



St. Mary's University

**The Practice and Challenges of Performance
Management System at Pact Ethiopia**

By: Selamsew Tesfaye

Advisor: Tilaye Kassahun (PhD)

**July 3, 2015
Addis Ababa**

The Practice and Challenges of Performance Management System at Pact Ethiopia

A thesis report submitted to School of Business and Economics, in Partial Fulfillment of
the Requirements for the Degree of
Master of Arts in Business Administration- HRM Concentration (MBA)

By: Selamsew Tesfaye

July 3, 2015
Addis Ababa

St. Mary's University
School of Graduate Studies

**The practice and challenge of performance management
system at Pact Ethiopia**

By: Selamsew Tesfaye

Approved by the Board of Examiners

External Examiner

Name: _____

Signature: _____

Date: _____

Internal Examiner

Name: _____

Signature: _____

Date: _____

Advisor

Name: _____

Signature: _____

Date: _____

Confirmation chairperson, Department Graduate Committee

Name: _____

Signature: _____

Date: _____

Contents	
List of tables.....	5
List of Figures	6
Abbreviation.....	7
Abstract	8
Chapter I.....	10
INTRODUCTION	10
1.1 Background of the Study	10
1.2 Background of Pact Ethiopia	11
1.3 Statement of the Problem.....	12
1.4 Research Questions	13
1.4 Objectives of the Study	13
1.5 Significance of the Study	13
1.6 Scope of the Study	14
1.7 Limitations of the Study.....	14
1.8 Definition of Key Terms	14
1.9 Organization of the Research Report	15
Chapter II	16
LITRATURE REVIEW	16
2.1 Defining Performance Management Processes	16
2.2 Purpose and Benefit of Performance Management	17
2.3 Performance Management Process	19
2.4 Performance Measurement and Performance Appraisal.....	20
2.4.1 Performance Measurement	20
2.4.2 Performance Appraisal.....	20
2.5 Factors Affecting Effective Performance Management Process	22
2.6 Critical Factors to Effective Performance Management Processes	23
2.7 Pact Ethiopia Performance Management System	24
RESEARCH DESIGN AND METHODOLOGY	27
3.1 Research Design.....	27

3.2 Data Sources and Collection Instruments	27
3.3 Population of the Study.....	27
3.5 Sampling technique and sample size	28
3.6 Methods of Data Analysis.....	28
Chapter IV	29
DATA PRESENTATION AND ANALYSIS.....	29
4.1 Introduction.....	29
4.2 Clarification and Communication of Organizational Vision and Mission	31
4.3 Planning of Performance Assessment.....	32
Goal Setting, Alignment of Objectives, Clarify of Expectations and Roles.....	34
4.4 Change Management	36
4.5 Performance Measurement	37
4.6 Tracking of Performance and Provision of Feedback.....	41
4.7 Facilitation of Conducive Working Environment.....	44
4.8 Utilization of the Performance Appraisal Results	45
4.9 Understanding of the Performance Assessment	48
4.10 Challenges.....	49
4.11 Appraisal of Pact Performance Management System.....	51
Chapter V	53
SUMMERY, CONCLUSION AND RECMENDATION.....	53
5.1 Summary	53
5.2 Conclusion	54
5.3 Recommendations.....	55
References.....	56
Annex.....	58
Data collection tool.....	58

List of tables

Table 1 Participants by sex, age and position	29
Table 3 Participants educational level and year of service	31
Table 4 Participation in performance appraisal	33
Table 5. Knowledge of responsibilities and clarity of performance expectations	34
Table 6. Inclusion of success criteria in plans	36
Table 7. Change management.....	37
Table 8. Identification of most important competencies	38
Table 9. Objectivity of the performance evaluation	40
Table 10 Recording keeping and work autonomy	41
Table 11. Feedback provision	42
Table 12. Feedback, mentoring and coaching	44
Table 13 Utilization of the performance appraisal for staff development.....	46
Table 14. Use of performance evaluation for administrative purpose.....	47
Table 15 Clarification of the performance appraisal	48
Table 16. Worthiness and fairness of the performance appraisal	50
Table 17. Study participants rating of Pact’s performance management system	51

List of Figures

Figure 1 Study participants by department30

Figure 2 Getting chance to participate in performance.....33

Figure 3 Staff open discussion on performance problems.....43

Figure 4 satisfaction by involvement in issues that affect the employee.....45

Abbreviation

PA: Performance Appraisal

PM: Performance Management

NGO: Non-Governmental Organization

HRM: Human Resource Management

HR: Human Resource

IAP: Individual Accountability Plan

OPM: Organizational Performance Management

Abstract

This study was undertaken to assess the practice and challenges of performance management system at Pact Ethiopia. The study was a descriptive type of study applying both qualitative and quantitative methods. Stratified sampling method was used to select employees from different departments of Pact for the quantitative aspect of the study while purposive sampling technique was used to select key informants for interview. A total of 98 employees of Pact Ethiopia Addis Ababa office participated in the study. Data were collected through interview and self-administered questionnaires. Descriptive statistics that included frequency and percentage were undertaken as a measure of central tendency. Narrative approach was adapted for the qualitative data analysis. The findings showed that the performance management system as stated in the performance management guideline of the organization is sound. Nevertheless, the findings of the practice analysis led to the conclusion that the performance management system as a whole and the application and use of the performance appraisal for performance improvement or administrative ends is very weak. Based on the findings suggestions were forwarded: revising the purpose of the performance appraisal in light of its practical use, improving the objectivity and measurability of the criteria and giving emphasis for the utilization of the performance appraisal results for staff development and administrative decisions in a timely and consistent manner.

Acknowledgements

I would like to express the deepest appreciation to my employer Pact Inc. that sponsored my study and provided flexible working days to complete this thesis. I am also thankful to my colleagues at Pact who helped me a lot in responding the questionnaire through writing and interview; otherwise it would have not been possible to complete the survey if your commitment and attention towards my survey were fully cooperative and willful to survey.

I would like to give special thanks to my wife, Venus Engidasew and my daughters Saron and Mariamawit for being helpful and make me happy always. I really appreciate you, without your support I will not be able to achieve my study.

It is with immense gratitude that I acknowledge Ato Yemane Kejela who always welcome me courteously and committed his time, from his tight working days, to help me get answer to my questions and also understanding me to give time for my study during my regular working hour. I would like to say to him, please keep on such great personality.

I would also like to express my appreciation and special thanks to my advisor, Dr. Tilaye Kassahun, for sharing his experience and feedbacks with me during my research.

May God Bless you All!

Chapter I

INTRODUCTION

1.1 Background of the Study

Performance appraisal practices are now considered as one of the key contributing factors to the success of an organisation. But in Ethiopia it is relatively a less utilized human resource practice in the NGO sector. Very few organisations are putting increased emphasize on performance appraisal to identify the strengths and weaknesses of their employees to improve their productivity, which in turn helps the organisations to gain competitive advantage with human resources. These organisations have realized that a well developed performance appraisal process can be useful for assessment of employee training needs, employee merit appraisal, determining of employee salary, feedback and suggestion for performance development Levin,(1986).

Moreover, performance appraisal can be used as a motivational tool for communicating performance expectations to employees and providing them with feedback Thomas & Bretz,(1994). So, like any other organisations, performance appraisal plays a vital role in non-governmental organisations (NGOs) as well as Chowdhury, (2011) explored that high level employee turnover is prevailing in the NGO sector of Ethiopia. The reasons for high turnover can be related with several human resources challenges as identified by studies in Ethiopia.

In Ethiopia, NGOs expanded in Ethiopia after the 1977(E.C) famine. NGOs are active in the efforts of international development and increasing the welfare of poor people in poor countries Werker & Ahmed,(2007). According to these authors, “NGOs work both independently and alongside bilateral aid agencies from developed countries, private-sector infrastructure operators, self-help associations, and local governments”. NGOs in Ethiopia stand out from the traditional associations. Currently, there are ...international and ...indigenous NGOs operating in Ethiopia. This large number indicates that NGOs play as dynamic entities in the development of Ethiopia.

As the NGOs are human resources intensive organizations, it is very usual that the performance of the NGOs will depend on employee performance. It is evident that trying to

explore performance appraisal within the organizational context can help not only to improve the organization's performance but also provides an opportunity to contribute in the performance appraisal research Bernardin & Villanova, (1986).

With this background, the study was conducted to assess the performance management practices of Pact Ethiopia with more emphasis on performance planning, performance assessment practice, and objectives of assessment results and problems encountered during the process.

1.2 Background of Pact Ethiopia

Pact has started operating in Ethiopia since 1995 and legally registered in 1996. With the mandate of building the institutional capacity of local NGOs and implementing different programs. Pact is managing a variety of projects in partnership with diversified donor base, which has been indicated in Pact HR Manual revised April 2013. Pact has a country strategy plan which is updated every five years.

Pact Ethiopia is a branch of Pact, Inc. which is American based international NGO. Pact, Inc.'s mission is to help build strong communities globally that provide people with an opportunity to earn a dignified living, raise healthy families, and participate in democratic life. Pact, Inc., which is also referred to as Pact Headquarters, achieves this by strengthening the capacity of grassroots organizations, coalitions and networks and by forging linkages among government, business and citizen sectors to achieve social, economic and environmental justice. Pact Ethiopia is part of this strong linkage.

Pact aspires to see a peaceful and prosperous nation whose citizens' social, economic and environmental wellbeing is sustainably ensured. With a mission of attainment of sustainable and equitable development through enhancing capacity development actors and communities, and by promoting partnership and intersectional linkage.

Pact Ethiopia accomplishes these by:

- Forging partnerships with development actors;
- Employing a range of innovative development models and tools with the aim of replication; and

- Enhancing capacity, and networking (Pact Ethiopia HR manual).

Currently, Pact is implementing five projects with an estimated grant of USD 150M. The major active projects are education, child welfare, hygiene and sanitation, livelihood and NRM projects. To this effect, it has a total of 98 employees. The organization operates in all regions of the country.

1.3 Statement of the Problem

At an organizational level, the performance management system impacts other HR systems as well as organizational strategy. In today's dynamic world the success of the organization highly depends on the excellence and commitment of its employees. In order to ensure sustained productivity and success of members of staff, each organization has to carry out employee performance management from time to time so as to keep them in check and replace, motivate, retrain or take any other appropriate action.

According to Armstrong (2006) Performance management focuses on future performance planning and improvement rather than on retrospective performance appraisal. It functions as a continuous and evolutionary process, in which performance improves over time; and provides the basis for regular and frequent dialogues between managers and individuals about performance and development needs.

In the context of the NGOs operating in Ethiopia, the use of performance management system seem ineffective given performance is not attached to staff development or administrative measures in most cases. The case of Pact is not different from this general perception. As a key staff of the human resource department of Pact, which is working with more than 500 implementing partners in Ethiopia, the researcher has observed that the management feels as the employees do not pay due attention to the performance management system. Yet, there is no systematic analysis of the situation hampering the leadership ability to take practical measures to influence the system in the desired manner as the management's effective intervention largely depends on its understanding of the situation.

In light of the above point, this research, therefore, intended to examine the practice of employee performance management practice of the organization, identify its constraints and come up with plausible action points so as to enhance the effectiveness of the performance management system.

1.4 Research Questions

The basic research questions of the study are:

1. What is the practice of performance management system (in terms of performance planning, assessment practice and its use) look like at Pact Ethiopia? and
2. What are the factors that are affecting the effectiveness of the performance management system?

1.4 Objectives of the Study

The general objective of the study is to assess the practice and challenges of performance management system at Pact Ethiopia.

The specific objectives include:

- To examine whether there is an alignment between the staff evaluation criteria and the organization's overall goals.
- To assess the practice of individual work plan and joint planning
- To examine the practice of staff performance appraisal system and its regularity
- To identify the sources of information used in assessing the staffs and validity of the information for decision purpose.
- To determine the purpose for which the performance evaluations are used
- Identify the drawbacks in implementing the current performance appraisal system of the organization and produce the findings for decision making.

1.5 Significance of the Study

Peoples are firm's one core asset. Hence, organizations must give due attention to this core asset because organizations success highly depend on the quality of their employees.

The study therefore, will have greater input to the human resource practitioners, especially in the context of non-profit organizations, who design and administer performance management systems. It will also help to identify important elements that have to be considered during performance planning, assessment and the use of the evaluation results so as to make the system effective in measuring the contribution of employees.

In addition based on the findings of this study, the management body of Pact could take practical measure to improve the performance management system of the organization with the ultimate goal of enhancing the staff and organization performance.

1.6 Scope of the Study

The study was focused on the assessment of the performance management practices of Pact Ethiopia. The researcher emphasized on performance planning, assessment, the application of the assessment results and problems encountered in the implementation of the system. Even though pact has offices worldwide this research was focused on Ethiopian office only.

1.7 Limitations of the Study

The study focus was limited on performance planning, assessment and the application of the evaluation results and problems encounter. Yet, these are not the only components of performance management system. As a result, the study is limited to some elements of the total system.

1.8 Definition of Key Terms

Performance Management System: Processes used to identify, encourage, measure, evaluate, improve, and reward employee performance.

Performance Appraisal (PA): The process of evaluating how well employees perform their jobs when compared to a set of standards, and then communicating that information to those employees.

1.9 Organization of the Research Report

There are five chapters in this study. The content of each chapter is summarized in the report as below.

Chapter 1 of the study presents background information, brief information of part Ethiopia, the problem statement, the objective and significance of the study, research questions, definition of terms, limitation & scope of the study including chapter plan.

Chapter 2 of the study covered literature review on performance appraisal/management system.

Chapter 3 deals with methodology and procedures used in this study. It encompasses introduction, study of the sample size, description of the sample subjects, research instrumentation and description of the procedures.

Chapter 4 described the finding analysis and interpretation of the study with sub topics introduction, details of respondents and general observations.

Chapter 5 highlighted the implications based on the results, it includes summary of major findings, conclusions, recommendations and finally suggestion for further research.

Chapter II

LITRATURE REVIEW

2.1 Defining Performance Management Processes

Performance management is a system for integrating the management of organizational and employee performance Williams,(2002) as cited by Maila, (2006). Performance management is defined as “the systematic process by which an agency involves its employees, as individuals and members of a group, in improving organizational effectiveness in the accomplishment of agency mission and goals”, this was obtained through (U.S. Office Personnel Management, (Undated) Botswana Unified Revenue Services (BURS, 2002) states that performance management is a joint responsibility between managers who carry out the assessments and the staff whose performance they are assessing. It is essential that this process is carried out objectively, openly and honestly.

Performance management process was defined as “a continuous process where supervisors and employees work together to establish objectives (goals), monitor progress toward these objectives and assess results”. With this process, employees receive regular feedback and coaching which is a vital development process for all employees (KSU, 2009). According to Cornell University (2010), the first element of performance management process that must be effectively executed is specifying the required levels of performance and identifying goals to be achieved.

The researcher understands from the above definitions that performance management processes is a continuous (non-stop) process that underscores the need for supervisors and employees to work together in determining the organization and employee’s goals and determining performance standards required to achieve those goals.

The researcher views performance management processes as a continuous negotiation process that calls for effective communication Acuff, (2008). It is a process that requires that calls for identification and prioritization of goals, defining what constitutes progress towards goals, setting standards for measuring results and tracking progress towards goals. It further calls for exchanging feedback among the components, reinforcing goal oriented activities and

intervening to create improvement when needed. The performance management process places greater importance on the methods used to achieve results.

For the purposes of this study, the researcher defined performance management as the process by which an organization defines its purposes and sets its objectives and the activities it undertakes to ensure that its goals are consistently met in an effective and efficient manner by focusing on the performance of the organization, its departments or functions, employees, and its processes in product or service delivery.

2.2 Purpose and Benefit of Performance Management

Bratton and Gold (2007) highlights the purposes being control and administrative in nature as follows:

- The making of administrative decisions concerning pay, promotions and careers, and work responsibilities – the control purpose; and
- The improvement of performance through discussing development needs, identifying training opportunities and planning action – the development purpose.

The researcher however regards Bratton and Gold's view as being limited. The basic aim of a PMS should be to create an organisation within which the actions of its managers and employees are coordinated and directed towards the organization's provision of services and products that meet customer needs through continuous improvement of that organisation's processes and its employees and management's skills and competencies. Armstrong and Murlis, (1994). Thus PMS represents an organization's drive towards competitive advantage and achieving high performance (i.e. quality products, improved output and efficiencies and lower costs). Bennet and Minty as cited in Nel (2008) identify three major purposes of a performance management process. These are:

- It is a process for strategy implementation;
- It is a vehicle for culture change; and
- It provides input to other HR systems such as development and remuneration.

PMS focuses on both organizational and personal development. In this regard, it is an effective tool for developing a Learning Organization, empowering employees and enhancing employee accountability and motivation through management by agreement, in line with McGregor's management by integration and self-control. Armstrong and Murlis, (1994).

Learning Organizations are "...organizations where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together." (Sengeas cited on <http://www.infed.org/thinkers/senge.htm>). Through effective reviews, organizations can identify employee development needs and determine appropriate rewards for positive contributions. This use of the PMS for rewarding performance is also recognized by a plan and Norton (1996) who acknowledge that the BSC can be tied to individual performance and compensation systems. These authors note the integration issue relating to the implementation of the BSC as the linkage to personal objectives and rewards. Research has also shown that for performance related pay to be acceptable, it should be based on a credible performance rating system. Armstrong and Murlis, (1994).

In this regard, compensation has a potential of motivating performance. The linkage of PMS to reward has its own demerits though-these include the contamination of the constructive developmental intentions of the PMS where reviews become reward centered rather than open and objective appraisals Armstrong and Murlis, (1994). In the broader sense, PMS is targeted towards achieving high corporate performance.

The purposes proffered by Bratton and Gold (2007) above however fail to recognize the importance of PMS in strategy development and goal setting. The PMS is a powerful tool for strategy development as well. This is supported by Kaplan and Norton (1996) who also noted that Kenyon Stores used the BSC for strategy formulation. In addition and as noted by Bennet and Minty; Kaplan and Norton, (1996), the PMS is a useful tool in measuring and assessing the success of the implementation of the strategy.

In order to achieve the continuous development objectives of a PMS, the organization should recognize the dynamism of the performance measurement system and continually

review, assess and update such a system. Kaplan and Norton, (1996). Accordingly, “the performance measurement system should include an effective mechanism for reviewing and revising targets and standards Ghalayini and Noble, (1996) as cited by Bourne , (2000)”. It should be used to challenge the assumptions and test the validity of the strategy (Eccles and Pyburn, 1992; Kaplan and Norton, (1996); Feurer and Chaharbaghi, (1995), as cited by Bourne,(2000).

2.3 Performance Management Process

Performance management can at best be seen as a process that supports the achievement of business strategy through the integration of corporate, functional, departmental, team and individual objectives. Within this process, the organization establishes an environment that allows for clear communication of its mission and goals to employees and in which they are also encouraged to contribute to the formulation of these objectives (Armstrong and Murlis, 1994).

In this respect, performance management integrates both a top-to-bottom and a bottom-up approach to strategy formulation and implementation. As noted by Bratton and Gold (2007) “...the adoption of a PMS (therefore) represents an attempt by an organization to show a strategic integration of HRM processes, which can together be linked to the goals and direction of an organization”. This is similar to the Performance Management Framework presented by Armstrong and Murlis, (1994).

The performance management framework of Armstrong and Murlis is aligned to the PMS processes by Nel., (2008), summarized into four main categories covering (i) performance planning, (ii) performance coaching and mentoring (iii) performance measurement and evaluation and (iv) performance feedback and documentation. Within these categories, the organization performs the following activities Nel, (2008):

- Clarification and communication of organizational objectives;
- The alignment of individual and group goals with organizational objectives;
- The monitoring and measurement of individual and group performance;
- The early identification and reporting of deviations;
- The development of action plans to correct the deviations;

- The coaching and mentoring of individuals and groups;
- The review of individual and group performance, and the re-evaluation of organizational processes

2.4 Performance Measurement and Performance Appraisal

2.4.1 Performance Measurement

Balanced scorecard originally developed as tool for performance measurement at the organisational level and has been expanded to include critical success factors Kaplan and Norton,(1993) as cited in MoF,(2009). It is recognized by the researcher that the definition of performance measurement underscores the need for output/ product to be measured Maila, 2006). Emphasis on measuring output is fully supported by this study as it could assist managers to determine whether or not the employee's output contribute to the attainment of the set goals.

The researchers contribution to the definition of measurement is that this process is aimed at determining strategies necessary to the realization of the organization's objectives, as they appraise how far one is from attaining the set goal. The process calls for assessment of results and provision of honest feedback to either strengthen progress or remedy non progress

2.4.2 Performance Appraisal

Performance appraisal was once considered as a process involving a line manager completing an annual report on subordinate's performance. But as time passes it has become an integral part of performance management system and performance appraisal is today considered as the key element of performance management Fletcher,(2001).

Appraisals are relevant and critical components of the complete process and a much broader concept of performance management. Armstrong and Murlis,(1994). This is supported by Nel, (2008) who argue that "...the performance evaluation process can no longer stand on its own and must become an integral part of a holistic PMS that adds value to

the organisation.” In this project therefore, literature relating to performance measurement and performance appraisal and evaluation also forms a significant component of the literature review.

Performance can be rated in different ways. It “...can be measured on the basis of whether the type of judgment called for is relative or absolute evaluation”. Nel, (2008). Relative judgment relates to comparisons of employees doing the same jobs against each other and provides the supervisor with superior subjective influence which may be seen as unfair and lacking credibility. In contrast, absolute judgments “...ask the supervisors to make judgments...based solely on performance standards” thereby creating conditions where feedback to the employee is more specific and based on dimensions of performance.

Sherman,(1996) classify performance appraisal techniques into three main categories, viz, those measuring traits, behaviors or results. The authors observe that “trait approaches continue to be popular. These systems have inherent subjectivity and can be difficult to administer. Behavioral approaches provide more action oriented information...and therefore may be suited for development. The results oriented approach, also MBO...focuses on the measurable contributions that employees make to the organization.” “MBO is a philosophy of management that rates performance on the basis of employee achievement of goals set by mutual agreement between employee and manager.” Sherman, (1996). The results method appears to be best suited for XYZ due to its objectivity if properly applied.

Performance appraisal is the process through which an organization gets information on how well an employee is doing his or her job Noe, Hollenbeck, Gerhart & Wright,(2006).Mathis and Jackson , (2005) extended this definition by adding that performance should be compared to a set of standards and then communicated with the employees.

Performance appraisal is also known as, employee rating, employee evaluation, performance review, performance evaluation, and results appraisal Mathis and Jackson,(2005). According to Khan, (2008), it is an objective way to evaluate employee work-related behavior. Performance appraisal is widely used for determining wages and salaries, promotion, training and development, providing performance feedback, and identifying employee strengths and weaknesses Mathis & Jackson, (2005); Noe,(2006); Khan, (2008).

Bohlander and Snell, (2007), and Mathis and Jackson, (2005) identified two types of uses for performance appraisal information; these are (a) developmental uses, and (b) administrative uses. Developmental uses include, providing performance feedback, identifying individual strengths/weaknesses, recognizing individual performance, assisting in goal identification, evaluating goal achievement, identifying individual training needs, determining organizational training needs, reinforcing authority structure, allowing employees to discuss concerns, improving communication, and providing a forum for leaders to help Bohlander & Snell, (2007).

Administrative uses include, documenting personnel decisions, determining promotion candidates, determining transfers and assignments, identifying poor performance, deciding retention or termination, deciding on layoffs, validating selection criteria, meeting legal requirements, evaluating training programs/progress, personnel planning, and making reward/compensation decisions Bohlander & Snell, (2007).

2.5 Factors Affecting Effective Performance Management Process

Effective management of individual or team performance requires a combination of processes that ensure that what people do in the organization will lead to the results the organization needs Mohrman, Cohen, and Mohrman, (1995)

BURS (2010) states that the PMS success is depended upon the development of an environment of mutual trust and respect between managers and supervisors, and their staff at all levels. It is further stated that the process is carried out objectively, openly and honestly. The challenge in the researchers opinion is how to determine that the process was carried out in an honest manner and it also requires some skills on the part of employee and that of the manager to create an environment of mutual trust MoF, (2009).

Another challenge is to ensure that everyone's performance is managed in all areas of their work, Maila, (2006). Lockett, (1992) as cited in Maila, (2006) finds equally

unsatisfactory the day to day crisis management where targets are set daily and feedback is expected on those targets.

The challenge is that not all organizations are led by democratic leaders where all employees are treated with trust. Cultural diversity management, management styles especially if it is automatic can impede performance of employees. Change management is a challenge in itself, to manage performance one has to be mindful of changes in the environment and to adapt to it by managing the change.

Effective communication is a two way traffic (Intercultural Management), and plays an important role in performance management. The challenge is who is the leader at the time and what management style does he/she apply? Can it be changed to allow for flexibility?

The researcher is of a view that challenges will always be there and it is the responsibility of managers to ensure that they are converted into opportunities.

2.6 Critical Factors to Effective Performance Management Processes

Critical success factors should not be confused with key performance indicators. These factors are measured strategically, whereas key performance indicators are quantitatively measured. Critical factors to performance management include a participatory process for determining results, continuous performance dialogue and feedback and the growth of the organization's human resources, (OPM), (2005).

According to Vanguard University (2011), three factors which must be present to achieve and maintain optimum levels of individual performance. First, skills and personal characteristics that an employee possesses and give him/her the potential to perform at a high level. Support, this factor is primarily management's responsibility and Effort; the amount of energy a person applies to complete a task or their willingness to work is the final factor in assessing marginal performance.

2.7 Pact Ethiopia Performance Management System

The human resource management of Pact is guided by a policy and different manuals developed to translate the policy in to action. In the policy statement of Pact Ethiopia, it is stated that Pact leadership believes as the process of evaluating employee performance is an important way to improve the effectiveness of the organization through the best possible use of personnel (Cite the HR manual here). It also further indicates that the performance evaluation exercise is installed with the purpose of:

- a) Recognizing and rewarding superior accomplishments, and
- b) Identifying and correcting both organizational and employee's areas which need improvement.

The purposes of performance appraisal within PACT Ethiopia are described as follows in the human resource manual of the organization:

- a) To provide feedback
- b) Written reviews serve other important purposes such as the following:
 - Documentation on which to base promotions, raises or bonuses.
 - To review an employee's work related behavior with a view to improving his/her performance through training, career development and motivation.
 - To provide information for making fair and equitable decisions related to appointment, promotion, transfers, discipline and termination of an employee.

PACT Ethiopia uses a combination form which includes specific and traditional performance appraisal forms to measure the employee performance. The forms include job specification forms and traditional performance review forms. The nature and content of the forms are discussed below:

Job Specific Forms: Job-specific evaluation forms measure actual job duties and responsibilities rather than general personality

Traditional Performance Review Forms: Personality traits are used to measure performance. Examples of traits are cooperativeness, ability to handle stress, flexibility etc. Since they are so general, the traditional forms can be used for a wide variety of positions. Most of the personality traits (called performance factors) can be applied to any job since they are not job specific.

Formal reviews of performance are made at the end of each calendar or fiscal year. The fiscal year of PACT Ethiopia ends in September. In addition, appraisals are conducted on the following occasions:

- At the end of a probation period of a new employee
- Before considering any promotion of an employee
- Before considering disciplinary action of an employee
- Before considering any termination of an employee and
- Before considering any career development of an employee

All staff are expected to have an individual work plan that is agreed with their direct line managers. Supervision meetings are expected to be conducted to assess progress against the work plan scheduled on a quarterly basis. An activity accomplishment reporting format has been designed to assist staff in preparation for quarterly supervision meetings (attached in annex 3). Ideally, staff should be able to track their own progress against work plans on a monthly basis using this format. The quarterly supervision format (annex ...) is designed so that documentation during each supervision meeting can take place during the actual review process. Records of progresses are also expected to be noted in bullet point form in the comment column.

The documentation of the review process need to be signed off by the line manager, staff member and reviewed by his/ her immediate supervisor before going to file as indicated in the manual. A copy is expected to be provided to the HRD Manager for the individual's file and a copy should be provided to the staff member

The fourth quarterly supervision meeting is expected to be conducted at the end of the calendar year and includes the last quarter supervision and 360 degree appraisal, which includes self-appraisal, reverse appraisal peer appraisal, external appraisal and line manager appraisal. All managers are accountable for completion of quarterly supervision meetings and annual reviews as per the agreed schedule.

The completed appraisal form is supposed to be delivered to the employee prior to the debriefing meeting. The performance evaluation meetings are expected to be held privately and without interruption. If performance is so bad the supervisor may consider terminations, the review form can also serve as a warning. When the employee signs the acknowledgment, he/she confirms awareness of the warning as well.

The employee is then asked to sign the appraisal acknowledge receipt. If the employee disagrees with anything on the appraisal, he or she has the opportunity to write a response within a week's time. A copy of the response and other supporting documents will be attached with the appraisal and forwarded to the Finance, Grants and Administration Department by the immediate supervisor. The Finance, Grants and Administration Department will give a copy of the appraisal to the Country Representative for final approval.

The completed appraisal form in which the immediate supervisor and the employee have both signed are kept in the personnel file of the ratee as a vital record for the employee's performance and progress.

Chapter III

RESEARCH DESIGN AND METHODOLOGY

3.1 Research Design

The study is descriptive type of study. The research design was preferred based on the nature and purpose of the study. As the research is concerned with the analysis of the performance management system of Pact, descriptive type of study was found to be appropriate. Mixed method research approach was followed in the assessment of the practice of performance planning, assessment, and the uses of appraisal results. A mixed approach was desired to benefit from the merits of both methods. In this context, the quantitative method was used to generate quantitative data and examine relationships while the qualitative aspect was concerned about the perspectives of the employees and management bodies

3.2 Data Sources and Collection Instruments

For the purpose of the study, relevant information was collected from primary and secondary sources. Secondary data source comprised of performance management guideline of Pact, books, reputable journals, online international conference papers, and other pertinent sources. The primary sources of data were the employees of Pact.

Self-administered questionnaire and interview guide were used to collect data. The questionnaire had six sections. Section A: details of respondents, Section B: information about goal clarity, Section C: issues about performance planning and its components Section D: practice of performance assessment, Section E: about the uses of performance appraisal, Section F: about problems in the current performance appraisal system. The questions were structures using a 5 level rating-scale. The interview guide was used to frame the interview with the key informants indicated above.

3.3 Population of the Study

The study is concerned about the performance management of Pact as an institution. Yet, given that organizations are a group of people that work together to attain a certain goal,

the population of the study will be the employees of Pact Ethiopia Office. The total number of the staff is 100 at the time of the study.

3.5 Sampling technique and sample size

Since the number of total population was small and manageable, it was all of the staffs who were included in the study. Accordingly, a total of 98 employees had participated in the study. For interview purpose one country director, one Admin and HR director, and one Finance and Grant department director, two program directors were selected to get in-depth information about the performance management system of the organization. The remaining staff had given their opinions through self-response questionnaire.

3.5 Procedures of Standardizing Tools

Prior to administer the data collection tools the content validity and reliability of the tools were assessed. The reliability of the tools were examined using test-retest approach. Taking a similar international NGO working with Pact, the survey questionnaire was administered to 10 employees by two different data collectors' with interval using the same tool and addressing the same people. The correlation between the score of these two data was analyzed. The result showed that the tool is reliable with a r value of 0.83. The content validity of the interview guide was done using expert opinion.

3.6 Methods of Data Analysis

After collecting all pertinent information about the issues under investigation the data was organized, classified and analyzed. Descriptive statistics like the frequency distribution and percentage were used to describe the data. Moreover, graphs were used to increase the attraction of the data presentation.

Chapter IV

DATA PRESENTATION AND ANALYSIS

4.1 Introduction

A total of 98 employees of Pact Ethiopia office have participated in the study. As can be seen from Table 1 below, 7 percent of the participants were Directors, 26 percent Managers, and round 41 percent were staffs with non-supervisory role in the organization. The rest were middle level supervisors. The sex distribution of the respondents' shows that men constituted the majority of the study participants (66%). Most of the respondents are in the age category of 36-45, constituting 42 percent of the study participants, followed by the age category of 25-35(38%) and 46-60(17%).

Table 1 Participants by sex, age and position

		Count	Percent
Study participants by sex	Female	32	34.0
	Male	62	66.0
Study participants by position	Director	7	6.5
	Manager	24	26.1
	Supervisor	8	8.7
	Non-Supervisor	38	41.3
	Other	16	17.4
Study participants by age	Under 25	2	2.1
	25-35	36	37.5
	36-45	42	43.8
	46-60	16	16.7
	above 60	0	0.0

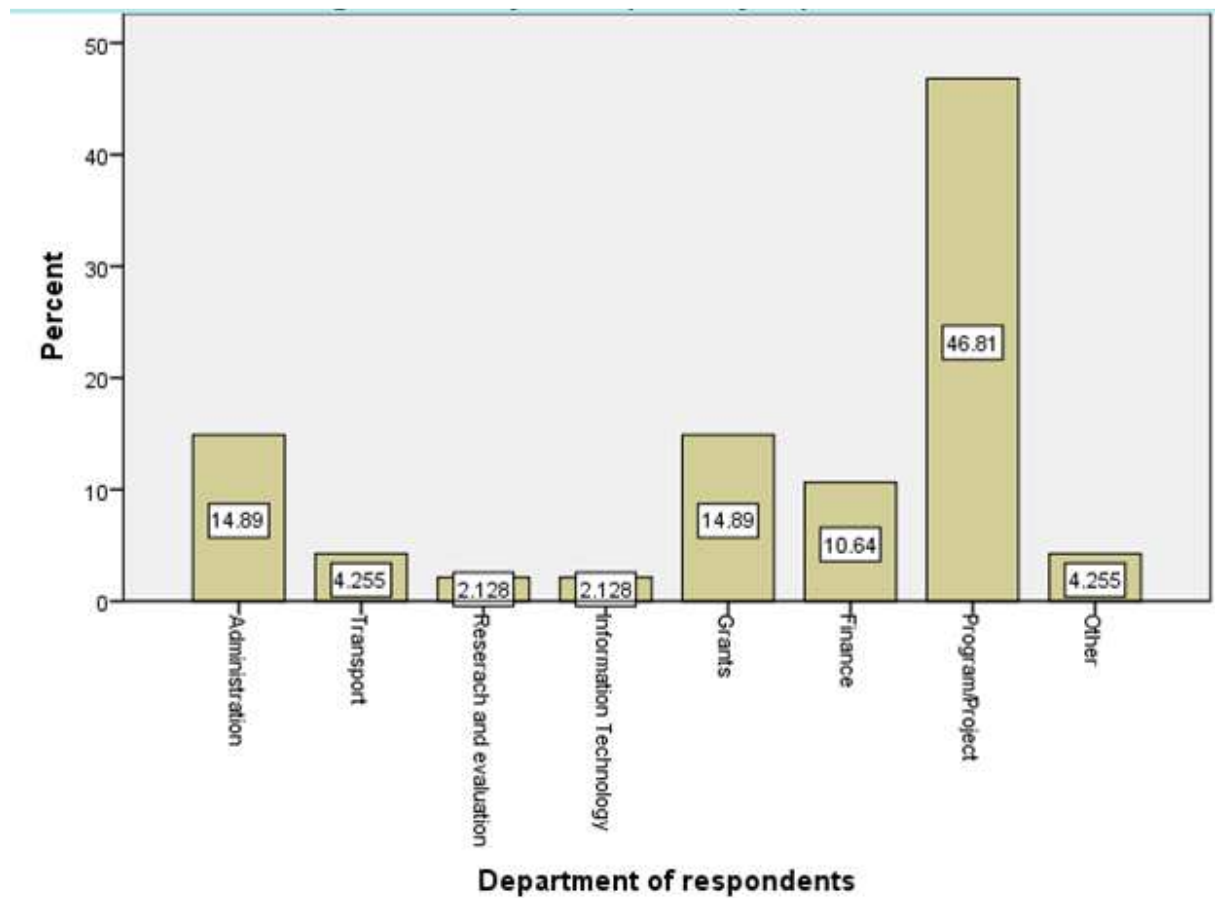
Source: (Own Survey, 2015)

The study participants' composition reflects all the units under Pact Ethiopia office. Staffs from administration, transport, research and evaluation (MERL) information

technology, grants management, finance and program units participated in the study as sources of information in the analysis of the performance management practice and challenges. Besides, staffs from the human resource department and other staffs who did not participate in the questionnaire had participated in the key informant interview. See table...below for the distribution of the study participants by department.

Figure 1 Study participants by department

Source: (Own Survey, 2015)



As can be inferred from the age structure of the study participants profile, most of the study participants have immense work experience. For the purpose of the study, it was only the employees years of service at Pact Ethiopia that was assessed to determine their familiarity with the system. Accordingly, it was found out that, 77 percent of the respondents had served at Pact for at least three years while 6 percent have a service of more than a decade. On the other hand, 17 percent have years of service less than two years.

The educational background of most of the study participants was found to be first and second degree. While 48 percent of the employees participated in the study have masters of arts/science, 35 percent have first degree. The rest of the participants were with educational level of diploma (6 percent), technical school graduate (4 percent) and high school graduate (6 percent)

Table 2 Participants educational level and year of service

		Count	Percent
Years of service	0-2 years	16	16.7
	3-5 years	74	77.1
	6-10 years	0	0.0
	above 10	6	6.2
Study participants by level of education	High school graduate	6	6.2
	Technical school graduate	4	4.2
	College diploma	6	6.2
	First degree	34	35.4
	MA/MSc	46	47.9
	PHD	0	0.0

Source: (Own Survey, 2015)

4.2 Clarification and Communication of Organizational Vision and Mission

Goals have been considered important as expressions of organizational values that can stimulate and generally orient employees to the organization's mission Rainey, (2003). Researchers also address that clarification of goals for individuals and work groups can improve efficiency and productivity Rainey, (2003). Scholars have suggested that clear organizational vision and goals engender a sense of involvement and contribution among employees Davenport,(1996); Leonard, (1995); O'Dell and Grayson,(1998). Specifically, Leonard, (1995, p. 8) notes that "the clarity of the goal enables managers and operators alike to concentrate their attention on those activities that add obvious value." In light of this, the communication and clarification of the organization vision and mission was assessed as a key element of performance assessment practice.

Vision and mission was rated at 4.2 (max 5 and min 3). In pioneer organizations, the vision and mission of the organization are those of the pioneer leaders. In international NGOs, often the vision and mission are 'predetermined'. These are set at headquarters. The process of contextualizing the international vision and mission is often a political one. And it is often difficult for individuals and groups of people within the organization to influence the vision and mission. In the case of Pact, the staff perception is different. 82 percent of the quantitative survey participants reported as the vision and mission of the organization are very clear. 18 percent reported as the clarity and understanding of the vision and mission by the staff require improvement.

Most of the participants of the interview indicated as the vision and mission of the organization are very clear. In connection to this, they indicated as the vision and mission of the organization are included in each of the projects and programs the organization is implementing- facilitating the internalization of the vision and mission by the staff. Some had also reported as the vision and mission of the organization influences their motivation positively. One staff mentioning the situation said "It is very clear and I am inspired by the mission and vision". Contrary to this, few staff who took part in the interview expressed their concern on the understanding of the vision and mission by the staff and recommended posting them on the office walls.

4.3 Planning of Performance Assessment

4.3.1 Planning Process

Most of the study participants (61 percent) described as the appraisal procedure require employee's involvement in the development of the employee's performance plan. The response of the study participants about the practice shows as the process is more of participatory. 56 percent of the respondents reported as goal setting is exercised in a participatory manner. Furthermore, 62 percent of the study participants indicated as their supervisors give them a chance in the performance planning process. On the other hand, 31 percent of the respondents reported as the goal setting process is not participatory while 13 percent remain neutral in judging the participatory nature of the process.

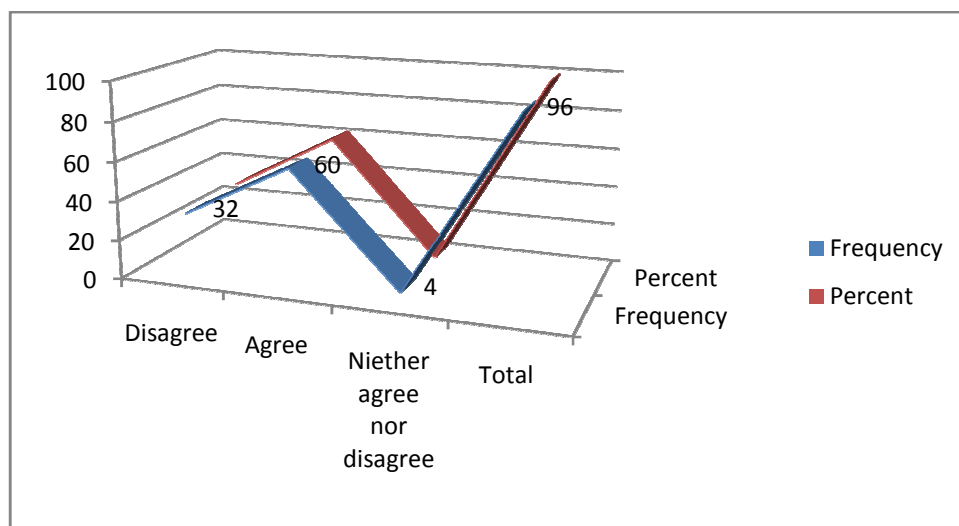
Table 3 Participation in performance appraisal

		Count	Percent
The goal setting process is participatory	Strongly disagree	10	10.4
	Disagree	18	18.8
	Neither agree nor disagree	12	12.5
	Agree	44	45.8
	Strongly agree	12	12.5
The appraisal program require employee involvement in the development of the employee's performance plan	Strongly disagree	16	16.7
	Disagree	14	14.6
	Neither agree nor disagree	8	8.3
	Agree	38	39.6
	Strongly agree	20	20.8

Source: Owen Survey, April 2015

On top of the above, 72 percent of the respondents expressed that their supervisors participate in the performance planning process. In connection to this, 4 percent of the respondents remained neutral, while 23 percent of the respondents reported as their supervisors do not participate in the performance planning process.

Figure 2 Getting chance to participate in performance



Source: (Own Survey, 2015)

Goal Setting, Alignment of Objectives, Clarify of Expectations and Roles

The more the organizational objectives and individual objectives are aligned, it is expected that the motivation of the staff will be enhanced and the overall performance will be improved. Asked about the degree to which their individual objectives are aligned with the organizational objectives, 53 percent of the respondents indicated as they believe their objectives are aligned with the organization objectives. On the other hand, 30 percent of them reported as they do not agree on the alignment of the objectives. This might be attributed to the fact that some of the projects the organization is implementing are out of the strategic objectives of the organization e.g. education programs.

In relation to this, the study participants were asked if they are clear with their roles and responsibilities. 77 percent of the staff who participated in the study reported as they know their roles and responsibilities very clearly while 19 percent indicated as they are not clear with their responsibilities. Likewise, 62 percent of the study participants indicated as the performance expectation of their supervisors is clear while 31 percent report as the expectation of their supervisors is not clear to them.

Table 4. Knowledge of responsibilities and clarity of performance expectations

		Count	Percent
Know my responsibilities clearly	Strongly disagree	6	6.2
	Disagree	12	12.5
	Neither agree nor disagree	4	4.2
	Agree	22	22.9
	Strongly agree	52	54.2
Supervisor makes performance expectations clear	Strongly disagree	18	18.8
	Disagree	12	12.5
	Neither agree nor disagree	6	6.2
	Agree	30	31.2
	Strongly agree	30	31.2

Source: (Own Survey, 2015)

Most of the participants of the qualitative study reported that there is alignment between organizational mission and staff performance plans. Yet, most believe that the harmonization needs systematic effort in aligning the strategic objectives and the different development projects. This is because without the alignment of the different development projects with the strategic plan of the office, it will be difficult to link the performance plans of the staff with the organization mission given most of the staff are hired for projects. Nevertheless, the majority of the respondents indicated that all of the projects are linked to the organization mission directly or indirectly

4.3.2 Goal Setting

The majority of the study participants 56 percent reported that they have participated in the goal setting process of the organization. In dealing with the difficulty of the goal setting process 46 percent believe that the goal setting process was not difficult. Yet, 35 percent of the study participants mentioned that it is difficult.

In discussing the contents of the goals and the alignment of the performance plans with the key success criteria, most of the study participants reported as the performance plan of their department contain success criteria while some reported as their individual plans contain success criteria. Regarding this, 52 percent of the respondents reported as the performance plan of their department indicate success criteria while 29 percent of them do not think as their departments plan do contain success criteria.

35 percent believe as their personal objective contain clear measures of success while only 37 percent of the respondents think that personal objectives do not contain clear measures of success. In connection to this, 28 percent were indifferent (unable to judge) about the inclusion or absence of clear measure of success in their personal objectives.

Table 5. Inclusion of success criteria in plans

		Count	Percent
My department's performance plan indicates success criteria	Strongly disagree	12	12.5
	Disagree	16	16.7
	Neither agree nor disagree	18	18.8
	Agree	34	35.4
	Strongly agree	16	16.7
Personal objectives do not contain clear measures of success.	Strongly disagree	8	8.7
	Disagree	24	26.1
	Neither agree nor disagree	26	28.3
	Agree	24	26.1
	Strongly agree	10	10.9

Source: (Own Survey, April 2015)

4.4 Change Management

As changes are introduced in the organizational objectives and targets, the change needs to be cascaded to each level of operation so as to align the overall operation to the desired direction. Accordingly, change management as part of the performance management system was assessed focusing on the degree to which the employees are kept updated about changes in the organization and adjustment of plans.

Table 6. Change management

		Count	Percent
	Strongly disagree	6	6.2
I am always updated by my organization as Conditions Change and revise our objectives accordingly	Disagree	28	29.2
	Neither agree nor disagree	16	16.7
	Agree	34	35.4
	Strongly agree	12	12.5
Staffs Actively participate in the midterm review meeting in order to update objectives as conditions changed and reinforcing effective behavior	Strongly disagree	14	14.6
	Disagree	26	27.1
	Neither agree nor disagree	18	18.8
	Agree	26	27.1
	Strongly agree	12	12.5

Source: (Own Survey, April 2015)

48 percent of the respondents reported as they are updated about changes in the organization. These people also expressed as they revise their objectives accordingly. Yet, 36 percent of the respondents indicated as they are not updated on emerging issues and organizational changes; resulting in failure to review performance plans and criteria. Furthermore, only 40 percent of the staff that participated in the study mentioned as they participate in review meetings that are aimed at reviewing progress and objectives as well as reinforcing effective behaviors.

4.5 Performance Measurement

Formally identified criteria provide greater objectivity and are more likely to reward performance, rather than being seen as favoritism. 52 percent of the respondents reported as their departments plans have success criteria. 54.2 percent of the participants also think that the criteria for evaluation is based on observable and measurable characteristics of the behavior of employees. Moreover, 52 percent of the study participated revealed as the performance measurement was agreed up on with their supervisors.

Jobs almost always have more than one job criterion or dimension. Some criteria might have more importance than others to the organization. When measuring performance, it is important that relevant criteria be used. Generally, criteria are relevant when they focus on the most important aspects of employees' jobs. The most important job criteria should be identified and be linked back to the employees' job descriptions. In light of this, the study participants were asked if the most competencies that are expected in performing the job have been identified. In response to this, 52 percent of the study participants indicated as they are identified, 28 percent reported that such competencies are not identified while 11 percent were unable to comment.

Table 7. Identification of most important competencies

	Frequency	Percent
Strongly disagree	16	17.0
Disagree	10	10.6
Neither agree nor disagree	10	10.6
Agree	42	44.7
Strongly agree	16	17.0
Total	94	100

Source: (Own Survey, 2015)

A standard against which to compare the information is necessary. Realistic, measurable, clearly understood performance standards benefit both the organization and the employees. 60 percent of the respondents reported as the standards of the work evaluation are clear, 53 percent believe that the standards are clear, easy to understand and are be put in measureable terms. On the other hand, 31 percent of the respondents do not think as the standards are clear or measureable.

Setting criteria and standards is a key element of the performance management system. Yet, sound criteria and standards are nothing if not properly utilized in the performance appraisal for which they had been created. In looking at the degree to which the

performance criteria and standards are used in the performance appraisal, participants were asked about the basis of the appraisal, the objectivity of the appraisal process and factors that influence the rating other than the set criteria and standards.

In connection to the above, 61.7 percent responded as their appraisal was undertaken on the basis of how well they have done their job in light of the criteria and standards set. The majority of the respondents, 49 percent also think that the performance rating they got were very accurate and realistic; and a reflection of their performance (54 percent). Related to this, 66 percent of the respondents indicated that their performance evaluation was done considering the agreed standards. On the other hand, 30 percent of the respondents also mentioned as performance rating is affected by the personal likes and dislikes of the employees by the raters as well as by the quality of interpersonal relationships the raters have with the employees (49 percent). Yet, a larger percent of the respondents (43 percent) reported that the role of personal relationships including the personal likes and dislikes of raters does not play a role in the appraisal process. Despite all these variations that overall response shows that only 42 percent of the study participants think the performance rating is consistent and fair.

Table 8. Objectivity of the performance evaluation

		Count	Percent
My performance rating is based on how well I do my work	Strongly disagree	10	10.6
	Disagree	18	19.1
	Neither agree nor disagree	8	8.5
	Agree	34	36.2
	Strongly agree	24	25.5
The performance rating I received was very accurate and realistic	Strongly disagree	10	10.6
	Disagree	20	21.3
	Neither agree nor disagree	18	19.1
	Agree	32	34.0
	Strongly agree	14	14.9
Raters give performance ratings that reflect in part their personal like or dislike of employees	Strongly disagree	26	27.7
	Disagree	14	14.9
	Neither agree nor disagree	26	27.7
	Agree	10	10.6
	Strongly agree	18	19.1
My performance evaluation is done without considering the agreed standards	Strongly disagree	34	36.2
	Disagree	28	29.8
	Neither agree nor disagree	6	6.4
	Agree	6	6.4
	Strongly agree	20	21.3
My performance appraisal is a fair reflection of my performance	Strongly disagree	14	14.6
	Disagree	14	14.6
	Neither agree nor disagree	16	16.7
	Agree	34	35.4
	Strongly agree	18	18.8
Our performance appraisal is consistent and fair	Strongly disagree	6	6.2
	Disagree	18	18.8
	neither agree nor disagree	32	33.3
	Agree	30	31.2
	Strongly agree	10	10.4
	Agree	20	20.8
	Strongly agree	26	27.1

Source: (Own Survey, 2015)

4.6 Tracking of Performance and Provision of Feedback

According to Maila (2006, p.4), criteria for measuring success should be clarified and obstacles timeously identified so as to seek solutions and that public service delivery is not halted, performance management system is one of the instruments that can provide that solution.

About 54 percent of the study participants reported as the organization has a system of continuously noting and documenting performance while 46 percent reported the practice of appropriate documentation of performance appraisal. In addition, it was reported that the performance appraisal system requires supervisors to keep track of achievements and accomplishments. Nevertheless, 28 percent of the respondents indicated as the organization does not have a system for continuously noting and documenting performance and lack of appropriate documentation of records.

Table 9 Recording keeping and work autonomy

		Count	Percent
The performance appraisal system encourages/demands every supervisor/staffs to keep track of achievements and accomplishments	Strongly disagree	16	16.7
	Disagree	22	22.9
	Neither agree nor disagree	16	16.7
	Agree	26	27.1
	Strongly agree	16	16.7
You perform your duty with full autonomy and freedom	Strongly disagree	16	16.7
	Disagree	6	6.2
	Neither agree nor disagree	12	12.5
	Agree	36	37.5
	Strongly agree	26	27.1

Source: (Own Survey, 2015)

57.4 percent of the respondents mentioned as the appraisal results are communicated and discussed with employees on one to one basis. As to the responses of the staff participated in the study 56 percent of the respondents, immediate feedback on performance is given on areas of improvement by supervisors in continuous manner. In connection to this,

77 of the study participants had reported as they submit their work accomplishments and achievements as per the schedule.

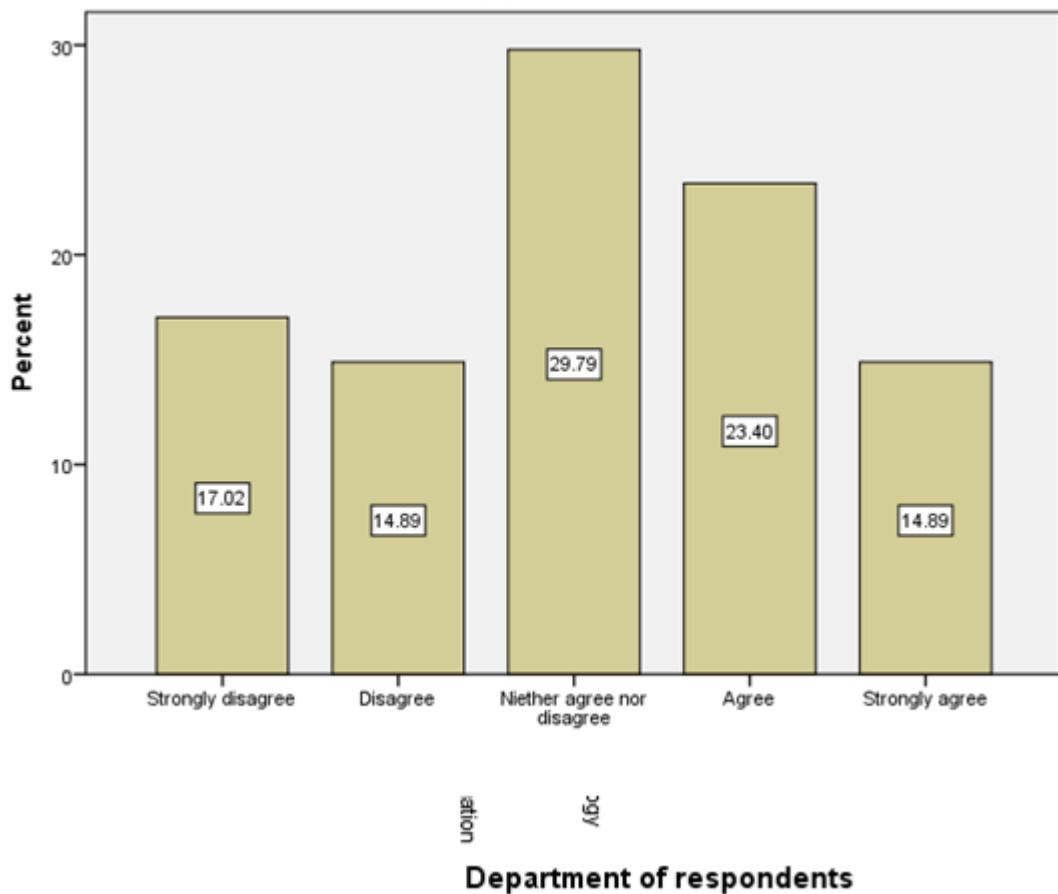
Table 10. Feedback provision

		Count	Percent
Your supervisor gives you immediate feedback on your drawbacks	Strongly disagree	18	18.8
	Disagree	8	8.3
	Neither agree nor disagree	16	16.7
	Agree	32	33.3
	Strongly agree	22	22.9
The result of the appraisal is communicated and discussed with the employees on one to one basis	Strongly disagree	8	8.5
	Disagree	20	21.3
	Neither agree nor disagree	12	12.8
	Agree	24	25.5
	Strongly agree	30	31.9
I always submit my work accomplishments and achievements as per the schedule	Strongly disagree	12	12.5
	Disagree	6	6.2
	Neither agree nor disagree	4	4.2
	Agree	40	41.7
	Strongly agree	34	35.4

Source: (Own Survey, 2015)

In addition, a higher proportion of the staffs who participated in the study reported as the staffs do not discuss performance problem areas openly during personal appraisal. It was only 32 percent of the respondents that expressed as they openly discuss on performance problem areas.

Figure 3 Staff open discussion on performance problems



Source: (Own Survey, 2015)

Speaking about the reaction and responses of employees towards the performance evaluation feedbacks by immediate supervisors, most of the interviewees expressed as the staff do not mind about the results of the performance evaluation. As a reason of this, most reported as the staff do not believe as it makes a difference on their employment or professional development.

46 percent reported that their supervisors give them recognition for remarkable achievements, 56 percent reported as their supervisors give them feedback on areas of improvement. With respect to addressing problems that affect employees’ performance, 37.5 percent of the respondents reported as the organization try to address the factors that negatively affect the staff performance. In relation to addressing the areas of improvement, 54 percent reported as they get guidance and coaching to address their performance problems.

Table 11. Feedback, mentoring and coaching

		Count	Percent
My organization try to improve/address problems that affects my performance	Strongly disagree	16	16.7
	Disagree	16	16.7
	Neither agree nor disagree	28	29.2
	Agree	26	27.1
	Strongly agree	10	10.4
your supervisor gives you a recognition on your remarkable achievements	Strongly disagree	8	8.3
	Disagree	18	18.8
	Neither agree nor disagree	16	16.7
	Agree	28	29.2
	Strongly agree	26	27.1
While you have a problem in performing your task you will get adequate guidance and coaching to solve your problem	Strongly disagree	18	18.8
	Disagree	8	8.3
	Neither agree nor disagree	18	18.8
	Agree	34	35.4
	Strongly agree	18	18.8
Your supervisor gives you immediate feedback on your drawbacks	Strongly disagree	18	18.8
	Disagree	8	8.3
	Neither agree nor disagree	16	16.7
	Agree	32	33.3
	Strongly agree	22	22.9

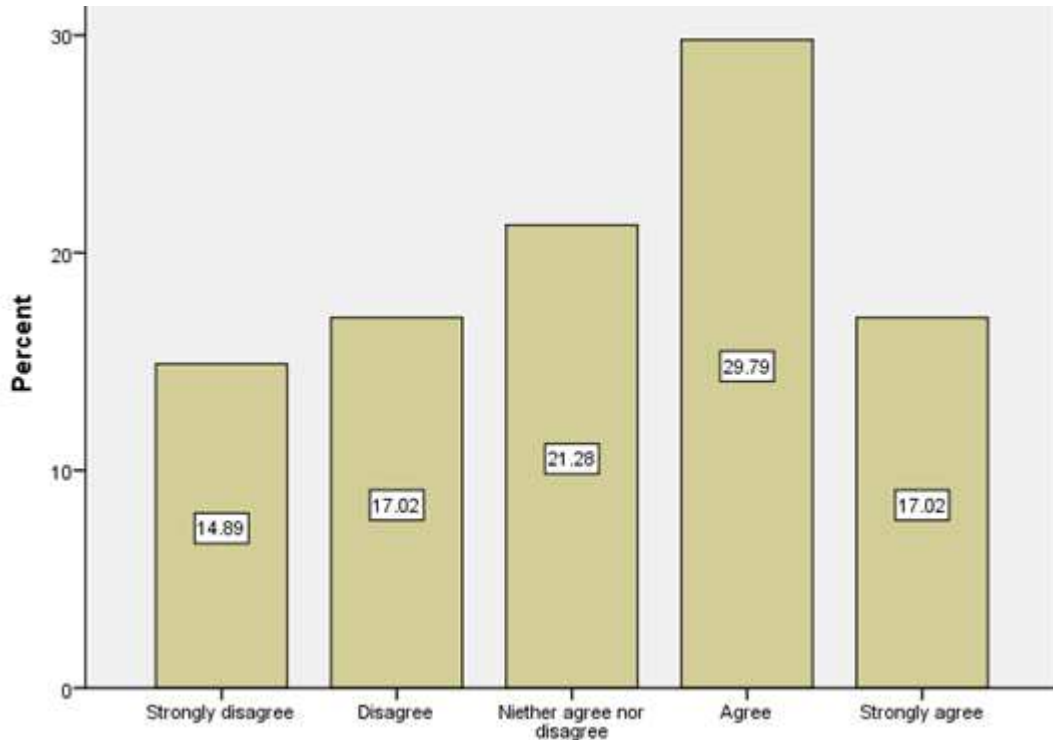
Source: (Own Survey, 2015)

4.7 Facilitation of Conducive Working Environment

Workers who feel they are free to make choices in the workplace, and be held accountable for them, are happier and more productive than employees who are more restricted, according to an extensive research literature review. 64 percent of the study participants speak as they perform their duty with full autonomy and freedom while 58 percent of the study participants describes as the organization creates opportunities for achievement and accomplishment. In addition, 47 percent of the respondents expressed as

they are satisfied by their involvement in the decision making processes that affect their work.

Figure 4 satisfaction by involvement in issues that affect the employee



Source: (Own Survey, 2015)

4.8 Utilization of the Performance Appraisal Results

Performance appraisal has two general uses in organizations, and these roles often are potential conflicts. One role is to measure performance for the purpose of rewarding or otherwise making administrative decisions about employees. Promotions or layoffs might hinge on these ratings, often making them difficult for managers to do. Another role is development of individual potential. In that role, the manager is featured more as a counselor than as a judge, and the atmosphere is often different. Emphasis is on identifying potential and planning employees' growth opportunities and direction.

Most of the study participants (66 %) believe that the performance appraisal process provide opportunity for learning and growth and help employees to improve their performance. Regarding the benefits, 27 percent reported it is used for training need

assessment, 42 percent indicated that it is used as a basis for personal development , 45 percent mentioned it enables people to know where they stand, 49 percent reported as it helps to improve performance and 40 percent mentioned identification of staffs with high potentials.

Table 12 Utilization of the performance appraisal for staff development

		Count	Percent
Provide opportunities for learning and growth	Strongly disagree	10	10.4
	Disagree	12	12.5
	Neither agree nor disagree	10	10.4
	Agree	24	25.0
	Strongly agree	40	41.7
Identify staffs with high potential	Strongly disagree	8	8.3
	Disagree	24	25
	Neither agree nor disagree	26	27.1
	Agree	20	20.8
	Strongly agree	18	18.8
Provide the basis for personal development	Strongly disagree	12	12.8
	Disagree	22	23.4
	Neither agree nor disagree	20	21.3
	Agree	22	23.4
	Strongly agree	18	19.1
Enable people to know where they stand	Strongly disagree	6	6.5
	Disagree	26	28.3
	Neither agree nor disagree	18	19.6
	Agree	28	30.43
	Strongly agree	14	15.2
Used for training need assessment	Strongly disagree	8	8.3
	Disagree	28	29.2
	Neither agree nor disagree	34	35.4
	Agree	14	14.6
	Strongly agree	12	12.5

Source: (Own Survey, 2015)

Likewise, uses of the appraisal result for administrative purposes were reported by the study participants. In respect to this, they mentioned, identification of under performers (42

percent), making decision on terminations, lay-offs and demotions (19 percent) as well as for motivation through promotion, recognition, and award (35 percent). Regarding the practice of using the results for awarding best performing staffs, only 15 percent of respondents indicated as awards in their work units are contingent on how well employees perform their jobs. Furthermore, 21 percent also reported as it is used to make pay decisions.

Table 13. Use of performance evaluation for administrative purpose

		Count	Percent
Identify under performers	Strongly disagree	10	10.4
	Disagree	26	27.1
	Neither agree nor disagree	24	25.0
	Agree	20	20.8
	Strongly agree	16	16.7
Used for motivation like promotion, recognition, award, etc.	Strongly disagree	12	12.5
	Disagree	30	31.2
	Neither agree nor disagree	20	20.8
	Agree	22	22.9
	Strongly agree	12	12.5
Provide basis for pay decisions	Strongly disagree	24	25.0
	Disagree	32	33.3
	Neither agree nor disagree	20	20.8
	Agree	14	14.6
	Strongly agree	6	6.2
Termination, lay-offs and demotions are based on performance results	Strongly disagree	16	16.7
	Disagree	34	35.4
	Neither agree nor disagree	28	29.2
	Agree	16	16.7
	Strongly agree	2	2.1

Source: (Own Survey, 2015)

Almost all participants of the interview reported as the performance evaluation is used only when issues that have critical implication are faced as in the case of staff competition for internal promotion (when the competitors have the same result in all other measurements) and when the management intends to take administrative measures in relation to operation scale backs. One of the key informants said “I do not have idea as for what purpose the

organization uses the staff performance evaluation.” Another participant also said it is primarily for documentation in relation to its potential use when critical administrative issues emerge. On the other hand, very few of the participants of the interview reported are the results as used for staff capacity development.

4.9 Understanding of the Performance Assessment

Purpose is a controlling force in any undertaking within organizational context. Accordingly, the understanding of the purpose and process of performance planning, appraisal, and use of the results for performance improvement as well as for administrative ends determines the effectiveness of a performance management system. With this understanding the study participants were asked about the degree to which they are clear with the objective of the performance appraisal system, about provision of guidance on undertaking the appraisal and the confidence they have about the knowledge of their supervisor regarding the performance evaluation system.

Table 14 Clarification of the performance appraisal

		Count	Percent
The organization has successfully explained and cascaded the main purposes of performance appraisal	Strongly disagree	8	8.3
	Disagree	18	18.8
	Neither agree nor disagree	22	22.9
	Agree	32	33.3
	Strongly agree	16	16.7
Are you aware of the objective of the Performance Appraisal System of Pact Ethiopia?	Strongly disagree	14	14.6
	Disagree	16	16.7
	Neither agree nor disagree	14	14.6
	Agree	32	33.3
	Strongly agree	20	20.8
My supervisor have a good knowledge on performance evaluation system	Strongly disagree	10	10.4
	Disagree	10	10.4
	Neither agree nor disagree	12	12.5
	Agree	42	43.8
	Strongly agree	22	22.9

Source: (Own Survey, 2015)

The responses of the study participants showed that only 54 percent are aware of the objective of the performance appraisal system. It is only 31 percent of the respondents who reported as they know the objective of the performance appraisal. In terms of the clarification and provision of guidance about the appraisal process, consistent with the awareness level, only 50 percent of the respondents reported as the organization has successfully explained and cascaded the main purposes of the appraisal to the staff. Yet, 60 percent of the staff who participated in the study believes that the organization has the ability to provide clear guidance on the performance appraisal. In contrary to this, a higher proportion of the respondents, 66 percent, believe as their supervisors have a good knowledge of the evaluation system.

4.10 Challenges

The following section depicts the challenges in administering performance evaluation and making use of the results for administrative and staff development purposes.

The performance evaluation and use of the findings do have some problems and challenges as perceived and reported by the study participants. 43 percent of the study participants feel as the performance appraisal is conducted for the sake of formality. A significant percentage of the study participants (25%) are not also sure if the performance appraisal is actually used for staff development or administrative purposes. Some (34 %) of the study participants also indicated as the performance evaluation is more of waste of time. Yet, 50 percent of the respondents feel as it is worth of the time invested for it.

Table 15. Worthiness and fairness of the performance appraisal

		Count	Percent
I think the current performance rating is a waste of time	Strongly disagree	32	34.0
	Disagree	14	14.9
	Neither agree nor disagree	16	17.0
	Agree	16	17.0
	Strongly agree	16	17.0
Performance evaluation is conducted for the sake of formality	Strongly disagree	14	14.6
	Disagree	20	20.8
	Neither agree nor disagree	22	22.9
	Agree	12	12.5
	Strongly agree	28	29.2

Source: (Own Survey, 2015)

There are also challenges raised by the respondents in relation to the performance appraisal process. Stating the limitation of the process, 34 percent of the study participants mentioned complex and unpractical format, 48 percent mentioned difficulty to set standards, and 35 percent mentioned the time consuming nature of the process. Besides, though the majority (54 percent) reported as it is easy to get managers complete the forms, 29 percent of the respondents indicated as it is not easy to get it done by managers. Further, it is only half of the study participants who believe as the organization ensures the timely completion of the performance review of staff.

The discussion with the key informants and the staff shows as most of the staff are not clear about the objective or purpose of the performance evaluation. Though few reported as the policy is implemented properly, most think it is just for the sake of formality that the performance evaluation is undertaken. As evidence to this, some mentioned as they have never seen the evaluation being used. Expressing this, one key informant said: “I think it is for formality purpose that the performance evaluation is conducted rather than making use of the information for decision making.” Another employee expressed his concern saying the result of the performance assessment is not known and it is not linked to specific objective...meaning purpose.

The major problem mentioned by the participants of the interview were difficulty of setting goals, lack of clarity on the objective of the performance evaluation, poor utilization of the performance appraisal results, and less participation of the employees. Moreover, some have indicated as there is no continuous support on job assignment and performance problems. Likewise, some have indicated as the involvement of a number of actors in the evaluation process has made the management of the results complex.

As a solution to address these gaps, the discussants forwarded different suggestions. Some believe as the management should take the responsibility of getting the system work and assure the proper utilization of the benefits that could be gained from effective performance management system. In connection to this, most suggested to undertake the performance evaluation with a well-defined purpose and practical utilization. Some also suggested investing on the awareness and understanding of the staff about the performance management evaluation and increasing the involvement of the staff in the planning process. Further, few indicated the need to match the organizational and personal objectives of the employees as a means of enhancing the effectiveness of the system.

4.11 Appraisal of Pact Performance Management System

Most of the participants of the study, 85 percent rated that the performance management system of as good and excellent. On the other hand, only 4 percent of respondents rated it as poor while 11 percent rated it as satisfactory. The major strength of the performance evaluation system as to most of the participants of the interview is that the evaluation takes into account the ratings of peers, supervisors and the employees themselves i.e. it is 360⁰.

Table 16. Study participants rating of Pact's performance management system

	Frequency	Percent
Excellent	2	2.2
Very good	32	34.8
Good	44	47.8
Satisfactory	10	10.9
Poor	4	4.3
Total	92	100.0

Source: (Own Survey, 2015)

Moreover, they mentioned as the planning and measurement is very detailed. On the other hand, the poor utilization of the information and lack of relationship with strategic plans were mentioned as the critical gaps of the system by most respondents. The favorable rating of the performance management system could be explained by the fact non-of the staff were affected by the system as it is not being utilized.

|

Chapter V

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

Most of the employees in Pact are well informed about the vision and mission of the organization. Though most of the study participants think that the different development projects are aligned with the vision and mission of the organization, review of the portfolio against the vision and mission indicate that some projects are not directly linked to the mission of the organization. As the harmonization of the performance plans and objectives with the overall vision and mission of the organization is a function of the contribution of the specific projects, given that few of the projects are not directly linked to the mission it would be difficult to say that all the plans are harmonized.

The goal setting process for performance appraisal is considered as participatory by the majority of the study participants. Yet, some of the study participants indicated that the planning process is not participatory. Half of the participants reported that the department and personal performance plans include success criteria while others are not sure of this and some reported that it is not the case in Pact. An equal proportion of the study participants also believe that the standards are clear and measurable. With respect to the measurability and objectivity of the criteria, half of the respondents confirmed that the criteria is measurable and objective.

According to most of the study participants, the performance evaluation is undertaken on the basis of the standards and criteria set. Yet, the percentage of the respondents who said the evaluation rating they got was accurate and realistic was below 50 percent. In connection to this, half of the study participants believe that personal likes and dislikes of the raters and personal relationships affect the performance rating. It is only 42 percent of the study participants who believe the performance evaluation is fair and consistent.

The feedback provision on the performance of employees by supervisors on the basis of performance review is not strong in Pact. Results of the appraisal and performance gaps identified in the project implementation process (immediate feedback)

are not adequately communicated in the organization. This problem is further exasperated by lack of open communication on performance gaps between employees and supervisors. Subsequently, provision of technical support through mentoring and coaching as well as facilitating a conducive working environment with the objective of addressing performance shortcomings are not satisfactory. Yet, the staffs seem to enjoy autonomy and freedom in performing their duty.

The performance evaluation is more of a formality than a base for staff development and administrative decisions. The practical utility of the evaluation process is for staff promotion in cases where competition for posts require additional differentiating criteria and in dealing with downsizing. As a result of this, most of the staff do not think it is a meaningful exercise, and do not give the due value to the ratings for the fact that the probability of being affected by the results is very low.

The lack of clarity on the purpose for which the appraisal is conducted in light of the current utilization of the performance evaluation is the major limitation of the performance management system of Pact, inviting reluctance of the staff in administering the appraisal and make use of the information. On the other hand, the application of a performance appraisal system that consider the contribution of those who have detailed information on the performance level of the concerned employee and the consideration of the self-rating in the calculation of the employee performance could be taken as the merit of the system.

5.2 Conclusion

The research was aimed at assessing the performance management system practice and challenges in Pact Ethiopia office. In light of the research findings we can conclude that the performance management system as stated in the performance management guideline of the organization is sound. Nevertheless, the findings of the practice analysis lead to the conclusion that the performance management system as a whole and the application and use of the performance appraisal for performance improvement is very weak.

5.3 Recommendations

To improve the performance management system practice and use it as a means of improving the employees and organizational performance, the following recommendations are forwarded:

1. Revising the purpose of the performance appraisal

A well-defined purpose is the driving force any given effective performance managements, a purpose that an organization demonstrates the value it attaches to it by demonstrating its commitment for its achievement. As far as the practical purpose of performance management system is to improve performance by identifying and addressing factors that negatively affect employee and organizational performance, Pact needs to make use of the performance appraisal results for staff development and administrative decisions.

2. Improve the objectivity and measurability of the criteria

Having specific, measureable, and time bound and measureable objectives and targets that serves as a base for objective performance evaluation will help in tackling the miss use of the performance management system. At the same time, increasing the awareness and knowledge of the staff on the purpose of the system and promoting integrity in the appraisal process will help in maximizing the benefits to be gained from objective performance evaluation.

3. Emphasis on the utilization of the performance appraisal results for staff development and administrative decisions in a timely and consistent manner

Revising the purpose, improving the objectivity of the criteria and measurement, and enhancing the staff awareness and knowledge on the system will not add value if the time and other resources invested on the performance appraisal is not backed by its use. Thus, the ultimate effectiveness of the performance management system depends on the use of the results for staff and organizational performance. To this effect, Pact needs to improve its investment on its staff on the basis of performance evaluations and take appropriate administrative actions to motivate and or deal with poor staff performance.

References

- Armstrong M and Murlis H (1994), *Reward Management, A Handbook of Remuneration Strategy and Practice*, Kogan Page Limited.
- Armstrong, M & Baron, A (1998) "Performance management: The new realities" London: Institute of Personnel and Development.
- Armstrong, M (1996) "A handbook of personnel Management Practice", Kogan Page, London.
- Bangladesh: A Deeper Examination", *World Review of Business Research*, Vol. 1, No. 2, pp. 153 – 16.7.
- Bernardin, H.J., & Villanova, P. (1986), Performance appraisal. In E.A. Locke (Ed.), *Generalizing from laboratory to field settings* (43-62). Lexington, MA: Lexington Books.
- Bourne M, Mills J, Wilcox M, Neely A and Platts K (2000), *Designing, Implementing and Updating Performance Measurement Systems*, *International Journal of Operations and Production Management*, Vol 20, No 7, MCB University Press.
- Bratton J and Gold J (2007), *Human Resources Management, Theory and Practice*, Palgrave Macmillan.
- BURS (2002). *Performance Management System*. Botswana: Botswana Unified Revenue Service.
- Business School. Working Paper No. 08-041. Available www.hbs.edu/research/pdf/08-041.pdf. Accessed on 5th May 2011.
- Chowdhury, M.F. (2011), "Performance Management Practices in Organizations Operating in Cornell University, (2010). *The Performance Management Process Model*. Cornell University, Division of Human Resources: Available http://www.hr.cornell.edu/life/career/performance_management.html accessed on 17 December 2010.
- Kaplan RS and Norton DP (1996), *The Balanced Scorecard, Translating Strategy Into Action*, Harvard Business School Press.
- Kaplan, R.s & Norton, D.P. (1996). *The balanced scorecard: translating strategy into action*. Boston Mass; Harvard Business School Press
- Khan, A. H., Nawaz, M. M., Aleem, M., & Hamed, W. (2012). Impact of job satisfaction on employee performance: An empirical study of autonomous Medical Institutions of Pakistan. *African Journal of Business Management*, 6 (7), 2697-2705.
- KSU, (2009). *Policies and Procedures Manual: Performance Management Process*. Available: <http://www.ksu.edu/policies/ppm/4080.html>. Accessed on 17 December 2010

Levin, H.Z. (1986), "Performance appraisal at work", *Personnel*, Vol. 63, No. 6, pp. 63-71.

Mathis, R.L., & Jackson, J.H. (2005), "Human Resources Management". (3rd ed.). Thompson, Bangalore.

MoF. (2009). Ministry of Finance: Strategic Plan 2009/201-2013/2014. Namibia: Windhoek.

Nel PS, Werner A, Haasbroek GD, Poisat P, Sono T and Schultz HB (2008), *Human Resources Management*, Oxford University Press

OPM (2005). *Performance Management Report*. Windhoek: OPM.

Sharma, M. P. (1997). Organizational Commitment and Its Determinants. *Indian Journal of Industrial Relations*, 33(2), 193-210.

Sherman A, Bohlander G and Snell S (1996) *Managing Human Resources*, South Western College Publishing

Thomas, S.L., & Bretz, R.D.J. (1994), "Research and practice in performance appraisal: evaluating employee performance in America's largest companies", *SAM Advanced Management Journal*, Vol. 59, No. 2

Werker, E., & Ahmed, F.Z. (2007), "What Do Non-Governmental Organizations Do?" Harvard

Annex

Data collection tool

Saint Marry University

School of post graduate studies

Dear respondent

This questionnaire is designed to collect information about *the practice and challenges of performance management system in pact Ethiopia*. Specifically, it is aimed to assess the practices of **performance planning, performance execution, performance assessment**, as it actually occurs in your department and for **what purposes the evaluation results are being used and the challenges in the application of performance evaluation process**. The questionnaire has been designed in such a way, that minimum time is required for the completion. Your response will be treated as *strictly confidential and will be used only for academic purpose* i.e. **in partial fulfillment of the requirement for MA in Human Resource Management**. Since successful completion of this study depends on your genuine response, I'm kindly requesting your cooperation to respond to all of the following questions.

Thank you in advance for your cooperation!

SECTION A: Profile OF THE RESPONDENT

Please fill and tick (✓) where appropriate

1. Sex

Female	Male
<input type="checkbox"/>	<input type="checkbox"/>

2. Job Category

Director	<input type="checkbox"/>
Manager	<input type="checkbox"/>
Supervisor	<input type="checkbox"/>
Non- supervisor	<input type="checkbox"/>
Other	<input type="checkbox"/>

3. Age

Under 25	<input type="checkbox"/>
25-35	<input type="checkbox"/>
36-45	<input type="checkbox"/>
46-60	<input type="checkbox"/>
Above 60	<input type="checkbox"/>

2. How long have you been in the organization?

Years	<input type="checkbox"/>
0 – 2	<input type="checkbox"/>
3 – 5	<input type="checkbox"/>
6 – 10	<input type="checkbox"/>
Above 10	<input type="checkbox"/>

3. Department in which you are working:

Administration	<input type="checkbox"/>
Transport	<input type="checkbox"/>
Research & Evaluation	<input type="checkbox"/>
Human Resource	<input type="checkbox"/>
Information Technology	<input type="checkbox"/>
Grants	<input type="checkbox"/>
Finance	<input type="checkbox"/>
Program/Project	<input type="checkbox"/>
Other	<input type="checkbox"/>

What is your level of education?

High school graduate	
Technical School graduate	
College Diploma	
1 st degree (BA or BSC)	
2 nd degree (Master's Degree)	
PHD	
Other	

4. The latest rate in you performance

Exceptional	
High Contributor	
Successful contributor	
Contributor	
Needs improvement	
Not evaluated	

SECTION B: Questions about performance planning

Note: performance planning is the first step for effective performance planning it refers to process through which the supervisor and the employee meet to discuss, and agree on what to be done (the key responsibilities of the person's job and the goals and projects the person will work on) and how the person will do the job (the behaviors and competencies). Having this in mind, please indicate the extent to which you agree with the following statements.

No	1= Strongly Disagree, 2= Disagree, 3= Neither agree nor disagree 4= agree, 5= Strongly agree					
	In my organization goal setting process is carried out jointly by the employees and their immediate supervisor					
	My supervisor gives me a chance to participate in performance planning (agreeing on goals and objectives needs to be achieved and measurement standards)					
	I am clear on what my key job responsibilities are.					
	My supervisor clearly explains to me what he or she expects from my performance and basic requirements					
	My supervisor reached an agreement with me on how my performance will be measured.					
	My supervisor clearly explains to me the standards that will be used to evaluate my work.					
	My department's performance plan indicates success criteria (The individual and the manager will know how desired results have been achieved).					
	Identifying the most important competencies that is expected from me to demonstrate in performing the job					
	I have never been participate in performance planning process					
0	My supervisor don't participate in my performance planning process					

SECTION C: Questions about performance Execution

Note: Performance execution is the second phase of an effective performance management process. For the individual, the critical responsibility in Phase II is getting the job done—achieving the objectives. For the appraiser, there are two major responsibilities: creating the conditions that motivate, and confronting and correcting any performance problems.

S.No	1= Strongly Disagree, 2= Disagree, 3= Neither agree nor disagree 4= agree, 5= Strongly agree					
1	The performance appraisal processes encourages providing routine and ongoing feedback regarding staffs performance					
2	I can communicate openly with my appraiser on my job progress and any problems encountered.					
3	My organization try to improve/address problems that affects my performance					
4	The performance appraisal system encourages/demands every supervisor/staffs to keep track of achievements and accomplishments					
5	I am always updated by my organization as Conditions Change and revise our objectives accordingly					
6	Staffs Actively participate in the midterm review meeting in order to update objectives as conditions changed and reinforcing effective behavior					
7	While you have a problem in performing your task you will get adequate guidance and coaching to solve your problem					
8	your supervisor gives you a recognition on your remarkable achievements					
9	your supervisor gives you immediate feedback on your drawbacks					
10	You perform your duty with full autonomy and freedom					
11	My organization creates an opportunities for achievement and accomplishment					
12	Provide opportunities for learning and growth					

SECTION D: Questions about performance Assessment

Note: Performance assessment is the third phase of an effective performance appraisal system. Basically, it is a process of evaluating the extent to which the desired behaviors have been displayed, and whether the desired results have been achieved. It is about evaluating the extent to which the goals stated in the performance planning stage have been achieved. Please indicate your level of agreement with the following statements

.No	1= Strongly Disagree, 2= Disagree, 3= Neither agree nor disagree 4= agree, 5= Strongly agree					
1	I always submit my work accomplishments and achievements as per the schedule					
2	My performance was measured based on the agreed standards and objectives					
3	The criteria's for evaluation is based on observable and measurable					

	characteristics of the behavior of the employee					
4	The result of the appraisal is communicated and discussed with the employees on one to one basis					
5	Staff discuss their performance problem areas openly during performance appraisal					
6	My organization ensure timely completion of performance reviews of staffs					
7	My performance rating is based on how well I do my work					
8	My performance rating is based on how much work I do					
9	The performance rating I received was very accurate and realistic					
10	The organization has a system for continuous noting and documenting the performance.					
11	I think the current performance rating is a west of time					
12	Raters give performance ratings that reflect in part their personal like or dislike of employees					
13	My performance evaluation is done without considering the agreed standards					
14	Performance evaluation is done just for the purpose of formality					

SECTION E: Questions about the uses of performance management

Note: Performance management is useful to encourage employees to raise their performance, develop their abilities increase satisfaction and achieve their full potential to the benefit of the individual and the organization as a whole. Please indicate your level of agreement on the extent to which the performance evaluation of this organization is useful for the following purposes.

No	1= Strongly Disagree, 2= Disagree, 3= Neither agree nor disagree 4= agree, 5= Strongly agree					
1	Improve staff performance					
2	Identify staffs with high potential					
3	Identify under performers					
4	Align individual and organization objectives					
5	Provide the basis for personal development					
6	Enable people to know where they stand					
7	Used for training need assessment					
8	Used for motivation like promotion, recognition, award, etc.					
9	Provide basis for pay decisions					
10	Termination, lay-offs and demotions are based on performance results					
11	It is simply a matter of formality					
12	Properly recorded for decision making purpose					

SECTION F: Questions about staffs' awareness regarding performance evaluation

.No	1= Strongly Disagree, 2= Disagree, 3= Neither agree nor disagree 4= agree, 5= Strongly agree					
1	The company is able to provide clear guidelines for performance appraisal					
2	The organization has successfully explained and cascaded the main purposes of performance appraisal					
3	Are you aware of the objective of the Performance Appraisal System of Pact Ethiopia?					
4	The goal setting process is participatory					
5	The appraisal program require employee involvement in the development of the employee's performance plan					
6	The standards set are clear, easy to understand and put in a measurable terms					
7	Our performance appraisal is consistent and fair					
8	The performance appraisal helps employees to improve their performance					
9	My performance appraisal is a fair reflection of my performance					
10	Awards in my work unit depend on how well employees perform their jobs.					
11	Discussion with my supervisor/team leader about my performance are worthwhile					
12	I am satisfied with my involvement in decisions that affect my work					
13	My supervisor have a good knowledge on performance evaluation system					
14	Interpersonal relationships can influence the evaluation and the decisions in the performance appraisal process					
15	Performance evaluation is conducted for the sack of formality					

SECTION G: PROBLEMS IN THE CURRENT PERFORMANCE APPRISAL PROCESS/SYSTEM

The major factors which contribute for the appraisal problem in pact Ethiopia by stating

1= Strongly Disagree, 2= Disagree, 3= Neither agree nor disagree 4= agree, 5= strongly agree

- | | | | | | |
|---------------------------------------------------------------------------------------------------------------------|--|--|--|--|--|
| 1. The formats are not simple and non-practicable | | | | | |
| 2. Setting goals are difficult | | | | | |
| 3. Setting standards are difficult | | | | | |
| 4. Measuring performance is difficult | | | | | |
| 5. Interpersonal relationships can influence the evaluation and the decisions in the performance appraisal process? | | | | | |
| 6. There is no appropriate documentation for performance appraisal | | | | | |
| 7. The current process is too time-consuming | | | | | |
| 8. Getting Managers to complete the forms is difficult | | | | | |
| 9. Personal objectives do not contain clear measures of success. | | | | | |

Please comment on the problems related to the current performance appraisal system of Pact Ethiopia.

1. What do you feel about the short comings of the performance evaluation system being followed in your department? Please specify

2. What major problems do you see in the existing performance appraisal system?

3. How do you think this would be corrected?

4. I feel very comfortable in giving up ward feedback

Yes	No

If “NO” can you specify the reason

5. Please indicate your rate for Pact employee appraisal based on your experience to date.

Excellent	Very Good	Good	Satisfactory	Poor

Interview Questions

1. Do staffs participate in performance planning?

2. Is there alignment between staff performance and the organization mission?

3. What are the sources of information to evaluate staff performance and how much weight is given to each source?

4. What are the uses of staff evaluation? Will you get the information from the response for what purpose the organization uses?

5. Do you have constraints to implement effective performance appraisal?

6. Who is responsible for the designing of performance appraisal system?

7. Do you disclose the appraisal result to the staffs?

8. What feelings do you observe from the staff after receiving their performance feedbacks?

9. Please brief me the strengths and weakness of the performance management of the organization if any?

Annex 1

Pact Work plan Template

Six Monthly Work Plan (January – June 2007)

Name of staff member _____

Objectives	Major Activities	Outputs/Accomplishments	Timeframe	Comments

Annex 2

Pact Quarterly Supervision Format

Six Monthly Work Plan (January – June 2007)

Name of staff member _____

Objectives	Major Activities	Outputs/Accomplishments	Timeframe	Comments

Supplementary Information during Supervision Process

Additional Comments:

- Favorable environment has meant that team able to achieve more than expected in last 3 months
- Support from logistics exceptional !
- May require field visit and support from Grants unit in coming period

Action agreed:

- Mrs. Y to review last quarterly report urgently for submission
- Mr. X to propose more realistic outputs for networking objective
- Revised time frame to be proposed for coming 3 months
- Mrs. Y to schedule meeting with TEACH team about monitoring schedule
- Mr. X to have follow up meetings with Y Choices and Nike to review recent challenges

Personal development plan:

- Mr. X to join AI focused conflict management training being conducted by CDI project

Signature of line manager _____ **(date)**

Signature of manager _____ **(date)**

Signature of staff _____ **(date)**

Example of Annex 3

Pact Activity Accomplishment Report

Name of staff member:

Period under review:

Post:

Department/Unit:

Objectives	Major Activities	Outputs/Accomplishments	Problems Encountered	Action Taken

Additional

What is working well (organizational or structural)?

What areas could be improved to ensure more effective and efficient programming?

Annex 4

Self-Appraisal Form

Employee Name:

Title:

Completed by:

Unit:

Appraisal period

to

Date:

Purpose: *This form gives you the opportunity to tell your supervisor how you're doing. It's your chance to gain awareness.*

Your job definition

What are your primary job responsibilities? What results are expected from you?
What does your supervisor emphasize?

Your major contributions

What are your major successes this period? What did you accomplish? Where did you excel? Think in terms of cost-saving ideas, critical problem solving, process improvement, new ideas innovations.

Progress on your previous development plan

What progress have you made on you development plan and are you satisfied? List behavior changes and skills developed.

Self Appraisal Form (cont.)

Roadblocks you encountered this period

What got in your way this period? What prevented you from achieving your goals? If you had the last performance period to live over what would you do differently? How we can help you to be more effective? List suggestions.

Future Focus

Where do you want to be in one year in terms of job responsibilities, projects, assignments, task force participation, core competencies, location and interests?

Annex 5

Supervisor/Manager Reverse Appraisal Form

Employee Name:

Date:

Appraisal period to

***Purpose:** The Supervisor/Manager Reverse Appraisal Form is meant to provide you with an opportunity to give the gift of feedback on your manager's strengths and areas for improvement. Remember that feedback between two individuals is a gift and is meant to help develop both parties. Please give candid observations.*

Job definition

What are your primary job responsibilities or functions for this position? What are the areas of critical emphasis or key goals?

Strengths

What makes the person successful in this position? What characteristics do you respect and admire? What do they do well that you would like them to continue or do more of? Please give examples to illustrate your comments.

Areas needing development

What behavioral changes or skill development would make the person more effective in their current position? What specific action steps would you recommend?

Annex 6

Peer Feedback Form

Employee Name:

From:

Date:

Regarding:

Appraisal period **to**

Purpose: *The Peer Feedback Form is to help achieve a greater level of productivity and satisfaction on the job. It is intended for feedback rather than disparaging remarks or excessive praise. Remember feedback between two individuals is a gift and is meant to help develop both parties. Give candid observations of your peer. After I receive your feedback form, we may want to have a quick one-on-one meeting to go over your observations.*

Job definition

What are your primary job responsibilities or functions for this position? What are the areas of critical emphasis or key goals?

Strengths

What makes the person successful in this position? What characteristics do you respect and admire? What do they do well that you would like them to continue or do more of? Please give examples to illustrate your comments.

Areas needing development

What behavioral changes or skill development would make the person more effective in their current position? What specific action steps would you recommend?

Annex 7

External Appraisal Form

Employee Name:

Date:

Appraisal period _____ **to** _____

Purpose: *The external Feedback Form is to get feed back from external people or organization (e.g. partner NGOs, consultants etc.*

Explain in short the working relationship you have with the person

Strengths

What makes the person successful in this position? What characteristics do you respect and admire? What do they do well that you would like them to continue or do more of? Please give examples to illustrate your comments

Areas needing development?

What behavioral changes or skill development would make the person more effective in their current position? What specific action steps would you recommend?

Annex 8.1

Performance Appraisal Review Form: Management

Date

Employee Name: _____ **Job Title:**

Unit:

Review Period From _____ **to** _____

Job definition

What are the primary job responsibilities or functions for this position?

Strengths

What makes the person successful in this position? What characteristics do you respect and admire? What do they do well that you would like them to continue or do more of? Please give examples to illustrate your comments.

Areas needing development?

What behavioral changes or skill development would make the person more effective in their current position? What specific action steps would you recommend?

Explanation of ratings:	Needs improvement
	Meets requirements
	Exceeds requirements

Give your evaluation appraisal for each trait based upon on the work plan, job description and feed back received from different views

Trait	Needs improvement	Meets requirements	Exceeds requirements Outstanding	Remarks
1. Adaptability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. Cost consciousness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Leadership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4. Managing & Developing others	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5. Quality Planning and implementation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6. Initiative	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
7. Cooperation and teamwork	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
8. Creativity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
9. Communication	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
10. Organizational Champion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Overall Appraisal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Employee's acknowledgement and comments

Acknowledgement: I have received this document and discussed the contents with the appraiser. My signature means that I have been advised of my performance status and does not necessarily imply that I agree with the appraisal.

Comments (you can use additional sheets for describing your comments)

Employee Signature

Date

Appraiser's acknowledgment and comments

Acknowledgment: I have reviewed this performance appraisal and discussed the contents with the employee.

Comments you can use additional sheets for describing your comments)

Employee Signature

Date

8.2 Performance Appraisal Review Form: Front Line

Explanation of ratings:	Needs improvement
	Meets requirements
	Exceeds requirements

Give your evaluation appraisal for each trait based upon on the work plan, job description and feed back received from different views.

Trait	Needs improvement	Meets requirements	Exceeds requirements Outstanding	Remarks
1. Adaptability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. Customer service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Reliability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4. Job knowledge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5. Quality of work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6. Initiative	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
7. Creativity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
8. Organizational Champion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Overall Appraisal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Employee’s acknowledgement and comments

Acknowledgement: I have received this document and discussed the contents with the appraiser. My signature means that I have been advised of my performance status and does not necessarily imply that I agree with the appraisal.

Comments (you can use additional sheets for describing your comments)

Employee Signature Date

Appraiser’s acknowledgment and comments

Acknowledgment: I have reviewed this performance appraisal and discussed the contents with the employee.

Comments you can use additional sheets for describing your comments)

Employee Signature

Date

8.3 Performance Appraisal for cleaners, guards/drivers

Date _____

Employee Name: _____ Job Title _____

Department: _____ Type of Review: _____

Review Period: _____

Give your evaluation appraisal for each trait based upon job description.

Explanation of ratings:

Needs improvement

Meets requirements

Exceeds requirements

Evaluation Guide

Trait	Needs Improvement	Meets Requirements	Exceeds Requirements	Outstanding
1. Job knowledge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Dependability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Accuracy/ Quality of Work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Work organization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. Initiative	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Learning ability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Attendance/ Punctuality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Communication skill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Cooperation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Planning and work organization	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Judgment and problem solving	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall Appraisal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>