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**THE PRACTICES AND CHALLENGES OF PERFORMANCE MANAGEMENT
SYSTEM IN DASHEN BANK**

By:

Getachew Worku Biza

Advisor:

Worku Mekonnen (Ph.D)

July 2021

Addis Ababa, Ethiopia

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SYSTEM IN DASHEN BANK**

**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE
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By:

**Getachew Worku Biza
Id No: SGS/0116/2012A**

Advisor:

Worku Mekonnen (Ph.D)

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**By:
Getachew Worku Biza**

Approved by Board of Examiners

Advisor

Signature

External Examiner

Signature

Internal Examiner

Signature

DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Worku Mekonnen (Ph.D). All sources of materials used for the thesis have been duly acknowledged, I further confirm that the thesis has not been submitted either in part or in full to any other university to earn any degree.

.....

Student name

St. Mary's University, Addis Ababa

.....

Signature

July 2021

CERTIFICATION

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

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Advisor

St. Mary's University, Addis Ababa

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Signature

July 2021

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Table of Contents

Acknowledgments.....	I
List of Tables	V
Acronyms.....	VI
Abstract.....	VII
Chapter One-Introduction.....	1
1.1. Background of the Study.....	1
1.2. Background of the Organization	2
1.3. Statement of the Problem	3
1.4. Basic Research Questions	5
1.5. Objectives of the Study	5
1.5.1. General Objective	5
1.5.2. Specific Objectives	5
1.6. Significance of the Study	5
1.7. Scope of the Study.....	6
1.8. Limitations of the Study.....	6
1.9. Definition of Terms.....	6
1.10. Organization of the Paper	7
Chapter Two- Review of Related Literature.....	8
2. Introduction.....	8
2.1. Theoretical Review	8
2.2. Overview of Performance & Performance Management.....	8
2.2.1. Performance	8
2.2.2. Performance Management	8
2.3. Theories of Performance Management	10
2.3.1. Goal Setting Theory	10
2.3.2. Expectancy Theory	10
2.4. Purpose of Performance Management	10
2.5. Performance Management System.....	11
2.6. Process of Performance Management System	12
2.6.1. Performance Planning.....	12

2.6.2.	Performance Execution	14
2.6.3.	Performance Assessment	14
2.6.4.	Performance Review	15
2.7.	Best Practices of Performance Management System	17
2.8.	Impact of Performance Management System	18
2.9.	Challenges of Performance Management System.....	18
2.10.	Empirical Review	20
Chapter Three-Research Design & Methodology.....		23
3.	Introduction.....	23
3.1.	Research Approach	23
3.2.	Research Design.....	23
3.3.	Research Population.....	23
3.4.	Research Respondents.....	24
3.5.	Sources of Data	24
3.6.	Data Collection Instruments.....	24
3.6.1.	Questionnaire	24
3.6.2.	Interview	25
3.7.	Method of Data Analysis.....	25
3.8.	Reliability.....	25
3.9.	Validity.....	26
3.10.	Ethical Considerations.....	27
Chapter Four- Data Presentation, Analysis, & Interpretation.....		28
4.	Introduction.....	28
4.1.	Respondents Demographic Information.....	28
4.2.	Analysis and interpretation of the implementation of PMS in Dashen Bank	31
4.2.1.	Clear definition and awareness on the purposes of PMS.....	31
4.2.2.	Performance Planning	36
4.2.3.	Performance Execution.....	39
4.2.4.	Performance Assessment	41
4.2.5.	Performance Review	43
4.3.	Challenges of Implementation of PMS in Dashen Bank.....	45
4.4.	Discussion	46

Chapter Five- Summary, Conclusion, and Recommendation.....	47
5.1. Main Findings	47
5.2. Conclusions.....	48
5.3. Recommendations.....	49
References:.....	52
Appendices.....	55

List of Tables

Table 1: Alpha Value on Major Variables	26
Table 2: Demographic Information of Respondents.....	29
Table 3: Does Dashen Bank clearly defines PMS	31
Table 4: Awareness of the purpose of PMS in Dashen Bank	32
Table 5: Awareness of the strategic objective of Dashen Bank.....	33
Table 6: Respondent’s Opinion on Performance Planning.....	36
Table 7: Respondent’s Opinion on Performance Execution.....	39
Table 8: Respondent’s Opinion on Performance Assessment	41
Table 9: Respondent’s Opinion on Performance Review	44

Acronyms

ATA-Agricultural Transformation Agency

ATM-Automated Teller Machine

EMI-Ethiopian Management Institute

EPMS-Employee Performance Management System

HR-Human Resource

PM-Performance Management

PMS-Performance Management System

POS-Point of Sale

Abstract

This research was conducted to assess the practices and challenges of the performance management system in Dashen Bank, and the main objective of this study was to assess and describe the performance management system practices and challenges in Dashen Bank. The study focused on how the performance management system process was practices, and challenges faced while implementing the performance management system in the case of Dashen Bank. To answer these questions descriptive research design has been used by using both quantitative and qualitative research approaches. Concerning selecting employee respondents for this research census method was adopted as the total numbers of employees in those four selected branches are 81 to fill in the self-developed questionnaire, which is the main data collection instrument. The data collected from the questionnaires were compiled by using Microsoft Excel. The result of the analysis was presented by using tables. In general, the finding of the study revealed that organizational goals were not fully aligned with department/branch and individual goals, participation of employee's in the planning stage of a performance management system is not across all employees of Dashen Bank, lack of regular feedback, lack of uniformity in gathering information about employee's performance and lack of software for automating the performance management system were the major problems noted. Having this in mind the researcher concluded that even though Dashen Bank has some good qualities in clearly defining the mission, vision, and values and developing a strategy map but a lot has to be made in making a performance management system to be more useful for the organization. To fill the identified gaps, recommendations were forwarded to align organizational goals with department/branch and individual level, improve the level of employee's participation in the PMS process, to enhance the awareness of employees about the purpose of PMS, goals should be set in mutual agreement, letting employees assess their performance using self-appraisal method, gather information about the performance of an employee from different sources. Finally, it is suggested to make the evaluation criteria to be very objective and conduct the evaluation at the right time.

Keywords: *Performance, Performance Management, Performance Management System,*

Chapter One

Introduction

This chapter contains the background of the study, the background of the organization, the statement of the problem, the basic research questions, the objective of the study, significance of the study, the scope of the study, limitations of the study, definition of terms, and finally, the chapter concludes with the organization of the paper.

1.1. Background of the Study

Performance management is a continuous method of identifying, measuring, and growing the performance of people and groups and aligning performance with the strategic desires of the business enterprise (Aguinis, 2009). Human resource is a backbone of any organization in coordinating and controlling the complete activities of the company without delay or circuitously to ensure achievements of organizational objectives. Human resources are different from other organizational resources in that human resource is organic which continuously develops and sustains competitive advantage by creating value which cannot be imitated like other resources, that's why successful companies are those who believe and consider their human capital as their most important asset of the company.

The performance management procedure motivates employees if executed correctly. The fulfillment recognition through remarks, the possibilities to reap, the bottom to expand, and guidance to profession paths are non-monetary rewards that power can be lengthy-lasting and greater powerful than economic rewards. Performance management encourages employees to be engaged in their jobs with enhanced dedication (Armstrong, 2006).

Performance management isn't a one or two times effort; as an alternative, it is a complete-12 months practice to be applied at some stage in the year that specializes in classifying, comparing, and enhancing a Management individual's performance that's aligned with the organization's intention (Aguinis, 2009). From the above we can remember the fact that performance management isn't always all approximately filling performance assessment as a substitute it involves unique activities to be finished with a purpose to foster & align individual's dreams with organization dreams for mutual benefit & success.

In today's Ethiopia financial business sector, particularly like the Bank, is a young and growing area of business and that's why new Banks keep joining the market & the existing Banks are expanding. Both the existing and new Banks need expertise in their field in the way of moving to success.

However, expansion and opening of the new branches by itself doesn't lead Banks to success rather it is the quality, skill, service, and commitment of employees that brings ultimate success.

In this regard, the performance management system of an organization plays a vital role in creating and/or upgrading the needed skill combination, improving the performance of individuals & groups, motivating and keeping the employee, and achieving an organizational goal in general. Armstrong M. (2009) argued that performance management as one of the aspects of human resource management is advancing the performance of the organization to the better anticipation by using developing individual and team performance logically via cascading the targets of the organization right down to groups and people to get better results.

Familiar with these facts, the study assesses the performance management practices along with its challenges of Dashen Bank, which is one of the private financial institutions in Ethiopia established in September 1995 and has more than 430 branches in the country (Dashen Bank Annual Report, 2020). The researcher identified some of the problems related to performance management system practices of the organization through discussion with some employees of the Dashen Bank. The major outcomes will help for the improvement in efficiency and effectiveness of the performance management system of Dashen Bank.

1.2. Background of the Organization

Dashen Bank turned into founded via eleven visionary shareholders and veteran Bankers with a preliminary capital of Birr 14.9 million in September 1995. Upon securing a license from the National Bank of Ethiopia, Dashen Bank opened its doors for service on the 1st of January 1996 with 11 fully-fledged branches. Dashen financial institution coined its name from the best height in Ethiopia, mount Dashen, and aspires to be unparalleled in banking services. Ras Dashen is part of the Simien Mountains country-wide Park and special setting with the particular natural world and breath-taking perspectives on a landscape shaped using nature and traditional agriculture.

Based in Addis Ababa, the Bank is among the largest private Banks in Ethiopia. It operates via a network of more than 430 branches; ten committed foreign exchange Bureaus, 355 plus ATMs, and 1,397 Point-of-Sale (POS) terminals spread across the length and breadth of the nation. It has established correspondent banking relationships with 462 Banks covering 70 countries and 170 cities across the world. Wherever business takes customers around the world, Dashen Bank is already there. Dashen Bank is the most reputable brand in the domestic Banking market; a reputation earned through consistent delivery of values and preeminence unmatched by its competitors.

1.3.Statement of the Problem

To ensure competitiveness within the market, a performance management system is preferred to expand the capability of the employees and encourage them to put most attempts within the direction of understanding organizational goals.

A continuous and applicable employee's performance management system signifies how the workforces are nicely dealt with i.e. choosing, training, behaviorally managing, and communicating employees to ensure that the organization's target could be met as anticipated. Because of this fact managing, human resource performance is vital to the long-term achievement of an organization and ultimately to its survival considering that employee's performance affects the whole existences of the organization. The service excellence of a Bank is usually relied upon in the presence of educated, professional, committed, capable, and well-managed employees. Therefore, intending to determine the manner that a Bank develops and achieves organizational commitment through effective performance management system, this research conducted in Dashen Bank is quite significant.

Melat Yilma (2014) conducted research entitled performance management practices and challenges in the Ethiopian Management by classifying the general discovering of the study found out that organizational goals were not fully aligned with departmental and individual level, participation of employee's within the planning stage of performance management isn't always across all employees of EMI, lack of continuous feedbacks, lack of uniformity in collecting records about employee's performance and absence of software program for automating the PMS is the major problems referred to.

Selamsew Tesfaye (2015) conducted a study entitled the practice and challenge of the performance management system at Pact Ethiopia. The findings of the practice analysis led to the conclusion that the performance management system as a whole and the application and use of the performance appraisal for performance improvement or administrative ends is very weak.

Kebre Hailu (2016) carried out a study entitled assessment of performance management practices in Save the Children International Ethiopia country Office. Looks at concluded that employees aren't relying on and do now not believe the PMS as a development device that helps them to excel in their professional lives. She also mentioned that employees are not guided enough by way of managers; they may be now not getting remarks on normal foundations and aren't monitored and coached correctly.

In keeping with, Tigist W/Michael (2019) carried out a research entitled assessment of the practices and challenges of employee performance management system at the commercial Bank of Ethiopia. Though, the study diagnosed that the EPMS of the Commercial Bank of Ethiopia has limited consciousness and portions of education regarding the cause, necessities, and implications of PM amongst employees; loss of trust and continuity of the system; lack of continuous feedbacks and training to improve performance, subjective supervisor assessment. based on the gap, they have a look at has advocated the management to enhance employee's participation in the method, to avail satisfactory and well-timed coaching concerning all components of the EPMS, revise performance standards and measures to minimize subjectivity and inappropriateness; increase the involvement and ownership of employees via promoting transparency and prepare them with the desired understanding, talent, this numerous and resources, offer normal feedback and training.

Even though, performance management system developed in Dashen Bank almost two years ago, it is not fully implemented due to lack of experience of appraiser and employees, absence of continuous feedback by supervisor, absence of performance evaluation on time. The researcher came to understand that employee's performance management system isn't effectively practiced and articulated for the employees of the Dashen Bank about making performance planning, performance execution, performance assessment & performance review. By considering the significance of the employees' performance management system in Dashen Bank, the researcher became interested to assess the practices and challenges faced while implementing the performance management system of Dashen Bank. So, this study focused on the assessment of the practices and challenges of the performance management system in Dashen Bank.

1.4. Basic Research Questions

This study looking for solutions to the following research questions:

1. How the performance planning phase carried out at Dashen Bank?
2. How the performance execution stage of the performance management system is undertaken by Dashen Bank?
3. How the performance assessment stage of the performance management system is undertaken by Dashen Bank?
4. How the performance review stage carried out at Dashen Bank?

1.5. Objectives of the Study

1.5.1. General Objective

The general objective of the study was to assess the Practices and challenges of the performance management system at Dashen Bank.

1.5.2. Specific Objectives

To make sure the achievement of the general objective, the researcher had the following specific objectives:

1. To investigate the practices of planning phase of the performance management system at Dashen Bank.
2. To assess the performance execution stage of the performance management system undertaken by Dashen Bank
3. To examine whether the performance assessment stage taking place properly in Dashen Bank.
4. To assess the practices of the performance review stage of the performance management system at Dashen Bank.

1.6. Significance of the Study

The overall aim of this research is to identify the major problems in practices and challenges of the Performance Management System and provide possible suggestions for improvement & strengthening the Dashen Bank performance management system. Hence, the findings of this study will influence the decision-making processes about introducing a PMS effectively based on the challenges faced by the selected organization. Moreover, the research also contributes to the

theoretical knowledge of PMS expanding the body of knowledge about the readiness of organizations before introducing performance management systems. Therefore, various employers in the public and private sector can use this study to prepare their organizations for change and the successful introduction of PMS by overcoming challenges faced.

1.7. Scope of the Study

Performance management is holistic by its nature and measures organizational performance, team performance & individual performance and applies to all varieties of corporations no matter their size, nature, and purpose. This study focuses on the performance of individuals and its scope is limited to assessing practices and challenges of the performance management system at Dashen Bank of four selected branches.

1.8.Limitations of the Study

The study is intended to examine and analyze the experience of Dashen Bank regarding the practices of employees' performance management system. In this regard the research obtained valuable results however potential limitations should be discussed. Due to time and financial constraints, this research was restricted to the respondents located in four selected branches of Dashen Bank in Addis Ababa. Future studies in this area could be done in a broader scope to include other members of the organization and other organizations in the banking industry. Hence, it increases conclusiveness of the findings.

1.9.Definition of Terms

- ❖ **Performance:** Performance is can be regarded as a record of an outcome or accomplishment achieved by a person or a team (Armstrong 2009).
- ❖ **Management:** Management is a process of planning, decision making, organizing, leading, motivation and controlling the human resources, financial, physical, and information resources of an organization to reach its goals efficiently and effectively.
- ❖ **System:** System is an organized collection of parts (or subsystems) that are highly integrated to accomplish an overall goal.
- ❖ **Performance Management:** Performance management is a process of improving the performance of an organization by helping individuals and team to develop their capacity to reach the intended destination (Armstrong 2006).

❖ **Performance Management System:** A performance management system is a continuous methodical process by which the human resources arm of a company makes employees participatory in advancing the effectiveness of the company, by achieving the stated vision, mission, and objectives of the organization.

1.10. Organization of the Paper

This study was organized into five chapters. The first chapter deals with an introductory part which consists of an introduction, the background of the organization, background of the study, statement of the problem, basic research questions, general & specific objectives of the study, significance of the study, scope, and limitations of the study and organization of the paper. The second chapter deals with a review of related literature while the third chapter deals with research design and research methodology. The fourth chapter was focused on data presentation, analysis, and interpretation of assessment on practices and challenges of the performance management system, and the final chapter deals with the summary of major findings, conclusions, and recommendations based on the findings.

Chapter Two

Review of Related Literature

2. Introduction

This chapter especially presents the definition, theories, and views viewed using several authors and management scientists, concerning the performance management system. To acquire a better understanding of performance management systems and associated challenges this chapter also offers a theoretical & empirical literature review associated with the practices and challenges of performance management systems.

2.1.Theoretical Review

2.2.Overview of Performance & Performance Management

2.2.1. Performance

Genuinely, performance can seem record of an outcome or accomplishment completed by using a person or a group (Armstrong, 2009). Performance also can be described as “the act or process of performing a mission or an action that includes quite a few attempts” (Oxford Advanced Learner Dictionary 2006, p 1080). It is the accomplishment or outputs/results of a venture undertaken to understand also states that performance is ready doing the work successfully to achieve the preferred dreams. Performance can also be perceived as a non-activity-particular behavior along with cooperation, dedication, enthusiasm, and endurance that broaden the effectiveness of the corporation to beautify the running way of life and weather of the company.

2.2.2. Performance Management

In most cases, the performance management system and performance appraisal are interlinked with each other. Understanding, the performance management system is the broader one which identifies, measures manages, and develops the performance of the human useful resource in an agency while performance appraisal is the subset of to understand performance management system which we use for comparing the competence of employee’s (Robert N. and John R. 2013).

Performance management is a manner of improving the performance of a company with the aid of helping individuals and teams to develop their capacity to attain the meant vacation spot (Armstrong 2006).

Auginis also outline performance management as a continuous method of figuring out, measuring, and growing the performance of individuals and teams and aligning performance with the strategic goals of the organization (Auginis, 2009).

Performance management is an integrated and systematic manner of sustaining the fulfillment of a corporation with the aid of improving the performance of the folks who a work in them and also it is developing the capability of individuals and teams who contribute to the company. It is also a strategic method in the feel that it deals with the wider problem of the company's performance to meet the market demands and long-term goals (Armstrong 2000).

Although we are saying performance management is an included system, first it is linking of the company objective with the groups and individual core abilities as well as integration of various elements of human resource management inclusive of, organizational improvement, human resource improvement, reward, and reputation to ensure excellence within the management and improvement of human beings.

Performance management is based on the agreement of targets, expertise, talent, and functionality (competence) necessities, performance development, and personal development plans. It entails the joint and continuing review of performance towards these targets, necessities, and plans and the agreement and implementation of development and similarly improvement plans (Armstrong 2000).

Many elements will affect the effectiveness of an organization's performance management system, expertise three are essential. First, the system desires to be aligned with and guide the business enterprise's route and essential achievement elements. Second, well-advanced, effectively administered equipment and methods are hard to make the system consumer-pleasant and well obtained via organizational contributors. Third, and more vital, is that each manager and employees have to use the system in a way that brings seen, price-introduced benefits inside the areas of performance planning, performance improvement, feedback, and accomplishing consequences (Elaine D. Poulakis 2004).

2.3. Theories of Performance Management

Goal and Expectancy theories are the two supporting theories for performance management (Salaman et al, 2005).

2.3.1. Goal Setting Theory

Goal setting theory had been proposed by Edwin Locke in the year 1968. This theory suggests that the individual goals established by an employee play an important role in motivating him for superior performance. This is because the employees keep following their goals. If these goals are not achieved, they either improve their performance or modify the goals and make them more realistic. In case the performance improves it will result in achievement of the performance management system aims (Salaman et al, 2005).

2.3.2. Expectancy Theory

Expectancy theory had been proposed by Victor Vroom in 1964. This theory is based on the hypothesis that individuals adjust their behavior in the organization on the basis of anticipated satisfaction of valued goals set by them. The individuals modify their behavior in such a way which is most likely to lead them to attain these goals. This theory underlies the concept of performance management as it is believed that performance is influenced by the expectations concerning future events (Salaman et al, 2005).

2.4. Purpose of Performance Management

The entire reason for performance management is to get higher results from the business enterprise, teams, and individuals via knowledge and dealing with performance within an agreed framework of planned desires, standards, and competency necessities. It's far a process for organizing shared expertise of what is to be finished, and an approach to coping with and growing people in a manner that will increase the probability that it'll be performed within the short and longer-term.

The essential goal of performance management is to set up a way of life wherein people and corporations take duty for the continuous development of business strategies and their abilities and contributions (Smither and London 2009).

There are several functions that formal performance management structures may serve. They could provide employees with information about the expertise they may be perceived in the business enterprise and where they stand. They also can offer developmental remarks on the strengths the

employee should capitalize on and the weaknesses wherein development can be required (Drake management assessment, volume 1, problem 1, October 2011)

Performance management as a system can function as a pillar for the development of people, groups, and corporations in a way that they intend to get to the favored goals. The performance management system has many functions know-how predominant ones are strategic purpose, administrative reason, communication motive, developmental purpose, organizational preservation reason, and documentation purpose (Smither and London 2009)

In keeping with Dick Grote performance management system has such a lot of purposes like, providing feedbacks to employees about their performance, figuring out who gets promoted, facilitating layoff or downsizing selections, encouraging performance improvement, motivating superior performance, placing and measuring goals, counseling negative performers, determining reimbursement adjustments, encouraging training and mentoring, assisting manpower planning or succession planning, determining person education and development wishes, determining organizational training and development needs, confirming that excellent hiring decision is being made, providing legal defensibility for employees decisions and improving organizational performance (Dick Grote 2002)

2.5. Performance Management System

The performance management system is a sort of completed and integrated cycle for performance management. The emphasis of performance management systems is on constantly improving organizational performance, and this is done through progressed individual employee performance (Mackey & Johnson, 2000). Further, Lawler (2003) states that the goals regularly encompass motivating performance, helping individuals broaden their talents, building a performance culture, figuring out who has to be promoted, disposing of folks who are terrible performers, and assisting put into effect commercial enterprise strategies.

The principal reason of the performance management system is to make sure that: The works achieved through employees accomplish the works of the organization; employees has a clear knowledge of the first-class and amount of labor predicted from them; employees acquires ongoing records about information efficiently they're performing relative to expectancies inclusive of awards and salary will increase based on employee performance is dispensed as a result, opportunities for employee improvement are recognized, and employee performance that does not meet expectations is addressed.

Expanding a performance management system, consistent with Schneider, Beatty, and Baird (1987), is classed right into making plans, developmental, handling, reviewing, and worthwhile segment. Mackey and Johnson (2000) counseled that a typical performance management system would encompass: the organization communicates its mission/strategies to its employees; the placing of individual performance objectives to fulfill the employee's team and ultimately the enterprise's mission/vision; the ordinary appraisal of those people against the agreed set objectives; use of the results for the identity of development and/or for administrative choices; and continual review of the performance management system to make sure it keeps to make contributions to the organizational performance, preferably thru consultation with employees.

Fletcher in his 1996 research wrote that the main constructing blocks of an performance management system process encompass improvement of the employer's undertaking and objectives; improving verbal exchange within the company so that employees are not only privy to the goals and the business plan, but can make contributions to their components; clarifying individual obligations and accountabilities; defining and measuring individual performance; enforcing suitable reward strategies, and developing the workforce to enhance performance, and their career progression similarly in the destiny.

2.6. Process of Performance Management System

As most authors have agreed at which means of performance management it is a continuous process that engages each supervisor and the employee to set out the knowledge they can first-class work collectively to achieve the specified standards. As a result, the performance management system has its process to execute the system correctly.

Although utilizing to achieve reliability there are different methods of performance management systems indicated with the aid of different authors, the most common and solid one is a system that encompasses four levels which can be performance planning, performance execution, performance assessment, and performance review. Each phase can be discussed in brief as follows.

2.6.1. Performance Planning

The performance planning phase of the performance management system is the primary stage wherein employees are probably enabled to have clean facts about the system.

It's the primary cycle in which the manager and employee meet to talk about and agree on what is to be carried out and how it's far to be done through combining the result, behavior, and development

plan. (Smither and London 2009) by way of results, we suggest the consequences that an employee should carry out exceptional services and products with time consistent with those numerous private accountabilities. Then again, behavior is a vital point of effect on understanding employees do their activity through discussing abilities, which might be measurable clusters of knowledge, competencies, and attitudes which is probably vital in figuring out expertise results will be completed. The third element of a planning section is the development plan. It's far figuring out areas of improvement and setting desires to be performed in every situation. It typically includes each result and behavior. Such plans spotlight a employee's strengths and the areas in want of improvement, and that they provide a motion plan to decorate areas of weaknesses and in addition growth areas of strengths. And it allows employees to perceive know-how continuously study and grow, to look at the opportunity of being better inside the destiny, and allows them to keep away from performance issues faced in the past (Smither and London 2009).

To explain the difference between results and conduct Dick Grote (2002) diagnosed that, effects consist of real task outputs, countable outputs, measurable consequences, and accomplishment, and targets finished. It deals with what the individual accomplished.

Even, as behaviors consist of competencies, abilities, knowledge, and talent, the individual's adherence to organizational values, and the person's fashion, way, and method. consistent with Dick, performance planning is a speak between manager and employee with the timetable of agreeing on a individual's key hobby obligations, developing common know-how of the purpose and goal that needs to be completed, identifying the maximum critical capabilities, and growing the ideal individual development plan (Dick Grote 2002).

While carrying out the general performance planning cycle, a few responsibilities might be predicted both from the supervisor and the employee before communication and throughout the dialogue. The obligations of the manager in advance than the assembly are first to test the organization mission, imaginative and prescient, and values assertion and branch's goal, the second is analyzing the people' system description and considering the goals and dreams which the employees are anticipated to reap within the appraisal duration.

The third and the fourth responsibilities of the supervisors are identifying the maximum important talents and figuring out what attention ought to be taken to the achievement of performance in every place respectively. Similarly to the ones inside the path of the assembly, the supervisor may be accountable to speak approximately and are available to a settlement with the individual at the most

vital abilities, key function responsibilities, and desires, and additionally he/she is accountable to agree at the improvement plan of an employee. Rather, the employee has additional equal responsibilities whilst undertaking the performance starting stage to make the general performance management system powerful and successful.

2.6.2. Performance Execution

Once the performance-planning stage has been completed, it's time to get the activity accomplished to execute the plan. Performance execution is the second phase of an effective performance management system. For each employee, the important responsibility within the phase is getting the challenge executed to gain the goals. Although the major percentage of this phase can be taken by the employee, the appraiser has moreover two most important responsibilities: creating the conditions that encourage, and confronting, and correcting any typical performance problems. In an effective performance management system, performance execution additionally consists of a midterm evaluation to make sure that performance is on track (Dick Grote 2002).

2.6.3. Performance Assessment

Within the performance assessment stage, both the employee and the supervisor are chargeable for evaluating the volume to which the standard behaviors have been displayed, and whether or not the desired effects have been accomplished. Even though many resources may be used to accumulate performance information (for instance, peers or subordinates), in most cases, the direct manager offers the data. This additionally includes an assessment of the extent to which the goals stated in the improvement plan had been finished. Each employee and supervisor has to improving take possession of the evaluation process. The manager fills out his or her appraisal form, and the employee needs to additionally fill out his or her shape. The truth that both events are involved inside the assessment manner gives better facts for use in some unspecified time in the future in the assessment stage (Smither and London 2009).

When both the employee and the manager are energetic members of the assessment process, there's a more probability that the statistics could be used productively inside the destiny. Particularly, the inclusion of self-ratings enables emphasize possible discrepancies among self-views and the views that essential others (that is, supervisors) have.

It is the discrepancy among these two perspectives which might be most in all likelihood to cause improvement efforts, especially even as comments from the manager are more terrible than are employee self-opinions.

The advantage of self-appraisal is to reduce an employee's defensiveness at some level inside the assessment assembly and also inside the growth employee's pleasure and perception inside the performance management tool.

In keeping with Dick as the time for the formal standard performance, appraisal reaches, the supervisor reflects on knowledge properly the subordinate has finished over the direction of the year, assembles the several forms and workplace works that the business enterprise gives to make this evaluation, and fills them out. The supervisor might also propose a change within the individual's reimbursement based on the pleasure of the person's works (Dick Grote 2009).

Generally, humans think that a usual performance appraisal is an occasion required via the usage of the employees' branch wherein the supervisor fills out the form after which uses it to offer wrong feedback. Instead, common performance assessment is one of the maximum crucial practices in an average performance management system wherein supervisors are assessing their subordinates regarding their basic performance inside the beyond which lays the ground for maintaining the energy and enhancing the weaknesses, and operating on the development plan for the future.

Managers often that evaluating someone's performance is tough. The reason that they find out it tough is traditional that they have got not performed a top mark method of universal performance planning at the beginning of the commencement of the fiscal year. If a supervisor has now not held the discussion of a making plan at that point, it's tough to evaluate regular performance on the give up of the fiscal year.

2.6.4. Performance Review

The performance evaluation degree involves the assembly among the employee and the manager to check their checks. This assembly is commonly referred to as the appraisal assembly or dialogue. The appraisal assembly is essential because it offers a proper area in which the employee gets feedback on his or her performance. Regardless of its importance in usual performance management, the appraisal meeting is often appeared due to the fact the maximum hard of the complete system due to the fact many managers are uncomfortable offering performance using motives, especially whilst general performance is negative.

This immoderate stage of discomfort, which often interprets into tension and the avoidance of the appraisal interview, can be mitigated through education the ones responsible for presenting remarks (Smither and London 2009).

Providing feedback is extraordinarily vital as it leads no longer best to usual performance development understanding additionally to employee delight with the system. At this factor, expertise, permits emphasize that humans are apprehensive approximately both receiving and giving performance data and this apprehension reinforces the significance of a right performance assessment as part of a performance management system.

The performance assessment assembly is the premise for assessing the three key elements of performance (the three Cs), main contribution, capability, and non-prevent improvement. Such meetings also are the manner thru which the five primary performance management factors size, feedback, exceptional reinforcement, trade of perspectives, and agreement can be placed to the particular use. A common performance evaluation ought to be rooted in the fact of the employee's performance. The latter is concrete, now not a précis, and it lets in managers and people to take a tremendous appearance collectively at expertise performance can grow to be even better inside the destiny and the way any problems in meeting universal performance requirements and accomplishing objectives can be resolved. Human beings should be encouraged to assess their general performance and end up energetic marketers for alternatives in improving their consequences. Managers should be recommended to undertake their proper permitting function (Armstrong 2000).

There must be no surprises in a proper evaluation if performance issues had been dealt with as they have to be, in particular as they arise at some point of the twelve months. In one feel the overview is a stocktaking exercise, know-how, this is no greater than an assessment of in which the ones involved for the time being are, and wherein they have got come from. This static and historic method isn't what usual performance management is prepared for. The genuine position of performance management is to appearance in advance to what wants to be done by means of human beings to reap the motive of the activity, to meet new traumatic conditions, to make even higher use in their know-know knowledge, competencies, and abilities, and to help them to broaden their abilities and enhance their performance. This process additionally allows managers to improve their capability to manual, guide, and increase every people and organization for which they're responsible (Armstrong 2000).

❖ **Goals of performance review**

Amongst one-of-a-kind desires of ordinary performance assessment, the followings are a number of them which can be referred to as the most essential one (Smither and London 2009).

- It gives the assist to offer outstanding remarks, popularity, reward, and growth opportunities; to clarify expectations; to empower humans through encouraging them to take management over their performance improvement.
- It encourages development by supplying a foundation for developing and broadening capabilities relevant each to the present-day role and any future position that the employee may have the ability to carry out. Be conscious that improvement may be focused on the existing-day position, permitting humans to increase and decorate the range of their duties and the talents they require, and to be rewarded, consequently. This component of role development is of even extra importance in flatter organizations, in which profession ladders have shortened and wherein lateral development is viable to be the first-class route ahead.
- It serves as a way channel for speaking approximately roles, expectations (desires and functionality requirements), relationships, work, problems, and aspirations.

2.7. Best Practices of Performance Management System

For performance management to be successful some capabilities are in all likelihood to produce accurate outcomes in terms of individual, team, and organizational performance. Understanding but, the practical constraints may not permit for the implementation of these entire functions.

For instance, there may not be sufficient finances to deliver education to everyone worried; supervisors may additionally have biases in understanding them to offer performance rankings, or people perhaps just too busy to be aware of a new organizational initiative that requires their time and interest. Smither and London (2009) assert that as scientist-practitioners we must strive to area a checkmark next to each of these individuals. The greater functions are checked, the much more likely it that the system will live up to its promise (Smither and London 2009).

Smither and London (2009) wrote before imposing an performance management system company-extensive, it's far sensible to pilot take a look at considering that it may help in figuring out capacity troubles and system defects that lead management to take corrective movement before the system is put in place. Pilot testing includes imposing the whole system, together with all of its additives, information only with a choose group of human beings.

Results are not recorded in employee's facts. As an alternative, the aim is that the people collaborating inside the pilot - take a look at offer feedback on any possible issues and on know-how to enhance the system (Smither and London 2009).

Similarly, Smither and London (2009) retain through declaring that pilot checking out will assist to check whether the performance management system is suited for the particular company or no longer by checking the following components of quality exercise in performance management systems consisting of strategic congruence, validity, reliability, acceptability, thoroughness, practicality, meaningfulness, inclusiveness, and openness.

2.8. Impact of Performance Management System

There are numerous benefits related to the implementation of a performance management system. (Armstrong 2009) defined that performance management is plenty extra than appraising individuals. It contributes to the fulfillment of lifestyle trade and it's far integrated with different key HR activities, especially human capital management, skills management, studying and improvement, and reward management. Thus performance management enables to attain horizontal integration and the 'bundling' of HR practices so that they are interrelated and consequently complement and support every other. (Auginis, 2013) additionally stated that performance management system can make the following important contributions which include improve motivations, make clear job & standard definitions, improve self-belief & power, made organizational desires are easy, employees misconduct is minimized, organizational opportunity simplified &, and many others.

2.9. Challenges of Performance Management System

As indicated earlier, there is a view that effective implementation of performance management requires the best performance management implementation model and practice. However, other researchers competes that performance management models and best practices depend largely on the management, employees, and all the role players clearly showing support and commitment for the implementation of a successful Performance Management System. Developing and implementing new PMS is a major organizational intervention and change strategy. It requires adjustments in other management activities and practices because the impact of these changes can be a cause for resistance to implementing the system. *(Adapted from Ogutu Miruka 2014)*

The performance management challenge in organizations has many dimensions in today's business environment and creating focused initiatives to overcome these challenges is not a silver bullet

approach. In many cases, remuneration schemes are driving the performance system, which creates several long-term consequences in organizational behavior and culture. In other cases, senior management is so focused on scorecard management to hold people accountable that the creation of the scorecard is not aligned with business focus areas, but rather many deliverable projects and tasks. The following are some of the challenges of the performance management system.

1. Lack of Alignment

The primary challenge is the shortage of alignment due to various organizational processes being created in isolation. The hyperlink among approach improvement, budgeting, and operational planning is advanced by using one-of-a-kind actions of human beings with specific frameworks being used. The performance management system lacks alignment among individual performance, departmental performance, and organizational delivery and so all systems default again to economic measurements.

2. Lack of Measurements

The second challenge happens at diverse ranges of the activity in that poor measures are developed, in many cases targets are set but no relevant degree is put in place. In other cases, no facts may be collected or are saved as evidence to track performance.

3. Leadership and Management commitment

The leadership and management challenge has a big effect on integrating and aligning a management system to deliver a comprehensive performance management system. The commitment and information of executives and management of the requirements for attaining a conceivable performance system are critical to performance success.

4. Managing of the performance system

Managing a performance system in an organization requires a disciplined framework; it requires the organization to work off one master plan broken down into relevant parts and areas of responsibility. The management responsibilities at various levels need to understand the contracting, measurement development, and appraisal process very well and apply it consistently. Secondly, management needs to appreciate that performance management is not an event but something that is managed daily but recorded and reported at certain times through reviews and appraisals.

5. Managing poor performance

The management of negative performance is commonly a reactive motion, information in many instances, it is behind schedule and consequently becomes a dialogue this is tough to make relevant.

Any other motive for poor performance that is not management-led on time is the lack of legitimate measurements and the gathering of required proof and size data.

2.10. Empirical Review

This part of the literature review focuses on empirical results obtained from similar research works conducted at different times in different places and organizations.

According to, Chompukum, Pachsiry (2007), conducted a study on the effectiveness of performance management in the Thai Banking industry with the prime objective to explore how employees in commercial Banks perceive the effectiveness of performance management and factors affecting levels of perceived performance management effectiveness. Their study stated that many Banks in Thailand are vigorously implementing performance management systems to help them had better manage their employee's performance and in turn, it affects organizational performance. The study further revealed the positive linkage of performance management effectiveness with coaching, performance evaluation, reward, feedback &, etc.

According to, Pandelani Harry Munzhedzi (2011), who carried out a study entitled 'performance management system and improved productivity: a case of the department of neighborhood government and housing in the Limpopo province', Pandelani Harry Munzhedzi has determined that there has been trouble of know-how the employee performance management system through maximum managers. He additionally stated that the performance management and training and trends had been no longer included. The timeliness of submitting performance management units through a few employees became another problem explored by using the study. The researcher has located there were unrealistic targets that have been hard to realize. The biased score was additionally every other shortfall of the performance management system investigated underneath the have a look at.

According to, Melat Yilma (2014) conducted research entitled performance management practices and challenges in the Ethiopian Management Institute. The general discovering of the study found out that organizational dreams were not fully aligned with departmental and individual dreams, participation of employee's within the planning stage of performance management isn't always across all employees of EMI, lack of continuous feedbacks, lack of uniformity in collecting records about employee's performance and absence of software program for automating the PMS is the major problems referred to.

Mbugua, Waiganjo & Njeru (2015) examined the relationship between strategic performance management practices and employee retention in commercial Banks in Kenya. The authors individualized performance management as a type of Human Resource practice that can effectively help an organization to meet its retention objectives, in addition to other important business goals. The study established that organizations used strategic performance management through clear action value plan, target setting, setting of realistic budgets, forecasting, performance measurements and review, and finally compensation based on performance. Strategic performance management influenced employee retention. The study recommended that the management of all commercial Banks should employ more strategic performance management practices with the view of enhancing employee retention.

According to Yoseph Muluneh (2015), the study carried out on the challenges of implementing a performance-based pay system: the case of Ethio-Telecom and found that the organization's goals and objectives were not communicated to employees at different levels in the same manner. In addition, the existing performance management system and the performance measurement tools were not appropriately used to measure the achievements of employees. As a result, the merit-based pay system which has been functioning in the previous year was not effective and the pay raise system was highly subjective. The researcher concluded that there was no clear linkage between annual increments and actual performances.

In keeping with this, Abiyou Goshu (2015) carried out research entitled the evaluation of employee performance management practices: The case examination of Ethiopian agricultural transformation enterprise. The take at a look at findings confirmed that the agricultural transformation employer performance management method lacks a fair performance measurement procedure used to decide the rankings in addition to strategies to link the rankings with rewards. This led to dissatisfaction of employees and decreased employee's self-esteem that caused the decline of employees' purpose and dedication to stay within the organization longer. The performance management procedure additionally has issues being inclusive and open always by way of pretty resolving unjustified selections on employee's performance appraisal outcomes and feedback.

Selamsew Tesfaye (2015) conducted a study entitled the practices and challenges of the performance management system at Pact Ethiopia. The findings showed that the performance management system as stated in the performance management guideline of the organization is sound. Nevertheless, the findings of the practice analysis led to the conclusion that the performance management system as a

whole and the application and use of the performance appraisal for performance improvement or administrative ends is very weak.

Kebre Hailu (2016) carried out a study entitled assessment of performance management practices in Save the Children International Ethiopia country Office. She looks at concluded that employees aren't relying on and do now not believe the PMS is a development device that helps them to excel in their professional lives. She also mentioned that employees are not guided enough by way of managers; they may be now not getting remarks on normal foundations and aren't monitored and coached correctly.

In keeping with this, Tigist W/Michael (2019) carried out a research entitled assessment of the practices and challenges of employee performance management system at the commercial Bank of Ethiopia. Though, the study diagnosed that the EPMS of the Commercial Bank of Ethiopia has limited consciousness and portions of education regarding the cause, necessities, and implications of PM amongst employees; loss of trust and continuity of the system; lack of continuous feedbacks and training to improve performance, subjective supervisor assessment. based on the gap, they have a look at has advocated the management to enhance employee's participation in the process, to avail satisfactory and well-timed coaching concerning all components of the EPMS, revise performance standards and measures to minimize subjectivity and inappropriateness; increase the involvement and ownership of employees via promoting transparency and prepare them with the desired understanding, talent, this numerous and resources, offer normal feedback and training.

Chapter Three

Research Design and Methodology

3. Introduction

Research methodology is the systematic way of dealing with the research problem successfully and finding out the scientific manner of undertaking research. It allows the researcher to be aware of the choice of steps generally followed to study the research problem collectively with the underlying good judgment behind them (Rajasekar, et al., 2013). Accordingly, this chapter deals with the study method which integrates the numerous processes that have been used for observation to achieve the study objectives. It takes into account issues provided along with the research approach, research design, research population, research respondents, sources of data, data collection instruments, data analysis methods, reliability, validity, and ethical consideration.

3.1. Research Approach

There are two main research approaches by which social science research including business studies is conducted. These are qualitative and quantitative research approaches. Taking into consideration the significance of applying a mixed approach in modern research, the researcher was adopted a mixed approach which combines quantitative and qualitative technique for the reasons of achieving credibility of the result, for better interpretation of the result, to offset the weaknesses associated with using one approach and to achieve validation between the two approaches (triangulation).

3.2. Research Design

According to Burns and Bush (2002), a research design is defined as a set of advance decisions that make up the master plan specifying the methods and procedures for collecting and analyzing the needed information. This helps the researcher to formulate data to collect for the study. The study was adopted a descriptive design. Descriptive research enables the researcher to provide an accurate description of observations of phenomena as the objective of most descriptive research is describing the state of affairs at the time of the study.

3.3. Research Population

Saunders (2007) defines research population as the set of cases from which a sample is taken. The target population for this study is made up of employees of four Dashen Bank branches (Mexico, Lagar, Lideta, and Africa Andinet) located in Addis Ababa. The four branches are selected by using

the convenience sampling process by considering their accessibility and geographical proximity. Thus, the total population for the study was 81 employees currently working in the four selected branches of Dashen Bank.

3.4. Research Respondents

To select the branches (Mexico branch, Lagar branch, Lideta branch, and Africa Andinet branch), among others, the researcher considered their accessibility and geographical proximity. To this end, a convenience sampling process was used to select the four Dashen Bank branches. Concerning selecting employee respondents for this research census method was adopted as the total numbers of employees in those four branches are 81 that were quite manageable. Managers of the four branches were purposely consulted to get the information required for this study with the assumption that these managers were well known about the performance management system in their respective branches. Thus all employees working in each branch and four branch managers were participated in providing the required information for the study.

3.5. Sources of Data

Data required for this study was obtained dominantly from primary sources the objective of the study was to assess the practices and challenges of the performance management system at Dashen Bank. Accordingly, primary data was obtained from employees of the four branches and the branch managers. Moreover, secondary sources particularly the Bank records were used to get information related to the company profile and number of employees.

3.6. Data Collection Instruments

The primary data essential for this research was gathered from employees through a close-ended and open-ended questionnaire as well as administering interviews with the four branch managers.

3.6.1. Questionnaire

The questionnaire was served as a major data collection tool in realizing the objectives of this research. Accordingly, the questionnaire was designed on a Likert rating scale (1=strongly disagree, 2=disagree, 3=neither agree nor disagree, 4=agree, 5=strongly agree) to measure employee level of agreement on the performance management system.

3.6.2. Interview

Unstructured interviews were administered with the four branch managers. The objective of using interview is to avoid the risk associated with using a single data collection instrument as a questionnaire restrict respondents' response and it does not allow researchers to inquire respondents to justify their response which is possible in the interview. The purpose of administering interviews with the branch managers is to obtain balanced information from both employees and managers to enhance the reliability and validity of the research findings and arguments. Thus, interview results were used to triangulate employee responses to enable the researcher's valid conclusion.

3.7. Method of Data Analysis

Data collected for this study were analyzed in the following way. First, data collected from the questionnaire was edited, coded, keyed, and entered into Microsoft excel. Data collected through a questionnaire in the form of a Likert scale ranging from 1 strongly disagree-to-5 strongly agree has a quantitative nature. Accordingly, quantitative data analysis which is descriptive statistics tools was used. The collected data were presented on tables, frequency distribution, mean value; standard deviation was computed to determine the practices and challenges of employees' performance management system of Dashen Bank.

Content analysis approach was adopted to analyze interview results obtained from four branch managers. According to Hsieh and Shannon (2005) suggest that qualitative content analysis is a research method for the subjective interpretation of the content of text data through the systematic classification process of coding and identifying themes or patterns. Simply, content analysis is the method for analyzing the content of qualitative material to achieve reliability and validity of results to support an argument. Thus comparison was made between employee response and management interview results to make safe interpretations and arguments.

3.8. Reliability

Internal consistency reliability is a degree of consistency between special gadgets of equal assembles. Cronbach's alpha is a reliability measure designed via Lee Cronbach in (1951). It's miles normally used as a measure of the internal consistency or reliability of a psychometric test score for a sample of examinees. For trying out the reliability of the facts instrument, Cronbach's alpha coefficient of reliability was calculated to test the reliability of the studies instruments. According to Lombard (2010), Coefficients of 0.90 or greater are nearly always acceptable, 0.80 or greater is

acceptable in most situations, and 0.70 may be appropriate in some exploratory studies for some indicates. Alpha should be positive and usually greater than 0.70 in order to provide good support for internal consistency reliability (George et. al, 2004). Thus, as per the analysis made through using Anova: Two-Factor Without Replication and presented in the table below, the reliability statistics test for all variables, alpha ranged from 0.707 to 0.877 indicating that the measurements used are reliable.

Table 1: Alpha Value on Major Variables

Subtopics	No of Items	Alpha Value
Awareness of the strategic objectives of Dashen Bank	6	0.707
Performance Planning	5	0.832
Performance Execution	6	0.833
Performance Assessment	4	0.831
Performance Review	5	0.877

3.9. Validity

Validity refers to the extent of accuracy of the results of the study. The validity of the results can either be internal or external. Internal validity refers to the analysis of the accuracy of the results obtained. External validity refers to the analysis of the findings with regards to whether they can be generalized (Ghauri & Grønhaug 2005). Therefore, to achieve validity of the questionnaires were including a variety of questions on the knowledge of respondents. Questions were developed based on information gathered during the literature review to ensure that they are representative. Content validity was further ensured by consistency in administering the questionnaires. To this end, questionnaires were distributed to subjects by the researcher personally. Moreover, the questions were formulated in simple language for clarity and ease of understanding, and clear instructions were given to the subjects.

3.10. Ethical Considerations

When undertaking the research, the necessary approval and permission letter was obtained from the University. Every individual involved in the study was entitled to the right of privacy and dignity of treatment, and information obtained was held in strict confidentiality by the researcher. Acknowledged for all assistances, the collaboration of others, and sources from which information becomes drawn.

Chapter Four

Data Presentation, Analysis, & Interpretation

4. Introduction

In this chapter of the study, the collected data from the respondents concerning the Practices and Challenges of the Performance Management System were organized, analyzed, and interpreted by using different descriptive statistics methods.

Between the distributed questionnaire, 74 have been collected and this makes the response rate to be 91.4%. The remaining seven were not returned. To increase the validity of the information obtained, interviews were made with the four branches manager. The basic reason for using interviews to get perfect information and to triangulate the data gathered through a questionnaire.

4.1. Respondents Demographic Information

On this part, the general history of the respondents was summarized by focusing on their gender, age, academic fame, years of carrier, and classification of the position.

When we see the class of position the bigger percentage of the respondents goes to professionals and supervisory participants which might be 58 (78%) and 12 (16%) respectively. The remaining respondents fall under the managerial level correspondent percent is 4 (5%). The above percentage shows Dashen Bank has the majority of employees are professionals due to this the Dashen Bank easily serves their customers based on competencies and professionalism.

Table 2: Demographic Information of Respondents

Gender		
	Frequency	Percentage
Male	39	53%
Female	35	47%
Total	74	100%
Age Group		
Less than 20	1	1%
20 – 29	35	47%
30 – 39	29	39%
40 – 49	8	11%
50 and above	1	1%
Total	74	100%
Level of Education		
Certificate	0	0%
College Diploma	0	0%
BA/BSC Degree	58	78%
MA/MSC Degree	16	22%
Others	0	0%
Total	74	100%
Years of experience in Dashen Bank		
Less than 1 year	3	4%
1 to 3 years	14	19%
4 to 6 years	32	43%
7 to 9 years	9	12%
More than 9 years	16	22%
Total	74	100%

Source: Survey questionnaire 2021

Among the general respondents i.e. 74, 39 (53%) were male, and the remaining 35 (47%) have been female. This shows that the variety of female workforce is relatively balanced with the number of men staff which means there is gender diversity in Dashen Bank.

Regarding the age group of the respondents, the larger part of the respondents which is 35(47%) falls in the age group of 20 to 29. The age group from 30 to 39 and 40 to 49 preserve 29 (39%) and 8 (11%) range of respondents respectively. Respondents of age group less than 20 years and 50 years old and above contain the least number of respondents, which are 1 (1%) and 1 (1%). From this, we can say that Dashen Bank is employed with youthful, energetic, and effective manpower that can be capable of transforming the mission and vision of the Dashen Bank into certainty.

Regarding the level of education of the respondents, employees who're degree graduates have the largest percentage which is around 58 (78%), among the entire respondents, and 16 (22%) of them have master's degrees. The fact shows that almost all of the respondents being educated in specific levels it's believed that they can understand the questionnaire as desired with the assistance of the researcher.

Regarding years of experience, a big part of respondents 32(43%) fall within the range of 4 to 6 years of the carrier in Dashen Bank, the second-highest percentage was 16 (22%) respondents have fallen more than 9 years, 14 (19%) of the respondents have between fall in 1 to 3 years of experience, 9 (12%) respondents have fallen in 7 to 9 years and the rest 3 (4%) respondents are from the sample size have an experience of less 1 year. It is the researcher believes that this mixture of the respondents directly strive desirable sufficient in finding accurate data due to the fact most people of respondents have four to six years and more than nine years of experience in Dashen Bank, which is more than two years from which the Performance Management System was fully implemented and this allows them to reflect their opinion on the achievements obtained by Dashen Bank and clearly understand the current performance management system practices of Dashen Bank to recognize the weaknesses and strengths of the system by comparing the former and the present.

In general, the above table that is individuals of the respondents shows that take a look at is represented via people who have certified in capability the questionnaire as well as the subject matter, maximum of them are at their more youthful age which helps them daily respond their feeling headed for the present-day performance management system practices and demanding situations which have been implemented in Dashen Bank.

As a result, it is the researcher who believes that take a look at turned into nicely represented via the respondents which help to get the opinion of all which assures the correct data had been secured from the respondents of the sample size.

4.2. Analysis and interpretation of the implementation of PMS in Dashen Bank

4.2.1. Clear definition and awareness on the purposes of PMS

Before implementing PMS it should be well-defined and the possible outcomes should also be identified. To evaluate whether or not Dashen Bank described it and listed out its reason in a way it ought to be and whether employees are clear about the whole concept of PMS the following questions were forwarded to the selected respondents as well as attended interview with the four branch managers and their response is analyzed and interpreted as follows.

Table 3: Does Dashen Bank clearly defines PMS

Response	Frequency	Percentage
Yes	54	73%
No	20	27%
Total	74	100%

Source: Survey questionnaire 2021

Respondents have been asked to present their opinion if Dashen Bank without a doubt defined the concept of a performance management system before imposing it. consequently, most of the individuals of respondents 54 (73%) answered that PMS is simply described in a sense of increasing the performance of individuals and enhancing the ability of the organization while 20 (27%) of the respondents believe that the rationale in the back of the performance management system isn't always certainly defined by using the organization because they believe that it is only focused on individual's rate which will be done at the end of the fiscal year for the sake of formality. Likewise, this question became also forwarded while carrying out the interview and the reaction becomes more or less the same i.e. even though the performance management system is fully implemented currently which is nearly two years however different research has been carried out day-to-day realize more about PMS and tailor-made it as in keeping with the choice of Dashen Bank.

In different pieces of literature, it is clearly stated that performance management is all about putting in place a shared understanding of what is to be executed at an organizational level. It includes the alignment of organizational goals with the individual's agreed measures, competencies, competency necessities, development plans, and the delivery of outcomes. The focus is on performance development thru learning and improvement to gain the overall business strategy of the company. But in contrary, the above data shows us even though the majority of respondents are clear about what PMS means but this is not enough for Dashen Bank to make its employees more focused on their performance and have the same understanding of the essence and purpose of having a performance management system in the organization.

Table 4: Awareness of the purpose of PMS in Dashen Bank

Response	Frequency	Percentage
Yes	45	61%
No	29	39%
Total	68	100%

Source: Survey questionnaire 2021

Regarding employee awareness focus on the purpose of the performance management system, respondents confirmed that 45 (61%) of the respondents were clearly aware of the purpose of PMS, goals of enhancing the ability and capacity of individuals, and 29 (39%) have no clue about its purpose. While this question was also forwarded to the managers who attended the interview and their response assures that different pieces of training have been given to employees in order to create awareness for what purpose Dashen Bank will use the PMS and how it will be done.

To assess the primary purpose of using the performance management system at Dashen Bank, nearly all respondents responded that Dashen Bank had introduced an employee performance management system to supports and maintains a culture of accountability for outcomes, learning, innovation, and leadership, to get a higher-end result, to establish a culture in which individuals and teams take responsibility for the continuous improvement in Dashen Bank. It also supports the achievement of enhanced leadership and employee performance management across the Bank.

In addition, almost all of the respondents answered that based on their performance they have been given a salary increment or promotion, bonus, and also training has been given to improve their poor performance. While conducting an interview this was also one of the questions and the researcher

had found that performance management system is highly linked to supports and maintains the culture of accountability for outcomes, learning, innovation, and leadership, to get a better result. In addition to this after identifying the gap in employee’s performance, training will be given for the poor performers in order to fill their gap and make them a good performer.

The performance management system is used to get the group members to acquire the group’s objectives and goals, improve the standard, group effectiveness, increase performance abilities, assessment and examines group and individual performance, reward and encourage. However, the above data clearly shows that Dashen Bank did not give much emphasis to all employees to make them understand the main purpose of having a performance management system and it can be said that employees are not on the same track of understanding the purposes of a performance management system.

Table 5: Awareness of the strategic objectives of Dashen Bank

No	Statements	SD		D		NAD		A		SA		Mean	STD
		F	%	F	%	F	%	F	%	F	%		
1	I know the strategic objective of the Dashen Bank.	1	1	0	0	2	3	37	50	34	46	4.39	0.68
2	I know clearly about my department/branch’s strategic objectives.	0	0	2	3	1	1	34	46	37	50	4.43	0.66
3	My department/branch goal is aligned with the strategic mission of Dashen Bank.	0	0	17	23	1	1	28	38	28	38	3.91	1.15
4	My individual goal is aligned with the strategic objective of my department/branch as well as the organization.	37	50	17	23	1	1.35	18	24.3	1	1.35	2.04	1.28
5	My department/branch objective is realistic and attainable.	20	27	2	3	16	22	34	46	2	3	2.95	1.30

6	I know about what my job responsibilities are and what is expected from me.	10	14	2	3	0	0	42	57	20	27	3.81	1.26
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SD = Strongly Disagree, D = Disagree, NAD = Neither Agree nor Disagree, A = Agree, SA = Strongly Agree

Source: Survey questionnaire 2021

The first question above table is on the awareness of the strategic objective of the Dashen Bank's, 37 (50%) agree on the issue, 34 (46%) strongly agree on their clear understanding of the mission and vision of Dashen Bank. on the other hand, 2 (3%) and 1 (1%) respondents are neutral and they did not have any information about the goals and strategic objectives of Dashen Bank respectively.

Considering that performance management is a system that allows staff to carry out their roles to the high quality in their potential which is directly derived from the strategic goals of the company, they must be well informed about in which the organization would like to go. From this, we are able to say that despite the fact that most of the people of the respondents recognize the mission, vision, values, and the desired goal of Dashen Bank but it isn't nevertheless quite sufficient for the effective attention of its objective due to the fact when it comes to knowing in which Dashen Bank would really like to move everyone must communicate on the identical language. This lack of awareness about the strategic objective is probably because of the communication gap in Dashen Bank as an entire or because of the gap at the department/branch level.

Regarding respondent's information about their department/branch strategic objective, 37(50%) respondents strongly agree on their knowledge of their work unit goal, 34 (46%) of them agrees and the remaining 2 (3%) and 1 (1%) respondents totally disagree and neither agree nor disagree respectively. From this, it can be witnessed that the majority of them are clear on the contribution of their work unit for the whole depiction of Dashen Bank but still there are about 4% of respondents who did not know where their work unit is striving to go. As a result, this will affect the performance of their work unit as well as the organization as a whole since they have no hint of what is expected from them and their work unit.

Regarding the alignment, respondents were asked about their level of agreement on the alignment in their department /branch goals with that of organizational goals. Consequently, a complete of 56 employees that are 76% of the respondents agreed at the fact that their departmental intention is

cascaded from the organizational intention while 1 (1%) of them don't have any clue about the issue and 17 (23%) of the respondents are disagree on that the goals of their department/branch and the organization goals are not aligned together. This shows that even though the majority of the respondent agreed on it but on the other hand, there are a few who do no longer believe it is aligned.

As mentioned in the literature, integration is a primary issue of performance management which could be accomplished by using making sure that everyone is aware of the organizational and department/branch objectives and with the aid of helping employees to understand the goals they agree on themselves are consistent with the organizational goals.

Item four in the above table, which was forwarded to the respondents' opinion regarding the alignment of individual goals to the department/branch in addition to organizational goals. As a result, 54 (73%) replied that their individual goals are inconsistent with their department/ branch and organizational intention, 1(1.35%) have been neutral and 19 (25.65%) of them responded that there's no clear line of sight among individual goals and organizational goals and it didn't assist the strategic goals of the organization. From this, everyone can take into account that there's no identical knowledge concerning the alignment of individual goal to that of department/branch or organizational goal and also it is able to be understood that Dashen Bank did no longer work an excessive amount of in cascading its goal to the extent of departmental/branch and individual level as per the strategic objectives of the Bank.

with regards to believing the goal of their work unit is realistic and achievable, despite the fact that 2 (3%) and 34 (46%) respondents strongly agree and also agree respectively on the fact that their work unit objective may be attained if they work hard, but quite a big number of respondents i.e. 16 (22%) have no idea whether or not it can be executed or not, and yet 22 (30%) completely disagrees and believes that it isn't smooth to make it practical as it seems on the paper.

Here also the researcher believes that even though 49% of the respondents are perfect about the purpose in their work unit but for those who do not agree on the attainable rate of their work unit objective it will be a disaster for Dashen Bank to have an employee who thinks his/her department/branch will no longer have an extensive contribution to the improvement of the organization.

The closing question in this category focuses on the level of agreement of respondents concerning their responsibility. As a result 20 (27%) respondents strongly agree on the focus of their obligation and the expectation of Dashen Bank from them, most people of the respondents that are 42 (57%) also replied that they understand what they need to accomplish. On the contrary 2 (3%) and 10 (14%) respondents are not clear about why they are employed in Dashen Bank which reveals there should be much to be done to make them know the contribution gained from their job and the anticipated output from their obligation for the successful grasp of Dashen Bank’s mission and vision in addition to for their personal improvement and growth.

4.2.2. Performance Planning

Performance planning is a stage in which the manager and the employee meet collectively to discuss and agree on what will be achieved for the future and how it must be accomplished. With this in thoughts, the researcher tried to assess employees' opinions on the primary stage which is performance planning, and the response is analyzed and provided as follows.

Table 6: Respondent’s Opinion on Performance Planning

No	Statements	SD		D		NAD		A		SA		Mean	STD
		F	%	F	%	F	%	F	%	F	%		
1	In Dashen Bank goal setting is carried out with discussion between the employee and the supervisor.	3	4	59	80	9	12	3	4	0	0	2.16	0.55
2	While setting a goal my supervisor clearly tells me the expectation he/she has from my performance.	4	5	10	14	42	57	0	0	18	24	3.24	1.13
3	I am informed and reach an agreement with my supervisor about the standards that will be used to evaluate my work.	4	5	40	54	10	14	2	3	18	24	2.86	1.33
4	My supervisor and I reached an agreement about my development plan to enhance my performance.	3	4	42	57	16	22	4	5	9	12	2.65	1.08

5	The goals set for me support achieving the strategic objective of the department/branch as well as the Bank.	4	5	18	24	10	14	41	55.3	1	1.35	2.96	1.29
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SD = Strongly Disagree, D = Disagree, NAD = Neither Agree nor Disagree, A = Agree, SA = Strongly Agree

Source: Survey questionnaire 2021

On the above table, the first question respondents have been requested about the practice of goal setting in Dashen Bank and the biggest percentage that is 59 (80%) and nine (12%) respondents responded that they're not participants of the goal-setting while planning their performance goals and they are neutral about the subject matter respectively further, some of the respondents, 3 (4%) of them strongly disagree with their participation in performance planning and 3 (4%) respondents are agree with participation while goal setting in the performance planning stage.

According to the literature performance planning is a system using which the supervisor and the employee get together for a dialogue to set a goal that will be executed through the employee with a particular period of time. It is the first cycle wherein employees can be enabled to have a clear knowledge about the system. It is a stage where supervisors and employees meet to talk about and agree on what's to be performed and how it is to be performed utilizing combining the result, behavior, and development plan. If goal setting isn't always a part of a performance management process, the employee will become on spending time on activities that don't contribute a lot to the company and also the employee. Therefore, making employees participate in performance planning and setting goals will boom their performance because they'll broaden a feel of possession for the work they've agreed on.

The next question which turned into respondents became about their focus on the expectation from their performance. As a result 18 (24%) of respondents strongly agreed that supervisors give information to them of their anticipation from them, 42 (57%) remain neutral and 14 (19%) replied they did not know about the expectation of their supervisor from their performance. From the responses, a large number of respondents have remained neutral. However, the performance expectations of Dashen Bank from each individual should be talked about well and should be understood similarly by all ranges of employees from the higher to the lower.

Respondents of examination were additionally requested about their level of agreement whether or not they reached an agreement with their supervisor about the requirements to be used to assess their effort. For this reason, the majority of the respondents that is 44 (59%) responded disagree and strongly disagree, 10 (14%) remain neutral and a total of 20 (27%) respondents agree and strongly agree on their agreement with their supervisor regarding the standards used to evaluate their performance. In this respect, most of the literature argued that requirements should be clear to the supervisor as well as the employee, both of them have to agree that the requirements are truthful, it must be particular and as measurable as viable, it has to be clear whether or not the standard is to be performed through the precise date or whether it is ongoing and due to the fact it is achievable and agreed on, it has to be periodically evaluated and modified if necessary.

Standards must be regular with the institutional requirement, communicated properly, must be uniformly implemented and developed with the active participation of employees. However, from the respondent's response, it can be understood that the awareness of the evaluation criteria is not the same in all employees.

The fourth item was about the agreement between supervisor and employees regarding the development plan of employees. As a result total of 13 (17%) agree on their agreement on a personal improvement plan, 16 (22%) of the participants are neither agree nor disagree, and 42 (57%) and 3 (4%) of them disagree and strongly disagree and strongly disagree on the situation rely respectively upon. Having an agreed development plan is used to enhance the understanding, talent, and mindset of an employee to enhance his/her performance, to execute the activities successfully and effectively as in line with the desired goal. But, when we see the facts above it suggests that Dashen Bank didn't exert sufficiently to set a person's improvement plan and support them accordingly.

The last question in the performance planning stage was the attitude of an employee's regarding their performance goal in achieving the tactical goals of the department/branch as well as in Dashen Bank. As a result 1 (1.35%) respondents strongly agree, 41 (55.3%) of them agree, 10 (14%) remain neutral and among the total respondents, 22 (30%) of them are disagree on it. This clearly shows those even though more than half of the respondents agree on but still close to 22 (30%) of the participants assume that the performance objective set for them did not assist to attain the preferred goal of the Dashen Bank as well as it will not help them to develop themselves in a better way. This makes a huge mess for Dashen Bank because in order to achieve its mission and vision employees must believe their work makes a difference in every aspect of the work unit and the organization's move.

4.2.3. Performance Execution

Performance execution is getting the activity carried out intending to get the preferred objectives efficaciously and successfully. Therefore, to collect information regarding the system of performance execution respondents have been requested the following inquiries to see their degree of agreement and disagreement.

Table 7: Respondent's Opinion on Performance Execution

No	Statements	SD		D		NAD		A		SA		Mean	STD
		F	%	F	%	F	%	F	%	F	%		
1	Dashen Bank provides sufficient resources to execute my job properly.	1	1.35	2	3	9	12	44	59.4	18	24.3	4.03	0.78
2	I have received feedback regularly about my performance from my supervisor.	20	27	34	46	0	0	18	24	2	3	2.30	1.19
3	I always informed about a change in organizational goal and the initial goal set by me and the supervisor is also updated accordingly.	0	0	5	7	17	23	34	46	18	24	3.88	0.86
4	I always get support from my supervisor while I face challenges in performing my day-to-day activities.	3	4	2	3	25	34	26	35	18	24	3.73	1.00
5	There is a midterm review between my supervisor and me regarding my performance in the past months.	12	16	17	23	19	26	17	23	9	12	2.92	1.27
6	My organization tries to improve/address problems that affect my performance.	3	4	16	22	10	14	36	49	9	12	3.43	1.09

SD = Strongly Disagree, D = Disagree, NAD = neither Agree nor Disagree, A = Agree, SA = Strongly Agree

Source: Survey questionnaire 2021

Respondents of the study have been asked about the resources provided to them execute their job and that they gave their answer as 18 (24.3%) strongly agree, 44 (59.5%) agree, 9 (12%) neutral, 2 (3%) disagree and 1 (1.35%) respondent responded as strongly disagree.

In this regard, almost 83.7% of participants were given the essential resources and the rest did not have enough and Dashen Bank did not work on it in a better way because without financial, material, or human resources it is impossible for a person to discharge the expected responsibility.

Concerning the consistent comment about the employee's performance, the researcher forwarded a query to look at the respondent's degree of agreement. However, the data collected from the questionnaire shows most of the respondents which are 54 (73%) replied that they did not get any feedback on how they have to improve their weaknesses and keep up their strengths from anyone. Among the respondents, the rest 20 (27%) express their level of agreement as strongly agree and agree

As utmost authors agreed to provide feedback is the most commonplace justification for an enterprise due to the fact employees will find out how properly they did the assignment over the duration after which use the information to improve their performance in the future. Consequently from the above information researcher believes that there's a substantial gap among the management and employees on the manner they consider giving feedback concerning employee performance often.

Respondents have been additionally requested about their consciousness of any changes in organizational goal and 52 (70%) of the respondents are agreed that whenever there's a chance they'll be knowledgeable and their work unit and individual goal will also be cascade from the new organizational goal while 17 (23%) respondents seem neutral and 5 (7%) of them totally disagree from the previous ones. This analysis shows us that there is no uniform practice all over in Dashen Bank because particular of them are knowledgeable and a few of them are not and this will affect the performance of the organization because the organization goes in one direction whereas individuals gone another direction.

For the question raised with the aid of the researcher regarding the assist from supervisors whenever employees face challenges, 44 (59.5%) agree that they have the important assist from their manager at the same time as they face challenges in their day to day activities and 5 (7%) of the respondents did no longer get the right assist they deserve from their manager or peers. The residual 25 (34%) would like to be impartial. The numbers show us in some departments or branch employees did not get adequate support which helps them to perform in a better manner and make contributions to the improvement of the company. The primary intention of having a supervisor in a company is to oversee the work that needs to be accomplished and to assist his/her subordinate in each issue for the

easy accomplishment of the day-to-day actions. But, from the information, everybody can see that employees are not getting the desired support they should get from their supervisors.

The fifth question raised concerning a midterm review of performance was whether if there was a midterm performance review about actual performance in the past activity period against the target by the supervisor and recommended correction was done or not and the response found was 26 (35%) and 29 (39%) agree and disagree respectively while 19 (26%) of the respondents' remain neutral. The mean score of 2.92 implied disagreements with the midterm performance review.

The last question raised about the organization tries to address problems that affect employees' performance. Respondents answer regard to this question 9(12%) strongly agree, 36(49%) agree, 10 (14%) neutral, 16(22%) disagree, and 3(4%) strongly disagree. This analysis shows us there is a gap related to problem-solving that affects employee's performance.

4.2.4. Performance Assessment

Performance assessment is a system of evaluating the quantity to which the favored behavior and results stated within the performance planning stage has been executed during the particular duration. Therefore, within the following table, the data collected from the questionnaire will be provided whether Dashen Bank is carrying out the assessment phase effectively or not.

Table 8: Respondent's Opinion on Performance Assessment

No	Statements	SD		D		N		A		SA		Mean	STD
		F	%	F	%	F	%	F	%	F	%		
1	I have been given a chance to assess my performance (self-appraisal method) based on the agreed plan.	4	5	16	22	9	12	19	26	26	35	3.64	1.31
2	Always my supervisor gathers information about my performance from my peers or subordinates while assessing my performance.	3	4	0	0	17	23	36	49	18	24	3.89	0.92
3	When my supervisor assesses my performance he/she is biased for different reasons.	3	4	3	4	25	34	24	32	19	26	3.72	1.03
4	After an assessment has been done I always had a discussion meeting with my supervisor to review my performance.	3	4	9	12	16	22	19	26	27	36	3.78	1.19

SD = Strongly Disagree, D = Disagree, NAD = Neither Agree nor Disagree, A = Agree, SA = Strongly Agree

Source: Survey questionnaire 2021

Item one of the above table indicate that 61% of the respondents responded that they have got given a chance to evaluate their performance in a self-appraisal process based on the agreed plan, 12% have been detached and the rest 27% have disagreed on it.

According to the literature if each employee and manager have a chance to make an evaluation and had meaningful communication about the anticipated result it'll be smooth for a manager to genuinely and ethically examine how properly an individual had accomplished the assignment. Employees taking part within the assessment stage will bring about the provision of applicable data, ensures buy-in from the users of the system, reduces doubts and worries, reduces confrontation to amendment, and generates dedication to the system. In respect to, Dashen Bank has done a lot but still it is not enough to make the performance management system process smooth and free from bias.

Item two refers to a question about having a user's data while evaluating a employee. therefore, 4% of the respondents responded that their manager did not ask their peer's opinion about their performance at the same time as evaluating employee's performance, 23% don't have any idea whether there's such practice or not, and 73% of the respondents have witnessed that there is a practice of asking peer's opinion before rating an employee's performance. The data gathered from the interview showed that as a procedure there is a 360° feedback collection policy to use as an input for rating employee's performance and the management would also believe that this has been done in every department before performance assessment and rating had been done.

Based on literature 360° feedback broadens the perspective on evaluating an individual through using multiple information sources which help to find the outcomes more convincing than a conventional assessment from a single manager's attitude, enhance staff performance, and make sure enterprise goals are attained, and perceive areas of difficulty that requires management's devotion. The accuracy of the assessment is relying on the excellent information accumulated. Performance information is obtained thru observations of behaviors or, less preferably, through inferring behaviors thorough understanding of outcomes. With this in mind, the above information displays us there's a lack of uniformity within departments /branches in Dashen Bank on using 360° feedback at the practice of comparing employees for the performance they've shown all through the particular period.

Item three of the above table is concerning the rating errors which lead a supervisor to be biased. Thus, a total of 58% of the respondents agreed, 25% seem to be indifferent and 8% disagree with the idea. Here the majority of the respondents believe that their supervisors are biased by different reasons when they assess employee's performance. In literature, we can find distinctive sorts of rating mistakes and amongst them the inclination to rate people within the middle of the scale, a preliminary effective or bad judgment by supervisors which distort the real performance, generalizing one aspect of an individual performance to all areas of his/her performance and generalizing across the organizations and ignore individual variations are the most regular errors that make a supervisor to be biased on individuals performance. Therefore, from this aspect and data shown above Dashen Bank has done not much in eliminating these errors.

The fourth item from the above table targeted the discussion between supervisors and employees after assessments were completed. As a result, respondents who are 16% and 22% replied as disagree and neutral respectively. The remaining 62% of them agreed that when an evaluation has been made they talk with their supervisors at the exhibited performance to be base for the following performance. From this, we can keep in mind that still Dashen Bank has carried out little in growing a way of life of giving feedback constantly and additionally after the completion of the performance appraisal period. Comments in the direction of goals and training to enhance performance have to be furnished often, and actually, earlier than the review cycle is over. most significantly giving feedback allows employees to be knowledgeable about how properly they are doing, to acquire data on particular areas that can need improvement, and to find out about the company's and the supervisor's expectations and what components of work the supervisor believes are most essential. Getting feedback will allow employees to recognize how they are performing and that they can also actually recognize what all of them are seeking to achieve the strategic goals that satisfy the vision and mission statements.

4.2.5. Performance Review

On the other hand performance review is the meeting among the manager and the employee to check their evaluation and to be on the same page about the employee's performance. This meeting is generally known as the appraisal assembly or dialogue. The appraisal meeting is vital as it presents a proper setting wherein the employee gets feedback on his or her performance. For this reason, the researcher tried to forward the subsequent question concerning performance review and discovered the result that is presented underneath.

Table 9: Respondent's Opinion on Performance Review

No	Statements	SD		D		N		A		SA		Mean	STD
		F	%	F	%	F	%	F	%	F	%		
1	The discussion I had with my supervisor is focused on the contribution I made, the capability I have, and on m continuous development.	2	3	2	3	1	1	49	66	20	27	4.12	0.79
2	Performance Management System in Dashen Bank brings massive work and consumes much time.	0	0	3	4	37	50	25	34	9	12	3.54	0.76
3	The introduction of the Performance Management System changes the way I do my job hence, it creates confusion.	9	12	5	7	19	26	32	43	9	12	3.36	1.17
4	The existing PMS in Dashen Bank is an irritating process so it's better to have another simple tool.	2	3	34	46	15	20	11	15	12	16	2.96	1.18
5	Performance Management System is important for the success of me and Dashen Bank, thus it is good to have.	2	3	1	1	9	12	50	68	12	16	3.93	0.76

SD = Strongly Disagree, D = Disagree, NAD = Neither Agree nor Disagree, A= Agree, SA = Strongly Agree

Source: Survey questionnaire 2021

Concerning the primary question at the above table, many of the respondents 93% of them are agreed that the dialogue they had with their supervisors is genuinely targeted on the contribution they made, a capability they'd and the weaknesses they confronted which need to be improved for the non-stop improvement, 1% of them would like to be impartial which results in announcing they do no longer discuss with their manager and the rest 6% of the respondents completely disagree on the issue. Consistent with the literature when having a performance review discussion, it is satisfactory to maintain the discussion targeted at the individual's performance which leads him/her to carry out higher in the future. right here it could be visible that although the majority of the respondent's supervisor has accomplished an outstanding activity through emphasizing their dialogue for the supposed purpose however there are still a few who makes the discussion irrelevant which cannot be able to identify the possible strengths to keep it up and weakness to propose a

solution and yet some of them are not willing to conduct the discussion at all.

The next four questions were focused on employee's attitudes towards the existence of a performance management system in Dashen Bank. The outcome indicates that although a few of the participants are in favor of having such kind of system for the development of individuals, teams, and organizations but majorities of the respondents have a negative attitude about the introduction and practice of performance management. They do no longer believe that first, it aims to encourage employees and a mode of communiqué rather it is implemented because it is the current view of management, second it brings massive work and consumes much of their time, thirdly it creates confusion and lastly it is an irritating process.

For a system to be operative the mindset of its implementers is the most essential input. Without believing and taking possession of one system it is going to be tough for a company to get the preferred outputs from the system. If the introduction of a performance management system in Dashen Bank is supposed to achieve success as Dashen Bank needs, this isn't enough in making employees trust in it, to make them active contributors, to allow them to take possession of the system and take the business enterprise where it desires to be. Sufficiently has to be accomplished in converting the mindset and perspective of employees in the direction of the system because it could be very tough to get the preferred goal having not to mention most people of the staff but a single employee who thinks the system is a waste of time.

4.3.Challenges of Implementation of PMS in Dashen Bank

Finally, respondents have been requested about the fundamental challenges they've confronted while implementing a performance management system that is introduced by Dashen Bank. The majority of the respondents have faced similar challenges which are:- challenges faced related to cascading the objective of the company to department/branch and individual level, making plans list of activities which ought to be accomplished over the period, acting the planned assignments at the same time as executing performance because of unplanned activities, getting ready reports which takes a lot of employee's time about the works which have been done, being stressed about the whole system, lack of better executives and supervisors dedication to assisting employees to perform higher, a number of the usual used for measuring performance is unrealistic, bias because of special situations, confined participation of employee's within the system, bad improvement possibilities for employees, lack of correct facts while measuring employee's performance, problem on measuring habitual works, lack of training and sharing of experience for the higher-end result, lack of truthful

workload task, trouble in watching and documenting employee's every day performance, lack of well-timed feedback about the strength and weak point of a employee to fill the found knowledge gap to get employees with the preferred know-how, skill and abilities have been the principal challenges faced to the respondents, also the system is not automated and manual based, so it is difficult to measure it and it was not free from subjective judgment.

4.4.Discussion

The general objective of the study was to assess the Practices and challenges of the performance management system in Dashen Bank. Earlier research suggests that there are different benefits of performance management. According to, Chompukum, Pachsiry (2007), their study stated that many Banks in Thailand are dynamically implementing performance management systems to help them had better manage their employee's performance and in turn, it affects organizational performance. Still, other studies were clearly mentioned the gaps of performance management system practiced by different organization such as lack of giving continuous feedbacks, organization goals are not fully aligned with department and individual level, lacks of a fair performance measurement procedure, lack of trust and continuity of the system, lack of training to improve performance, subjective supervisor assessment, absence of performance evaluation on time, lack of PMS software(Abiyou Goshu (2015) Melat Yilma (2014), Mbugua, Waiganjo & Njeru (2015),Pandelani Harry Munzhedzi (2011), Yoseph Muluneh (2015), Selamsew Tesfaye (2015) Kebr Hailu (2016), and Tigist W/Michael (2019).

The results from this study seem consistent with previous testing done on similar subjects. From this study, it has been mentioned that Dashen Bank has left out the significance of the involvement of employees within the performance planning process of the performance management system. Regarding the practice of performance assessment in Dashen Bank problems like rating employees primarily based at the matters that they have been no longer knowledgeable about, inaccuracy of the rating obtained, the lack of ability of employee's to evaluate their performance and feature a dialogue with their manager which allows them to assess themselves wherein they're and in which they need to be with in the future and excessive level of bias from supervisors had been recognized as a major gap. Furthermore, the failure of getting a software program that enables to have information about employee's performance and reporting their status in addition to automating the performance management system at this level is also another problem. This hinders the PMS system from offering the anticipated output on performance facts reporting and usage.

Chapter Five

Main Findings, Conclusions, and Recommendations

This chapter focuses on the summary of the major findings of the research questions, conclusions, and recommendations forward in light of the appropriate literature developed by scholars and responses of the study participants.

5.1. Main Findings

According to the data analysis presented in the previous chapter, there had been both good and bad findings regarding the implementation of the PMS by Dashen Bank. The good points of Dashen Bank include; clarification of the system, work units and employee's notice about the vision and mission of the Dashen Bank, and employee's awareness on individual obligation and team and organizational anticipations.

Then again, the undesirable findings acquired from respondents that want the devotion of Dashen Bank management and supervisors are discussed as follows:

- ❖ The majority of the respondents confirmed that the departmental and employee goals were not fully aligned with organizational goals.
- ❖ Employees answered that there's limited participation of staff in performance planning which results in a bad mindset on the strategic plan.
- ❖ From the research, it becomes additionally make out that most of the respondents did no longer have a chance for a joint agreement at the requirements of performance measures with their supervisors which help them to recognize with what rate they are going daily to be assessed.
- ❖ The majority of the respondents stated that there is no chance for them to set an individual development plan in consultation with their supervisors.
- ❖ Employees aren't similarly informed when there is a change in organizational objectives that impacts their work unit and individual objectives and their goal is not adjusted in step with the new organizational objectives.
- ❖ Most of the respondents declared that they did not get a chance to evaluate their performance and require a discussion with their supervisors to understand wherein they stand in their own eyes.
- ❖ There has been a lack of uniformity in collecting information regarding employee's performance from diverse sources which includes peer evaluation and 360-degree feedback before making an evaluation.

This indicates a few departments/branches firmly use the system of gathering records regarding an employee through diverse sources however some of them have now not commenced yet.

- ❖ In the performance assessment stage due to different reasons, there is an extreme level of bias from supervisors while scoring an employee's performance which will affect the actual performance of an employee.

5.2. Conclusions

Performance management is a process for setting up a shared understanding of what's to be completed at an organizational level. It includes the alignment of organizational goals with the individual's agreed measures, abilities, competency necessities, development plans, and the delivery of outcomes. The point of interest is on performance improvement thru mastering and improvement to attain the enterprise strategy of the company. Generally, performance management integrates a large number of factors that contribute to the effective management of human resources.

Performance management is a systematic process that a supervisor can use to get the group participants to attain the team's targets and goals, enhance standard group effectiveness, increase performance abilities, evaluate and investigate group and individual performance, and reward and motivate. Effective performance management calls for the identity of obligations and accountabilities, definition of talents essential to be successful in a position, making sure that group participants have the specified skills, having in place a system to increase abilities, offering well-timed feedback on how successfully the group members are making use of their respective competencies to perform their obligations and achieve the desires and worthwhile and motivating effective performance. If performance does no longer meets established requirements, the supervisor must recognize and made a corrective act and approach that could help enhance employee performance.

From this study, it has been mentioned that Dashen Bank has left out the significance of the involvement of employees within the performance planning process of the performance management system. Primarily based on the portions of evidence acquired from the analysis, employees claimed that they are no longer taking part in performance planning. Further, respondents did not have a chance to a joint agreement on the requirements of performance measures with their supervisors and the lack of setting an individual development plan is one of the troubles within the planning process. This is why employees are not aware of the performance assessment objectives and performance requirements as well as the importance of getting an agreed individual development plan.

Regarding the practice of performance assessment in Dashen Bank problems like rating employees primarily based at the matters that they have been no longer knowledgeable about, inaccuracy of the rating obtained, the lack of ability of employee's to evaluate their performance and feature a dialogue with their manager which allows them to assess themselves wherein they're and in which they need to be with in the future and excessive level of bias from supervisors had been recognized as a major gap.

Furthermore, the failure of getting a software program that enables to have information about employee's performance and reporting their status in addition to automating the performance management system at this level is also another problem. This hinders the PMS system from offering the anticipated output on performance facts reporting and usage.

Irrespective of the above-noted susceptible points on planning, assessment, performance measure, and automation, the accomplishment observed in the remaining areas which include properly-described mission, vision, and core values, properly described of the performance management system, recognized customer value propositions, surely developed strategic map become notably the strong accomplishments that Dashen Bank crafted from the performance management system and it is in line with the building and implementing manual set through different authors at the performance management system.

As a result, because irrespective of the type, size, and objective of a company, an performance management system is a globally current practice all over the globe that allows the business enterprise, team, and individual to be more effective in their daily activities to result in the desired goal and for the successful growth and improvement of each, one can finish that although Dashen Bank has some desirable features in enforcing performance management system, however, a lot has to be made in making the performance management system to be more beneficial for the company.

5.3. Recommendations

Through considering the major findings of the study and the conclusions are drawn, some efforts have been made to forward viable recommendations through the researcher for the attainment of a higher-end result out of the performance management system in Dashen Bank.

- ❖ To have a successful performance management system and additionally to attain the preferred goal of the company, the employer's goal should be cascaded to department/branch level and individual level, to align it well by way of revising the job description of each activity very well.

- ❖ Performance planning should no longer be usually a sole activity of supervisors and higher officials however encompass the active involvement of employees throughout the design and implementation of the plan as it is an important detail of the performance management system to make sure achievement. In addition, Dashen Bank has to create a situation in which employees can put together their own SMART goals, participate in the dialogue, and take possession of the plan agreement.
- ❖ To change the mindset of the employee's about the implementation and process of the performance management system, Dashen Bank has to prepare training for employees to recognize about the benefits of the performance management system, why assessment is needed, for what reason does it serve, and the assessment approaches and components and instruments of the process of performance management. When it comes to managing the performance of employees, all staffs have the same stakes of duty and responsibility to the improvement of the company.
- ❖ Dashen Bank should create room for the practice of setting goals and requirements of performance measures based on mutual agreement among employees and manager and let employees agree on the goals they are anticipated to attain and the requirements which they will be evaluated. The act of mutually setting goals and standards will offer a clear course in the form of increasing effort, endurance toward goal accomplishment and have a few motivational advantages
- ❖ Dashen Bank has to create a possibility for employees to set their plans with the agreement of their manager as they're without delay accountable to execute a realistic and achievable development plan to gain the preferred intention. Setting up an individual development plan will even assist employees to build up their abilities and knowledge before or at some stage in the execution of performance to reduce the information and know-how gaps to be exhibited throughout the performance assessment.
- ❖ When there's a change in an organizational goal each one of the employees starting from the lower level to the higher level has to be informed about the change and the reason, modifications must be made by way of cascading the new organizational goal to the departments/branches level and individuals' level accordingly.
- ❖ In the performance assessment stage, Dashen Bank ought to allow employees to recognize what is to be assessed and how it is to be assessed who should be within the administration of an employee and at the agreed points throughout the planning stage. This could assist to reduce

employees' defensive conduct no longer just accept the assessment result due to the fact the assessment is primarily based on what they are responsible for.

- ❖ Dashen Bank has to fully put into effect the practice of self-appraisal and peer's appraisal throughout the employees. Literature mentioned that it is right to have a couple of sources to gain accurate information about an employee's performance as opposed to sticking only with the manager's feedback at the same time as rating. This could help the company to have extra sources of information about an employee's performance to build up the strength and compensating for the determined weaknesses.
- ❖ To have enough information about employee's performance and reporting their status in addition to having the anticipated output on performance information reporting and utilization, Dashen Bank ought to have a performance management software program to make the process more flexible and reliable and also to reduce the possible bias from supervisors.
- ❖ Finally, still, a few factors of personal biases are unavoidable, Dashen Bank should work hard to put off elements that lead supervisors to be biased while rating employee's performance and as low as possible and Dashen Bank ought to make the assessment criteria to be very objective and conduct the assessment at the proper time.

Eventually, Dashen Bank should maintain all its present strengths, and reduce the obstacles stated above to come across future uncertainties.

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Appendices

St. Mary's University, School of Graduate Studies

Questionnaire

Dear Respondents,

The purpose of this questionnaire is to collect primary data for conducting a study on the title of “**Assessment of the Practices & Challenges of Performance Management System in Dashen Bank**” as partial fulfillment of masters of art in Business Administration at St. Mary's University. In this regard, I kindly request your time to provide me reliable information to meet the intended outcome of the study findings. I assure you of the confidential handling of your response.

Instructions

- Put a tick mark on the box provided(√)

Part I – General Information

1. Gender:

(A) Male (B) Female

2. In which age group do you fall?

(A) Less than 20 Years (B) 20-29 Years (C) 30-39 Years

(D) 40- 49 Years (E) 50 Years and above

3. What is your highest educational level:

(A) Certificate (B) College Diploma (C) BA/BSC Degree

(D) Masters (E) Other

4. Years of service in Dashen Bank:

(A) Less than 1 year (B) 1 - 3 years (C) 4 - 6 years

(D) 7 - 9 years (E) More than 9 years

5. In which department/branch are you currently working?

6. What is your current position in the department/branch? _____

7. To which category does your position fall?

- (A) Managerial (B) Supervisory
(C) Professional (D) Other support staff

Part II Purpose of Performance Management System

1. Do you think Performance Management System is clearly defined in Dashen Bank?

- (A) Yes (B) No

2. If No, what do you think is the reason?

3. Are you aware of the purpose of the Performance Management System which is implemented by your organization?

- (A) Yes (B) No

4. If yes, what is the purpose of having a Performance Management System in Dashen Bank?

5. The purpose of the Performance Management System applied in Dashen Bank is to:

(More than one answer is possible)

- A. To get a better result.
- B. To establish a culture in which individuals and groups take responsibility for the continuous improvement of the organization.
- C. To provide employees with information about how they are perceived in the organization and where they stand.
- D. To determine who gets promoted and salary increment
- E. To facilitate layoff or downsizing
- F. Other _____

Part III. Performance Planning

Note: Performance Planning is a stage where the supervisor and the employee meet together to discuss and agree on what will be done for the future and how it should be done. Therefore having this in mind please rate your level of agreement or disagreement for the following questions.

S.No.	1= Strongly Disagree, 2= Disagree, 3= Neither agree nor disagree, 4= Agree and 5= Strongly Agree	1	2	3	4	5
1.	I know the strategic objective of Dashen Bank.					
2.	I know clearly about my department/branch's strategic objectives.					
3.	My department/branch goal is aligned with the strategic mission of Dashen Bank.					
4.	My individual goal is aligned with the strategic objective of my department/branch as well as the organization.					
5.	My department/branch objective is realistic and attainable.					
6.	I know about what my job responsibilities are and what is expected from me.					
7.	In Dashen Bank goal setting is carried out with discussion between the employee and the supervisor.					
8.	While setting a goal my supervisor tells me the expectation he/she has from my performance.					
9.	I am informed and reach an agreement with my supervisor about the standards that will be used to evaluate my work.					
10.	My supervisor and I reached an agreement about my development plan to enhance my performance.					
11.	The goals set for me support achieving the strategic objective of the department/branch as well as the Bank.					

Part IV. Performance Execution

Note: Performance Execution is getting the job done by achieving the objectives. Therefore having this in mind please rate your level of agreement or disagreement for the following questions.

S.No	1= Strongly Disagree, 2= Disagree, 3= Neither agree nor disagree, 4= Agree and 5= Strongly Agree	1	2	3	4	5
1.	Dashen Bank provides sufficient resources to execute my job properly.					
2.	I have received feedback regularly about my performance from my supervisor.					
3.	I am always informed about a change in organizational goal and the initial goal set by me and the supervisor is also updated accordingly.					
4.	I always get support from my supervisor while I face challenges in performing my day-to-day activities.					
5.	There is a midterm review between my supervisor and me regarding my performance in the past months.					
6.	My organization tries to improve/address problems that affect my performance.					

Part V. Performance Assessment

Note: Performance assessment is conducted with the interaction of employee and supervisor for evaluating the extent to which the desired behavior and results are met during the specific period of performance review. Based on these purposes please rate your level of agreement or disagreement for the following questions.

S.No.	1= Strongly Disagree, 2= Disagree, 3= Neither agree nor disagree, 4= Agree, and 5= Strongly Agree	1	2	3	4	5
1.	I have been given a chance to assess my performance (self-appraisal method) based on the agreed plan.					
2.	Always my supervisor gathers information about my performance from my peers or subordinates while assessing my performance.					
3.	When my supervisor assesses my performance he/she is biased for different reasons.					
4.	After an assessment has been done I always had a discussion meeting with my supervisor to review my performance.					

Part VI. Performance Review

Note: Performance review is the meeting between the employee and the manager to review their performance assessments. Based on this purpose please rate your level of agreement or disagreement for the following questions.

S.No	1= Strongly Disagree, 2= Disagree, 3= Neither agree nor disagree, 4= Agree, and 5= Strongly Agree	1	2	3	4	5
1.	The discussion I had with my supervisor is focused on the contribution I made, the capability I have, and my continuous development.					
2.	Performance Management System in Dashen Bank brings massive work and consumes much time.					
3.	The introduction of the Performance Management System changes the way I do my job hence, it creates confusion.					
4.	The existing Performance Management System in Dashen Bank is an irritating process so it's better to have other simple tool.					
5.	Performance Management System is important for the success of me and Dashen Bank; therefore it is good to have PMS.					

Part VII. Challenges of Performance Management System

1. Which steps of the performance management system do you find challenging and what makes it challenging?

2. What are the major challenges you faced as a result of Performance Management System?

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Interview Questions to be Administered to the Branch Managers

The purpose of this interview is to collect primary data for conducting a study on the title, **“The Practices & Challenges of Performance Management System in Dashen Bank”** as partial fulfillment of masters of art in Business Administration at St. Mary's University. In this regard, I kindly request your time to provide me reliable information so that the findings of this study would meet the intended outcome. I strongly assure you of the confidential treatment of your response. I would like to thank your voluntary participation in the success of my research study in advance.

Interview Questions

1. Do all employees informed about the mission and vision of Dashen Bank?
2. Does the specific job performed by an individual is linked with the strategic objective of Dashen Bank?
3. Were employees of Dashen Bank properly communicated about Performance Management System; why it is needed by Dashen Bank, and the possible changes it could bring to the individual, the team as well as the Bank?
4. Does Dashen Bank successfully handle the planning, execution, assessment, and review processes of the Performance Management System? If yes, how and if not why?
5. What were the major objective/expected/ outputs set by Dashen Bank from Performance Management System?
6. Does Performance Management System bring the desired outcome to Dashen Bank? If yes, discuss how tangible results were observed?
7. Could it be possible to say that Dashen Bank has successfully implemented Performance Management System?
8. Which of the four steps of the Performance Management System did you find challenging? And why?
9. Do you have any other comments or suggestions regarding Performance Management System at Dashen Bank?