

Assessment of Employee Performance Management System (A case study of Ethio-Telecom)

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DECLARATION

I, Sintayehu Woldegabriel, declare that the thesis entitled “**Assessment of Employee Performance Management System in Ethio Telecom.**” is my original work with the guidance and support of my Research Advisor Abraraw Chane (Phd) This thesis has not been submitted for any degree in Addis Ababa University or any other University and all sources of materials used for the project have been properly recognize.

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ACRONYM

EPA	Employee Performance Assessment
EPMS	Employee Performance Management System
HRM	Human Resource Management
JD	Job Description

ABSTRACT

Performance management systems is always a big concern of any organization. An organization should manage its human resources effectively and efficiently by creating alignment between the overall strategic aims of the company with individual and team goals in order to overcome the present and future challenges. The main purpose of this study is to assess employees Performance Management system of Ethio telecom. Particularly, the study tried to address the basic questions of how Ethio- Telecom creates understanding of its EPMS to its employees, to what extent employees of Ethio- Telecom participate in the performance management process, to what extent the performance management feedback communicate to employees in Ethio-Telecom and For what purpose Ethio- Telecom use the performance evaluation results. To achieve this objective, a review of relevant literature was done, and primary data was collected using a Likert scale. questionnaire format administered to 122 respondents and data analysis was carried out using descriptive analysis. Some findings also discovered such as: Ethio-Telecom has a good culture in creating awareness on its mission, vision and objectives, Performance management system is not fair and transparent, there is participation in performance management process but not satisfactory specially in supervisory level, feedback is communicated to employees on the strength and weakness area which needs improvement but not on time, Senior managers have limited knowledge to carry out the performance evaluation and the organization used the Performance Management results more for administrative purpose than any other purposes. The study concluded to get positive result from the system there must be a well-planned, fair and transparent employee performance management system. The study also recommended that employee should participate in the organization goal and objectives setting process in order to perform the task effectively and efficiently. And the company should provide a continuous training program for management members to enable them effectively to carry out the performance Evaluation.

Key words: *Performance management system, human resources, feedback, performance Evaluation.*

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Human Resource Management coordinates and controls each activity either directly or indirectly for organizational development and growth. According to Unan (2012) Among all the tools of HRM, Performance Management is a system that ensures and maintains the proper flow of activities in every section and unit of organization. Prasad, (2006) also explained that, To survive in highly competitive market environment, organizations must need a well competent employees who can face the present and future challenges. Organizations always try to seek the new ways to improve employee's performance. performance management system developed during the First World War when the US Army adopted the "Man-to-man" rating system for evaluating military personnel. Since then the field has evolved from just rating of individual against predetermined standard to managing performance in real- time to ensure performance reaches the desired levels (Oberg, 1972)

Different writers define performance management and describe its benefits in various ways. According to Smither (2009) Performance management system is one of the cornerstones of Human Resource practice in any organizations. No matter where the organization works, how big or small the organization is, or how simple or complex the business model it implements, effective performance management is a key requirement if you have any number of employees. Performance management is a means of getting better results from the organization, teams and individuals by understanding and managing performance within an agreed framework of planned goals, standards and competence requirements (Armstrong, 2006). The performance management process starts by identifying the strategic goals an organization needs to accomplish to remain competitive and profitable. After these ideas are crystallized, managers identify how they and their employees can help support organizational objectives by successfully completing work (Mathis and Jackson, 2010) Performance management is a strategic and integrated approach to delivering sustained success to organizations by improving the performance of people who work in them and by developing the capabilities of teams and individual contributors' (Armstrong and Baron, 2006)

Aguinis (2005) explained that performance management system is a continuous process of identifying, measuring and developing performance in organizations by linking each individual's performance and objectives to the organization's overall mission and goals. Armstrong (2009) on the other hand stated that, Performance Management system is a formal and organized process of improving organizational performance by developing the performance of individuals and teams. Performance Management does not only evaluate the employees' performances but also achieve organizational goals through improving employee performance, employee development, employee engagement and retaining them (*Mansoor Ahmed Junejo, 2010*) Performance management is the development of individuals with competence and commitment, working towards the achievement of shared meaningful objectives within an organization, which supports and encourages their achievement (Armstrong, 2006). According to Aguinis (2005), performance management systems are the key tools to transform people's talent and motivation into a strategic business advantage.

As stated by Cokins (2004), performance management comprises the methodologies, metrics, processes, software tools, and systems that manage the performance of an organization. To sum up its benefit, it enhances broad cross-functional involvement in decision-making and calculated risk taking by providing tremendously greater visibility with accurate, reliable, and relevant information. From the above definition we can consider that performance management system is one of the critical factors that affect the success and failure of an organization. Keeping in mind that, performance management has many benefits for the achievement of an organization's objectives, how do organizations develop and implement effective performance management system, is a question that needs to be addressed. Ethio Telecom, the subject of this research is one typical example of monopoly business in Ethiopian context, has to set up and implement EPM System.

To begin with, its history the telecommunications services in Ethiopia began 1894, seventeen years after the innovation of telephone technology in the world. Ethio-Telecom, has been serving the people of Ethiopia for the last 117 years with various service types and technologies that have direct and significant contribution to growth and development of the country. The company had used different names such as Imperial Board of Telecommunications of Ethiopia (IBTE), Ethiopian Telecommunication Services (ETS), Ethiopian Telecommunications Authority (ETA), and Ethiopian Telecommunications Corporation (ETC). Finally, it adopted the current name Ethio-

Telecom as a Public Enterprise following regulation No 197/2010 enacted on November 29, 2010 (Information from Public Relation).

Ethio-Telecom is working to develop and keeping a modern information and communications network infrastructure capable of supporting video services, voice, data and equal accessibility throughout the country and with high capacity digital connectivity across the world. The mission of the company is to provide universal application and network infrastructure telecommunications that enable to implement critical enterprise and business processes that satisfies customers and enhancing service capability throughout Ethiopia. The company derived its vision from the mission statement above stating that "...to be of a world-class provider of telecommunications services in Ethiopia by 2025". Its values include leading with vision, respect, excellence, integrity, and accountability. Moreover, Ethio-telecom is working to the objectives of being a customer-focused company, offering the best quality of services, being a financially sound company, and meeting excellent standards. (Public Relations of the Company)

To achieve its objectives, the company employ about 14,834 staffs in all regions of the country. The human resources of the company are the main input, which are required to play important role in achieving the above stated objectives of the company. With this large number of employees, Ethio-Telecom needs to have in place an effective and efficient EPM system. (Public Relations of the Company)

1.2. Statement of the Problem

Many factors designate the need for Performance Management System to be in place and exercise regularly and properly. The practice of EPMS is one area in which many organizations, need to focus on ensuring that the exercise is objective and principled. Such ensure enhance the organization to be more productive, cost-effective, and customer service oriented (Woodford & Maes, 2002)

According to Rowland and Hall's (2012) Employee Performance Management System has to contribute to the achievement of an organization's goals, and the organization needs to be clear about why its Employee performance Management is in place and how it fits with its strategy, culture and philosophy. Employee Performance Management has to be fair and needs to be seen being as fair by all employees of the given organization. However, EPMS practice is frequently

result counterproductive because the current challenge is that not all managers are good managers on EPMS. It is not because they are incompetent on their post but because they often simply do not have a complete grasp of the purpose, the process and end result of EPMS. Most often managers get it wrong in implementing the EPMS. As a result, what they are doing and how they are doing may not align with the organization objectives. This creates a considerable gap between how performance management is being practiced and how it should be practice (Cokins, 2004)

According to (McGregor, 1957) Employee Performance exercise is one of the stressful stages in HRM Process, because of if the result shows underperformance, fearing that the feedback could de-motivate the employee further and may lead to accusation of lack of managerial support, which had contributed to an individual's poor performance. As my preliminary survey, EPMS in Ethio-Telecom is mostly top down and there is no involvement of operational staff in performance planning, assessment as well as review. some managers who most often the one practicing EPMS are technical expertise with limited HR background, the general perception of employee on EPMS is also negative due to its potential usage biasedly to benefit or harm some targeted employees. This has a direct impact on the practice of EPMS.

There is a standard in carrying out performance evaluation. It should apply SMART method (Osmania, Maliqi, and Ramolli, 2012). If performance management is properly implemented, it can produce wide-ranging of common sense within an organization (Cokins, 2004)To the knowledge of the researcher, further investigation needs to be done in relation to Ethio-Telecom's EPMS, because due to the dynamic nature of its environment, Ethio-Telecom is facing a problem in implementing performance management and could not derive the benefit from it. Thus, this research is aim at assessing employee performance management system of Ethio-Telecom In doing so, this research is trying to answer the following basic questions.

1.3. Research Questions

Based on the problems explained above, the study trying to response the following basic research questions:

1. How Ethio-Telecom creates understanding of its EPMS to its employees?

2. To what extent do employees of Ethio-Telecom participate in the performance management process?
3. To what extent the performance management feedback communicate to employees in Ethio-Telecom?
4. For what purpose does Ethio-Telecom use the performance evaluation results?

1.4. Objective of the Study

General Objective

The general objective of the study is to assess Employee performance management of Ethio Telecom.

Specific objectives of this study is

1. To investigate how Ethio-Telecom creates understanding of its EPMS to its employees
2. To find out to what extent employees of Ethio-Telecom participate in the performance management process.
3. To explore to what extent the performance management feedback communicated to employees in Ethio-Telecom
4. To examine for what purpose Ethio-Telecom use performance evaluation results.

1.5. Significance of the Study

After the successful completion, the research will have the following significance.

1. It will help the company to identify its strength and weakness in the area of performance management system.
2. It can also be used as an input for researchers who need to make further investigation in the area.

1.6. Scope of the Study

The scope of the study is limited to Ethio-Telecom head office staffs only. Because conducting a research on all branches of Ethio-Telecom is complex, costly, and time taking. On the basis of the subject matter, HRM is a broad field of study that requires many

researches in each of its sub-fields. Thus, this research is delimited to assessment of employee performance management system only. particularly emphasizing on pre request, performance planning, execution, assessment and review stages.

1.7. Definition of Terms

The key terms that are used in the research are conceptualized as per the following operational definitions.

Performance:- Performance means the process where employees with their engagement of knowledge and skills perform the work through the realization of their objectives effectively. (Osmani, F. and Maliqi, G.2012)

Performance Management:- Performance management is a systematic effort to improve performance through an ongoing process of establishing desired outcomes, which includes setting performance standards, collecting, analyzing, and reporting streams of data to improve individual and collective performance. (Whitaker, Mastrofski, Ostrom, Parks, & Percy, 1982).

Performance Standards:- Performance standards define the expected levels of employee performance. Sometimes they are labeled benchmarks, goals, or targets - depending on the approach taken. Realistic, measurable, clearly understood performance standards benefit both organizations and employees. In a sense, performance standards define what satisfactory job performance is, so performance standards should be established before work is performed. Well-defined standards ensure that everyone involved knows the levels of accomplishment expected (Mathis and Jackson, 2008).

Performance Assessment:- is part of the performance management process, which is a collection (finalization)of communication for a certain period between the manager and the employee (Osmani, F. and Maliqi, G.2012)

1.8 Organization of the Study

This research is organized in five chapters. The first chapter introduces the background of the study, statement of the problem, research questions, objectives, scope, and significance

of the study. The second chapter deals with related literature review. The third chapter is concerned with research design and methodology of the study. The fourth chapter contains presentation, analysis and interpretation of the data. The last chapter presents summary of the findings, conclusion, and recommendation of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 The Concept of Performance

Managing human resources in today's dynamic environment is becoming more and more complex as well as important. Recognition of people as a valuable resource in the organization has led to increases trends in employee maintenance, job security, etc. (Bagul, 2012). First, it is important to clarify what performance it means. Because if performance cannot be defined, it can't be measured or managed Armstrong (2000) There are different views on what performance is. Bates and Holton (1995) have pointed out that performance is a multi-dimensional construct, the measurement of which varies depending on a variety of factors. They also state that it is important to determine whether the measurement objective is to assess performance outcomes or behavior. Kane (1996) argues that performance is something that the person leaves behind and that exists apart from the purpose. Bernadin, *et al* (1995) are stated that performance should be defined as the outcomes of work because it provide the strongest linkage to the strategic goals of the organization, customer satisfaction, and economic contributions.

Ingram and McDonnell (1996) suggests Performance as, the result of achieving organizational objectives a yardstick of success. Campbell (1990) believes that performance is behavior and should be distinguished from the outcomes because it can be contaminated by systems factors. A more comprehensive view of performance is achieved if it is defined as embracing both behavior and outcomes. According to Brumbach (1988), performance means both behaviors and results. Behaviors emanate from the performer and transform performance from abstraction to action. Not just the instruments for results, behaviors are also outcomes in their own right the product of mental and physical effort applied to tasks and can be judged apart from results. This definition of performance leads to the conclusion that, when managing the performance of teams and individuals, both inputs (behavior) and outputs (results) need to be considered.

2.2 The Concept of Performance Management

The concept of performance management has been one of the most important and positive developments in the sphere of human resource management in recent years. The phrase was first coined by Beer and Ruh(1976). But it did not become recognized as a distinctive approach until the mid-1980s, growing out of the realization that a more continuous and integrated approach was needed to manage and reward performance. For crudely developed and hastily implemented performance-related pay and appraisal systems were all too often failing to deliver the results that, somewhat naively, people were expecting from them. Performance management rose like a phoenix from the old-established but somewhat discredited systems of merit rating and management by objectives. Performance management defines in various ways by different scholars. According to Armstrong (2000), performance management is a strategic and integrated process that delivers sustained success to organizations by improving the performance of the people who work in them and by developing the capabilities of individual contributors and teams. The fundamental goal of performance management is to establish a culture in which individuals and groups take responsibility for the continuous improvement of business processes and for their own skills and contributions.

Philpott and Sheppard (1992) defined performance management as a systematic process for improving organizational performance by developing the performance of individuals and teams. According to Bagul (2012), performance management is the process through which managers ensure those employee's activities outputs contributes to the organization's goal. This process requires knowing what activities are desired, observing whether they occur, and providing feedback, managers and employees meet expectations. In the course of providing feedback, managers and employees may identify performance and establish ways to resolve those problems. As Sharma (2014), performance management system is becoming a very important driver in the organization. In this cut throat competition, organizations are continuously finding different ways to lead or to go ahead of others. Everyone is cutting cost and delivering satisfaction to the customers. So to survive, the optimum utilization of human resource is very important. It is possible only if the employee's performance is managed properly.

Performance Management System is impossible to be effective if focus is not given to performance driven behavior rigorously and managers acting as role models (De-Waal and Covert, 2007). In order to deal effectively with the pressures and changes in the current environment, the organizations are seeking for effective management techniques (De-Waal and Covert, 2007). There is an increasing agreement that effective approaches to management are those that propose organizations with sustainable competitive edge (Lawler, 1998). Therefore, performance management can be one of the approaches to achieve better results. That is why an increasing number of profit and non-profit organizations are implementing PMS in order to achieve better organizational results in a changing and dynamic environment of today's world De-Waal (2006) According to Ingram and McDonnell (1996) measuring the performance of employees is a compulsory task as it allows a firm to have a record of current organizational activity in order to judge their progress and help refocus strategy.

According to Aguinis (2013), 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. Let's consider each of the definition's two main components:

- 1. Continuous process.** Performance management is ongoing. It involves a never ending process of setting goals and objectives, observing performance, and giving and receiving ongoing coaching and feedback.
- 2. Alignment with strategic goals.** Performance management requires that managers ensure that employees' activities and outputs are congruent with the organization's goals and, consequently, help the organization gain a competitive advantage. Performance management therefore creates a direct link between employee performance and organizational goals and makes the employees' contribution to the organization explicit.

Armstrong (2006) stated that performance management is first considered as a normal process of management and next described as a cycle and a sequence of activities. It consists of plan (decide what to do and how to do it), act (carry out the work needed to implement the plan), monitor (carry out continuous checks on what is being done and measure outcomes in order to assess progress in implementing the plan), and review (consider what has been achieved and, in the light of this, establish what more needs to be done and any corrective action required if performance is not in

line with the plan) Sharma (2014) described that a well-managed performance management system in an organization is very important. Even if PMS is installed formally and informally in different organization but they have difficulty in implementing because various aspects are not evaluated properly. Many organizations fail due to improper implementation of PMS.

2.3 Assessing Performance

Performance management is forward looking. It focuses on planning for the future rather than dwelling on the past. But it necessarily includes some form of assessment of what has been achieved to provide the basis for performance agreements and development plans, forecasts of potential and career plans (Armstrong, 2006).

There are seven ways of assessing performance:

1. **Overall analysis of performance:** In practice, an overall analysis is a form of assessment, as it will reveal strengths and, possibly, weaknesses, which indicate where development can usefully take place.
2. **Written assessment (narrative) of performance:** A narrative assessment is simply a written summary of views about the level of performance achieved. This at least ensures that managers have to collect their thoughts together and put them down on paper.
3. **Rating;** most performance management schemes include some form of rating. This indicates the quality of performance or competence achieved or displayed by an employee by selecting the level on a scale that most closely corresponds with the view of the assessor on how well the individual has been doing.
4. **Forced distribution:** Forced distribution means that managers have to conform to a laid-down distribution of ratings between different levels.
5. **Forced ranking:** it is a development of forced distribution. Managers are required to place their staff in order from best to worst.
6. **Quota system:** Quota systems usually applied retrospectively to lay down what the distribution of ratings should be and adjust the ratings of managers after the event to ensure that the quota in each level is met.

7. **Visual assessment:** visual method of assessment takes the form of an agreement between the manager and the individual on where the latter should be placed on a matrix or grid.

2.4 Purpose of Performance Management

The information collected by a performance management system is most frequently used for salary administration, performance feedback, and the identification of employee strengths and weaknesses. In general, performance management systems can serve the following six purposes: strategic, administrative, informational, developmental, organizational maintenance, and documentational purposes (Agunis2013) Let's consider each of these purposes in turn.

1. Strategic Purpose: The first purpose of performance management systems is to help top management achieve strategic business objectives. By linking the organization's goals with individual goals, the performance management system reinforces behaviors consistent with the attainment of organizational goals. The second strategic purpose of performance management systems is that they play an important role in the *onboarding* process. Onboarding refers to the processes that lead new employees to transition from being organizational outsiders to organizational insiders. Performance management serves as a catalyst for onboarding because it allows new employees to understand the types of behaviors and results that are valued and rewarded, which, in turn, lead to an understanding of the organization's culture and its values.

2. Administrative Purpose: A second function of performance management systems is to furnish valid and useful information for making administrative decisions about employees. Such administrative decisions include salary adjustments, promotions, employee retention or termination, recognition of superior individual performance, identification of poor performers, layoffs, and merit increases. Therefore, the implementation of reward systems based on information provided by the performance management system falls within the administrative purpose

3. Informational Purpose: Performance management systems serve as an important communication device. First, they inform employees about how they are doing and provide them with information on specific areas that may need improvement. Second, related to the strategic

purpose, they provide information regarding the organizations and the supervisor's expectations and what aspects of work the supervisor believes are most important.

4. Developmental Purpose: As noted earlier, feedback is an important component of a well-implemented performance management system. This feedback can be used in a developmental manner. Managers can use feedback to coach employees and improve performance on an ongoing basis. This feedback allows for the identification of strengths and weaknesses as well as the causes for performance deficiencies which could be due to individual, group, or contextual factors. Another aspect of the developmental purpose is that employees receive information about themselves that can help them individualize their career paths. Thus, the developmental purpose refers to both short-term and long-term aspects of development.

5. Organizational Maintenance Purpose: A fifth purpose of performance management systems is to provide information to be used in workforce planning. Workforce planning comprises a set of systems that allows organizations to anticipate and respond to needs emerging within and outside the organization, to determine priorities, and to allocate human resources where they can do the most good. An important component of any workforce planning effort is the talent inventory, which is information on current resources. For instance, skills, abilities, promotional potential, and assignment histories of current employees). Performance management systems are the primary means through which accurate talent inventories can be assembled. Other organizational maintenance purposes served by performance management systems include assessing future training needs, evaluating performance achievements at the organizational level, and evaluating the effectiveness of HR interventions whether employees perform at higher levels after participating in a training program. These activities cannot be conducted effectively in the absence of a good performance management system.

6. Documentational Purpose: Finally, performance management systems allow organizations to collect useful information that can be used for several documentation purposes. Additionally, performance management systems allow for the documentation of important administrative decisions. This information can be used to validate newly proposed selection instruments and especially useful in the case of litigation.

2.5 Performance Management Process

As (Aguinis2013) Performance management is a continuous process including several components. These components are closely related to each other, and the poor implementation of any of them has a negative impact on the performance management system as a whole. This includes:

Prerequisites: There are two important prerequisites that are required before a performance management system is implemented: (1) knowledge of the organization's mission and strategic goals and (2) knowledge of the job in question. Knowledge of the organization's mission and strategic goals is a result of strategic planning. Strategic planning allows an organization to clearly define its purpose or reason for existing, where it wants to be in the future, the goals it wants to achieve, and the strategies it will use to attain these goals. Once the goals for the entire organization have been established, similar goals cascade downward, with departments setting objectives to support the organization's overall mission and objectives. If there is a lack of clarity regarding where the organization wants to go, or if the relationship between the organization's mission and strategies and the unit's mission and strategies is not clear, there will be a lack of clarity regarding what each employee needs to do and achieve to help the organization get there.

The second important prerequisite before a performance management system implemented is to understand the job in question. This is done through job analysis. Job analysis is a process of determining the key components of a particular job, including activities, tasks, products, services, and processes. A job analysis is a fundamental prerequisite of any performance management system. Without a job analysis, it is difficult to understand what constitutes the required duties for a particular job. If we don't know what an employee is supposed to do on the job, we won't know what needs to be evaluated and how to do so.

Performance Planning: The planning process is most effective when there is broad employee involvement. so employees take responsibility for their development (Chingos,2002)

(Aguinis, 2013) explain that, employees should have a thorough knowledge of the performance management system. In fact, at the beginning of each performance cycle, the supervisor and the employee meet to discuss and agree upon what needs to be done and how it should be done. This

performance planning discussion includes a consideration of both results and behaviors as well as a development plan.

Results: Results refer to what needs to be done or the outcomes an employee must produce. A consideration of results needs to include the *key accountabilities*, or broad areas of a job for which the employee is responsible for producing results. A discussion of results also includes specific *objectives* that the employee will achieve as part of each accountability. A performance standard is a yardstick used to evaluate how well employees have achieved each objective.

Behaviors: Although it is important to measure results, an exclusive emphasis on results can give a skewed or incomplete picture of employee performance. For example, for some jobs it may be difficult to establish precise objectives and standards. For other jobs, employees may have control over how they do their jobs but not over the results of their behaviors. A consideration of behaviors includes discussing *competencies*, which are measurable clusters of KSAs that are critical in determining how results will be achieved.

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

In addition to Agunis, (Armstrong,2009) also approve that planning part of the performance management sequence involves the agreement between the manager and the individual of how the latter is expected to perform in terms of results and behaviors.

Once the prerequisites are met and the planning phase has been completed, we are ready to begin the implementation of the performance management system. This includes performance execution, assessment, review, and renewal and contracting.

Performance Execution: Once the review cycle begins, the employee strives to produce the results and display the behaviors agreed upon earlier as well as to work on developmental needs. The employee has primary responsibility and ownership of this process. Employee participation does not begin at the performance execution stage; however, employees need to have active input

in the development of job descriptions, performance standards, and the creation of the rating form. In addition, at later stages, employees are active participants in the evaluation process in that they provide a self assessment and the performance review interview is a two-way communication process. At the performance execution stage, the following factors must be present:

1. Commitment to goal achievement. The employee must be committed to the goals that were set. One way to enhance commitment is to allow the employee to be an active participant in the process of setting the goals.

2. Ongoing performance feedback and coaching. The employee needs to take a proactive role in soliciting performance feedback and coaching from her supervisor.¹³ The employee should not wait until the review cycle is over to solicit performance feedback.

3. Communication with supervisor. Supervisors are busy with multiple obligations. The burden is on the employee to communicate openly and regularly with the supervisor.

4. Collecting and sharing performance data. The employee should provide the supervisor with regular updates on progress toward goal achievement, in terms of both behaviors and results.

5. Preparing for performance reviews. The employee should not wait until the end of the review cycle approaches to prepare for the review. On the contrary, the employee should engage in an ongoing and realistic self-appraisal so that immediate corrective action can be taken if necessary. Although the employee has primary responsibilities for performance execution, the supervisor also needs to do his or her share of the work. Supervisors have primary responsibility over the following issues

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

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

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

4. Resources. Supervisors should provide employees with resources and opportunities to participate in developmental activities. Supervisors have a responsibility to ensure that the employee has the necessary supplies and funding to perform the job properly.

5. Reinforcement. Supervisors must let employees know that their outstanding performance is noticed by reinforcing effective behaviors and progress toward goals. Supervisors also should provide feedback regarding negative performance and how to remedy the observed problem.

Performance Assessment: In the assessment phase, both the employee and the manager are responsible for evaluating the extent to which the desired behaviors have been displayed, and whether the desired results have been achieved. Although many sources can be used to collect performance information like peers and subordinates, in most cases the direct supervisor provides the information. It is important that both the employee and the manager take ownership of the assessment process. The manager fills out his or her appraisal form, and the employee should also fill out his or her form. The fact that both parties are involved in the assessment provides good information to be used in the review phase.

Performance Review: The performance review stage involves the meeting between the employee and the manager to review their assessments. This meeting is usually called the appraisal meeting or discussion. The appraisal meeting is important because it provides a formal setting in which the employee receives feedback on his or her performance. Providing feedback in an effective manner is extremely important because it leads not only to performance improvement but also to employee satisfaction with the system.

Performance Renewal and Recontracting: The final stage in the performance process is renewal and re-contracting. Essentially, this is identical to the performance planning component. The main difference is that the renewal and re-contracting stage uses the insights and information gained from the other phases. The performance management process includes a cycle which starts with prerequisites and ends with performance renewal and re-contracting. The cycle is not over after the renewal and re-contracting stage. In fact, the process starts all over again: there needs to be a discussion of prerequisites, including the organization's mission and strategic goals and the job's KSAs. Because markets change, customers' preferences and needs change, and products change,

there is a need to continuously monitor the prerequisites so that performance planning and all the subsequent stages are consistent with the organization's strategic objectives.

2.6 Measures in Performance Management

According to (Armstrong, 2009) Measurement is a vital concept in performance management. It is the foundation for providing and making feedback, it identifies where things are going well to provide the foundations for building further success, and it indicates where things are not going well, so that corrective action can be taken. Employee's performance depends on the effective performance management system. Employee must have knowledge about their job what they must have to perform in order to fulfill its job target. In organization, the developed performance elements state what the employees really have to perform and the performance standards tells the employees that how effectively they must have to perform. The performance elements are the indicators which can vary from organization to organization; it can be productivity, effectiveness and objectivity. While the standards include certain objectives that employees must achieve, Performance standards and elements should be calculated, achievable, fair and challenging.

2.7 Criteria for Performance Measures

As set out by Armstrong and Baron (1998), performance measures should:

- be related to the strategic goals and measures that are organizationally significant and drive business performance;
- be relevant to the objectives and accountabilities of the teams and individuals concerned they are only effective if they are derived from statements of accountabilities and/or are based on well researched capability frameworks;
- focus on measurable outputs, accomplishments and behaviors that can be clearly defined and for which evidence can be made available;
- indicate the data or evidence that will be available as the basis for measurement;
- be verifiable provide information that will confirm the extent to which expectations have been met;

- be as precise as possible in accordance with the purpose of the measurement and the availability of data;
- provide a sound basis for feedback and action;
- Be comprehensive, covering all the key aspects of performance.

As Mathis and Jackson(2008), an effective performance management system should make clear what the organization expects, provide performance information to employees, identify areas of success and needed development, and document performance for personnel records. They also stated that the most critical performance criteria vary from job to job, but the employee performance measures common to most jobs include quantity of output, quality of output, timeliness of output, and presence at work.

2.8 Characteristics of a Good Performance Management System

what does a good PM system look like? Aunis (2013) identified the characteristics that are likely to allow a performance management system to be successful. In practical terms, even if it's difficult to have all the features but, organization must do its best to ensure that the characteristics are assimilated as much as possible. so that performance management system can provide its anticipation.

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

*** Context congruence:** The system should be congruent with the organization's culture as well as the broader cultural context of the region or country.

***Thoroughness:** The system should be thorough regarding four dimensions. First, all employees should be evaluated. Second, all major job responsibilities should be evaluated. Third, the evaluation should include performance spanning the entire review period, and not just the few weeks/months before the review. Finally, feedback should be given on positive performance aspects as well as those in need of improvement.

***Practicality:** Systems that are too expensive, time-consuming, and convoluted will obviously not be effective. On the other hand, good systems are available and easy to use and are suitable to those who needs to use them for decisions. Finally, the benefits of using the system be seen as outweighing the costs.

***Meaningfulness:** The system must be meaningful in several ways. First, the standards and evaluations conducted for each job function must be considered important and relevant. Second, performance assessment must emphasize only those functions under the control of the employee. Third, evaluations must take place at regular intervals and at appropriate moments. Fourth, the system should provide for continuing skill development of evaluators. Finally, the results should be used for important personnel decisions.

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

***Identification of effective and ineffective performance:** The performance management system should provide information allowing for the identification of effective and ineffective performance. That is, the system should allow for distinguishing between effective and ineffective behaviors and results, thereby also allowing for the identification of employees displaying various levels of performance effectiveness. In terms of decision-making, there is no relevance having a system that classifies or ranks all levels of performance, and all employees, similarly.

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

***Validity:** The measures of performance should also be valid. In this context, validity refers to the fact that the measures include all relevant performance facets and do not include irrelevant performance facets. In short, measures include what is important and do not assess what is not important and outside of the control of the employee.

***Acceptability and fairness.** A good system is acceptable and perceived as fair by all participants. Perceptions of fairness are subjective and the only way to know if a system is seen as fair is to ask the participants about the system. Such perceptions include four distinct components.

1. We can ask about distributive justice, which includes perceptions of the performance evaluation received relative to the work performed and perceptions of the rewards received relative to the evaluation received. If a discrepancy is perceived between work and evaluation, or between evaluation and rewards, then the system is likely to be seen as unfair.

2. we can ask about procedural justice, which includes perceptions both of the procedures used to determine the ratings and of the procedures used to link ratings with rewards.
3. we can assess perceptions regarding *interpersonal justice*, which refers to the quality of the design and implementation of the performance management system. For example, what are employees' perceptions regarding how they are treated by their supervisors during the performance review meeting? Do they feel that supervisors are empathic and helpful?
4. Finally, *informational justice* refers to fairness perceptions about performance expectations and goals, feedback received, and the information given to justify administrative decisions. For example, are explanations perceived to be honest, sincere, and logical? Because a good system is inherently discriminatory, some employees will receive ratings that are lower than those received by other employees. However, we should strive to develop systems that are regarded as fair from the distributive, procedural, interpersonal, and informational perspectives because each type of justice perception leads to different outcomes.

***Inclusiveness:** Good systems include input from multiple sources on an ongoing basis. First, the evaluation process must represent the concerns of all the people who will be affected by the outcome. Consequently, employees must participate in the process of creating the system by providing input regarding what behaviors or results will be measured and how. Second, employee input about their performance should be gathered from the employees themselves before the appraisal meeting. In general, all participants must be given a voice in the process of designing and implementing the system.

***Openness:** Good systems have no secrets. First, performance is evaluated frequently, and performance feedback is provided on an ongoing basis. Therefore, employees are continually informed of their performance. Second, the appraisal meeting consists of a two-way communication process, where information is exchanged and not just delivered from the supervisor to the employee. Third, standards should be clear and communicated on an ongoing basis. Finally, communications are factual, open and honest.

***Correctability:** The process of assigning ratings should minimize subjective aspects. However,

it is virtually impossible to create a completely objective system because human judgment is an important component of the evaluation process. when, employees perceive an error has been made, there should be a mechanism through which this can be corrected. Establishing an appeals process through which employees can challenge what may be unjust decisions is an important aspect of a good performance management system.

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

***Ethicality.** Good systems comply with ethical standards. This means that the supervisor suppresses her personal self-interest in providing evaluations. In addition, the supervisor evaluates only performance dimensions for which she has sufficient information, and the privacy of the employee is respected.

2.9 The Performance Management Contribution

There are many advantages associated with the implementation of a performance management system. (Armstrong 2009) Explained that Performance management is much more than appraising individuals. It contributes to the achievement of culture change and it is integrated with other key HR activities, especially human capital management, talent management, learning and development and reward management. Thus performance management helps to achieve horizontal integration and the ‘bundling’ of HR practices so that they are interrelated and therefore complement and reinforce each other. (Agunis2013) also stated that performance management system can make the following important contributions:

1. Motivation to perform is increased. Receiving feedback about one’s performance increases the motivation for future performance. Knowledge about how one is doing and recognition about one’s past successes provide the fuel for future accomplishments.
2. Self-esteem is increased. Receiving feedback about one’s performance fulfills a basic human need to be recognized and valued at work. This, in turn, is likely to increase employees’ self-esteem.
3. Managers gain insight about subordinates. Direct supervisors and other managers in charge of the appraisal gain new insights into the person being appraised. The importance of knowing your

employees is highlighted by the fact that the Management Standards Centre, the government-recognized organization in the United Kingdom for setting standards for the management and leadership areas, has recognized that developing productive relationships with colleagues is a key competency for managers. Gaining new insights into a person's performance and personality will help Performance Management and Reward Systems in Context the manager build a better relationship with that person. Also, supervisors gain a better understanding of each individual's contribution to the organization. This can be useful for direct supervisors as well as for supervisors once removed.

4. The definitions of job and criteria are clarified. The job of the person being appraised may be clarified and defined more clearly. In other words, employees gain a better understanding of the behaviors and results required of their specific position. Employees also gain a better understanding of what it takes to be a successful performer (i.e., what are the specific criteria that define job success).

5. Self-insight and development are enhanced. The participants in the system are likely to develop a better understanding of themselves and of the kind of development activities that are of value to them as they progress through the organization. Participants in the system also gain a better understanding of their particular strengths and weaknesses that can help them better define future career paths.

6. Administrative actions are more fair and appropriate. Performance management systems provide valid information about performance that can be used for administrative actions such as merit increases, promotions, and transfers as well as terminations. In general, a performance management system helps ensure that rewards are distributed on a fair and credible basis. In turn, such decisions based on a sound performance management system lead to improved interpersonal relationships and enhanced supervisor-subordinate trust. For example, a good performance management system can help mitigate explicit or implicit emphasis on age as a basis for decisions. This is particularly important given the aging working population in the United States, Europe, and many other countries around the world.

7. Organizational goals are made clear. The goals of the unit and the organization are made clear, and the employee understands the link between what she does and organizational success. This is

a contribution to the communication of what the unit and the organization are all about and how organizational goals cascade down to the unit and the individual employee. Performance management systems can help improve employee acceptance of these wider goals (i.e., organizational and unit levels).

8. Employees become more competent. An obvious contribution is that employee performance is improved. In addition, there is a solid foundation for helping employees become more successful by establishing developmental plans.

9. Employee misconduct is minimized. Employee misconduct is an increasingly pervasive phenomenon that has received widespread media coverage. Such misconduct includes accounting irregularities, churning customer accounts, abusing overtime policies, giving inappropriate gifts to clients and potential clients hoping to secure their business, and using company resources for personal use. Although some individuals are more likely to engage in misconduct compared to others based on individual differences in personality and other attributes, having a good performance management in place provides the appropriate context so that misconduct is clearly defined and labeled as such and identified early on before it leads to sometimes irreversible negative consequences.

10. There is better protection from lawsuits. Data collected through performance management systems can help document compliance with regulations (e.g., equal treatment of all employees regardless of sex or ethnic background). When performance management systems are not in place, arbitrary performance Strategic and General Considerations evaluations are more likely, resulting in an increased exposure to litigation for the organization.

11. There is better and more timely differentiation between good and poor performers. Performance management systems allow for a quicker identification of good and poor performers. Also, they force supervisors to face up to and address performance problems on a timely basis (i.e., before the problem becomes so entrenched that it cannot be easily remedied).

12. Supervisors' views of performance are communicated more clearly. Performance management systems allow managers to communicate to their subordinates their judgments regarding performance. Thus, there is greater accountability in how managers discuss performance expectations and provide feedback. Both assessing and monitoring the performance of others are

listed as key competencies for managers by the Management Standards Centre. When managers possess these competencies, subordinates receive useful information about how their performance is seen by their supervisor.

13. Organizational change is facilitated. Performance management systems can be a useful tool to drive organizational change. For example, assume an organization decides to change its culture to give top priority to product quality and customer service. Once this new organizational direction is established, performance management is used to align the organizational culture with the goals and objectives of the organization to make change possible. Employees are provided training in the necessary skills and are rewarded for improved performance so that they have both the knowledge and motivation to improve product quality and customer service. An organization's culture cannot be installed. It can be guided and influenced by policies, practices, skills, and procedures that are implemented and reinforced. The only way to change the culture is to change the way individuals perform on a daily basis.

14. Motivation, commitment, and intentions to stay in the organization are enhanced. When employees are satisfied with their organization's performance management system, they are more likely to be motivated to perform well, to be committed to their organization, and not try to leave the organization. For example, satisfaction with the performance management system is likely to make employees feel that the organization has a great deal of personal meaning for them. In terms of turnover intentions, satisfaction with the performance management system leads employees to report that they will probably not look for a new job in the next year and that they don't often think about quitting their present job.

15. Voice behavior is encouraged. A well-implemented performance management system allows employees to engage in voice behavior that can lead to improved organizational processes. Voice behavior involves making suggestions for changes and improvements that are innovative, challenge the status quo, are intended to be constructive, and are offered even when others disagree. For example, the performance review meeting can lead to a conversation during which the employee provides suggestions on how to reduce cost or speed up specific process.

16. Employee engagement is enhanced. A good performance management system leads to enhanced employee engagement. Employees who are engaged feel involved, committed,

passionate, and empowered. Moreover, these attitudes and feelings result in behaviors that are innovative and, overall, demonstrate good organizational citizenship and take action in support of the organization. Employee engagement is an important predictor of organizational performance and success and, consequently, engagement is an important contribution of good performance management systems.

2.10 Disadvantages/Dangers of Poorly Implemented PM Systems

What happens when performance management systems do not work as intended? These are some of the negative consequences associated with low-quality and poorly implemented PM systems as Aunis (2013)

1. *Increased turnover.* If the process is not seen as fair, employees may become upset and leave the organization. They can leave physically (i.e., quit) or withdraw psychologically (i.e., minimize their effort until they are able to find a job elsewhere).

2. *Use of misleading information.* If a standardized system is not in place, there are multiple opportunities for fabricating information about an employee's performance.

3. *Lowered self-esteem.* Self-esteem may be lowered if feedback is provided in an inappropriate and inaccurate way. This, in turn, can create employee resentment.

4. *Wasted time and money.* Performance management systems cost money and quite a bit of time. These resources are wasted when systems are poorly designed and implemented.

5. *Damaged relationships.* As a consequence of a deficient system, the relationship among the individuals involved may be damaged, often permanently.

6. *Decreased motivation to perform.* Motivation may be lowered for many reasons, including the feeling that superior performance is not translated into meaningful tangible (e.g., pay increase) or intangible (e.g., personal recognition) rewards.

7. *Employee burnout and job dissatisfaction.* When the performance assessment instrument is not seen as valid and the system is not perceived as fair, employees are likely to feel increased levels of job burnout and job dissatisfaction. As a consequence, employees are likely to become increasingly irritated.

8. Increased risk of litigation. Expensive lawsuits may be filed by individuals who feel they have been appraised unfairly.

9. Unjustified demands on managers' and employees' resources. Poorly implemented systems do not provide the benefits provided by well-implemented systems, yet they take up managers' and employees' time. Such systems will be resisted because of competing obligations and allocation of resources (e.g., time). What is sometimes worse, managers may simply choose to avoid the system altogether, and employees may feel increased levels of overload.

10. Varying and unfair standards and ratings. Both standards and individual ratings may vary across and within units and be unfair.

11. Emerging biases. Personal values, biases, and relationships are likely to replace organizational standards.

12. Unclear ratings system. Because of poor communication, employees may not know how their ratings are generated and how the ratings are translated into rewards.

CHAPTER THREE

RESEARCH DESIGN AND METHEDODOLOGY

3.1 Description of the Study Area

The main objective of this study is to assess employee performance management system of Ethio Telecom. Ethio-Telecom head office is located in Addis Ababa. The research were focused on the respondents who are working at the head office only because other branches and regions are excluded due to inaccessibility of resources, difficulty in geographical location and time constraint.

3.2 Research Approach

There are two basic approaches to research: Qualitative and Quantitative. Qualitative approach is concerned with subjective assessment of attitudes, opinions and behavior. It employs explanation, summarization and conceptual analysis. Quantitative approach on the other hand, involves the generation of data in quantitative form, which is subjected to rigorous quantitative analysis in a formal and rigid fashion. (Kohtari, 2004) Accordingly, this study employ quantitative approaches because by using quantitative method, it is easier to analyze the data and come up with the findings (Creswell, 2003) therefore the researcher prefer to use this approach.

3.3 Research Design

This study employs descriptive research design, which is in line with the quantitative strategy. Kothari (2004) explain that the major purpose of descriptive research design is to provide description of the state of affairs as it exists at present. He also stated that to describe the characteristics of a particular Phenomenon, descriptive research is preferable. It is concerned with specific predictions, with narration of facts and characteristics concerning individual, group or situation Y.K Singh (2006) also said that research design is essentially a statement of the object of the inquiry and the strategies for collecting the evidences, analyzing the evidences and reporting the findings. As, the objectives of the study is to assess the practical implementation of EPMS of Ethio-Telecom, the researcher believes that descriptive research design is the appropriate deign to follow.

3.4 Population and Sample of the Study

According to Kohtari (1990) all items in any field of inquiry constitute a ‘Universe’ or ‘Population. It is not possible to examine every item in the population because it consumes a great deal of time, money and energy. The same is true regarding this research. Due to resource constraint, data inaccessibility and geographical location the researcher focuses at the head office only. According to Human Resource data, Ethio-Telecom employ 1,362 employees at its head office and have five strata i.e. Top-level Management, Middle level Management, Professionals and Experts, Support Staffs and Temporary staffs. Top-level managers and temporary staffs will be excluded from the target population because they do not directly involved in the implementation of EPMS and it would be very difficult to access them for data collection for various reason. Therefore, this research used a sample for data collection. Sample is the selected respondents from the total population. The researcher ensures the respondents in the sample will be as representative of the total population as possible.

3.5 Sample Size Determination and Sampling Methods

The sample size for the population is determined by using Taro Yamane (1967) sample determination formula. Sample size determination is the act of choosing the number of observations or replicates to include in a statistical sample. The sample size is an important feature of any empirical study in which the goal is to make inferences about a population from a sample.

Any survey is differ from the true population by a certain amount. Therefore, calculating the sample confidence intervals and margins of error reflect the fact that there *is* room for an error. According to Sekaran, Uma. (2010) it is possible to use confidence level for selecting the sample from 90% up to 99%. So, the results of this survey are accurate at 92% confidence with 8% margin of error.

$$n = N / (1 + Ne^2)$$

n:- Sample Size

N:-Population Size

e = Margin of error

$$n = N / (1 + Ne^2)$$

$$n = 938 / (1 + 938(0.08)^2)$$

$$n = \underline{134}$$

The method chosen for this study is stratified random sampling method. The reason is that each of the categories have the opportunity to be sampled. For the purposes of managing questionnaires, the researcher creates two strata's, Supervisors and Non-Supervisors.

Kohtari (1990) explains that Stratified random sampling is a sample obtained by dividing the population into some relevant homogenous groups these are called strata and then select a sample from each stratum by using the proportional size of the stratum in order to get an equal representation in the sample. A stratified random sampling allows us to take into account the different subgroups of people in the population. This method is believed to give more precise information than other sampling methods for heterogeneous population. This can be considered as fair representation of the population. The list of the employees as per their category collected from the HR department. From each category list, the respective number of respondents will draw using an interval of 7.

Table 3- 1: Sample size determination using stratified sampling method

Category and Position		No. of Population	Proportional Sample Size
Top level Managers		40	
Supervisors		200	$(200/938)*134 = 29$
Professionals and Experts	Non	406	$(406/938)*134 = 58$
Support Staffs	Supervisors	332	$(332/938)*134 = 47$
Temporary staffs		384	
Total staffs		1362	
Less: ToP level Managers	40		
Temporary staffs	384	424	
Target Population		938	134

3.6 Data sources and Types and Collection Techniques

In order to get sufficient and relevant information for the study both primary and secondary data gathering instruments were used. Primary data was collected from supervisors and non-supervisors through questionnaire. According to Wilson and McLean, (1994) Questionnaire: is a widely used and useful instrument for collecting survey information, providing structured, often numerical data. It has some pros: do not need as much effort from the respondents and often have standardized answers that make it

simple to compile the data. Most of the questions in the questionnaire were developed from the previous researches, review of related literature and were adopted to the current study. The Secondary data were obtained from different PM books, Journals, Ethio Telecom's annual reports, Human Resource manuals, policies and procedures. The information that was obtained by using questionnaire was integrated during data presentation and analysis phase.

3.7 Data Validity and Reliability

As (Kothari, 1990) Validity refers to the extent to which a test measures what we actually wish to measure It involves the degree to which we are measuring what we are supposed to, more simply, the accuracy of our measurement.

Internal validity in connection to data alludes to the capacity of the survey questions to quantify what the researcher plan it to gauge. It refers to the concern that what the researcher finds with the survey is a fair representation of what is being measured (Saunders et al, 2012) To address the issue of content validity, the instruments used are almost standardized. Majority of the questions in the questionnaire were developed from the previous researches, review of related literature and were adopted to the current study. The researcher also consulting subject matter experts in the area like research advisor and course instructors. Additionally, the survey questions deliberately divided into two sections. Section one is about the personal profile of the respondents (bio data) and section two is questions related to address the study objectives. This was done with a specific end goal to improve the legitimacy and precision of the data from different background of respondents.

Reliability refers to consistency. It measures the level of variance of actual results from expected results from the research tool that has been adopted. The tendency towards consistency found in repeated measurements is referred to as reliability. One method of testing for reliability is the internal consistency method. Internal consistency involves correlating the responses to questions in the questionnaire with each other. (Saunders et al, 2012) to check the reliability of the instrument Cronbach's coefficient alpha was calculated the result shows. 837 According to Bryman and Bell (2007) the Cronbach's alpha result of 0.7 and above implies acceptable level of internal reliability. So, the instrument can be considered as a reliable instrument.

Table 3- 2 : Reliability Statistics:

Factors	Cronbach's Alpha	No of Items
Awareness Creation	.795	13
Participation	.764	5
Feedback	0.77	5
Purpose of evaluation results	.752	9
Total		32

3.8 Data Analysis

Based on the objectives of the study, appropriate tools and techniques of analysis and presentation will be used. The data that was collected through questionnaires, first will be reviewed and edited for completeness and then encoded in to a statistical analysis software package called SPSS. The data will be analyzed using a descriptive statistics method. Number of occurrences in terms of frequency, percentage and ratio will be employ to summarize and interpret the result. The findings will be presented using tables, graphs and charts.

3.9 Ethical Consideration

The study is conducted by taking in to account ethical responsibility. The researcher has obtained permission from the organization for the study. Respondents will be clearly informed about the purpose of the study, which is only for academic purpose. Respondents will not allow to write their name on the questionnaires. Their responses also will be kept confidential in order to maintain their privacy and to protect them from any harm.

Confidentiality of the office information will also be maintained by not disclosing the raw data and destroying all the data after completing its purpose. Finally, a copy of the final report will be given to the organization for transparency, lesson learnt and action to be taken by the organization, if it is necessary.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.1 General Information and Demographic Analysis of Respondents

This section deals with the analysis and interpretation of data collected from the survey questionnaire.

4.1.1 Information on Respondents Number

Table 4- 1: Response Rate of Respondents

No	Cluster	Sample size	Response			Response Rate
			Returned	completed	Incomplete	
1	Supervisors	29	29	29	0	100
2	Non- Supervisors	105	93	93	0	88.6
Total		134	122	122	0	91

(Source: Sample survey May, 2018)

As indicated in chapter 3: methodology parts, 134 respondents have been selected to collect raw data. The researcher distributed the questioners to 29 supervisors, 105 non- supervisors. All the questioners were administered by the responders themselves. However, in total 12 questioners from the non-supervisors responders were not returned back to the researcher, which shows in total 91% of the questioners were filled by the respondent and returned to the researcher. Hence, in total 122 responders (29 supervisors and 93 non-supervisors) had took part in this research.

4.1.2 Demographic Characteristics of the Respondents

In this section the demography of respondents is presented. It includes gender, age, educational status and work experience. The researcher divided the respondents in to two category to cross check their response in different ways.

Table 4- 2: Demographic Characteristics of the Respondents

Supervisor			Non-Supervisors			Total		
Freq.	%	Cum. %	Freq.	%	Cum. %	Freq.	%	Cum. %

Gender

Male	17	58.6	58.6	50	53.8	53.8	67	54.9	54.9
Female	12	41.4	100	43	46.2	100	55	45.1	100
Total	29	100		93	100		122	100	

Age									
26 - 35 YO	18	62.1	62.1	77	82.8	82.8	95	77.9	77.9
36 - 45 YO	4	13.8	75.9	10	10.8	93.5	14	11.5	89.3
Above 45 YO	7	24.1	100.0	6	6.5	100	13	10.7	100
Total	29	100		93	100		122	100	
Education									
Diploma	1	3.4	3.4				1	1	0.8
Degree	15	51.7	55.2	78	83.9	83.9	93	76	77.0
Masters	13	44.8	100.0	15	16.1	100.0	28	23	100.0
Total	29	100		93	100.0		122	100	
Years of Experience									
1 - 5 Years	7	24.1	24.1	43	46.2	46.2	50	41	41.0
6 - 10 years	10	34.5	58.6	30	32.3	78.5	40	33	73.8
11 – 15 Years	3	10.3	69	9	9.7	88.2	12	10	83.6
Above 15 Years	9	31	100	11	11.8	100	20	16	100
Total	29	100		93	100		122	100	

(Source: Sample survey May, 2018)

As the table shown above 67(54.9%) male and 55(45.1%) female have participated as a respondent in the research. With regard to their age majority of them (77%) are young between the ages of 26 to 35. In terms of educational background 76% are first degree holders and 23% are Masters Holders. The table shows that more than 99% of the respondents have an educational background of either first degree or Master's Degree. Among the supervisors category 55% are first degree and 44% are masters holders, where as in the non-supervisor group, 83.9% of the responders are first degree holders and about 16% account to masters. In terms of work experience in the organization, majority of the respondents (about 59%) have been working in the organizations above 5 years, which makes them relevant to be part of the sample as it is believed that they have enough experience with performance management system of the organization.

4.2. Analysis of research Questions

The data collected through questionnaire has encoded in to a software package called SPSS v24 to be analyzed and be able to answer the following basic questions of the study.

1. How does Ethio-Telecom creates understanding of its EPMS among its employee

2. How does employees of Ethio-Telecom participate in the performance management process?
3. How the performance management feedback do communicated to employees in Ethio-Telecom?
4. For what purpose does Ethio-Telecom use the performance evaluation results?

4.2.1 How does Ethio-Telecom creates understanding of its EPMS among its employee

1. Orientation or Induction on the organization’s mission, vision, and the process and objective of EPMS of the organization was provided by the supervisors to the non-supervisors.

Table 4- 3: Organization mission, goals and objective

Induction on Mission Vision and Objectives		Disagree	Neutral	Agree	Strongly Agree	Total	Mean
Supervisors	Freq.	4	2	16	7	29	3.90
	%	13.8	6.9	55.2	24.1	100.0	
Non-Supervisors	Freq.	8	9	54	22	93	3.97
	%	8.6	9.7	58.1	23.7	100	
Total	Freq.	12	11	70	29	122	3.93
	%	9.8	9.0	57.4	23.8	100.0	

(Source: Sample survey May, 2018)

The first question was focused on familiarity with the organizations’ vision, mission and objectives. The same question was asked for both supervisors and non-supervisors in a slightly different way. Supervisors was asked if they were providing induction or orientation on the organizations’ mission, vision and objectives when a new staff is assigned to their respective department. On the other hand, non-supervisors were asked if they have been oriented or got induction on the same subject when they joined the organization. This question was used to cross reference the consistency of the answers between the two respondents. As the table shows above, 16 (55.2%) supervisors and 54 (58.1%) non-supervisors responded that they agree that the organization mission, goals and objectives orientation is provided for new staffs. In total 57.4% responded agree and 23.8% responded strongly agree. On the other hand 9.8% (4 supervisors and

8 non-supervisors) respondents replied that they disagree. 11 respondents was not sure about this question and responded neutral. From the aggregate mean value of 3.93 for both respondents on this question, it can be seen that the majority (81.2%) have knowledge about the organizations' mission, vision and objectives. Since from the total sample of 122, about 81.2% of the respondents replied either agreed or strongly agree for the question mentioned in table 4-3. It can be conclude that Ethio-telecom has a timely practice of creating awareness on the mission, vision and objectives of the organization when new employee joined the organization.

2. Non-supervisors had received a Job Description (JD) in written form and it is clearly understood.

Table 4- 4: Job Description Received

Job Description Received	Strongly Disagree	Disagree	Agree	Strongly Agree	Total	Mean Value
Frequency	1	11	63	18	93	3.92
Percent	1.1	11.8	67.7	19.4	100	
Cumulative %	1.1	12.9	80.6	100		

(Source: Sample survey May, 2018)

This question was asked to non-supervisor to evaluate the formality of the organization in following its HR rules, and the level of awareness of the staffs about their duties and responsibilities. As indicated in the table above, 87.1% of the employee responded that they either agree or strongly agree that they had received their JD. About 11 respondents responded disagree and 1 responded strongly disagree. Hence, one can deduce from the mean value accounted of 3.92 that the overall response of the employees are positive on provision of JD and the organization is applying its HR though not consistently, as revealed by the 12 employees response of disagreement to this question.

3. Management members are skillful enough to effectively carry out the performance management process.

Table 4- 5: Management are skillful enough to carry out EPMS

Management are skillful to carryout EPMS	Disagree	Neutral	Agree	Total	Mean Value
Supervisors Freq.	8	10	11	29	3.10
Supervisors Percent	27.6	34.5	37.9	100.0	
Supervisors Cumu. %	27.6	62.1	100.0		

(Source: Sample survey May, 2018)

This question was asked to supervisors to evaluate the perception of the management members about their colleagues and level of confidence to carry out the EPMS. As skill is necessary to carry out any task successfully, the evaluation from this question would provide indication to the formal application of EPMS which has linkage with the quality, objectivity and fairness to the EPMS process. As indicated in the table above, 27.6% of supervisors responded disagree and 34.5% responded neutral. The number of supervisors responded agree account about 37.9%. Though the mean value of 3.1 could indicate a fair value, not small number of supervisors (62.1%) are disagree or not sure on their colloquies capacity to scientifically and objectively execute the EPMS. From this analysis one can conclude that at least a refreshment training or a detail guidelines on EPMS would be necessary for supervisors who perform EPMS.

3. The criteria’s for evaluation is based on observable and measurable characteristics of performance and behavior of the employee.

Table 4- 6: Objectivity of the Evaluation

Objectivity of the Evaluation		Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Total	Mean Value
Supervisors	Frequency		5	6	16	2	29	3.52
	Percent		17.2	20.7	55.2	6.9	100	
	Cumu. %		17.2	37.9	93.1	100		
Non-Supervisors	Frequency	4	20	28	39	2	93	3.12
	Percent	4.3	21.5	30.1	41.9	2.2	100	
	Cumu. %	4.3	25.8	55.9	97.8	100		
Total	Frequency	4	25	34	55	4	122	3
	Percent	3.3	20.5	27.9	45.1	3.3	100	

(Source: Sample survey May, 2018)

Both supervisors and non-supervisors were asked their perception on the objectivity of the EPMS. From the questioners result summery table above, 16 (55.2%) of supervisors respond as agree while 2(6.9%) of them respond strongly agree that the criteria’s for evaluation is based on observable and measurable characteristics of behavior of the employee. While 5(17.2%) of supervisors disagree for the same question, and 6 (20.7%) of the supervisors were not sure whether the criteria’s for evaluation is based on observable and measurable characteristics of behavior of the employee. The same question was asked to non-supervisors too.

Referring the same table above, one can see that most respondents 52 (55.9%) are not positive. 4 (4.3%) strongly disagree, 20(21.5%) disagree and 28 (30.1%) are not sure of it. However, 39 (41.9%) responded agree. Only 2 non-supervisors replied strongly agree on the objectivity of the criteria. Out of the total 122 respondent, 29 (23.8%) of the respondents do not believe that the organization performance management system follow an objective criterion evaluating the performance and behavior of its employees and 34 (27.9) are not sure of the objectivity of the criteria. However, 59 (48.4%) responded either agree or strongly agree for this question. One fact revealed here is that supervisors are more in favor of saying the criteria are objective but non-supervisors answer inclined to the reverse. In line with the above analysis, and also evidenced by the mean value of 3.52, it can be infer that the criteria’s for evaluation is based on some observable and measurable characteristics of employee performance and behavior, while still there is a lot of rooms to improve and communicate with the staffs.

4.2.2 How do employees of Ethio-Telecom participate in the EPMS process?

1. Staffs participate in performance planning, assessment and review stages.

This question was asked for both the supervisors and non-supervisors slightly in a different way. Supervisors were asked if they participate employees in the performance planning, assessment and review stage. Non-supervisors were asked if their supervisor had given them a chance to participate in the performance planning, assessment and review stages.

Table 4- 7: Staffs participate on EPMS process

Staffs participate on EPMS process		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Mean Value
Supervisors	Freq.	1	8	9	11		29	3.03
	Percent	3.45	27.59	31.03	37.9		100	
	Cum. %	3.45	31.03	62.07	100			
Non-Supervisors	Freq.	4	27	10	40	12	93	3.31
	%	4.3	29	10.8	43	12.9	100	
	Cum. %	4.3	33.3	44.1	87.1	100		
Total	Freq.	5	35	19	51	12	122	3.17
	Percent	4.1	28.7	15.6	41.8	9.8	100	

(Source: Sample survey May, 2018)

The response from both groups could be easily compared in the table and see the reliability of the information generated from this analysis. From the table shown above, one could understand that 62.07% of supervisors and 44.1% of non-supervisors agreed that there is limited room for participation. 8 (27.5%) and 1 (3.4%) supervisors replied disagree and strongly disagree respectively. 9 (31.03%) responded not sure to agree or disagree with the subject, and only 11 (37.9%) of supervisors responded agree on participation of staffs in the EPMS. On the other hand, regarding to non-supervisors, 31(33.3%) replied either strongly disagreed or disagree, and 10 (10.85%) are neither agree nor disagree. 52 (55.9) of non-supervisors responded either agree or strongly agree. The fact here is 12 (12.9%) non supervisors responded strongly agree while non said anything in the supervisor category. The mean value for non-supervisors on participation shows a higher value than the same value for supervisors. This indicates that non-supervisors are feeling a bit positive on participation in EPMS than supervisors. This inconsistency may be resulted from the different point of view of participation by supervisors and non-supervisors as evidenced from the inconsistent response of non-supervisors on EPMS fairness and transparency question below. For supervisors, participation is all about engaging in the big picture of Employee Performance Management system (EPMS), while for non-supervisors, participation could mean just involving in the Employee performance appraisal process. Nevertheless, from the overall analysis of participation in EPMS, one can conclude that there is still a gap at the highest level, more of strategical and developmental, but relatively better participation at the lower hierarchical level.

2. The EPMS process is fair and transparent

Table 4- 8: Fairness and Transparency of EPMS Process

Fairness and Transparency of EPMS	Strongly Disagree	Disagree	Neutral	Agree	Total	Mean Value
Frequency	4	27	30	32	93	2.97
Percent	4.3	29.0	32.3	34.4	100	
Cumu. %	4.3	33.3	65.6	100		

(Source: Sample survey May, 2018)

As per the table shown above, 32 (34.4%) of the non-supervisor responded Agree that the EPMS system is fair and transparent. However, majority of the responders 61 (65.6%) replied either strongly disagree (4.3%), disagree (29%) or not sure (32.3%), which indicates a significant portion of the responders could not confirm the fairness and transparency of the EPMS process. From the response analyses and the respective mean value of 2.97, one can see that the EPMS process is not considered quite fair and transparent by non-supervisors while 65.9% of them replied that they are participating in the EPMS process which is inconsistent with the transparency aspect of this question.

3. There is an appealing procedure for employee if he/she is not happy with his/her performance assessment result

Table 4- 9: Complaint Mechanism on EPMS

There is a complain mechanism on the EPMS result	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Mean Value
Frequency	4	19	10	47	13	93	3.49
Percent	4.3	20.4	10.8	50.5	14	100	
Cumulative Percent	4.3	24.7	35.5	86	100		

(Source: Sample survey May, 2018)

This question on feedback mechanism was asked to non-supervisors to evaluate both the existence of participation and the methodology of participation. Complain mechanism is one way of ensuring participation. From the data in the table above, it is evident that 64.4% of non-supervisors responded there is a complaint mechanism exercised by the organization. 4 employees responded strongly disagree, 19 (20.4%) disagree and 10 (10.8%) are replied neutral on this subject. However, the number of agree and strongly agree replay account about 50.5% and 14% respectively. The mean value of 3.49 also indicate in general above average for this questioner. The interpretation could be then that the organization performance management system encompasses an appealing procedure in the system.

4.2.3 How the EPMS feedback do communicated to employees in Ethio-Telecom?

1. Employees receive feedback on their performance on a timely basis and the feedback includes both strength and weakness areas to improve.

Different questions were asked both the supervisors as well as the non-supervisors to evaluate communication of performance management feedback.

Table 4- 10: Feedback on EPMS Result

I got feedback on my performance		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
		Disagree	Disagree	Neutral	Agree	Agree	Total
Non-Supervisors	Freq.	4	17	24	44	4	93
	%	4.3	18.3	25.8	47.3	4.3	100
	Cum. %	4.3	22.6	48.4	95.7	100	

(Source: Sample survey May, 2018)

As seen in the table above, from the response gathered through the questioners what we can observe is that, 44 (47.3%) of non-supervisors agrees and 4 (4.3%) strongly agrees that they received feedback on their performance, while 24 (25.8%) of respondents were replied neutral. 17(18.3%) responded disagree and the rest 4 (4.3%) responded strongly disagree. Overall 51.6% of the responders confirmed that they received feedback. This indicates that there is a practice of feedback provision while carrying out EPMS activities.

Table 4- 11: EPMS is timely

EPMS is timely		Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Total	Mean Value
		Disagree	Disagree	Neutral	Agree	agree	Total	Mean Value
Supervisors	Freq.		2	5	20	2	29	3.76
	Percent		6.90	17.24	68.97	6.90	100	
	Cum. %		6.90	24.14	93.10	100		
Non-Supervisors	Freq.	4	17	15	50	7	93	3.42
	%	4.3	18.3	16.1	53.8	7.5	100	
	Cum. %	4.3	22.6	38.7	92.5	100		
Total	Freq.	4	19	20	70	9	122	3.59
	Percent	3.3	15.6	16.4	57.4	7.4	100	

(Source: Sample survey May, 2018)

On the other hand, the timeliness of the feedback were asked to the same respondents and the response indicate that about 57 (61.3%) replied agree or strongly agree. 15 respondents were neither agree nor disagree whereas 17 responded disagree and 4 strongly disagree to the timeliness of the feedback issue. Hence, it's right to conclude that employees working in the organization under study received useful feedback that is capable of improving their performance. From supervisors response, we can see that 22 (75.87%) agree that the feedback is provided on time. Only 2 supervisors replied they disagree and 5 responded neither agree nor disagree. Overall, 64.8% of the respondents replied either agree or strongly agree on the timelines of the feedback.

Table 4- 12: : Feedback includes strength and weakness

Feedback provided to staffs include strength and weakness		Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Total	Mean Value
Supervisors	Freq.	1	3	3	21	1	29	3.62
	Percent	3.40	10.30	10.30	72.40	3.40	100	
	Cumu. %	3.40	13.80	24.10	96.60	100		

Feedback provided to staffs include strength and weakness		Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Total	Mean Value
Non-Supervisors	Freq.	9	26	48	10		93	3.63
	%	9.7	28	51.6	10.8		100	
	Cumu. %	9.7	37.6	89.2	100			
Total	Frequency	10	29	51	31	1	122	3.63
	Percent	8.2	23.8	41.8	25.4	0.8	100	

(Source: Sample survey May, 2018)

With regard to the content of the feedback, majority 73% of both the supervisors and non-supervisors responded either strongly disagree, disagree or neutral on this subject. However, about 26% responded agree that the content of feedback includes both strength and weakness. This question was asked to infer the objectivity of the EPMS. From all the data gathered and analyzed on feedback provided on a timely and objective manner, one can conclude that the feedback was indeed provided but the response indicated that it was provided a bit late and was not include all the strength and weak points. This has some implication on the objectivity of the EPMS in general and feedback provided in particular.

1. There is a self-evaluation practice before performance review meeting

Table 4- 13: Availability of Self-evaluation

Availability of Self-Evaluation	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Mean Value
Frequency	4	28	21	35	5	93	3.1
Percent	4.3	30.1	22.6	37.6	5.4	100	
Cumulative Percent	4.3	34.4	57.0	94.6	100		

(Source: Sample survey May, 2018)

This question was also asked for non-supervisors to evaluate if there is feedback after a self-evaluation. From the table above it is indicated that 4 (4.3%) responded strongly disagree, 28(30.1%) responded disagree and 21 (22.6%) replied neutral, which shows cumulatively 57% was not in a position to confirm that there is a self-evaluation practice in their department. However, 35(37.6%) and 5 (5.4%) was responding agree and strongly agree respectively, which shows inconsistent practice among different departments. Therefore, it could be right to conclude seeing the mean value 3.1 shows that self-evaluation practice is available in the organization but not consistently applied across different departments.

Table 4- 14: EPMS measurement is in line with agreed Standard

Performance is measured based on agreed standard	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total	Mean Value
Frequency	3	29	14	22	25	93	3.4
Percent	3.2	31.2	15.1	23.7	26.9	100	
Cumulative Percent	3.2	34.4	49.5	73.1	100		

(Source: Sample survey May, 2018)

To evaluate the objectivity of the feedback from a different angle, non-supervisors were asked if the EPMS measurement is in line with the agreed standards they are aware of at the beginning. The data gathered indicated that 3(3.2) strongly disagree, 29(31.2%) responders replied disagree while 25(26.9%) responded strongly agree and 22(23.7%) responded agree and 14(15.1%) are neutral. From the data, mean of 3.4, it can be deduced that the EPMS measurement in the organization is in line with the agreed standards, with some improvement still to make.

In general, from the data gathered and analyzed, one can conclude that there is a feedback provided after the EPMS is carried out. However, the time to provide feedback takes longer time than the

stipulated in the HR manual and not consistently applied across all the departments.

4.2.4 For what purpose does Ethio-Telecom use the performance evaluation results?

To answer this research question a number of questioners was distributed to supervisors and non-supervisors to evaluate the applicability of the EPMS result.

1. My rater gives Equivalent rating to all to Avoid Resentment and Rivalries

Table 4- 15: Equal Rating to avoid conflict

Equal Rating to avoid conflict	Disagree	Neutral	Agree	Strongly Agree	Total	Mean Value
Frequency	15	38	38	2	93	3.29
Percent	16.1	40.9	40.9	2.2	100	
Cumulative Percent	16.1	57.0	97.8	100		

(Source: Sample survey May, 2018)

This question was asked to non-supervisors to evaluate whether the EPMS result is objective, relevant, and fair and is applicable to the intended purpose. As indicated in the table above, 38(40.9%) responders replayed agree and same number of supervisors also responded neutral, meaning in doubt. On the other side, only 2 responded strongly agree while comparatively a larger number 15 (16.1%) responded disagree. The answer disagree under this context mean the rater is not compromising the result for the sake of personal relationship, but provide feedback appropriately and rightfully. Therefore, in cumulative, 78(84%) of the responders replied either in doubt, or agree or strongly agree indicating that the rater is providing feedback more or less equal to avoid conflict. This could have implication on the usefulness and applicability of the result in the time to come.

2. How EPMS is used for decision making

Table 4- 16: EPMS is Useful for decision making

EPMS is useful for decision making	Disagree	Neutral	Agree	Total	Mean Value	
Supervisors	Freq.	4	13	12	29	3.28
	Percent	13.8	44.8	41.4	100.0	
	Cumu. %	13.8	58.6	100.0		

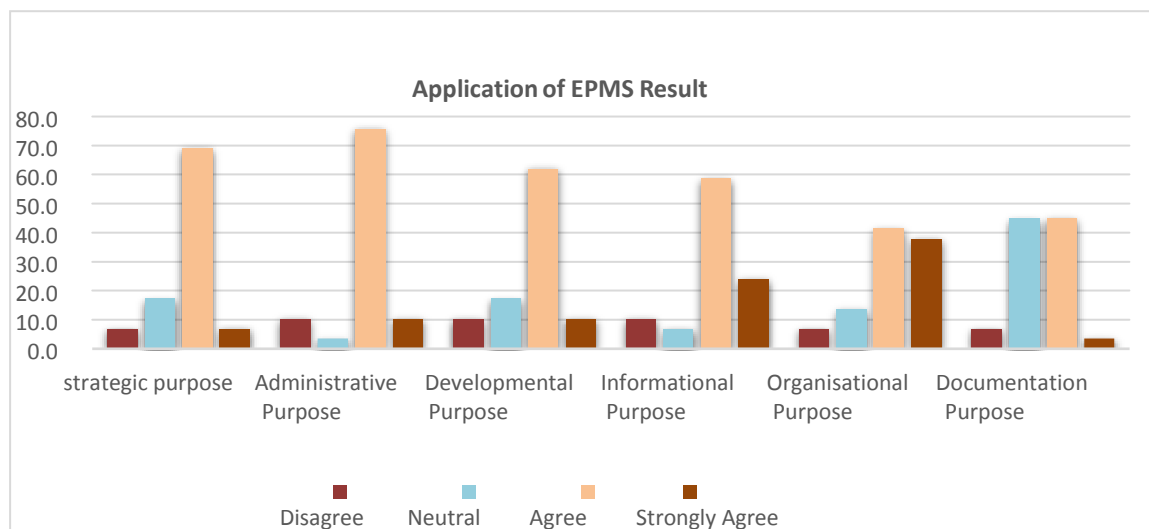
(Source: Sample survey May, 2018)

It is obvious that Organizations use EPMS results to make various decisions. Since, supervisors are management members, it is expected that they know evaluation result is useful for decision making. This question was asked somehow related to the previous question in a sense that the result provided is objective, not compromised with personal interest and the result is useful for decision making. The data gathered indicates EPMS result is used for decision making. However, more supervisors are responded neither agree nor disagree and 4 replied disagree. From this and the average mean value of 3.28, we can conclude that the EPMS result is not strongly used in the decision making.

3. Application of EPMS Result

This question was asked to evaluate whether the EPMS result is taken in to account in making HR related decision and to what purpose is the EPMS result is most applicable. The six purposes (Strategic, Administrative, developmental, informational, documentation and organizational maintenance) were listed to be rate independently without comparison to each other.

Figure 4- 1: Application of EPMS Result



The response is summarized in the graph above. According to the data gathered, about 75% of supervisors responded that the result from EPMS is used for administrative purpose than any other purposes. By referring administrative purpose, they are meaning that the EPMS result would be taken in to consideration when HR make a decision related with salary adjustments, promotions, employee retention or termination, recognition of superior individual performance, identification

of poor performers, layoffs, merit increases. The second and third most area of application mentioned by the supervisors were strategic and Development purpose which accounts 69% and 62%. As a strategic purpose, performance management system should create alignment between organizational goal and individual goal so that employee can show the desired behavior. On the other hand, developmental purpose is to refer to create a fertile ground whereby managers coach employees and help them improve performance on ongoing basis. Finally Documentation Purpose of performance management systems allow organizations to collect useful information that can be used for several documentation purposes. This information can be used to validate newly proposed selection instruments and especially useful in the case of litigation.

CHAPTER FIVE

MAJOR FINDINGS, CONCLUSION AND RECOMMENDATION

5.1 Summary of major Findings

From the data gathered and scrutinized in the previous chapters, interpretation was made based on a descriptive analysis and the following interesting findings were identified.

1. The finding on the activities of the company with regard to awareness creation on EPMS shows that induction is provided to new employees on the company's mission, vision and objectives when they joined the company. The organization has practice of furnishing job description to employees. The majority of respondents confirmed by retrospective memory that they have got the orientation on mission, vision and objectives of the organization when they had joined the company. The provision of JD in line with the HR standard operating procedure (SOP), significant no of employee reinforces the finding that employees are aware of the Mission, vision and objectives of their organizations and are clearly understood what is expected of them. However, the practice was not consistently and regularly applied by all the respective department supervisors, so then some employees replied the reverse.
2. It was also found out that some of the supervisors do not have the necessary capacity to carry out EPMS activities fairly, transparently and objectively. This was confirmed by majority of the supervisor's response on the capacity of their colleagues to execute EPMS work.
3. The criteria's for evaluation is found to be based on some observable and objectively measurable characteristics of employee performance and behavior.
4. The data analyzed also shows that there is self-evaluation practice, but it is not consistently applied across different departments.
5. On the level of Staffs participation on the EPMS process, it was found out that non-supervisors are feeling a bit positive on participation in EPMS than supervisors. Majority of non-supervisors replied that they are participating in the EPMS process while some of supervisors responded the availability of participation. This seems controversial but the meaning of participation perceived by supervisors and non-supervisors was different.

Supervisors consider participation as involvement in the overall EPMS strategical design and implementation while non-supervisors was assumed participation as involvement in the performance appraisal process. This difference of concept of participation by the two group (supervisors and non-supervisors) was emerged from their position and responsibilities in the organization. Therefore, it was found that participation at higher level is quite limited whereas participation at lower level is good.

6. In terms of fairness and transparency, a significant portion of the respondents could not confirm the fairness and transparency of the EPMS process. Though the organization performance management system encompasses an appealing procedure in the system, but its practicality was rose as an issue.
7. On the feedback issue, it was found out that feedback was indeed provided but the response indicated that it was provided a bit late and was not include all the strengths and areas of improvements. Moreover, the response shows that most raters are providing feedback more or less with equal value among the employees mainly to avoid conflict.
8. In terms of the application of EPMS result with respect to the intended purpose, percentage analysis indicated administrative, strategic and developmental purposes as the widely applied areas of EPMS result. However, the more rigorous mean analysis revealed that documentation, organizational maintenance and informational purposes are the most cited purposes the organization is applied the EPMS results to.

5.2 Conclusion

For any types of organizations implementation of effective performance management system is important for achieving organizational objectives. This can be attained by developing and improving the performance of individuals and teams. Knowing the correct way how to manage and implement employee's performance management system is then crucial. Thus, based on the major findings stated above, the following conclusions can be drawn

Ethio-telecom has a good culture in creating awareness on its mission, vision, objectives and in providing formal written job description when new employees joined the organization. its evaluation criteria is also based on observable and measurable characteristics of performance and behavior of employees. But still a lot of rooms to improve and communicate with the stuffs.

Concerning evaluating skills, the management members are not skilled enough to effectively carry out the performance management process as most of the supervisors who are responsible to carry out the EPMS are of technical background lacking the necessary HR skills. There was also a participation gap at the highest top management level as supervisors were not well involving in the overall EPMS policy development and strategic design. However, relatively better participation at the lower hierarchical level was confirmed. The finding also shows its PMS process is not as such fair and transparent. There is an average appealing procedure for employee if he/she is not happy with the performance evaluation result but its practicability is quite questionable. The feedback communication system is good but employees are not receiving the feedback on time and raters are tending to provide relatively equal score among different employees they rate, which could have some implication on the objectivity of the EPMS in general and feedback provided in particular, and significantly affects the usefulness and applicability of the result in the time to come. Therefore, EPMS result is not strongly linked with the decision making process and is not well applied to its intended purposes but rather its application mainly focused on the documentation, organizational maintenance and informational purposes.

5.3 Recommendation

On the basis of the findings and conclusions made above, the researcher has forwarded the following recommendations.

- Ethio-Telecom should provide a continuous training program for management members on EPMS to enable them effectively carry out the system and ensure it is participatory, objective, fair and transparent.
- The organization should create a system through which employees could participate in every aspects of performance management process, and ensure its practicality
- The EPMS should consistently and regularly applied among different departments of the organization and link the result with the decisions to be made.
- The company should use the EPMS results for their intended purpose providing a faire attention to all purposes taking in to account their relevance, priority and applicability

(Strategic, Administrative, Informational, Developmental, Organizational maintenance and Documentation).

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APPENDIX 1 – Questionnaire for Non-Supervisors

Addis Ababa University
School of Commerce

Questionnaire to be Filled by Non-Supervisors of Ethio-telecom

Dear Respondent

I would like to thank you in advance for your willingness in filling in this questionnaire. The purpose of the questionnaire is to collect primary data from employees for the study titled “**Assessment of Employee Performance Management System in Ethio-telecom**” as a partial fulfillment of the Master of Arts Degree in human resource management at Addis Ababa University School of Commerce. For the successful achievement of the study, your genuine response for the questions is important and I assure you that your responses will be confidential.

If you have any question, please contact me at Mobile: 0912173698 or e-mail:s0912173698@gmail.com

Instruction

No need to write your name

Answer by making a √ mark,

Part I- Demographic Profile

- 1. Gender: Male Female
- 2. Age: below 25 26-35 36-45 Above 45
- 3. Educational Background: Vocational Education/Certificate College Diploma
Degree Masters PhD
- 4. Your current position in Ethio-telecom: Top level Manager Supervisor
professionals and experts support staff
- 5 Years of experience in Ethio-telecom 1-5 6-10 11-15 Above15

Part II – Questions on Research Objectives

No	Questions	Strongly Disagree(1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree(5)
1	I got orientation on the organization’s mission, vision, objective and the process of performance management system of my company					
2	I received my Job Description (JD) in written form and it is clearly understood.					
		Strongly	Disagree	Neutral	Agree	Strongly

		Disagree(1)	(2)	(3)	(4)	Agree(5)
3	The criteria's for evaluation is based on observable and measurable characteristics behavior of the employee					
4	The Employee Performance Management process is fair and transparent					
5	My rater frequently lets me know how I am doing.					
6	Performance evaluation is considered as important task by my rater					
7	My rater gives Equivalent rating to all to Avoid Resentment and Rivalries					
8	My supervisor gives me a chance to participate in performance planning, assessment and review stages					
9	My performance was measured based on the agreement I set with my supervisor					
10	There is a self-evaluation practice before performance review meeting					
11	I get timely feedback from my supervisor					
12	The feedback I get is both on the positive as well as on those which needs improvement					
13	There is an appealing procedure for me if I am not happy with my performance result					
14	Information generated through performance evaluation is used to motivate subordinates through recognition, promotion and support.					

Thank You

APPENDIX 2 – Questionnaire for Supervisors

Addis Ababa University

School of Commerce

Questionnaire to be Filled by Supervisors of Ethio-telecom

Dear Respondent

I would like to thank you in advance for your willingness in filling in this questionnaire. The purpose of the questionnaire is to collect primary data from employees for the study titled “Assessment of Employee Performance Management System in Ethio-telecom” as a partial fulfillment of the Master of Arts Degree in human resource management at Addis Ababa University School of Commerce. For the successful achievement of the study, your genuine response for the questions is important and I assure you that your responses will be confidential.

If you have any question, please contact me at Mobile: 0912173698 or e-mail:s0912173698@gmail.com

Instruction

No need to write your name

Answer by making a √ mark,

Part I- Demographic Profile

1. Gender: Male Female
2. Age: below 25 26-35 36-45 Above 45
3. Educational Background: Vocational Education/Certificate College Diploma Degree Masters PhD
5. Your current position in Ethio-telecom: Top level Manager Supervisor professionals and experts Support staff
4. Years of experience in Ethio-telecom: 1-5 6-10 11-15 Above 15

Part II. Questions on Research Objectives

No.	Questions	Strongly Disagree(1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree(5)
1	I provide proper orientation/induction on the organization’ s mission, goals and objective to newly recruited employee					
2	The criteria’s for evaluation is based on observable and measurable characteristics behavior of the employee					

		Strongly Disagree(1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree(5)
3	I consider performance evaluation as one of my important task					
4	The employee performance management system of my organization is easy to use and useful for decision making					
5	Mmanagement members are skilled enough to effectively carry out the performance management process					
6	I took developmental training on how to improve my evaluation skill					
7	staffs participate in performance planning, assessment and review stages					
8	Senior managements are committed to the successful implementation of employee performance management system					
9	The feedback I provide to employee is both on the positive and on those areas which needs improvement					
10	My organization ensures timely completion of performance evaluations of employees					
11	The data found from performance evaluation is used for					
	• Strategic Purpose					
	• Developmental Purpose					
	• Administrative Purpose					
	• Informational Purpose					
	• Organizational Maintenance purpose					
	• Documentation Purpose					
12	The organization has a system for continuous noting and documenting the performance.					

13. To what extent is performance management system of Ethio-Telecom meeting its intended purposes?

High

Moderate

Low

Not sure