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**ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES
SCHOOL OF BUSINESS**

**ASSESSMENT ON EMPLOYEE PERFORMANCE
MANAGEMENT PRACTICES AND CHALLENGES IN
ETHIOPIAN COMMODITY EXCHANGE /ECX/**

**BY
HELEN MULAT**

**JUNE, 2020
ADDIS ABABA, ETHIOPIA**

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**ATHESIS SUBMITTED TO ST. MARY'S UNIVERSITY
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**JUNE, 2020
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APPROVED BY BOARD OF EXAMINERS

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DECLARATION

I Helen Mulat, Registration Number/I.D. Number SGS/0431/2011A, do hereby declare that this Thesis is my original work and prepared under the guidance of Goitom Abraham (Assistant Professor). All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted partially; or in full, by any other person for an award of a degree in any other university/institution.

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June 2020

ENDORSEMENT

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

Goitom Abraham (Assistant Professor)

Name

Signature

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June, 2020

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DEDICATION

I dedicate this paper to my husband (Ato Yishak Bekele) who has been supportive to my academic success may the blessing of God and holy mother be with him all the time.

ACRONYMS

ECX - Ethiopian Commodity Exchange

PMS – Performance Management System

EPMS – Employee Performance Management System

HR – Human Resource

HROD – Human Resource and Organizational Development

PA – Performance Appraisal

SPSS - Statistical Package for Social Science

HO – Head office

HPWS – High Performance Work System

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ABSTRACT

Performance management is a continuous process of identifying, measuring and developing the performance of individuals and teams and aligning performance with the strategic goals of the organization. There is lack of implementation consistency of the system by managers, supervisor's and performers at head office and 23 ECX branch offices (ECX December 2019 half year corporate performance report). This project was designed to assess employees' performance management system practices and challenges of Ethiopia Commodity Exchange /ECX/. To this end, the study has gone through an assessment of the practice of performance planning and agreement, provision of ongoing feedback, performance evaluation and performance review process and also employee perception about PMS of ECX. Primary data were collected through questionnaire and interview. 120 questioners were distributed to randomly selected employees and out of these 116 were properly filled and returned. The data were analyzed using descriptive method. Interview was held with the human resource department and HROD/human resource and organizational development manager, strategic planning manager (in person) and selected some branch managers (by phone). The finding of the study revealed that performance appraisal and feedback provision doesn't have consistency of implementation across the departments/divisions as well as branch offices, raters error due to lack of awareness and adequate knowledge and forced distribution rating method that put majority of staffs on the same range which create great staff dissatisfaction even if PMS is linked with rewarding performance. In addition very loose alignment of PMS with the staff development plan and also data tracking system is manual. Based on the findings, the researcher recommended the company to automate its data tracking system as well as PMS in general, in place other mutually agreed performance rating approach rather than forced distribution approach and provide capacity building training for managers/ supervisors about PMS to make the system effective, participatory and to maximize efficiency as well as motivation.

Key words: *performance management system, process and purpose of performance management system*

CHAPTER ONE

INTRODUCTION

In this chapter, background of the study, background of the organization, statement of the problem, basic research questions, objectives of the study and significance of the study are presented one after the other.

1.1. Background of the Study

Performance Management is defined by Armstrong (2009: 1) as a 'systematic process' to improve the performance of a company by developing the individual's and team's performance. Performance Management should be understood and applied utilizing an 'agreed framework of planned goals, standards and competency requirements'. According to Armstrong, today's Performance Management is implemented into organizations through the progression of 'management by objective and performance appraisal that were developed some time ago' (Armstrong, 2009: 2).

The overall technique of Performance Management is employed by line managers on a daily basis rather than as a yearly human resource exercise, hence becoming a 'natural process of management'. Armstrong's overall sense of Performance Management is that it should be an on-going process in organizations having a systematic set of agreed targets and goals that will advance the organization. Similarly, to Armstrong, Redman and Wilkinson (2009:179) depict that Performance Management is used as a tool to connect the objectives of the organization to a set of work targets for employees with 'objective setting and formal appraisal' at the core of this process. The use of Performance Appraisal is moving from being a single method of the management of performance, to becoming a more integrated fragment of the overall Performance Management system.

PM is not a one or two times work, but it is a full year process to be implemented throughout the year by focusing on classifying, evaluating, and improving individual's performance which is aligned with the organization goal. (Agunis, 2009).

Performance Management process motivates employees if carried out properly. The achievement recognition through feedback, the opportunities to achieve, the base to develop and guidance to career paths are non-financial rewards that are long-lasting and more powerful than financial rewards. Performance management encourages employees to be engaged in their jobs with enhanced commitment. (Armstrong, 2006)

Moreover, performance management system is also a way of cascading corporate strategy down to teams and individuals to align individual objectives with the objectives of the organization. The cascaded strategy on the other hand, can be applied to the department's performance evaluation team by balanced scorecard. Since the Balanced Scorecard was invented in 1990s, it was received as a wide range of use and promotion in the global business community, and some of the major international commodity exchange markets have successfully used it, which makes increase their performance greatly (Armstrong, 2009).

ECX is learning from successful experience of international large commodity exchange markets, and established a comprehensive performance management system which helps the exchange to improve service delivering process and achieving its strategic objectives (Half Year Corporate performance report 2018/2019). As a result, the process of measuring and managing organizational and employee performance is currently seen as critical to the development and success of the Exchange.

The research topic was selected because at the present there are many organizations that are relying on employee for success and competitiveness. According to the Resource-Based View, employees are the resources and assets of an organization. Consequently, organizations need to figure out strategies for identifying, encouraging, measuring, evaluating, improving and rewarding employees' performance at work.

In ECX, performance management system is seen as management systematic application of processes aimed at fully utilizing human resources and it carries somewhat meaning when considered from the employee's perspective. Thus to enhance impacts of performance management system, it is important to understand employees' perceived perception toward the performance management system since the process requires high involvement and commitment from employees.

According to the HR department half year corporate performance report of ECX (2019), there is varied level of understanding and implementation of the PMS by performers. This report indicates gaps in execution of PMS in the company. The study is to be conducted to minimize the unavailability of empirical study on the study area of Ethiopia Commodity Exchange performance management system.

1.2. Background of the Organization

The Ethiopia Commodity Exchange (ECX) is a commodities exchange established on April 2008. The ECX is a unique partnership of market actors, the Members of the Exchange, and its main promoter, the Government of Ethiopia. ECX represents the future of Ethiopia, bringing integrity, security, and efficiency to the market. ECX creates opportunities for unparalleled growth in the commodity sector and linked industries, such as transport and logistics, banking and financial services, and others.

The Ethiopian Commodity Exchange was started to benefit and modernize the way Ethiopia was trading its most valuable assets, its commodities. Ethiopia needed a change from the traditional means of trading to better support the needs of all those involved in the trading and production.

Before ECX was established, agricultural markets in Ethiopia had been characterized by high costs and high risks of transacting, forcing much of Ethiopia into global isolation. With only one third of output reaching the market, commodity buyers and sellers tended to trade only with those they knew, to avoid the risk of being cheated or default. Trade is done on the basis of visual inspection because there was no assurance of product quality or quantity, this drove up market costs, leading to high consumer prices.

For their part, small-scale farmers, who produce 95 percent of Ethiopia's output, came to market with little information and are at the mercy of merchants in the nearest and only market they know, unable to negotiate better prices or reduce their market risk.

ECX assures all commodity market players the security they need in the market through providing a secure and reliable End-to-End system for handling, grading and storing commodities, matching offers and bids for commodity transactions, and a risk-free payment and goods delivery system to settle transactions, while serving all fairly and efficiently.

ECX creates trust and transparency through aggressive market data dissemination to all market actors, through clearly defined rules of trading, warehousing, payments and delivery and business conduct, and through an internal dispute settlement mechanism. ECX provides market

integrity at three important levels: the integrity of the product itself, the integrity of the transaction, and the integrity of the market actors.

ECX's vision is to transform the Ethiopian economy by becoming a global commodity market of choice.

ECX's mission is to connect all buyers and sellers in an efficient, reliable, and transparent market by harnessing innovation and technology, and based on continuous learning, fairness, and commitment to excellence.

1.3. Statement of the problem

The objective and vision is giving priority to the needs by having the right staff, at the right time and at the right place. To meet this critical objective of the organization the performance management system of this organization should be based on psychological principles stating that people are more productive when they have clear attainable objectives to achieve; are involved in the formulation of the objectives and activities; are aware of their results through feedback as to how they are formulating and are stimulated to develop their competencies in relation to results. It is therefore very essential to take great care when planning, implementing and evaluating employee performance.

Many corporations view their performance management systems as organizational wallpaper, meaning that they exist only in the background and are not expected to add value (Coens & Jenkins, 2002). The reason for the presence of employee performance management system in an organization is to improve organizational result, deploy a culture that will attract and develop employees, create a good relationship between managers and employees, enhance meaningful work cooperation among employees, generate an opportunity for growth and development and to make clear on an understanding of work objectives.

Employee's performance management system has a well-articulated process for accomplishing evaluation activities, with defined roles and timelines for both managers and employees. Especially in organizations that use EPMS as a basis for pay and other HR decisions, it is important to ensure that all employees are treated in a fair and equitable manner (Pulakos, 2004).

Attract and retain best performers and improve employee capacity will be one of the strategic goals of ECX by 2020 - 2025. Without having a high performing employee and units it will be difficult for organizations to compete international market (As ECX is a unique business in

Ethiopia). To ensure market competitiveness EPMS is highly desired to develop the capacity of the employees and inspired them to put maximum effort in the realization of organizational goals.

ECX institutionalized the balanced scorecard (BSC) performance management tool since 2008 from its establishment to formulate and implement its strategy and track its performance. The BSC is formulated in line with the national scorecard adopted by the government of Ethiopia but using as per the ECX business context. To formulate its strategy, the starting point was the statement of its vision, mission and values towards which a strategy should be geared. The BSC framework translates strategy (strategic themes) by organizing the detailed directions of actions under each theme the strategic objectives and their corresponding measures under four perspectives: financial, customer, internal-business-process and learning-growth.

Since 2008, ECX has implemented EPMS in order to align the strategic objectives to that of individual level. However, as shown in the HR department half year corporate performance report (2019), the implementation has been encountered different types of challenges like: unbalanced goals and targets were set for employees at different job positions while they are at the same job grades, raters' error and also PMS rating approach. While executing the performance management system, failure in any of the phases of PMS will impact the outcome. For instance, in performance planning stage if an employee is given unattainable target, conducting on-going feedback and performance evaluation is meaningless. To the contrary, if an employee is given achievable target but on-going feedback and coaching have problem, the employee's performance may not be as expected. The same is true for problems regarding performance data tracking to conduct performance evaluation.

According to the HR department half year report (2019) and regular branch visit report of ECX, there is varied level of understanding and implementation of the PMS by performers. This report indicates gaps in planning and execution of PMS in the organization. Hence there is no such well-planned and organized assessment made before on employee performance management system in ECX. Therefore this research is initiated to assess employee performance management practices and challenges in Ethiopian Commodity Exchange /ECX/.This work could be considered as good start for future researchers in the ECX.

1.4. Basic Research Questions

This study seeks to answer the following basic research questions:

1. How is employee performance management system practiced at ECX?
2. What are the challenges in implementing employee performance management system at the ECX?

1.5. Objectives of the Study

1.5.1. General Objective

The general objective of this study is to assess the current employee performance management system of ECX and identify the existing challenges and recommend possible solution to be implemented so as to achieve strategic, departmental, team and individual objectives and goals.

1.5.2. Specific Objectives

This study strived to achieve the following specific objectives:

- ✚ To investigate how the performance management system is practiced in ECX,
- ✚ To assess the challenges ECX encountered while implementing performance management system, and

1.6. Significance of the Study

The study is used to assess employee performance management system in Ethiopia Commodity Exchange /ECX/. Furthermore, the study is expected to be significant in the following aspects:

1. It can help to obtain the required information and take corrective measure to ensure the successful implementation of performance management system.
2. It can help to reduce the study gap observed in the subject matter.
3. It might be an input for similar other organizations which are interested in designing and implementing a performance management system.
4. The study will help ECX Senior management to focus on factors determining the success of performance management system.
5. The study can also serve as a stepping stone for other researchers who are interested to undertake related study in the area.

1.7. Delimitation/Scope of the study

Conceptual Scope: conceptually the scope or boundary of this study paper will be focusing to assess only the execution of the PMS processes such as performance planning and agreement, feedback provision, performance evaluation and performance review. It didn't deal about other factors that might hinder implementation of PMS like reward system and others.

Methodological Scope: Methodologically, the present research paper is confined itself with a mixed type of research approaches. That is to mean that an approach focusing on the quality of data analysis (qualitative) and that method focusing on quantity of data (quantitate) approaches have been employed.

Accordingly, questionnaire for selected target groups has been distributed and analyzed. To make the outcome more valid, the researcher has also conducted semi-structured type of interview to top level managers. In addition to these, the writer has consulted the appropriate secondary sources.

Geographic Scope: Ethiopia Commodity Exchange has got 23 branches (Nekemete/Gonder/Pawe/Dansah/Humera/Bure/Metema/Kombolcha/Adama/Shiraro/Assosa/Dir edawa/Jimma/Ghimbi/Bedelle/Bulehora/AddisAbaba-HO&saris)/Bonga/Hawassa/Sodo/Mettu/ Dilla and 4(four) electronic centers (Addis ababa/ Hawassa/ Humera/ Nekemete/ all over the country. This research paper, however, has geographically made attention to randomly selected branches (systematic random sampling) 14 selected geographical locations (Addis Ababa-HO/, AddisAbaba-Saris/Jimma/Bedelle/Bulehora/Hawassa/Dilla/Diredawa/ Gonder/ Dansha/ Humera/ Bure/Metema and shiraro).This is mainly because all the necessary data to answer the research questions take place in these branches.

1.8 Definition of key terms

The definitions of key terms which have been included in the topic of this proposed research study were:-

- **Employee:** A person who is hired to provide services to a company on a regular basis in exchange for compensation and who does not provide these services as part of an independent business. (www.businessdictionary.com).

- **Performance:** The accomplishment of a given task measured against pre-test known standards of accuracy, completeness, cost and acceleration. In a contract, performance is deemed to be fulfilment of an obligation, in a manner that releases the performer from all liabilities under contract(www.businessdictionary.com).
- **Management:** According to Harold Koontz, management is the act of getting things done through and with people in formally organized group.
- **System:** An organized purposeful structure that consists of interrelated and interdependent elements (components, entities, factors, members, parts etc.). These elements continually influence one another (directly or indirectly) to maintain their activity and the existence of the system so as to achieve the goal of the system. (www.businessdictionary.com).

1.9. Organization of the research report

The study is organized into five chapters. The first chapter deals with the introductory idea and background about the topic and the organization, statement of the problem, objectives, significances, scope and definitions of key terms of the study. The second chapter is literature review where detailed discussion about the topic and empirical evidence are presented. The third chapter deals with research design and methodology. The fourth chapter deals with data presentation, analysis, discussion and interpretation. The final chapter is devoted to major findings, conclusions and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Introduction

This chapter presents about different concepts so as to give a comprehensive understanding about PMS. Accordingly, theoretical overview raises theoretical perspective, components, principles, processes, a strategic perspective and also empirical evidences in relation to the subject under study are discussed. The review is structured in three sections. The first section presents theoretical reviews, which is followed by a review of empirical studies in section two. The third section illustrates the conceptual framework of the study.

2.2. Theoretical literature review

2.2.1 The concept of performance management

Defining Performance Management

In relation to CIPD (2010:1) Performance Management is described as a 'holistic process' which integrates all the various needs that are required in order to reach an advantageous system of people management that concentrates on 'learning and development'. Performance Management gives teams and individuals the responsibility to take liability for their own 'continuous improvement of business processes and of their own skills, behavior and contributions'. Managers can then converse their viewpoint for the teams and individuals and in return they communicate how they consider them to be managed. Performance Management entails development in the setting of objectives and through the measurement of this.

2.2.2. Theory of performance

Underpinning theories

The following three theories underpinning performance management have been identified by Buchner (2007).

2.2.2.1. Goal theory

Goal theory as developed by Latham and Locke (1979) highlights four mechanisms that connect goals to performance outcomes: 1) they direct attention to priorities; 2) they stimulate effort; 3)

they challenge people to bring their knowledge and skills to bear to increase their chances of success; and 4) the more challenging the goal, the more people will draw on their full repertoire of skills. This theory underpins the emphasis in performance management on setting and agreeing objectives against which performance can be measured and managed.(Armstrong, 2009).

2.2.2.2. Control theory

Control theory focuses attention on feedback as a means of shaping behaviour. As people receive feedback on their behaviour they appreciate the discrepancy between what they are doing and what they are expected to do and take corrective action to overcome it. Feedback is recognized as a crucial part of performance management processes.(Armstrong, 2009).

2.2.2.3. Social cognitive theory

Social cognitive theory was developed by Bandura (1986). It is based on his central concept of self- efficacy. This suggests that what people believe that they can or cannot do powerfully impacts on their performance. Developing and strengthening positive self-belief in employees is therefore an important performance management objective. .(Armstrong, 2009).

2.2.3. Performance management and performance appraisal (difference and definition)

Performance management is a process for establishing shared understanding about what is to be achieved and how it is to be achieved, and an approach to managing and developing people that improves individual, team and organizational performance.

Performance management is a means of getting better results from the organization, teams and individuals within an agreed framework of planned goals, objectives and standards (Armstrong and Murlis, 1994).

Performance appraisal can be defined as the formal assessment and rating of individuals by their managers at or after a review meeting that usually takes place once a year. It has been discredited because it has traditionally operated as a top-down and largely bureaucratic system owned by the HR department rather than by line managers.

In contrast performance management is a continuous and wider, more comprehensive and more natural process of management that clarifies mutual expectations, emphasizes the support role of managers who are expected to act as coaches rather than judges, and focuses on the future.

2.3. The contribution of performance management

Performance management contributes to the development of a high-performance culture through an HPWS by generally delivering the message in an organization that high performance is important. It defines what high performance is and how managers and their teams should achieve it. It explains how performance should be measured and the steps that should be taken to monitor results in comparison with expectations. The means of getting high performance are provided by motivating people, defining the performance expectations implicit in the psychological contract, creating high levels of engagement and enhancing skills and competencies through feedback, coaching and personal development planning.

2.4 Integration with other human resources and development activities

Performance management systems serve as important “feeders” to other human resources and development activities. For example, consider the relationship between performance management and training. Performance management provides information on developmental needs for employees. In the absence of a good performance management system, it is not clear that organizations will use their training resources in the most efficient way (i.e., to train those who most need it in the most critical areas).

Performance management also provides key information for *workforce planning*. Specifically, an organization’s talent inventory is based on information collected through the performance management system. Development plans provide information on what skills will be acquired in the near future. This information is also used in making *recruitment and hiring* decisions. Knowledge of an organization’s current and future talent is important when deciding what types of skills need to be acquired externally and what types of skills can be found within the organization.

Finally, there is an obvious relationship between performance management and compensation systems. Compensation and reward decisions are likely to be arbitrary in the absence of a good performance management system.

In short, performance management is a key component of talent management in organizations. It allows for assessing the current talent and making predictions about future needs both at the individual and organizational levels. Implementing a successful performance management

system is a requirement for the successful implementation of other HR functions, including training, workforce planning, recruitment and selection, and compensation.

2.5 Aims and role of PMS systems

In general, performance management systems can serve the following six purposes: strategic, administrative, informational, developmental, organizational maintenance, and documentation purposes.

2.5.1 Strategic Purpose

The first purpose of performance management systems is to help top management achieve strategic business objectives. By linking the organization's goals with individual goals, the performance management system reinforces behaviours consistent with the attainment of organizational goals. Moreover, even if for some reason individual goals are not achieved, linking individual goals with organizational goals serves as a way to communicate what are the most crucial business strategic initiatives.

A second strategic purpose of performance management systems is that they play an important role in the on boarding process. On boarding refers to the processes that lead new employees to transition from being organizational outsiders to organizational insiders.

Performance management serves as a catalyst for on boarding because it allows new employees to understand the types of behaviours and results that are valued and rewarded, which, in turn, lead to an understanding of the organization's culture and its values.

2.5.2 Administrative Purpose

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

2.5.3 Informational Purpose

Performance management systems serve as an important communication device. First, they inform employees about how they are doing and provide them with information on specific areas that may need improvement. Second, related to the strategic purpose, they provide information regarding the organizations and the supervisor's expectations and what aspects of work the supervisor believes are most important.

2.5.4 Developmental Purpose

As noted earlier, feedback is an important component of a well-implemented performance management system. This feedback can be used in a developmental manner. Managers can use feedback to coach employees and improve performance on an on-going basis. This feedback allows for the identification of strengths and weaknesses as well as the causes for performance deficiencies (which could be due to individual, group, or contextual factors).

Another aspect of the developmental purpose is that employees receive information about themselves that can help them individualize their career paths. Thus, the developmental purpose refers to both short-term and long-term aspects of development.

2.5.5 Organizational Maintenance Purpose

A fifth purpose of performance management systems is to provide information to be used in workforce planning. Workforce planning comprises a set of systems that allows organizations to anticipate and respond to needs emerging within and outside the organization, to determine priorities, and to allocate human resources where they can do the most good. An important component of any workforce planning effort is the talent inventory, which is information on current resources (e.g., skills, abilities, promotional potential, and assignment histories of current employees). Performance management systems are the primary means through which accurate talent inventories can be assembled.

Other organizational maintenance purposes served by performance management systems include assessing future training needs, evaluating performance achievements at the organizational level, and evaluating the effectiveness of HR interventions (e.g., whether employees perform at higher levels after participating in a training program). These activities cannot be conducted effectively in the absence of a good performance management system.

2.5.6 Documentation Purpose

Finally, performance management systems allow organizations to collect useful information that can be used for several documentation purposes. First, performance data can be used to validate newly proposed selection instruments. For example, a newly developed test of computer literacy can be administered to all administrative personnel. Scores on the test can then be paired with scores collected through the performance management system. If scores on the test and on the performance measure are correlated, then the test can be used with future applicants for the administrative positions. Second, performance management systems allow for the documentation of important administrative decisions. This information can be especially useful in the case of litigation.

2.6. Performance Management Processes

Stages in order for an organization to manage the performance of their employees, they will firstly need to identify the performance needed to manage the overall organization. For the vast amount of organizations this will primarily involve a mission statement to highlight the performance that is required and the all-inclusive goals of the organization. Organizations will need to set out the strategic aims within the organizations structure that will achieve competitive advantage and will fall within that of the mission statement. The mandatory abilities and core values will need to be identified by most organizations as they will carry out a duty in the managing of individual performance. (Torrington, Hall and Taylor, 2008)

As Armstrong M. (2009), explained, performance management is a natural process of management. Many of pertinent models on performance management consist a simple five or six steps in which the performance management processes could be passed through in order to achieve the corporate objectives. As noted earlier, performance management is a continuous process. However, when a system is first implemented, the process follows the following stages. (Aquinis, 2009: Grote, 1996).

- 1) Pre-requisites.
- 2) Performance Planning.
- 3) Performance Execution.
- 4) Performance Assessment.
- 5) Performance Review and

6) Performance Renewal and Re-contracting.

Stage One: Pre-requisites

As it is explained briefly, before a performance management is implemented, there are two needed important prior condition.

- 1) knowledge of the organization`s mission and strategic goals
- 2) Knowledge of the job in question.

These two pre-requisites help the organization where to go or to make the cooperation between the organization mission and strategies and each of its units mission and strategies. They also provide clarity regarding what each employee needs to do and achieve to help the organization get there. An organization`s mission and strategic goals are a result of strategic planning which helps the organization to define its purpose or reason why existing, its place wanted to be in the future, the goal it wants to achieve and strategies in which rely on to achieve these goals. The goal which is similar to the overall goal get cascaded downward after once the goal for the entire organization have been established, along with department setting objectives to support the organization`s overall mission and objectives. This cascading activities continues downward until the compatibility of employee`s set of goals with his or her unit and the entire organization. The second important prior action is to understand the job in question which is done through job analysis. This job analysis is a process of determining the key components of a particular job including, activities, tasks, products, services and processes. Since a job analysis is a fundamental prior action of any performance management system, it is difficult to understand what constitutes the required duties for a particular job without it. We won`t know what needs to be evaluated and how to do so if we do not know what an employee is supposed to do on the job.

Stage Two: Performance Planning

The performance planning stage helps to have the goals for employees to hold a through knowledge of the performance management system. This situation takes the supervisor and the employee to meet at the beginning of each performance cycle to discuss and agree on what needs to be done and how it should be done. This discussion considers: 1) Result 2) Behaviors and 3) Development plan.

Result: refers to what needs to be done or the employee must produce as outcomes. A discussions of results includes specific objectives that the employee will achieve as part of each accountability as objectives are statements of important and measurable outcome. Finally,

discussing results also means discussing performance standards which is a yardstick used to evaluate how well employee have achieved each objectives. Thus, the objective is the desired level of performance whereas the standard is usually a minimum acceptable level of performance.

Behaviors: refers to how a job is done. This is probably why, in addition to sales figures, sales people like to be appraised on such behavioral criteria as communication skills and product knowledge.(Pettijohn, Parker, Pettijohn & Kent, 2000). A consideration of behaviors includes discussing competencies, which are measurable clusters of knowledge, skills and attitudes (KSAs) that are critical in determining how results will be a achieved (Shippmann C.F et al. 2000).

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

Development plans usually include both results and behaviors. Achieving the goals stated in the development plan allows employees to keep abreast of changes in their field or profession. Information to be used in designing development plans comes from the appraisal form. Specifically, a development plan can be designed based on each of the performance dimensions evaluated. In addition, however, development plans focus on the knowledge and skills needed for more long - term career aspirations. In addition to improved performance, the inclusion of development plans and, in more general terms, the identification of employee strengths and weaknesses as part of the performance management system have another important benefit employees are more likely to be satisfied with the system (Boswell &Boudreau, 2000). The direct supervisor or line manager has an important role in the creation and completion of the employee's development plan. This active role will help the supervisor understand the process from the employee's perspective, anticipate potential roadblocks and defensive attitudes, and create a plan in a collaborative fashion (Dunning, 2004). First, the supervisor needs to explain what would be required for the employee to achieve the desired performance level, including the steps that an employee must take to improve performance. This information needs to be provided together with information on the probability of success if the employee completes the suggested steps. Second, the supervisor has a primary role in referring the employee to appropriate development activities that can assist the employee in achieving her goals. This includes helping

the employee select a mentor, appropriate reading resources, courses, and so forth. Third, the supervisor reviews and makes suggestions about the development objectives. Specifically, the supervisor helps assure the goals are achievable, specific c, and doable. Fourth, the supervisor has primary responsibility for checking on the employee's progress toward achieving the development goals.

Stage Three: Performance Execution

Employee has primary responsibility and ownership of this process. Although, it is said to be, the supervisor also needs to do his or her share of work. Then, supervisors have primary responsibility over the following issues:

- **Observation and Documentation:** supervisors do this on daily basis to keep track of examples of both good and poor performance.
- **Updates:** when an organization goal is needed to be changed, updating and revising the initial objectives, standards and key accountabilities (in the case of results) and competency areas (in the case of behaviors).
- **Feedback:** before the review cycle, feedback on progression toward goals and coaching should be provided on a regular basis.
- **Resources:** employees should be provided with necessary resources and opportunities by supervisors to participate in development activities. Thus, it is the supervisors responsibility to ensure that the employee has the necessary supplies and funding to perform their job properly.
- **Reinforcement:** supervisors should allow employee to know that their outstanding is noticed by reinforcing effective behaviors and progress toward goals. Also, feedback should be provided even to negative performance along with the way how to remedy the problem observed. However, performance problem must be diagnosed early and appropriate steps must be taken accordingly, since only observation and communication are not sufficient.

Stage Four: Performance Assessment

In this stage, both the employee and the manager are responsible for evaluating the desired behaviors have been displayed and whether the desired results have been achieved by using the information which is mainly provided by the direct supervisor. (Aguinis & Piece, 2008 : Bnnett, et.al 2006) In this assessment, the manager the employee fills their own form respectively. This

two parties involvement in the assessment, provide constructive information to be used in the review phase. There is a greater likelihood that the information will be used productively in the future, for both parties are active participants in the evaluation process. The inclusion of self-appraisal reduce an employee`s defensiveness during an appraisal meeting and increase the employee`s satisfaction with the performance management system as well as enhance perceptions of accuracy and fairness and therefore, acceptance of the system. (Shore, et.al, 1998) There are a number of methods used in today`s industries to evaluate employees. Some of the more common methods include

Stage five: Performance Review

This stage involves the assembly between the manager and the employee to review their assessment is usually called the appraisal meeting or discussion. This meeting is important as it provides a formal setting in which the employee receives feedback on his or her performance that is vital for it leads not only to performance improvement but also employee satisfaction and being motivated to improve his or her performance. (Rhaman,2006).

In most cases, the appraisal meeting is regarded as a review of the past , that is, what was done (results), and how it was done (behaviors). (Soltani,2003). However, discussion of the employees development progress as well as plan for the future should also be included in appraisal meeting. Therefore, a good appraisal meeting focuses on the past (what has been done and how), the present (what compensation is received or denied as a results), the future (goals to be attained before the upcoming review session). The researcher understands that in review stage, which provides feedback to employees to improve their performance and to get satisfied.

Stage six: Performance Renewal and Re-contracting

This final stage process is identical to the performance planning component but the main difference is that this stage uses the insights and information gained the other phases. For example, it helps to setting less ambitious goals for the upcoming review period, if the goals have been set unrealistically high. The cycle is not over after this stage but the process starts all over again with the organization`s mission, strategic goals and the job`s KSAs. In the end, to promote the achievement of organizational wide goals is the main aim of any performance management system. Clearly to say so, managers and employees should have awareness of these

strategic goals, if not, it is unlikely that the performance management system will be instrumental to accomplishing the strategic goals.

2.7. Evaluation of Previous Performance Management and Organization Objectives

The concept of management emphasizes the need for getting things done right through people efficiently and effectively (Robbins & Judge, 2007). This also raises the question of what systems the businesses use to evaluate whether things are heading in the right direction or not. In order to solve this puzzle, organizations are highly encouraged to evaluate their previous performance and align it to their future objectives. The process of this evaluation does not end with the good performance of an organization. The process needs to trickle down to individual levels. According to the findings by Van Soelen, (2013). Organizations use performance management systems for all business drivers from individual to functional, shareholders and customers. However, Aguinis (2009) believes that there is a substantial gap that lies between practical orientation of performance management and the literature. This gap exists because researchers target other researchers as their audience rather than organizations (Wong & Shi, 2014).

Performance Management, as defined by Armstrong (2009) is a process designed to improve organizational, team and individual performance and this is owned and driven by the line manager. While Aguinis (2009) views performance management as a continuous process of identifying, measuring and developing performance of individuals and teams and aligning performance with the strategic goals of the organization. It also evaluates the improvement being made towards the achievement of organizational strategic business objectives (Bridger, 2014). Performance Management will not provide the desired outcomes if an individual's performance and objectives are not aligned with the strategic objectives of the organizations. In addition, in cases where the individual or functional objectives are aligned and not rewarded properly, the end result is a disconnect syndrome, swaying an organization away from its objectives. In order to avoid the disconnect syndrome, synchronization in objectives should be ascertained.

2.8. Factors to be embedded on Good Performance Management System

According to James W. Smither and Manuel London, editors (2009), the factors which should be embedded in good performance management system are as follows:

- Strategic Congruence: the system should be congruent with unit and organizational strategy.
- Thoroughness: being thorough regarding:-
 - ✚ All employees along with managers should be evaluated.
 - ✚ All job major responsibilities should be evaluated.
 - ✚ The evaluation should include performance spanning the entire period.
 - ✚ Feedback should be given.
- Practicality: the system should be easy-to-use and benefit of using the system must be seen as outweighing the cost.
- Meaningfulness: the system must be meaningful and the evaluation and the standard must be considered to be important and relevant.
- Specificity: it should be specific and provide detailed and concrete guidance to employee.
- Identification of effective and ineffective performance: the system should allow performance for distinguishing between effective and ineffective behaviors and result.
- Reliability: it should include measure of performance that are consistent and free of error.
- Validity: the performance measures include all relevant performance facets and do not include irrelevant performance facets.
- Acceptability and fairness: a good system is acceptable and is perceived as fair by all participants.
- Inclusiveness: it includes inputs from multiple sources on an ongoing basis.
- Openness: it does not have secrets for which performance is evaluated frequently and performance feedback is given on an ongoing basis.
- Correct ability: state of establishing an appeals process, through which employees can challenge what, may be unjust decisions.
- Standardization: the system should allow performance could be evaluated consistently across people and time.

- Ethicality: it should comply with ethical standards in which the privacy of the employee is respected.

2.9. Result of Poorly Designed Performance Management System

According to Engelmann and Roesch (1996), poorly designed or inadequate performance management system results:-

- poor motivation and self-esteem, because of employee`s inadequate feedback upon their work performance.
- Little or no focused communication about performance between supervisors and employees.
- Inefficient use of supervisors` time.
- Litigation over alleged discriminatory actions.

2.10. Empirical literature review

In different literature there are various models of performance management. Each model has its importance as a system for managing organizational performance, managing employee performance, and for integrating the management of organizational and employee performance. Performance management involve different multiple levels of analysis and is clearly linked to the topics studied in strategic HRM as well as performance appraisal (Heinrich, 2002)

A performance management system, is increasingly seen as a means of integrating HRM activities with the business objectives of the organization, where management and HR activities are working together to influence individual and collective to support the organization`s strategy. Rudman (2003), Performance management system is a kind of completed and integrated cycle for performance management.

Fletcher (1996) suggested that the main building blocks of a performance management system approach include: development of the organization`s mission and objectives; enhancing communication within the organization so that employees are not only aware of the objectives and the business plan, but can contribute to their formulation; clarifying individual responsibilities and accountabilities; defining and measuring individual performance;

implementing appropriate reward strategies and developing staff to improve performance, and their career progression further in the future.

2.10.1 Studied Conducted Outside Ethiopia

The concept of performance is studied through evaluation of overall performance and the management of the performance and the evaluation of performance is the process classifying certain outcomes within a definite timeframe (Coens & Jenkins, 2002).

According to Huselid (1995), employees within firms contribute for organizational performance and HRM practices can affect individual employee performance through their influence over employees' skills and motivation and through organizational structure that allow employees to improve how their jobs are performed.

In Bhatti (2007) and Qureshi's (2007) perspectives, productive, productivity is a performance measure encompassing both efficiency and effectiveness. Labor productive means the output of workers per unit of time which is a commonly used and straightforward measure of productivity. The growth rate of labor productivity is approximately equal to the difference between the growth rate of output and growth rate of the number of hours worked in the economy (Christopher Gust & Jaime Marquez, 2004).

High performing, effective organizations have a culture that encourages employee involvement. Therefore, employees are more willing to get involved in decision-making, goal setting or problem solving activities, which subsequently result in higher employee performance.

Armstrong (2000) contends that trained employees often work better as teams because everyone is aware of the expectations and can achieve them together smoothly. Trained employees are also more confident in their performance and decision-making skills. In addition, employees who receive regular training are more likely to accept change and come up with new ideas. Employees who learn new skills through training make good candidates for promotions because they have shown their ability to learn, retain and use information. Reliable, skilled employees can also be empowered to train other employees, the fact that reduces pressure for the management team.

According to the research done in South Africa in 2001 by Pandelani Harry Munzhedzi, the evidence collected was done with the specific aim of answering the research question, namely,

whether the PMS of the Department of Local Government and Housing (DLGH) in the Limpopo Province contributes to the improvement of productivity.

Although there are officials with a better understanding of the PMS in the DLGH, the majority have not acquired a sufficient understanding of the PMS. During the period under review (2007-2010), several performance targets were not achieved.

Although the PMS plays a significant role in the improvement of productivity, it has not contributed to the improvement of productivity of the DLGH in the Limpopo Province. Productivity in the Department has been low because the performance has not been continuously improving.

The challenges facing the PMS in the DLGH are the following: Poor understanding of the PMS in the Department, separation of the PMS division from the training division in the Department, non-compliance to PMS policy provisions such as timeouts submission of performance instruments by some individual employees, shortage of personnel in the PMS division, biased ratings (subjective assessments) and setting of unrealistic performance targets which are unrealizable.

A significant relationship was found between the employees training and their resultant performance in accomplishing different tasks. It was found that those employees who have taken trainings were more capable in performing different task & vice versa. Training has direct relationship with the employees' performance.

Basically training is a formal & systematic modification of behaviour through learning which occurs as result of education, instruction, development and planned experience (Michael Armstrong, 2000). Because of the practical implications of training, it is important to have training that is effective. Studies have proven that more costly but effective training can save money that is wasted on cheap but inefficient training (Ginsberg, 1997). Therefore, training has acquired a strategic value for hotels since service quality depends on employee customer care effectiveness Connie Zheng (2009).

On the job training plays a significant role in the development of organizations, enhancing performance as well as increasing productivity, and ultimately putting companies in the best position to face competition and stay at the top. This means that, there is a significant relationship between organizations that train their employees and organizations that do not (Evans, 1999). Every organization that is committed to generating profits for its owners

(shareholders) and providing quality service for its customers and beneficiaries must invest on the job training for its employees.

2.10.2 Studied Conducted in Ethiopia

According to the research done in Ethiopia in 2017 by Firehiwot Tesfaye, the evidence collected was done with the specific aim on the assessment of performance management system in commercial bank of Ethiopia: a case of city branches in Addis Ababa & head.

From this study, it has been noted that Commercial Bank of Ethiopia has neglected the importance of the involvement of employees in the goal setting process of Performance Management System. Based on the evidences obtained from the analysis, employees claimed that they are not participating in performance planning. In addition all respondents did not have chance to jointly agree on the standards of performance measures with their supervisors and in setting an individual development plan the response of participants is not that much enough or there is high level of response that indicate employees didn't reached an agreement about their development plan to enhance their performance with their supervisor. That is why employees are not aware of the performance evaluation objectives and performance standards as well as the importance of having an agreed individual development plan.

There is also no fair job rotation among employees, no sufficient resource allocation to execute their job properly, no clear mechanism in the bank to address the issue of underperformance, findings from respondent of questioner indicates no similar rating mechanism among branches and individuals and the employee performance management system lacks uniformity even though raters are believed to be competent enough. They are not feeling fairly treated in processes of employee performance management system, and performance evaluation is not attached with reward and recognition schemes.

Concerning the practice of performance evaluation in CBE problems like absence of data tracking format and not using the existing formats to record individuals result, the more manual work that may not help to get accurate data about each individual performer, lack of consistent data tracking and lack of proper documentation challenge the performance management system from providing needed result.

Regarding provision of feedback and performance review the data shows that there is no timely feedback and absence of review of individual performances this hinders the PMS system from providing the expected output.

Regardless of the above cited weak points on planning, feedback, evaluation and review the remaining areas such as well-defined mission and strategic goal, role clarity among employees and makes them goal oriented, enables to differentiate good and poor performers. Furthermore, it has created a constructive competition among staff; it has contributed to improve both individual and the bank's overall performance.

As a result, considering the fact that regardless of the type, size and objective of an organization, performance management system is a globally contemporary practice all over the world which helps the organization, team and individual to be more effective in their day to day activities to bring about the desired objective and for the successful growth and development of each, one can conclude that even though Commercial Bank of Ethiopia has some good qualities in implementing performance management system but a lot should be made in making the performance management system to be more useful for the organization.

2.11. Research Gap

Many studies have been conducted on performance management but few related to relationship between performance management system and employee performance.

Also the relationship between performance management system and employee performance in an organization was looked at a thing which according to the literature review was not much researched.

One of the most difficult requirements of an effective performance appraisal system is that it is as free as possible from bias. Raters as a human being cannot deny the involvement of bias in their decision making on performance of the ratees. The only thing that the raters can do is to minimize the level of unfairness as possible. Work professionalism plays an important role for the reliability of the assessment process. There are many types of bias that creep into appraisal system and the most reported are subjectivity, recency effect, halo effect, central tendency and prejudice (Ahmad and Bujang, 2013). Accordingly, biasness, subjectivity, prejudice and the like challenges the proper implementation of performance evaluation and appraisal in public sectors.

2.12 Conceptual framework

The conceptual frame work below shows Performance Management cycle or process.

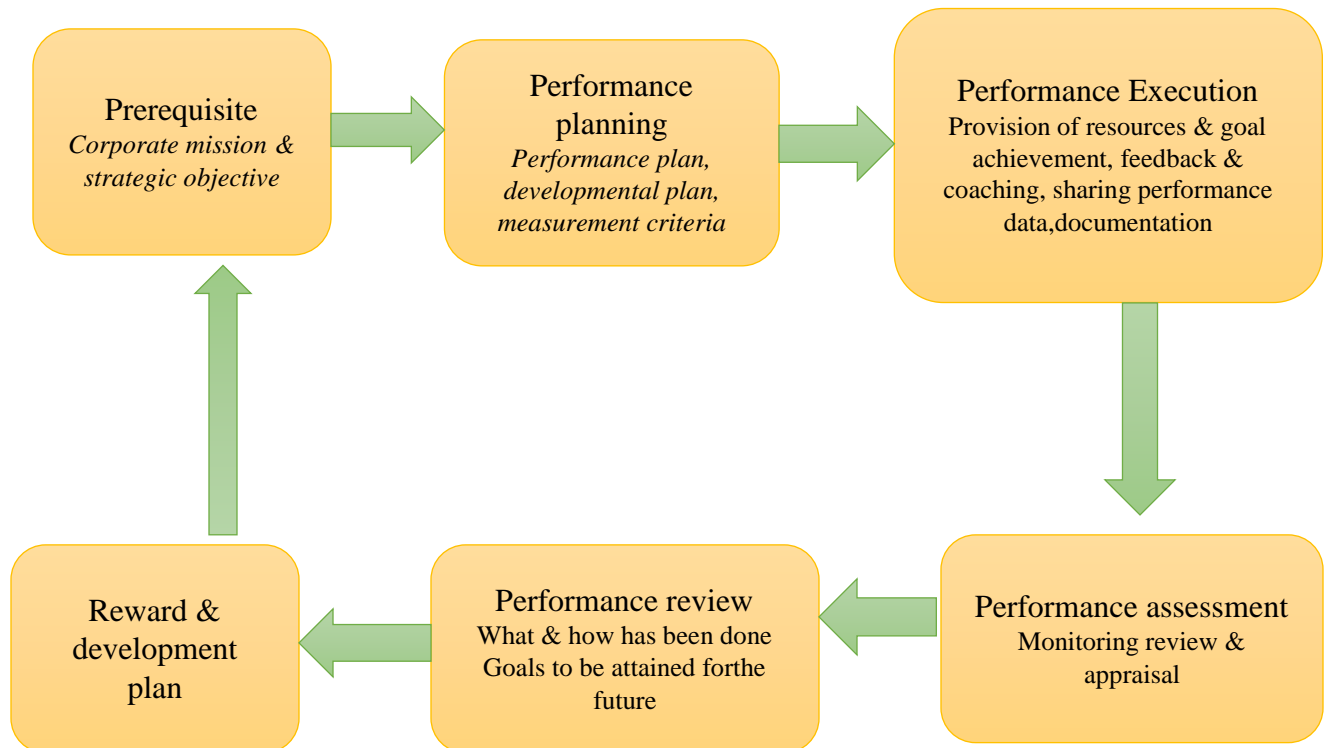


Figure 1 Performance Management Process

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter presents a detail discussion about the type of research methodology and methods that are employed in this research. This section highlights an outline of the research design, population, sample size and sampling technique, followed by source of data, research instruments, reliability and validity issues, data analysis methods and ethical consideration.

3.1. Research Design and Approach

The research design used for this study is a descriptive research. Thus data was systematically collected at a point in time, analyzed and presented to give a clear picture on employee performance management practices and challenges at ECX. A descriptive research is basically designed to find out the existing situation of a particular phenomenon of concern to answer the research questions.

Louis et al. (2007) descriptive research is concerned with: conditions or relationships that exist; practices that prevail; beliefs, points of views, or attitudes that are held; processes that are going on; effects that are being felt; or trends that are developing. At times, descriptive research is concerned with how what is or what exists is related to some preceding event that has influenced or affected a present condition or event.

3.2 Population, Sample Size and Sampling Technique

3.2.1 Population

The target population of the study was all 991 employees who are working in ECX 23 branch offices and Head office in Addis Ababa. According to (Sekaran, 2003) sampling is “the process of selecting a sufficient number of elements from the population, so that a study of the sample and an understanding of its properties or characteristics would make it possible for us to generalize such properties or characteristics to the population elements.” Or Sampling is the process of choosing smaller and more manageable number of study units from a defined study population. Ethiopia Commodity Exchange is the biggest organization to the country which was established in 2008.

Since its establishment it has made a lot of developments and currently it has 23 branches stretched across the country. The samples are drawn from the total collection of all members or population about which this study wishes to draw conclusions. **Probability Sampling:** when probability sampling is used, each member of the population has an equal likelihood of being selected to be part of the sample. From the types of probability sampling, this study finds stratified random sampling appropriate for selecting samples from the population. A **stratified random sampling** allows to take into account the different subgroups of people in the population and helps guarantee that the sample accurately represents the population on specific characteristics. It starts by dividing the population into subsamples or strata. Then samples can be randomly selected from each stratum

3.2.2. Sample size

This research used the sampling frame which only considered a particular group which is employees who have first degree and above.

The ECX has nine hundred ninety one (991) employees among these, 287 of them are female and 704 are male. Thus, the researcher selected 120 employees of the ECX as a sample due to, the population of this study consists of employees of ECX found in Head Office and branches offices and to determine sample size this research uses simple random sampling techniques. ECX has 23 branches throughout the country while one of them are found in Addis Ababa, Therefore, the sample size determination the formula shown as to determine the sample size (Yamane Taro, 1967).

Table 3.2.2.1. Sample size determination

No	Employees category	No of Employees	Total Proportional Rate	Sample size	Total Proportional Rate
1	Male	704	0.71	93	0.13
2	Female	287	0.29	23	0.08
Total		991	1	116	0.21
1	Non- Managerial	927	0.935	116	0.125/only took non managerial/
2	Managerial	64	0.065		
Total		991			

$$\begin{aligned}
 n &= \frac{N}{1 + N(e)^2} \\
 &= \frac{991}{1 + 991(0.1)^2} \\
 &= 90.83
 \end{aligned}$$

Where,

n= sample size

N= total population size

e= acceptable level of error (that is 10%)

Applying 10 % error margin, the sample size for the study were 90 members of the target population. Therefore, the study's sample size of 120 is fair enough to represent the target population of the study area.

3.2.3. Sampling Techniques

Since the population number is large, as it is stated above this research was used systematic random sampling. This research planned to use probability sampling among the probability sampling techniques. In this particular study one probability sampling technique is stratified sampling technique which is used by this research planned to use systematic random sampling method. The reason behind choosing this method is its simplicity and convenience and it is suitable when the sample population is large. The primary data were collected by distributing questionnaires to 120 respondents and interview 20 employees from the total number of 991 employees of the ECX. Totally, it is planned to distribute and collect 120 questionnaires and 20 interview piece.

According to Louis et al. (2007) state that the difference between probability and non-probability sample is this: in a probability sample the chances of members of the wider population being selected for the sample are known, whereas in a non-probability sample the chances of members of the wider population being selected for the sample are unknown. In the former (probability sample) every member of the wider population has an equal chance of being included in the sample; inclusion or exclusion from the sample is a matter of chance and nothing else. This is

because in probability sampling method, every unit has an equal chance of being included in the sample.

3.3. Source of Data and Data Collection Instruments

3.3.1 Source of Data

This research were used both primary and secondary data sources. The primary data were collected by using a questionnaire and interviews and the secondary data source includes documents, both published and unpublished books, journals, policy and procedures of ECX and other different sources.

3.3.2 Data Collection Instruments

The main research tools or method used for collecting the primary data were questionnaire and interview.

In the questionnaire, the researcher used close-ended questions with single answers, close-ended questions with multiple answers, rankings and Likert scaled questions. The appearance and layout of the questionnaire are very important factors and essential in ensuring that relevant data is collected. Martins et al. (1996) feel that there should be sufficient space to record answers, the questionnaires should not appear overly long, as this may put off both the respondents and discourage them from being totally committed to complete the questionnaire as efficiently as possible. The researcher made the questionnaire clear and understandable to encourage the respondents to answer them. Most of the questionnaire items were close-ended questions.

The researcher used interview with key officials of management of ECX, all department officers and managers with managerial responsibility for the practices and challenges of Employee performance management.

Questionnaires: The study will use both primary and secondary data in its construction. Primary data were collected mainly through questionnaires of both types (closed-ended and open-ended). For close ended question a five-point Likert scale that range from 1 (strongly disagree) to 5 (strongly agree) were used (Lokesh, 2014, Lise and Gilbert, 2003, Knebel, 2008). Open ended questions were also being included in the questionnaire because it allows respondents to give their explanation in detail without any limitation.

Interview: is an adaptable way of finding things out. The human language is very useful in opening of what lies behind people's action (Zikgmund, 1994). Interview allows person-to-person discussion that can lead to increase insights thoughts, feelings and behavior of the respondents, which is an important issue of PMS. Another advantage that can be derived from the interview was its flexibility in communicating different viewpoints on the subject under study.

3.4. Instrument Validity and Reliability

As Joppe M. (2000), stated that, Instrument validity pertains to the ability to accurately measure what to intend to measure based on objective of the study. By saying this so, the researcher discussed with the advisor and other management staffs about the questionnaires before it had been distributed. The researcher provided explanations concerning on the questions to the respondents before they had given answer for it. This confirmed the reliability of the available data.

Testing of the reliability of the scale is very much important as it shows the extent to which a scale produces consistent result if measurements were made repeatedly before applying statistical tools. This is done by determining the association between scores obtained from different administrations of the scales. If the association is high, the scale yields consistent result thus is reliable. Cronbach's alpha is the most widely used method. Cronbach's alpha has been described as 'one of the most important and pervasive statistics in research involving test construction and uses' (Cortina, 1993) to the extent that its use in research with multiple-item measurements is considered routine (Schmitt, 1996). It may be mentioned that its value varies from 0 to 1 but the satisfactory value is required to be more than 0.6 for the scale to be reliable (Malhotra, 2002; Cronbach, 1951). In the present study, the researcher, therefore, used Cronbach's alpha scale as a measure of reliability. The normal range of Cronbach's coefficient alpha value ranges between 0.1 and the higher values reflect a higher degree of internal consistency.

From the table below, it is seen that reliability value was estimated to be 0.6 and above, if we compare reliability value of the scale used in the present study it is observed that the scale of the present study was highly reliable for data analysis. Validation procedures involved initial

consultation of the questionnaires. Hence, the researcher is satisfied with the reliability and validity of the scale.

Table 3.4.1 Reliability and Validity

Level of PMS	No of Respondent	Question	Cornbach Alpha test
Performance prerequisite	116	2	1.8565
Performance Planning	116	14	0.8053
Regular Feedback	116	12	0.9781
Performance Review	116	4	1.2874
Performance Appraisal (Assessment)	116	5	1.1961
Performance Evaluation	116	3	1.4612
Employees understanding & perception on the performance management of the Organization	116	11	0.9957
Other Factor	116	5	1.1961
Cornbach Alpha test		56	0.9416

Source: Organized from survey

As shown on the above table, for each field value of Cronbach's Alpha it is in the range between 0.8053-1.8565. This range is considered as high. So this ensures the reliability of each field of the questionnaire. Cronbach's Alpha equals 0.9416 for the entire questionnaire which indicates very good reliability. Therefore, based on the test the results are reliable.

3.5 Methods of Data Analysis

Following the completion of data collection data processing were conducted through filtering. To analyze data both quantitative and qualitative techniques were employed. The data collected from questionnaire was analyzed through quantitative descriptive statistical tools such as percentages and frequencies, mean and standard deviations using SPSS computer software. While, qualitative data obtained through interviews was analyzed qualitatively in narrative form. Finally, the results were discussed and interpreted to draw important conclusions, recommendations and implications.

3.6. Ethical Consideration

Ethical issues that could arise during the course of the study included authorization to conduct the study, permission from authorities, and acquisition of permits and informed consent of the participants. Permission letter was granted from St Mary University to proceed for the study. A

permit was granted by ECX. All the participants were informed of the reasons for the study and objectives which were to be achieved. Participants were instructed that they are not required to include their names on the instruments distributed. All the information obtained is treated with privacy and confidentiality and data analysis was done primarily by the researcher to observe this confidentiality.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.1. Introduction

This chapter analyses and discusses the findings. The study has attempted to examine some general aspects of current state of performance management practices and challenges of ECX by gathering information from employees of the company .through questionnaire and interview. The interview was conducted with division managers and department officers who have the authority of evaluating and practicing the performance management of employees at different department and division. The questionnaire was distributed to one hundred twenty (120) employees. From these, one hundred sixteen (116) or ninety six percent (96 %) were kind enough to fill the questionnaires properly and returned on time. The data acquired were summarized and narrated in detail below.

The study tried to use qualitative data and was thoroughly discussed as per the objectives of the study. The data were processed and presented in tables and other statistical representations using simple and statistical methods and representation on tables that lead to drawing conclusions and recommendations.

According to Mugenda and Mugenda (2003), data analysis refers to examining the coded data critically and making inferences. The presentation of data refers to ways of arranging data to make it visibly understood with the guide of the objective of the study. Raw data collected from the questionnaires were first sorted, coded and subjected to the SPSS software. Qualitative data were analyzed by noticing, collecting and thinking about things. The researcher looked for patterns and relationships both within a collection and also across a collection.

4.1. Response rate

To test the conceptual model and research questions, a survey was conducted among ECX staffs. The instrument used to collect the primary data was questionnaire and interview. The researcher established prior contacts with the selected Officers and Managers and followed with an introduction letter to formally inform the people involved in the exercise. It took the researcher five weeks to collect the 116 questionnaires out of 120. A total of 120 questionnaires were prepared and distributed to the employees to supplement data collected through questionnaire

and interview. Due to the recent pandemic COVID-19 virus, the researcher was obliged to send some of the interview questions by email with clear instructions given to the samples. This was done to follow the rules and regulations that were stated by the Ethiopian Government of social distancing. In all 116 questionnaires were retrieved from respondents (Addis Ababa-Head Office/, AddisAbaba Saris/ Jimma/ Bedelle/ Bulehora/ Hawassa/ Dilla/ Diredawa/ Gonder/ Dansha/Humera/Bure/Metema and Shiraro) representing 96 % of the questionnaires administered. The completion of these questionnaires was entirely voluntary and responses were anonymous and were treated with the strictest confidentiality.

4.2 Demographic Characteristics of the Respondents

Table 4.2.1.Respondents profile

	Demographic Variable	Frequency	Percent	
	Sex of Respondents	Male	93	80%
		Female	23	20%
		Total	116	100%
	Educational Level	1 st degree	81	70%
		2 nd degree	35	30%
		Total	116	100
	Years of service	1 to 3	21	18%
		4 to 6	30	26%
		7 to 9	36	31%
		10 & above	29	25%
	Total		116	100%

From the above table 4.2.1, we can infer the following facts. Out of the 116 respondents who answered the questionnaires, ninety three (93) respondents representing 80% were males and twenty three (23) respondents representing 20% were females. 70 % of the respondents have first degree holders and 30% of respondents have second degree holders. This implies that majority of ECX employees were degree holders. The situation has resulted from recruiting more degree holders and above and also the company had human resource development policy which encouraged for educational career.

Out of the 116 who answered this questionnaires, twenty one (21) respondents representing 18% are staffs between 1-3 years, thirty (30) representing (26%) of the respondents have been staffs 4-6 years, thirty six (36) respondents representing 31% are staffs between 7-9 years and twenty nine (29) respondents representing 25% are staffs between 10 years and above years of service.

This implies that more than one-half of ECX management employees had more than 7 years on senior position work experience. The reason is that, the senior employees of ECX who constitute the majority percent were the top experienced on senior level position. In addition this fact implies that most of ECX employees were experienced at their respective assigned positions and expected they have exposure for the practices and challenges of performance management of the company.

4.3 Analysis of Data Collected for the Study

Table 4.3.1. Respondents’ satisfaction with the PMS practices of the organization

Statement	Total	Frequency					Total	Mean	Standard Deviation
		Very satisfied	satisfied	Fairly Satisfied	Somewhat Satisfied	Not Satisfied			
How do you rate your satisfaction with Performance management system practices over the last 4 years?	116	6%	31%	33%	18%	12%	100%	3.26	0.64
Average							100%		

Source: Own survey result, 2020

The above tables 4.3.1 shows the level of satisfaction on the PMS practice, this study made it clear that 6% of the respondents are very satisfied, 31 % of the respondents are satisfied, 33% of the respondents are fairly satisfied, 18% of the respondents are somewhat satisfied and 12% of the respondents are not satisfied by the practice of the PMS. Accordingly, the results of Respondents’ satisfaction with the PMS practices have a lower mean score value of 3.26 with standard deviation of 0.64. This shows that the respondents didn’t satisfy by the PMS practice.

Table 4.3.2. Awareness/understanding of employees about the mission, strategic goal and activities of the organization

Statement	Frequency							Mean	Standard Deviation
	Total	Strongly Agree	Agree	fairly agree	Disagree	Strongly Disagree	Total		
I have a clear understanding about the organization mission and strategic goals.	116	49%	48%	2%	1%	0%	100%	4.46	0.58
I am clear with components of my job, including activities, tasks, products services and process.	116	49%	47%	3%	0%	0%	100%	4.46	0.57
Average		49%	48%	3%	1%	0%	100%	4.45	0.57

Source: Own survey result, 2020

As can be seen from the above table 4.3.2, Respondents of the study were asked whether they have a clear understanding about the organization mission and strategic goals, Almost all of the respondents 100% answered that fairly agreed, agreed or strongly agreed so that we can say that almost all staff were clear with components of their job, including activities, tasks, products services and process and what is expected from them on regular basis.

Table 4.3.3. Respondents’ reactions on issues related to performance planning practices of the organization.

Field	Frequency							Mean	Standard Deviation
	Total	Strongly Agree	Agree	Fairly agree	Disagree	Strongly disagree	Total		
You are aware that Performance planning is one of the components of the PMS of your organization.	116	36%	53%	8%	3%	0%	100%	4.23	0.70

Objectives set during the performance planning stage are mutually agreed between employee and a Manager	116	17%	46%	32%	4%	1%	100%	3.74	0.82
You are aware that development plan is one of the components of the performance management system of your organization	116	21%	51%	25%	3%	0%	100%	3.89	0.77
The development plan indicated in the performance plan helps you to improve the quality of your performance	116	26%	42%	21%	9%	3%	100%	3.80	1.01
You were given a chance to take the development/ training plan set aside in the last performance period	116	9%	30%	28%	26%	7%	100%	3.08	1.09
My objectives are specific.	116	16%	55%	25%	3%	0%	100%	3.84	0.73
My objectives are measurable.	116	21%	56%	22%	1%	1%	100%	3.95	0.73
My objectives are Achievable.	116	19%	63%	17%	1%	0%	100%	4.00	0.63
My objectives are relevant.	116	25%	58%	15%	2%	1%	100%	4.04	0.74
My objectives are time bounded	116	20%	54%	20%	6%	0%	100%	3.88	0.79
I am clear about what my job responsibilities are and what is expected from me i.e. both behavioral and result expectations.	116	42%	47%	11%	0%	0%	100%	4.31	0.66
In ECX goal setting is carried out with the discussion between the employee and the supervisor, after an agreement has been reached	116	16%	36%	33%	14%	2%	100%	3.50	0.97
While setting a goal, my supervisor clearly tells me the expectation he/she has from my	116	18%	41%	34%	6%	2%	100%	3.67	0.90

performance.									
My supervisor and I reached to an agreement about my development plan to enhance my performance	116	16%	37%	37%	9%	3%	100%	3.54	0.95
Average		22%	48%	23%	6%	1%	100%	3.82	0.82

Source: Own survey result, 2020

As can be seen from the above table 4.3.3, Respondents of the study were asked whether they are aware that **performance planning is one of the components of the PMS**, this study made it clear that 36% of the respondents are strongly agreed, 53 % of the respondents are agreed and 8% are fairly agreed by performance planning is one component of PMS. However 3% are disagreed. Regarding **objective set during the performance planning stage are mutually agreed between employee and the Manager**, this study made it clear that 17% of the respondents are strongly agreed, 46 % of the respondents are agreed and 32% are fairly agreed that objectives set during performance planning stage are mutually agreed between employee and manager. However 4% are disagreed and 1% are strongly disagreed. Regarding **development plan is one of the components of the PMS of within the company**, this study made it clear that 21% of the respondents are strongly agreed, 51 % of the respondents are agreed and 25% are fairly agreed that development plan is one component of PMS. However 3% of respondents are disagreed. Regarding **development plan in the performance plan helps to improve the quality of their performance**, this study made it clear that 26% of the respondents are strongly agreed, 42 % of the respondents are agreed and 21% are fairly agreed that development plan in the performance plan helps to improve the quality of staffs performance. However 9% are disagreed and 3% are strongly disagreed. Regarding **development/training plan set aside in the last performance period**, this study made it clear that 9% of the respondents are strongly agreed, 30 % of the respondents are agreed and 28% are fairly agreed that they were given development /training plan set aside in the last performance period. However 26% are disagreed and 7% are strongly disagreed. Regarding **Specific objective**, this study made it clear that 16% of the respondents are strongly agreed, 55 % of the respondents are agreed and 25% are fairly agreed that their objectives is specific. However 3% are disagreed. Regarding **Measurable objective**, this study made it clear that 21% of the respondents are strongly agreed, 56 % of the

respondents are agreed and 22% are fairly agreed that their objectives is measurable. However 1% each is disagreed and strongly disagreed. **Regarding achievable objective**, this study made it clear that 19% of the respondents are strongly agreed, 63 % of the respondents are agreed and 17% are fairly agreed that their objectives is achievable. However 1% is disagreed. Regarding **Relevant objective**, this study made it clear that 25% of the respondents are strongly agreed, 58 % of the respondents are agreed and 15% of the respondents are fairly agreed that their objectives is relevant. However 2% are disagreed and 1% are strongly disagreed. Regarding **time bound objective**, this study made it clear that 20% of the respondents are strongly agreed, 54 % of the respondents are agreed and 20% of the respondents are fairly agreed that their objectives is time bounded. However 6% are disagreed. Regarding **clear about what their job responsibilities are and what is expected i.e. both behavioral and result expectations**, this study made it clear that 42% of the respondents are strongly agreed, 47 % of the respondents are agreed and 11% of the respondents are fairly agreed. Regarding **goal setting is carried out with the discussion between the employee and the supervisor**, this study made it clear that 16% of the respondents are strongly agreed, 36 % of the respondents are agreed and 33% of the respondents are fairly agreed that goal setting is carried out with the discussion between the employee and the supervisor. However 14% are disagreed and 2% are strongly disagreed. Regarding **their supervisor clearly tells the expectation he/she has from their performance while goal setting**, this study made it clear that 18% of the respondents are strongly agreed, 41 % of the respondents are agreed and 34% of the respondents are fairly agreed that their supervisor clearly tells the expectation he/she has from their performance while goal setting. However 6% are disagreed and 2% are strongly disagreed. Regarding **supervisor and the employee reached to an agreement about development plan to enhance performance**, this study made it clear that 16% of the respondents are strongly agreed, 37 % of the respondents are agreed and 36% are fairly agreed that the supervisor reached to an agreement about the development plan to enhance the staff performance. However 9% are disagreed and 3% are strongly disagreed.

Table 4.3.4. Respondents’ perception on the provision of regular feedback on their performance

Field	Total	Frequency					Total	Mean	Standard Deviation
		Strongly Agree	Agree	Fairly agree	Disagree	Strongly disagree			
You are aware that regular feedback is one of the components of the performance management system of your organization.	116	34%	51%	12%	2%	1%	100%	4.16	0.77
Regular feedback is provided by your manager at least every month and half.	116	13%	18%	33%	31%	5%	100%	3.03	1.11
Your work progresses are regularly checked by your Manager.	116	16%	49%	27%	7%	1%	100%	3.73	0.85
You receive feedback on your good performances.	116	16%	41%	34%	8%	2%	100%	3.62	0.91
You receive feedback on poor performances.	116	20%	40%	29%	9%	3%	100%	3.66	0.98
The feedbacks you received help you to improve your skills, attitudes and performances.	116	25%	47%	21%	4%	3%	100%	3.88	0.92
You believe your Manager is capable of providing constructive feedbacks	116	25%	45%	22%	6%	3%	100%	3.84	0.96
Your Manager allows you to provide feedback on her/his management style and performances.	116	19%	33%	24%	19%	5%	100%	3.41	1.15
My supervisor provides me positive & developmental feedback about my performance progress.	116	15%	56%	16%	9%	3%	100%	3.69	0.95
My supervisor provides me timely feedback, in close proximity to the	116	10%	39%	33%	12%	6%	100%	3.35	1.02

event.									
My supervisor provides me feedback in private.	116	16%	43%	22%	15%	3%	100%	3.54	1.04
I have positive attitude for feedback. It is important for my performance improvement.	116	41%	51%	6%	3%	0%	100%	4.29	0.70
Average		21%	43%	23%	10%	3%	100%	3.68	0.95

Source: Own survey result, 2020

As can be seen from the above table 4.3.4, Respondents of the study were asked that **they are aware that regular feedback is one of the components of the PMS**, this study made it clear 34% of the respondents are strongly agreed, 51 % of the respondents are agreed and 12% of the respondents are fairly agreed that regular feedback is one of the components of the PMS. However 2% are disagreed and 1% are strongly disagreed. Regarding **Regular feedback is provided by a manager at least every month and half**, this study made it clear that 13% of the respondents are strongly agreed, 18 % of the respondents are agreed and 33% of the respondents are fairly agreed that regular feedback is provided by a manager at least every month and half. However 31% are disagreed and 5% are strongly disagreed. Regarding **work progresses are regularly checked by a Manager**, this study made it clear that 16% of the respondents are strongly agreed, 49 % of the respondents are agreed and 27% of the respondents are fairly agreed that their work progress are regularly check by their line manager. However 7% are disagreed and 1% are strongly disagreed. Regarding **receiving feedback on their good performance**, this study made it clear that 16% of the respondents are strongly agreed, 41 % of the respondents are agreed and 34% of the respondents are fairly agreed that they receive feedback on their good performance. However 8% are disagreed and 2% are strongly disagreed. Regarding **receiving feedback on their poor performance**, this study made it clear that 20% of the respondents are strongly agreed, 40 % of the respondents are agreed and 29% of the respondents are fairly agreed that they receive feedback on their poor performance. However 9% are disagreed and 3% are strongly disagreed. Regarding **feedbacks that received help them to improve their skills, attitudes and performances**, this study made it clear that 25% of the respondents are strongly agreed, 47 % of the respondents are agreed and 21% of the respondents are fairly agreed that

feedbacks that received help them to improve their skills, attitudes and performances. However 4% are disagreed and 3% are strongly disagreed. Regarding **they believe their Manager is capable of providing constructive feedbacks**, this study made it clear that 25% of the respondents are strongly agreed, 45 % of the respondents are agreed and 22% of the respondents are fairly agreed that their manager is capable of providing constructive feedbacks. However 6% are disagreed and 3% are strongly disagreed.

Regarding **Manager allows them to provide feedback on her/his management style and performances**, this study made it clear that 19% of the respondents are strongly agreed, 33 % of the respondents are agreed and 24% of the respondents are fairly agreed that their manager allow them to provide feedback on his/her management style and performance. However 19% are disagreed and 5% are strongly disagreed. Regarding **supervisor provides them positive and developmental feedback about their performance**, this study made it clear that 15% of the respondents are strongly agreed, 56 % of the respondents are agreed and 16 % of the respondents are fairly agreed that their supervisor provides them positive and developmental feedback about their performance. However 9% are disagreed and 3% are strongly disagreed. Regarding **supervisor provides them timely feedback, in close proximity to the event**, this study made it clear that 10% of the respondents are strongly agreed, 39 % of the respondents are agreed and 33 % of the respondents are fairly agreed that their supervisor provides them timely feedback in close proximity to the event. However 12 % are disagreed and 6 % are strongly disagreed.

Regarding **supervisor provides them feedback in private**, this study made it clear that 16 % of the respondents are strongly agreed, 43 % of the respondents are agreed and 22 % of the respondents are fairly agreed that their supervisor provides them feedback in private. However 15 % are disagreed and 3 % are strongly disagreed. Regarding **they have positive attitude for feedback it is important for their performance improvement**, this study made it clear that 41 % of the respondents are strongly agreed, 51 % of the respondents are agreed and 6 % of the respondents are fairly agreed that they have positive attitude for feedback as it important for their performance improvement. However 3 % are disagreed.

Table 4.3.5. Respondents’ views on the performance review practices of the organization

Field	Total	Frequency					Total	Mean	Standard Deviation
		Strongly Agree	Agree	Fairly agree	Disagree	Strongly disagree			
You are aware that mid-year review is one of the components of the performance management system of your organization	116	36%	48%	8%	6%	2%	100%	4.11	0.91
You have been in to the mid-year performance review discussion in the current performance year.	116	29%	45%	16%	7%	3%	100%	3.91	0.98
Performance review meeting is being held regarding the overall performance of employees and the organization at the end of each rating period	116	24%	46%	19%	8%	3%	100%	3.79	1.01
During performance review meeting, managers discuss with employees their ratings, narratives and rationale for the evaluation given	116	19%	41%	27%	10%	3%	100%	3.61	1.02
Average		27%	45%	18%	8%	2%	100%	3.86	0.98

Source: Own survey result, 2020

As can be seen from the above table 4.3.5, Respondents of the study were asked that **they are aware that mid-year review is one of the components of the PMS of their organization**, this study made it clear that 36% of the respondents are strongly agreed, 48 % of the respondents are agreed and 8 % of the respondents are fairly agreed that they are aware that mid-year review is one of the components of the PMS of their organization. However 6% are disagreed and 2 % are strongly disagreed. Regarding **they have been in to the mid-year performance review**

discussion in the current performance year, this study made it clear that 29% of the respondents are strongly agreed, 45 % of the respondents are agreed and 16 % of the respondents are fairly agreed that they have been in to the mid-year performance review discussion in the current performance year. However 7 % are disagreed and 3 % are strongly disagreed. Regarding **Performance review meeting is being held regarding the overall performance of employees and the organization at the end of each rating period**, this study made it clear that 24 % of the respondents are strongly agreed, 46 % of the respondents are agreed and 19 % of the respondents are fairly agreed that Performance review meeting is being held regarding the overall performance of employees and the organization at the end of each rating period. However 8 % are disagreed and 3 % are strongly disagreed. Regarding **during performance review meeting, managers discuss with employees their ratings, narratives and rationale for the evaluation given**, this study made it clear that 19 % of the respondents are strongly agreed, 41 % of the respondents are agreed and 27 % of the respondents are fairly agreed that during performance review meeting, managers discuss with employees their ratings, narratives and rationale for the evaluation given. However 10 % are disagreed and 3 % are strongly disagreed.

Field	Frequency							Mean	Standard Deviation
	Total	Strongly Agree	Agree	Fairly agree	Disagree	Strongly disagree	Total		
You are aware that performance appraisal (assessment) is one of the components of the performance management system of your organization	116	36%	51%	11%	1%	1%	100%	4.21	0.74
Yours and your manager's participation in the performance appraisal (assessment) is almost equal	116	9%	30%	40%	16%	6%	100%	3.20	1.01
The performance appraisal (assessment) is led by a Manager only	116	4%	20%	31%	34%	10%	100%	2.73	1.03
You do your	116	9%	27%	23%	31%	10%	100%	2.92	1.16

performance appraisal (assessment) by your own and the manager put her/his comment only									
You are satisfied with the performance rates given to you in the last performance period	116	11%	34%	22%	24%	9%	100%	3.15	1.17
Average		14%	32%	26%	21%	7%	100%	3.24	1.02

Table 4.3.6. Respondents’ perception on the performance appraisal (assessment) practice

Source: Own survey result, 2020

As can be seen from the above table 4.3.6, Respondents of the study were asked that **they are aware that performance appraisal (assessment) is one of the components of the PMS of your organization**, this study made it clear that 36 % of the respondents are strongly agreed, 51 % of the respondents are agreed, 11 % of the respondents are fairly agreed that they are aware that performance appraisal (assessment) is one of the components of the PMS. However 1 % each is disagreed and strongly disagreed. Regarding **participation in the performance appraisal (assessment) is almost equal between employees and a manager**, this study made it clear that 9 % of respondents are strongly agreed, 30 % of the respondents are agreed and 40 % of the respondents are fairly agreed that participation in the performance appraisal (assessment) is almost equal between employees and a manager. However 16 % are disagreed and 6 % are strongly disagreed. Regarding **the performance appraisal (assessment) is led by a Manager only**, this study made it clear that 4 % of the respondents are strongly agreed, 20 % of the respondents are agreed and 31 % of the respondents are fairly agreed that the performance appraisal (assessment) is led by a Manager only. However 34 % are disagreed and 10 % are strongly disagreed. Regarding **whether they do their performance appraisal (assessment) by their own and the manager put her/his comment only**, this study made it clear that 9 % of the respondents are strongly agreed, 27 % of the respondents are agreed and 23 % of the respondents are fairly agreed that they do their performance appraisal (assessment) by their own and the manager put her/his comment only. However 31 % are disagreed and 10 % are strongly disagreed. Regarding **they are satisfied with the performance rates given in the last**

performance period, this study made it clear that 11 % of the respondents are strongly agreed, 34 % of the respondents are agreed and 22 % of the respondents are fairly agreed that they are satisfied with the performance rates given in the last performance period. However 24 % are disagreed and 9 % are strongly disagreed.

Table 4.3.7. Respondents’ opinion on performance evaluation practice at ECX

Field	Frequency							Mean	Standard Deviation
	Total	Strongly Agree	Agree	Fairly agree	Disagree	Strongly disagree	Total		
There is a proper data-tracking format to record employee’s performance in ECX	116	4%	25%	28%	32%	10%	100%	2.81	1.06
My supervisor uses those formats to track my daily performance so that he/she uses it for performance evaluation	116	3%	15%	26%	44%	12%	100%	2.53	1.00
After evaluation has been done, I always had a discussion meeting with my supervisor to review my performance	116	15%	41%	27%	11%	6%	100%	3.47	1.07
Average		8%	27%	27%	29%	9%	100%	2.94	1.04

Source: Own survey result, 2020

As can be seen from the above table 4.3.7, Respondents of the study were asked that that **there is a proper data-tracking format to record employee’s performance in ECX**, this study made it clear that 4 % of the respondents are strongly agreed, 25 % of the respondents are agreed and 28 % of the respondents are fairly agreed that there is a proper data tracking format to record employee’s performance in ECX. However 32 % are disagreed and 10 % are strongly disagreed. Regarding **supervisors uses those formats to track their daily performance so that he/she uses it for performance evaluation**, this study made it clear that 3 % of the respondents are strongly agreed, 15 % of the respondents are agreed and 26 % of the respondents are fairly agreed that supervisors uses those formats to track their daily performance so that he/she uses it

for performance evaluation. However 44 % are disagreed and 12 % are strongly disagreed. Regarding **After evaluation has been done, employees always had a discussion meeting with their supervisor to review performance**, this study made it clear that 15 % of the respondents are strongly agreed, 41 % of the respondents are agreed and 27 % of the respondents are fairly agreed that after evaluation has been done, employees always had a discussion meeting with their supervisor to review performance. However 11 % are disagreed and 6 % are strongly disagreed.

Table 4.3.8. Employees’ perceptions on the overall Performance Management System of the Organization

Field	Total	Frequency					Total	Mean	Standard Deviation
		Strongly Agree	Agree	Fairly agree	Disagree	Strongly disagree			
Performance Management System of your organization is clearly defined & participatory.	116	12%	40%	28%	16%	4%	100%	3.40	1.03
The Performance Management system helps employees to set and achieve their objectives.	116	17%	48%	26%	9%	0%	100%	3.74	0.85
The performance management system of the organization helps you to improve your performance	116	20%	39%	28%	13%	1%	100%	3.64	0.97
Your leadership and/or interpersonal skills are developed due to the performance management system of the organization	116	9%	32%	38%	17%	3%	100%	3.27	0.97
The performance management system of the organization helps you to understand your contribution to the overall company vision and mission.	116	13%	45%	27%	13%	3%	100%	3.53	0.96

You regularly sit with your manager for performance discussions.	116	9%	20%	42%	24%	4%	100%	3.06	1.00
You are comfortable to have open discussion with your manager on your performances	116	16%	41%	26%	13%	4%	100%	3.52	1.05
Your Manager gives solution for the challenges you faced.	116	11%	47%	28%	9%	5%	100%	3.50	0.98
Promotions and rewards are linked to the performance management system.	116	25%	41%	16%	14%	4%	100%	3.68	1.12
You were recognized for your exceptional performance	116	16%	34%	22%	21%	7%	100%	3.32	1.18
You are satisfied with the performance management system of the organization	116	9%	22%	41%	22%	6%	100%	3.08	1.03
Average		14%	37%	29%	16%	4%	100%	3.43	1.01

Source: Own survey result, 2020

As can be seen from the above table 4.3.8, respondents of the study were asked that **PMS of the organization is clearly defined & participatory**. This study made it clear that 12 % of the respondents are strongly agreed, 40 % of the respondents are agreed and 28 % of the respondents are fairly agreed that PMS of the organization is clearly defined & participatory. However 16 % are disagreed and 4 % are strongly disagreed. Regarding **PMS helps employees to set and achieve their objectives**. This study made it clear that 17 % of the respondents are strongly agreed, 48 % of the respondents are agreed and 26 % of the respondents are fairly agreed that PMS helps employees to set and achieve their objectives. However 9 % are disagreed. Regarding **PMS help them to improve their performance**. This study made it clear that 20 % of the respondents are strongly agreed, 39 % of the respondents are agreed and 28 % are fairly agreed that PMS help them to improve their performance. However 13 % are disagreed and 1 % are strongly disagreed. Regarding **leadership and/or interpersonal skills are developed due to PMS**. This study made it clear that 9 % of the respondents are strongly agreed, 32 % of the respondents are agreed and 38 % of the respondents are fairly agreed that their leadership and/or interpersonal skills are developed due to PMS. However 17 % are disagreed and 3 % are strongly disagreed. Regarding **whether PMS helps them to understand their contribution to the**

overall company vision and mission, this study made it clear that 13 % of the respondents are strongly agreed, 45 % of the respondents are agreed and 27 % of the respondents are fairly agreed that PMS helps them to understand their contribution to the overall company vision and mission. However 13 % are disagreed and 3 % are strongly disagreed. Regarding **whether they are regularly sit with their manager for performance discussions**. This study made it clear that 9 % of the respondents are strongly agreed, 20 % of the respondents are agreed and 42 % of the respondents are fairly agreed that they are regularly sit with their manager for performance discussions. However 24 % are disagreed and 4 % are strongly disagreed. Regarding **whether they are comfortable to have open discussion with their manager on their performances**, this study made it clear that 16 % of the respondents are strongly agreed, 41 % of the respondents are agreed and 26 % of the respondents are fairly agreed that they are they are comfortable to have open discussion with their manager on their performances. However 13% are disagreed and 4% are strongly disagreed. Regarding **whether their Manager gives solution for the challenges they faced**, this study made it clear that 11 % respondents are strongly agreed, 47 % of the respondents are agreed and 28 % are fairly agreed that their Manager gives solution for the challenges they faced. However 9 % are disagreed and 5% are strongly disagreed. Regarding **whether Promotions and rewards are linked to the PMS**, This study made it clear 25 % of the respondents are strongly agreed, 41 % of the respondents are agreed and 16 % of the respondents are fairly agreed that promotions and rewards are linked to the PMS. However 14% are disagreed and 4% are strongly disagreed. Regarding **whether they were recognized for their exceptional performance**, this study made it clear that 16 % of the respondents are strongly agreed, 34 % of the respondents are agreed and 22 % are fairly agreed that they were recognized for their exceptional performance. However 21% are disagreed and 7% are strongly disagreed.

Regarding **whether they are satisfied with the PMS of the organization**, this study made it clear that 9 % of the respondents are strongly agreed, 22 % of the respondents are agreed and 41 % of the respondents are fairly agreed that they are satisfied with the PMS of the organization. However 22 % are disagreed and 6% are strongly disagreed.

4.4. Mean Distribution of Variables

The descriptive statistics was used to examine the mean and standard deviation of the responses obtained from respondents in the assessment of performance management scale. The statistical

tools which are mean and standard deviation are used to analyze the results for all sub-constructs stated. The mean score below 3.39 is considered to be low, score from 3.40 up to 3.79 moderate and score above 3.79 is great according to Zaidaton and Bagheri (2009).

Table 4.4. 1 Mean and Standard Deviation

Variables	No of Respondent	Mean	Standard Deviation
Performance prerequisite	116	4.45	0.57
Performance Planning	116	3.82	0.82
Regular Feedback	116	3.68	0.95
Performance Review	116	3.86	0.98
Performance Appraisal (Assessment)	116	3.24	1.02
Performance Evaluation	116	2.94	1.04
Employees understanding & perception on the performance management of the Organization	116	3.43	1.01
Average		3.63	0.91

Source: Own survey result, 2020

It can descriptively be inferred that the average response regarding the performance prerequisite practice of PMS of the company has mean score value of 4.45 and 0.57 of standard deviation. This suggests that employees were greatly satisfied with this practice.

Accordingly, the result of Performance planning has a mean score value of 3.82 with standard deviation of 0.82. This shows that the respondents have grate understanding on performance planning. Regarding, the result of provision of feedback has a mean score value of 3.68 with standard deviation of 0.95. This shows that the respondents have moderate understanding on feedback provision. Regarding, the result of performance review has a mean score value of 3.86 with standard deviation of 0.98. This shows that the respondents have great understanding on performance review. Regarding, the result of performance appraisal (assessment) has a mean score value of 3.24 with standard deviation of 1.02. This shows that the respondents have low understanding on appraisal (assessment) and there seem to exist knowledge gap. Regarding, the result of performance evaluation has a mean score value of 2.94 with standard deviation of 1.04. This shows that the respondents have significantly low understanding on appraisal evaluation and there seem to exist huge knowledge gap.

In addition, regarding, the result of employees understanding and perception on the performance management has a mean score value of 3.43 with standard deviation of 1.01. This shows that the

respondents have moderate understanding on PMS and there seem to exist knowledge gap this may affect the System.

4.5. Interview Results

As it is clearly stated in chapter three, the study used structured interview as the main source of primary data. For this purpose, a total of seven which is three HR managers and one Strategic planning manager from Addis Ababa/HO/ and Four branch managers (by phone) were selected, they all were provided with thirteen questions to explain. Accordingly, the interview results were organized and analyzed to support the validity of the research outcomes.

Regarding respondents of the study were asked that **whether observe or experience any challenges hindering PMS in their department or section or organization**, this study made it clear that 61 % of the respondents said yes and 39 % of the respondents said no. The result of open ended question and interview showed, the major challenges of ECX PMS is due to lack of relevant training by HR dept. about the PMS and how to rate employees, company uses forced distribution rating method or bell curve approach, reevaluation or calibration of performance appraisal after the 1st level rating to fit in on bell curve, very loose linkage of PMS with the developmental plan and lack of considering the existing branch situation in respect of resources (manpower, financial, material). Moreover system shows implementation inconsistency on areas such as performance appraisal and feedback provision.

Regarding **impact of these constraints and challenges on PMS**, This study made it clear that 15 % of the respondents rated very high, 43 % of the respondents rated high, 19 % of the respondents rated fair. However 19 % rated low and 4% rated very low. The result of open ended question and interview showed that it affect team spirit, commitment, attention of employees and also demotivate good performers.

Regarding major benefits gained PMS implementation, the result of open ended question and interview showed that company able to meet the six purposes of PMS (strategic, administrative, informational, developmental, organizational maintenance, documentation). Hence corporate goals were well defined, SMART goal setting, and help to understand the company mission and vision towards success for the company as well as the staffs. Moreover improve employee satisfaction and motivation and also self-development through giving additional responsibility and accountability, help to track employee performance, enhance review and feedback practice

towards making smooth working relation, alignment with reward and recognition (Monetary and non-monetary) and also reduce staff grievance.

Regarding recommendations to improve the PMS practice, the result of open ended question and interview showed that the company should give more attention for the importance of PMS and its practice, ensure system consistency, aggressive awareness and training on PMS for managers/supervisors how to rate employees, end to end of HR dept. involvement i.e. from planning to performance evaluation, consider other performance appraisal model than the bell curve, such as MBO/Management by objective/ or point rating and ensure continuous feedback provision. Moreover ECX should automated PMS, enhance the alignment of PMS with development plan and closely monitor branches by taking inconsideration branch specific situation like work load, resources supply while rating and avoid reevaluate(calibrate) from the first given rating.

4.6. Document Review

Ethiopia Commodity Exchange has a five-year strategic plan (2015-2020) which comes to an end focuses on four key strategic areas: Customer, finance, internal process and learning and growth. Based on the plan, Strategic planning and change management division of the company has prepared its strategic plan which is derived from corporate strategy of the company. The strategic HR plan of the company constitutes of performance management, employee relation, HR information system, strategic people resourcing, learning and development, policies and procedures, HR best practices and preparing HR model and structure.

4.6.1 Guiding Principles in ECX Performance Management System

The basic principles are alignment to strategy, alignment to core values, consistency, objectivity, reviewing in context, participation, anchoring role of line managers, linking past review with planning, link to employee development, link to reward and recognition and other administrative decisions.

4.6.2 . Performance Management Process and Cycle of ECX

Performance and development planning → Performance execution → Mid-year Performance Review → Annual Performance Appraisal → Managing the Outcomes of Performance (i.e. Rewarding Excellence in Performance or Addressing Unsatisfactory Performance).

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

In the previous chapter the researcher has attempted to present findings of the data collected through questionnaire completed by randomly selected respondents with complementation of data gathered through interview and document reviews. The questionnaire and the interview were designed in line with the research questions and performance management system frameworks. This section deals with the summary of the findings, conclusion and recommendations by putting the research topic and research questions into the account.

5.1 Summary of Major Finding

The main objective of this study was to assess the performance management system in Ethiopia Commodity Exchange (ECX) by having the following basic questions to be addressed.

1. How employee performance management system is practiced in ECX?
2. What are the challenges in implementing employee performance management system at the ECX?

In order to address the above basic questions, descriptive research design was employed by using mixed research approach which comprises both quantitative and qualitative methods of data gathering. Data was gathered through questionnaire, interviews and document review was made to increase the validity of the data obtained. To collect representative data, 120 questionnaires were distributed. Out of which, 116 of the questionnaires were collected.

According to the data analysis presented in previous chapter, there were both positive and negative findings concerning the implementation of the performance management system by Ethiopia Commodity Exchange (ECX). The strong points of ECX include; awareness on mission and strategic objectives of the organization, create understanding on job activities, products and process, aligning the strategic objective of one's business process with the organization, create understanding on behavioral and result expectations, developing positive attitude on feedback, conducting performance review meeting in the rating periods, explaining narratives ratings and

rational for evaluation and alignment of PMS with reward performance (monetary and non-monetary terms).

On the other hand the adverse findings obtained from respondents that need the attention of ECX management are discussed as follows.

- From the study it was identified 33% of the respondents did not agree that they were not given a chance to take the development/training plan set aside in the last performance period.
- 35% of the respondents replied that regular feedback is not provided by their line manager/supervisor at least every month and half and 28% of the respondents replied that they did not sit with their manager for performance discussion. In addition 24% of the respondents replied that their manager did not allow them to provide feedback on his/her management style and performance.
- 56% of the respondents replied that the performance appraisal is led by a manager only and 59% replied that they do their performance appraisal (assessment) by their own and the manager put his/her comment only.
- 42% of the respondents replied that there is no proper data tracking format to record employee's performance in ECX and 44% replied that the supervisor uses those formats to track the daily performance so that he/she uses it for performance evaluation.
- 28% of the respondents replied that they are not satisfied with PMS of the organization.

5.2 Conclusion

- From this study, it has been noted that Ethiopia commodity Exchange has recognized the importance of PMS and practiced the six purposes strategic, administrative, informational, developmental, organizational maintenance and documentation purposes with varied implementation level.
- It has been noted that Ethiopia Commodity Exchange has recognized the importance of the involvement of employees in the goal setting process of Performance Management System. Based on the evidences obtained from the analysis, employees claimed that they are participating in performance planning. In addition all respondents did have chance to jointly agree on the standards of performance measures with their supervisors and in setting an individual development plan the response of participants is not that much enough or there is high level of response that indicate employees did reached an

agreement about their development plan to enhance their performance with their supervisor. But implementation towards development plan of staffs is very loose and inconsistent. This indicated that development plan should be aligned with PMS and implementation should be consistent.

- There is no sufficient resource allocation to execute their job properly (specifically at branch offices), lack of uniformity and inconsistency to address the issue of underperformance, findings from respondent of questioner and also in open ended questions indicates that no similar rating mechanism and individual performance rating inconsistency across the Exchange (among departments/divisions/branches) on the basis of setting objectives (in place subjective rating) and the employee performance management system lacks uniformity even though raters are believed to be competent enough. They are not feeling fairly treated in processes of employee performance management system even if the process linked with reward and recognition schemes. This indicates that the company should work towards the challenges that hinder the action of rewarding performance as it actually implementing it.
- Concerning the practice of performance evaluation in ECX problems like data tracking format to record individuals is more manual work that may not help to get accurate data about each individual performer, lack of consistent data tracking and lack of proper documentation challenge the performance management system from providing needed result. This implies that the PMS of the company should be automated.
- Regarding provision of feedback and performance review the data shows that there is inconsistency across department/division and branch offices in collecting timely feedback in review of individual that hinders the PMS system from providing the expected output. This implies that the company should ensure implementation consistency towards provision of feedback.
- Regardless of the above cited weak points on planning (development plan), feedback, and evaluation and review the remaining areas such as well-defined mission and strategic goal, role clarity among employees and makes them goal oriented, enables to differentiate good and poor performers. Furthermore, it has created a constructive competition among staff; it has contributed to improve both individual and the Exchange's overall performance.

- As a result, considering the fact that regardless of the type, size and objective of an organization, performance management system is a globally contemporary practice all over the world which helps the organization, team and individual to be more effective in their day to day activities to bring about the desired objective and for the successful growth and development of each, one can conclude that even though Ethiopia Commodity Exchange (ECX) has good qualities in implementing performance management system but a lot should be made in making the performance management system to be more useful for the organization.

5.3 Limitation of the study

Some of the most important limitations of this research were; some staffs were un-willing to fill the questionnaires properly, most of staffs working at branch offices, lack of time to utilize maximum effort due to other work pressure, the researcher also forced to collect filled questionnaire electronically due to the current pandemic disease (Covid 19) from head office as well as branch offices with extended time through continuous alarm as staffs are working on shift basis.

5.4. Recommendations

On the basis of the findings and conclusions drawn from the study, the following points were recommended for Ethiopia Commodity Exchange (ECX) to take in to account for effective implementation of PMS.

- Though specific target is given to employees, due to shortage of man power managers assign a job for employees for which the employee will not be measured. Hence, the Exchange should work on immediate replacement of vacant posts by allocate adequate staff. As there are few targets which are not attainable for many branches due to shortage of resources (manpower, financial, material), malpractices, theft of commodities (specially Coffee and sesame), the Exchange should in depth look at the potential of the environment in which the branches offices are working during the performance planning process.
- The Exchange should give capacity building trainings for line managers/supervisors on feedback issues and control them whether they give it timely or not, if not take a corrective action in order to come up with the needed result. Moreover the HR

department should give end to end support during implementation of PMS rather than facilitating role.

- Sufficient feedback should be given for employee's ongoing basis and also implement 360 feedback that will bring performance progress for both the employees as well as the organization.
- The Exchange should automate the data tracking system as well as the PMS in general. The existing manual system is very time taking, tiresome, prone to error and bias. The automation will solve also the problem of documentation of files related to employee's performance and subjective rating.
- Performance evaluation process negatively affected when employees transferred, promoted, demoted or rotated to another job in the middle of the rating period. There is no clear guideline to manage such incident. Thus, the Exchange shall develop clear guideline as to how managers/supervisors can deal with such occurrence. Moreover, the Exchange shall manage the movement of employees from one job to another job at the end of the rating period only. And the Exchange has to be maintaining proper documentation and records as to respond questions or claims raised from employees during the process to solve the staff grievance timely and fairly and also able to minimize any upcoming complaints by having trust by the automated system.
- Performance review meeting should be done after conducting evaluation in order to inform employees about their achievements and to look forward to what needs to be done by people to achieve the overall purpose of the job, to meet new challenges, to make even better use of their knowledge, skills and abilities and to help them to develop their capabilities and improve their performance.
- Performance review should be MOB/management by objective/ as employees must be rated on the level of meeting objectives rather forced distribution rating approach which creates great staff dissatisfaction and demotivation.
- Performance review of branch staffs should be managed and completed at branch level and shouldn't be reevaluate (calibrate) at HO if it exceeds from the given rating quota to avoid the existing high staff dissatisfaction.

- Performance assessment should be standard across raters at head office and branch offices through capacity building training of managers/supervisors on assessment and quality assurance by the HR department to avoid rater's error and subjective rating.
- ECX have to create strong alignment the PMS with the development plan of employees which help employees to capacitate their skill and knowledge before or during execution of performance to minimize the information and knowledge gaps which will be exhibited during performance assessment. Moreover the HR department specifically the HROD division activities should be aligned with strategic planning division in order to create clear linkage of organizational/individual plans with the performance achievement.
- The Exchange has to be implement provision of equal resources for all employees and departments/divisions in order to creating similar rating mechanism among branches and employees to the system will have uniformity.
- The Exchange should implement best employee of the month as well as the year to enhance employee's skill, knowledge and expertise towards maximizing the organization performance. IN general, it is advisable for Exchange to sustain all its current strengths, and improve its limitations mentioned above to achieve better performance so that the Exchange can realize its vision to transform the Ethiopian economy by becoming a global commodity market of choice.

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Appendix 1- Questionnaire School of Graduate Studies

Department of Business Administration/concentration in HRM/

Questionnaires prepared for department/Division Supervisors, Specialists, and Associates
of Ethiopian Commodity Exchange.

Dear Respondents,

This questionnaire is designed to collect information on **the practices of Employee Performance management system practices and challenges in Ethiopian Commodity Exchange (ECX)**. Since the questionnaire is for research purpose, your genuine responses have great importance for the successful completion of the study. Hence your short, precise and honest response is highly appreciated.

Confidentiality

As it has been mentioned above this questionnaire is for academic purpose that the response generated from this research will be kept confidential. Thus, your valuable response is highly helpful in the preparation and understanding of the title under the study.

Thank you in advance for your cooperation.

General Direction:

- It is not necessary to write your name in the questionnaire.
- Please select your best choice for questions requiring optional response by putting make on each the box provided and indicate your opinion by making a “X“ for questions with rating scale (choice).
- For questions that require your further opinion, please respond clearly and faithfully

SECTION A. Personal Information

I. Personal Information.

1. Sex Male Female

2. Years of service in ECX

1 - 3 4 - 6 7 -9 10 and above

3. Educational level:

1st Degree 2nd Degree/Masters PhD

II. Information Related to Employee Performance Management System practices and challenges

4. Are you satisfied with the manner Performance management system has been practiced in the Department or section over the last 4 years?

5. a. Yes b. No

6. Please give reason for your answer **a** or **b**

7. How do you rate your satisfaction with Performance management system practices over the last 4 years?

a. Very satisfied

b. Satisfied

c. Fairly Satisfied

d. Somewhat satisfied

e. Not satisfied

7. Give reason for your rating of **a** or **b** or **c** or **d** or **e**

8. Please indicate your level of agreement or disagreement with regard to Performance management system practices of your organization and linkage with strategic business plan by using the rate scale provided.

Strongly Agree/SA/=5, Agree/A/=4, Fairly agree/FA/=3, Disagree/D/=2, Strongly Disagree/SD/=1
SECTION B.

Please indicate the extent of your agreement for the below statements

No.	Question Item	SD	D	FA	A	SA
		1	2	3	4	5
	Performance pre requisite					
1	I have a clear understanding about the organization mission and strategic goals.					
2	I am clear with components of my job, including activities, tasks, products services and process.					
	Performance Planning					
1	You are aware that performance planning is one of the components of the performance management system of your organization.					
2	Objectives set during the performance planning stage are mutually agreed between employee and a Manager					
3	You are aware that development plan is one of the components of the performance management system of your organization					
4	The development plan indicated in the performance plan helps you to improve the quality of your performance.					
5	You were given a chance to take the development/ training plan set aside in the last performance period					
6	My objectives are specific.					
7	My objectives are measurable.					
8	My objectives are Achievable.					
9	My objectives are relevant. (It is aligned with the strategic objective of my business process/work unit as well as the organization.)					
10	My objectives are time bounded					

11	I am clear about what my job responsibilities are and what is expected from me i.e. both behavioral and result expectations.					
12	In ECX goal setting is carried out with the discussion between the employee and the supervisor, after an agreement has been reached					
13	While setting a goal, my supervisor clearly tells me the expectation he/she has from my performance.					
14	My supervisor and I reached to an agreement about my development plan to enhance my performance					
Regular Feedback						
1	You are aware that regular feedback is one of the components of the performance management system of your organization.					
2	Regular feedback is provided by your manager at least every month and half.					
3	Your work progresses are regularly checked by your Manager.					
4	You receive feedback on your good performances.					
5	You receive feedback on poor performances.					
6	The feedbacks you received help you to improve your skills, attitudes and performances.					
7	You believe your Manager is capable of providing constructive feedbacks					
8	Your Manager allows you to provide feedback on her/his management style and performances.					
9	My supervisor provides me positive & developmental feedback about my performance progress.					
10	My supervisor provides me timely feedback, in close proximity to the event.					
11	My supervisor provides me feedback in private.					
12	I have positive attitude for feedback. It is important for my performance improvement.					

Performance Review					
1	You are aware that mid-year review is one of the components of the performance management system of your organization				
2	You have been in to the mid-year performance review discussion in the current performance year.				
3	Performance review meeting is being held regarding the overall performance of employees and the organization at the end of each rating period				
4	During performance review meeting, managers discuss with employees their ratings, narratives and rationale for the evaluation given				
Performance Appraisal (assessment)					
1	You are aware that performance appraisal (assessment) is one of the components of the performance management system of your organization				
2	Yours and your manager's participation in the performance appraisal (assessment) is almost equal				
3	The performance appraisal (assessment) is led by a Manager only				
4	You do your performance appraisal (assessment) by your own and the manager put her/his comment only				
5	You are satisfied with the performance rates given to you in the last performance period				
Performance Evaluation					
1	There is a proper data-tracking format to record employee's performance in ECX				
2	My supervisor uses those formats to track my daily performance so that he/she uses it for performance evaluation.				
3	After evaluation has been done, I always had a discussion meeting with my supervisor to review my performance.				

Employee's understanding and perception on the Performance Management of the Organization						
1	Performance Management System of your organization is clearly defined & participatory.					
2	The Performance Management system helps employees to set and achieve their objectives.					
3	The performance management system of the organization helps you to improve your performance.					
4	Your leadership and/or interpersonal skills are developed due to the performance management system of the organization.					
5	The performance management system of the organization helps you to understand your contribution to the overall company vision and mission.					
6	You regularly sit with your manager for performance discussions.					
7	You are comfortable to have open discussion with your manager on your performances					
8	Your Manager gives solution for the challenges you faced.					
9	Promotions and rewards are linked to the performance management system.					
10	You were recognized for your exceptional performance					
11	You are satisfied with the performance management system of the organization					

18. Do you observe or experience any challenges hindering Performance management system in your department or section or organization? Yes No

18. If yes, what are these obstacles or challenges?

19. How do you rate the impact of these constraints and challenges on Performance management system in your department or section or organization?

- a. Very high
- b. High
- c. Fair
- d. Low
- e. Very low

20. Give reasons for your answer of **a** or **b** or **c** or **d** or **e**

21. What are the major benefits gained for ECX and yourself from employee performance management system implementation?

22. What recommendations would you give to improve the practice of Performance management system in ECX?

23. Please, write other points that are not addressed in the questionnaire, if any.

Appendix 2 – Interview questions

St. Mary University
School of Post Graduate Study
Interview questions for the study of Practices of Performance Management System of
Ethiopia Commodity Exchange/ECX/
(To Senior Management Team)

Dear Madam/Sir,

Thank you in advance for devoting your precious time to answer my questions. I'm a final year MBA/with concentration in HRM/ student at St. Mary's University, School of Graduate Studies and conducting a research on the topic "Assessment on the Employee Performance Management System practices & challenges of ECX".

Your responses will be kept confidentially and used for academic purposes only.

Questions

1. How would you describe the Performance Management system of ECX?
2. What is the main purpose of performance management system in ECX?
3. Would you explain how the PMS of the organization communicated to employees at all level (at organizational, departmental and individual level)?
4. Is the current practice of the Performance Management aligned with the designed system?
5. Do you believe that the employees understand the vision, mission, goals and values of the organization?
6. Do you assess the performance of your organization periodically? If so, is the system well serving to meet the objectives of ECX?
7. Is the Performance Management system contributes for the continuous development of the Organization?
8. Does the specific job performed by an individual is linked with the strategic objective of the organization?
9. How the performance planning practice looks like? Discuss with the SMART elements of the objectives.
10. Do you think the ECX's data tracking system is efficient enough to handle the intended evaluation?

11. Have you received trainings on how to handle each steps of the performance management process?

12. Have you ever assess the performance of PMS implementation? What were the gaps you observed? Have you observed any challenges in the overall PM system?

13. Would you suggest possible solutions for the challenges encountered?

Thank You!!!