



**ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES  
DEPARTMENT OF GENERAL MASTER OF BUSINESS  
ADMINISTRATION**

**ASSESSMENT OF EMPLOYEES' PERFORMANCE  
MANAGEMENT PRACTICE AT SELF HELP AFRICA  
ETHIOPIA OFFICE**

By Wondwosen Gedamu

August 2016

SMU

Addis Ababa

**ASSESSMENT OF EMPLOYEES' PERFORMANCE MANAGEMENT  
PRACTICE AT SELF HELP AFRICA ETHIOPIA OFFICE**

A Thesis Submitted to St. Mary's University School of Graduate Studies in  
Partial Fulfillment of the Requirements for the Degree of Master of Business  
Administration (General)

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## DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Goitom Abraham (Asst. Prof.). All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

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**... August, 2016**

## **ENDORSEMENT**

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a University advisor.

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Signature

**...August, 2016**

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## **AKNOWLEDGEMENTS**

I primarily thank God for His supports and provisions which enabled me to carry out this research. My sincere gratitude goes to my advisor Asst. Professor Goitom Abraham for his unreserved guidance and assistance extended to me to complete the research. The support I got from him whenever I faced challenges while conducting the study is most appreciated.

I also thank Dr. Wubshet Berhanu, Country Director of SHA, for his advises and cooperation and allowing me to conduct the research on the organization. He has also communicated SHA HQ to get the permission to access the organization's documents. Mark Ireland and Helen O'flinn have also assisted me to allow me to conduct the research and understand the performance management system the organization is using.

My special honor goes to my mom as well as my wife who always encourage me to be successful in all aspects of life. Finally, I never forget the cooperation of Self Help Africa employees for responding to my questionnaires.



## **List of Abbreviations**

EPMS - Employee Performance Management System

HQ - Head Quarter

HR - Human Resources

MBO - Management by Objectives

PMS – Performance Management System

SHA - Self Help Africa

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## **Abstract**

*The purpose of this study is to assess the practice of employee performance management system at Self Help Africa Ethiopia Office. The study tries to address basic questions which include, determining the processes involved in the existing employees' performance management system; investigate the practice of the current employees' performance management system; and identify areas for improvement on Self Help Africa's employee's performance management system. The study adopted a descriptive research design. The population of interest consisted of 34 staff members of Self Help Africa Ethiopia Office. The entire population was included in the study because its number is manageable. Data was collected using structured questionnaires and interview. In addition to this the Employees' performance Management guideline of the organization was reviewed. The data was presented using charts. Findings of the study include lack of peer groups' feedback in assessing employees' performances and narrow range of rating scales of showing the degree of performances between staff. Employees also stated that they are well aware of the organization's strategic objective and assume they contribute for the achievement of those objectives. However, significant numbers of respondents have expressed their disagreements on the fairness of the performance management system in determining pay raises and development plans. Finally, a conclusion is made based on the findings. The major points raised were to update the organization's EPMS manual to include recently developed thoughts like 360 degree review. SHA also needs to make its system transparent and align the rewards schemes and training and development plans based on the outputs of the PMS.*

### **Key terms:**

Performance management, performance, feedback, development, performance assessment, performance review, methods of assessment, performance planning, performance appraisal

# **CHAPTER ONE: INTRODUCTION**

## **1.1 Background of the study**

Employee performance management is the process through which supervisors and subordinates gain a common understanding of work expectations and goals, share performance feedback, identify learning and development needs and opportunities, and evaluate performance results. With this process organizations are able to create and sustain a workplace environment that values continuous improvement; adapts well to change; strives to attain ambitious goals; encourages creativity; promotes learning and professional development and engaging and rewarding employees.

The researcher has observed that there is some gap in setting employee's performance objectives at the beginning of the fiscal year. At the same time there seems insignificant correlation between annual pay increases with performance appraisals as employees talk informally. In addition to this employees' development plans seems not well planned and emanated from outputs of a performance management system as observed in the trainings given so far and underutilization of development budget in the past year.

If the prevailing performance management system is not assessed and appropriate corrective measures are not taken, it could be difficult to align employees' personal goal with the organization's objectives. Besides, it could be difficult to identify the strong and less performing individuals objectively for the purpose of rewarding good performances and plan for development to improve the weak sides.

As learnt from the interview which has been made with the management of the organization, such kinds of study which focuses on the assessment of the existing employee performance management system has not been conducted previously.

Looking at the gaps that have been identified in the preliminary assessment, the researcher has decided to conduct a study to assess the effectiveness of the current performance management system and its implementation.

## **1.2 Statement of the problem**

Researches show that for an organization to be successful and see its goals achieved there should be a system by which the performances of each employee are managed and guided. The objective of the organization should be cascaded down to departmental/project level and then to individual employees level. Each staff's performance should support the achievement of the organization's objective. In Self Help Africa there is a staff performance management system which is believed to be not implemented at the required level. This research assesses the effectiveness of the existing performance management system.

## **1.3 Basic research questions**

A research question is an inquiry which aims to address a certain concern or issue. It is the first step in a research project after an idea of what to study is clearly identified.

(<http://study.com/academy/lesson/writing-research-questions>)

According to Wright JA (1990) any research question should be able to pass the "so what" test; the answer to the question should be important, interesting, and meaningful.

- Does the performance management system of Self Help Africa involve major components of the widely accepted EPMS processes?
- Do employees have a good understanding of the organization's goals, objectives and strategies as well as their department's specific objectives?
- How are individual annual objectives/goals formulated?
- How is employees' performance monitored?
- How is employee performance evaluation carried out?
- Are employees provided with feedback on their performance?
- For what purpose is performance appraisal results used?

## 1.4 The purpose/objectives of the study

The purpose of the study is:

- To assess the major components of employee performance management system of Self Help Africa.
- To investigate the level of employees' awareness on the organization's goals, objectives and strategies as well as their department's specific objectives.
- To explore the processes of individuals' performance planning.
- To examine employees' performance monitoring practices
- To scrutinize the way employees' performances are evaluated.
- To determine if employee are given timely feedbacks on their performances.
- To explore the purposes of the employees' performance appraisal results.

## 1.5 Definition of basic terms of the study

**Performance:** Performance is an employee's accomplishment of assigned tasks. It is viewed as employee activity or behavior which has been evaluated as to its appropriateness or desirability in an organizational setting. Behavior refers to anything a person does on the job (Carroll 1982:2).

**Management:** is the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims. (Heinz Wehrich, Harold Koontz (2004)

**Performance Management:** Performance management is a continuous process of identifying, measuring and developing performance in organizations by linking each individual's performance and objectives to the organization's overall mission and goals. Aguinis (2005)

**Performance Management System:** An authoritative framework for managing employee performance, which includes the policy framework as well as the framework relating to all elements in the performance cycle, including performance planning and agreement; performance monitoring, review and control; performance appraisals and moderating; and managing the outcomes of appraisal (Bacal 1999:3).

## **1.6 Significance of the study**

The study will assist managements and HR personnel at Self Help Africa understand how the existing performance management system is functioning, how it is effective and ways of improving the system. In addition it will help to align individual's objectives with the organization goals.

In addition to this, this research will create opportunity to the researcher to practice what was learnt about research methodology in class. Moreover, it can be used as a reference material for future similar or related researches in the subject matter.

## **1.7 Delimitation/Scope of the study**

Though Self Help Africa works in around ten countries in Africa, this research only examines the cases in Ethiopia Office. This is due to time constraints and cost implications. In addition to this, even though, the organization is in operation for the last 30 plus years in Ethiopia, only the last five years data were used as appropriate.

This study doesn't assess the impacts of the performance management system on employees' motivation or productivity. These could be addressed by other studies. All employees of the organization other than the five staff who joined the organization recently were included in the study.

## **1.8 Organization of the research report**

The research paper has five chapters.

*Chapter One: Introduction*

This chapter will contain background of the study, statement of the problem, basic research questions, objectives of the study, definition of terms, significance of the study, and delimitation/scope of the study.

*Chapter Two: Review of Related Literature:*

This chapter deals with the literature relevant to employee performance management system.

*Chapter Three: Methods of the Study*

Under this chapter, the type and design of the research; the subjects/participant of the study; the sources of data; the data collection tools/instruments employed; the procedures of data collection; and the methods of data analysis used will be included.

*Chapter Four: Results and Discussion*

This chapter summarizes the results/findings of the study, and interpretation and/or discussion the findings. The results and discussions will be extensively associated with the literature review made in chapter two.

*Chapter five: Summary, Conclusions and Recommendations*

This chapter comprises four sections, which include summary of findings based on the findings in chapter four, conclusions which is drawn from the summary of the findings, limitations of the study that could have effect on the conclusions and practical recommendations.



## **CHAPTER TWO: REVIEW OF RELATED LITERATURE**

### **2.1 Purpose of the review**

The purpose of literature review in relation to the assessment of employees' performance and development system in Self Help Africa Ethiopia Office is to refer various relevant researches and studies as well as theories which have been done on the same topic. Opinions and arguments of different authors are critically analyzed and their relationship with the cases under study defined. By doing this a theoretical framework and rationale of the study have been established.

In addition, major trends and patterns of previous researches on employee performance management have been treated. By doing this, generalization across the majority of the studies and inconsistencies among researches are discussed. The steps of employees' performance management will be outlined.

Finally, a set of criteria are established to evaluate the current performance management system practice of Self Help Africa Ethiopia Office.

### **Theoretical literature review**

#### **2.2 Performance management system**

##### **2.2.1 Definition of performance management system**

Dr. Herman Aguinis (2005) defines performance management system as a continuous process of identifying, measuring and developing performance in organization's by linking each individual's performance and objectives to the organization's overall mission and goals.

Gary Dessler (2005) defines Performance management as a process that consolidates goal setting, performance appraisal and development into a single, common system, the aim of which is to ensure that the employee's performance is supporting the company's strategic aims.

Mick and Adrian (2002) claim that employees' performance management is an integration of individual goals, departmental purposes and organizational objectives. Similarly, Lowry (2002) describes performance management system as the policies, procedures and practices that focus on employee performance as a means of achieving organizational goals and objectives.

On the other hand, Boswell and Boudreau (2000) argue that performance management system is a process that serves two objectives. The first one is functional, by which performance management system serves as a tool to determine salary increment, promotion decision, termination/retention decision, and identification of individual performance and areas of weakness.

The second objective is developmental. In this case individual's development and training needs identification is the primary point.

According to Mick and Adrian (2002), Performance management system has the following characteristics.

- Clarify and translate organizational objectives into departmental and individual goals
- Provide continuous communication about business plans and progress in achieving it.
- Create a shared understanding of what is required to improve performance and how it is to be achieved.
- Encourage self-management of individual performance
- Require a management style that is open and honest, and encourage two-way communication between superiors and subordinates.
- Systematically measure and assess all performance against jointly agreed goals
- Continuously evolving process in which performance improves over time.

In addition to this it should be all inclusive and depend on mutual understanding and consensus instead of control and coercion.

### **2.2.2 Purpose of performance management system**

Elaine D. Pulakos, (2004) argues that, performance management systems could be different based on the nature of organizations and the purpose of having such a system which could be determined according to the nature of the business, the underlying culture of the organization and the integration of the system with other human resource management functions.

Similar to Mick and Adrian (2002), Elaine claims that the purpose of performance management system could serve the purpose of decision making, in relation to pay increase, promotion, transfer and the like. On the other hand it could also be used for development by which training, job experiences, mentoring and other related activities are guided to enhance capabilities of employees.

However, unlike Mick and Pulakos, Elaine argues the even though it is theoretical possible to have a performance management system that serves both the aforementioned purposes, it is difficult to achieve it in practice.

### **2.2.3 Importance of performance management system**

Scholars agree that having a well-designed and effective performance management system is important to organization in various ways. *Thomas, S. L., Bretz, R. D. (1994)* claims that a good performance management system has the following advantages.

- It increases motivation to perform. Receiving feedback and recognition on past performances would encourage employees to increase their commitments to their works.
- Self-esteem is increased. Receiving feedback about one's performance fulfills a basic need to be appreciated and valued at work. This, in turn, is likely to increase employees' self-esteem.
- Managers gain insight about subordinates. Direct supervisors and other managers in charge of the appraisal gain new insights into the person being appraised. Gaining new insights into a person's performance and personality will help the manager build a relationship with that person. Also, supervisors gain a better understanding

of each individual's contribution to the organization. This can be useful for direct supervisors as well as for supervisors once removed.

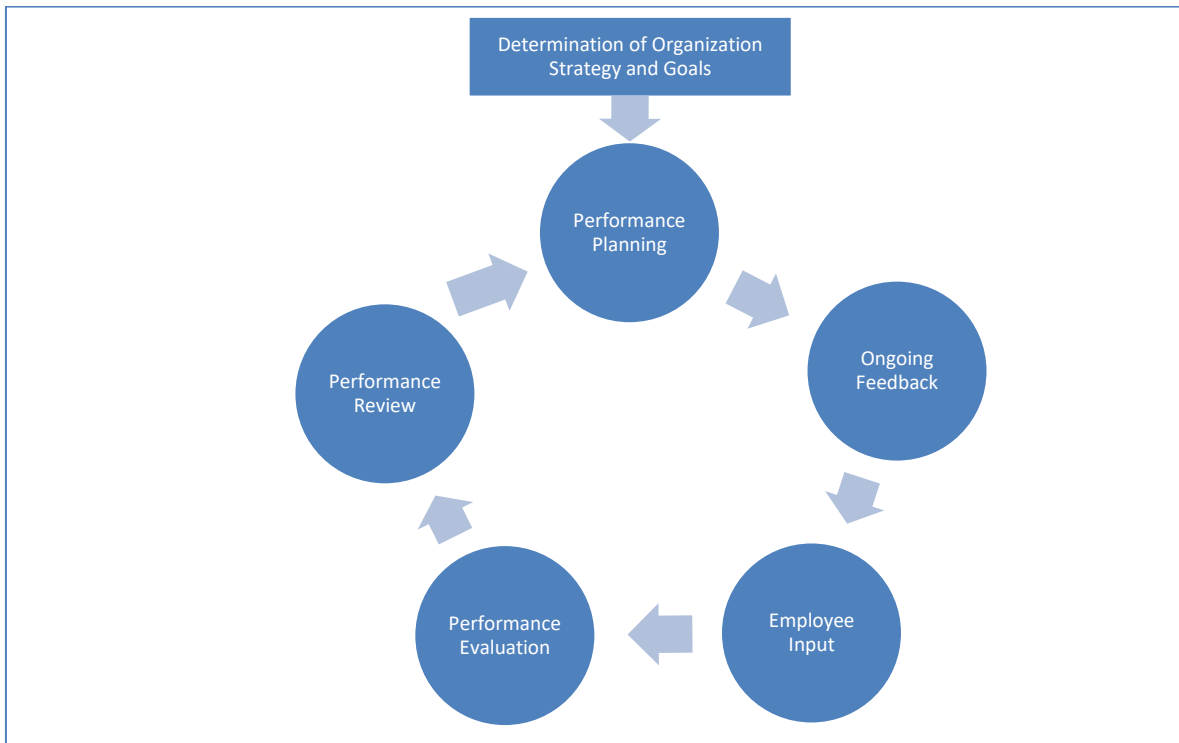
- The job definition and criteria are clarified. The job of the person being appraised may be clarified and defined more clearly. In other words, employees gain a better understanding of the behaviours and results required of their specific position. Employees also gain a better understanding of what it takes to be a successful performer (i.e., which criteria define job success).
- Self-insight and development are enhanced. The participants in the system are likely to develop a better understanding of themselves and of the kind of development activities of value to them as they progress through the organization. Participants in the system also gain a better understanding of their strengths and weaknesses, which can help them better define future career paths.
- Personnel actions are more fair and appropriate. Performance management systems provide valid information about performance, which can be used for personnel actions such as merit increases, promotions and transfers, as well as terminations. In general, a performance management system helps ensure that rewards are distributed on a fair and credible basis. In turn, such decisions based on a sound performance management system lead to improved interpersonal relationships and enhanced supervisor–subordinate trust.
- Organizational goals are made clear. The goals of the unit and the organization are made clear, and the employee understands the link between what he or she does and organizational success. This is a contribution to the communication of what the unit and the organization are all about and how organizational goals cascade down to the unit and the individual employee. Performance management systems can help improve employee acceptance of these wider goals (i.e., organizational and unit level).
- Employees become more competent. An obvious contribution is that the performance of employees is improved. In addition, there is a solid foundation for developing and improving employees by establishing developmental plans.

- There is better protection from lawsuits. Data collected through performance management systems can help document compliance with regulations (e.g., equal treatment of all employees regardless of sex or ethnic background). When performance management systems are not in place, arbitrary performance evaluations are more likely, resulting in an increased exposure to litigation.
- There is better and timelier differentiation between good and poor performers. Performance management systems allow for a quicker identification of good and poor performers. Also, they force supervisors to face up to and address performance problems on a timely basis (i.e., before the problem is too costly and cannot be remedied).
- Supervisors' views of performance are communicated more clearly. Performance management systems allow managers to communicate to their subordinates their judgments regarding performance. Thus there is greater accountability in how managers discuss performance expectations and provide feedback.
- Organizational change is facilitated. Performance management systems can be a useful tool to drive organizational change.

#### **2.2.4 Performance management process**

According to Elaine D. Pulakos, (2004), performance management processes has five steps as demonstrated and discussed below.

**Figure 2.1 Employee performance management process**



*Source: Pulakos, (2004)*

**i. Performance planning**

This is a starting stage of performance management cycle by which employees are reviewing their performance expectations. This includes the behaviors employees are expected to show and the end results expected to be attained at the end of the upcoming rating cycle. In this case Elaine strongly argues that behavior is an important component of performance and should be considerably taken into account while deciding on the performance plan. However, having a very convenient behavior alone does take anywhere. It should be come together with an effort to achieve the anticipated results.

Elaine added that behavioral and results expectations should be tied to the organization's

strategic direction and corporate objective. Therefore, employees should be clearly communicated the strategies of the organization as well as the overall objectives in order to guide their behavior and activities that facilitates the achievement of the organization's objectives.

On their article titled Employee Engagement: The Key to Improving Performance (2010), Solomon Markos and M. Sandhya Sridevi argue that align employees effort with organizations strategy is key to enhance employees performance and their engagement with their employers. In addition Lea Soupata (2005) claims that employees must know what the organization is doing, why it is engaging in various activities, and what their individual roles are in making the business successful.

Therefore, writers and researchers agree that establishing and communicating organizational strategies is the basis for performance planning.

At the planning stage, clear guideline should be established to set effective performance goals. Elaine (2004) suggested the following points as a basis for the planning process.

- Goals must clearly define the end results to be accomplished.
- To the extent possible, goals should have a direct and obvious link to organizational success factors or goals.
- Goals should be difficult, but achievable.
- Goals should be set in no more than three areas-attempting to achieve too many different goals at once will impede success.

In addition to this many writers have said about SMART while setting performance objectives. SMART stands for Specific, Measureable, Attainable, Realistic and Time bounded.

## **ii. Ongoing feedback**

The second step in the performance management process that follows the planning stage is the ongoing feedback. Some researchers argue that this is the main area that needs improvement in order to have the desired result out of the performance management

process. One of the issues that arise here is the capacity of managers in giving feedbacks in a constructive way. In addition there should be effective and two way communication by which employees are given chances to speak instead of merely listening in all the time (Wexley, K. N. (1986); Cederblom, D. (1982)). Moreover, Wexley, K. N. (1986) suggests that the most valuable feedback is the one which is given in close proximity to the event instead of waiting for several months after the happening of the event. Thus, the better way is to give ongoing informal feedback as part of the daily work routine. Researchers such as Wexley, K. N, Cederblom, D, Cawley, B. D., Keeping, L. M., & Levy, P. E suggested the following guidelines for providing feedback effectively. Wexley, K. N. (1986); Cederblom, D. (1982); Cawley, B. D., Keeping, L. M., & Levy, P. E. (1998)

#### ***2.2.4.1 Guidelines for providing feedback effectively***

- provide immediate positive and developmental feedback in a private location;
- ask for the employee's view about what could have been done differently;
- be specific about what behaviors were effective or ineffective;
- focus on what the person did or did not do; not personal characteristics;
- collaboratively plan steps to address development needs; and
- offer help in addressing development needs and providing resources.

#### **iii. Employee input**

In many organizations, employees' inputs have been used to measure performances. Employees are required to rate themselves and discuss with their managers ratings. This gives workers to measure their performances and assess their works compared to the objectives set at the beginning of the rating period. However, this could create discomfort and disagreement when the manager rates are not in line with the one that is given by the employee.

The other way of involving employees in the process is to let employees narrate their results and accomplishment in the rating period. A combination of these two methods could also be used.



Elaine D. Pulakos (2004) proposes the following guidelines for writing employee accomplishment.

- Include the situation or circumstances faced by the employee.
- Describe what specific actions the employee took to achieve results.
- Describe the impact of the accomplishment on the work unit or organization.

Involving employees in the performance management process could increase the sense of ownership and understanding between managers and subordinates. In addition it would improve communication between them.

#### **iv. Performance evaluation**

Performance Evaluation is a constructive process to acknowledge the performance of a non-probationary career employee. An employee's evaluation shall be sufficiently specific to inform and guide the employee in the performance of her/his duties  
(<http://ucnet.universityofcalifornia.edu/labor>)

#### ***Evaluating behaviors***

These days many organization use competency based system to evaluate the performances of their employees. Competency based approach focuses on the knowledge, skills, and characteristics that deemed necessary to achieve once own job responsibilities and organizational objectives. In this case critical success factors and key performance indicators related to each employee that leads to the attainment of the organization's goal.

Therefore, in evaluating individuals performance due consideration is given to measure each competencies identified in the planning stage which are directly related to the organization's strategic objective.

In this process, the optimum number of competencies to be measured should be determined so that managers who are evaluating a number of supervisees will not be bored. In addition to they should be defined based on the complexity, level of responsibility and level of difficulty of each job.

Defining competencies of each position would help, first, to help employees to know what exactly is expected of them and secondly, to enable managers to apply standardized approaches and ways to measure their subordinates' performances.

Competency based models can be developed in many ways. The most common ones are 1) to develop standardized and general competencies for all positions. Here, managers could be required to explain further each competency in order to measure performances of each employee. However, this approach is easy to develop and consumes less time and resources. The second approach is developing competencies for each job or similar group of jobs.

### ***Evaluating results***

Though many organizations are using competency based approaches, there is also increasing importance of measuring results as part of employees' performance evaluation. Elaine D. Pulakos (2004). Results expected may vary between employees based on the nature of work each employee is performing. For example, a result expected from a person working in new program developments could be the number of successful new proposals written. Whereas the number of transactions processed, reports produced and customer satisfaction could be expected from a person working in finance units. The problem in this case could be fewer tendencies of recording results and how the results are measured and compared among different employees working in different settings.

### ***What type of evaluation will be made?***

Elaine D. Pulakos (2004) suggests that the types of evaluation could be different based on the objective of the evaluation. If its purpose is to make decisions on promotion, salary increment, retention or termination, then a numerical rating like five or seven point scale could be appropriate.

On the other hand if the objective of the evaluation is for developmental issue, then instead of numerical measuring system, identifying competency areas that need improvement may suffice.

### ***Who will provide evaluations?***

Performance evaluation needs sufficient information in order to make the process effective. The information required could be found from different sources like managers, employees, peers and customers. Some organization uses a 360 degree review to collect information. In this method, subordinates co-workers and customers could be requested to give performance related information about an employee under evaluation. This would give different view of employee's performance. The major drawbacks of the 360 degree review are, in most cases peer reviewers and customers may have little experience in objective ratings. Particularly, where the purpose of the evaluation is for decision making the information given from those sources may be biased. Greguras, G. J., Robie, C., Schleicher, D. J., & Goff, M. (2003).

### ***General errors in performance evaluation***

While evaluating performance of the candidate under the PMS few types of error can take place that are as follows: R. K. Sahu (2007); Sharmistha Bhattacharjee, Santoshi Sengupta, (2011); T. V. Rao, (2011)

#### ***Strictness Error***

It occur when the appraiser artificially assigns all or certain group of employees' low performance ratings and consequently all or certain scores cluster at the bottom of the rating scales.

#### ***Central Tendency***

It happens when the appraiser rates everyone around the midpoint and avoids extremes

#### ***Spillover Effect***

It is the inclination of the appraiser to carry in mind the previous period appraises in view while making evaluation on the current Performance.

#### ***Recency Effect***

This is a case where recent behavior or accomplishments, good or poor, affects the judgment of the evaluator in rating employees' performance.

**v. Performance review**

This is a session in which managers and supervisors come together to discuss the ratings, performance narratives and evaluations done in the previous stages. This is a time where areas for development are identified and setting of next level of performance standards are sought where the employee have achieved all the standards established.

Moreover, related decisions on promotion pay raises and other administration issues can be discussed in this instance.

***Accurate performance measures***

The performance measurement system should be accurate and valid so that employees can identify where they are in terms of achieving the objectives set at the beginning. This would also lead to areas for development to improve performances and to learn new skills appropriate to fill the gap. To be an accurate measure of performance, our measure must be valid and reliable, acceptable and feasible, specific, and based on the mission and objectives.

The performance measurement tools should be valid and reliable. This means our measurement should be true and correct. As the same time it should be consistent and produce the similar results where ever we use it.

In addition, the measurement tools should be acceptable and feasible. In this case the tools devised to evaluate employees' performance should be appropriate or satisfactory to those who use it. For a performance measurement toll to be acceptable, it needs to be feasible. Here it must be evaluate performance measures that identify success in the job and/or areas for improvement.

The evaluation measure should also be specific. Everything included should be explicitly identified and well defined so as to enable those involved in the process to clearly and completely understand the issue. Evaluation forms should identify the achievement and

weaknesses of each employee definitely and general statement should be avoided.

### ***Methods of performance appraisal***

In Most organization the formal performance appraisal process involves methods and forms developed by Human Resources section. The form should be clear and objective so that employees know what good performance constitute and work towards that.

Below are the most common performance appraisal methods

#### ***Critical incidents method***

Gary Dessler, (2005) claims that in this method the supervisor of an employee keeps a log of good and poor performances of a subordinate's work related behavior. Then the supervisor and supervisee sit together to discuss on the lists of desired performances and those which are below expectations periodically.

According to Gary, this method provides actual examples of good and poor performances to explain the subordinate's performance. In addition the rating will be based on performances that cover the appraisal period instead of reflecting the employee's most recent performances. However, this method doesn't give ways to make comparison between employees for the purpose of promotion or salary increment decisions.

#### ***Management by objectives (MBO)***

It is a process that involves setting specific measureable goals with each employee and periodically reviewing the progress made. Gary Dessler (2005). The important point here is the participation of employees in setting goals. Management by objective is a three step process.

*Step1. Establish individual objectives and plans.* In this step, the manager and employee come together to discuss and set performance objectives for the coming period. As the employee is actively involved in the setting of what to do, he may not feel that the objectives are imposed by the supervisor and there will be a sense of ownership. In addition, the objectives should be specific, measureable, attainable, and relevant to the employee's responsibilities and bounded by time frame.

*Step2. Give feedback and evaluate performance.* The critical factor for the success or failure of MBO is the adequacy of communication between the manager and the employee during the performance period. There should be continuous exchange of information on the progress of the employee towards achieving the established objectives.

*Step3. Reward according to performance.* Finally, the results of the employee should be properly measured against the objectives set. Good performances and achievements should be rewarded in the form of promotion, pay raise, recognition and so on. At the same time if an employee fails to perform as intended for reasons which are not out of his control may lack those rewards and even may face punishments when necessary.

### ***Narrative method or form***

In this type of performance appraisal, the supervisor either writes whatever he wants in relation to the employee's performance or answer questions in narrative form. This type of method is method could be convenient to appraise managers' performance and may not be appropriate for operational workers.

### ***Graphic rating scale form***

In this, case managers scale performances of subordinates in a continuum way as excellent, very good, average, good or poor. The scales could be given numbers as 5 for excellent and 1 for poor.

### ***Behaviorally anchored rating scale (BARS) form***

The Behaviorally Anchored Rating Scale (BARS) form is a performance appraisal that provides a description of each assessment along a continuum. Like with rating scales, the continuum often includes a numerical scale from low to high.

## **vi. Training and development and rewards based on performance**

Training and development are activities to enhance employees' competencies and to improve performance. Nellmapius (1996) wrote that development is general and future orientated. It attempts to enhance personal and organizational potential so that coping with future changes and challenges will be easier. It occurs on and off the job and ranges from

activities such as short assignments and projects. Erasmus & Van Dyk (1999) defines the concept of employee development as being directed at creating learning opportunities and making learning possible within an institution.

Similarly, the outputs of performance appraisal as part of the general performance management system should be used as the basis for determining pay rises and differentiating between good and poor performances. Most researchers agree that an organization's reward system should be related to the level of employees' performance. If so, each individual should agree with his supervisor on what to execute in the appraisal period and actual implementation of each individual will be checked against the already set plan.

Sufyan Mehmood, Dr. Md Ramzan, Md. Tahir Akbar (2013) argue that instead of focusing on individual's performance and rewards, grouped based rewards found to become more operative than individual and creates corporations and team work efficient and effective which rises the performance of the organization.

### **Empirical literature review**

Haileselassie W/Gerima who has conducted a research on performance management practice and challenges in Ethiopian management institute has found that there was no strong link between individual, departmental and organizational goals. In addition to this, the researcher has concluded that there was no sufficient participation by employees at the planning stage of the planning phase. Inconsistency in giving performance feedback, lack of uniformity in gathering information about employee's performance and absence of information technology to assist the gathering and analysis of performance related information were also noted as deficiency of the PMS in the organization under study. Haileselassie W/Gerima (2014).

Yoseph Muluneh (2015) had carried out a study on the challenges of implementing performance based pay system: the case of Ethio-Telecom and found that the organization's goals and objectives were not communicated to employees at different

levels in the same manner. In addition, the existing performance management system and the performance measurement tools were not appropriately used to measure the achievements of employees. As a result, the merit based pay system which has been functioning in the previous year was not effective and the pay raise system was highly subjective. The researcher concluded that there was no clear linkage between annual increments and actual performances.

In his MBA thesis, titled 'Performance management system and improved productivity: a case of the department of local government and housing in the Limpopo province', Pandelani Harry Munzhedzi has found that there were limitation of understanding the employee performance management system by most managers. He also mentioned that the performance management and training and developments were not integrated. The timeliness of submitting performance management's instruments by some employees was another problem explored by the study. The researcher has observed there were unrealistic targets that were difficult to achieve. Biased rating was also another shortfall of the performance management system under study. Pandelani Harry Munzhedzi (2011).

In his study, Beyene Yitayew (2008) has noted that there was inconsistency on the frequency and timing of evaluation. Employees also lack understanding on why the employee performance appraisal is taking place. The employee performance management system was not established to identify training and development needs. Finally, the researchers stated that there was no good feedback giving mechanisms on the level of performance and the way to improve it.



## **CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY**

### **3.1 The research design**

The study adopted a descriptive approach. Descriptive studies are vital to understand specific attributes for a sampled population. It determines the frequency with which something occurs or its association or correlation with something else. It also lessens favoritism and exploits dependability of the evidence collected if designed within well-defined objectives and on relevant data. This research approach was chosen because of its relevance to this study; more particularly it could answer research questions in this study which described behavior/attitudes as well as answer the “what”, “who”, “when” and “where” questions

The major features of the existing employees’ performance management system are analyzed. In addition the processes and the practices as well as the effectiveness of the said system have been assessed.

### **3.2 Target population**

As discussed in the scope of the study this research focuses on Self Help Africa Ethiopia. The total number of staff when this study is conducted was 39. Among them, only 34 have been with the organization at least for one performance period. The remaining five staffs are very new and are excluded from the study. Therefore the total population is thirty four staff. As the number of the population is small to manage for the study purpose a census approach is assumed.

**A census** is the procedure of systematically acquiring and recording information about the members of a given population. It is a regularly occurring and official count of a particular population. Baffour, Bernard; King, Thomas; Valente, Paolo (2013). In a census survey complete information are collected from the entire population without omission or duplication.

The participants have been clearly communicated the objectives of the study and were

informed that their responses be remained anonymous. All of the 34 employees to whom a research questions are distributed have responded to the questionnaire.

### **3.3 Source of data and data collection tools used**

Data collection is a term used to describe a process of preparing and collecting data. Systematic gathering of data for a particular purpose from various sources, that has been systematically observed, recorded and organized.

The purpose of data collection is to obtain information to keep on record to make decisions about important issues, to pass information on to others.

#### **Classification of data types**

**Primary data:** The data which are collected from the field under the control and supervision of an investigator. Primary data means original data that has been collected specially for the purpose in mind. These types of data are generally afresh and collected for the first time. It is useful for current studies as well as for future studies. Such kinds of data are collected through questionnaires, observation, interview and the like.

In order to gather primary data questionnaires have been used along with structured and non-structured interviews with the Country Director and Human resources Officer at Self Help Africa Head Quarters.

In addition to the questionnaire, the country director and other HR personnel at Head quarter in Dublin, Ireland were interviewed in person.

**Secondary data:** Data gathered and recorded by someone else prior to and for a purpose other than the current project. Secondary data is data that has been collected for another purpose. It involves less cost, time and effort. Secondary data is data that is being reused, usually in a different context. For example: data from a book.

For the purpose of this study the employee's performance management handbook and previous performance management documents have been reviewed and its major features are summarized.

### **3.4 Procedures of data collection**

Questionnaires have been sent to all employees via email. A telephone call has also been used to clarify the questions to the staff. For employees who have difficulty with English language the questionnaire has been translated into Amharic. Participants were being asked to indicate their level of agreement with each statement/item by choosing one of the options given as ‘Strongly agree’, ‘Agree’, ‘Neutral’, ‘Disagree’ or ‘Strongly disagree’.

Open ended questions were also posed to the country director and the Human resources Officer at Head Quarter. Face to face interviews were conducted in order to obtain information on the employees’ performance management practices of the organization.

### **3.5 Reliability and validity of tools/measures**

Reliability is the degree to which an assessment tool produces stable and consistent results. Whereas Validity refers to how well a test measures what it is purported to measure. Cozby, P.C. (2001).

Questionnaire which includes twenty five close ended questions and one open ended question have been developed based on the research questions and was first distributed for eight respondents to test its convenience. Including the feedbacks from the pilot, the final version was sent to the remaining respondents. The responses given by those included in the test after the feedback is considered found to be the same as what they have been provided in the pilot test.

In addition to this the questionnaire has been reviewed by the research advisor and amended according to the comments given. The Head of Program at Self Help Africa has been given the questionnaire and his invaluable comments are used to refine the way questionnaires were formulated.

### **3.6 Ethical Consideration**

Before conducting the research, permission has been obtained from the management of

Self Help Africa to collect data on the EPMS practices of the organization. The purpose of the research was explained to the management as well as employees who have been involved in the study. Participants of the study have been well informed about the research objectives. The works of other researchers and writers have been used in this paper with full acknowledgement of same in references. The questionnaire and the interview questions have been formulated in a way that doesn't offend respondents by any means.

### **3.7 Methods of data analysis**

Data analysis is the process of developing answers to questions through the examination and interpretation of data. The basic steps in the analytic process consist of identifying issues, determining the availability of suitable data, deciding on which methods are appropriate for answering the questions of interest, applying the methods and evaluating, summarizing and communicating the results. (Chambers, R.L. and C.J. Skinner (2003).

The purpose of analyzing data is to obtain usable and useful information. The analyses, irrespective of whether the data is qualitative or quantitative may be used to describe and summarize the data.

In this study a cardinal measuring scale ranging from 'strongly agree' to 'strongly disagree' are used to assess employees' views about the current performance management system of the organization.

After collecting all the required data, it has been summarized and tabulated using excel spread sheet processed and analyzed using graphs and tables.

## CHAPTER FOUR – DATA ANALYSIS AND INTERPRETATION

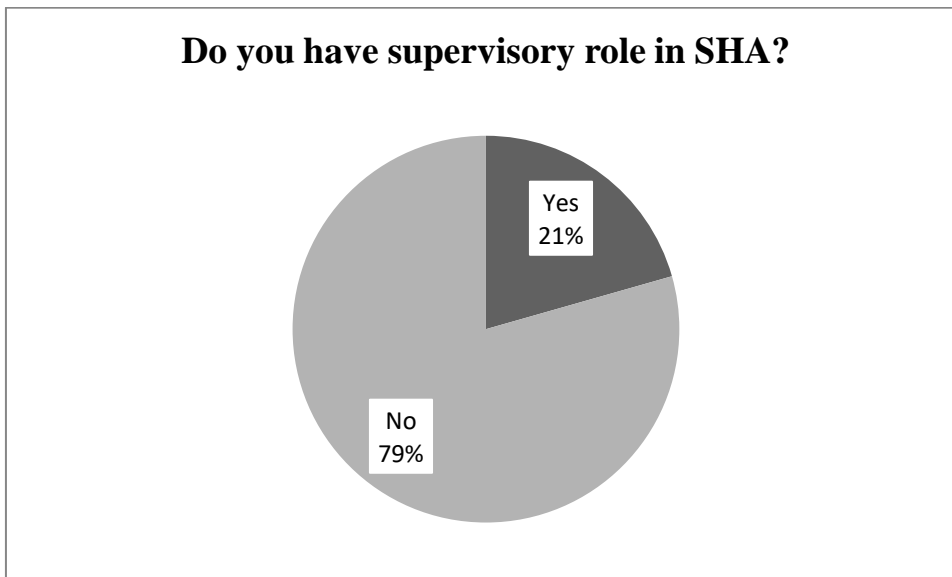
This chapter presents the roles and the service years they have in Self Help Africa. It also discusses the research findings from the study. It analyses the data methodically concentrating on the study objective which is assessing the performance management system in SHA.

Data were collected using structured questionnaire and interview, analyzed using excel and summarized in graphs. Out of the 34 staff included 34 of them have responded to the questionnaires.

### 4.1 Demographic characteristics of respondents

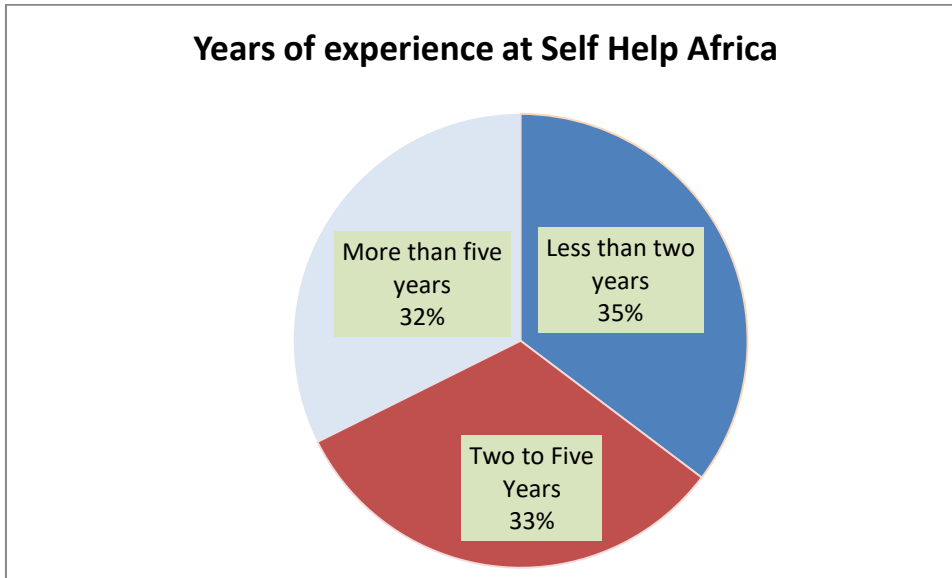
Among the respondents of the survey around 21% as shown below have supervisory role.

**Figure 4.1 Role of respondents as supervisor and Supervisee**



The respondents have different years of services in the organization. For the purpose of this study they are grouped in to three categories as shown in the Figure 4.2.

**Figure 4.2 Respondents years of services in the organization**



## **4.2 Analysis of data pertaining to the study**

### **Organizational strategy**

As it is explained well in the literature review, Solomon Markos and M. Sandhya Sridevi (2010), argue that align employees effort with organizations strategy is vital to boost employees' performance and their engagement with their employers. In addition Lea Soupata (2005) claims that employees must know what the organization is doing, why it is engaging in various activities, and what their individual roles are in making the business successful.

The following three questions were devised to measure the level of understanding of employees in terms of familiarizing themselves with the organization's mission, strategies and objectives through performance management system.

One of the key things that should be considered before performance objectives are formulated is being fully aware of why the organization exists, where it likes to see itself after a certain period of time.

The major source of employees' performance should be departmental goals which emanates from the overall objectives of the organization. It is the overall performance of individuals that make up the performance of their departments. Therefore, each employee should be clearly communicated the objectives of their section.

**Table 4.1 Respondents reflection on the organization's strategy**

| Items   | Responses      |         |         |          |                   |
|---|----------------|---------|---------|----------|-------------------|
|   | Strongly agree | Agree   | Neutral | Disagree | Strongly Disagree |
| 3. You are fully aware of the organization's mission, vision, strategic objectives and values               | 20(59%)        | 14(41%) | 0       | 0        | 0                 |
| 4. You have full understanding of the objectives of the project you are working on or your department goals | 28(82%)        | 6(18%)  | 0       | 0        | 0                 |
| 5. You clearly recognize that your roles contributes for the accomplishment of SHA's objectives             | 32(94%)        | 2(6%)   | 0       | 0        | 0                 |

*Source: Own survey, 2016*

According to the results of the research about 59% of the respondents (20 of the 34 respondents) strongly agree that they understand Self Help Africa's mission, strategies, objectives and values. Similarly 41% have responded positively to the question.

Similarly, about four out of five respondents have replied that they are fully aware of the projects or departments objectives to which they belong to. One fifth of those expressed their feelings also agreed on having good understanding of the same. No one has doubt on the organizations objectives.

In addition, almost all of the surveyed staff believes that they contribute to the success of the organization.

From the results of the above four questions, we can conclude that SHA's staff understand why the organization exists and the works it is executing in order to achieve its objectives.

In addition, they clearly understand their roles and contributions to the achievement of their project and department.

As discussed in the literature review, understanding the organizations mission and strategies are the basis of having sound performance management system.

### **Performance planning**

As discussed in the literature review and shown in the employees' hand book of the organization, each employee should actively participate in the formulation of their performance objectives. Targets which are considered by employees as imposed by management or their supervisor may cause misunderstandings at the time of performance appraisal stage. The criteria by which performances are measured should also be agreed at the planning stage. This would minimize any possible bias at evaluation of performances. In addition to this the objectives set should take employees competencies in to account and should be achievable. The results of the questions which are aimed to assess the effectiveness of the planning stage are summarized in the table below.

**Table 4.2 Employees' participation on Performance Planning**

| Items  | Responses      |         |         |          |                   |
|--|----------------|---------|---------|----------|-------------------|
|  | Strongly agree | Agree   | Neutral | Disagree | Strongly Disagree |
| 6. You had annual performance plan for the last three years or since you have joined SHA, if your employment periods are less than three years | 12(35%)        | 14(41%) | 2(6%)   | 6(18%)   | 0                 |
| 7. You have been actively participated in the formulation of your annual performance plan and it is not imposed by your supervisor             | 16(47%)        | 10(29%) | 4(12%)  | 4(12%)   | 0                 |
| 8. You are clear about the level of performance you are expected to attain   | 18(53%)        | 16(47%) | 0       | 0        | 0                 |
| 9. You have the necessary skills and competencies to achieve your objectives   | 22(65%)        | 12(35%) | 0       | 0        | 0                 |

*Source: Own survey, 2016*



Among the thirty four respondents about one third had highly agreed that they had performance plan for the last three years or since they joined SHA. Again 41% of those included in the survey agreed they had the same. However, there seem inconsistencies in having performance plans all the time. 6% of the respondents refrain from expressing whether they agree or disagree on the issue. On the other hand 18% of the respondents said that they had no such annual performance plan in the past.

The other important point in performance planning is active participation by employees who are expected to implement accordingly. If it is imposed by supervisors or other parties, the probability of those plans to be executed would be less. In this research about 76% of respondents have found to be involved in the development of their performance plans. However about a quarter of those filled the questionnaire refrain to express their status or shown that the plans are imposed by their supervisors of their participation were less.

The eighth question requests employees to tell whether they are clear with the level of performances they are expected to achieve. In this regard all of them look to be knowledgeable of what they need to achieve in a given performance year.

Finally, all respondents have expressed that they have the necessary skills and competencies to discharge their responsibilities. However, about one third of them may need further trainings and developmental activities to make sure all are coming to the full confidence level in terms of the level of their competencies.

### **Performance execution**

Though performance objectives are established for a year, periodical review of how things are going on should be conducted. There could be changes in the assumptions considered in the time of planning. Some objectives could be found unachievable or unnecessary in the course of time. Employees could also face unforeseeable challenges that could hinder them to achieve their target. Issues should be solved on time before they grow bigger and affect the individual performances.

Open and regular communication should also be there between the supervisor and the subordinate so that there will be no surprises at the end of the performance period.

All the necessary resources and tools should be available to enable the staff to carry out their obligations.

Employees' responses on the major points that are supposed to measure whether the periodic review and continuous feedback processes are working properly are summarized in the table below.

**Table 4.3 Respondents' opinion on Performance Execution**

| Items  | Responses      |         |         |          |                   |
|--|----------------|---------|---------|----------|-------------------|
|  | Strongly agree | Agree   | Neutral | Disagree | Strongly Disagree |
| 10. Your supervisor monitors your performance and gives feedback regularly                             | 0              | 26(76%) | 6(18%)  | 2(6%)    | 0                 |
| 11. Your supervisor encourages open discussion with respect to performance related issues              | 16(47%)        | 12(35%) | 2(6%)   | 4(12%)   | 0                 |
| 12. You regularly keep your supervisor updated on progress of your performance                         | 6(18%)         | 22(65%) | 4(12%)  | 2(6%)    | 0                 |
| 13. Whenever you face challenges to deliver as you planned, you discuss the issue with your supervisor | 14(41%)        | 18(53%) | 2(6%)   | 0        | 0                 |
| 14. SHA provides you all the necessary resources to achieve your objectives                            | 2(6%)          | 22(65%) | 6(18%)  | 2(6%)    | 2(6%)             |

*Source: Own survey, 2016*

In the previous employee performance management phase, the importance of preparing plans and how it is integrated with the organization's objectives and the results of the survey in SHA has also been discussed. Even though, there is good planning the execution of the plan accordingly should be ensured to achieve the ultimate goal of the process and assist the organization achieve its goals.

Table 4.5 shows that about 94% of the total respondents agree or highly agree that they get regular feedback from their supervisor regarding to their performance. However, the remaining 6% are found to be having no such kinds of consistent feedbacks during the

performance year.

Though, employees have revealed that they are getting regular feedbacks, the percentage decreases when we look at the existence of open discussion in performance issues. 12% of the respondents replied that there is no open discussion by which they express their thoughts in performance related issues. The other 6% also prefer to do not express their feelings.

The other important part of the performance plan execution stage is make once supervisor informed about how thing are going in relation to the implementation of the performance plan. Most of the respondents, 82%, replied that they keep their supervisors updated on how they are performed and their status in terms of achieving their objectives. Like the case of open discussion discussed above, 18 % of the respondents either disagreed or refrain to express their opinions on the prevalence of a feedback session with their bosses.

The other most important point in the performance implementation phase is existence of a mechanism by which subordinates discusses any obstacles that halt the implementation of plans as per the agreed and expected level. Since plans are done for the future which is uncertain there could be issues that deviates the implementation from the original plan. In such times there should be communication between the subordinate and the supervisor. Things should not remain unsolved until the end of the year. Any challenges should be exposed and remedial actions be taken on time. In this case about 94% of the respondents agree on the existence of such a situation by which they discuss any challenges they face while implementing their plans. No one disagrees with the presence of such kinds of discussions.

Finally, when we look at the provision of required resources to execute the plan, about 12% of the total respondents are not satisfied with the availability of resources that they need to achieve their objectives. Even the other 18% abstain to express their feelings. However, 62% agreed that resources are arranged to them to perform their jobs well and produce the necessary outcomes.

### **Performance assessment**

After completing the year, the accomplishment of each individual need to be assessed against the predetermined performance objectives. In this case the actual performance should be measured properly and subjectively and a comparison be made with those objectives set at the beginning.

**Table 4.4 Respondents' view on Performance Assessment**

| Items   | Responses      |         |         |          |                   |
|---|----------------|---------|---------|----------|-------------------|
|   | Strongly agree | Agree   | Neutral | Disagree | Strongly Disagree |
| 15. Your actual performance is measured against the pre-agreed performance objectives                                   | 8(24%)         | 14(41%) | 12(35%) | 0        | 0                 |
| 16. You are provided chances to explain unmet objectives  | 6(18%)         | 20(59%) | 6(18%)  | 0        | 2(6%)             |
| 17. The performance criteria used by Self Help Africa to rate your accomplishment is fair and clear                     | 8(24%)         | 14(41%) | 8(24%)  | 4(12%)   | 0                 |
| 18. Your performance is properly and precisely rated  | 0              | 16(47%) | 12(35%) | 6(18%)   | 0                 |
| 19. Your performance review considers all year performances and not affected only by recent accomplishments             | 4(12%)         | 12(35%) | 12(35%) | 6(18%)   | 0                 |
| 20. Your peer groups are also requested to give feedbacks on your performance   | 2(6%)          | 10(29%) | 18(53%) | 4(12%)   | 0                 |
| 21. You have a chance to appeal to management other than your supervisor if you do not agree on your performance rating | 2(6%)          | 18(53%) | 10(29%) | 4(12%)   | 0                 |
| 22. Senior management do not influence the outcome of the assessment process  | 4(12%)         | 16(47%) | 12(35%) | 2(6%)    | 0                 |

*Source: Own survey, 2016*

As shown in Table 4.6 around 65% of the respondents claim that their performances are measured against the pre-set objectives. However more than a third of the respondents abstain from telling their impressions. Though this needs further investigations, it may be

because of having clarity on how performances are assessed at the end of the performance year.

In connection with unmet objectives majority of the respondents, 76%, have replied that they have given with chances to explain the reasons whenever they are unable to accomplish according to their plan. On the other hand 6% of those include in the survey strongly complain that their reasons for not achieving the pre-set goals have not been heard or considered by their supervisors while their performances are assessed.

Finally, in relation to the accomplishment rating criteria used by SHA, about two third of the respondents believe that it is fair and reasonable. On the other hand more than a third of the respondents either disagree on fairness or reasonableness of the rating criteria or they are not clear about the rates to determine their objectivity and rationality.

During annual performance reviews managers and employees work together to review the employee's work achievements and challenges over the past year, establish work expectations and performance goals for the coming year, and define the employee's professional development goals and learning plan for the coming year. The forms utilized in this process will assist managers and employees in preparing for performance review discussions. Although these forms are helpful and necessary tools, the filling out of forms is not the primary goal of a review. Reviews are most effective when forms are used to help prepare for a conversation and document the outcomes, rather than as a substitute for conversation. (<http://usfweb2.usf.edu/human-resources/talent-management>)

At the end of the year employees' performance should be rated properly and transparently. The way performances are rated should be clearly communicated to each employee. It should be fair enough to express actual performances.

Peer group reviews (360 degree review) should be exercised so that the information available to measure individual performances will be complete.

Respondents' responses for the questions which are aimed to assess the effectiveness of the performance review step are summarized in the following table.

The next step after performance assessment is performance rating which needs to be done properly and accurately. Survey result shows that slightly less than half of the total respondents agreed that their performance assessment results are rated precisely. However, significant number of the respondent has no comment or disagreed on the accuracy of the rating system. This triggers questions on how the rating is not pleasing most of the employees.

One of the challenges in employees' performance evaluation is the Recency Effect by which most recent performances affect the whole year's reviews of individuals' performance. T. V. Rao, (2011). The same number of employees 53% responded the same way as on accuracy of the rating method as discussed in the previous paragraph. Only 12% have highly agreed that their performance review considers their whole year achievements. Around a third of those replied to the questionnaire agreed that their supervisors are not biased by recent phenomena while rating performances.

Question 20 requests for the consideration of peer evaluation in reviewing employee performances. Many writers like Jafari M. & Bourouni A. & Amiri H. A. (2009) argue the importance of including colleagues, reports and even third parties like customers inputs in appraising employees' performance. This type of method is called the 360 degree. However, SHA's PMS manual doesn't explicitly discuss this method in performance appraisal. Table 4.7 shows that 65% of the respondents have chosen to keep quite or revealed their disagreement on the consideration of other colleagues vertically or horizontally inputs on appraising their performances. Only 35% have agreed that their peers have given feedbacks on their achievements. Even most of the respondents prefer to keep quite in relation to the 360 degree review. The responses given here flag the issue of limitation of inputs in performance review.

In relation to the existence of a system by which employees appeal to senior managers other than their supervisors where there is disagreement in their performance review, around 60% of respondents are feeling good on the availability of such a system. On the other hand 12% disagree that they have not been given with facilities to take their cases up in the organization's hierarchy. The remaining 29% refrain from expressing their opinions.

Regarding the influence of senior management on the outcome of the performance appraisal process, about 59% of the respondents reply that the ratings of their performance appraisal are not negatively nor positively affected by senior managers. They believe that their supervisors have freedom to rate their accomplishments. Contrary to this 12% of respondents consider the interference of senior managers in determining the outcome of the review process.

### **Rewards, training and development**

The ultimate purpose of the performance management processes could be summarized in to two. They are: for decision making purpose on rewards and identifying training and development needs of employees to enable them to perform in a better way.

Employees at Self Help Africa have been asked if they are happy in fairness of rewards based on performance. Moreover, they have given the chances to reflect whether development programs are availed by the organization to assist their performance.

Results of the responses are summarized as follow.

**Table 4.6 Performance review and rewards, training and development**

| Items   | Responses      |         |         |          |                   |
|---|----------------|---------|---------|----------|-------------------|
|   | Strongly agree | Agree   | Neutral | Disagree | Strongly Disagree |
| 23. The performance management process enables to identify training and development needs                   | 2(6%)          | 12(35%) | 16(47%) | 4(12%)   | 0                 |
| 24. You are provided with training opportunities to enhance your performance                                | 4(12%)         | 14(41%) | 4(12%)  | 10(29%)  | 2(6%)             |
| 25. The reward schemes, like pay rises, are determined by the outputs of the performance assessment process | 4(12%)         | 10(29%) | 10(29%) | 10(29%)  | 0                 |

*Source: Own survey, 2016*

According to Boswell and Boudreau (2000) performance management can have two purposes. The first one is evaluative by which each employee's achievement is measured

for making decisions on things like pay raise promotion and termination. The other is to identify the development needs to further improvement of the implementation capacity of the staff. In order to make sure this is happening at SHA were asked to comment on the existing PMS. Nearly half of the respondents refrain from giving opinions. However, 42% responses were in favor of the existing PMS to address the development issue. The remaining 12% claim that employees training and development needs are not identified using the current performance management system.

After the performance appraisal process is completed and the competency gaps are identified employees should be given equal opportunity to attend trainings and developmental programs so that their performance in the coming years would be improved. According to Table 4.8, 53% of the respondents agreed that development opportunities have been created to them. On the other hand about 35% of the respondents show that training and development opportunities have not been availed to them. The two extremes may give hints on the equal use of this opportunity among SHA staff. Looking at the budgets for 2016, SHA Ethiopia has allocated about half a million birr for this purpose. Therefore, supervisors need to discuss the issue with their subordinates and facilitate to identify training needs and implement as necessary.

The other objective of the performance appraisal process as indicated above is to determine benefits like pay raise, promotion and termination. Nearly a third of respondents do not believe that such benefits are not related to performances. Even the other 29% didn't want to express their thoughts. Only 41% of those who gave their responses agreed that the PMS is serving to decide on employees benefits.



## **CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS & RECOMMENDATIONS**

### **5.1 Summary of findings**

#### *Understanding the organization's strategy, Mission and vision*

The findings of the research shows that all of the respondents said that they understand Self Help Africa's mission, strategies, objectives and values as well of the objectives of their respective departments.

All of them have also replied that they believe that they contribute for the success of their work sections as well as organizations.

#### *Performance Planning*

Around three fourth of the respondents have stated that they had performance plans in the past three years. But there were respondents who said that they have no performance plan in the past.

Majority of the respondents have stated that they have been actively participated in the formulation of their annual performance plan.

#### *Performance execution*

According to the study majority employees have been getting timely feedback from their supervisors on their performances. In addition to this, there were open discussions.

In addition, most employees agreed that they let their supervisors know whenever they face challenges to implement their plans. They have also stated that they have been provided with the necessary resources to execute their plans.

#### *Performance Assessment*

Around two-third of the total respondents, claim that their performances are measured against the pre-set objectives. Moreover, they have replied that they have been given with

chances to explain the reasons whenever they are unable to accomplish according to their plan. On the other hand few respondents strongly complain that their reasons for not achieving the pre-set goals have not been heard or considered by their supervisors while their performances are assessed.

Only few respondents have agreed that their peers have given feedbacks on their achievements. Even most of the respondents prefer to keep quiet in relation to the 360 degree review. The responses given here flag the issue of limitation of inputs in performance review. The interview with the country director and the human resources officer at HQ show that currently, 360 degree review by which the employee, customers and colleagues give feedback on individuals' performance is not implemented in SHA.

#### *Rewards, Training and Development*

About a third of the total respondents claimed that the salary related rewards and pay rises are not decided based on the outputs of the performance management system. Less than half of responses were in favor of the existing PMS to address the training and development issue. But there were few employees who claimed that employees training and development needs are not identified using the current performance management system. Majority of the respondents agreed that development opportunities have been created to them. However significant number of the respondents show that training and development opportunities have not been availed to them.

## 5.2 Conclusion

In this section conclusion based on the findings will be made. In addition recommendations will be suggested to improve the employees' performance management. Such a system to be considered as effective it should enable employees to perform in a way that creates opportunities to the organization achieve its objectives. Before dispatching the document the current PMS manual of the organization was reviewed. The document was released in 2009. It incorporate all the necessary steps discussed in the literature review. However, the document doesn't discuss about collecting feedbacks from peer groups (360 degree) in assessing employees' performances. Besides, the rating scales are only two; "meet expectation" and below expectation".

The research has been conducted to assess the PMS by dividing it into six sections.

In the first section, the inclusion and emphasis given by the system to the organizational strategy has been reviewed. According to the responses given by respondents Self Help Africa's staff have clear understandings of the organization's mission and objectives. Moreover, most of them expressed that they have well know the objectives of the projects to which they are working and the department they belong to. Most importantly they believe that they contribute to the successful accomplishment of the organization.

Secondly, the planning stage of the performance management system has been assessed. The PMS guidance of the organization requires having annual performance plans every year. Besides, subordinates should be seated with their supervisors to agree on their planned actions. Most of the respondents replied that they are clear about what is expected of them in terms of accomplishment. Furthermore, they have confidence on themselves on having the necessary skills and competencies to achieve their objectives. However, respondents said that they have no performance plan on a regular manner. Even in some instances respondents told that their performance plans are imposed by supervisors their participation in the formulation of their objectives to be less.

The other part of the research finding discusses the execution of the performance plan. The existence of convenient situation to have two way discussions for timely discussions

whenever there are challenges in the implementation period has been assessed. Most employees are feeling good on these issues. They have also expressed that they are provided with the necessary resources to carry out their jobs and achieve their objectives. There were also some instances in which negative responses are observed.

Concerning to performance assessment and review the requested employees revealed that they are happy with how their performances are measured and compared against the pre-set objectives. They have also agreed that they have been given chances to explain where they were unable to accomplish their objectives and to appeal to senior management in cases of disagreement with their supervisors. However, significant number of respondents either disclosed that they not pleased with the assessment and review processes.

Finally, unlike the previous sections of the performance management process many respondents have shown that they are not agreed on the provision of training and development opportunities to fill the gaps in employees' goal achievements. Besides, they are expressed their feelings on the relationship between good performance and rewards to be uncorrelated.

### **5.3 Recommendations**

Based on the conclusion of the research study the following recommendations are established.

The current employees' performance management manual of Self Help Africa has been released in 2009. The document clearly shows the necessary steps to be taken in the process. However, it doesn't explicitly give rooms for 360 degree review by which other colleagues are requested for their feedback. Based on the data collected by questionnaires, respondents have abstain from either agree or disagree to the question related to peer reviews. This could be because they are not aware of such a system or not sure whether their colleagues have been requested to give feedbacks on their performance.

As it is the good source of input, the organization is recommended to consider this point while revising the EPM manual. It also states that performances could be rated as "meet expectation" and "below expectation". This rating looks narrow and there should be ranges or more scales that shows the degree of meeting expectation and below expectation performances so that it can show performance differences in each category.

The degree of disagreements of respondents has increased when asked about the use of performance management processes output in determining reward and development schemes. Self Help Africa should make its systems of deciding on pay increases and promotions as well as demotion and terminations (other than project phase outs) to be related to employees' achievements. If all employees are getting similar pay increases at the end of the year without taking their merits and contribution to the achievement of organization wide objectives, people may not be encouraged to strive to succeed more.

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## Appendix - I

### Questionnaire for assessment of employee performance management system in Self Help Africa

1. Do you have supervisory role in SHA?
  - A. Yes
  - B. No
  
2. How long have you been working for Self Help Africa?
  - A. Less than two years
  - B. Two to five years
  - C. More than five years

Please indicate your level of agreement to the following questions.

| Description  | Ratings      |       |         |          |                 |
|--|--------------|-------|---------|----------|-----------------|
|  | Highly agree | Agree | Neutral | Disagree | Highly disagree |
| <b>Organizational strategy</b>   |              |       |         |          |                 |
| You are fully aware of the organization's mission, vision, strategic objectives and values               |              |       |         |          |                 |
| You have full understanding of the objectives of the project you are working on or your department goals |              |       |         |          |                 |
| You clearly recognize that your roles  |              |       |         |          |                 |

|   |  |  |  |  |  |
|---|--|--|--|--|--|
| contributes for the accomplishment of SHA's objectives  |  |  |  |  |  |
| <b>Performance Planning</b>   |  |  |  |  |  |
| You had annual performance plan for the last three years or since you have joined SHA, if your employment periods are less than three years |  |  |  |  |  |
| You have been actively participated in the formulation of your annual performance plan and it is not imposed by your supervisor             |  |  |  |  |  |
| You are clear about the level of performance you are expected to attain   |  |  |  |  |  |
| You have the necessary skills and competencies to achieve your objectives   |  |  |  |  |  |
| <b>Performance execution</b>  |  |  |  |  |  |
| Your supervisor monitors your performance and gives feedback regularly  |  |  |  |  |  |
| Your supervisor encourages open discussion with respect to performance related issues   |  |  |  |  |  |
| You regularly provide your supervisor information on progress of your performance   |  |  |  |  |  |
| Whenever you face challenges to deliver as you planned, you discuss the issue with your supervisor  |  |  |  |  |  |
| SHA provides you all the necessary resources to achieve your objectives   |  |  |  |  |  |
| <b>Performance Assessment</b>   |  |  |  |  |  |
| Your actual performance is measured against the pre-agreed performance objectives   |  |  |  |  |  |

|   |  |  |  |  |  |
|---|--|--|--|--|--|
| You are provided chances to explain unmet objectives  |  |  |  |  |  |
| The performance criteria used by Self Help Africa to rate your accomplishment is fair and clear                     |  |  |  |  |  |
| Your performance is properly and precisely rated  |  |  |  |  |  |
| Your performance review considers all year performances and not affected only by recent accomplishments             |  |  |  |  |  |
| Your peer groups are also requested to give feedbacks on your performance   |  |  |  |  |  |
| You have a chance to appeal to management other than your supervisor if you do not agree on your performance rating |  |  |  |  |  |
| Senior management do not influence the outcome of the assessment process  |  |  |  |  |  |
| <b>Rewards, Training and Development</b>  |  |  |  |  |  |
| The performance management process enables to identify training and development needs                               |  |  |  |  |  |
| You are provided with training opportunities to enhance your performance  |  |  |  |  |  |
| The reward schemes, like pay rises, are determined by the outputs of the performance assessment process             |  |  |  |  |  |

## Appendix - II

### Questionnaire for assessment of employee performance management system in Self Help Africa (Amharic version)

- 1) በስርዐት ማሰብ ስብከት ስራዎች ስራዎች አሉ?  
ሀ. አዎ  
ለ. አይደለም
- 2) ሰልፍ ሄልፕ ከተቀጠርክ ምን ያህል ጊዜ ሆነ?  
ሀ. ከሁለት አመት ያነሰ  
ለ. ከሁለት አስከ አምስት አመት  
ሐ. ከአምስት ዓመት በላይ
- 3) የሰልፍ ሄልፕ አፍሪካን ተልዕኮ ዓላማና ዕሴቶች በሚገባ ተገንዝባላል::  
ሀ. በጣም አስማማለሁ  
ለ. አስማማለሁ  
ሐ. መልስ የለኝም  
መ. አልሰማምም  
ሠ. በጣም አልሰማምም
- 4) የስራ ክፍልህን የስራ ዓላማ በሚገባ ተገንዝባለህ
- 5) የስራ ድርሻህ ለሰልፍ ሄልፕ አፍሪካ ዓላማ መሳከት አስተዋጽኦ አለው
- 6) ላለፉት ሶስት ዓመታት ወጪ ስራዎች ከተቀጠርክ ወጪ ስራዎች ስራዎች ክቅት አለህ
- 7) ስራዎች ስራ ክቅት ሲፈጸም በሚቆይ ተሳትፏል:: በስራ አለቃህ በብቻ የተሰራ አይደለም
- 8) ምን ያህል የስራ አፈጻጸም ደረጃ እንደሚሰጥህ ተገንዝባለህ
- 9) ስራህን ለመስራት የሚያስችል ችሎታና ሁሉም አለህ
- 10) የስራ አለቃህ መደበኛ ክትትል በማድረግ ግብረ-መልስ ይሰጥሃል

- 11) የስራ አለቃህ የስራ አፈጻጸምህን በተመለከተ ግልጽውይይት እንድታደርግ ሁኔታዎችን ጸመቻችልሃል
- 12) የስራ አፈጻጸምህን በተመለከተ በመደበኛ ሁኔታ የቅርብ ተራሪ እንዲጸወቅ ግብርብ ለሆነህ
- 13) በዕቅድህ መሰረት ስራህን መፈጸም ሲያቅትህ የስራ አለቃህን ግብርብ ለሆነህ
- 14) ስራህን ለማከናወን የሚረዱህ አቅርቦቶች በድርጅቱ ተማልቶልሃል
- 15) የስራ አፈጻጸምህ የሚገመገመው አስቀድመህ በተስማማህው የስራ ዕቅድህ መሰረት ነው
- 16) በዕቅድህ መሰረት ያልፈጸምከቸውን ስራዎች ምክንያት ለማሰረዳት ዕድሉ ተግባር ለሆነህ
- 17) የስራ አፈጻጸምህን ለመገምገም የተቀመጡ መስፈርቶች ግልጽና ሚዛናዊ ናቸው
- 18) የስራ አፈጻጸምህ በትክክል ተገምግሞ ወጤት ይሰጥሃል
- 19) የስራ አፈጻጸም ግምገማህ የሙሉ አመት ስራህን የሚያጠቃልል ነው፡ የቅርብ ጊዜ አፈጻጸምህን ብቻ የሚያነጻጻርኩ አይደለም
- 20) የስራ ባለደረጃህ ስለ ስራ አፈጻጸምህ አስነያየት እንዲሰጡ ግብርብ ለሆነህ
- 21) በስራ አፈጻጸም ግምገማህ ወጤት ከልተስማማህ ለበላይ ሀላፊዎች አቤቱ ግብርብ ለሆነህ ትችላለህ
- 22) የበላይ ሀላፊዎች በስራ አፈጻጸም ግምገማህ ወጤትህ ላይ ተጽዕኖ አያደርጉም
- 23) የስራ አፈጻጸም ግምገማህ ምን አይነት ስልጠና እንደሚጸስግህ ለመለየት ግብርብ ለሆነህ
- 24) የስራ አፈጻጸምህን ለማሻሻል የሚረዱ የስልጠና ዕድሎች ተመቻችተዋል
- 25) የደመወዝና ሌሎች ጥቅማጥቅሞችንን ጭማሪ ለመወሰን የስራ አፈጻጸም ግምገማህ ግምት ውስጥ ይቆያል

## **Appendix - III**

### **Interview questions for assessment of employee performance management system in Self Help Africa**

3. How would you describe Self Help Africa's performance management system?
4. What is the purpose of the existing performance management system?
5. What do you believe is the strong and areas for improvement of the system?
6. Do you believe that the PMS is well communicated to all staff?
7. Is the PMS in SHA implemented properly and consistently every year?
8. If your answer to the above question is no, what do you think is the reasons for this?
9. Do you think that the PMS includes all processes like Communicating organizations objectives, planning, execution, assessment, review and rewards and development?
10. Is there distinction between good and poor performances in determining rewards like pay rise?
11. What would you recommend to strengthen the current PMS?