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**RESEARCH PROJECT ON THE EFFECT OF PERFORMANCE
MANAGEMENT ON EMPLOYEE MOTIVATION:
(The case of Diageo-Meta Abo Brewery S.C)**

**IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE
AWARD OF MASTER OF ARTS DEGREE IN HUMAN RESOURCE
MANAGEMENT**

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**ADDIS ABABA UNIVERSITY,
SCHOOL OF COMMERCE,
DEPARTMENT BUSINESS ADMINISTRATION
AND INFORMATION SYSTEMS
HUMAN RESOURCE MANAGEMENT MASTERS PROGRAM**

**The Effect of performance management on employee motivation
The Case of Diageo-Meta Abo Brewery S.C**

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DECLARATION

I, Hana Chanyallew, declare that this thesis entitled “The effect of performance management on employee motivation: the case of Meta Abo Brewery S.C” is my original work. I further confirm that this paper has never been submitted to any other university for any degree, diploma or fellowship. Finally, I declare that all source materials used in this research has been dully recognized and acknowledged.

Hana Chanyallew

Signature _____

Date _____

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LIST OF ABBREVIATIONS

PA = Performance Appraisal

PM = Performance Management

LM = Line Manager

SD = Standard Deviation

HRM= Human Resource Management

GDP = Gross Domestic Product

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ABSTRACT

Employees play a pivotal role in determining the fate and success of a company. They are the main and unique resource organizations deploy in realizations of their objectives and goals. In today's highly competitive and rapidly changing working environment, organizations need to acquire and retain the right number of competent employees to gain competitive advantage. In order to acquire and retain qualified personnel, organizations must unfold an HR system and HR management practices that are capable enough to win the heart and mind of employees over competitors. The objective of the study is to investigate the actual Performance management practice of the organization and see its effect on employee's motivation.

The beer industry is one of the most competitive sectors due largely to the regular innovations that are launched by the workers working for these firms. Although technology also plays a huge role on the success of these firms, human capital still remains the driving force in the highly competitive beer processing industry, having an effective performance management process that goes a long way to motivate employees of the organization.

In this study, the researcher used both primary and secondary data sources. Primary data were collected through questionnaires and interview and secondary data for the study was added by referring relevant reports and documents with in and out-side of the organization. The researcher has used a descriptive research design to describe the practices and challenges of performance management system accurately and economically as well show its impact on motivation. Out of the sample frame of 750 employees, 325 employees are the target population which will be taken as a sample. To get representative opinion from the population the researcher applied simple random sampling technique. The sample size was determined using Raosoft and Macorr computer software's (www.raosoft.com and www.Macorr.com) with confidence level of 95% both software's resulted similar sample size of 177.

The researcher also used regression and correlation tools to analyse the relationship of the variables. The correlation analysis result clarified that all relationship between the dependent and independent variables are positively and significantly correlated.

Additionally, it was found that performance management has higher impact on employee motivation.

It is the objective of the researcher to determine what effect the current performance management system of the company has on employee motivation. Accordingly, a research done by Samira Al Jasmi on “The impact of approaches to motivation on employees’ performance and behavior” showed that employees with high performance rate are usually willing to give an extra effort to the organization when it is required as well as more motivated employees are tending to be more loyal to their organization and hence producing attractive outputs. The finding shows that an obvious relationship between motivation and employee performance exists and that if employees are motivated, they will produce better. Also showed that better performance will lead to high achievements and will result in greater motivation as when employees are motivated and satisfied; they have the authority to do the job required openly.

It is recommended that the company should establish performance standards for each job levels and conduct performance review timely and continuously based on those standards. Moreover, appropriate and practical trainings that aim at increasing line manager’s knowledge of the subject matter of performance management should be among the priorities in the human resource department’s periodic training and development plans. Through practice and feedback training, Line managers should be given the opportunity to practice rating and are allowed to compare their ratings with those of experts in the field.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Every organization's success mostly relies on the workforce it employs. Employees are the main and unique resource organizations deploy in realizations of their objectives and goals. In today's highly competitive and rapidly changing working environment, organizations need to acquire and retain the right number of competent employees to gain competitive advantage. In order to acquire and retain qualified personnel, organizations must unfold an HR system and HR management practices that are capable enough to win the heart and mind of employees over competitors. Human Resources Management practices in place are the key determinants of whether workers believe that they are fairly treated, because they exert a major influence on work attitudes, (Armstrong, 2009).

Employees play important role in the customer perception about the company. Company spend huge amount of money to gain customer loyalty but they forget the employee's motivation. Customers interact with the employees and also carry out company image in their mind through the behaviour and attitude. So companies should move their attention toward the employee motivation. Now in the era of globalization companies face competition in the market, if the companies could not successfully motivate their employee, (Ahmad, 2012).

Armstrong (2009), states that Performance Management is based on the principle of performance by agreement or contract rather than management by command. It emphasizes development and the initiation of self-managed learning plans as well as the integration of individual and corporate objectives. It can, in fact, play a major role in providing for an integrated and coherent range of human resource management processes that are mutually supportive and contribute as a whole to improving organizational effectiveness.

The factors that enhance employee motivation are fair pay, incentives, special allowances, fringe benefits, leadership, encouragement, trust, respect, joint decision making, quality of supervision, adequate working relationships, appreciation, chances for growth, loyalty of organization, identification and fulfilment of their needs, recognition, empowerment,

inspiration, importance attached to their job, safe working conditions, training and information availability and communication to perform actions, (Aguinis, 2009).

Armstrong (2009) defines performance management as a systematic process for improving organizational performance by developing the performance of individuals and teams. It is a means of getting better results by understanding and managing performance within an agreed framework of planned goals, standards and competency requirements.

A company that has an effective performance management system is more likely to achieve its goals and objectives than a company that does not have this. This by implication shows us the importance of performance management and the impact it has on employee's motivation to work. Hence, there should be a balance between organizational goals and employee's personal goals so as to achieve the level of performance that is expected of them while simultaneously satisfying their own personal goals and needs,(Bailey, 1993).

The beer industry is one of the most competitive sectors due largely to the regular innovations that are launched by the workers working for these firms. Although technology also plays a huge role on the success of these firms, human capital still remains the driving force in the highly competitive beer processing industry, because it is purely with the skills and knowledge of employees that new products are launched that catches everyone's attention, (SuzanaGučanin, 2014).

As established above that human beings are key for any brewery to succeed, it is not enough to merely rely on the number of people engaged, their qualification and experience or their ability but remunerating them appropriately is also of paramount importance. The personnel engaged must be motivated in order to get the best output from them. Many leaders of industries believe that the key to improve staff performance and productivity in any area is motivation rather than ability. Bateman and Snell (1996), contend that motivation is the force that energizes, direct and sustains a person's effort towards the achievement of a goal. A highly motivated person will work hard towards the achievement of organizational goal, given the ability and adequate understanding of the job. Therefore, the challenge for today's management is to administer motivational programmes which will encourage employees to improve their work performance and productivity. To this end modern day managers of

companies in the brewery industries are therefore adopting various kinds of motivational packages not only to retain employees but also help them to achieve competitive advantage in the market.

According to an empirical research that was done on a certain bank to study the impact of motivation on employee's performance by Ukaejiofo Rex Uzonna determined that growth opportunities and challenges have a positive effect on a person's motivation in the work place. The survey suggested that people prefer recognition associated with the job. A worker derives a sense of self-worth in the process of performing the job and, upon completion of that job, a sense of accomplishment. Studies have shown that satisfied workers are more productive. What the empirical research has found is that when it comes to bringing out the best performance of employees, growth opportunities and challenges, recognition and non-cash rewards are more effective motivators than money.

Another empirical study that was conducted on "Impact of Employee's Perception towards Performance Management System on Employee Motivation and Job Commitment" by Dr. Sunitha Kumaran and Dr. P. Sangeetha B.E. showed that Performance management can be productive, threatening, dreaded and reassuring. They may be given to achieve various organizational goals. Performance management is more certainly delivered by those supervisor or appraisers with diverse management experience and skills. Evaluation of employee's performance, which may be objectively or subjectively perceptual biased, is many times perceived as a necessary event in today's public/private sector organizations. Hence, the research concluded that Performance Management System has the great effect on employee's regular performance, which ultimately leads to increasing the organization effectiveness. If the organization has an effective performance management system it can achieve its goal, by managing the performance of employees.

A Comparative Analysis of Telecom Industry of Pakistan was done on Performance management and employee's motivation by Muhammad Shaukat Malik. This empirical research justifies the significant influence of employee's reactions towards performance appraisal on employee motivation. Employee perceived reactions including perceived satisfaction, perceived acceptability, perceived utility, perceived fairness and perceived

accuracy of performance appraisal are significantly important to determine the employee work motivation. While perceived ineffectiveness of performance appraisal has no significant influence in determining the employee motivation,

This research considers the performance management of Diageo- Meta Abo Brewery S.Co and the effect it has on employee motivation.

1.2 Statement of the Problem

Currently, companies need to think and act globally aligning their strategy with the rapidly changing environment and the stiff competition on the most valuable resource, the human resource. Competitor may easily imitate other resources except the human resources which is unique and source of sustainable competitive advantage. For the organization, job satisfaction of its workers means a workforce that is motivated and committed to high quality performance and this will have an effect on increased productivity; the quantity and quality of output per hour worked which seems to be a by-product of improved quality of working life,(Lalita K, 2013).

There is an old saying “you can take a horse to the water but you cannot force it to drink”; it will drink only if it's thirsty - so with people, they will do what they want to do or otherwise motivated to do. Whether it is to excel on the workshop floor or become the best brewer they must be motivated or driven to it, either by themselves or through external stimulus. Essentially, there is a gap between an individual’s actual state and some desired state and the manager tries to reduce this gap. Motivation is, in effect, a means to reduce and manipulate this gap. It is inducing others in a specific way towards goals specifically stated by the motivator. Naturally, the motivation system must conform to the corporate policy of the organization. The motivational system must be tailored to the situation and to the needs of organization.

The challenges facing organizations are heightened by the rapidly changing and increasingly competitive global business environment. As organizations work hard to gain a competitive advantage over their rivals, they look to their management information systems to assess their internal strengths, weaknesses, opportunities and threats from their immediate environment.

This requires organizations to have a thorough understanding of their core business operations and factors that impact on it. To be able to do this, organizations require an effective performance management system to allow them to plan, implement and assess their progress towards the achievement of set objectives. (Dr.SunithaKumaran and Dr. P.SangeethaB.E., 2013).

Accordingly, studying the effectiveness of the performance management system and the effect it has on the employees motivation of Diageo -Meta Abo Brewery is essential to determine the direct correlation it has with achieving organization goals and winning competitive advantage in the beer industry thereby being the main reason for conducting this research.

Measures of Effectiveness of a Performance Management System

(Muhammad Shaukat Malik, 2013)Performance should be accurately measured so employees will know where they can improve.Knowing where to improve should lead to training employees to develop new skills to improve.To be an accurate measure of performance, our measure must be valid and reliable, acceptable and feasible, specific, and based on the mission and objectives. The criteria's for performance measures are the below:

- **Strategic Congruence:** the extent to which the performance system elicits job performance that is consistent with the organization's strategy, goals and culture.
- **Validity:** the extent to which a performance measure assesses all the relevant and only the relevant aspects of job performance.
- **Reliability:** the consistency of a performance measure; the degree to which a performance measure is free from random error.
- **Acceptability:** the extent to which a performance is deemed to be satisfactory or adequate by those who use it.
- **Specificity:** the extent to which a performance measure gives detailed guidance to employees about what is expected of them and how they can meet those expectations.

Measures of Motivation

Because motivation is a psychological construct thatcannot be observed or recorded directly, studying it raises an important question: how to measure motivation? Researchers' measure

motivation in terms of observable cognitive, affective, behavioural, and physiological responses and using self-reports. Furthermore, motivation is measured in relative terms: compared to previous or subsequent levels of motivation or to motivation in a different goal state. An important aspect of determining how to measure motivation is understanding what type of motivation one is attempting to capture. Thus, in exploring the measures of motivation, we have to take into account different dimensions of motivation. In particular, we highlight the distinction between the outcome-focused motivation to complete a goal and the process-focused motivation to attend to elements related to the process of goal pursuit – with less emphasis on the outcome. Process-related elements may include using “proper” means during goal pursuit and enjoying the experience of goal pursuit. In some cases, particular measures of motivation may help distinguish between these different dimensions of motivation, whereas other measures may not. For example, the measured speed at which a person works on a task can have several interpretations, (MaferimaTouré-Tillery and AyeletFishbach, 2014).

1.3 Research Question

- What does the current Performance Management system look like and how is it implemented?
- What is the existing knowledge as well as attitude of employees in setting their goals and objectives in an outcome based mechanism?
- What is the extent of the current performance management system motivating employees?

The above questions will help get an understanding of the performance management system in place as well as understand the key interventions that are needed to take place to enhance employee motivation and achieve organizational goals. Moreover, it will also help us see what impacts have been created on the employee due to the implementation of the current performance management system.

1.4 Research Objective

General Objective

- The general objective of this research is to assess the current performance management system that has been implemented by Diageo- Meta Abo Brewery S.C and the effect it has on employees' motivation.

Specific Objective

- To assess the practice of the existing PMS at Meta and how well it is integrated with the organizational and other human resource functions.
- To determine what effect the current performance management system has on employees motivation
- To assess the overall knowledge and perception of employees and line managers on the current performance management system
- To what extent does the existing performance management system motivate employees?

1.5 Significance of the Study

The effectiveness of even highly skilled employees will be limited if they are not motivated to perform. Performance management can affect employee motivation by encouraging them to work both harder and smarter. Bailey (1993) noted that the contribution of even a highly skilled and motivated workforce will be limited if jobs are structured in such a way that employees , who presumably know their work better than anyone else, do not have the opportunity to use their skills and abilities to design new and better ways of performing their roles.

Accordingly, we now know the impact that a performance management system can have on the company's overall goals and profit at the end of the line. Understanding this will help the company determine what it needs to do to improve the effectiveness of the system as it will enable it achieve its organizational goals. In summary, the study will have the following significance:

- It will be used to assess the existing performance management system of the company in respect to its motivational function and help to work on the system's weakness so as to make improvements.
- It will enable the company to identify the gaps that exist so as to create an effective performance management system that is in line with the company's strategy.
- It will serve as a reference for other researchers to conduct further study on the subject matter
- Contribute to the existing body of knowledge by adding a literature on the effect of performance management system on employee motivation of the brewery industry.

1.6 Scope and Limitation of the Study

The study would have been more comprehensive if other human resource functions that have impact on employee satisfaction were addressed. However, the scope of the study is limited to one of the human resource function which is performance management system and its effect on employee motivation due to time constraint. Moreover, while other factors could be taken into consideration to determine the effectiveness of a performance management system, this research is only limited to evaluating it under four factors, which are: Planning, ongoing feedback, employee input and performance evaluation and review.

In addition, the study would have given a holistic view if it covered the whole beer industry in Ethiopia. However, the study is focused only on a specific beer industry: Diageo Meta Abo Brewery S.Co.

This study will also be limited to those employees who are Level 6 and above as they are the ones that are on a Performance Management system while the lower level employees do not have a structured system. The lower level employees are given incentives based on specific tasks that are given to them on a quarterly basis. Accordingly, as this paper focuses on assessing the performance management system and the effect it has on employee performance, the researcher will focus on this group of employees who are covered under this study.

The research will only cover permanent employees of the company as the performance management system is not implemented for temporary and piece rate workers hence their view on this will not be known.

There are some limitations faced while conducting this research as limited time frame was a great limitation. Secondly sample size was small and only employees who are level 6 and above are studied while organizational performance is determined by all employees. To examine the true effect and impact of performance management pre and post behaviors of employee reactions towards performance management should be studied and for this longitudinal type of research study is necessary while due to shortage of time this research only focuses on the post behavior impact of the performance management on employee's motivation.

Data was collected from employees who are based in Addis that is not represented of all employees in Diageo-Meta Abo Brewery. Besides questionnaire other data collection tools as interview and case study can be used for more sound results. Data is collected from Diageo Meta Abo Brwery and results cannot be generalized on other brewery industries.

Some of the limitations that the researcher has faced are the following:

1.7 Organization of the Paper

There are five chapters in this paper; the content of the chapter is summarized as follows:

Chapter One: states the background information of both the study as well as the company, the statement of the problem, the objective and significance of the study, research questions and limitation of the study.

Chapter Two: deals with literature review extracted from different sources. It is based on two major sub headings which is one dealing with Performance management process while the other dealing with Motivations which are the two core concepts of the paper.

Chapter Three: covers the methodology and procedures used in the research incorporating sample size, description of samples, research instruments and methods of analysis.

Chapter Four: shows the results of the survey and explains the findings with detail of respondents and their opinions.

Chapter Five: states the implication based on the result as well as conclusions with recommendations.

CHAPTER TWO: LITERATURE REVIEW

2.1 Performance Management

2.1.1 History of Performance Management

The success of every institution depends on the quality and commitment of its human resource. In order to insure continued efficiency and effectiveness of staff members each organization has to carry out employee performance appraisal from time to time so as to keep them in check and replace, motivate, retain or take any other appropriate action. Organizations using a performance appraisal system to evaluate their employees, struggle with issues of implementation, adoption and linkage with other human resource system, (Devries D.L, 1983).

Performance management processes have become prominent in recent years as means of providing a more integrated and continuous approach to the management of performance than was provided by previous isolated and often inadequate merit rating or performance appraisal schemes, (Armstrong, 2009).

2.1.2 Definition of Performance Management

Before designing a performance management system there needs to be a clear definition of performance management system. 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).

Performance management can be defined as a systematic process for improving organizational performance by developing the performance of individuals and teams. It is a means of getting better results by understanding and managing performance within an agreed framework of planned goals, standards and competency requirements. Processes exist for establishing shared understanding about what is to be achieved, and for managing and developing people in a way that increases the probability that it will be achieved in the short

and longer term. It focuses people on doing the right things by clarifying their goals. It is owned and driven by line management, (Armstrong, 2009).

Performance is essentially what an employee does or does not do. Performance of employees that affects how much they contribute to the organization could include:

- Quantity of output
- Quality of output
- Timeliness of output
- Presence at work
- Cooperativeness

Obviously other dimensions of performance might be appropriate in certain jobs, but those listed are common to most. However, they are general; each job has specific job criteria or job performance dimensions that identify the elements most important in that job, (David A. DeCenzo & Stephen P. Robbins, 2005).

2.1.3 Aim of Performance Management

The overall aim of performance management is to establish a high performance culture in which individuals and teams take responsibility for the continuous improvement of business processes and for their own skills and contributions within a framework provided by effective leadership. Specifically, performance management is about aligning individual objectives to organizational objectives and ensuring that individuals uphold corporate core values. It provides for expectations to be defined and agreed in terms of role responsibilities and accountabilities (expected to do), skills (expected to have) and behaviours (expected to be). The aim is to develop the capacity of people to meet and exceed expectations and to achieve their full potential to the benefit of themselves and the organization. Importantly, performance management is concerned with ensuring that the support and guidance people need to develop and improve are readily available, (Armstrong, 2009).

Performance is about upholding the values of the organization – ‘living the values’ (an approach to which much importance is attached at Standard Chartered Bank). This is an

aspect of behaviour but it focuses on what people do to realize core values such as concern for quality, concern for people, concern for equal opportunity and operating ethically. It means converting espoused values into values in use: ensuring that the rhetoric becomes reality, (Armstrong, 2009).

The performance management process must convey to employees how well they have performed on established goals. It's also desirable to have these goals and performance measures mutually set between the employee and the supervisor. Without two-way feedback about an employee's effort and its effect on performance, we run the risk of decreasing his or her motivation. However, equally important to feedback is the issue of development. By development, we are referring to those areas in which an employee has a deficiency or weakness, or an area that simply could be better through effort to enhance performance. Finally comes the issue of documentation. A performance evaluation system would be remiss if it did not concern itself with the legal aspects of employee performance, (David A. DeCenzo & Stephen P. Robbins).

➤ **Strategic Purpose**

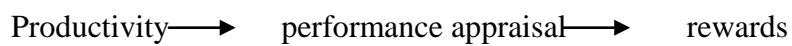
One of the most fundamental purposes of performance management is to align individual and organizational objectives. This means that everything people do at work leads to outcomes that further the achievement of organizational goals. The real concept of performance management is associated with an approach to creating a shared vision of the purpose and aims of the organization, helping each employee understand and recognize their part in contributing to them and in so doing, manage and enhance the performance of both individuals and the organization. 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. Objectives should be *agreed* not set, and this agreement should be reached through the open dialogues that take place between managers and individuals throughout the year. In other words, these

needs to be seen as a partnership in which responsibility is shared and mutual expectations are defined, (Armstrong, 2009).

One of the primary ways strategies are implemented is through defining the results, behaviours and to some extent employee characteristics that are necessary for carrying out those strategies and then developing measurement and feedback systems that will maximize the extent to which employees exhibit the characteristics, engage in the behaviours and produce the results,(Noe.Hollenbeck.Gerhart.Wright, 2008)

➤ **Administrative Uses**

A performance appraisal system is often the link between the rewards employees hope to receive and their productivity. The linkage can be thought of as follows:



Compensation based on performance appraisal is at the heart of the idea that raises should be given for performance accomplishments rather than for seniority. Under performance-oriented systems, employees receive raises based on how well they perform their jobs. The manager's role historically has been as an evaluator of a subordinate's performance, which then leads to managers making compensation recommendations or decisions for employees. If any part of the process fails, the most productive employees do not receive the larger rewards, resulting in perceived inequity in compensation. (David A. DeCenzo& Stephen P. Robbins)

➤ **Development Purpose**

Another purpose of performance management is to develop employees who are effective at their jobs. When employees are not performing as well as they should, performance management seeks to improve their performance. The feedback given during a performance evaluation process often pinpoints the employee's weakness. Ideally, however, the performance management system identifies not only any deficient aspects of the employee's

performance but also the causes of these deficiencies, for example, a skill deficiency, a motivational problem or some obstacle holding the employee back. (Noe.Hollenbeck.Gerhart.Wright, 2008)

2.1.4 Characteristics of Performance Management

Performance management is a planned process of which the primary elements are agreement, measurement, feedback, positive reinforcement and dialogue. It is concerned with measuring outputs in the shape of delivered performance compared with expectations expressed as objectives. In this respect, it focuses on targets, standards and performance measures or indicators. It is based on the agreement of role requirements, objectives and performance improvement and personal development plans. It provides the setting for ongoing dialogues about performance and continuing review of achievements against objectives, requirements and plans. But it is also concerned with inputs and values. The inputs are the knowledge, skills and behaviours required to produce the expected results. Developmental needs are identified by defining these requirements and assessing the extent to which the expected levels of performance have been achieved through the effective use of knowledge and skills and through appropriate behaviour that upholds core values. Performance management is a continuous and flexible process, which involves managers and those whom they manage acting as partners within a framework that sets out how they can best work together to achieve the required results. It is based on the principle of management by contract and agreement rather than management by command. It relies on consensus and co-operation rather than control or coercion. Performance management focuses on future performance planning and improvement rather than on retrospective performance appraisal. It functions as a continuous and evolutionary process, in which performance improves over time. It provides the basis for regular and frequent dialogues between managers and individuals about performance and development needs. It is mainly concerned with individual performance but it can also be applied to teams. The emphasis is on development, although performance management is an important part of the reward system through the provision of feedback and recognition and the identification of opportunities for growth. It may be associated with performance or contribution-related pay, but its developmental aspects are much more important,(Armstrong, 2009).

2.1.5 Performance Management Process

Performance management processes have become prominent in recent years as means of providing a more integrated and continuous approach to the management of performance than was provided by previous isolated and often inadequate merit rating or performance appraisal schemes. Performance management is based on the principle of management by agreement or contract rather than management by command. It emphasizes development and the initiation of self-managed learning plans as well as the integration of individual and corporate objectives. It can, in fact, play a major role in providing for an integrated and coherent range of human resource management processes which are mutually supportive and contribute as a whole to improving organizational effectiveness, (Armstrong, 2009).

While research and experienced practitioners have identified several characteristics that are prerequisites for effective performance management systems, there are also many decisions that need to be made to design a system ideally suited for a given organization's needs. One such decision is what purpose(s) the system will serve. For instance, performance management systems can support pay decisions, promotion decisions, employee development and reductions in force. A performance management system that attempts to achieve too many objectives is likely to die of its own lack of focus and weight. There is no one type of system or set of objectives that is best suited for all organizations. The purposes for a given performance management system should be determined by considering business needs, organizational culture and the system's integration with other human resource management systems, (Armstrong, 2009).

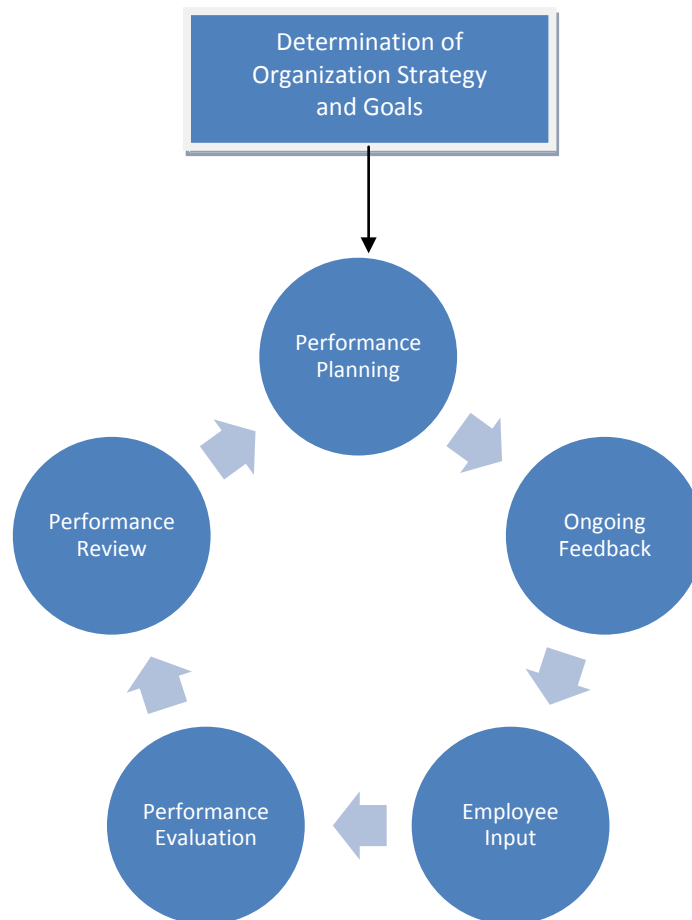
One important caveat to consider is that while performance management for purposes of decision-making and employee development are certainly related, these two objectives are rarely supported equally well by a single system. When a performance management system is used for decision-making, the appraisal information is used as a basis for pay increases, promotions, transfers, assignments, reductions in force or other administrative HR actions. When a performance management system is used for development, the appraisal information is used to guide the training, job experiences, mentoring and other developmental activities that employees will engage in to develop their capabilities. Although it is theoretically

possible to have a performance management system that serves both decision-making and development purposes well, this can be difficult to achieve in practice. In addition, research has shown that the purpose of the rating (decision-making versus development) affects the ratings that are observed.¹ Ratings used for decision-making tend to be lenient, with most employees receiving ratings on the high end of the scale. Ratings for developmental purposes tend to be more variable, reflecting both employee strengths and development needs. An example will illustrate why it can be difficult to emphasize equally decision-making and development within the same system. Managers in this organization evaluate their employees and then meet to calibrate their ratings and make reward decisions. Managers then conduct review sessions with every employee to discuss the employee's performance, pay increase and stock option grant. Developmental feedback is supposed to be included in the meeting. However, the range of percentage increases and stock options is large, thereby allowing managers to link performance with rewards effectively. With so much at stake, the majority of the meeting typically focuses on justification by both parties, rather than on how the employee can develop. The climate of the meeting is not conducive to giving and receiving feedback, and employees are reticent to discuss their development needs for fear this will negatively impact their rewards. Even in the strong performance-based culture of this organization, the decision-making aspect of performance is, by default, given more emphasis, (Elaine D. Pulakos, 2004).

Elaine, D. Pulakos (2004), states that effective performance management systems have a well-articulated process for accomplishing evaluation activities, with defined roles and timelines for both managers and employees. Especially in organizations that use performance management as a basis for pay and other HR decisions, it is important to ensure that all employees are treated in a fair and equitable manner. Based on examination of performance management processes in several organizations, most contain some variation of the process shown below:

Typical Performance Management System

Figure 1 Performance management system (Elaine, D. Pulakos, 2004)



➤ **Performance Planning**

At the beginning of the performance management cycle, it is important to review with employees their performance expectations, including both the behaviours employees are expected to exhibit and the results they are expected to achieve during the upcoming rating cycle. Behaviours are important because they reflect how an employee goes about getting the job done—how the individual supports the team, communicate, mentor others and so forth. We are all familiar with employees who may achieve exceptional results but are extremely difficult to work with, unhelpful or exhibit maladaptive behaviours at work. Because such behaviours can be extremely disruptive, behaviour is important to consider in most work situations. On the other hand, an employee can be extremely helpful, considerate and interpersonally effective, yet never achieve any important results. Behavioural and results

expectations should be tied to the organization's strategic direction and corporate objective, (Elaine D. Pulakos, 2004).

➤ **Ongoing Feedback**

During the performance planning process, both behavioural and results expectations should have been set. Performance in both of these areas should be discussed and feedback provided on an ongoing basis throughout the rating period. In addition to providing feedback whenever exceptional or ineffective performance is observed, providing periodic feedback about day-to-day accomplishments and contributions is also very valuable. Unfortunately, this does not happen to the extent that it should in organizations because many managers are not skilled in providing feedback. In fact, managers frequently avoid providing feedback because they do not know how to deliver it productively in ways that will minimize employee defensiveness. For the feedback process to work well, experienced practitioners have advocated that it must be a two-way communication process and a joint responsibility of managers and employees, not just the managers, (Elaine D. Pulakos, 2004).

➤ **Employee Input**

Employee input has been used effectively in many organizations. It sometimes takes the form of asking employees to provide self-ratings on performance standards, which are then compared with the manager's ratings and discussed. However, experienced practitioners have found that this type of process and discussion can lead to increased defensiveness, disagreements and bad feelings between employees and managers, if managers ultimately rate employees less effectively than they have rated themselves. An alternative way of collecting employee input is to ask employees to prepare statements of their key results or most meritorious accomplishments at the end of the rating period, (Elaine D. Pulakos, 2004).

➤ **Performance Evaluation**

As any human resource activity performance evaluation is very essential because it serves as a base to develop employees and recognize the accomplishment of employees. Due to the inherent difficulties in collecting good objective performance measures, many organizations have moved the evaluation of results to collecting information on employees' most

commendable accomplishments and the impact of these contributions. It allows for results to be considered that may have objective performance measures associated with them, such as team leadership skills, (Elaine D. Pulakos, 2004).

➤ Performance Review

Assuming that feedback has been provided on an ongoing basis, the formal performance review session should simply be a recap of what has occurred throughout the rating period. In other words, there should be no surprises in the performance review. During this meeting, managers should discuss with employees their ratings, narratives and rationale for the evaluation given. The performance review session is also a good time to plan developmental activities with employees. Experienced practitioners have found that competency models and performance standards like those described above help managers and employees identify and address development needs. Obviously, any performance standards that are not currently being met should be identified as development areas. If all current job standards are being met, employees and managers can look to the next level's performance standards to identify requirements and developmental areas to pursue in preparation for advancement, (Elaine D. Pulakos, 2004).

2.1.6 Evaluation of Performance

According to Wayne the most fundamental requirements for any rater is that he or she has an adequate opportunity to observe the rate's job performance over a reasonable period of time.

The immediate supervisor: if appraisal is done at all, it will be probably be done by immediate supervisor. She/he is probably most familiar with the individual's performance. Furthermore the immediate supervisor is probably best able to relate the individual's performance to what the department and organization are trying to accomplish, (Wayne, 2006).

Peers: in some jobs, such as outside sales, the immediate supervisor may observe a subordinate's actual performance only rarely. Peers can provide perspective on performance that is different from that of immediate supervisor to avoid potential friendship bias another approach is to require input from number of colleagues, (Wayne, 2006).

Subordinates: Appraisal by subordinates can be a useful input to the immediate supervisor's development, and the rating is of significantly higher quality when used for that purpose, (Wayne, 2006).

Customers Served: in some situation the customer of an individual's or organization's service can provide a unique perspective on job performance, (Wayne, 2006).

2.2 Motivation

Motivation is the desire within a person causing that person to act. People usually act for one reason: to reach a goal. Thus, motivation is a goal directed drive, and it seldom occurs in a void. The words *need*, *want*, *desire*, and *drive* are all similar to *motive*, from which the word *motivation* is derived. Understanding motivation is important because performance, reaction to compensation, and other HR concerns are related to motivation. Approaches to understanding motivation differ because many individual theorists have developed their own views and theories. They approach motivation from different starting points, with different ideas in mind, and from different backgrounds. No one approach is considered to be the "ultimate." Each approach has contributed to the understanding of human motivation, Spurgeon and Harrington, (1989).

The significance of employee motivation, influencing the behaviours of their employees to behave in certain ways, can ultimately decide the success or failure of an organization. Kovach (1987) suggests that if a company knows why its employees come to work on time, stay with the company for their full working lives, and are productive, then the company may be able to ensure that all of their employees behave in that way. Such a company would have a decided marketplace advantage over competitors suffering from absenteeism, costly re-training programs, and production slowdowns. Moreover, Wiley (1997) also suggests ensuring the success of a company, employers must understand what motivates their employees, and such understanding is essential to improving productivity. These suggestions imply that organizational success depends heavily on employee motivation, and managers must understand what motivates their employees. Understanding the concept of motivation could assist incompetent and inexperienced managers, in terms of employee motivation, identify what motivates their employees to enhance their performance, Wiley (1997).

Rajput (2011), contends that the word motivation is derived from a Latin word “Mover” which literally means “to move”. They defined motivation as “the individual’s desire to demonstrate the behavior and reflects willingness to expend effort”. Motivation can be divided into extrinsic and intrinsic motivation. **Extrinsic motivation** refers to external factors, which can be measured in monetary terms, such as salary and benefits, promotion and disciplinary action. Extrinsic motivators can have an immediate and powerful effect, but it will not necessarily last long. Intrinsic motivation refers to internal factors such as job satisfaction, responsibility, freedom to act, scope to use and develop skills and abilities and challenging work and opportunities for development. **Intrinsic motivators** which are concerned with the “quality of working life” are likely to have a deeper and longer term effect. These two different aspects of motivation are connected to each other and cannot be seen in isolation, (Thomas Owusu, 2012).

2.2.1 Motivation Theory

Armstrong states that the approaches to motivation are underpinned by motivation theory. The most influential theories are classified as follows:

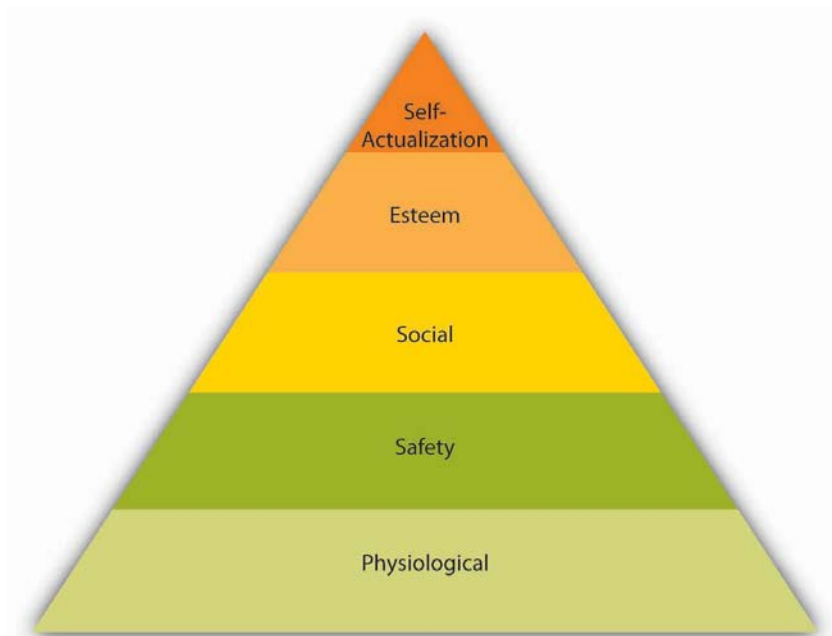
- *Instrumentality theory*, which states that rewards or punishments (carrots or sticks) serve as the means of ensuring that people behave or act in desired ways.
- *Content theory*, which focuses on the content of motivation. It states that motivation is essentially about taking action to satisfy needs, and identifies the main needs that influence behaviour. Needs theory was originated by Maslow (1954), and in their two-factor model, Herzberg (1957) listed needs which they termed ‘satisfiers’.
- *Process theory*, which focuses on the psychological processes which affect motivation, by reference to expectations (Vroom, 1964), goals (Latham and Locke, 1979) and perceptions of equity, (Adams, 1965).

The theories of motivation seek to justify why certain employees act or do things in a certain way rather than others. For the purpose of this research, the researcher will consider the following theories only:

2.2.1.1 Maslow’s Hierarchy of Needs

The most famous classification of needs is the one formulated by Maslow (1954). He suggested that there are five major need categories which apply to people in general, starting from the fundamental physiological needs and leading through a hierarchy of safety, social and esteem needs to the need for self-fulfilment, the highest need of all. Maslow's hierarchy is as follows:

Figure 2 Maslow's Hierarchy of Needs (Maslow, 1954)



Maslow's hierarchy is a systematic way of thinking about the different needs employees may have at any given point and explains different reactions they may have to similar treatment. An employee who is trying to satisfy her esteem needs may feel gratified when her supervisor praises her. However, another employee who is trying to satisfy his social needs may resent being praised by upper management in front of peers if the praise sets him apart from the rest of the group, (Armstrong, 2009).

2.2.1.3 Herzberg's two- factor Model Theory

Frederick Herzberg approached the question of motivation in a different way. By asking individuals what satisfies them on the job and what dissatisfies them, Herzberg came to the conclusion that aspects of the work environment that satisfy employees are very different from aspects that dissatisfy them. Herzberg labelled factors causing dissatisfaction of workers

as “hygiene” factors because these factors were part of the context in which the job was performed, as opposed to the job itself. **Hygiene factors** included company policies, supervision, working conditions, salary, safety, and security on the job. In contrast, **motivators** are factors that are intrinsic to the job, such as achievement, recognition, interesting work, increased responsibilities, advancement, and growth opportunities. According to Herzberg’s research, motivators are the conditions that truly encourage employees to try harder, (Baumeister, 1995).

2.2.1.4 Goal Theory

Goal theory as developed by Latham and Locke (1979) states that motivation and performance are higher when individuals are set specific goals, when goals are difficult but accepted, and when there is a feedback on performance. Participation in goal setting is important as a means of getting agreement to the setting of higher goals. Difficult goals must be agreed and their achievement reinforced by guidance and advice. Finally, feedback is vital in maintaining motivation, particularly towards the achievement of even higher goals, (Armstrong, 2009).

2.2.2 Importance of Motivation

The achievements of individuals and organizational goals are independent process linked by employee work motivation. Individuals motivates themselves to satisfy their personal goals, therefore they invest and direct their efforts for the achievements of organizational objectives to meet with their personal goals also. It means that organizational goals are directly proportion to the personal goals of individuals. The manager’s job is to ensure the work done through employees are satisfied and the employees are self motivated towards their work rather than just being directed. The managers’ involvement is not so much important in the motivation of employees. The employees should motivate themselves to work hard.

The major issue in all services organizations is the motivation of employees whether they are skilled or unskilled or professionals. Employee motivation is also a major issue for the commercial banks. It is a today’s challenge for the management in this competitive world to motivate employees to offer efficient and good services that customers expect so for. The

employees' motivation, their enthusiastic and energetic behavior towards task fulfilment play key role in successes of an organization to benefit, (Thomas Owusu, 2012).

2.2.3 Levels of Employee Motivation

According to research conducted by Mosley, Megginson, and Pietri (2001), there are three levels of employees' motivations.

- a. The direction of an employee's behavior. It relates to those behaviors which the Individuals choose to perform.
- b. The level of effort. It refers to how hard the individual is willing to work on the behavior.
- c. The level of persistence. It refers to the individual's willingness to behave despite obstacles.

They found that management can make use of different tactics, strategies and policies to motivate employees in work settings, but different tactics, strategies and policies would have a different motivational impact on diverse people.

2.2.4 The impact of approaches to motivation on employees' performance and behavior

An article review that was done on employees work motivation and its effect on their performance by Samira Al Jasmi showed that employee performance is not just tasks and work to be done just to get bonus or pay increase. It is an ongoing process where the main objective is to improve both individual and business performance (Baker, 1999). Moreover, employee's performance is a process used in most organizations in order to determine the abilities and productivity of the employees and usually employees set their objectives and goals for the upcoming period; they do the best to achieve it, monitor it and develop the right skills (Vallerand, 1993). It is also a way to evaluate employees on their effectiveness at work in the organization through performance appraisals which looks at the weaknesses and strengths of the individual to determine where they might improve (Goldthorpe, Lockwood, Bechhofer, and Platt, 1968). Spurgeon and Harrington, (1989) stated that employees with high performance rate, are usually willing to give an extra effort to the organization when it is required. Also, more motivated employees are tending to be more loyal to their organization

and hence producing attractive outputs, (Ono, Watanabe, Kaneko, Matsumoto, and Miyako, 1991).

Furthermore, most of the researchers found that motivation helps improve the power of the individual toward the work (Asad, 1986). According to (Bradley, 2004), most of the researchers see that there is obvious relationship between motivation and employee performance and if employees are motivated, they will produce better. Also, better performance will lead to high achievements and will result in greater motivation As when employees are motivated and satisfied, they have the authority to do the job required openly. In addition to that, Bradley (2004) came up with some practical guidelines for organizations to create conditions for motivation and employee performance including: (Bradley, 2004)

1. The organization has to provide the employee whatever is required like training in order for them to develop themselves at work.
2. While the HR hiring process, organization should hire people who are willing to develop and progress.

Also, motivated employees do more work than others with their high potential as they are satisfied and having high performance (Bradley, 2004). “If employees are motivated and happy they will do to the work to the best of their ability instead of just doing it because they have to”, (Ryan, &Deci, 2000).

Deci, (1971), clarified those workers who are satisfied with their job and find it exciting will enjoy it and can therefore choose to do good work. Moreover, “an employee who is motivated by an enriching work will obtain a higher value than an employee not motivated” (Akerlof, and Kranton, 2005) and motivating employees will benefit both the employees as well as the business. Employees will provide more of what they have for work and will do the job with their full potential (Jen, Chyan, Bih-Huang, and Hero, 2004). And when business and firms’ receives continual improvement and positive performance from their employees, the reward goes to the motivated employees (Chadwick, Hunter &Walston, 2004).

Moreover, giving higher responsibilities motivates some employees as (Khodov, 2003) stated that employees, who get responsibilities and work hardly with the tasks he/she has been given to achieve the objectives and goals of the task, feel that they are engaged with the business

which leads them to use their abilities more effectively. As a result, when employees feel motivated to work are likely to be more stable, productive and innovative and turn out the work with high quality and with their full potential. On the other hand, unmotivated employee are likely spend little time with no effort on work, avoid the work as much as they can, leave the organization as soon as they get another opportunity and they produce low quality work (Wigfield, Guthrie, Tonks &Perencevich, 2004). But, although motivation is important for employee positive performance, their ability to do the work and resources available or given to perform the job are really more important (Alexander, Ryan, &Deci, 2000). For example, there could be two employees who are doing the same job and performing the same tasks but each one of them is doing it for different goal and motive (Park, Kim, Chung and Hisanaga, 2001).

On the other hand, unmotivated employees loose the interest on work which leads to leave the work. Leaving of experienced employees affects the work so hardly. So, as long as employees are motivated, they will have the desire to establish a good reputation as an employee which will lead him to produce more and better (Victoria, 2000).

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Background and selection of the organization

Beer is one of mankind's oldest beverages. When Cereals were first grown for food, thousands of years ago, a fortunate by-product was discovered. When these tasty grains got wet, they would ferment. This process of fermentation had the ability to transform water into a very palatable drink and so the first beer had been discovered.

(www.slideshare.net, accessed on Jan 9, 2015) Nowadays we know for a fact that this transformation is not some dark magic but is caused by the presence of wild yeasts in the air. Although Belgium is without a doubt, the world's beer capital, the great drink was not invented in Belgium. Clay tablets indicate that brewing was a well-respected occupation in what is now Iran more than 7000 years ago, but it's thought that beer was already known to the Sumerians and Babylonians some 3000 years before that. Back then most brewers were even women. One of the problems of early brewing was that beer didn't keep well; it soon spoiled, so couldn't be exported or even travel from town to town. By the end of the middle ages beer had become one of the most common European drinks and was consumed daily by every social class in the northern and eastern parts of Europe. Much modern beer production is now dominated by handful of multinational companies.

Beer consumption in developing countries is often seen as one revealing (if crude) proxy for gauging the strength of economic activity. If beer sales are high and rising, incomes and economic activity are presumably growing strongly while the reverse should be true if beer sales are flat or falling. (Sector report by Access Real Estate, 2008)

In Ethiopia, growth in beer consumption has been a surprisingly high 24 percent per year according to Access Capital estimates, roughly double the average annual growth rate in real GDP. Even after such a rapid increase, however, per capita beer consumption in Ethiopia is still only a fraction of the level seen in other African countries. Looking ahead, beer demand is without doubt expected to continue its rapid growth, in line with rising population levels, favourable demographics, continued economic growth, and a gradual convergence of national consumption levels towards those of neighbouring countries. Access Capital projects that

beer consumption will rise by around 15 percent per year in the coming years, a volume growth that can comfortably support several new beer producing factories in the next five year period even after accounting for the expansion plans of existing firms. (Sector report by Access Real Estate, 2008)

In recent years we have seen multinational companies taking an interest in the beer industry in Ethiopia as a result we have seen Heineken purchasing Bedele and Harar while Diageo bought Meta Abo Brewery S.C. The fact that Ethiopia is one of the fastest growing economies in Africa over the last five years and with the GDP growth predicted to average approximately +7% over the next five years is a predominant factor for this companies to take an interest to start business in Ethiopia,(Sector report by Access Real Estate, 2008).

3.1.1 Background of the Company

In January 2012 Diageo purchased Meta Abo Brewery - a company that was state-owned since inception. Meta Brewery has a rich history in Ethiopia with a historic market share of 50%. The brewery is situated near the town of Sebeta, one hour drive west of Addis Ababa.

Diageo's spirits brands have been frenzied in Ethiopia since 1955 with Johnnie Walker and White Horse being the preferred whiskies choice for most Ethiopians. With a broad portfolio of International spirits brands, such as Smirnoff Vodka, Baileys and Captain Morgan, the addition of Meta ensures Diageo's position as the leading total beverage alcohol business in Ethiopia.

Ethiopia has the second largest population in Africa and a profile that results in 4 million Ethiopians reaching the LDA (Legal Drinking Age) of 18 each year. With one of the fastest growing economies in Africa over the last five years and with the GDP growth predicted to average approximately +7% over the next five years, it is definitely going to be a vibrant and exciting economy in which Diageo is well placed. With per capita beer consumption rates being amongst the lowest across Africa and a government that is investing heavily to improve infrastructure with its Growth and Transformation Plan, the beer market is expected to grow at faster than +10% over the next five years.

Since acquiring the Meta brewery, the team in Ethiopia has been working hard to define the consumer positioning of the brand, begin investing in marketing activities and build the new commercial teams. With this increased investment and a highly skilled sales force, Meta and Meta Premium are enjoying their highest ever rates of sale. Growing the market share and developing distribution are some of the Company's current priority initiatives.

Diageo continues to invest in the communities in which it operates and Ethiopia is no exception. Its commitment to the community extends to its advocacy of responsible drinking, which is at the core of all Diageo's activities. With its world-recognized DrinkIQ programmed, the team in Ethiopia ensures that consumers enjoy Diageo brands in a way that reflects both its values and purpose – Celebrate Life Everyday Everywhere.

3.1.2 The Work Force

The work force is as old as 30 years of experience, however, all of them with this much years of experience have now retired. The social characteristics of the work force vary immensely as it incorporates a mix of sex. The company has 750 employees .Among the total number of the population, 250 of them are female and 470 are Male. After acquisition, majority of the old employees have either gone out through retirement or other packages that were given by the company and replaced by new blood.

There are also around 30 expats that work on long term contract basis as well as a lot of contractors (around 100) that work on short term contracts.

Before Diageo acquired Meta, the norm that was usually dominant was a situation where everyone acted as a free rider and no one took their responsibility seriously. High performance culture was not implemented hence employees were not motivated to work. However, after acquiring the company, not only did Diageo do a 100 % increment on employees salary but it also implemented a high performing team culture where everyone was evaluated based on his/her performance.

The instrument used to track employee's performance is named as "Partners for Growth (P4G)" which has three stages of review which are the initial stage, mid-year review and the end year review. The goal for P4G is to improve everyone's performance through better conversations with line managers and their colleagues. P4G gives employees and line

managers a simple framework to use to have great on-going conversations not a one-off appraisal. It is all about getting to know the people, to focus them on the strategic priorities and to value them as individuals for their diverse and unique talents.

Although an effective and well-structured performance management system has been put in place by the company since acquisition, there is still a lot to be done with regards to changing the attitudes and perceptions of individuals.

The company's job grade ranges from Level 1 to 8 where each of the levels have "a, b and c's" within them. Levels 1 to Level 3 are the company's top managers who are mostly in a Director position while those from Levels 4 to 5 are the middle level managers; those who are Level 6 are either low level managers or clerical staff while the remaining staffs from Level 7 to 8 are the non-clerical staff. Accordingly, the employees who are included in the performance management system of the company are only the ones who are Level 6 and above.

3. 2 Research Strategy and Design

In order to capture the logical structure of the study, the researcher has used a descriptive research design. This design will best describe the performance management system of the company accurately and economically as well show its impact on motivation.

Questionnaires were used to collect primary data as it would help get satisfactory number of respondent's opinion on the subject under study with minimum cost and help to compare the result with the existing literatures hence will be used to gather the wider group of staff as it was the best solution to overcome the logistical and financial problems of addressing the staff dispersed in different regions of the country. The independent variable will be performance management system while the dependent variable will be motivation.

A sample of respondent employee representative from different departments will be drawn from the head office. Due to the fair number of the sample size, the researcher has decided to select using simple random sampling method. This method will derive to deliver unbiased estimate of the population's characteristics as well as remain to be a valid representation of the population.

Questionnaire consisting of close-ended questions will be designed to gather information from management and employees separately. Descriptive data analysis method will be used to analyze the data obtained.

3.3 Data Types and Sources

Data collection will be based on primary data and secondary sources of data. The primary data will be collected from sample respondents using questionnaire about applicable performance management system and practices, the employee motivation level of the performance management system used, the management view of the performance management system, the link between the company's expected outcome and the effect that performance management has on employee motivation, employee motivation in relation to performance. Before the actual administration of the questionnaire, it was pre-tested and modified/refined for reliability and validity issue.

The questions for the questionnaire were adopted from literatures (employee motivation survey, Anne von Elverfeldt (2005) and Nanacy Langton, Stephen P. Robbins (2009) as well as from previous research paper (Performance appraisal practice and problem) and customized in order to suit my research topic. The questionnaires were composed of closed ended questions (Ref Appendix A and B)

The questionnaires were prepared for management and non-management staffs. The questions are basically the same with a slight change in wording. The main reason for this being the fact that the researcher wanted to understand the difference in perception of how the management and non- management staff perceived the planning to execution stage of the performance management process as well as its effect on their motivation.

Secondary data includes personnel policy, salary scale, strategic planning, performance management system used, annual reports, HR policies, informal conversation from different personnel files, published and unpublished information about the study area, books and journals from library and internet.

3.4 Target Population and Sampling

There are a total number of 750 employees at Diageo- Meta Abo Brewery S.Co consisting of 8 departments. Accordingly, the study covered all departments of the company consisting of employees who are level 6 and above. Out of the sample frame of 750 employees, 325 employees are the target population which will be taken as a sample. To get representative opinion from the population the researcher applied simple random sampling technique. The researcher used the lottery system in order to pick the samples by writing the name of each element of the population on a slip paper and putting it in a box and mixed them thoroughly to draw the required number of slips from the sample. These gave equal chance of selection for all departments that are based in Addis. The sample size was determined using Raosoft and Macorr computer software's (www.raosoft.com and www. Macorr.com) with confidence level of 95% both software's resulted similar sample size of 177. The authors of raosoft are Thomas Lang & Michelle Secic and used the below formula:

The sample size n and margin of error E are given by

$$x = Z(c/100)^2 r(100-r)$$

$$n = N x / ((N-1)E^2 + x)$$

$$E = \text{Sqrt}[(N-n)x / n(N-1)]$$

where N is the population size, r is the fraction of responses that you are interested in, and $Z(c/100)$ is the critical value for the confidence level c .

Whereas the author for Macorr is Louis Rea and used the formula:

$$ss = \frac{Z^2 * p * (1-p)}{C^2}$$

Z = Z value (e.g. 1.96 for 95% confidence level)

P = percentage picking a choice, expressed as decimal (0.5 used for sample size needed)

C = confidence interval, expressed as decimal (e.g. 0.04 = ± 4)

Correction for finite population:

$$\text{new ss} = \frac{ss}{1 + \frac{ss - 1}{\text{Pop}}}$$

Pop = population

Out of the 177 questioners that were distributed, I have collected 175 fully completed questioners which give 98.87% response rate. Therefore, this research paper is based on 125 questioners that were collected from the non-managerial staff as well as the 50 questioners collected from the management staff. The total management staff of the company is 98 hence to get a representative statistics of their opinion, the researcher has distributed the questioners to 50% of them while the remaining data 125 employees were drawn from the non-managerial staff.

3.5 Data Analysis Methods

The data was organized, analyzed and expressed using both Descriptive and explanatory data analysis so as to examine the effect of performance management on employee motivation. An explanatory design is one which not only describes but also explains the phenomenon of substantive interest (Keith F Punch, 2006). It includes the analysis of data using frequencies, dispersions of dependent and independent variables and measures of central tendency and variability and to obtain a feel for the data, Schuler, R.S (2000). Frequency, means, ratios and percentages was used to compute different variables. Statistical techniques were used to analyze the data from the sample employees and management. Statistical package for social scientists (SPSS) version 21 was used in data processing. Statistics including mean and standard deviation has been used to analyze the data among the different groups (management and non-management). The mean and standard deviation will be used to describe the data obtained from the independent variables (the four quadrants of Performance management) and the dependent variable (employee motivation).

Inferential statistics was also used in order to allow the researcher to present the data obtained in research in statistical format, to facilitate the identification of important patterns and to make data analysis more meaningful. According to Schuler, R.S (2000), inferential statistics is employed when generalizations from a sample to population are made. The statistical methods used in this research include the Pearson Product Moment Correlation as well as regression analyses. Among the constructs of performance appraisal system, the factor that best explains employee's motivation has been discovered through simple linear regression. The simple linear equation used for this is:

$$Y = aX + b$$

Where (Y) is the value of the dependent variable and (X) is the value of the independent variable.

Relationships between demographic factors and the dependent variable was tested and presented. Finally the finding of the study was interpreted, conclusion was drawn and recommendations have been forwarded.

3.6 Validity and Reliability Issues

3.6.1 Reliability

In this study, reliability of the primary data is very important because the study mainly depend upon the respondent’s opinion. Research instruments will be designed using a simple and clear language to ensure respondents have a clear understanding of what each questions are meant to ask and sequence of questions are requested to increase the probability of consistent respond. Standard questionnaire which has slightly been customized to suit the research has been selected with a strong base from the literature in order to be relevant to the subject matter. Before the actual administration of the questionnaire, it was pre-tested through pilot-survey to obtain information on the reliability and validity of the information they transfer to different respondents. Reliability assessment for the variables was done using Cronbach alpha coefficient and the results shown for each unit is as per the table below for both the Managerial as well as the non-managerial staff. Accordingly, all the units show an above 0.7 result which signifies an acceptable internal reliability and proven to be good.

Managerial staff

Table 1 Reliability Analysis of Variables

Variables	Cronbach’s Alpha	Number of Items
Performance Planning	0.744	4
Ongoing feedback	0.870	4
Employee Input	0.701	4
Performance Evaluation and Review	0.864	11
Employee Motivation	0.732	10

Source: own survey, 2015

Non Managerial staff

Table 2 Reliability Analysis of Variables

Variables	Cronbach's Alpha	Number of Items
Performance Planning	0.905	4
Ongoing feedback	0.927	4
Employee Input	0.847	4
Performance Evaluation and Review	0.979	11
Employee Motivation	0.824	10

Source: own survey, 2015

3.6.2 Validity

Validity of data collecting instruments was considered to ensure the ability of instrument to obtain information that it intends to obtain and the ability of the data analysis method to measure what it intends to measure.

Questionnaires were administered to ten respondents and adjustments were made to the questionnaire items based on the comments of the respondents.

Several measures were employed to ensure that the results are free from material errors from the design of the questionnaire to interpretation of the results. Such measures enable to find out the time needed to complete a questionnaire, clarity of instructions, clarity of the questions, the layout of the questionnaire and other comments.

3.7 Utilization of Instrument

Before the actual administration of the questionnaire, it will be pre-tested through pilot-survey to obtain information on the reliability and validity of the information they transfer to different respondents. After the pilot survey if there is a need, instruments may be changed or modified/refined.

3.8 Ethical Issues

Primary information gathered from respondents will be kept confidentially and will be destroyed after a reasonable period of time. The process requires gathering information from personal file of employees which needs high level of confidentiality. Confidential files will be accessed by the researcher on the availability of person responsible for keeping those records and at the place they are kept. Issues regarding employees' personal data, policies and strategies of the company and other highly classified information that need to be kept confidential will be given value and will be kept confidential.

For respondents who require special assistance on translation, understanding, reading and writing, respondent assistants will be assigned to assist them complete the questionnaire.

CHAPTER FOUR: RESULTS AND DISCUSSION

This chapter mainly deals with the data that was gathered from the questionnaires that were distributed to the management and non-management employees. As we can see from the Appendix attached in this paper the questions that were used in the questionnaires were basically the same for both of these groups other than a slight change in the wordings in some of the sections. Therefore where there are slight differences the researcher will try to demonstrate the result in two separate columns for each variation.

A total of 177 questionnaires were distributed from among which 125 were for the non-managerial staffs while 50 were for the managerial. The following sub- units will explain each aspect of the questions asked.

4.1 Demographic Characteristics of the respondents

Table 3 below shows that from a total of 175 respondents 112 were male while 63 were female. When we look at the percentages, from the managerial staff, 72% were male respondents while 28 % were female respondents. On the other hand, from the non-managerial staff, 60.8 % were male respondents while 39.2 % were female respondents.

Table 3 Sex of respondents

Description	Managerial				Non-Managerial			
	Frequency	%	Valid %	Cumulative %	Frequency	%	Valid %	Cumulative %
Male	36	72.0	72.0	72.0	76	60.8	60.8	60.8
Female	14	28.0	28.0	100.0	49	39.2	39.2	100.0
Total	50	100.0	100.0		125	100.0	100.0	

Source: own survey, 2015

1. Age of respondents

Out of the total respondents from the managerial staff we can see from below that only 1 person (2%) is from age 18- 28, 25 people (50%) are from 29-39, 19 people (38%) are from 40-50 while 5 people (10%) are over 50. On the other hand, from among the non-managerial respondents we can see that 35 of them (28%) are from 18-28, 57 of them(45.6%) are from 29-39, 24 of them (19.2%) are from 40-50 while the remaining 9 (7.2%) are over 50.

Table 4 Age of respondents

Description	Managerial				Non-Managerial			
	Frequency	%	Valid %	Cumulative %	Frequency	%	Valid %	Cumulative %
18-28	1	2.0	2.0	2.0	35	28.0	28.0	28.0
29-39	25	50.0	50.0	52.0	57	45.6	45.6	73.6
40-50	19	38.0	38.0	90.0	24	19.2	19.2	92.8
Over 50	5	10.0	10.0	100.0	9	7.2	7.2	100.0
Total	50	100.0	100.0		125	100.0	100.0	

Source: own survey, 2015

2. Education Level of Respondents

Table 5 shows distribution of formal education background. It shows that 33(66%) of the managerial respondents are 1st degree holders while 17(34%) are 2nd degree holders this implies that all of the Managerial staff are well educated individuals. When we look at the Non-managerial staff, we can see that 90 (72%) are 1st degree holders, 2(1.6%) are 2nd degree holders, 17 (13.6%) are college diploma holders, 14 (11.2%) are certificate holders while the remaining 2(1.6%) are classified under other. This again shows that majority of the company is staffed with educated employees.

Table 5 Education Level of Respondents

Description	Managerial				Non-Managerial			
	Frequency	%	Valid %	Cumulative %	Frequency	%	Valid %	Cumulative %
1st degree	33	66.0	66.0	66.0	90	72.0	72.0	72.0
2nd degree	17	34.0	34.0	100.0	2	1.6	1.6	73.6
college diploma	-	-	-	-	17	13.6	13.6	87.2
certificate	-	-	-	-	14	11.2	11.2	98.4
others	-	-	-	-	2	1.6	1.6	100.0
Total	50	100.0	100.0		125	100.0	100.0	

Source: own survey, 2015

3. Current Position of respondents

Table 6 represents the distribution of current job position of respondents that ranges from Top Level Managers to clerical employees. When we look at the managerial staff, we can see that all of them range between top level to middle level managers, top level being 22 (22%) while

middle level being 39(78%). When we look at the non-managerial staff,25 (20%) are low level managers and 100(80%) are clerical staff. This shows that majority of the managerial staff are middle level managers while majority of the non-managerial staff consist of clerical staffs.

Table 6 Current position of respondents

Description	Managerial				Non-Managerial			
	Frequency	%	Valid %	Cumulative %	Frequency	%	Valid %	Cumulative %
Top Level Manag.	11	22.0	22.0	22.0	-	-	-	-
Middle Level Manag.	39	78.0	78.0	100.0	-	-	-	-
Low level Manag.	-	-	-	-	25	20	20	20.0
Clerical staff	-	-	-	-	100	80.0	80.0	100.0
Total	50	100.0	100.0		125	100.0	100.0	

Source: own survey, 2015

4. Work Experience of respondents

As seen from Table 7 below majority of both the managerial and non-managerial staffs fall in between less than 2 years and 2-5 years. From the managerial staff, 15 (30%) of respondents are less than 2 years in service while 28(56%) have been in service from 2-5 years. Among the non-managerial staff, 51(40.8%) are less than 2 years in service while 33(26.4%) are 2-5 years in service. This shows that the company is mainly staffed with new employees and shows risk in its ability to retain employees for long.

Table 7 Service Year of Respondents

Description	Managerial				Non-Managerial			
	Frequency	%	Valid %	Cumulative %	Frequency	%	Valid %	Cumulative %
less than 2 years	15	30.0	30.0	30.0	51	40.8	40.8	40.8
2-5	28	56.0	56.0	86.0	33	26.4	26.4	67.2
5-10	2	4.0	4.0	90.0	12	9.6	9.6	76.8
greater than 10	5	10.0	10.0	100.0	29	23.2	23.2	100.0

Total	50	100.0	100.0		125	100.0	100.0	
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Source: own survey, 2015

4.2 General Perception of respondents on Performance management system

The following five questions were included to know and understand how employees perceive the performance management system of the company. Moreover, the questions also go further to test how well they know the company’s Performance management system (PMS).

4.2.1 What kind of performance appraisal was it?

With this question the researcher hopes to get an idea of the kind of performance appraisal used by the company as it will help in predicting how organized the performance management system of the company is. Likewise, as seen below 100% of the managerial staff stated that the performance appraisal the company implements is a formal one while from the non-managerial staff 115(92%) of the respondents believe that the company implements a formal performance appraisal, 1(0.8%) believe that it is non-formal and the remaining 9(7.2%) stated that the performance appraisal was both formal and non-formal. This implies that the company does in fact have a formal performance appraisal that is put in place. According to Cleveland and Murphy (1989) one of the most important purposes of performance management system is communication, which allows employees to be informed about how well they are doing, to receive information on specific areas that may need improvement and to learn about the organization and the supervisors’ expectations and what aspects of work the supervisor believes are most important.

Table 8 Kind of PA

Description	Managerial				Non-Managerial			
	Frequency	%	Valid %	Cumulative %	Frequency	%	Valid %	Cumulative %
Formal	50	100.0	100.0	100.0	115	92.0	92.0	92.0
Non formal	-	-	-	-	1	.8	.8	92.8
Formal & Non formal	-	-	-	-	9	7.2	7.2	100.0
Total	50	100.0	100.0		125	100.0	100.0	

Source: own survey, 2015

4.2.2 The result of Performance appraisal in Meta Abo Brewery S.C is used?

This question will enable us to understand what employees perceive is the motive of the performance appraisal that is implemented by the company. Hence, 100% of the managerial staff believe that the PA is used as a base for salary and incentive payment while from the non-managerial staff 47(37.6%) state that the PA is only being used for formality purposes, 4(3.2%) state that it is used for employee development while remaining 74(59.2%) believe that it is used as a base for salary and incentive payment. Although majority of both this groups show that PA is being used as a salary and incentive pay there are still 37.6% people from the non-managerial staff that believe otherwise and feel that it is only used for formality purposes. If employees are of opinion that their performances are not accurately measured or employer expectations are unrealistic, it will de-motivate employees (Kreitner, 2001)

Table 9The result of PA used

Description	Managerial				Non-Managerial			
	Frequency	%	Valid %	Cumulative %	Frequency	%	Valid %	Cumulative %
Only for formality	-	-	-	-	47	37.6	37.6	37.6
For employee development	-	-	-	-	4	3.2	3.2	40.8
As a base for salary & incentive payment	50	100.0	100.0	100.0	74	59.2	59.2	100.0
Reward or punish employee	-	-	-	-	-	-	-	-
Total	50	100.0	100.0	100.0	125	100.0	100.0	

Source: own survey, 2015

4.3 Respondents opinion on survey statements

According to Elaine D. Pulakos (2004), Performance Management is mainly categorized into five essential types, these are: Performance Planning, Ongoing feedback, employee input, performance evaluation and performance review. This is to mean that if a certain performance system encompasses and implements all this aspects efficiently then it said to be a good performance management system. Therefore, the researcher has divided each of the

questions based on these headings to analyze the effectiveness of the performance management system and left the last section to deal with the motivation aspect. All of this will be explained below. For some of the questions that have slight differences in wording between the management and the non-management, the questions have been repeated so as to see the actual difference in meaning. Mean, Percentage and standard deviation has been used to analyze the result. Readers should note that as the likeret scale used ranges from 1 being strongly agree to 5 being strongly disagree a mean of a value less than 3 will show a positive response and vice versa.

4.3.1 Planning

This section has four questions as can be seen from the table below. The first question asks whether line managers sit with their direct reports to determine their development goals in which 100% of the managerial staff is in agreement. The mean and standard deviation also support this with values of 1.78 and 0.418 respectively. From the non-managerial staff, 56.8% agree to this while 37.6% are in disagreement. The mean shows an amount of 2.85. This implies that majority of the staffs from both groups agree that line mangers(LM) sit with their direct reports to determine development goals which tells us that initial stages of planning are being set in the company.

The second question which deals with whether PM planning begins with identifying the organizations objective or not, from the managerial staff again there is 100% agreement to this with a mean and SD of 1.64 and 0.485. When we look at the non-managerial side, 56% agree on this while 39.2% disagree with a mead and SD of 2.88 and 1.09 respectively. Accordingly, we can say that the company starts first with identifying the organizations objective and this is an essential requirement according to Armstrong, 2009 where he states that performance management is about aligning individual objectives to organizational objectives and ensuring that individuals uphold corporate core values. Hence, this is a good performance management practice that the company should keep on doing.

The third question which is about LM's and employees jointly identifying goals which becomes basis for employee's evaluation, from the managerial staff 88% agree while remaining 12% disagree with a mean and SD of 1.96 and 0.880. While the non-managerial staff got a result of 29.6 agreeing and 60.8% disagree while the remaining 9.6% are not sure.

The mean and SD is 3.37 and 0.996 respectively. From this result we can understand that while the managers feel that employees together with LM determine the basis of evaluation, the non-managerial staffs disagree to this statement which shows a gap. According to Kreitner, 2001 goals inform employees what needs to be done and how much effort will need to be expended. Any idea that is not translated into specific goals will stay an idea only.

The fourth question talks about whether performance management process in Meta translates organizational goals into individual job objectives. The result of the managerial staff show that 88% agree while the remaining 12% disagree with a mean and SD of 2.04 and 0.832 respectively. From the non-managerial staff, 36% agree while 53.6 % disagree with the remaining 10.4% being not sure. The mean and SD also resulted in 3.22 and 1.046 respectively. This again shows that unlike the managerial staff, the non-managerial staffs feel that although the company communicated the organizational objectives it doesn't translate it to individual objectives which will affect the performance management process as per the definition above by Armstrong, 2009. Moreover, according to Cleveland and Murphy (1989), it will be difficult to align organizational goal with that of individual goal and expectations, unless performance expectation of the organization is communicated to each employee.

Table 10 Response to the planning part of PM

Items	Measurement	Managerial Staff								Non-managerial Staff							
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD
In Meta, line managers sit with their direct reports to determine and set their	Freq.	11	39				50	1.78	0.418	2	69	7	40	7	125	2.85	1.071
	%	22	78				100			1.6	55.2	5.6	32	5.6			
	Cum.	22	100							1.6	56.	62.	94.	100			

THE EFFECT OF PERFORMANCE MANAGEMENT ON EMPLOYEE MOTIVATION

Items	Measurement	Managerial Staff								Non-managerial Staff							
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD
development goals for the year	%										8	4	4				
Performance	Freq.	18	32					1.64	0.485	2	68	6	41	8	125	2.88	1.09
Management planning in Meta begins by identifying the organization's objective	%	36	64							1.6	54.4	4.8	32.8	6.4			
	Cum. %	36	100							1.6	56	60.8	93.6	100			
The line manager and employees jointly identify goals that become standards by which employees	Freq.	14	30		6		50	1.96	0.880	1	36	12	68	8	125	3.37	0.996
	%	28	60		12		100			0.8	28.8	9.6	54.4	6.4			
	Cum. %	28	88		100					0.8	29.6	39.2	93.6	100			

THE EFFECT OF PERFORMANCE MANAGEMENT ON EMPLOYEE MOTIVATION

Items	Measurement	Managerial Staff								Non-managerial Staff							
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD
result will be evaluated																	
It is possible to say that performance management process in Meta translates organizational goals into individual job objectives	Freq.	10	34		6		50	2.04	0.832	2	43	13	59	8	125	3.22	1.046
	%	20	68		12		100			1.6	34.4	10.4	47.2	6.4			
	Cum. %	20	88		100					1.6	36	46.4	93.6	100			

Source: own survey, 2015

4.3.2 Ongoing Feedback

According to Herzberg's two-factor theory (Kreitner, 2001) feedback is one of the factors that contribute to employee motivation. Therefore, to understand whether the company implements ongoing feedback in its PMS the researcher has used four questions that will help analyze this. The first question which deals with determining whether the performance feedback is helpful in improving job performance and attaining goals, 98% of the managerial staff agree on this with a mean and SD of 1.66 and 0.519 while from the non-managerial staff 52% agree, 41.6% disagree and 9 are not sure with a mean and SD of 2.96 and 1.153 respectively. This shows that although the non-managerial staff are not in high agreement like the managerial staff, majority still feel that the feedback they receive is helpful to their job performance and to attain their goals.

Second question deals with whether employees receive regular, timely and constructive performance feedback. Among the managerial staff, 88% agree while 12% disagree with a mean and SD of 1.86 and 0.99 respectively, when we see the non-managerial staff 25.6% agree while a majority of 72% disagree with a mean and SD of 3.59 and 1.046 respectively. This shows a huge gap between the managerial staff who receive regular, timely and constructive performance feedback while the non-managerial staffs are not getting this. As Elaine D. Pulakos, 2004 explained for the feedback process to work well, experienced practitioners have advocated that it must be a two-way communication process and a joint responsibility of managers and employees, not just the managers. Hence, we clearly see here that there needs to be an improvement in the feedback given for the non-managerial staff. Moreover, Baum & Zablocki (1996) stated that feedback in particular constructive criticism is necessary for the development of the employee.

Third question is about the information being provided by the LM being sufficiently lucid. From the managerial staff, 90% agree with a mean and SD of 1.84 and 0.71 respectively. From the non-managerial staff, 32.8% agree, 15.2% are not sure while remaining 52% disagree, the mean and SD is 3.29 and 1.076 respectively. The result shows that while the managerial staff feel that their LM's give them well articulated feedback, majority of the non-managerial staff disagree.

In fact, managers frequently avoid providing feedback because they do not know how to deliver it productively in ways that will minimize employee defensiveness.

The fourth question is also related with the above which tries to identify whether LM give sufficiently detailed feedback again the result is similar from the above in that 92% of the managerial staff agree while 39.2% of the non-managerial staff agree and a majority of 59.2% disagree which can have the same explanation as above for the variation between the two.

Table 11 Respondents response for ongoing feedback

Items	Measurement	Managerial Staff								Non-managerial Staff							
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD
The performance feedback I receive is helpful in improving my on the job performance and in attaining my goals	Freq.	18	31	1			50	1.66	0.519	4	61	8	40	12	125	2.96	1.153
	%	36	62	2			100			3.2	48.8	6.4	32	9.6	100		
	Cum. %	36	98	100						3.2	52	58.4	90.4	100			

THE EFFECT OF PERFORMANCE MANAGEMENT ON EMPLOYEE MOTIVATION

Items	Measurement	Managerial Staff								Non-managerial Staff							
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD
I receive regular, timely and constructive performance feedback beside the annual performance review.	Freq.	20	24		5	1	50	1.86	0.99	2	30	3	73	17	125	3.59	1.046
	%	40	48		10	2	100			1.6	24	2.4	58.4	13.6	100		
	Cum. %	40	88		98	100				1.6	25.6	28	86.4	100			
The information provided by my line manager during my performance feedback is sufficiently lucid	Freq.	15	30	3	2		50	1.84	0.71	2	39	19	51	14	125	3.29	1.076
	%	30	60	6	4		100			1.6	31.2	15.2	40.8	11.2	100		
	Cum. %	30	90	96	100												

THE EFFECT OF PERFORMANCE MANAGEMENT ON EMPLOYEE MOTIVATION

Items	Measurement	Managerial Staff								Non-managerial Staff							
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD
The information provided by my line manager during my performance feedback is sufficiently detailed	Freq.	17	29	2	2		50	1.78	0.78	2	37	12	56	18	125	3.41	1.108
	%	34	58	4	4		100			1.6	29.6	9.6	44.8	14.4	100		
	Cum. %	34	92	96	100					1.6	31.2	40.8	85.6	100			

Source: own survey, 2015

4.3.3 Employee Input

This section will also have four questions that can best explain if there is employee involvement in the company's PMS. In the first question that asks about whether or not employees are highly involved in the performance management process and if their opinions are valued, 92% of the managerial staff agree with a mean and SD of 1.90 and 0.707 respectively. On the other hand, from the non-managerial staff 25.6% agree while 65.6% disagree with a mean and SD of 3.54 and 1.067. This shows that unlike the managerial staff, majority of the non-managerial staff do not feel that their opinions are valued nor involved in the PM process. Armstrong, 2009 explains that employee input can play a crucial role in achieving the organizations objective as outcomes will likely reach an agreed standard of performance or agreed level of service. Moreover, according to Herzberg, if performance standards are developed jointly, the motivation of employees will increase and ultimately performance will also increase.

Second question assesses whether Participation of employees in the development of performance standards leads to a better PMS. Among the managerial staff, 100% agree to this with a mean and SD of 1.28 and 0.573 respectively. Among the non-managerial staff, a majority of 70.4% agree as well with a mean and SD of 2.42 and 1.381 respectively. This shows both groups strongly feel that participation of employees can bring better results to the PMS. The third question is meant to assess whether employees would prefer their performance to be evaluated by an instrument developed and designed with the help of employees. 100% of the managerial staff have agreed with a mean and SD of 1.72 and 0.454 respectively. Likewise, a majority, i.e. 69.6% of the non-managerial staff also agree with a mean and SD of 2.58 and 1.272 respectively. The result shows that both these groups will be happy if the company designs an instrument with the help of employees to evaluate their performance. The fourth question tries to find out whether employees are involved in decisions which affect the way they work. 92% of the managerial staff agree with a mean and SD of 1.82 and 0.691 respectively while from the non-managerial staff 29.6% agree and 64.8% disagree with a mean and SD of 3.55 and 1.201 respectively. The result shows again that there is a clear gap between the management and non-management staff who do not feel that are involved in decisions that affect the way they work which can lead to serious problems if not resolved immediately.

Table 12 Respondents response for Employee Input

Items	Measurement	Managerial Staff								Non-managerial Staff							
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD
I am highly involved in the performance management process and my opinions are valued	Freq.	12	34	1	3		50	1.90	0.707	2	30	11	63	19	125	3.54	1.067
	%	24	68	2	6		100			1.6	24	8.8	50.4	15.2	100		
	Cum. %	24	92	94	100					1.6	25.6	34.4	84.8	100			
Participation of employees in the development of performance standards leads to a better performance management system	Freq.	38	11		1		50	1.28	0.573	35	53	3	17	17	125	2.42	1.381
	%	76	22		2		100			28	42.4	2.4	13.6	13.6	100		
	Cum. %	76	98		100					28	70.4	72.8	86.4	100			

THE EFFECT OF PERFORMANCE MANAGEMENT ON EMPLOYEE MOTIVATION

Items	Measurement	Managerial Staff								Non-managerial Staff							
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD
I would prefer my performance to be evaluated by an instrument developed and designed with the help of employees	Freq.	14	36				50	1.72	0.454	17	70	4	17	17	125	2.58	1.272
	%	28	72				100			13.6	56	3.2	13.6	13.6	100		
	Cum. %	28	100							13.6	69.6	72.8	86.4	100			
I am involved in decisions which affect the way I work	Freq.	15	31	2	2		50	1.82	0.691	4	33	7	52	29	125	3.55	1.201
	%	30	62	4	4		100			3.2	26.4	5.6	41.6	23.2	100		
	Cum. %	30	92	96	100					3.2	29.6	35.2	76.8	100			

Source: own survey, 2015

4.3.4 Performance Evaluation and Review

This section consists of 11 questions. The researcher will give short explanations on each. 100% of the managerial staff feels that as LM they write their direct report's strength, weakness & suggests for improvements during performance reviews with a mean and SD of 1.66 and 0.479. Likewise, a majority, i.e., 62.4% of the non managerial staff also feel their LM do the same with a mean and SD of 2.76 and 1.05 respectively. This shows that LM effectively captures strength, weakness and suggest for improvements during reviews which will help the employee to develop and grow in the company. 94% of the managerial staff stated that they use PM to develop subordinates with a mean and SD of 1.76 and 0.687 respectively. 43.2% of the non-managerial staff agree to this while 44.8% disagree which is an almost equal value hence this also shows a gap.

With the consecutive questions that ask whether the PM process is transparent, clear unbiased and whether it results in better communication between employees and LM, managerial staff responded with a mean value of 1.78, 1.7 and 1.64 respectively. On the other hand, the non-managerial staff responded with 3.07, 3.09 and 2.99 respectively. As seen from the result again there is a difference in perception of how the non-managerial staffs see the PMS when it comes to its transparency and whether it is clear & unbiased. We can relatively say that they are on the same line with regards to seeing the PMS as bringing better communication between employees and LM.

With regards to the questions about best workers receiving the highest evaluation; PM being well designed & leading to better performance; and LM possessing adequate knowledge and training to implement the performance evaluation, the managerial staff responded to a mean of 1.7, 1.86 and 2.06 respectively while the non-managerial staff responded to a mean of 3.02, 3.1 and 3.05 respectively. As you can see from the result unlike the managerial staff, again the non-managerial staffs are not happy with all of the above things stated.

The last section of the questions tries to identify whether LM utilize evaluation system to assess performance, being able to communicate their problem openly and LM being ethical in how they score performance. Managers responded to a mean value of 1.66, 1.7 and 1.64 respectively which shows high agreement while the non-managerial staff responded to a mean of 3.03, 2.94 and 2.98 respectively which shows the opposite thereby proving again the gap that exists between this two groups.

Table 13 Respondents response of Performance evaluation and review

Items	Measurement	Managerial Staff								Non-managerial Staff							
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD
1.As a line manager, I write statements about my direct report's strengths, weakness & suggests for improvements during performance reviews	Freq.	17	33				50	1.66	0.479	-	-	-	-	-	-		
	%	34	66				100			-	-	-	-	-	-		
	Cum. %	34	100							-	-	-	-	-	-		

THE EFFECT OF PERFORMANCE MANAGEMENT ON EMPLOYEE MOTIVATION

Items	Measurement	Managerial Staff								Non-managerial Staff							
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD
1.Line managers write statements about the employee's strengths, weakness & suggests for improvements during performance reviews	Freq.	-	-	-	-	-	-	-	-	2	76	2	40	5	125	2.76	1.05
	%	-	-	-	-	-	-	-	-	1.6	60.8	1.6	32	4	100		
	Cum. %	-	-	-	-	-	-	-	-	1.6	62.4	64	96	100			
2.As a Line manager, I use performance Management process to develop subordinates	Freq.	17	30	1	2		50	1.76	0.687	-	-	-	-	-	-	-	-
	%	34	60	2	4		100			-	-	-	-	-	-	-	-
	Cum. %	34	94	96	100					-	-	-	-	-	-	-	-

THE EFFECT OF PERFORMANCE MANAGEMENT ON EMPLOYEE MOTIVATION

Items	Measurement	Managerial Staff								Non-managerial Staff							
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD
2.Line managers in Meta use performance Management process to develop subordinates	Freq.	-	-	-	-	-	-				54	15	49	7	125	3.07	1.025
	%	-	-	-	-	-	-				43.2	12	39.2	5.6	100		
	Cum. %	-	-	-	-	-	-				43.2	55.2	94.4	100			
3.In Meta, performance evaluation process is transparent	Freq.	14	34	1	1		50	1.78	0.582		46	29	45	5	125	3.07	0.943
	%	28	68	2	2		100				36.8	23.2	36	4	100		
	Cum. %	28	96	98	100						36.8	60	96	100			

THE EFFECT OF PERFORMANCE MANAGEMENT ON EMPLOYEE MOTIVATION

Items	Measurement	Managerial Staff								Non-managerial Staff							
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD
4. The performance management process results in a clear and unbiased appraisal.	Freq.	17	32		1		50	1.7	0.58	1	47	23	48	6	125	3.09	0.992
	%	34	64		2		100			0.8	37.6	18.4	38.4	4.8	100		
	Cum. %	34	98		100					0.8	38.4	56.8	95.2	100			
5.The performance management process results in better communication between myself and my line manager	Freq.	21	27	1	1		50	1.64	0.631	5	55	11	44	10	125	2.99	1.132
	%	42	54	2	2		100			4	44	8.8	35.2	8	100		
	Cum. %	42	96	98	100					4	48	56.8	92	100			

THE EFFECT OF PERFORMANCE MANAGEMENT ON EMPLOYEE MOTIVATION

Items	Measurement	Managerial Staff								Non-managerial Staff							
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD
6.The best workers receive the highest evaluation scores	Freq.	17	32		1		50	1.7	0.58	4	47	23	45	6	125	3.02	1.032
	%	34	64		2		100			3.2	37.6	18.4	36	4.8	100		
	Cum. %	34	98		100					3.2	40.8	59.2	95.2	100			
7.The performance management process is well designed and leads to better performance and work quality	Freq.	14	31	3	2		50	1.86	0.7	3	50	15	45	12	125	3.1	1.113
	%	28	62	6	4		100			2.4	40	12	36	9.6	100		
	Cum. %	28	62	68	72					2.4	42.4	54.4	90.4	100			

THE EFFECT OF PERFORMANCE MANAGEMENT ON EMPLOYEE MOTIVATION

Items	Measurement	Managerial Staff								Non-managerial Staff							
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD
8.Line managers possesses adequate knowledge and training to properly implement their direct report's performance evaluation	Freq.	25	14		5	6	50	2.06	1.42	10	42	15	48	10	125	3.05	1.17
	%	50	28		10	12	100			8	33.6	12	38.4	8	100		
	Cum. %	50	78		88	100				8	41.6	53.6	92	100			
9.I utilize the evaluation system to assess the performance of my direct reports objectively and without bias	Freq.	17	33				50	1.66	0.479	-	-	-	-	-	-		
	%	34	66				100			-	-	-	-	-	-		
	Cum. %	34	100							-	-	-	-	-	-		

THE EFFECT OF PERFORMANCE MANAGEMENT ON EMPLOYEE MOTIVATION

Items	Measurement	Managerial Staff								Non-managerial Staff							
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD
9.Line manager utilizes the evaluation system to assess my performance objectively and without bias	Freq.	-	-	-	-	-	-			12	42	11	50	10	125	3.03	1.204
	%	-	-	-	-	-	-			9.6	33.6	8.8	40	8	100		
	Cum. %	-	-	-	-	-	-			9.6	43.2	52	92	100			
10.If I have problems with my performance evaluation I can communicate my concerns openly to my line manager	Freq.	17	32		1		50	1.7	0.58	17	41	8	50	9	125	2.94	1.253
	%	34	64		2		100			13.6	32.8	6.4	40	7.2	100		
	Cum. %	34	98		100					13.6	46.4	52.8	92.8	100			

Items	Measurement	Managerial Staff								Non-managerial Staff							
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD
11. Line manager will be ethical in how he/she scores my performance.	Freq.	18	32				50	1.64	0.485	14	40	14	48	9	125	2.98	1.205
	%	36	64				100			11.2	32	11.2	38.4	7.2	100		
	Cum. %	36	100							11.2	43.2	54.4	92.8	100			

Source: own survey, 2015

4.3.5 Employee Motivation

This section has 10 questions that try to determine employee’s level of motivation which will be explained by the mean values. When asked questions whether they feel that their performance is fairly measured based on agreed objectives; feeling satisfied with the recognition they receive and the pay matching their responsibility, the managerial staff responded to a mean of 1.72, 2.26, and 2.46 respectively while the non-managerial staff responded to a mean of 3.15, 3.65 and 3.95. We can see from the result that majority of the non-managerial staff don’t feel any

of the above things especially the fact that their pay matching their responsibility in contrast to the managerial staff who again agree with a majority on all of the above points. According to Elaine D. Pulakos (2004) at the beginning of the performance management cycle, it is important review with employees their performance expectations, including both the behaviors employees are expected to exhibit and the results they are expected to achieve. The next set of questions deal with whether or not company's top managers are willing to invest on employees' development & motivation; if PM process in Meta motivates them and if the PMS that the company uses is just for formality. The managerial staffs have resulted in a mean value of 1.70, 1.78 and 4.34 respectively while the non-managerial staff resulted in a mean value of 3.00, 3.22 and 2.78. This shows that unlike the managerial staff majority of the non-managerial employees are not motivated with the performance management system that is in place and strongly believe that it is there for formality.

The next pair of questions deal with whether the company uses performance based pay to motivate employees and if PA in Meta is used to develop knowledge, skill and efficiency. The managerial staff resulted in a mean value of 1.74 and 1.76 respectively while the non-managerial staff resulted in 2.95 and 3.12 Mean respectively. The results shows that although majority of both the managerial and non-managerial staff agree that the company uses performance based pay to motivate employees the non-managerial staff disagree on the fact that the PA in Meta is used to develop employee knowledge, skill and efficiency. According to M.Armstrong & Baron, (1998) performance management should focus on developing performance, rather than just measuring performance.

The last pair of questions deals with whether employees enjoy setting & achieving realistic goals and if they enjoy the satisfaction of completing a difficult task. The managerial staff resulted in a mean of 1.56 and 1.60 respectively while the non-managerial staff resulted in a mean of 1.77 and 1.73 respectively. Both of these results show that majority of both the managerial and non-managerial staffs enjoy setting and achieving realistic goals as well as completing a difficult task.

Table 14 Respondents response to Employee Motivation

Items	Measurement	Managerial Staff								Non-managerial Staff							
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD
I feel that my performance is fairly measured based on agreed objectives at the beginning of my assignment	Freq.	15	34	1			50	1.72	0.497	2	48	17	45	13	125	3.15	1.100
	%	30	68	2			100			1.6	38.4	13.6	36	10.4	100		
	Cum. %	30	98	100						1.6	40	53.6	89.6	100			
I am satisfied with the recognition I receive for my accomplishment	Freq.	11	28	2	5	4	50	2.26	1.157		39	4	44	38	125	3.65	1.213
	%	22	56	4	10	8	100				31.2	3.2	35.2	30.4	100		
	Cum. %	22	78	82	92	100					31.2	34.4	69.6	100			
The pay matches my	Freq.	10	27		6	7	50	2.46	1.328		29	3	38	55	125	3.95	1.184

THE EFFECT OF PERFORMANCE MANAGEMENT ON EMPLOYEE MOTIVATION

Items	Measurement	Managerial Staff								Non-managerial Staff							
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD
responsibility as per my job description	%	20	54		12	14	100				23.2	2.4	30.4	44	100		
	Cum. %	20	74		86	100					23.2	25.6	56	100			
The company's top managers are willing to invest on employees development, motivation and job satisfaction based on performance review results	Freq.	16	33	1			50	1.70	0.505	3	56	11	48	7	125	3.00	1.078
	%	32	66	2			100			2.4	44.8	8.8	38.4	5.6	100		
Performance management process	Freq.	16	31	1	2		50	1.78	0.679		41	18	51	15	125	3.32	1.060
	%	32	62	2	4		100				32.8	14.	40.8	12	100		

THE EFFECT OF PERFORMANCE MANAGEMENT ON EMPLOYEE MOTIVATION

Items	Measurement	Managerial Staff								Non-managerial Staff							
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD
in Meta motivates me												4					
	Cum. %	32	94	96	100						32.8	47.2	88	100			
Meta uses performance management system just for formality purpose	Freq.	1	5	1	12	31	50	4.34	1.062	15	52	6	52		125	2.76	
	%	2	10	2	24	62	100			12	41.6	4.8	41.6		100	1.125	
	Cum. %	2	12	14	38	100				12	53.6	58.4	100				
The company uses performance based pay (such as bonus and incentives) to motivate employees	Freq.	16	32	1	1		50	1.74	0.600	3	63	7	41	11	125	2.95	1.135
	%	32	64	2	2		100			2.4	50.4	5.6	32.8	8.8	100		
	Cum. %	32	96	98	100					2.4	52.8	58.4	91.2	100			

THE EFFECT OF PERFORMANCE MANAGEMENT ON EMPLOYEE MOTIVATION

Items	Measurement	Managerial Staff								Non-managerial Staff							
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total	Mean	SD
In Meta, Performance appraisal is used to develop employee's knowledge, skill & efficiency	Freq.	16	32		2		50	1.76	0.657	5	50	8	49	13	125	3.12	1.168
	%	32	64		4		100			4	40	6.4	39.2	10.4	100		
	Cum. %	32	96		100					4	44	50.4	89.6	100			
I enjoy setting and achieving realistic goals	Freq.	22	28				50	1.56	0.501	44	72	4	4	1	125	1.77	0.731
	%	44	56				100			35.2	57.6	3.2	3.2	0.8	100		
	Cum. %	44	100							35.2	92.8	96	99.2	100			
I enjoy the satisfaction of completing a difficult task	Freq.	20	30				50	1.60	0.495	50	66	4	3	2	125	1.73	0.776
	%	40	60				100			40	52.8	3.2	2.4	1.6	100		
	Cum. %	40	100							40	92.8	96	98.4	100			

Source: own survey, 2015

4.4 Data Analysis Used

4.4.1 Correlation

The Pearson's Product Moment Correlation Coefficient (r) is used to measure the degree of *association* between the independent variables (Planning, Employee feedback, Employee Input and Evaluation) and the dependent variable (Employee Motivation). It takes a value between -1 and 1 . A value of r near to 1 indicates strong positive association whereas a value of r near to -1 indicates a strong negative linear association, When $r = \pm 1$ this indicates that the two variables are perfectly correlated, i.e., all the points are on a straight line, (Coetzee, 2003).

When the correlation is 1 or -1 , a perfectly linear positive or negative relationship exists; when the correlation is 0 , there is no relationship between the two sets of data. Coetzee (2003) noted that when considering the correlation between the independent variable and the dependent variable, the larger the magnitude of the correlation, the stronger the linear association. The standard correlation coefficient is (Pearson's r) which applies primarily to variables distributed more or less along interval or ratio scales of measurement.

As per Marczyk, Dematteo and Festinger, (2005) general guidelines, correlations of $.01$ to $.30$ are considered small, correlations of $.31$ to $.70$ are considered moderate, correlations of $.71$ to $.90$ are considered large, and correlations of $.91$ to 1.00 are considered very large. Depending on this assumption, all basic constructs were included into the correlation analysis.

Table 4.3.6 present the inter-correlations among the variables being explored. In other words Table 4.3.6 represents the correlation matrix between the independent variables (Planning, Employee feedback, Employee Input and Evaluation) and the dependent variables (Employee motivation). All relationships between the dependent and independent variables are positively and significantly correlated. From the analysis, it can be observed that Motivation has large correlation with each of the independent variables ranging from 0.743 to 0.903 all significant at $p < 0.01$ level.

Figures with the symbol “***” indicate that each of the variables are significantly correlated with each other at a significance level of $p < 0.01$. Accordingly, we can see from the table below that all are significantly correlated. The most significantly correlated and strong relationship of all the variables of Performance management is employee evaluation and review ($r = 0.903$, $p < 0.01$) with employee motivation.

Hence, Table 4.3.6 presents positive relationship between employee motivation and all the variables of performance management.

Table 15 Correlation

		PLANNING	FEEDBACK	EMPLOYEE	EVALUATION	MOTIVATION
PLANNING	Pearson Correlation	1	.674**	.744**	.767**	.796**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	125	125	125	125	125
FEEDBACK	Pearson Correlation	.674**	1	.636**	.747**	.778**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	125	125	125	125	125
EMPLOYEE	Pearson Correlation	.744**	.636**	1	.734**	.743**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	125	125	125	125	125
EVALUATION	Pearson Correlation	.767**	.747**	.734**	1	.903**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	125	125	125	125	125
MOTIVATION	Pearson Correlation	.796**	.778**	.743**	.903**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	125	125	125	125	125

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

Source: own survey, 2015

4.4.2 Regression

Regression is a measure of association between two quantitative variables. This form of statistical test is only possible with interval or ratio data (www.SPSS for Psychologists, accessed on March 5, 2015). It allows us to make statements about how well one or more independent variables will predict the value of a dependent variable. Table 19 below shows the regression analysis of the effect of performance management on employee motivation.

Table 19 below clearly shows the value of R and R². In this analysis the value of R is 0.926 which is a measure of the correlation between the observed value and the predicted value of the dependent variable (employee motivation). Whereas R Square (R²) is the square of this measure of correlation and indicates the proportion of the variance of employee motivation with the existence of the performance management variables. Hence, R Square = 0.858 implies that only 85.8% of employee motivation is explained by factors of performance management (Planning, feedback, employee input and evaluation & review). In essence, this is a measure of how good a prediction of the dependent variable we can make by knowing independent variables. This implies that 85.8% of the variance in the dependent variable is explained by the independent variables in the model. The model also indicates that, the remaining 14.2% of the variance can be explained by other variables out of this model and indicates that further research might be needed for this.

The F-ratio describes whether the results of the regression model could have occurred by chance. Large F value and a small significance level (typically smaller than 0.05 or 0.01) indicate that the results probably are not due to random chance. Accordingly, as can be seen from the table below the F value is 181.632 and is significant at 0.000. Hence, the researcher can confidently say that the regression model adopted in this study has not occurred by chance and is considered highly significant.

The beta value is a measure of how strongly predictor variable influences the criterion variable. Likewise, the beta value of this study is as indicated in the table below. If we take one as a demonstration, planning has a 0.126 value which indicates that a change of one standard deviation in the predictor variable i.e. PM factors resulted in a change of 12.6 standard deviations in the criterion variable i.e. employee motivation. Thus, there is a higher

impact of Performance management on employee motivation. Since the higher the beta value the greater the impact of the predictor variable on the criterion variable. Moreover, when you have only one predictor variable in your model, then beta is equivalent to the correlation coefficient between the predictor and the criterion variable (www.SPSS for Psychologists). Similarly, the factor that has the greatest effect on the employees motivation is Evaluation and review with a coefficient ($\beta=0.387$), next is planning ($\beta=0.126$), then comes feedback ($\beta=0.121$) and finally Employee Input ($\beta=0.045$),

The regression estimates how the value of one dependent variable (Y) can be predicted based on the value of one independent variable (X). The linear equation for simple regression is as follows:

$$Y = aX + b$$

Table 16 Regression

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.852	.087		9.843	.000
1 PLANNING	.126	.043	.176	2.946	.004
FEEDBACK	.121	.036	.180	3.366	.001
EMPLOYEE	.045	.036	.069	1.228	.222
EVALUATION	.387	.043	.583	9.089	.000

a. Dependent Variable: MOTIVATION

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.926 ^a	.858	.854	.255

a. Predictors: (Constant), EVALUATION, EMPLOYEE, FEEDBACK, PLANNING

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	47.100	4	11.775	181.632	.000 ^b

Residual	7.780	120	.065		
Total	54.880	124			

- a. Dependent Variable: MOTIVATION
- b. Predictors: (Constant), EVALUATION, EMPLOYEE, FEEDBACK, PLANNING

Source: own survey, 2015

4.4.3 Linearity Test

Linearity refers to a mathematical relationship or function that can be graphically represented as a straight line, as in two quantities that are directly proportional to each other. It is the ability (within a given range) to obtain test results which are directly proportional to the concentration (amount) of analyte in the sample. The characteristic of data such that a straight line provides as good a fit (using the least-squares criterion) as any other mathematical function, as a description of the relationship between the method response and the concentration of the analyte, (Coetzee, 2003).

Multi col-linearity is a problem that occurs with regression analysis when there is a high correlation of at least one independent variable with a combination of the other independent variables. As variables are highly correlated in a multiple regression analysis, it is difficult to identify the unique contribution of each variable in predicting the dependent variable because the highly correlated variables are predicting the same variance in the dependent variable. In this situation, the “overall” p-value may significant but the p-value for each predictor may not be significant. Multi col-linearity exists when Tolerance is below .1; and VIF is greater than 10 or an average much greater than 1. Another statistic sometimes used for multicol-linearity is the Variance Inflation Factor, which is just the reciprocal of the tolerance statistics. A VIF of greater than 5 is generally considered evidence of multicol-linearity. MarczykDematteo and Festinger, (2005). Accordingly, as we can see from Table 19 below there is no multi col-linearity in this case.

Table 17 Multi Col-linearity test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	.852	.087		9.843	.000		
PLANNING	.126	.043	.176	2.946	.004	.330	3.030
FEEDBACK	.121	.036	.180	3.366	.001	.413	2.424

EMPLOYEE	.045	.036	.069	1.228	.222	.377	2.651
EVALUATIO	.387	.043	.583	9.089	.000	.287	3.484
N							

a. Dependent Variable: MOTIVATION

CollinearityDiagnostics^a

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions				
				(Constant)	PLANNING	FEEDBACK	EMPLOYEE	EVALUATIO N
	1	4.863	1.000	.00	.00	.00	.00	.00
	2	.061	8.893	.85	.01	.00	.07	.05
1	3	.034	12.003	.05	.02	.45	.48	.07
	4	.023	14.612	.00	.49	.33	.44	.13
	5	.019	15.877	.10	.48	.21	.00	.75

a. Dependent Variable: MOTIVATION

4.4.4 One way ANOVA computed for variables

Mean and standard deviation are measure of dispersion or variation (Fallik& Brown, 1983). ANOVA is a statistical technique that is used to compare two or more groups to determine whether there are any mean differences among them. The comparison of group differences is made by computing a statistic called an F-ratio. The ratio is calculated by dividing the 'between treatment variance' by 'withintreatmentvariance'.

Table 18 One way Anova computed for variables

One way ANOVA

MOTIVATION					
Item 1: One way Anova computed for Gender relation with Motivation					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.887	1	.887	2.020	.158
Within Groups	53.993	123	.439		
Total	54.880	124			
Item 2: One way Anova computed for Age relation with Motivation					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.520	3	1.507	3.620	.015

Within Groups	50.360	121	.416		
Total	54.880	124			
Item 3: One way Anova computed for Education relation with Motivation					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.697	4	.924	2.167	.077
Within Groups	51.183	120	.427		
Total	54.880	124			
Item 4: One way Anova computed for Job Position relation with Motivation					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.073	2	.536	1.216	.300
Within Groups	53.807	122	.441		
Total	54.880	124			
Item 5: One way Anova computed for Length of service relation with					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.717	3	1.239	2.930	.036
Within Groups	51.163	121	.423		
Total	54.880	124			

Source: own survey, 2015

Table 20 is intended to demonstrate the significance level and relation that each of the demographic variables have with the independent variable, i.e., Motivation. Accordingly, Gender, Age, Education, job position and length of service of employee were taken to illustrate these. The significance level taken for all is 0.05. Accordingly, as can be seen above, item 2 and 5 show a Significance value of 0.015 and 0.036 respectively which are both below the sign value of 0.05 hence demonstrates that length of service and Age are highly significant and related to the variable motivation while the remaining items 1,3 and 4 have values of 0.158, 0.077 and 0.300 respectively which are all above 0.05 hence shows that Gender, education and job position are not statistically significant and shows little relation with motivation.

CHAPTER FIVE

SUMMARY, CONCLUSION & RECOMMENDATION

This chapter will summarize the major findings of the data analysis, give conclusion and last but not least make recommendation.

5.1 Summary

The purpose of this study aimed at finding the effect of performance management on employee motivation. In this regard an attempt has been made to divide performance Management into its key factors which are planning, feedback, employee input and performance evaluation and review. The questionnaire was developed in such a way that all this factors were included by also incorporating questions that asked about employee motivation. Out of the 177 questionnaires that were distributed, 175 fully completed questionnaires were collected which gave 98.87% response rate.

The following are the major findings with regards to the demographic and general perception questions of the PMS of the company:

- From the total sample of the managerial staff 72% are male and 28% are female while from the non-managerial staff 60.8% are male and 39.2% are female.
- A majority number of 50% and 45.6% are from the age of 29-39 from both the managerial and non-managerial staff respectively.
- A majority of 66% and 72 % are first degree holders from the managerial and non-managerial staff respectively.
- 78% of the managerial staff are middle level managers while 80% of the non-managerial staff are clerical
- A majority of 56% of the managerial staff have been in service from 2-5 years while 40.8% of the non-managerial staffs are less than 2 years in service.
- 100% of both the managerial and non-managerial staff confirmed that they have had a PA since they joined.

- 100% and 92% of the managerial and non-managerial staff respectively confirmed that they have had a formal PA that was done since they joined the company.
- A majority of 76% and 83.2% of the managerial and non-managerial staff confirmed that they have had PA that was done 3 times.
- 100% of both the managerial and non-managerial staff confirmed that it is the LM that conducts the PA.
- 100% of the managerial staff and a majority of 59.2% of the non-managerial staff believe that PA is used as a base for salary and incentive payment.

In order to get clarity, the researcher has divided the findings below under each of their headlines as put in the questionnaires and summarized it accordingly.

➤ **Planning**

The data collected shows that a great majority of the managerial staff agree that the planning stage of the PMS is being executed well as 100% of them believe that LM sit with their direct reports to determine their development goals and also believe that PM begin with identifying the organization objective. While from the non-managerial staff a majority of them, 56% agree that both the above things are properly done. Furthermore, 88% of the managerial staff stated that LM and employees jointly identify goals and that the PM process translates organizational goals into individual job objectives. While 60.8% and 53.6% disagree for both questions respectively.

➤ **Feedback**

From the managerial staff, a majority of them, i.e., 98%, 88%, 90% and 92% agree that performance feedback is helpful in improving job performance; receiving regular, timely and constructive performance feedback; information being provided by LM being sufficiently lucid and LM giving sufficiently detailed feedback respectively while on the same question majority of all the non-managerial staff agree with 52% on the first point they disagree with a rating of 72%, 52% and 59.2% respectively on the rest.

➤ **Employee Input**

From the managerial staff, a majority of 92%, 100%, 100% and 92% of the managerial staff agree that employees are highly involved in the PM process; Participation of employees in

the development of performance standards leads to a better PMS; preferring performance to be evaluated by an instrument developed and designed with the help of employees and employees being involved in decisions which affect the way they work while on the same question majority of all the non-managerial staff disagree with 65.6% and 64.8% on the first and last question while agree on the 2nd and 3rd question respectively.

➤ **Employee evaluation and Review**

- 100% of the managerial staff agrees that as LMs they write their direct report strength, weakness & suggests for improvements and 62.4% of the non-managerial staff also feel their LMs do the same.
- 94% of the managerial staff agree that they use PM to develop subordinates while 44.8% of the non-managerial staff disagree
- 96%, 100% and 96% of the managerial staff respectively agree that PM process is transparent, clear unbiased and results in better communication between employees and LM. While majority of the non-managerial staff disagreed with the first and second with a rating of 40%, 43.2% respectively while majority agreed on the last with 48%.
- The managerial staff responded to a mean of 1.7, 1.86 and 2.06 respectively while the non-managerial staff responded to a mean of 3.02, 3.1 and 3.05 respectively to best workers receiving the highest evaluation; PM being well designed & leading to better performance; and LM possessing adequate knowledge and training to implement the performance evaluation

➤ **Employee Motivation**

- When asked questions whether they feel that their performance is fairly measured based on agreed objectives; feeling satisfied with the recognition they receive and the pay matching their responsibility, the managerial staff responded to a mean of 1.72, 2.26, and 2.46 respectively while the non-managerial staff responded to a mean of 3.15, 3.65 and 3.95.
- The next set of questions deal with whether or not company's top managers are willing to invest on employees' development & motivation; if PM process in Meta

motivates them and if the PMS that the company uses is just for formality. The managerial staffs have resulted in a mean value of 1.70, 1.78 and 4.34 respectively while the non-managerial staff resulted in a mean value of 3.00, 3.22 and 2.78.

- On whether the company uses performance based pay to motivate employees and if PA in Meta is used to develop knowledge, skill and efficiency. The managerial staff resulted in a mean value of 1.74 and 1.76 respectively while the non-managerial staff resulted in 2.95 and 3.12
- On employees enjoying setting & achieving realistic goals and if they enjoy the satisfaction of completing a difficult task. The managerial staff resulted in a mean of 1.56 and 1.60 respectively while the non-managerial staff resulted in a mean of 1.77 and 1.73 respectively

Correlation coefficient was computed for the purpose of determining the relationship between performance management and employee motivation. Accordingly, planning($r=0.796$, $p<0.01$) Feedback ($r= 0.778$, $p<0.01$) Employee Input ($r= 0.743$, $p<0.01$) and Employee evaluation and Review ($r=0.903$, $p<0.01$) were the results achieved that showed high correlation.

Simple linear Regression analysis was used which resulted in $R= 0.926$ and R square is 0.858 implies that only 85.8% of employee motivation is explained by factors of performance management (Planning, feedback, employee input and evaluation & review). The ANOVA result indicates that F value is 181.632 and is significant at 0.000 which showed that the result couldn't have happened by chance. The factor that has the greatest effect on the employees motivation is Evaluation and review with a coefficient ($\beta=0.387$), next is planning ($\beta=0.126$), then comes feedback ($\beta=0.121$) and finally Employee Input ($\beta=0.045$),

5.2 Conclusions

Based on the above findings and data analyzed in the previous chapter, the conclusions drawn are as follows:

- From the above summary, it can be concluded that there are aspects of the initial planning stage where the company is doing good like LM sitting down with their direct reports to set their goals as well as the fact that the performance management

begins with setting the organizations goals. However, the non-managerial staff don't feel that they jointly identify goals with their LM and also that the PM process translates organizational goals into individual job objectives in contrast to the managerial staff who believe that this is being done which shows a gap in the system.

- One part of performance management is to give ongoing feedback to employees, however, the result shows that although the managerial staff are happy with regards to this the non-managerial staff believe that performance feedback is helpful in improving job performance, however, they don't feel that they receive regular feedback nor do they think that LM give sufficiently lucid and detailed feedback which again shows a problem in the system.
- Both groups of employees believe that participation of employees in the development of performance standards leads to a better PMS and prefer performance to be evaluated by an instrument developed and designed with the help of employees. However, the non-managerial staffs are not involved in decisions which affect the way they work and in general in the PMS itself.
- During the PM process, LM write their direct reports strength, weakness and suggest for improvements, however, the non-managerial staff do not believe that LM use PM to develop subordinates.
- Employees believe that the PMS results in better communication between employees and LM, however, the non-managerial staffs agree that the process is biased, unclear and not transparent.
- Unlike the managerial staff, it is agreed that the company implements a PMS which is not well designed and leads to better performance and where best workers don't receive the highest evaluation. Moreover, employees feel that LM doesn't possess adequate knowledge and training to implement the performance evaluation.
- When we see employee's motivation, majority of the non-managerial staff feel that their performance isn't fairly measured based on agreed objectives, feel unsatisfied with the recognition they receive and don't believe at all that their pay matches their responsibility.
- The PMS of the company don't motivate majority of the non-managerial staff and feel that it is there just for formality.

- Employees enjoy setting & achieving realistic goals and the satisfaction of completing a difficult task.
- The result in summary shows a huge gap in each of the PMS factors between the management and the non-managerial staff. It can be said that the company's Managerial staff are happy with the overall implementation of the PMS and are highly motivated as well however the non-managerial staff don't share the same views which shows a clear gap between this two groups in the company which indicates a differential treatment between this two groups.
- The result of the correlation has revealed that there is a positive relationship between performance management system and employee motivation. So the implementation and effectiveness of the PMS directly affects employee motivation.
- All the four factors of performance management are highly correlated with employee motivation therefore the proper implementation of all these aspects leads to employees to high motivation level.
- Based on the outcome of the research and what is stated above, we can conclude that the motivational aspect of the PMS is very low when looking at the majority of the non-managerial staff at Diageo-Meta Abo Brewery.

Performance management can make a positive contribution to various aspects of HRM, particularly in the area of strategic alignment, motivating and developing employees. Lack of effective PMS leads to an increased risk of litigation, there are several other detrimental outcomes of poorly implemented system, including employee burnout and job dissatisfaction, damaged relationships, and increased turnover, (Cleveland and Murphy, 1989).

5.3 Recommendation

Based on the findings and conclusions the researcher recommends the following which will be helpful for the organization.

- Appropriate and practical trainings that aim at increasing line manager's knowledge of the subject matter of performance management should be among the priorities in the human resource department's periodic training and development plans. Through practice and feedback training, Line managers should be given the opportunity to

practice rating and are allowed to compare their ratings with those of experts in the field.

- Effective two-way communication must be part of the performance planning process prior to any evaluation to set the standard by which employees' performance will be judged.
- The organization should appreciate and value individual employees or team participation as they play a critical role in the performance management process as the employees are the subject of performance and any system cannot be expected to be effective without first involving all the parties that have a stake in it.
- The organization should make every effort to involve employees in setting goals and objectives as well as in decisions which affect the way they work. These will create a sense of ownership in them and enhance their motivation.
- The company's top managers should be able to review the evaluation given by the LM and should challenge the results given so as to cascade the message that this process needs a thorough understanding and knowledge that a certain LM needs to gather all the evidences before giving a rating.
- The top managers should make all efforts to ensure that the whole performance management process is transparent by involving employees.
- The company should establish performance standards for each job levels and conduct performance review timely and continuously based on those standards.
- All LMs should ensure that they have given timely feedbacks for their subordinate that shows their achievements, strengths and weakness.
- Based on the result of the PM process, the organization must implement a system to recognize, reward and develop its employees to be motivated for better performance.

5.4 Areas for further researcher

The study is designed to explore the effect of performance management on employee motivation in case of Diageo- Meta Abo Brewery S.C further it can be extended to explore the impact on other variables as organizational commitment , turnover intention and organizational performance. The study can further be extended to other sector and scenario of Ethiopia and other developing countries. This designed study can increase the body of knowledge. Manufacturing sector is focused in this study while further research can be

extended to study service sector of Ethiopia. Other data collection tools including interview, case study method etc. can be used to attain data moreover other data analysis tools and techniques can be applied to reveal more sound results.

As this research was mainly focused on the performance management system that was in place for all Level 6 and above employees, there still is a room to do further research on the kind of appraisal that is done for the lower level employees who are evaluated on a quarterly basis.

Further researcher needs to also be conducted on the company's policies and strategies for its temporary and peace rate employees as they are not covered in the Performance management process despite their level and job grade.

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APPENDIX A
Addis Ababa University, College of Commerce
Department of Business Administration & Information Systems
Questionnaire for Employees

Dear respondent,

This study is being conducted as part of the requirements for the award of Master of Arts Degree in Human resource Management by the School of Commerce, Addis Ababa University.

The objective of this study is to assess the impact of Performance management system on Employee Motivation at Diageo-Meta Abo Brewery S.C and to alleviate major problems related to the subject matter under study and help to obtain practical knowledge on the topic.

The study is meant for academic purpose and the information you supply will be kept confidential. I, therefore, kindly request you to fill the questionnaire honestly and accurately. The quality of information you provide determines the ultimate reliability of the study.

I would like to express my sincere appreciation and deepest thanks in advance for sparing your precious time as well as frank and prompt responses in filling the questionnaire.

N.B. 1. This question is to be answered by **Managerial staffs** of Meta Abo Brewery S.C
2. Do not write your name.

Hana Chanyallew Tel: 0934-39-56-79/0911-11-24-70 E.Mail: hannatds@gmail.com

Instruction: Please put “**X**” mark inside the box to your response and explain on the space provided where explanation is required.

Part I

1. Sex

a) Male

b) Female

2. Age

a) 18-28

c) 40-50

b) 29-39

d) Over 50

3. Education status

- a) 1st Degree d) Certificate
 b) 2nd Degree e) Other _____
 c) College Diploma

4. Your Current position in Meta Abo Brewery S.C _____

- a) Top Level Management c) Middle Level Management
 b) Clerical Staff d) Low Level Management

5. How long have you been working in the Brewery?

- a) Less than 2 years c) 5-10 years
 b) 2-5 years d) 10 years or more

6. If your answer for item No. 6 is Yes, what type of performance appraisal was it?

- a) Formal b) Non- Formal c) Formal & Non-formal

7. The result of Performance appraisal in Meta Abo Brewery S.C is used _____

- a) Only for formality c) As a base for salary & incentive payment
 b) For employee development d) Reward or punish employee

Part II: Performance Planning

Survey Statement	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
1. In Meta, line managers sit with their direct reports to determine and set their development goals for the year					
2. Performance Management planning in Meta begins by identifying the organization's objective.					
3. The line manager and employees jointly identify goals that become standards by which employees result will be evaluated					

4. It is possible to say that performance management process in Meta translates organizational goals into individual job objectives					
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Part III: Ongoing Feedback

Survey Statement	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
1.The performance feedback I receive is helpful in improving my on the job performance and in attaining my goals					
2. I receive as well as give regular, timely and constructive performance feedback beside the annual performance review					
3. The information provided by line managers during performance feedback is sufficiently lucid					
4. The information provided by line managers during performance feedback is sufficiently detailed					

Part IV: Employee Input

Survey Statement	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
1.I am highly involved in the performance management process and my opinions are valued					
2.Participation of employees in the development of performance standards leads to a better performance management system					
3.I would prefer my performance to be evaluated by an instrument developed and designed with the help of employees					
4.I am involved in decisions which affect the way I work					

Part V: Performance Evaluation and Review

Survey Statement	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
1.As a line manager in Meta, I write statements about my direct report's strengths, weakness & suggests for improvements during performance reviews					
2. As a Line manager in Meta, I use performance Management process to develop subordinates					

3. In Meta, performance evaluation process is transparent					
4. The performance management process results in a clear and unbiased appraisal.					
5. The performance management process results in better communication between myself and my direct reports					
6. The best workers receive the highest evaluation scores					
7. The performance management process is well designed and leads to better performance and work quality					
8. In Meta, Line managers possesses adequate knowledge and training to properly implement their direct report's performance evaluation					
9. I utilize the evaluation system to assess the performance of my direct reports objectively and without bias					
10. If I have problems with my performance evaluation I can communicate my concerns openly to my line manager.					
11. My line manager will be ethical in how he/she scores my performance.					

Part VI: Management Motivation

Survey Statement	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
1. I feel that my performance is fairly measured based on agreed objectives at the beginning of my assignment					
2. I am satisfied with the recognition I receive for my accomplishment					
3. The pay matches my responsibility as per my job description					
4. The company's top managers are willing to invest on employees development, motivation and job satisfaction based on performance review results					
5. Performance management process in Meta motivates me					
6. Meta uses performance management system just for formality purpose					
7. The company uses performance based pay (such as bonus and incentives) to motivate employees					
8. In Meta, Performance appraisal is used to					

develop employee's knowledge, skill & efficiency					
9 I enjoy planning and implementing realistic goals					
10. I enjoy the satisfaction of completing a difficult task					

THANK YOU FOR YOUR COOPERATION!!!!!!!!!!

APPENDIX B
Addis Ababa University, College of Commerce
Department of Business Administration & Information Systems
Questionnaire for Employees

Dear respondent,

This study is being conducted as part of the requirements for the award of Master of Arts Degree in Human resource Management by the School of Commerce, Addis Ababa University.

The objective of this study is to assess the impact of Performance management system on Employee Motivation at Diageo-Meta Abo Brewery S.C and to alleviate major problems related to the subject matter under study and help to obtain practical knowledge on the topic.

The study is meant for academic purpose and the information you supply will be kept confidential. I, therefore, kindly request you to fill the questionnaire honestly and accurately. The quality of information you provide determines the ultimate reliability of the study.

I would like to express my sincere appreciation and deepest thanks in advance for sparing your precious time as well as frank and prompt responses in filling the questionnaire.

N.B. 1. This question is to be answered by **Non- Managerial staffs** of Meta Abo Brewery S.C

2. Do not write your name.

Hana Chanyallew Tel: 0934-39-56-79/0911-11-24-70 E.Mail: hannatds@gmail.com

Instruction: Please put “**X**” mark inside the box to your response and explain on the space provided where explanation is required.

Part I

1. Sex

a) Male

b) Female

2. Age

a) 18-28

c) 40-50

b) 29-39

d) Over 50

3. Education status

- a) 1st Degree d) Certificate
 b) 2nd Degree e) Other _____
 c) College Diploma

4. Your Current position in Meta Abo Brewery S.C _____

- a) Top Level Management c) Low Level Management
 b) Middle Level Management d) Clerical Staff

5. How long have you been working in the Brewery?

- a) Less than 2 years c) 5-10 years
 b) 2-5 years d) 10 years or more

6. If your answer for item No. 6 is Yes, what type of performance appraisal was it?

- a) Formal b) Non- Formal c) Formal & Non-formal

7. The result of Performance appraisal in Meta Abo Brewery S.C is used _____

- a) Only for formality c) As a base for salary & incentive payment
 b) For employee development d) Reward or punish employee

Part II: Performance Planning

Survey Statement	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
1.In Meta, my line manager sits with me to determine and set my development goals as well as set the expectation and standard by which employees results will be evaluated					
2. Performance Management planning in Meta begins by identifying the organization's objective.					
3.The line manager and employees jointly identify					

goals that become standards by which employees result will be evaluated					
4. It is possible to say that performance management process in Meta translates organizational goals into individual job objectives					

Part III: Ongoing Feedback

Survey Statement	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
1.The performance feedback I receive is helpful in improving my on the job performance and in attaining my goals					
2. I receive regular, timely and constructive performance feedback beside the annual performance review.					
3.The information provided by my line manager during my performance feedback is sufficiently lucid					
4.The information provided by my line manager during my performance feedback is sufficiently detailed					

Part IV: Employee Input

Survey Statement	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
1.I am highly involved in the performance management process and my opinions are valued					
2.Participation of employees in the development of performance standards leads to a better performance management system					
3.I would prefer my performance to be evaluated by an instrument developed and designed with the help of employees					
4.I am involved in decisions which affect the way I work					

Part V: Performance Evaluation and Review

Survey Statement	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
1.In Meta, line managers write statements about the employee’s strengths, weakness & suggests for improvements during performance reviews					

2. Line managers in Meta use performance Management process to develop subordinates					
3. In Meta, performance evaluation process is transparent					
4.The performance management process results in a clear and unbiased appraisal.					
5.The performance management process results in better communication between myself and my line manager					
6.The best workers receive the highest evaluation scores					
7.The performance management process is well designed and leads to better performance and work quality					
8. My line manager possesses adequate knowledge and training to properly implement my performance evaluation					
9.My line manager utilizes the evaluation system to assess my performance objectively and without bias					
10.If I have problems with my performance evaluation I can communicate my concerns openly to my line manager.					
11.My line manager will be ethical in how he/she scores my performance.					

Part VI: Employee Motivation

Survey Statement	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
1.I feel that my performance is fairly measured based on agreed objectives at the beginning of my assignment					
2.I am satisfied with the recognition I receive for my accomplishment					
3.The pay matches my responsibility as per my job description					
4. The company’s top managers are willing to invest on employees development, motivation and job satisfaction based on performance review results					
5.Performance management process in Meta motivates me					
6. Meta uses performance management system just for formality purpose					
7. The company uses performance based pay (such as bonus and incentives) to motivate employees					

8. In Meta, Performance appraisal is used to develop employee's knowledge, skill & efficiency					
9 I enjoy planning and implementing realistic goals					
10. I enjoy the satisfaction of completing a difficult task					

THANK YOU FOR YOUR COOPERATION!!!!!!!