpar performance is not promptly controlled.

2.3. Performance management system based on BSC

The original ([Kaplan et al., 1996](#)) balanced scorecard is widely used as the foundation for measurement. As they believe that "what you measure is what you get," they also stress that "no single measure can provide attention on the critical areas of the business or provide a clear performance target." The display of financial and operational metrics should be balanced in the eyes of managers. In order to answer the four fundamental questions in their original scorecard model, managers had to examine the company from four connected angles:

- (a) How do customers see us? (Customer perspective.)
- (b) What must we excel at? (Internal perspective.)
- (c) Can we continue to improve and create value? (Innovation and learning perspective.)
- (d) How do we look at shareholders? (Financial perspective.)

They contend that even while it sets goals, it makes the assumption that individuals would behave in the ways and take the necessary activities to reach those goals: Even while senior managers are aware of the desired outcome, they are unable to provide staff with specific instructions on how to get there since working conditions are ever changing. According to ([Kaplan et al., 1996](#)), creating a scorecard helps a business to connect its financial plans with its strategic objectives. They stress how the balanced scorecard may assist in coordinating each worker's performance with the overarching plan: "Those who use scorecards typically take part in three activities: goal-setting, educating others, and tying incentives to performance indicators." They observe that: A lot of individuals consider measuring to be a tool for behavior control and to evaluate past performance.

2.4. An empirical investigation from an Ethiopian perspective

An increasing number of Ethiopian businesses were expressing a strong interest in the BSC, their managers were beginning to recognize the value of regular formal and informal performance review meetings, communication about results was being improved by using modern means of communication like the internet, people were willing to receive training in performance management, and the government was encouraging performance improvement, according to a study conducted by [Abate \(2017\)](#) on the applicability of PMS using BSC as its tool. According to a study on performance management practices conducted at the Ethiopian Management Institute by [MEKONNEN \(2014\)](#), there are a

number of significant issues with PMS implementation, including the organization's goals not being fully aligned with individual and departmental goals, employee participation in the PMS planning stage not being shared by all staff members, a lack of regular feedback, and inconsistent methods for gathering data on employee performance. In a similar vein, the findings of the study carried out by [Abate \(2017\)](#) on the implementation of PMS in the Addis Ababa City Administration, using Addis Ketema Sub city Woreda 2, suggest that careful consideration is needed for the study woreda's performance management procedures in order to see any benefits. To put it briefly, the study discovered that the entire process of performance planning, continuous coaching and technical support to the implementing agencies and individuals, reward and recognition, and guaranteeing performance accountability at the organizational and individual employee levels were not leading to significant performance improvement. [Abate \(2017\)](#) went on to say that the issue is related to the necessity to institutionalize an efficient contemporary performance management system and practice as well as the incapacity to abandon conventional bureaucratic mindset and practices. Based to their study, prompt feedback and effective communication are essential components of an organization's performance management system's effectiveness. A variety of requirements for success in performance appraisal are outlined in the E-reward study (2005), which also reveals that using competences and simplifying processes are two of the most popular ways to enhance current systems. These lead to additional requirements for success. For instance, a more frequent schedule of review meetings can facilitate the simplification of systems. However, in order for these meetings to be beneficial and offer a venue for high-quality discourse, managers must be devoted to the process and capable of conducting insightful appraisals. One may argue that senior leadership should be in charge of fostering this capacity and dedication. The simplest recommendation to implement performance management is to "keep it as simple as you can, and only go for increased complexity and precision where the effort warrants" (?). They contend that because of the combination of "complex processes, competing IT systems, and multiple dashboards," which frequently don't provide the information that is valuable and render the performance measures irrelevant, complex performance management systems will frequently "confuse rather than enlighten managers and employees." The perception of workers on performance appraisal practices in the insurance sector was investigated by [\(Shrivastava & Srivastava, 2019\)](#). This study examines the viewpoints of employers with respect to performance evaluation and reward philosophy, as well as the impact of

demographic factors. The easy sampling method is used to choose the sample. The premise of this study is that employer attitudes and demographic characteristics are unrelated to one another. According to [FEKADU \(2019\)](#), identifying and comprehending the process of performance management and laying the groundwork for performance management are crucial elements in building an effective performance management framework. In the words of [Sillup & Klimberg \(2010\)](#), evaluations are customarily conducted once a year and typically involve a mid-year conversation. However, they contend that research suggests that this is too infrequent since raters have difficulty recalling what workers have done over the preceding months. Organizations with monthly or quarterly performance appraisals "outperformed competitors on every financial and productivity measure and got positive feedback from employees about the fairness of the PA system," according to research by [Jusoh & Parnell \(2008\)](#), which was mentioned in [Sillup & Klimberg \(2010\)](#).

CHAPTER 3

RESEARCH METHODOLOGY

This chapter explains the theoretical basis for the study design, materials, and methods used for this investigation. The subject matter covers data kind, collecting techniques, analytical methods, and presenting for categorizing the data. The following part of the research explains the approach to study and methods. These include research methodology, sample design, sample size, data collection methods, questionnaire, and ethical considerations.

3.1. Research Approach

The Research Design involves different type however the most types are qualitative approach, quantitative and mixed research approach. [Ramadhani \(2020\)](#) describe a qualitative approach as “a systematic subjective approach used to describe life experiences and situations to give them meaning”. [Amiri et al. \(2024\)](#) states that qualitative research focuses on the experiences of people as well as stressing uniqueness of the individual. [Annan \(2014\)](#) refer to qualitative research as “a form of social inquiry that focuses on the way people interpret and make sense of their experience and the world in which they live. According to [Amaratunga et al. \(2002\)](#), quantitative research is an empirical research approach in which hypothesis testing is used to discover relationships and facts that are general. A quantitative approach focuses on the study of samples and populations and relies heavily on numerical data and statistical analysis [Newman & Hitchcock \(2011\)](#). Therefore, the researcher used the quantitative approached based on sample selection from the given population. This particular study used quantitative ones under descriptive research design. Accordingly, the data collected from the questionnaire was edited and coded presented to be responded and analyzed through quantitative approach. As a result, the data collected and analyzed can be tallied and rated.

3.2. Research Design

There are different types of research design on the basis of different criterion. Exploring and formal design on the basis of degree of research question crystallization; monitoring and control on the basis of method of data collection; experiment and ex post facto design on the basis of the researcher control variable; a reporting and descriptive on the basis of purpose of the study; cross sectional and longitudinal on the basis of time dimension; statistical and case study on the basis of topic scope and field and laboratory design on the basis of research environment (Cooper and Schindler, 2011).

Saunders, Lewis and Thornhill (2007) also discussed three types of research design as descriptive (which involves portray an accurate profile of person, events or situations), explanatory (study a situation or problem in order to study the relationship between variables), and exploratory (which involves finding out what is happening, to seek new insight, to ask questions and to assess phenomena in new light). They also presented that a research project may have more than one research design.

This study utilized descriptive research methodologies to examine the practice and problems of performance management systems. Furthermore, the research issue was studied using quantitative designs. The questionnaire uses five-point Likert scales (Strongly Agree, Agree, Neutral, Disagree, and Strongly Disagree) to measure respondents' replies. Tables were created to show data in a meaningful way for the study, based on its nature.

3.3. Data Source and type

In this study both primary and secondary data sources were utilized to collect data. As stated by Cooper and Schindler (2011), primary data are original work of researcher which collected from selected group through questionnaire. Secondary data is information which is already exist in other sources and that can be extracted for specific purposes (Kumar, 2011). Secondary data used in this study were collected from published and unpublished books, research findings, online articles, and journals, were examined to get understanding of the study's topics. The original data collected by a questionnaire was coded and analyzed using SPSS software. Finally, secondary sources were used to gather topics and problems for the study.

3.4. Data Gathering Technique and Instruments

Data have been collected from primary sources using pre-formulated questionnaires. And, Books, research findings, internet sources and articles and journal have been reviewed as secondary sources to get various concepts and ideas related with study. Specifically, Primary sources have been used to acquire the employee's response. The data type (the ordinal data type) which has been acquired using close-ended questionnaire has been coded and analyzed using SPSS software. Finally, Secondary sources have been used to acquire various concepts and issues for the study. And also research findings of other scholars in the related discipline have been used as secondary sources.

3.5. Population and Sampling

3.5.1. Study population

Study population is a physical representation of all the elements in the population from which the sample is drawn (Sekaran and Bougie, 2016). Since the target population must be defined in terms of elements, geographical boundaries and time (Sekaran and Bougie, 2016). Accordingly, the study population of this research was all Head Office Organ employees of Cooperative Bank of Oromia as of April 30, 2024.

3.5.2. Target Population of the Study

All items in the field of inquiry will constitute a universe or population. A complete enumeration of all items in the population is known as a census inquiry. It can be presumed that in such an inquiry, when all items are covered, no elements of chance are left and highest accuracy is obtained (Kapur, 2018). According to (Rahi et al., 2019), target population is said to be a specified group of people or object for which questions can be asked or observed made to develop required data structures and information. Since the networks of the branches of the bank widespread all over the country, it is impossible to carry out this research using the whole population. Thus, the sampling frame for this study was drawn Cooperative Bank of Oromia's list of all employees 612 who are working in the Head Office Organs of the bank as of April 30, 2024.

3.5.3. Sample Size Determination

To collect a representative sample for the population under investigation, use the following sampling formula. The sample determining formula was devised by (Goga & Wario, 2014). This formula was selected as to its more sample size relative to other modern formulas, in addition to its use in academic and social science research. The formula was developed by Umar & Wachiko (2021). It is calculated as follows:

$$n = \frac{N}{1+N(e)^2} \quad (3.1)$$

Where n is the sample size, N is the population size, and e is the level of precision or sampling error = (0.05)

$$n = \frac{612}{1 + 612(0.05)^2} = 242 \quad (3.2)$$

3.5.4. Sampling Technique

Sampling is the process of selecting a few from a target group to become the basis for predicting the prevalence of an unknown piece of information, situation or outcome regarding the bigger group (Kumar, 2011). Accordingly, this study incorporates area sampling and simple random sampling to select target group contacted for data collection.

3.6. Data Collection Method

The primary data were acquired through the distribution administered questionnaires. Secondary data was gathered via analyzing recent publications, journals, books, magazines, internet, and past study on similar organizations. We administered questionnaires with closed-ended items to 242 employees from a total population of 612 adopted a five-point Likert scale of '1' for strongly disagree, '2' for disagree, '3' for neutral, '4' for agree, and '5' for strongly agree.

3.7. Data Analysis

In general, there are three types of data analysis techniques: qualitative, quantitative and mixed whereby the choice of these methods greatly depends on the type of information the researcher has at hand. When most of the information collected is numerical, the analysis calls for quantitative tools, and descriptive statistics will be used to characterize the data. On the other extreme, when most of the data collected is in words, which means data gathered using individual interviews and open-ended questions, it is logical enough to apply qualitative data analysis tools.

Therefore, in this study, the data gathered from questionnaire was summarized and analyzed by using descriptive statistics like frequency, percentage and mean. Then the data was described using tables for more clarification and the data was coded using scientific statistical data analysis software such as SPSS. The data gained from document review was analyzed contextually as per the research basic questions.

3.8. Validity and Reliability of Instrument

3.8.1. Validity

Assessing the validity of a research instrument would typically involve evaluating the

research methodology, data collection and analysis techniques, and the overall credibility of the findings. The study ensured that the validity of the research instrument is accurate and to measure what they want to suppose (Saunders, 2009). Validity deals with checking the findings are really about what they seem to be. The questionnaire were constructed to obtain a complete coverage of the topic, with a strong attention on the general and specific objectives in order to ensure content validity. More simply, it focuses on the accuracy of the measurement (John, 2007). To increase validity, the questionnaire are framed in a very clear and concise manner to make sure each question measures each variable at a time

3.8.2. Reliability

The reliability of the thesis would depend on several factors, including the rigor of the research methodology, the credibility of the sources used, and the expertise of the researcher. Here are some considerations for evaluating the reliability of the thesis. Ultimately, the reliability of the thesis can be assessed by considering these factors in conjunction with a critical evaluation of the content, analysis, and conclusions presented. It's also valuable to compare the findings with other reputable studies in the field to gauge consistency and support for the thesis's assertions.

3.9. Ethical Considerations

The investigator provided questionnaires and advised respondents about the study's title and goal in the introduction. Respondents were informed that their responses will be kept anonymous and used solely for educational purposes. To avoid misunderstanding and challenges when collecting information from employees, investigators construct straightforward and understandable questionnaires.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

The main objective of the study was to investigate the implementation of employee performance management at Cooperative Bank of Oromia head office organ. The results, debates, and interpretations of the information are presented in this chapter. A descriptive examination of the information gathered using data gathering tools. Measures of central tendency as well as variation were employed in the descriptive examination of the data. The mean and median are two examples of central tendency metrics. The standard deviation is one way to quantify variability. In order to ascertain if the distribution is normal, descriptive analysis of the data is required. As a result, the final conclusions and the methodology used to get at them will be covered in this section.

The researcher employed statistical methods of analysis, including descriptive analysis using means and standard deviation, to understand the trustworthy data. The performance management process practices (prerequisite, performance planning, performance execution, performance assessment, performance review, performance renewal, and reconstructing) were statistically analyzed using the statistical package for social science (SPSS version of 20.0). To make the analysis easier to grasp, tables were also provided.

4.1. Summary of Response Rate

For CBO employees, a total of 242 surveys were sent to the sampled respondents between May and June of 2024. Employees of CBO working at head office organ were given the questioners. By exerting every effort, the researcher was able to gather 193 questionnaires from every head office and workers who fall within the purview of the districts at the start of June 2024. According to Gordon (2002), a response rate of 60% is marginal, 70% is reasonable, 80% is good and 90% is excellent. Therefore, in this study, a response rate 80% of respondents responded overall provides the basis for this research's analysis is good. Apart from the survey questionnaire, the researcher examines certain bank papers that are accessible about the banking sector. Additionally, a personal interview was held.

4.2. Demographic Information of the Respondents

The following table summarizes the demographic (gender and age) and other information (educational level, work experience and current job categories) of respondents;

Table 4.1: Demographic characteristics of respondents

Variables	Category	Frequency	Percentage
Gender	Male	150	77.72
	Female	43	22.28
	Total	193	100
Marital Status	Single	143	55.6
	Married	45	43.1
	Divorced	4	1.0
	Widowed	1	0.3
	Total	193	100
Age	Under 25	15	7.77
	31 – 40	143	74.09
	41 – 50	30	15.54
	51 and Above	5	5.38
	Total	193	100
Educational Level	TVET	0	0
	Diploma	0	0
	BA/B.Sc.	117	60.62
	MBA/MSc.	72	37.31
	Total	193	100
Working Experience	1 – 5 Years	7	3.63
	6 – 10 Years	91	47.15
	11 – 15 Years	57	29.53
	16 – 20 Years	21	10.88
	20 and Above	0	0
	Total	383	

Source: Primary Data, Collected by the Researcher (2024)

The study’s participating CBO employees’ demographic data are displayed in Table above. According to the poll results, there are 150 male respondents (77.72%) and 43 female respondents (22.28%). This demonstrates that men are employed mostly in the

banking sector. According to a 2020 report by the United Nations Department of Economic and Social Affairs, Ethiopia has a slightly higher overall female population (56,547,035/112,575,537, or 50.2% of the total population). Regrettably, female employees of CBO make up less than one-third of all employees included in the study. This necessitates making concerted efforts to promote female employees' involvement in the bank workforce.

With respect to age, as we can see from the above table, majority of the respondents falls under the age category under 25 which accounts for 15 (7.8%) of respondents, and then followed by age category from 25-34 which accounts for 143 (74.09%) of respondents, 30 (15.5%) of respondents are from 35-44 age category, 5 (5.4 %) of respondents are 45-54 and finally, there is no respondent more than 55 years. This indicates that the majority of the respondents involved in the survey were youngsters and as a result, it is believed that they perform well in their work.

Regarding education, 117 (60.6%) of respondents have a BA degree, 72 (37.3%) have an MA or MSc degree, and none of the respondents possess a TVET certificate. Four (4.3%) of the respondents hold a diploma. Consequently, the findings demonstrate that 95% of the bank workers who participated in the study held an MBA or MSc and a BA or BSc. This implies that the banking industry is running by fairly professional persons which offers a fertile ground for efficiency, growth and development in the Bank. However, in order to convert the potential that is there into tangible outcomes, this again requires efficient human resource management.

Since these youthful groups are often mobile and eager to seek new options, there might be a danger of losing such personnel if they are unsatisfied with the current performance (human) management approaches. With regard to the respondents' job experience at the bank, 91 (47.1%) had 1 to 5 years' experience, 57 (29.53%) had 5 to 9 years' experience, 21 (10.88%) had 10 to 19 years' experience, and no respondent had 20 to 30 years' experience. This finding makes it clear that the majority of respondents nearly half have only had a short period of employment between one and five years which indicating that they are entry-level workers. Just 7 (3.63%) of the responders have less than 1 year of experience. However, to translate this, efficient human resource management is once more

required. This may also indicate a high employee turnover rate. One can plainly see that CBO has been sending more and more experienced workers to private banks in recent years. This means that in order to keep the CBO's experienced team, advanced human resource management system must be implemented.

The last information of respondents presented in the above table 1.4 is respondents' job categories from all respondents 5(2.59%) were in Managerial/Administration, 23(11.91%) of respondents were in Managerial/Supervisory level, 1(0.59%) respondent currently works in Manual and Custodial. These data clearly show that the majority of CBO's workforce is young and falls into the productive professional category. Of the respondents, 127 (65.8%) are professionals, and nearly 37 (19.17%) are semi- professionals. This indicate that majority of the respondents are on professional job categories. So, they are believed to have better understanding of their bank's performance management system. The result implies respondents have better insight of their bank's performance management system.

4.3. Analysis of data collection for the studies

This section presents the results of the descriptive statistics related to employee performance management system practices of CBO. The responses for the variables indicated below were measured on five-point Likert scale with: 1=strongly disagree, 2= disagree, 3 = neutral, 4= agree and 5= strongly agree. The researcher extracted arithmetic mean and standard deviation of the sample described. So that Mean score < 3.39 was considered as low, the mean score from 3.40 - 3.79 was considered as moderate and mean score > 3.8 was considers as high as illustrated by comparison bases of mean of score of five-point Likert scale instrument (Zaidaton & Bagheri, 2009).

4.3.1. The current Prerequisite practice of CBO

First step of performance management process is to examine prerequisites and performance planning. Prerequisites include knowledge of the vision and mission statement of an organization and knowledge of the job followed by job analysis and job description (London et al, 2008). Thus, the study incorporated 6 research question to understand the banks practice with regard to prerequisite practice.

Table 4. 2. Summary of responses on prerequisite practice

S.No.	The current prerequisite practice	N	Min.	Max.	Mean	Std. Dev.	Mean Score
1.1	The performance management system (i.e., BSC) has helped the bank to integrate the individual objectives with the bank's objectives.	193	1	5	3.96	.994	High
1.2	The performance management system has helped me to align my day to day business activities with the overall strategy of the bank	193	1	5	3.57	1.180	Moderate
1.3	The performance management has helped me to enhance my productivity on going basis.	193	1	5	3.41	1.112	Moderate
1.4	The performance management has helped the bank to enhance its productivity.	193	1	5	4.05	1.013	High
1.5	The criteria used under BSC have the ability to measure my true performances.	193	1	5	3.03	.988	High
1.6	The performance management system has helped the bank to manage and develop its employees in a ways it will achieve its short and long term objectives	193	1	5	3.47	1.068	
1.7	Performance management has helped the bank to establish a culture in which individuals and groups take responsibility for their own skills and contributions	193	1	5	2.12	0.25	
1.8	Performance management has helped the bank to establish a culture in which individuals and groups take responsibility for the continuous improvement of business processes.	193	1	5	3.47	1.068	Moderate
Grand Mean					2.49		
Marginal Mean					3.74		

Source: Researcher's Survey Result (2024)

As the result in table 4.2 shows, the participants response for the statement 'Are you aware of the corporate, functional and team goals of the bank also do you have knowledge about the organization

mission's and strategic goals' the response rate shows their agreement with a mean score of 3.96, and SD=.994). The result shows that around 81.5% of respondents are aware of the corporate, functional and team goals of the bank were as 8.6% respondents disagree and the remaining 9.9% respondents are neutral.

Likewise, in their response participants also tended to agree with the statement related to 'the degree of their involvement on organizational goal setting and banks expectation from them' with a mean score of 3.57 and SD of 1.180. This shows that respondents have some involvement in organizational goal setting and company expectation. On the other hand, the participants who saw the supervisors of CBO are fully aware about the strategies of CBO. So, they can manage the job under their supervision effectively response is higher than the lower mean (M=3.41, SD=1.112).

Participants were also asked their knowledge about their job and their capacity to serve as an input when the company needs any information. They agreed with the statement (M=4.05, SD=1.013) with the response rate of 84.1% agreement. Which shows a positive implication for the company because it minimizes cost of external consultation in addition it reduces operational and administrative costs. It can also improve efficiency and effectiveness of workforce of the bank.

The participants also agreed with the statement 'I know how my individual objectives support the overall organizations strategic goals and objectives' with higher response rate (M=4.03, SD=.988). In general, more than 77.8% of respondents are aware of the organization's strategic goals and objectives. Finally, participants response to the statement 'departmental performance objectives alignment with organizational goals' was also positive response (M=3.47, 1.068). This implies that departmental goals were carefully set up so as to contribute to the overall goals of the organization. This also pin points to the employee his potential role and contribution in meeting these goals. Kaplan and Norton (2001) underscore the fact that we need to educate all of our people to understand what they can do when they come to work every day to influence the company. In this regard, the result of the current study indicates that more than 75% of employees are aware of organizational goals as well as departmental expectations. Thus we can say that the banks prerequisite practice (Marginal Mean of 3.74) is commendable though it requires some additional investments, especially on supervisors' improvement with regard to how to manage jobs under their supervision. Moreover, the bank also needs to make concerted efforts to ensure overall organizational and department goal alignment.

4.3.2. The current performance planning practice

The next step is performance planning that include setting performance standard and accepted behaviors. London et al (2004) argue that prerequisites and pre-planning is very important in terms of mutually agreed approved rather than assigning goals to subordinates without any participation. Even though the aim is to improve performance that can only be achieve by setting goals. Besides improving performance an organization can communicate expectation, through attainment of goals and improved quality an organization can boost confidence of their personnel and job satisfaction (Locke and Latham 1984). As related to this the study incorporated 11 research question to understand the banks practice regarding performance planning.

Table 4. 3. Summary of responses on performance planning

S.No	The performance planning	N	Min.	Max	Mean	Std. Dev.	Mean Score
2.1	The performance evaluation system is fair.	193	1	5	3.21	1.231	Low
2.2	The performance evaluation system using is important employee and immediate supervisor	193	1	5	3.08	1.223	Low
2.3	The performance evaluation system is enough to disclose one's own performance for better improvement	193	1	5	3.32	1.132	Low
2.4	The performance evaluation system helps employees to clearly understand what is expected of them.	193	1	5	3.12	1.124	Low
2.5	The performance evaluation criteria under BSC are related with job of an individual's employees.	193	1	5	4.13	.916	High
2.6	The performance evaluation helps employees to enhance their commitment towards their job.	193	1	5	3.93	.994	High
2.7	The performance evaluation system helps the employees of the bank to improve their career path.	193	1	5	3.10	1.074	Low
2.8	The performance evaluation system helps employees to motivate for higher performance	193	1	5	3.23	1.105	Low
Grand Mean					38.12		
Marginal Mean					3.36		

Source: Researcher's Survey Result (2024)

The result in table 4.3 shows that participants response for does the objectives of employee performance management clearly described for you then the response was low (M=3.21, SD=1.231).

From the result we can say majority of the respondents don't have clear insight on employee performance objectives. Meaning major objectives of employee performance is translating. Organizational objective thus it's difficult for the employee to achieve organizational objectives unless they have clear insight about how they perform.

On the other hand, the participants response for does the bank goal setting, performance formulation and competency development carried out jointly with the integration of the employee and immediate supervisor in the bank is weak ($M=3.08$, $SD=1.223$). Developing and planning performance refers to the step where the goals and targets of individual employees are set by the involvement of both managers or supervisors and individual employees, and is also as motivational process which gives the feeling of being involved and sense of ownership for employees (Schneier et al., 1987). Hence the practice of CBO requires improvement.

In addition, the respondents asked about does the bank (CBO) know your expectation from the bank have a response of ($M=3.32$, $SD=1.132$) which is low. Likewise, respondents asked all the time I am accountable for what I have done in the bank have a strong level of agreement ($M=4.13$, $SD=.916$). In other words, more than 79.6% of respondents are accountable for were they assigned.

When participants were asked 'do you know the expected behavioral standards (KSA) from you' they responded in agreement of ($M=3.93$, $SD=.994$). This implies that more than 73% of the respondents are aware of their behavioral standard (KSA) expectations which is a positive indication because at least it can minimize the cost of training and development, time, also improve organizational efficiency.

Similarly, the participants were asked 'Does the bank participate employees while developing action plan for deviations created against the plan (adjustment/weakness)' the result overcome with relatively poor practice ($M=3.10$, $SD=1.074$). The result implies that the bank requires improvement on employee involvement on action plan preparation so as to come up with relevant and achievable plan that is owned by the employees.

The participant response for the statement 'Are the banks Key Performance Indicator convincing' was low ($M=3.23$, $SD=1.105$). According to Gosselin (2005), the performance indicators can be defined as the physical values which are used to measure, compare and manage the overall organizational performance. The performance indicators can be quality, time, cost, etc. thus the employee act accordingly to attain the expectations. But from the CBO side employee aren't aware of or convinced on performance indicators. This suggests the need for further efforts to identify more convincing and relevant KPIs. The participants were also asked 'I clearly discuss with my supervisor on my personal development plan' and provided relatively low score ($M=3.11$, $SD=1.199$). Personal development

give the employee a chance to plan both results and behaviors and if deviations encountered it provides a chance to design an action plan. This might help the company to translate its goals through personal development plan. Thus, the result suggests that this area needs further attention from the bank.

The participant's response for the statement 'Do you think you have the necessary skills and competencies to achieve the given objective by the bank'. They responded with high score (M=3.86, SD=.928) and a positive response rate aggregated around 70.7%.

Similarly, when participants were asked 'Do you have clear insight about the level of performance you are expected to attain', they responded in agreement (M=3.70, SD=.977). This implies that employees are aware of what is expected of them and strive to achieve it. Finally, the respondent's response for the statement 'I believe my supervisory have the required KSA on performance formulation' was also positive showing mild agreement (M=3.45, SD=.953). This might smoothen relationship between employee and supervisors; but requires further effort to come up with a KPI that strongly satisfies the employee.

According to Armstrong (2006), performance planning deals with agreeing objectives and competency requirements as expressed in role profiles; identifying the required behaviors; producing plans expressed in performance agreements for meeting objectives and improving performance; preparing personal development plans to enhance knowledge, skills and competence and reinforce the desired behaviors. In this regard, the results are showing the banks performance planning practice looks good with marginal mean of 3.36. But it needs some improvement especially among those employees who scored below 3.39 mean.

4.3.3. The current performance execution practice

According to Aguinis (2013), once the performance management cycle begins, employees strive to produce the results and display the behaviors agreed on earlier as well as to work on development needs. At the performance execution stage the following factors must be present: Commitment to achievement, on-going performance feedback and coaching, communication with supervisor, collecting and sharing performance data and preparing for performance reviews. Employees must be committed to the goals that were set. One way to enhance commitment is to allow the employee to be an active participant in the process of setting the goals. Thus, the current study incorporated 11 research questions to understand the banks practice with regard to performance execution process.

Table 4. 4. Summary of responses on performance execution

S. No.	<i>The performance execution</i>	N	Min.	Max.	Mean	Std. Dev.	Mean Score
3.1	The performance evaluation system helps managers to coach as well as to control their employees performance	193	1	5	3.14	1.143	Low
Grand Mean					3.16		
Marginal Mean					0.53		

Source: Researcher's Survey Result (2024)

The above table 4.4 result shows that participants response to the question 'Does the necessary resources available to achieve your objectives' have a low response of (M=3.14, SD=1.143). Even if the responsibility of performance execution is both the employee and supervisor task, the supervisors are expected to avail resources for employee under their supervision. To the reverse the practice of CBO has a gap which requires further improvement.

In addition the participants were asked 'while the bank changes the organizational goal do you have the updated information in the bank' and gave a lower response (M=3.32, SD=1.184). Also this is important task to ensure that employees have an up to date information both about the organization goal as well as about the dynamic business world. But the employee claimed they didn't get updated information while the bank changes/updated organizational goals.

The participants response to the statement 'whenever I face challenges to deliver my target we discuss with my supervisor' was also low (M=3.27, SD=1.177). This level of agreement shows the need for further attention to this issue. In fact all the challenges might not be solved, but through listening to and discussing with the employees, their concerns and problems could be at least partly addressed.

The response for 'my supervisor provides me up to date and constructive information on my performance progress and regularly discuss on my area of improvement' also received light agreement (M=3.10, SD=1.200). This obviously suggests the need to improve this aspect of the employee performance management practice.

The participants response for 'my supervisor has the capacity to monitor my performance against the plan, providing and taking feedback and coaching if necessary in CBO' was similarly reflecting light agreement (M=3.20, SD=1.060). This is again an area that needs addition attention from the bank and supervisors.

Finally, the participant responded to 'my supervisor documented all my performance details' was lower response of (M=3.13, SD=1.117). Documentation provides evidence that a history of

employee's improvement or failure to improve performance over time. It is helpful for both the employee and employer but the practice of the bank tap out there is a poor practice of performance documentation. Smither and London (2006) stated that while the employee has primary responsibilities for performance execution, the supervisor also needs to do his or her share of the work. While the employee is working to achieve the agreed performance, the manager retains a key enabling role which includes organizing the resources, providing off-job training, dealing with unforeseen barriers, sharing 'inside' information, on-going coaching and constructive feedback. Also they stated that supervisors have primary responsibility over the following issues: Observation and documentation, to update objectives, standards, key accountabilities and competency areas, feedback on progression toward goals and coaching to improve performance, provide employees with resources and opportunities, reinforcement (supervisors must let employees know that their outstanding performance is noticed by reinforcing effective behaviors and progress toward goals).

Therefore, the above results indicates that the bank follow and implement the performance execution process but it requires improvement in all aspect.

4.3.4. The current performance assessment practice

Performance assessment remains an essential part of managing an organization and the people within it. The crucial parts of the assessment process are to provide accurate feedback of assessment and to link assessment to jobs and organizational objectives (Rowley and Jackson, 2010). Thus, the study incorporated 9 research questions to understand the banks practice regarding performance assessment process.

Table 4. 5. Summary of responses on performance assessment

S. No.	<i>The performance assessment</i>	N	Min.	Max.	Mean	Std. Dev.	Mean score
4.1	The performance evaluation criteria helps the organization to align or integrate the overall goals of the organization with the individuals goals	193	1	5	3.15	1.169	Low
4.2	The performance evaluation system helps an organization to integrate its employees day to day business activities with the overall goals of the organization	193	1	5	2.79	1.150	Low
4.3	The performance evaluation system helps the organization (CBO) to perform further developmental activities	193	1	5	2.78	1.318	Low

4.4	The performance evaluation system helps the organization to use its own financial as well as non-financial resources in a better way	193	1	5	2.81	1.235	Low
4.5	The performance evaluation system helps the organization (CBO) to set possible training and developmental programs	193	1	5	2.84	1.251	Low
4.6	The performance evaluation system helps to set training and developmental	193	1	5	2.93	1.147	Low
4.7	The performance evaluation system helps the organization to achieve its own goals effectively and efficiently.	193	1	5	2.83	1.251	Low
4.8	The performance evaluation system helps the organization to improve its overall performance	193	1	5	3.02	1.136	Low
Grand Mean					23.15		
Average Mean					2.89		

Source: Researcher's Survey Result (2024)

The result in table 4.5 shows that participants response for my actual performance is measured against the agreement of results and behaviors reached with my supervisor received moderately favorable response ($M=3.15$, $SD=1.169$). Though it seems to be a positive response, but it needs to be further improved because if employees are not evaluated with the actual performance against the target it will become a source of complain. In addition, the remaining individuals must come to an agreement with convenient adjustment. From the total 193 respondents answered the statement 'Before conducting the assessment the employee have a chance to explain on poor performed objectives' ($M = 2.79$, $SD = 1.150$). This is a low score that shows poor practice of performance management. This is apparently one of the areas that seek the attention of bank management. Likewise, the participants were asked 'does the performance evaluation criteria adopted by the bank determine your accomplishment' they gave relatively low score ($M = 2.78$, $SD = 1.318$). This needs further attention that aimed at improving the performance evaluation criteria used by the bank so as boost employees' confidence in it. Similarly, when the respondents were asked about the statement 'the bank has a self-assessment package so I can evaluate my own performance' they gave a relatively low score ($M=2.81$, $SD=1.235$). The result indicates the company might lose the benefits from self-assessment if it does not fully allow employees to carry out self-assessment.

According to Shore, Adams, & Tashchian, (1998), self – assessment 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. The participants response to my performance review considers all my performance histories with in the agreement period rather than on recent accomplishment also evaluated poorly ($M=2.84$, $SD=1.251$). When the respondents were requested to respond to the statement ‘my peer groups were requested to give feedback on my performance’ the response rate is ($M=2.93$, $SD=1.147$) which is somehow in different. This suggests that supervisors often rely on their own assessment and do not give opportunity to co-workers to comment on the performance of their colleague. This is thus another area that needs attention and improvement. The respondents were requested to answer to ‘do you have a chance to appeal for the bank top management if you didn’t agree on your performance rating with your supervisor’ again assigned a relatively poor score ($M=2.83$, $SD=1.251$). Lack of such mechanism to reflect their disagreement and grievance could be a source of dissatisfaction which may also contribute to high turnover of staff.

Similarly, when the participants were asked ‘the senior management of the bank didn’t influence the outcome of the assessment process’ they gave a relatively lower response ($M=3.02$, $SD=1.136$). Though the response was moderately positive, lack of strong agreement points to presence of some gaps that need to be addressed. Finally, the participants were requested to respond to ‘does your supervisor follow inappropriate generalization from one aspect of performance to all areas of your performance’ and responded with a score that reflects poor practice ($M=2.95$, $SD=1.140$). This should again be treat as another area that needs attention. Aguinis (2007) summarizes the importance of performance assessment and involvement of employee and managers as: ‘At the core of any performance management system is the assessment of performance. 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. 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. Employee’s involvement in the process increases employee’s ownership and commitment to the system. In addition, it provides important information to performance review. Thus from the result we can say the overall practice of performance assessment (Marginal Mean of 2.09) done poorly with marginal mean score of 2.09. Hence the bank should make improvements for questions employee were scored below 3.39 mean.

4.3.5. The current performance review practice

Table 4. 6. Summary of responses on performance review

S.No.	<i>The performance review</i>	N0	Min.	Max.	Mean	Std. Dev.	Mean score
5.1	The organization's overarching goals are connected to the performance management standards.	193	1	5	2.99	1.223	Low
5.2	There was a challenge in due courses of PMS implementation.	193	1	5	3.05	1.221	Low
5.3	The BSC-based performance evaluation forms are simple to use, straightforward, and provide information about each employee's performance.	193	1	5	3.20	1.081	Low
5.4	There is a problems in documentation and transparency of rating by ratters	193	1	5	3.19	1.067	Low
5.5	There is a problems of accepting the rating results by the rates	193	1	5	2.62	1.288	Low
5.6	There is positive reaction by the employees towards low performance ratings	193	1	5	2.12	1.245	Low
5.7	The ratter gives feedback periodically to the respective rates or employees	193	1	5	2.62	1.288	Low
5.8	The ratter tends to give high performance ratings to elicit positive reactions from its subordinates	193	1	5	2.52	1.241	Low
5.9	The ratter is fair and qualified to evaluate	193	1	5	2.14	1.111	Low
Grand Mean					24.45		
Average Mean					2.72		

Source: Researcher's Survey Result (2024)

Table 4.6 displays the participant's answer to the statement, "My supervisor provides me with formal feedback on my performance following a performance assessment." The topic of improvement was then discussed; the results were either neutral or different ($M=2.99$, $SD=1.223$). This shows how important it is to motivate managers to give their staff members performance reviews.

However, when asked, "Do you and your supervisor discuss and identify what are the problems that hinder achievement of agreed objectives and agreed on action plan to overcome together?" the participants' response was only mildly positive ($M=3.05$,

Participants provided a subpar response ($M=3.20$, $SD=1.081$) to the statement, "The review process is based on the development and improvement needs."

Similarly, the participants' level of agreement ($M=3.19$, $SD=1.067$) when asked if they revised and agreed on the areas of changes (key result areas, competencies and performance measures) and, if necessary, also agreed on the performance plan for the next review period, was lower and still needed to be improved. "Does the bank reward me according to my performance; then the employee?" was the last question posed to the responders. This statement received a low grade from them ($M=2.62$, $SD=1.288$). The low score suggests that workers are dissatisfied with the system of rewards and performance management. Performance reviews are thought of as educational experiences. People could be urged to consider the ways and means of their own development. According to research by Ashford and Cummings (1983), feedback has a significant positive impact on how well individuals and groups perform. This is especially true when it comes to role clarification, increased self-regulatory control processes, enhanced self-efficacy, and the creation of behavior reward contingencies. Similar to this, Armstrong and Baron (2004) state that since the actual performance may be compared to the intended performance, an assessment of the result is made, and a development plan is established in light of the deficiency.

4.3.6. The current performance renewal and reconstruction practice

Table 4. 7. Summary of responses on performance renewal and reconstruction practice

S. No.	<i>The current performance renewal and reconstruction practice</i>	N0	Min.	Max.	Mean	Std. Dev.	Mean Score
6.1	There is a strong relationship between performance management system and employee benefit packages	193	1	5	3.13	1.169	Low
6.2	The PMS has helped the bank to the determine pay and benefits of its employees	193	1	5	2.90	1.348	Low
6.3	The PMS has helped the bank to determine promotion or demotion	193	1	5	2.85	1.24	Low
6.4	The PMS has helped the bank to further develop its employees and their career paths on an ongoing basis.	193	1	5	2.30	1.14	Low
6.5	The PMS has helped the bank to measure the performance of its employees objectively and to compensate accordingly.	193	1	5	2.35	1.14	Low
6.6	The PMS has the ability to link the performance of employees with the related reward	193	1	5	2.12	1.24	Low
					12.52		
Average Mean					2.1		

Source: Researcher's Survey Result (2024)

Table 4.7's results indicate that participants' evaluations of the statement "all deviations collected from the previous review period serve as an input" are not very good (M=3.13, SD=1.169). It is not possible to assume, though, that workers approve of the current procedure. Thus, there is still room for development. Lastly, there was some variation in the participants' responses (M=2.90, SD=1.348) to the statement about employee involvement in the performance renewal and rebuilding process. This indicates to management that employee participation in the process of performance reconstruction has

to be encouraged. With a marginal mean score of 3.01, the aforementioned result thus shows that CBO's performance renewal and rebuilding procedure measured badly. As a result, the bank has to improve because certain employees had mean scores lower than 3.39.

The general objective of the research was to assess the practices and challenges of the performance management system in Cooperative Bank of Oromia (CBO). Former research proposes various performance management system advantages for the employees as well as organization. According to, Chompukum, Pachsiry (2007), their study stated that many Banks in Thailand are actively implementing performance management systems to manage their employees performance which in turn affects organizational performance.

In addition to this, other studies were clearly stated the gaps of performance management system practiced by different organization including lack of giving continuous feedbacks, lack full alignment between organization goals and individuals, lacks of a reasonable performance measurement procedure, lack of reliance and continuity of the system, lack of different learning interventions to improve performance, subjectivity among supervisor, absence timely performance evaluation , lack of PMS software(Abiyou Goshu (2015) Melat Yilma (2014), Mbugua, Waiganjo & Njeru (2015),Pandelani Harry Munzhedzi (2011), Yoseph Muluneh (2015), Selamsew Tesfaye (2015) Kebre Hailu (2016), and Tigist W/Michael (2019).

The results from this research show that consistent with former study done on similar subjects. Additionally this study, has been mentioned that Cooperative Bank of Oromia has left out the consequence of the involvement of employees within the performance planning process of the performance management system, inaccuracy of the rating obtained, the lack of ability of employee's to evaluate their performance, poor communication on the result of performance evaluation for feature improvement, bias of supervisors, the failure of getting a software program that enables to have information about employee's performance, lack automated performance management system had been recognized as a major gap that hinders the PMS system from offering the anticipated output on performance facts reporting and usage.

CHAPTER 5

SUMMARY, CONCLUSION AND RECOMMENDATION

This chapter includes a summary of the key results from the study questions, recommendations, and conclusions drawn from participant responses and relevant research-authored literature.

5.1. Summary

The basic issues were investigated using a descriptive study design and a mixed research approach that combines quantitative and qualitative data gathering methods. In addition to other data gathering techniques, questionnaires and document reviews were employed to triangulate and enhance the validity of the data gathered. To obtain representative data, a simple random sampling approach was used to distribute 242 copies of the questionnaire. Out of all the surveys, 193 (80%) were collected. The data collected from target respondents through questionnaires was compiled and summarized using the statistical software SPSS (Statistical Package for the Social Sciences). In the end, the information acquired from the questionnaire and document examination was subjected to a mathematical analysis.

5.2. Major Findings

Based on the data analysis discussed in the preceding chapter, the Cooperative Bank of Oromia adoption of the performance management system yielded both good and bad results. The main findings received from the respondents are summarized herewith. .

CBO performance management system current practice focus on utilize PMS to align individual and team goals with organizational objectives, ensuring that all employees are working towards common targets, employ KPIs to measure performance across various dimensions such as customer satisfaction, operational efficiency, and financial metrics, performance reviews are conducted regularly on semiannually base to assess employee performance and provide feedback, increasing reliance on technology and software solutions for tracking performance metrics and facilitating real-time feedback, and emphasis on

continuous training programs to enhance employee skills and competencies as part of PMS.

During the implementation of performance management system in CBO majority of the respondent confirmed that the bank faced various challenges such as employees resistance to change such as resisting new performance management initiatives, particularly if they perceive them as overly bureaucratic or misaligned with their roles, managers often face subjectivity in evaluations due to challenges in maintaining objectivity during performance evaluations which leads to potential biases, difficulty in establishing clear metrics, measurable performance indicators that accurately reflect job, the raters lack the necessary expertise roles and contributions, challenges in integrating PMS with other HR functions such as recruitment, training, and compensation management, organizational culture barriers can impede the effective implementation of PMS, restricted participation of employees in performance planning, and lack of raters the necessary expertise and commitment.

5.3. Conclusion

In conclusion, the assessment of performance management system practices and challenges has revealed several key findings. The study has highlighted the importance of aligning performance management practices with bank goals, promoting transparency and communication, addressing bias and discrimination, and involving employees in the process.

It has also identified challenges associated with ineffective feedback mechanisms, resistance to change to automate new system, lack effective training and development interventions, lack of clarity in expectations, and the potential for bias and discrimination during evaluation.

Based on these findings, the thesis recommends several strategies for improving performance management practices, including training and development,

transparency, feedback mechanisms, and continuous evaluation and improvement. By implementing these recommendations, Cooperative Bank of Oromia can enhance the effectiveness of their performance management systems and create a culture of continuous improvement and employee engagement.

Overall, the thesis underscores the significance of performance management in driving organizational success and emphasizes the need for ongoing evaluation and improvement to ensure that performance management practices are aligned with the evolving needs of the bank and its employees.

5.4. Recommendation

Based on its findings and analysis presented, Cooperative Bank of Oromia suggested the following recommendations to review and advance the performance management system of the bank.

- Ensure that assessment practices are aligned with the overall goals and objectives of the organization. This can help in focusing on key performance indicators that are directly linked to bank success;
- Promote transparency in the performance assessment process by clearly communicating expectations, criteria, and feedback mechanisms to all employees. This can help in building trust and engagement among employees;
- Establish regular feedback mechanisms to provide ongoing support and guidance to employees. Encourage open communication channels for employees to discuss their performance and seek clarification on expectations;
- Implement measures to address bias and discrimination in performance assessments, such as training on unconscious bias, using multiple sources of feedback, and ensuring diversity in evaluation panels;
- Continuously evaluate the effectiveness of performance management practices and make necessary adjustments based on feedback and outcomes. This can help in ensuring that the system remains relevant and impactful;
- Involve employees in the performance assessment process by soliciting their input on goals, objectives, and development opportunities. This can help in

fostering a sense of ownership and accountability among employees;

- Establish a system for monitoring and reporting on the outcomes of performance assessments, including tracking progress towards goals, identifying areas for improvement, and recognizing achievements;
- CBO has to be maintaining proper documentation and records as an evidence for evaluation purpose and to respond requests raised from employees for improvement;
- CBO should work hard to eliminate factors that lead supervisors to be biased while rating employee's performance and as much as possible and make the evaluation criteria to be clear;
- In general, it is advisable for CBO to sustain all its current strengths, and improve its limitations mentioned above to manage its resources by enhance the effectiveness of performance management systems, through addressing key challenges, create a culture of continuous improvement and employee engagement so that CBO can realize its vision to become a leading private bank in Ethiopia by the year 2025.

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Questionnaire

Questionnaire to be filled by Head Office Staff

Dear respondents:

This questionnaire is designed to collect primary data used for thesis entitled “Assessment of Performance Management Practices and Challenges in case of Cooperative Bank of Oromia at Head Office, Addis Ababa”. The research is conducted as a partial fulfillment of the requirement for the Master of Human Resource Management at Addis Ababa University School of Commerce.

The study will have a great contribution if you complete all the items covered in the questionnaire having your genuine, honest, and prompt response since it is a valuable input for the quality and successful completion of the study. In this connection, I would like to assure you that the information you provide will be used for academic purpose only and all responses will be treated in a strict confidentiality.

Therefore, I kindly request your cooperation in answering the questions as clearly as possible.

General Instructions

- There is no need of writing your name
- In all cases where answer options are available please tick (✓) in the appropriate box.
- For questions that demand your opinion, please try to honestly describe as per the questions on the space provided.

Contact address: For any query please do not hesitate to contact me at (Tele. 0911-70-75-08 or e-mail: genetbogale006@gmail.com)

Thank you, for your cooperation and timely response in advance!

Part I: Respondent Personal Information

1. For how long have you been working in this bank?
 - < 1 year
 - 1-5 years
 - 5 -9 years
 - 0-19 years
 - 20-30 years or more
2. In which of the following age categories your age falls?
 - Under 25
 - 25-34
 - 35-44
 - 45-54
 - 55 and Above
3. Sex:
 - Male
 - Female
4. Educational qualification:
 - High school graduate
 - Technical school graduate
 - College Diploma
 - BA/BSc Degree
 - Master's Degree Other (please state_____)
5. What is your current job category?
 - Manual and Custodial
 - Semi-professional
 - Professional
 - Managerial/Supervisory
 - Managerial/Administration

Part II: Questions related with the perception of employees towards the PMS

Listed below are statements about the perception of employees towards the performance management system in your Organization. Please indicate your level of agreement with the statements so that your answers to these questions will enable me to assess what you think about the study under phenomenon.

5. Strongly agree 4. Agree 3. Neutral 2. Disagree 1. Strongly disagree

		Levels of Agreement				
No.	Questions	5	4	3	2	1
1	In terms of its objectives					
1.1	The performance management system has helped the bank to integrate the individual objectives with the bank's objectives.					
1.2	The performance management system has helped me to align my day to day business activities with the overall strategy of the bank.					
1.3	The performance management has helped me to enhance my productivity on a going basis.					
1.4	The performance management has helped the bank to enhance its productivity.					
1.5	The criteria used under PMS have the ability to measure my true performances.					
1.6	The performance management system has helped the bank to manage and develop its employees in a way it will achieve its short and long term objectives.					
1.7	Performance management system has helped the bank to establish a culture in which individuals and groups take responsibility for their own skills and contributions					
1.8	Performance management has helped the bank to establish a culture in which individuals and groups take responsibility for the continuous improvement of business processes.					
1.9	The PMS has helped me to get feedback about my performance so that I know where I stand.					
1.10	The PMS has helped me to coach my subordinates and improve their performance on an ongoing basis.					
1.11	The PMS has helped the bank to evaluate performance achievements at the organizational level.					
1.12	The PMS has helped the bank in evaluating the effectiveness of human resource interventions					
1.13	Performance management system serves me in providing information about how I am perceived in the organization and where I stand.					
2	In terms of importance to the rates					
2.1	The performance evaluation system is fair.					
2.2	The performance evaluation system is important.					
2.3	The performance evaluation system is enough to disclose one's own performance for better improvement.					
2.4	The performance evaluation system helps employees to clearly understand what is expected of them					
2.5	The performance evaluation criteria are related with job of an individual's employees.					
2.6	The performance evaluation helps employees to enhance their commitment towards their job.					
2.7	The performance evaluation system helps the employees of the bank to improve their career path.					
2.8	The performance evaluation system helps employees to motivate for higher performance					

3	In terms of importance to the Ratter	5	4	3	2	1
3.1	The bank's PMS helps ratter to coach and control their employees performance					
No.	Questions					
4	In terms of importance to the bank					
4.1	The performance evaluation criteria helps the bank to align or integrate the overall goals of the bank with the individuals goals					
4.2	The performance evaluation system helps an organization to integrate its employees day to day business activities with the overall goals of the bank.					
4.3	The performance evaluation system helps the bank to perform further developmental activities.					
4.4	The performance evaluation system helps the bank to achieve its own financial as well as non-financial resources in a better way.					
4.5	The performance evaluation system helps the bank to set possible training and developmental programs.					
4.6	The performance evaluation system helps to set training and developmental objectives.					
4.7	The performance evaluation system helps the bank to achieve its own goals effectively and efficiently.					
4.8	The performance evaluation system helps the bank to improve its overall performance					
5	In terms' of challenges or problems					
5.1	The performance management criteria are related with the general objectives of the bank.					
5.2	There was a challenge in PMS implementation.					
5.3	The forms of performance evaluation are clear and easy to understand as well as document the performance of the employees.					
5.4	There is a problems in documentation and transparency of evaluation by evaluators.					
5.5	There is a problems of accepting the evaluation results by the rates.					
5.6	There is positive reaction by the employees towards low performance management.					
5.7	The evaluator's gives feedback periodically to the respective rates or employees.					
5.8	The evaluator tends to give high performance ratings to elicit positive reactions from its subordinates.					
5.9	The evaluator is fair and qualified to evaluate.					
6	In terms of relationship					
6.1	There is a strong relationship between performance management system and employee benefit packages.					
6.2	The PMS has helped the bank to the determine pay and benefits of its employees.					
6.3	The PMS has helped the bank to determine promotion or demotion.					
6.4	The PMS has helped the bank to further develop its employees and their career paths on an ongoing basis.					
6.5	The PMS has helped to measure the performance of its employees objectively and to compensate accordingly.					
6.6	The PMS has the ability to link the performance of employees with the related reward.					

Thank You!!!!

