



**Effect of Performance Management Practice on Perceived Employees'
Performance in Assai Public School**

By: Wondwossen Belachew
Advisor: Solomon Markos (PhD)

**A Thesis Submitted to Addis Ababa University, School of Commerce in Partial Fulfillment
of the Requirements for the Master Degree in Human Resource Management**

Addis Ababa University

School of Commerce

June, 2017
Addis Ababa, Ethiopia

Addis Ababa University

College of Business and Economics

School of Commerce

Post graduate program

Effect of Performance Management Practice on Perceived Employees'
Performance in Assai Public School

By

Wondwossen Belachew

ID No: GSE /0734/06

Approved by board of examiners:

Solomon Markos (PhD)

Advisor

Signature

Worku Mekonnen (PhD)

Examiner I

Signature

Birhanu B. (PhD)

Examiner II

Signature

Declaration

I, the undersigned, declare that the thesis work entitled “**Effect of Performance Management Practice on Perceived Employees’ Performance in Assai Public School**” is my original work and has not been presented for a degree in any other university, and that all sources of materials used for the study have been duly acknowledged.

Declared by

Name

Sign

Date

Letter of Certification

This is to certify that Ato Wondwossen Belachew has properly completed his research project work entitled “**Effect of Performance Management Practice on Perceived Employees’ Performance in Assai Public School**” under my supervision. In my opinion, his project work is appropriate to be submitted to Addis Ababa University, School of Commerce, Department of Business Administration and Information System as partial fulfillment requirement for the award of Degree in Masters of Human Resource Management for examination with my approval as a University advisor.

Advisor: DR. Solomon Markos

Date _____

Acknowledgement

First and for most, I would like to give my glory and praise to the Almighty GOD for his invaluable cares and supports throughout the course of my life and helped me since the inception of my education to its completion.

Next, I'm grateful to appreciate my Advisor Solomon Markos (PhD) who has taken all the trouble with me while I was preparing the paper. Especially, his valuable and prompt advice, his tolerance guidance and useful criticisms throughout the course in preparing the paper, constructive corrections and insightful comments, suggestions and encouragement are highly appreciated. I am also thankful to my family and friends who have helped and supported me to prepare this paper. Also I am particularly grateful to Addis Ababa University School of Commerce librarian staff for their corporation in providing reference materials. I would like to thank also Assai Public School in general including employees as respondents and management for their cooperation. Great appreciation is also extended to all those who helped me while conducting the study.

LISTS OF ACRONYM

HRM - Human Resource Management

PA - Performance Appraisal

PM - Performance Management

PM - Performance Management Practice

SPSS - Statistical Package for the Social Sciences

Table of Contents

Acknowledgment.....	i
List of Acronym-----	ii
Table of Contents-----	iii
List of Tables-----	v
List of Figure-----	vi
Abstract-----	viii
Chapter One	
1.1. Introduction.....	1
1.2. Background of the Study.....	1
1.3. Statement of the Problem.....	2
1.4. Research Questions.....	4
1.5. Objectives of the Study.....	4
1.6. Operational Definition.....	6
1.7. Significance.....	6
1.8.Scope and Limitation of the Study.....	7
1.9. Organization of the Study.....	7
Chapter Two	
2. Litration Review.....	8
2.1. Introduction.....	8
2.2. Theoretical Litration Review.....	8
2.2.1. Definition of Performance Management.....	8
2.2.2. Characteristics of Performance Management-----	10
2.2.3 Why Implement a Performance Management System?.....	10

2.2.4. Performance Management Process-----	11
2.2.5. Measures in Performance Management	13
2.2.6. Performance Appraisal and Performance Management.....	14
2.2.7. Basic Factors for Successful Implementations of the PM.....	14
2.2.7.1. Change Management.....	14
2.2.7.1. Alignment of Strategic Plan with all other Management System	15
2.2.7.3 Training and Creating Learning Organization	15
2.2.7.4. Rewarding Good Performance.	16
2.2.7.5. Flexibility and Simplicity-----	16
2.2.7.6. Communication-----	18
2.2.7.7. Resource-----	17
2.2.7.8. Involvement of all Staff-----	17
2.2.7.9. Shared Understanding of Vision, Mission, Objectives and Staff Commitm	17
2.2.8. Performance Management in Practice-----	17
2.2.9. Performance Management Best Practices-----	19
2.2.9.1. Including Development Plans for the Future-----	19
2.2.9.2. Resolving Poor Performance-----	19
2.2.9.3. Getting Beyond the Judgment of Managers-----	20
2.2.9.4. Making it Consistent Across the Organization-----	20
2.2.9.5. Ensuring That Feedback Happens Regularly-----	21
2.2.9.6. Using 360 Reviews to Support the Performance Evaluation Process-----	21
2.2.9.7. Including Ongoing Goal Review and Feedback-----	21
2.3. Empirical Literature Review-----	22
2.4. Hypothesis of the Study-----	25
Chapter Three	
3. Research Methodology	27
3.1. Introduction	27
3.2. The Research Design	27
3.3. Types and source of data.....	28

3.4.Target Population	28
3.5. Method of Data Collection	28
3.6.Data Analysis and Presentation.....	29
3.7. Validity and Reliability	29
3.7.1. Validity.....	29
3.7.2. Reliability-----	30
3.7. Ethics of the Study-----	30
Chapter Four	
4. Data Analysis and Discussion of Results.....	31
4.1. Introduction	31
4.2 Demographic Characteristics of Respondents	31
4.3.Descriptive Statistical Analysis-----	34
4.4. Correlation Analysis	40
4.5. Multiple Regression Analysis	42
4.6. Hypothesis Testing.....	45
Chapter Five	
5. Major Findings, Conclusion, and Recommendation-----	48
5.1. Major Findings-----	48
5.2. Conclusion	49
5.3. Recommendations.....	49
5.4. Suggestion for Further Research-----	52
References	
Appendix	

List of Tables

Table 4.1. Response Rate of Respondents.....	58
Table 4.2. Gender Characteristics of Respondents	58
Table 4.3. Age of Respondents	58
Table 4.4. Education Status of Respondents.....	59
Table 4.5. Position of Respondents.....	59
Table 4.6. Working Experience of Respondents	60
Table 4.7. Mean and Standard Deviation for Knowledge of performance Management	60
Table 4.8. Mean and Standard Deviation for Involvement of Employees in Performance Planning	61
Table 4.9. Mean and Standard Deviation for Performance Assessment.....	61
Table 4.10. Mean and Standard Deviation for Recognition and Feedback	62
Table 4.11. Mean and Standard Deviation for Uses of Performance Management	62
Table 4.12. Mean and Standard Deviation for Employees Performance.....	63
Table 4.13. Correlation Matrix of Relationship between performance management Dimensions Employees' Performance	63
Table 4.14. Multiple Regression.....	64
Table 4.15. Model Summary	64
Table 4.16. Summary Relation	64
Table 4.17. Cumulative Mean and Standard Deviation.....	65

List of Figure

Figure 1. Conceptual Frame of the Study	23
---	----

Abstract

The purpose of this study is to investigate the effects of performance management practice on employee performance in Assai public school at Addis Ababa. To achieve the objectives of this study explanatory research design was used. The study used census survey, data was collected through questionnaire from a population of 86 employees and 80 questionnaires were returned. The data collected from the questionnaire were analyzed using statistical tools such as mean, standard deviation, correlation, and multiple regression analysis. The results of this study indicated that, performance management practice dimensions such as (knowledge of performance management, involvement of employees in performance planning, performance assessment, recognition and feedback and uses of performance management) have positive and significant relationship with employee's performance. The finding of the study indicated also that employees were most satisfied with performance assessment and recognition and feedback dimension of performance management practice. On the contrary, employees were less satisfied with knowledge of performance management, involvement of employees in performance planning and uses of performance management of performance management practices. The results also indicated that, unlike involvement of employees in performance planning, uses of performance management and knowledge performance management, the two performance management practice dimensions (recognition and feedback and performance assessment) have positive and significant effect on employees' performance. Furthermore, the aforementioned performance management practice significantly contributes 41.9% to employee performance. Based on the findings of the study, the researcher forwards sound recommendations including that conducting knowledge of performance management before implementing performance management in the organization, updating uses of performance management, the involvement of employees in performance planning which have to be done before, during and after employees' performance being analyzed.

Key Terms: Performance Management Practice, Employees' Performance, Performance

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Among different resources found in different organizations, human resource is one of the most important assets with the responsibility of managing other resources like financial, material, technological and other monetary or non-monetary resources. The human resource can be considered as the back bone of any organization in coordinating and controlling the whole activities of the organization directly or indirectly to insure achievements of organizational goal.

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

Performance management as one of the aspects of human resource management is a process of advancing the performance of an organization to the higher expectation by developing the performance of individuals and teams in a systematic way. It is the process of cascading the goal of the organization down to teams and individuals with the aim of getting a better result (Armstrong 2009). In an effective performance management system, it is easy for managers to evaluate and measure individual performance and increase productivity by aligning individual and strategic objective, providing visible and clear performance expectation, documenting individual's performance for future decision and focusing on skill development plan. Having the right performance management system is a concern of every organization because it is an important gear of an organization to be a front runner in the market by evaluating and developing employee performance in order to get enhanced organizational success.

Kandula, (2006) states that: The purpose of performance management is to transform the raw potential of human resource into performance by removing intermediate barriers as well as motivating and rejuvenating the human resource. Competitive capacity of organization can be increased by building strong people and effectively managing and developing people which is in essence performance management. Given challenging economic conditions such as global competition organizations are starting to look internally for performance and productivity gains

rather than wait for external improvements (e.g., market growth or technological advances) (Boxall& Purcell, 2003; Buchner, 2007).

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

Assai Public School is one of the educational organizations that deliver educational service for the society. To achieve the organization's vision and mission the performance of employees is vital. Performance of employees can be managed by exercising strong performance management system.

Having said this, the researcher investigated the relationship of the existing performance management practice and perceived employees (teachers) performance in Assai Public school. The research also examined the effect of performance management practice on employees' performance.

1.2 STATEMENT OF THE PROBLEM

Schools have goals, guidelines, operating procedures, and rules that influence the behavior of teachers, students, principals and other members of the school. Among others performance appraisal becomes a function and the guiding principle to measure the performance level of teaching effectiveness (Dessler, 2005: 55). The goal of the teaching learning process is to change the behavior of students. Basically, the accomplishment of this goal depends mainly on the performance of teachers. Therefore, success in schools can be realized when teachers' performance appraisal is successfully done.

Currently, Assai Public School exercises performance appraisal and not performance management. Performance management is used to ensure that employees' activities and outcomes are congruent with the organization's objectives and entails specifying those activities and outcomes that will result in the firm successfully implementing the strategy (Gold, 2010)

Sustained competencies in this dynamic business environment can only be maintained through never-ending development of human resource. To achieve this human resource performance management has to be comprehensive and that it is continuous process rather than an event that occurs once in a year.

But, Performance management, in most organizations, is limited to appraisal which is usually conducted semi- annually. Several literatures on the subject stressed that performance appraisal is a central part of the performance management process in which an employee's contribution to the organization, during a specific period is assessed (Ojokuku, 2013). Performance appraisal can improve both motivation and performance; however, it faces different criticism from different researchers. For example, Ivancevich (1989) and Chruden (1959) argued that inadequate training can lead to a series of problems in conducting performance appraisal.

As it is mentioned earlier, Assai Public School uses performance appraisal which is measured and reported semi- annually for performance of the employees. Though duties and responsibilities of the teachers are communicated by the management at the beginning of the year, there is no clearly defined performance management plan which should be implemented throughout the academic year. The system is highly dominated by performance assessment and recognition and feedback. The researcher conducted an interview with some employees and they said that the report of performance appraisal is not timely, feedback is highly subjective, some objectives are not relevant, the appraisal system doesn't motivate employees to achieve the organization's ultimate goal and employees are not interested with the system and they are not clear about the purpose of the evaluation system. The researcher also tries to observe human resource documents and found that: there are no clear and structured reports about performance of employees, the administrative or development purpose of performance management system is not clearly seen in the written documents and also there are no clearly defined plans about performance management system in the organization.

Thus, by examining the employees' attitude, this study will find factors that affect the performance of the employees. Past literature on the effect of performance management practice on employees' (teachers) performance was missing, and thus, this research will fill this gap and also it specifies the gaps in performance management practice in the studied organization.

The studies conducted in the past have identified the need to have a good performance management system in place. According to Cook, (2003), supervisors and employees are falling short in meeting expectations of the organization. There are gaps in meeting individual goals in respect with organizational goals to benefit both the organization and the employees. Performance appraisal properly describes a process of judging past performance against clear and agreed objectives. Performance management shifts the focus away from just an annual event to an on- going process (Bruce, 2014). Therefore, the focus of this study is to investigate the effect of performance management practice on perceived employees' performance in Assai Public School.

1.3 RESEARCH QUESTIONS

Having the above statement in mind, the researcher has formulated the following one major research questions.

- ✓ What is the status of performance management practice on employees' performance in Assai Public School?

- ✓ Is there relationship between performance management practice and employees' performance in the organization?

- ✓ What is the effect of performance management practice on employees' performance in Assai Public School?

1.4 OBJECTIVES OF THE STUDY

1.4.1 General Objective

The general objective of this study was to investigate the practice of performance management and its effect on perceived employees' performance in Assai Public School.

1.4.2 Specific Objectives

From the above general objective the study had the following specific objectives:

- ✓ To identify the effect of knowledge of performance management on employees' performance.
- ✓ To determine the effect of involvement of employees in performance planning on employee performance.
- ✓ To find out the effect of performance assessment on employees' performance.
- ✓ To examine the effect of recognition and feedback on employee performance.
- ✓ To examine the effect of uses of knowledge performance on employee performance.

1.5 OPERATIONAL DEFINITION

Key terms which have been included in the topic of this proposed research study are defined as follows:

Performance: In simple way performance can be regarded as a record of an outcome or accomplishment achieved by a person or a team (Armstrong 2009).

Performance Management: is a continuous process of identifying, measuring and developing performance in organizations by linking each individual's performance and objectives to the organization's overall mission and goals (Aguinis H., 2009).

Performance Appraisal: is a periodic review and evaluation of an individual's job performance (Armstrong 2006).

Performance management practice:

Performance management practice as a systematic way of communicating to employees on what they are expected to do and what the performance and productivity parameters are (Marsor, 2011).

Performance measurement: A quantifiable indicator used to assess how well an organization

or business is achieving its desired objectives. Many business managers routinely review various performance measure types to assess such things as results, production, demand and operating efficiency in order to get a more objective sense of how their business is operating and whether improvement is required (Liu, 2014)

1.6 SIGNIFICANCE

The researcher believed that the findings of this study will be of use the management of Assai Public School in order to understand the successes and challenges of the performance management practice and its effect on employees' performance. Likewise, improvements in staff appraisal process will be made. Human resource specialists and managers who may be interested in knowing how staff appraisal systems can affect employees' performance and increased student performance in schools as a result of effective evaluation tools in place. The study will also contribute knowledge to the field of staff appraisal. And further, other academicians and future researchers may carry out further research on aspects of the study.

1.7 SCOPE AND LIMITATION OF THE STUDY

Assessing the performance management practice of different organization that is available for this kind of study is very difficult and impossible because of number of limitations imposed by external and internal factors. The research, conceptually, limited to give more emphasis for the investigation of the effects of performance management practice on perceived employees' performance.

The study has been delimited on the fact that there was an interest to cover major concepts in the performance management practice and their effect on employees' performance, due to some resources like time and budget shortcoming and with very large population size and geographic factors forced this study is to be delimited to only in one organization, Assai Public School and its employees. The other limitation that this research encountered was that since it is conducted on a single organization and did not cover the whole employees of the school, the finding of the study was hard to make generalizations.

In this regard the trait approach, behavior approach and results approach used to measure performance of employees.

1.8 ORGANIZATION OF THE STUDY

The study is composed of five chapters. The first chapter deals with the introductory part. The second chapter is the related literature where detailed discussion about the topic is undertaken. The third chapter presented the research design and methodology. In the fourth chapter data presentation, analysis and interpretation is made. The fifth and the final chapter covered the summary of major findings and also the possible recommendations are forwarded.

CHAPTER TWO

LITRATURE REVIEW

2.1. Introduction

This chapter contains theoretical and empirical literature. Theoretical literature deals with concepts of performance management, characteristics of performance management and reason for conducting performance management. Also it describes performance management process, measures of performance management, performance management vs performance appraisal and basic factors for successful implementation of the performance management system. Finally related empirical finding were presented.

2.2. Theoretical Literature Review

2.2.1. Definition of Performance Management

Armstrong and Baron (1998) define performance management as a strategic and integrated approach to delivering sustained success to organizations by improving the performance of the people who work in team and by developing the capabilities of teams and individual contributors. Organization is responsible to enhance team and individual capacities so that it can achieve its objectives. Armstrong & Baron (2005) state that performance management is a natural process of management contributes to the effective management of individuals and teams to achieve high levels of organizational performance. As such, it establishes shared understanding about what is to be achieved and an approach to leading and developing people which will ensure that it is achieved.

As Aguinis (2007) defines the performance management “a continuous process of identifying, measuring and developing the performance of individuals”. He further adds that this continuous capacity building needs clear objectives, observing and measuring performance and giving regular feedback. PM primarily focuses on its employees to develop their capabilities. It does not only do capacity building but “Performance management helps managers to sense earlier and

respond more quickly to uncertain changes” (Cokins, 2004). Performance management is the process of directing and supporting employees to work as effectively and efficiently as possible in line with the needs of the organization. It refers that aligning human resource with that of the organizational objectives (Walters M., 1995) According to Lockett (2002), performance management is the involvements of individuals with competence and commitment, working towards the achievement of shared meaningful objectives within an organization which supports and encourages their achievement. Also it helps to promote a sense of shared expectations among all employees and contribute to achieve higher organizational performances.

We can clearly understand from the three authors that the concept they raised about performance management is almost the same. As they stated that in performance management the contribution of each individual and group in the organization will result in the attainment of strategic goals. Their contribution begins from understanding the vision, mission and goals of the organization and aligning these with individual goals.

According to Armstrong, (2009) performance management is a means of getting better results by understanding and managing performance within an agreed framework of planned goals, standards and competency requirements.

Performance management is defined as a systematic process aimed at enhancing human performance within the organization by providing training, development and promotion and creating participative environment (Warren, 1982).

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

All authors here who wrote about performance management system concern on human resource to manage performance through planned and agreed performance management system in an organization and meet the overall organizational goals. Their differences base on the approach to execute performance management system in the organization. Some stress on enhancing the capacity of individuals and groups and creating shared vision in order to perform the best. Others deals about setting standards and measurement tools and creating participative environment of

individuals to undertake performance management system in any organization.

2.2.2. Characteristics of Performance Management

Performance management is planned process whose five primary elements are agreement, measurement, feedback, positive reinforcement and dialogue. It deals with measuring outcomes in the form of performance against expectations. It is characterized by setting for ongoing dialogues about performance. It is continuous and flexible process that involves managers and those whom they manage acting as partners within a framework. It relies on consensus and cooperation rather than control or coercion. Performance planning and improvement and personal development. It enhances teams and individual capacities (Armstrong, 2009).

2.2.3. Why Implement a Performance Management?

The purpose of PM differs from organization to organization depending on the objective to be achieved. However, Aguinis H.,(2009) explained the following six purposes of performance management.

Strategic: It is the process of aligning organization's goals with individual goals so that it can successfully attain its goals. Performance management is most useful when it aligns individual objectives with business goals and helps individuals to understand the contribution they are making and how their role fits into overall strategic business objectives. Here the basic question is how to align organization's goals with individual goals. If individual objectives and organizational objectives are in conflict they hinder the performance of the organization.

Administrative: It helps managers as a source of information for making sound decisions about employees, including salary adjustments, promotions, employee retention or termination, recognition of superior performance, identification of poor performers, layoffs, and merit increases. An information recorded through the execution of performance management practice and free from bias helps the organization to make sound decision about administrative issues.

Communication: It provides full information for employees how well they are doing, to receive information on specific areas that may need improvement, and to learn about the organization's and the supervisor's expectations and what aspects of work the supervisor

believes are most important. Performance management promotes openness, transparent and smooth flow of information among employees. Communication also plays an important role in the review or feedback meeting. A performance management system which is established and communicated for employees and supervisors in the organization helps to correct errors immediately by devising the right solution.

Developmental: It provides feedback that help managers to train employees and help them to improve their performance in continuous basis. Therefore, performance management helps to increase higher productivity, improve work quality, increased motivation and commitment and higher moral by providing different training for employees. Developing employees continuously will help the organization to maximize performance and it is the strength of effective performance management system.

Organizational maintenance: performance management plays a great role in providing information of current employees to be used in workforce planning as well as assessing future training needs, evaluating performance achievements at the organizational level, and evaluating the effectiveness of human resource interventions. In other words information gained through performance management system helps the organization to fill the gap in knowledge, skill and attitude of the employee and sustain high performance.

Documentation: Performance management helps to maintain documents mainly for legal issues. It provides data that can be used to review the critical accuracy of newly projected selection instruments. Documentation of every report about employees can assist the organization to deal with legal issues which could arise. Generally the above mentioned purpose of performance management help both employees and managers to perform their activities as intended in line with organizations mission, strategic objectives and goals. Therefore it makes both employees and

2.2.4. Performance Management Process

As most authors has agreed on the meaning of performance management it is a continuous process that engages both the manager and an employee to set out how they can best work together to achieve the required results. Performance management system has its own process which has different approaches.

The different processes of performance management system are indicated by different authors. However, Aguinis H.,(2009) indicated the following six stages:

Stage1. Pre-requisites

Prior to implement performance management system every employee of the organization is expected to know the organization's vision, mission and strategic goals. These key issues that must come at the beginning of the stages when implementing performance system can create a concrete picture in the minds of the employees about their destination. If there is a lack of clarity regarding where the organization wants to go, or the relationship between the organization's mission and strategies and each of its unit 's mission and strategies is not clear, there will be a lack of clarity regarding what each employee needs to do and achieve to help the organization get there. So making the employees aware of the organization's vision, mission and strategic goals lay foundation for undertaking the next performance management practice.

Stage 2: Performance Planning

In performance planning stage employees should have clear knowledge of the performance management system. The supervisor and the employee should reach on consensus on what needs to be done and how it should be done. Planning helps to know the direction about how to get to the destination and what is expected from the supervisor and the employees. An agreement reached at first through planning stage helps to meet the purpose of performance management practice.

Stage 3: Performance Execution

It is the process of implementing performance management. Employees endeavor to produce the results and display the behaviors agreed on as well as to work on development needs. The employee has primary responsible to pin put in the development of the job descriptions, performance standards, and the creation of the rating form. It is a stage where the knowledge, skill, behavior and effort of employees are observed while executing their job. In addition to this,

employees themselves understand their duties and responsibilities and identify their strength and weakness in the actual performance cycle.

Stage 4: Performance Assessment

At this stage, actual performance is compared with the desired performance or performance standards. Comparison reveals deviations in the performance of the employees from set standards. This comparison can show actual performance being more than the desired performance or, actual performance being less than the desired performance. Information can be gathered from peers, supervisor, observation, document analysis, interview and the like. It includes recalling, evaluating and analysis of data related to the employees' performance. When both the employee and the supervisor are active participants in the evaluation processes, there is a greater likelihood that the information will be used productively in the future. This is to mean that performance assessment expose not only the strength but also gaps that must be filled before they become a cause for weak performance of employees and also the organization.

Stage 5: Performance Review

The performance review stage involves discussion between the employee and the manager to evaluate their assessments. The appraisal meeting is important because it provides a formal setting in which the employee receives feedback on his or her performance. The purpose of a meeting should be to solve the problems faced and motivate the employees to perform better. In other words it is the stage where information exchange is take place and good relationship between the appraiser and the employee is maintained. This also is very important stage to continue the performance management practice and maximize employee performance.

Stage 6: Performance Renewal and Reconstructing

It is the process of revising performance management based on insights and information gained from the other phases. Here the implementation and results of the earlier stages are investigated in order to reach on decisions that help to maximize performance of employees and the organization. This is the stage where examination of the previous stages is done and some better ways of applying performance management are devised to enhance the performance of

employees. The work done here also helps to update the overall performance management practice.

2.2.5. Measures in Performance Management

Measurement is an important concept in performance management. It is the basis for providing and generating feedback, it identifies where things are going well to provide the foundations for building further success, and it indicates where things are not going so well, so that corrective action can be taken. Employee's performance depends on the effective performance management system. Employees must have knowledge about their job what they must have to perform in order to fulfill its job target. In organizations, the developed performance elements tell what the employees really have to perform and the performance standards tells the employees that how effectively they must have to perform. The performance elements are the indicators which can vary from organization to organization; it can be productivity, effectiveness and objectivity.

While the standards include certain objectives that employees must achieve, Performance standards and elements should be calculated, attainable, fair and challenging (Armstrong, 2009).

2.2.6. Performance Appraisal and Performance Management

It is sometimes assumed that performance appraisal is the same thing as performance management. But there are significant differences. Performance appraisal can be defined as the formal assessment and rating of individuals by their managers at, usually, an annual review meeting. In contrast, performance management is a continuous and much wider, more comprehensive and more natural process of management that clarifies mutual expectations, emphasizes the support role of managers who are expected to act as coaches rather than judges, and focuses on the future. Performance appraisal has been discredited because too often it has been operated as a top-down and largely bureaucratic system owned by the HR department rather than by line managers. Performance appraisal tended to be backward looking, concentrating on what had gone wrong, rather than looking forward to future development needs. Performance appraisal schemes existed in isolation. Line managers have frequently rejected performance appraisal schemes as being time-consuming and irrelevant. Employees have resented the

superficial nature with which appraisals have been conducted by managers who lack the skills required, tend to be biased and are simply going through the motions. Performance appraisal is often linked to pay whereas PM less likely to be direct link with pay. Again performance appraisal focus on quantified objective but Performance management Focus on values and behaviors as well as objectives (Armstrong and Baron, 2004). So performance management system creates a good learning environment and plays a significant in supporting the performance of employees.

2.2.7. Basic Factors for Successful Implementation of the Performance Management

2.2.7.1. Change Management

According to Armstrong (2009) Change management is defined as the process of achieving the smooth implementation of change by planning and introducing it systematically, taking into account the likelihood of it being resisted. Change management is applied in an organization by considering the behavior of people who are working in it. Change management is accompanied by resistance and this should be resolved to achieve the goal change.

2.2.7.2. Alignment of Strategic plan with all other Management Systems

According to Armstrong (2006) one of the most fundamental purposes of performance management is to align individual and organizational objectives. This means that everything people do at work leads to outcomes that further the achievement of organizational goals.

Alignment can be attained by a cascading process so that objectives flow down from the top and at each level team or individual objectives are defined in the light of higher-level goals. But it should also be a bottom-up process, individuals and teams being given the opportunity to formulate their own goals within the framework provided by the defined overall purpose, strategy and values of the organization.

The strategic plan is a statement of overall aims and objectives and the business plan is the map of how to get there, how to achieve those aims and objectives and a performance management system links the organization and individual by developing a purposeful result oriented direction,

which sets organizational objectives and\ individual objectives (Johnson and Scholes, 1997).

Performance management is a “continuous process of identifying, measuring, and developing the performance of individuals and teams and aligning performance with the strategic goals of the organization” (Aguinis, 2009).

Continuous process means until the organization meets its strategic objectives the work of performance management practice goes one after the other in a logical and sequential manner. Performance of the organization is not only the contribution of individual’s performance but also it is team’s effort. To make the work of performance management effective problem areas should be marked and appropriate way of removing the problem must be made.

2.2.7.3. Training and Creating Learning Organization

Implementation training is vital to introduce the new performance management system. Moreover, to keep the system dynamic performance management system needs learning and growth. Performance management aims to enhance learning from experience learning by doing. This means learning from the problems, challenges and successes inherent in people’s day to day activities. Day to day contacts provides training as well as learning opportunities, and performance management emphasizes that these should be deliberate acts. In other words, the requirement is that managers, with their teams and the individual members of their team, should consciously agree on the lessons learnt from experience and how this experience could be put to good use in the future (Armstrong 1996). In this dynamic world changes are happening continuously. As a matter of fact, creating a learning organization guarantees to overcome the challenges of any business environment.

2.2.7.4. Rewarding Good Performance

Reward helps to attract and retain the high quality people the organization needs. It provides motivation for people and obtains their engagement and commitment, besides it develops a high-performance culture. Motivated people do their best to meet the goals of the organization and this helps to achieve high performance. Reward provides the right things to convey the right

message about what is important in terms of behaviors and outcomes. (Greer, 2001)

Since work groups are part of the larger organizational system, employee's behavior will be influenced by how the organization evaluates performance and what behaviors are rewarded (Robbins, 1996). In addition to this motivating people working in any organization helps them to understand the organization's vision, mission and strategic goals and generate their maximum energy to attain them.

2.2.7.5. Flexibility and Simplicity

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

Moreover, for a system to be easily implemented and to produce the intended result it has to be clear, simple, and requires the necessary skills for effective and efficient implementation of the system. In other words, the more the performance management system becomes clear, simple and transparent the better positive results will be achieved.

2.2.7.6. Communication

To alleviate misconceptions and to ensure that the benefits and implementation of PMS are well understood, organizations should communicate contentiously until all employees are aware of and become part of the implementation process. Communication establishes the means for information exchange throughout the organization in order to remove the gap between the management and the employees.

2.2.7.7. Resource

A sound performance management program must be availed with adequate resources like procedures; information management and all other tools required performing the task up to

standard. Resource can be knowledge, material, money and the like. Resources in any angle can facilitate the execution of the performance management system in an organization.

2.2.7.8. Involvement of All Staff

As an inclusive element the performance management system should involve all staff to ensure ownership of the system and enhance commitment of individuals to facilitate the implementation process. Moreover commitment of staff will enhance organizational capacity by minimizing inefficient and ineffective processes (Armstrong and Baron 2002).For this to become true all staff should have the same outlook and goal. So opportunities must be created to maximize the involvement of all staff in performing any work well.

2.2.7.9. Shared Understanding of Vision, Mission, Objectives and Staff Commitment:

Managers are required to ensure that there is a shared understanding of vision, mission, values, and strategic objectives or the organization. In addition the performance management system should obtain the necessary commitment from all staff, which will determine the degree of its success. Staff commitment generates from understanding the overall goals and internal decision to achieve the success of organization. So managers are the key people to inspire the employees for the attainment of the vision, mission and objectives of the organization by making aware of it.

2.2.8. Performance Management in practice

According to Dixit (2007), effective practice of performance management can start with clarification of organizational goals. Organizational goals can be translated into individuals, teams, and departmental goals. These goals enable to improve performance overtime. Supervisors should rely on consensus and cooperation rather than control or coercion in performance management. He stated that supervisors should encourage self- management of individual's performance and promote open and honest leadership styles that encourage a two way communication between the managers and employees. This will ensure continuous performance feedback that enables the experience and knowledge gained on the job by

individuals and teams to influence organizational objectives. Monitor and measure all performance against jointly agreed goals and apply to employees' helps effective practice. Uses of performance management should not be limited only to financial reward.

2.2.9. Performance Management Best Practices

2.2.9.1. Including Developmental Plans for the Future

Feedback alone won't get people to where they need to be. The performance management system should ensure that a development goal (preferably one) is identified for each individual, and a forward looking action plan is documented for how to get there. This may not come naturally for managers, many of whom are more accustomed to providing feedback on the past during an evaluation versus focusing on the future.

Providing Training to Managers

Great managers are able to realize the potential and achieve excellent performance from their staff because; they focus on each person's strengths and manage around their weaknesses.

They don't try to perfect each person. Instead these managers help each person become more of who he/she already is, they constantly look for and work with each person's set of unique talents, pattern of behaviors and passions. Great managers strive to sculpt each employee's job in way that ensures that they are working on things that come naturally to them. They know that persistence directed at a non talent is self-destructive. The key skills which are required to achieve the above throughout the performance management cycle can be summarized as: Goal setting, giving feedback, listening & conflict resolution skill, coaching skills, career management skills, holding performance appraisals. All of these skills can be gained though training. Instead of focusing training on how to use the appraisal process, make the process simple and self documenting (i.e. by putting instruction right into the forms), and instead focus training on the above for best results.

2.2.9.2. Resolving Poor Performance

The best weapon in resolving poor performance is ensuring that managers provide regular and constructive feedback, and hold conversations about goals and careers. This is always the place to start when there is a poor performance problem, and once again relates back to manager skills and training. In many, if not most cases, a well trained manager will be able to rectify the situation just by providing the right support. The right support begins from identifying the individual's problems, giving feedback which belongs to establishing good communication and arranging training opportunities in order to replace better performance.

2.2.9.3. Getting Beyond the Judgment of Managers

The judgment of the manager in evaluating performance is very often the reason for stress and negativity surrounding the performance management process. One should keep in mind that the manager only has one view of an employee. Others may experience something different. Here are some steps that can be taken to mitigate this problem: Ensure that performance targets are measurable and well worded. The SMART method (Specific, Measureable, Attainable, Relevant, and Time-bound) is typically used; ensure that before a manager evaluates an employee, that they practice some "walk-around" evaluations. They should talk to the employee's teammates, internal & external clients and others that the employee works with to develop a full picture, consider using 360-feedback. This formalizes the gathering of information from multiple perspectives, and greatly mitigates any biases in the judgment of the manager. To work well the process needs to be short, and should be done online, confidentially. Consider using a talent review process to evaluate employees, particularly those in management.

2.2.9.4. Making It Consistent Across the Organization

Consistency matters. Any senior leader that does not endorse the performance management system will tend to result in an entire department that does not endorse it. Here are some things that will help with consistency:

1. Start at the top. The CEO must model the way with his/her direct reports.

Furthermore, he/she must hold them accountable to endorse the performance management

system with respect to managing their reports. If training is provided to managers on how to give feedback, coach, etc, the senior team should attend too.

2. Too often performance evaluations degenerate into arguments about ratings. Don't expect managers to consistently apply the difference between "good", "very good" and "outstanding" they won't, no matter how well you document it.

2.2.9.5. Ensuring That Feedback Happens Regularly

The once a year review, while good for evaluation, is unlikely to improve performance in any meaningful way. Feedback has to be far more regular for people to break old habits and learn new behaviors. There are a few things that can be done to ensure that feedback happens regularly. Institutionalize quarterly or mid-year reviews. If you do this, provide an abbreviated procedure so that reviews are not perceived as time consuming. Once continuous performance review undertaken, it becomes a culture of the organization and the results give important information about employees' performance for making decisions.

2.2.9.6. Using 360 Reviews to Support the Performance Evaluation Process

360-feedback is not a replacement for the essential manager employee conversations. However it does add a powerful element of objectivity to the process that makes employees better understand their strengths and blind spots. The best practices for implementing 360-feedback are, ensure that the organization is ready, make the purpose clear, start at the top, select the right tool, ensure confidentiality, give participants input into reviewer selection, eliminate destructive Feedback and etc. In this case the stakeholders performance review can reveal both the strength and weakness of the employee and is important to correct poor performance and plan for better performance management cycle.

2.2.9.7. Including Ongoing Goal Review and Feedback

In the dynamic business environment goals that set at a time about performance management system may not help to achieve the expected level of performance. Too many performance

management systems make the incorrect assumption that relevant goals can be set once a year and measured 12 months later. The reality is that the business environment is fluid. Goals that were relevant 3 months ago become less important, while other goals become more important over time. If the system does not account for this reality, disappointment results when employees have done a great job but not met their original goals, or they have met their original goals but more important things were allowed to slip. The performance management process should ensure that goals are continuously reviewed and updated. This can be ensured by institutionalizing quarterly or mid-year reviews, and by making sure that the process included goal review. Goal review is continuously done by considering the real situation of the organization and its environment.

2.3. Empirical Literature Review

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

A study conducted by (zhang, 2012) on the impact of performance management system on employee performance. The study was based on a secondary data analysis on the 2004 Workplace Employment Relations. The data was analyzed by using a package STATA for windows. The researcher used Kruskal-Wallis test and Ordered logit regression analysis. The researcher concluded that setting mission and objectives in planning performance stage could impact negatively on employee performance. Coaching and communication between employees and supervisors also have positive relationship with employee performance.

According to (Munzhedzi, 2011) the research on Performance Management system and improved productivity: A case of the department of local government and housing in the Limpopo province stressed that PMS has not contributed to the improvement of productivity of the DLGH in the Limpopo province concluded that PMS plays significant role in the improvement of productivity but in this study PMS has not contributed to the improvement of productivity of the DLGH in the Limpopo province because of poor understanding of the PMS in the Department and setting of unrealistic performance targets which are unrealistic.

Machingambi, et. al. (2013) conducted an empirical study on Perceived Challenges of Implementing the Performance Management System in Zimbabwe high schools. The study found

that lack of training on performance management (PM), abuse of the system by school heads, failure by school management to provide staff development programs, lack of meaningful reward as well as shortage of resources were the major obstacles affecting the implementation of performance management system.

The study conducted by Hassan Danial Aslam (2010) on improving performance management practices in IT firms of Pakistan indicted that the organization needs to remind itself the crucial role of HR in employee's performance evaluation and development. The result of the research findings shown that there is high level of discomfort, job dissatisfaction or motivation is creating rigid gap between employees and management which is speedily leading the company towards performance decline.

Mark J. Hooper and David Newlands (2009) carried out study on performance management: survey evidence of appraisal and evaluation from Libyan corporations revealed that the system did not identify their work strengths and weaknesses besides it considered that their system is not a proper tool for promotion and training. The current performance appraisal of the organization characterized by bias, which negatively influenced employee's performance and it did not clarify how they can improve their performance. Again the study indicated that no effective feedback on their performance and lack of common implementation i.e. It showed that there were no smooth relationship between employees and management. Its working environment is a significant factor inducing low performance and assures that stressful responsibilities, conflicts, working overtime without allowances, limited resources and company rules and regulations negatively affected their performance. Similarly the study stated that they had never received any kind of formal training.

M. Khasro Miah and Chowdhury Golam Hossan (2012) have conducted an empirical study on performance management system in UK retail industry found that implementation of performance management system is different what it is supposed to be. The top level management acknowledges that they are not good in implementing their employee performance management system and most of their line managers are not trained enough to conduct the employee performance review. There is no performance management committee and no formal procedures for performance appraisal.

According to (Amber & Mubashir, 2013) conducted on the impact of performance management on the organizational performance : An analytical investigation of the business model of McDonalds. The researcher concluded that performance appraisal have positive relationship with

employee performance because it is very important to recommend appropriate training and development session for the below average workers. This help the below average workers to improve their productivity in the long run.

According to (Elisha, 2015) a study conducted on the effect of performance management practice on employees' productivity: a case study of Schindler Limited, the study concluded that effective performance management practice gives employees opportunity to express their ideas and expectations for meeting the strategic goals of the company. Performance management practices could be an effective source of management information and renewal. The use of reward system has been an essential factor in any company's ability to meet its goals. Effective feedback on performance measurement may translate to improved employee productivity. Feedback enables the employees to be made aware of what exactly is expected from them.

A research conducted by (Judy, 2015) on the effect of performance management system on employee performance at food and agricultural organization in Kenya. The major findings of this study are that employees feel there is a great need for a performance management system in food and agricultural organization. The system should have inputs from the staff members through staff involvement, it should have fair monitoring structures and reward staff who are high performers. It should also have stronger emphasis on proper communication and reporting.

Nadeem, et.al (2013) conducted a research on impact of performance appraisal on employee's performance. The result showed that there is a positive relationship performance appraisal and employee's performance.

According to (Prakash & Thembinkosi, 2015) effectively implemented PMS would provide critical information that would allow an organization to make sound decisions regarding their people resources. Hence, there should be no room to compromise the use of a well-developed PMS to achieve the strategic plans of any organization.

Figure 1- Conceptual Frame of the Study

Independent variables

In this study, the independent variable is the activities in performance management system. Each independent variables extracted from the stages of performance management system from the

literature review and also the established relationship of these independent variables with employee performance.

Dependent variables

In a research, the dependent variable is the employee performance. From literature review, employee performance could be measured with each stages of performance management system.

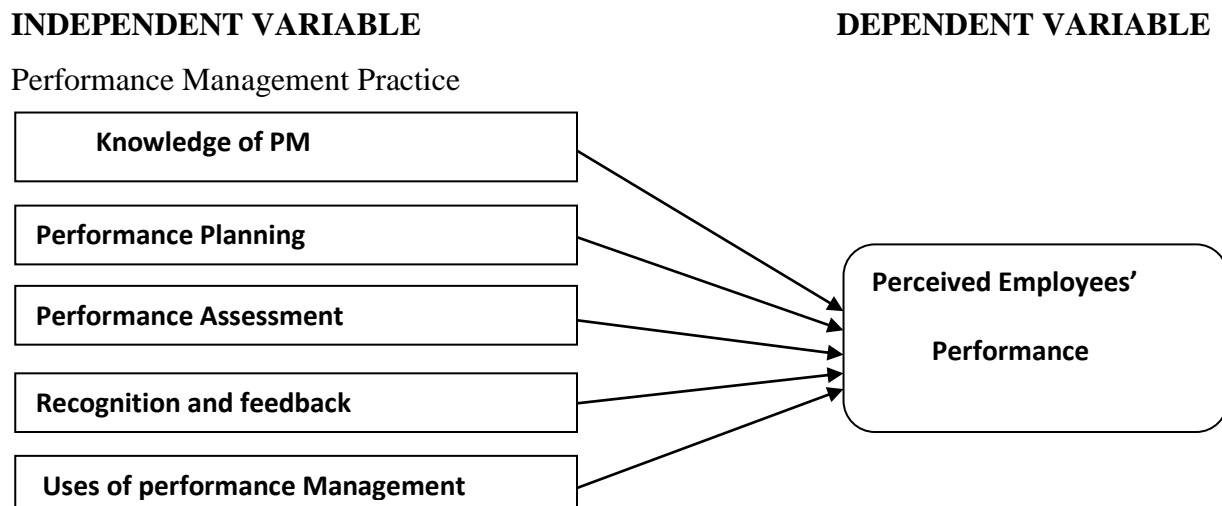


Fig.2.1: Conceptual Framework (self- developed)

2.4. HYPOTHESIS OF THE STUDY

This research hypothesized the following hypothesis which needs to be investigated:

H1 There is a significant relationship between knowledge of performance management and employees' performance.

H2 There is a significant relationship between involvement of employees in performance planning and employees' performance.

H3 There is a significant relationship between performance assessment and employees' performance.

H4 There is a significant relationship between recognition and feedback and employees' performance.

H5 There is a significant relationship between uses of knowledge performance management and employees' performance.

CHAPTER THREE

RESEARCH METHODOLOGY

3. INTRODUCTION

This chapter presents the research methodology. The chapter covers research design, population, data collection methods, research procedures and data analysis methods. The validity and reliability tests are also discussed.

Performance management entails monitoring vital performance aspects that are aimed at checking if an organization is achieving its overarching strategies and objectives. Since employees are an integral part of an organization, hence performance management is seen as the method that can be used to tap the full capabilities of employees. The basis of the study was to look into details the aspects of performance management.

The chapter describes the methodology that is being applied in this study. The chapter gives highlights on the research design and details of the research approach that will be used during the study. Data was collected by use of questionnaires. The data entry and analysis will be processed using a statistical analysis package of SPSS software.

3.1 DISCRPTION OF THE STUDY AREA

3.2 THE RESEARCH DESIGN

In order to study the effect of performance management practice on employees' perceived performance in Assai Public School, the approach of the study is quantitative and employed explanatory research design. Explanatory research is deeper in the sense that it describes phenomena and attempts to explain why behavior is the way it is. In other words, it enables us to understand the very nature of what we are actually looking at. This type of research aims at, for instance, explaining social relations or events, advancing knowledge about the structure, process and nature of social events, linking factors and elements of issues into general statements and building, testing or revising a theory. (Jhon, et al., 2007). Inferential statistical methods which are correlation analysis and regression analysis used to analysis the data in respect to the objectives set. The reason behind this statistical method is that in order to investigate the relationship between performance management practice and employees' performance correlation analysis is relevant. The researcher believed that the data that was collected helped to investigate the effect of performance management practice on

employees' performance. This research design was important because it was intended to gain knowledge and information on performance management practice of the school.

3.3 TYPES AND SOURCES OF DATA

The source of data was primary data and this primary data was gathered from Assai Public School teachers at Addis Ababa. Teachers' of Assai Public School were requested to fill the designed Likert scale questionnaire which contains a five scale pointing rating. Teachers were considered as the best representative of the study because it is believed that they are highly responsible in performing the teaching and learning activities and also they are the active participants in the cycles of the performance management practice.

3.4 TARGET POPULATION

The target population for the study was all employees (teachers) who are working in the Assai Public School and which is census survey. The number of employees is 86 and this number was manageable in time and economy to collect the necessary data. Teachers and department heads were participants of the research as they have direct connection with the teaching and learning activities in the school and were expected to fill the questionnaire properly. Department heads have dual roles. They supervise employees and also teach like other teachers and that is why they became participants of the research. Management and administrative workers were not included in the research participants because they are not the subject of the study and other support service employees like cleaners are not participants of the research because their knowledge about performance management practice is limited. This census survey used because the employees in Assai Public School who are teachers were expected to give information about performance management practice in the organization and this helped the researcher to analyze the data in order to investigate its effect on employees' performance.

3.5 METHOD OF DATA COLLECTION

The researcher assembled the data that are needed to accomplish the proposed research through survey method. The survey questionnaires were administered to the target population of 86 employees (teachers) of the organization. Questions with closed ended types were administered to catch effects of performance management practice on employees' performance. Closed ended questions are used because it is easier to code, statistically analyze and easier for respondents to answer.

The primary data related to the current performance management practice and perceived employees' performance was collected from the teachers of the school. In order to get information, survey questionnaires were prepared and distributed to the employees. Demographic variables such as sex, age group, year of experience, educational status, and current position of participants gathered through questionnaire. Furthermore, main facts about issues related with the performance management practice of the school and employees' performance were also collected by using questionnaire.

3.6 DATA ANALYSIS AND PRESENTATION

To analyze the data that were collected from primary sources, the study employed quantitative data analyzing method. Out of 86 questionnaires 80 are returned and used for analysis. The researcher used the SPSS software to analyze the quantitative data collected using the questionnaire and also tables used to present the data.

3.7 VALIDITY AND RELIABILITY

3.7.1 VALIDITY

To make sure the research's validity, the research used reliable sources such as published books and recent articles written by highly praised authors in the performance management system field. The School's performance management practice will be assessed based on questionnaire which is adopted from a toolkit develop by Armstrong (2009a, p. 331), Hume (2000, p. 6) and Armstrong (2009b, p, 1021). Then, the questionnaire will be presented in a suitable manner by making minor modification to be applicable on the current scenario.

To further refine the accuracy of the instrument, questionnaire was administered to selected colleagues and the school's management members and they reviewed it and provide their opinion on the questionnaire. In addition, the research advisor also provided valuable comments on the questionnaire.

3.7.2 RELIABILITY

Reliability is assessment of the extent to which a question, instrument or measure gives safe results. Cronbach's alpha is a measure of reliability which assesses the extent to which a group of questions are asking for the same basic underlying information (Gorard, 2004). The aim when discussing reliability is to lessen the errors and biases in the study. Therefore, the research conducted the Cronbach's alpha reliability test.

Reliability Statistics

Cronbach's Alpha	N of Items
.947	34

All items which are 34 in number included in the questionnaire were statistically analyzed to measure the internal consistency of the instrument using Cronbach's alpha. Based on the above reliability statistical analysis, it is interpreted that the reliability of the scales is very good depicting a strong internal consistency among the measurement items because Alpha value ($\alpha=.947$) and it is greater than 0.70. So the selected instrument can accurately measure the variables of the study.

3.8 ETHICS OF THE STUDY

Objectives and expected advantage of the study was informed to the respondents prior to the collection of the data. Secret or confidentiality of each respondent and concerned body was not exposed to other parties. Full data were collected formally from respondents and concerned bodies. Formal letter was provided for legality of the study. The researcher was coping up with different behavior of respondents like culture, religious, belief, and norms. No payment for respondent for the purpose of collection of data.

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION OF RESULTS

4.1. INTRODUCTION

This chapter has four sections; the first section describes respondents' characteristics in terms of gender, age, education and working experience. The second section presents the descriptive statistics with respect to the performance management and employees' performance in Assai public school, the results and its implication. The third section describes the relationship between the independent variable performance management practice and the dependent variable employees' performance. Finally, the fifth section contains the regression results concerning the factors that determine employee performance and the hypothesis testing.

As shown in Table 4.1. Below, out of 86 questionnaires distributed to the respondents, 80 responses were returned. All the total returned responses were complete. Thus, all the 80 complete responses were employed in the analysis, which represents the response rate of 93.02 percent.

Table 4.1. Response Rate of Respondents

Organization	Population size	Response			Response rate
		Returned	completed	Incomplete	
Assai Public School	86	80	80	0	93.02%

Source: the survey data, 2017

4.2. Demographic Characteristics of Respondents

The first part of the questionnaire consists of the demographic information of the participants. This part of the questionnaire requested a limited amount of information related to personal and professional characteristics of respondents. Accordingly, the following variables about the

respondents were presented and described in Tables. These variables include age, gender, educational level, current position and work experience of respondents.

Table 4.2 Demographic characteristics of respondents

		Frequency	%	Valid %	Cumulative %
Gender	Male	65	81.3	81.3	100.0
	Female	15	18.8	18.8	18.8
	Total	80	100.0	100.0	
Age	18-25	13	16.2	16.2	
	26-35	36	45.0	45.0	
	36-45	19	23.8	23.8	
	Above 45 Years	12	15.0	15.0	
	Total	80	100.0	100.0	
Educational Status	Degree	49	61.3	61.3	7.5
	Diploma	23	28.8	28.8	90.0
	Master	8	10.0	10.0	100.0
	Total	80	100.0	100.0	
Position of respondents	Others	7	8.8	8.8	8.8
	Teachers	73	91.3	91.3	100.0
	Total	80	100.0	100.0	
Working experience of respondents	1-3	28	35.5	35.5	
	4-6	31	38.8	38.8	
	7-9	6	7.5	7.5	
	Above 9 Year	15	18.8	18.8	
	Total	80	100.0	100.0	

Source: the survey data, 2017

Table 4.2 shows that the total no. of questionnaire administered was eighty. Fifty of the respondents were female and the remaining Sixty five respondents were male. Among the total respondents i.e. 80, 65 (81.3%) of them were male and the remaining 15 (18.8%) were female. This shows that the number of male respondent is by far greater than the number of female respondents. Therefore the organization HR department should keep the proportionality of employees' gender. As far as age of respondents is concerned, 45% of the respondents are in the range of 26-35 years, 23.8% of the respondents are in the range of 36-45 years, 16.2% are in the range of 18-25 years, 15% are in the range of above 45 years. This shows that most of Assai Public School employees who are actively participate in the school operation system are young as compared to other age group and the lowest is 45 and above.

From Table 4.2 educational status of the respondents, teachers who are degree graduates have the largest portion which is around 49 (61.3%), among the total respondents, 23 (28.8%) of them are diploma graduates and 8 (10.0%) have master degree. This implies that the distribution of employees' educational level is fair in the school and every employee can understand the questionnaire.

From the table 4.2 we can see the category of position. The larger portion of the respondents goes to teachers and the rest portion goes to others which are department heads. This tells us the employees are the people who perform their duties and responsibilities in line with the overall mission, strategy and objectives in order to achieve the organization's ultimate goal.

With regard to service years of respondent in the school 35% of respondents are 1-3 year experienced, 38.8% are under 4-6 years experienced, 7.5% are 7-9 year experienced and 18.8% are more than 9 years respectively. From this we can understand that, most of the respondents 4-6 years experienced and 7-9 years of experienced respondents are the lowest as compare to others. From this we can conclude that most of the employees leave the school early.

4.3 DESCRIPTIVE STATISTICAL ANALYSIS

Table 4.3. Mean and Standard Deviation for Knowledge of Performance Management

Knowledge of Performance Management	N	Mean	Std. Deviation
I have clear understanding of organization's mission, strategy and objective.	80	4.09	.766
Management regularly communicates in concise manner the organization's mission, and objectives throughout the organization.	80	3.59	.910
I am committed to the organization's vision, mission strategic goals and objectives.	80	4.10	.821
I have a clear understanding of how many jobs related to the overall origination's mission.	80	3.60	.963
My duties and responsibilities are clearly defined to my understanding.	80	3.99	1.025
I have a clear understanding of performance management process.	80	3.24	1.082
My supervisor make it easy to understand the performance management and always offering assistance to me when needed.	80	3.12	.919
I have been given a clear and useful induction/training on performance management practices.	80	3.05	1.054
Cumulative mean and standard deviation of knowledge of performance management	80	3.6750	.63195

Source: Survey data, 2017

The above table, indicates that clear understanding of organization's mission, strategy and objective has scored a mean and standard deviation of 4.09 and 0.766, management regularly communicates in concise manner the organization's mission, and objectives throughout the organization has scored a mean and standard deviation of 3.59 and 0.910, commitment to the organization's vision, mission strategic goals and objectives has scored a mean and standard deviation of 4.1 and 0.821, a clear understanding of how many jobs related to the overall organization's mission has scored a mean and standard deviation 3.6 and 0.963, duties and

responsibilities are clearly defined to the understanding has scored a mean and standard deviation 3.99 and 1.025, a clear understanding of performance management process has scored a mean and standard deviation 3.24 and 1.082, make it easy to understand the performance management and always offering assistance to me when needed has scored a mean and standard deviation 3.12 and 0.919 and a clear and useful induction/training on performance management practices has scored a mean and standard deviation of 3.05 and 1.05. From this we can understand that most of the respondents are moderately agreed with knowledge of performance management of Assai Public School strategy and Assai Public School has to maintain its knowledge of performance management. Since performance management is a process that enables employees to perform their roles to the best of their ability which are directly derived from the strategic objective of the organization, they should be well informed about where the organization would like to go. From this we can say that even though majority of the respondents know the mission, vision, values and the desired goal of Assai Public School but it is not still quite enough for the effective realization of its objective because when it comes to knowing where the organization would like to go everybody should talk on the same language. This lack of awareness about the strategic objective might be due to communication gap in the organization as a whole or due to the gap at departmental level. The cumulative mean and standard deviation has scored 3.67 and 0.63. This implies that, Assai Public School has to keep up its strength on knowledge of performance management in order to have competent employees in the education industry.

Table 4.4. Mean and Standard Deviation for Involvement of Employees in Performance Planning

Involvement of Employees In Performance Planning	N	Mean	Std. Deviation
I take part in performance planning process.	80	3.24	1.105
The performance management practice of the organization creates a participative environment.	80	3.25	1.119
I am initiated and satisfied with performance management practices of the organization.	80	3.16	1.049

Cumulative mean and standard deviation of involvement of employees in performance planning	80	3.2167	.95629
--	----	--------	--------

Source: Survey data, 2017

The above table infers that, taking part in performance planning process has scored a mean and standard deviation of 3.24 and 1.105, The performance management practice of the organization creates a participative environment has scored a mean and standard deviation of 3.25 and 1.11 and initiated and satisfied with performance management practices of the organization has scored a mean and standard deviation of 3.16 and 1.04. This implies that, the involvement of Assai Public School employees in performance planning is not based on its clear cut objectives and goals in order to deliver the desired performance planning on scheduled and planned manner to the involvement of employees. Cumulative mean and standard deviation has scored 3.21 and 0.95. From this result we can say that the organization should maximize the involvement of employees in performance planning.

Table 4.5. Mean and Standard Deviation for Performance Assessment

Performance Assessment	N	Mean	Std. Deviation
Formal appraisals are consistently done annually.	80	3.84	.787
The organization provides people with good prospects for promotion and advancement.	80	3.16	1.049
My performance development need are continuously assessed as part of normal work and management processes.	80	3.23	1.043
All factors facilitating and hindering performances are taken into consideration while appraising the performance.	80	3.18	1.065
I feel free to express to my appraiser, my disagreement regarding the appraisal decision.	80	3.49	.981
Cumulative mean and standard deviation of performance assessment	80	3.3775	.65526

Source: Survey data, 2017

Formal appraisals are consistently done annually has scored a mean and standard deviation 3.84 and 0.787, the organization provides people with good prospects for promotion and advancement has scored a mean and standard deviation of 3.16 and 1.04, performance development need are continuously assessed as part of normal work and management processes has scored a mean and standard deviation of 3.23 and 1.04, all factors facilitating and hindering performances are taken into consideration while appraising the performance has scored a mean and standard deviation of 3.18 and 1.065, and free to express to my appraiser, my disagreement regarding the appraisal decision has scored a mean and standard deviation 3.49 and 0.981. Therefore, from this finding one can conclude that the respondents moderately agreed in support of this idea and also the cumulative mean value and standard deviation respectively implies that the performance management practice is good at this stage and the organization should maintain performance assessment in general.

Table 4.6. Mean and Standard Deviation for Recognition and Feedback

Recognition and Feedback	N	Mean	Std. Deviation
My principal provides recognition when I exceed expectations.	80	3.66	.885
My principal provides clear and timely feedback on my performance.	80	3.49	1.055
My organization is open, transparent, and communicate well.	80	3.34	1.158
My principal knows how I personally liked to be recognized.	80	3.50	.900
My principal treats me with respect.	80	3.89	.941
Cumulative mean and standard deviation of recognition and feedback	80	3.6042	.73125

Source: Survey data, 2017

The above table indicated that, principal provides recognition when exceed expectations, principal provides clear and timely feedback on my performance has scored a mean and standard deviation of 3.66 and 0.885, organization is open has scored a mean and standard deviation of 3.49 and 1.05, transparent, and communicate well, principal knows how personally liked to be recognized has scored a mean and standard deviation of 3.5 and 0.900, clearly understand my

principal's comments and opinion during the feedback has scored a mean and standard deviation of 3.75 and 0.893 and principal treats me with respect has scored a mean and standard deviation of 3.89 and 0.94. This implies that, Assai Public School recognition and feedback practice can benefit employees in developing their skills and it is essential tool in enhancing employee skills in the organization. Since skills are expertness, practiced ability, facility in doing something, dexterity and tact. The scored value of cumulative mean and standard deviation 3.60 and 0.73 respectively tells us the school should keep the recognition and feedback activities up to increase the performance of employees.

Table 4.7. Mean and standard deviation for Uses of Performance Management

Uses of Performance Management	N	Mean	Std. Deviation
The performance result I received has helped me to improve my performance.	80	3.44	1.123
I can say that Assai public school performance management aligned staff (individuals) goals to that of the organization's overall objectives.	80	3.41	1.122
I am benefited from the organization's performance management practice since it provides me personal development and promotion.	80	3.18	1.065
Performance management practice of the organization I used for training and need assessment.	80	3.43	1.088
I can say that performance management practice of the organization is simply a matter of formality.	80	3.00	1.158
Cumulative mean and standard deviation of uses of performance management	80	3.2900	.81561

Source: Survey data, 2017

The performance result I received has helped me to improve my performance has scored a mean and standard deviation of 3.44 and 1.123, performance management aligned staff (individuals)

goals to that of the organization's overall objectives has scored a mean and standard deviation of 3.41 and 1.122 , benefited from the organization's performance management practice since it provides me personal development and promotion has scored a mean and standard deviation of 3.18 and 1.065, Performance management practice of the organization I used for training and need assessment has scored a mean and standard deviation of 3.43 and 1.088, and performance management practice of the organization is simply a matter of formality has scored a mean and standard deviation has scored a mean and standard deviation of 3.00 and 1.15. This indicated that most of respondents of Assai Public School perceived that uses of performance management applying while they made performance management within the public school sector. The cumulative mean and standard deviation which has scored 3.29 and 0.81 respectively showed that the organization should increase its effort in order to exploit uses of performance management.

Table 4.8. Mean and Standard Deviation for Employees' Performance

Employee Performance	N	Mean	Std. Deviation
Effectively and appropriately plan for instruction.	80	3.61	1.049
Demonstrate knowledge of content and curriculum.	80	3.44	1.089
Develop and manage effective learning experiences.	80	3.52	1.102
Promote a positive and productive learning environment.	80	3.70	.973
Demonstrate respect and sensitivity for students.	80	3.97	.842
Ensure students achievement.	80	3.87	.832
Perform school related responsibilities and assume responsibility for school improvement and own professional growth.	80	3.71	1.034
Cumulative mean and standard deviation of employees performance	80	3.6911	0.83034

Source: Survey data, 2017

The table infers that, effectively and appropriately plan for instruction has scored a mean and standard deviation of 3.61 and 1.04, demonstrate knowledge of content and curriculum has

scored a mean and standard deviation of, develop and manage effective learning experiences has scored a mean and standard deviation of 3.4 and 1.08, promote a positive and productive learning environment has scored a mean and standard deviation of 3.5 and 1.10, demonstrate respect and sensitivity for students. Ensure student's achievement has scored a mean and standard deviation of 3.9 and 0.842, Ensure student's achievement has scored a mean and standard deviation of 3.87 and 0.832, perform school related responsibilities and assume responsibility for school improvement and own professional growth has scored a mean and standard deviation of 3.7 and 1.034.

From the above finding, one can conclude that most of the respondents are agreed with their benefits of performance management and also the cumulative value of mean and standard deviation which are 3.69 and 0.83 of employee performance showed that agreed with mean and standard deviation. However, to measure performance at least there have to be well designed control group meaning Assai Public School has to develop a strategy for employees' performance measurement. That is why most of the respondent are agreed.

4.4. Correlation Analysis

Like the descriptive statistical methods, i.e. demographic factories, and the scale typed questionnaire entered to the SPSS software version 20 to process inferential statistics methods employed such as: simple correlation and multiple regression to test the hypothesis. Pearson correlation test was conducted to know the degree of relationship between the independent variable i.e. performance management practice and the dependent variable i.e. employee performance. Based on the questionnaires which were filled by the employees of the Assai public school in capital city Addis Ababa, the results of the correlation analysis between these variables are shown in the table.

Correlation measures the strength of the linear relationship between two variables. Thus, Pearson's correlation is used to identify whether there are relationships between the variables and to describe the strength and the direction of the relationship between two variables. According to Berndt et. al (2005), the level of association as measured by Pearson's co efficient falls between -1.0 and +1.0, which indicates the strength and direction of association between the two variables. The interpretation of the result is as follows; a correlation result between 0 to 1 implies positive relationship, 0 (zero) for no relationship, 1 for perfect positive relationship, -1

for perfect negative relationship and between -1 to 0 indicate the existence of negative relationship. Though it indicates the existence of a positive or negative relationship, the strength of such a relationship is not high when the results fall below ± 0.61 (Oogarah-Hanuman et. al, 2011). It is also supported by Berndt et. al (2005), the rules of thumb proposed by Burns & Bush (in van Heerden, 2001) suggests that “moderate” ends at ± 0.60 , and “strong” starts at ± 0.61 .

Table 4.9. Correlation matrix of relationship between performance management dimensions and employees’ performance

		Correlations					
		KPM_Mea	PP_Mean	PA_Mea	FEB_Mea	UPM_Mea	EP_Mean
		n		n	n	n	
KPM_Mea n	Pearson Correlation	1	.670**	.642**	.669**	.610**	.419**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	80	80	80	80	80	80
PP_Mean	Pearson Correlation	.670**	1	.654**	.608**	.504**	.400**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	80	80	80	80	80	80
PA_Mean	Pearson Correlation	.642**	.654**	1	.672**	.649**	.614**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	80	80	80	80	80	80
FEB_Mean	Pearson Correlation	.669**	.608**	.672**	1	.555**	.545**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	80	80	80	80	80	80
UPM_Mea n	Pearson Correlation	.610**	.504**	.649**	.555**	1	.473**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	80	80	80	80	80	80
EP_Mean	Pearson Correlation	.419**	.400**	.614**	.545**	.473**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	80	80	80	80	80	80

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

Source: Survey data, 2017

The results in table indicate that, there is statistically positive and significant relationship between knowledge of performance management and employees performance ($r = .419^{**}$, $p < 0.01$), involvement of employees in performance planning has statistical significant relationship with employee performance ($r = .400^{**}$, $P < 0.01$), performance assessment and employee performance has statistical significant relationship at ($r = .614^{**}$, $P < 0.01$), recognition and feedback and employee performance has statistical significant relationship with ($r = .545^{**}$, $p < 0.01$), uses of performance management and employee performance has statistical significant relationship with a value of ($r = .473^{**}$, $p < 0.01$). The finding on table above further indicates that the highest significant relationship is found between performance assessment and employee performance ($r = .614^{**}$, $p < 0.01$), however the lowest statistically significant relationship is found between involvement of employees in performance planning ($r = .400^{**}$, $P < 0.01$).

The correlation result showed that there is positive and significant relationship between knowledge of performance management and employees' performance, involvement of employees in performing planning and employees' performance, performance assessment and employees' performance, recognition and feedback and employees' performance, uses of performance management and employees' performance. The finding further indicated that the highest relationship found between performance assessment and employees' performance and the lowest relationship existed between involvement of employees in performance planning and employees' performance.

4.5. Multiple Regressions Analysis

Regression model was applied to test how far the performance management practice has effect on the employees' performance. Coefficient of determination R is the measure of proportion of the variance of dependent variables about its mean that is explained by the independent or predictor variables. It is conducted to investigate the effect of independent variable on the dependent variable and identify the relative significant influence; i.e. Independent variable (performance management practice) to the dependent variable; i.e. employees' performance in the organization. Higher value of R represents greater explanatory power of the regression

equation. The proposed hypotheses were tested using multiple regression analysis. The results of the regression analysis are depicted on table

Table 4.10. Multiple Regression

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.829	.475		1.745	.085
	KPM	-.098	.185	-.074	-.529	.599
	PP	-.057	.114	-.065	-.497	.621
	PA	.574	.182	.453	3.155	.002
	FEB	.307	.152	.271	2.024	.047
	PMU	.108	.126	.106	.859	.393
a. Dependent Variable: EP						

Source: Survey data, 2017

Key

KPM = Knowledge of Performance Management

PP = Performance Planning

PA = Performance Assessment

FEB = Feedback and Recognition

UPM = Uses of Performance Management

EP = Employees' Performance

The relative importance of each individual predictor is explained by the value of beta which tells us that a certain improvement or problem on these variables will improve or decrease by the given values which is statistically significant. Hence, the regression model overall predict, employees' performance

significantly well by using the following formula which relates the dependent and the independent variables, that is:

$$Y_i = b_0 + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5$$

Where, Y_i is Dependent (outcome) variable, i.e. employees' performance. b_0 is constant, 0.824 which can be interpreted as when the school does not provide any of performance management factors represented here, performance of employees will be ceased, b_1 is coefficient of knowledge of performance management, -0.089, that means a change in one unit of knowledge of performance management, the performance of employees will be changed by unit of -0.089, b_2 is the coefficient of performance planning, -0.057, b_3 is the coefficient of performance assessment, -0.574, b_4 is the coefficient of recognition and feedback, 0.307 and b_5 is the coefficient of uses of performance management, 0.108. Therefore, employees' performance can be predicted by the following regression equation.

$$\begin{aligned} \text{Employee s' performance} = & 0.824 + -0.089(\text{knowledge of performance} \\ & \text{management}) + -0.057(\text{performance planning}) + - \\ & 0.574(\text{performance assessment}) + \\ & 0.307(\text{recognition and feedback}) + 0.108(\text{uses of} \\ & \text{performance management}). \end{aligned}$$

Table 4.11. Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.647 ^a	.419	.380	.65403

a. Predictors: (Constant), UPM, PP, FEB, KPM, PA

b. Dependent Variable: EP

Source: survey data, 2017

In overall, the results revealed that all independent variables accounted for 41.9% of the variance in employees performance ($R^2 = 0.419$). Thus, 41.9% of the variation in employee's performance can be explained by the five performance management practice dimensions which are knowledge of performance management practice, involvement of employees in performance planning, performance assessment, recognition and feedback and uses of performance management and other unexplored factors may limit employee's performance which accounts for about 58.1%. Moreover, from the findings of this study, researcher found out that not all of the performance management practice dimensions have positive effects on employee's performance.

4.6. Hypothesis Testing

Hypothesis 1

H1 knowledge of performance management has effect on employee's performance.

The results of multiple regressions, as presented in table above, revealed that knowledge of performance management has a negative and insignificant effect on employees performance with a beta value ($\beta = -.074$) and ($p > 0.01$). This implies that, if knowledge of performance management decreases by 1 percent, employee's performance will decrease by $-.074$. But, in theory knowledge of performance management expected to increase employees' performance and extraneous factors may affect the results.

Hypothesis 2

H2 involvement of employees in performance planning has effect on employees' performance.

The results of table showed that the standardized coefficient beta and p-value of involvement of employees in performance planning has negative and insignificant effect with ($\beta = -.065$, $p > 0.01$). This implies that, if involvement of employees in performance planning decreases by 1 percent, employee's performance will decrease by $-.065$. Thus, the researcher fails to accept the directional hypothesis and involvement of employee's performance have a negative and insignificant effect on employee's performance. Therefore its contribution to employee's performance is insignificant.

Hypothesis 3

H3 performance assessment has effect on employee's performance.

The result of table showed that the standard coefficient of beta and p-value of performance assessment has positive and significant effect at (beta = .453, $p < 0.05$). This implies that, if performance assessment increases by 1 percent, employee's performance will increase by .453. So it is accepted that performance assessment has a positive and significant effect on employee's performance.

Hypothesis 4

H4 recognition and feedback have effect on employee's performance.

Table further shows that, recognition and feedback have a positive and significant effect on employees performance with a beta value (beta = .271), at 95% confidence level ($p < 0.05$). This implies that, if recognition and feedback increases by 1 percent, employee's performance will increase by .271. Therefore, recognition and feedback have positive effect on employee's performance.

Hypothesis 5

H5 uses of performance management have effect on employee's performance.

As table also depicts that, the standard beta and p-value of uses of performance management has positive and insignificant effect with (beta = .106), and ($p > 0.01$). This implies that, if uses of performance management decreases by 1 percent, employee's performance will decrease by .106. So uses of performance management have a positive but insignificant effect on employee's performance.

Table 4.12. Summary of Relation

Code	Hypothesis	Test Result/Relation
1	Knowledge of performance management has effect on employee's performance.	Rejected/insignificant
2	Involvement of employees in performance planning has effect on employee's performance.	Rejected/Insignificant
3	Performance assessment have effect on employees performance	Accepted/Positive
4	Recognition and feedback have effect on employee's performance.	Accepted/Positive
5	Uses of performance management has effect on knowledge, skill and attitudes.	Rejected/insignificant

Source: primary data, 2017

CHAPTER FIVE

MAJOR FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1. MAJOR FINDINGS

In the descriptive statistical analysis the results of cumulative mean and standard deviation implied that: Assai Public School has to keep up its strength on knowledge of performance management in order to have competent employees in the education industry, the organization should maximize the involvement of employees in performance planning, the performance management practice is good at this stage and the organization should maintain performance assessment in general, the school should keep the recognition and feedback activities up to increase the performance of employees, the organization should increase its effort in order to exploit uses of performance management, and Assai Public School has to develop a strategy for employees' performance measurement.

The results of this study indicated that, performance management practice dimensions such as (knowledge of performance management, involvement of employees in performance planning, performance assessment, recognition and feedback and uses of performance management) have positive and significant relationship with employee's performance.

The finding of the study also indicated that employees were most satisfied with performance assessment and recognition and feedback dimension of performance management practice. Feedback enables the employees to be aware of what exactly is expected from them. It is essential to communicate and clearly explain the purpose of the appraisal process for enhanced performance. An effective performance feedback reflects the contribution of the individual employee performance and the level of efficacy in the attainment of the organization goals. Effective performance feedback between employees and supervisors is the key to successful organization performance and ventilation. Adequate feedback builds accountability, since employees and supervisors participate in developing goals, identifying competencies, discussing career development and employee motivation.

On the contrary, employees were less satisfied with knowledge of performance management, involvement of employees in performance planning and uses of performance management of performance management practice.

The results also indicated that, unlike involvement of employees in performance planning, uses of performance management and knowledge performance management, the two performance management practice dimensions (recognition and feedback and performance assessment) have positive and significant effect on employees' performance.

5.2. CONCLUSION

As it said earlier the main objective of this study was to investigate the effect of performance management practice on employees' performance in Assai Public School. To meet this objective explanatory research design was employed and quantitative data analysis method which are correlation and regression analysis were used to analyze the primary data.

Based on the research findings it is concluded that the performance management practice in Assai Public School has positive and significant relationship with the perceived employees' performance. Regarding on the contribution of the performance management practice performance assessment and recognition and feedback have positive effect on employees' performance whereas knowledge of performance management, involvement of employees in performance planning and uses of performance management have negative effect on employees' performance.

5.3. RECOMMENDATIONS

Based on the conclusion of the study, the following sound recommendations are forwarded to alleviate or at least to minimize currently encountered problems in the Assai Public School with related to effects of performance management practice on employees' performance.

In order to have a successful performance management practice and also in order to achieve the desired goal of the school, the school goal should be cascaded to departmental and individual level of goals so as to align it properly by revising the job description of each job thoroughly.

Performance planning should not be always a sole activity of supervisors and higher officials but include the active involvement of employees during the design and implementation of the plan as it is a crucial element of performance management system to ensure success. In addition, Assai Public School have to create a situation where employees can prepare their own goals, participate in the discussion and to take ownership of the plan agreement.

To change the attitude of employees about the implementation and process of performance management practice, Assai Public School have to organize a training for employees to know

about the benefits of performance management system, why evaluation is needed, for what purpose does it serve and the evaluation procedures and components and instruments of the process of performance management.

When it comes to managing the performance of employees, all staffs have equal stakes of responsibility and accountability to the development of the organization. As a result, Assai Public School should also give attention to support staff by making them aware of the purpose and process of performance management practice to participate efficiently in the system.

Assai Public School should maintain knowledge of performance management before conducting any performance appraisal in the future in order to ensure an effective human resource development. Knowledge of performance management should be based on organization's need, type of work to be done and skills necessary to complete the work. Since once the needs of employees are not identified in a formal manner it could be wasteful of time and financial resources. So that, Assai Public School has to focus on proper knowledge of performance management before conducting any management performance because the importance of knowledge of performance management is to diagnose the current problems and future challenges that should be met through training.

Assai Public School has to give a due attention by updating its involvement of employees in performance planning and the use of employees in performance planning. Since it will help the school to have competent employees in the education sector and Assai Public School may lose the advantage that comes from involvement of employees in performance planning in this competitive environment.

Assai Public School has good experience regarding with recognition and feedback. So that Assai Public School has to focus on identification of recognition and feedback where the recognition needs have been identified and the identification should be performed by the performance management analyst and supervisor or experts using guidelines that govern the recognition and feedback of the employee.

Assai Public School has to uphold working with the implementation of performance assessment. While, the human resource development program decisions should be based on cost considerations. The management must believe that the assessment will: Increase the skill, knowledge and attitudes of employees, motivate employees to learn and attain their personal goals, and provide feedback to improve the performance assessment should be taking in account in performance assessment.

Assai Public School has good experience regarding with uses of performance management. However Assai Public School is not effective in identification of the right performance management. So that Assai Public School has to focus on identification of uses of categories where the performance management have been identified and the identification should be performed by the supervisor or experts using guidelines that govern the selection of the employee for how to use the usability of performance management from human resource department.

Based on this study outcome, performance management implemented at working place or in the social settings. Therefore, Assai Public School has to give great emphasis to continue by evaluating the employee performance. Normally, performance is looked at in terms of outcomes. However, in addition to outcomes Assai Public School should have to focus on as the predetermined standards to evaluate employee's performance.

Regarding to correlation between performance management practices namely (knowledge of performance management, involvement of employees in performance planning, performance assessment, recognition and feedback and uses of performance management) has a positive and significant relationship in Assai Public School. Therefore, Assai Public School has to keep up those variables relationship to the high level because without the existence of performance management practice dimension employee will not acquire new knowledge, skills and attitude in particular and personal development in general.

In terms of contribution the performance management practice such as (performance assessment, and recognition and feedback) contributing positively to employees' performance. However, Assai Public School has to give proper attention to knowledge of performance management,

involvement of employees in performance planning and uses of performance management since in terms of contribution it is contributing negatively. So that it will affect the degree of whole contribution to employee's performance.

5.4. SUGGESTIONS FOR FURTHER RESEARCH

- This study has examined the perception of employees towards performance management practice at Assai Public School. To this end therefore the same study should be carried out in other organizations to find out if the same results would be obtained.
- Besides, it is recommended to see the impact of performance management and development outside Addis Ababa. Since, in this dynamics and complex business environment it will help to see the variation between city and regional employee performance particular to the education sector.
- This study found a gap in Assai public school by the following variables such as knowledge of performance management, involvement of employees in performance planning and uses of performance management are not well addressed by the school. Therefore, the coming researcher can study on those gap in order to fill the gap to the extent and to check the school has filled its gap since after 2017.
- Finally, future researcher can make a comparison between private and government school in Ethiopia on the effect of performance management practice on employee performance.

REFERENCES

- Aguinis, H. (2009). *An Expanded View of Performance Management*, 2nd ed. Pears Prentice Hall, India.
- Aguinis, H. (2007). *Performance management*. London: Prentice Hall.
- Armstrong, M. (2009). *Performance Management*, 4th edition, London and Philadelphia.
- Armstrong, M. (2009). *Human Resource Management practice*, 10th edition, London and Philadelphia.
- Armstrong, M. (2006). *A Handbook of Human Resource Management Practices*, 10th ed., Cambridge University Press, Great Britain.
- Armstrong, M. and Baron, A. (2004). *Managing Performance, Performance Management in action*. London: CIPD.
- Armstrong, M. and Baron, A. (1998). *Performance management, The new realities*, Inst. Personnel Dev., London.
- Armstrong, M and Murlis, H. (1994). *Reward Management*, 4th edn, Kogan Page, London
- Boxal, P. & Purcell, J. (2003). *Strategy and Human Resource Management*, 3rd edn, Palgrave MacMillan, UK.
- Bratton, J. and Gold, J. (2007). *Human Resources Management, Theory and Practice* Palgrave Macmillan, UK. Mc Graw Hill.
- Bacal, R. (1999). *Performance Management*. New York: Strategy and Human Resource Management, 3rd edn, Palgrave MacMillan, UK.
- Briscoe, DB. & Claus, LM. (2008). *Employee Performance Management: policies and practices in Multinational corporations*, Performance Management Systems: A Global Perspective, (Ed) PW Budwah and Denisi, Routledge, Ambingdon.
- Bruce, J. (2014). *Risky business: How social psychology can help improve corporate risk management: Business Horizons*, 57(4), 551-557.

- Cokins, G. (2004). *Performance management: Finding the missing pieces and closing the intelligence gap*. Australia: John Wiley and Sons.
- Cook, J. (2003). *Performance management*. Rchester, MN: IBM International Technology Support Organization.
- Dessle, G., (2005). *Human Resource Management*, New Jersey, Pearson Education, Inc.
- Dixit, V. (2007). *Performance Management*, Vrinda Publications (P) Ltd., Delhi, India.
- Gold, J., Thorpe, R., & Mumford, A. (2010). *Gower handbook of leadership and management Development*. Burlington, VT: Gower.
- Greer, C. (2001). *Strategic Human Resource Management*, 2nd ed., Prentice Hall. Inc.
- Elisha, O. (2015). *The Effect of Performance Management Practices on Employee Productivity*.
- Hassan Danial Aslam,(2010). Improving Performance Management Practices in IT Firms of Pakistan, *Journal of Management Research*, vol.2 pp 214-225
- Hume, D. A. (2000). *Improving Employee Performance, Motivation and Through Reward Management*, New Delhe, Maya Publishers Pvt. Lid.
- Ivancevich, and Glueck ,(1989). *Fundamental of Personnel Human Resource Management*. Home Wood: Irwin.
- John, A., Hafiz, K., Robert, R. & Devid, W.(2007). *Research methodology for graduate business and social Science students*, New Delhi: response book.
- Johnson, G. & Scholes, K. (1997). *Exploring Corporate Strategy*, 5th ed. Prentice Hall, New Jersey
- Joope, M. (2000). *The research process*. Retrieved
- Judy, M. (2015). *Effect of Performance Management System on Employees Performance*.
- Kandula, R.(2006). *Performance Management: Strategies, Interventions, Drivers*. Prentice Hall Pvt Ltd., New Dehli. Research Bulletin, Vol. 38.
- Lockett, J.(1992). *Effective Performance Management*, Kogan Page, London

M. Khasro Miah And Chowdhury Golam Hossan,(2012). *Performance Management System*
In Owens R. (1987). *Organizational Behavior in Education*. Prentice-Hall, New Jersey.

Machingambi, Maphosa, Ndofirepi, Mutekwe and Wadesango et. al (2013). *Perceived
Challenges of Implementing the Performance Management System in Zimbabwe* Vol. 3 Pp 263-
27

Marso, R. (2011). Influence of prior acquaintance with the rate on rater accuracy and halo. *The
Journal of Management Development* 26 (8) , 790.

Munzhedzi, P. H., (2011). *Performance Management system and improved productivity:A cas of
the department of local government and housing in the Limpopo province.*

Nadeem, et. al (2013). *Arabian Journal of Business and Management Review (OMAN Chapter)*
Vol.3, No.1

Robbins, S. P.(1996). *Organizational Behavior: Concepts-Controversies-Applications*, 7th
ed.Prentice Hall Inc., New Jersey.

Walters, M.(1995). *The Performance Management Handbook*, Institute of Personnel and
Development, London.

Warren, M. W.(1982). *Performance management and management performance*, JohnWiley,
New York

Zhang, Y. Y.,(2012). *The Impact of Performance Management System on Employee
performance.*

Appendix I
Addis Ababa University School of Commerce
Department of Business Administration and Information Systems
MA Program in Human Resource Management

Questionnaire to be filled by permanent Employees of Assai Public School

Dear Respondent,

The purpose of this questionnaire is to collect primary data for conducting a study on the topic, **"Effect of Performance Management practice on Employees Performance in Assai Public School"** as partial fulfillment to the completion of the Masters of Art in Human Resource Management Program at Addis Ababa University.

This study is purely for academic purpose & in no ways that affects the respondent's personality. It will be kept confidential. So that, your genuine view, frank opinion & timely responses are very valuable in determining the success of the study. Therefore you are kindly requested to extend your cooperation honestly by providing relevant information & filling out the following questionnaires that are prepared for this intention.

General Instructions

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

Thank you, for your cooperation and timely response in advance

Wondwossen Belachew

A. General Background of Respondents (Demographic Information)

1. Age:- 18-25 years 26-35 years 36-45 years above 45years
2. Sex Male Female
3. Educational level:- certificate Diploma BA/BSc
 MA/MSc PhD
4. Your current position :- management Teacher
 Administrative others
5. Your work experience at Assai Public School
 1-3 years 4-6 Years 7-9 years above 9 years

B. Questions on performance management practices.

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

No	Descriptions	strongly disagree	Disagree	Undecided	Agree	Strongly agree
I	Knowledge of Performance management					
1	I have clear understanding of organization’s mission, strategy and objectives.					
2	Management regularly communicates in concise manner the organization’s mission , and objectives throughout the organization					
3	I am committed to the organization's vision, mission strategic goals and objectives					
4	I have a clear understanding of how many jobs related to the overall organization’s mission.					
5	My duties and responsibilities are clearly defined to my understanding.					
6	I have a clear understanding of performance management process.					

7	My supervisor makes it easy to understand the PM and always offering assistance to me when needed.					
8	I have been given a clear and useful induction/ training on PM practices					

No	Descriptions	Strongly disagree	Disagree	Undecide	Agree	Strongly agree
II	Involvement of employees in performance planning					
1	I take part in performance planning process					
2	The PM practice of the university creates a participative environment.					
3	I am initiated and satisfied with PM practices of the University					
III	Performance assessment					
1	Formal appraisals are consistently done annually.					
2	The University provides people with good prospects for promotion and advancement					
3	My performance development needs are continuously assessed as part of normal work and management processes.					
4	All factors facilitating and hindering performances are taken into consideration while appraising the performance.					
5	I feel free to express to my appraiser, my disagreement regarding the appraisal decisions.					
IV	Recognition and Feedback					
1	My manager provides recognition when I exceed expectations.					
2	My manager provides clear and timely feedback on my performance.					
3	My institution is open, transparent, and communicate well					
4	My manager knows how I personally liked to be recognized.					
5	I clearly understand my manager's comments and opinion during the feedback.					
6	My manager treats me with respect.					
V	Uses of performance management					
1	The performance result I received has helped me to improve my performance					
2	I can say that Assai Public PM aligned staff(individuals) goals to that of the organization's overall objectives.					
3	I am benefited from the organization PM practices since it provides me personal development and promotion.					
4	PM practices of the organization is used for training and need assessment					
5	I can say that PM practices of the organization is simply a matter of Formality.					

No	Descriptions	Disagree	Disagree	Disagree	Disagree	Disagree	Disagree
V	Performance of employees						
	The performance management practice of the school enables me to:						
1	Effectively and appropriately plan for instruction.						
2	Demonstrate knowledge of content and curriculum.						
3	Develop and manage effective learning experiences.						
4	Promote a positive and productive learning environment.						
5	Demonstrate respect and sensitivity for students.						
6	Ensure students achievement.						
7	Perform school related responsibilities and assume responsibility for school improvement and own professional growth.						

Thank you again!

Appendix II Tables

Table 4.1. Response Rate of Respondents

Organization	Population size	Response			Response rate
		Returned	completed	Incomplete	
Assai Public School	86	80	80	0	93.02%

Table 4.2 Demographic characteristics of respondents

		Frequency	%	Valid %	Cumulative %
Gender	Male	65	81.3	81.3	100.0
	Female	15	18.8	18.8	18.8
	Total	80	100.0	100.0	
Age	18-25	13	16.2	16.2	
	26-35	36	45.0	45.0	
	36-45	19	23.8	23.8	
	Above 45 Years	12	15.0	15.0	
	Total	80	100.0	100.0	
Educational Status	Degree	49	61.3	61.3	7.5
	Diploma	23	28.8	28.8	90.0
	Master	8	10.0	10.0	100.0
	Total	80	100.0	100.0	
	Others	7	8.8	8.8	8.8

Position of respondents	Teachers	73	91.3	91.3	100.0
	Total	80	100.0	100.0	
Working experience of respondents	1-3	28	35.5	35.5	
	4-6	31	38.8	38.8	
	7-9	6	7.5	7.5	
	Above 9 Year	15	18.8	18.8	
	Total	80	100.0	100.0	

Source: the survey data, 2017

Table 4.3. Mean and Standard Deviation for Knowledge of Performance Management

Knowledge of Performance Management	N	Mean	Std. Deviation
I have clear understanding of organization's mission, strategy and objective.	80	4.09	.766
Management regularly communicates in concise manner the organization's mission, and objectives throughout the organization.	80	3.59	.910
I am committed to the organization's vision, mission strategic goals and objectives.	80	4.10	.821
I have a clear understanding of how many jobs related to the overall origination's mission.	80	3.60	.963
My duties and responsibilities are clearly defined to my understanding.	80	3.99	1.025
I have a clear understanding of performance management process.	80	3.24	1.082
My supervisor make it easy to understand the performance management and always offering assistance to me when needed.	80	3.12	.919
I have been given a clear and useful induction/training on performance management practices.	80	3.05	1.054

Cumulative mean and standard deviation of knowledge of performance management	80	3.6750	.63195
---	----	--------	--------

Source: Survey data, 2017

Table 4.4. Mean and Standard Deviation for Involvement of Employees in Performance Planning

Involvement of Employees In Performance Planning	N	Mean	Std. Deviation
I take part in performance planning process.	80	3.24	1.105
The performance management practice of the organization creates a participative environment.	80	3.25	1.119
I am initiated and satisfied with performance management practices of the organization.	80	3.16	1.049
Cumulative mean and standard deviation of involvement of employees in performance planning	80	3.2167	.95629

Source: Survey data, 2017

Table 4.5. Mean and Standard Deviation for Performance Assessment

Performance Assessment	N	Mean	Std. Deviation
Formal appraisals are consistently done annually.	80	3.84	.787
The organization provides people with good prospects for promotion and advancement.	80	3.16	1.049
My performance development need are continuously assessed as part of normal work and management processes.	80	3.23	1.043
All factors facilitating and hindering performances are taken into consideration while appraising the performance.	80	3.18	1.065

I feel free to express to my appraiser, my disagreement regarding the appraisal decision.	80	3.49	.981
Cumulative mean and standard deviation of performance assessment	80	3.3775	.65526

Source: Survey data, 2017

Table 4.6. Mean and Standard Deviation for Recognition and Feedback

Recognition and Feedback	N	Mean	Std. Deviation
My principal provides recognition when I exceed expectations.	80	3.66	.885
My principal provides clear and timely feedback on my performance.	80	3.49	1.055
My organization is open, transparent, and communicate well.	80	3.34	1.158
My principal knows how I personally liked to be recognized.	80	3.50	.900
My principal treats me with respect.	80	3.89	.941
Cumulative mean and standard deviation of recognition and feedback	80	3.6042	.73125

Source: Survey data, 2017

Table 4.7. Mean and standard deviation for Uses of Performance Management

Uses of Performance Management	N	Mean	Std. Deviation
The performance result I received has helped me to improve my performance.	80	3.44	1.123
I can say that Assai public school performance management aligned staff (individuals) goals to that of the organization's overall objectives.	80	3.41	1.122
I am benefited from the organization's performance management practice since it provides me personal development and promotion.	80	3.18	1.065
Performance management practice of the organization I used for training and need assessment.	80	3.43	1.088

I can say that performance management practice of the organization is simply a matter of formality.	80	3.00	1.158
Cumulative mean and standard deviation of uses of performance management	80	3.2900	.81561

Source: Survey data, 2017

Table 4.8. Mean and Standard Deviation for Employees' Performance

Employee Performance	N	Mean	Std. Deviation
Effectively and appropriately plan for instruction.	80	3.61	1.049
Demonstrate knowledge of content and curriculum.	80	3.44	1.089
Develop and manage effective learning experiences.	80	3.52	1.102
Promote a positive and productive learning environment.	80	3.70	.973
Demonstrate respect and sensitivity for students.	80	3.97	.842
Ensure students achievement.	80	3.87	.832
Perform school related responsibilities and assume responsibility for school improvement and own professional growth.	80	3.71	1.034
Cumulative mean and standard deviation of employees performance	80	3.6911	0.83034

Source: Source data, 2017

Table 4.9. Correlation matrix of relationship between performance management dimensions and employees' performance

		Correlations					
		KPM_Mean	PP_Mean	PA_Mean	FEB_Mean	UPM_Mean	EP_Mean
		n		n	n	n	
KPM_Mean	Pearson Correlation	1	.670**	.642**	.669**	.610**	.419**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	80	80	80	80	80	80
PP_Mean	Pearson Correlation	.670**	1	.654**	.608**	.504**	.400**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	80	80	80	80	80	80

PA_Mean	Pearson Correlation	.642**	.654**	1	.672**	.649**	.614**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	80	80	80	80	80	80
FEB_Mean	Pearson Correlation	.669**	.608**	.672**	1	.555**	.545**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	80	80	80	80	80	80
UPM_Mean	Pearson Correlation	.610**	.504**	.649**	.555**	1	.473**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	80	80	80	80	80	80
EP_Mean	Pearson Correlation	.419**	.400**	.614**	.545**	.473**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	80	80	80	80	80	80

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

Source: Survey data, 2017

Table 4.10. Multiple Regression

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.829	.475		1.745	.085
	KPM	-.098	.185	-.074	-.529	.599
	PP	-.057	.114	-.065	-.497	.621
	PA	.574	.182	.453	3.155	.002
	FEB	.307	.152	.271	2.024	.047
	UPM	.108	.126	.106	.859	.393
a. Dependent Variable: EP						

Source: Survey data, 2017

Table 4.11. Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.647 ^a	.419	.380	.65403

a. Predictors: (Constant), UPM, PP, FEB, KPM, PA

b. Dependent Variable: EP

Source: Survey data, 2017

Table 4.12. Summary Relation

	Hypothesis	Test Result/Relation
1	Knowledge of performance management has effect on employee's performance.	Rejected/insignificant
2	Involvement of employees in performance planning have effect on employee's performance.	Rejected/Insignificant
3	Performance assessment have effect on employees performance	Accepted/Positive
4	Recognition and feedback have effect on employee's performance.	Accepted/Positive
5	Uses of performance management has effect on knowledge, skill and attitudes.	Rejected/insignificant

Source: Survey data, 2017