



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

**THE EFFECT OF PERFORMANCE MANAGEMENT ON EMPLOYEE
MOTIVATION: THE CASE OF EAST AFRICA BOTTLING SHARE
COMPANY, ETHIOPIA**

**BY:
BELACHEW MULUGETA FELEKE**

**JUNE 2022
ADDIS ABABA, ETHIOPIA**

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LIST OF ACRONYMS

PP = Performance Planning

EI = Employee Input

OF = Ongoing Feedback

PER = Performance Evaluation and Review

EM =Employee Motivation

EABSC = East Africa Bottling Share Company

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ABSTRACT

The study's goal is to determine the effect of performance management system on employee motivation. In this study, the researcher drew on both primary and secondary data sources. Primary data was gathered through questionnaires, and secondary data for the study was gathered by referring to relevant reports and documents from within and outside the organization. The researcher used a descriptive research design to accurately and economically describe the practices and challenges of the performance management system, as well as to demonstrate its impact on motivation. Out of the 454 employees in the sample frame, 213 are part of the target population who will be sampled. The researcher used a simple random sampling technique to obtain a representative opinion from the population. The researcher also used regression and correlation tools to examine the variables' relationships. According to the correlation analysis results, all relationships between the dependent and independent variables are positively and significantly correlated. Employee motivation has been found to be more influenced by performance management. The findings show that there is a clear relationship between motivation and employee performance, and that motivated employees produce better results.

It is suggested that the company establish performance standards for each job level and conduct performance reviews on a regular and ongoing basis based on those standards. Furthermore, appropriate and practical training aimed at increasing line managers' knowledge of performance management should be prioritized in the human resource department's periodic training and development plans.

CHAPTER ONE

INTRODUCTION

This chapter presents the background of the study; the statement of the problem; research questions; both general and specific research objectives; the significance of the study; scope of the study; limitations of the study; and the organization of the study.

1.1. Background of the study

The trend in the business environment, as well as the pursuit of operational excellence and the need to improve employee performance, has led organizations to place a premium on performance management systems in order to boost employee productivity (Inyang 2008). Organizations, whether defined as socio-technical, political, or rational systems, are increasingly demanding superior skills, operational capability, higher productivity, and improved work-related attitudes from their employees. According to Krett (2000), these demands necessitate the establishment of an effective performance management system as a pre-requisite for evaluating employee performance to ensure standard conformity.

Every organization's success (accomplishment) is largely determined by the workforce it employs. Employees are the primary and unique resource that organizations use to achieve their objectives and goals. To gain a competitive advantage in today's highly competitive and rapidly changing work environment, organizations must acquire and retain the appropriate number of competent employees. Organizations must develop a human resource system and human resource management practices capable of winning the hearts and minds of employees over competitors in order to acquire and retain qualified personnel. Human Resource Management practices are key determinants of whether employees believe they are treated fairly because they have a large influence on work attitudes (Armstrong, 2009).

Employee motivation is increased by: encouragement, fair pay, incentives, special allowances, respect, trust, quality of supervision, adequate working relationships, joint decision making, appreciation, opportunities for growth, organizational loyalty, identification and fulfillment of their needs, recognition, empowerment, inspiration, importance attached to their job, safe working conditions, training, and information availability (Aguinis, 2009).

According to Armstrong (2009), performance management is a systematic process for improving organizational performance through the development of individual and team performance. It is a method of improving results by comprehending and managing performance within a predetermined framework of planned goals, standards, and competency requirements.

According to Rajesh and Nishant (2013), performance management is a broad term that entails recognizing and acting on performance issues at all levels of an organization, including individuals, teams, and departments, as well as the company itself. These concerns include, among others, leadership, decision-making, motivation, fostering innovation, and taking risks. A company with an effective performance management system is more likely to meet its goals and objectives than one that does not. This demonstrates the significance of performance management and its impact on employee motivation to work. As a result, there must be a balance between organizational goals and the personal goals of employees in order for them to achieve the level of performance expected of them while also satisfying their own personal goals and needs (Bailey, 1993).

Many industry leaders believe that motivation, rather than ability, is the key to improving staff performance and productivity in any area. According to Bateman and Snell (1996), motivation is the force that energizes, directs, and sustains a person's efforts toward achieving a goal. Given the ability and adequate understanding of the job, a highly motivated individual will work hard towards the achievement of organizational goals. As a result, the challenge for today's management is to implement motivational programs that encourage employees to improve their work performance and productivity. To that end, modern-day managers of companies in the soft drink industry are implementing various types of motivational packages not only to retain employees but also to help them achieve a competitive advantage in the market.

According to an empirical research that was done on a certain bank to study the impact of motivation on employee's performance by Ukaejiofo Rex Uzonna determined that growth opportunities and challenges have a positive effect on a person's motivation in the work place. The survey suggested that people prefer recognition associated with the job. A worker derives a sense of self-worth in the process of performing the job and, upon completion of that job, a sense of accomplishment. Studies have shown that satisfied workers are more productive. What the empirical research has found is that when it comes to bringing out the best performance of

employees, growth opportunities and challenges, recognition and non-cash rewards are more effective motivators than money.

Dr.SunithaKumaran and Dr.P.Sangeetha B.E. conducted an empirical study on the "Impact of employees' perceptions toward performance management systems on employee motivation and job commitment" and discovered that performance management can be productive, threatening, dreaded, and reassuring. They may be given to achieve a variety of organizational objectives. Supervisors or appraisers with diverse management experience and skills are more likely to deliver performance management. Employee performance evaluation, which may be objectively or subjectively perceptually biased, is frequently perceived as a necessary event in today's public and private sector organizations. The study concluded that the performance management system has a significant impact on employees' regular performance, which ultimately leads to increased organizational effectiveness.

The East Africa Bottling Share Company's mission is to continuously increase profitability and long-term unit case sales of Coca-Cola products by satisfying new and existing customers through excellent market execution and an increasing return on investment. The company is working hard to achieve its vision of becoming one of the world's best bottlers in terms of product quality and packaging standards. This study will look at East Africa Bottling Company's performance management and the impact it has on employee motivation.

1.2. Statement of the Problem

Performance management is vital for a company because it ensures that people are working hard to help the company achieve its mission and objectives. Employee performance is managed through performance management, which sets goals for employees and pushes them to work hard in ways that the company expects. Furthermore, a performance management system provides a comprehensive and professional management approach for firms to evaluate their workers' performance results. Employee performance can be predicted, evaluated, and rewarded. According to Macky and Johnson (2000), the focus of a performance management system should be on constantly improving organizational performance through improved individual employee

performance. As a result, employing a performance management system to improve employee performance is a good strategy to boost organizational performance.

Companies must now think and act worldwide in order to align their strategy with the rapidly changing environment and fierce competition for the most important resource, human capital. Other resources are easily imitated by competitors, while human resources are distinctive and a source of long-term competitive advantage. Job satisfaction of employees indicates a staff that is motivated and devoted to high-quality performance, which will result in enhanced productivity, measured by the quantity and quality of output per hour worked, which appears to be a by-product of improved working conditions (Lalita K, 2013).

People are motivated when they believe that a particular course of action will result in the achievement of a goal and thus a valuable reward—one that meets their needs and desires. Armstrong (2009). Only when employees are motivated toward appropriate goals does the likelihood of organizational success increase. Because employee motivation affects productivity, organizations, particularly line managers, must understand what motivates employees to perform at their best. Claydon and Beardwell (2007).

Several studies have been conducted to investigate the impact of performance management on employee motivation. Chaponda (2014) conducted a case study on the impact of performance management on employee motivation in a Nairobi-based slum-based non-governmental organization. The study established that performance management is important in employee motivation and has helped improve job performance because it identifies performance management problems and how to improve employee productivity and motivation. Kamiti (2014) conducted a descriptive study on the impact of performance management on civil servants at the Tourism Directorate. According to the findings of the study, performance management is an important factor that contributes to employee motivation. The more transparent and objective performance management is in government offices, the more motivated employees will be. Furthermore, Rajesh and Nishant (2013) discovered that a performance management system assists employees in aligning their individual goals with the employee goals and achieving meaningful outcomes. Zhang (2012) investigated the impact of performance management on employee motivation and discovered a positive but insignificant relationship.

Many of the studies on the impact of performance management on employee motivation in organizations have failed to explain how performance management affects employee motivation

in those organizations. This study aims to fill existing knowledge gaps by attempting to answer the question, "What is the effect of performance management on employee motivation at East Africa Bottling Share Company?" As a result, studying the effectiveness of the performance management system and the impact it has on the employees' motivation at East Africa Bottling Share Company is critical in order to determine the direct correlation it has with achieving organizational goals and gaining a competitive advantage in the soft drink industry, which is the primary reason for conducting this research.

1.3. Research Questions

1. What effect does performance management have on employee motivation?
2. What does the current performance management system look like and how is it implemented?
3. How does the current performance management system influence employee motivation?
4. What are the existing knowledge as well as attitude of employees when setting their goals and objectives in an outcome-based mechanism?

1.4. Objectives of the study

1.4.1 General objective

The general objective of this study is to investigate the effect of performance management on employee motivation at East Africa Bottling Share Company.

1.4.2 Specific Objectives.

1. To determine what effect the current performance management system has on employees' motivation
2. To assess the practice of the existing performance management system at East African Bottling s.c. and how well it is integrated with the organizational and other human resource functions.
3. To determine how does the current performance management system influence employee motivation?
4. To evaluate employees' and line managers' overall knowledge and perceptions of the current performance management system.

1.5. Significance of the Study

The findings of this study will benefit the organization by providing information about the current level of employee motivation related to the performance management system and how the performance management system is critical to incorporate as a means of enhancing employees' performance in the organization as well as increasing motivation in the workplace. It also provides insight into the impact of the current performance management system, allowing the organization to take appropriate action to solve the problem.

Even highly skilled employees' effectiveness will be limited if they are not motivated to perform. Employee motivation can be influenced by performance management by encouraging them to work harder and smarter. According to Bailey (1993), the contribution of even a highly skilled and motivated workforce will be limited if jobs are structured in such a way that employees, who presumably know their work better than anyone else, are unable to use their skills and abilities to design new and better ways of performing their roles.

As a result, we now understand the impact that a performance management system can have on the overall goals and profit of a company. Understanding this will assist the company in determining what it needs to do to improve the system's effectiveness and enable it to achieve its organizational goals. In summary, the study will be significant in the following ways:

- It will allow the company to identify existing gaps in order to develop an effective performance management system that is aligned with the company's strategy.
- It will be used to assess the company's existing performance management system in terms of its motivational function, as well as to work on the system's weaknesses in order to improve it.
- The study will provide pertinent information for concerned organs at various levels of management, human resource departments, and labor unions to comprehend the significance of an effective performance management system and its impact on employee motivation.
- This study will be useful to academics and researchers who are interested in conducting similar research. The study will assist them in comprehending the impact of a performance management system on employee motivation.

1.6. Scope of the Study

Other human resource functions that have an impact on employee motivation would have made the study more comprehensive. However, due to time constraints, the scope of the study is limited to one of the human resource functions, the performance management system, and its effect on employee motivation. Furthermore, while other factors could be considered to determine the effectiveness of a performance management system, this study is limited to evaluating it based on four factors, which are: performance planning, employee input, ongoing feedback, and performance evaluation and review, which are all part of the process.

The study was limited on one organization, East Africa Bottling Share Company Addis Ababa manufacturing plants, due to the difficulties to cover all branches of organization throughout the country regarding with limited time and scarce resource.

This study is also restricted to semi-professional and professional employees working in the Addis Ababa plant. As a result, because this paper focuses on evaluating the performance management system and its impact on employee motivation, the researcher takes respondents with the necessary knowledge, experience, and ability to respond to the research questions. The research only included permanent employees of the company because the performance management system is not in place for temporary and part-time workers, so their opinions will not be known.

1.7. Limitation of the Study

To examine the true effect and impact of performance management, pre and post behaviors of employee reactions to performance management should be studied. For this reason, a longitudinal type of research study is required, while due to time constraints, this research only focuses on performance management's post-behavior impact on employee motivation. Other Ethiopian organizations were not included in the study due to resource constraints. As a result, it is understandable that this may have its own limitations on the study's findings. The researcher may encounter the issue of some staff from the chosen organization being unwilling to answer questions on the questionnaires. Even if some respondents accept the questionnaires, some of the spaces provided may be left blank.

1.8. Definition of key Terms

- Employee Performance-The completion, execution, or carrying out of any task that has been assigned to you.
- Performance Management- The process begins with translating the organization's overall strategic objectives into specific goals for each individual employee.
- Employee Motivation- The amount of enthusiasm, dedication, and creativity that employees bring to their jobs.
- Performance Evaluation- the process of evaluating an employee's performance in a systematic manner.

1.9 Organization of the Study

The paper consists five chapters. Chapter one introduce the background information for both the study and the company; the problem statement; the objective and significance of the study; research questions; and the study's limitations. The second chapter deals with a review of the literature gleaned from various sources. It is based on two major subheadings, one dealing with the performance management process and the other with motivations, which are the paper's two core concepts. The third chapter focuses on the research methodology and procedures, including sample size, sample description, research instruments, and methods of analysis. Chapter Four shows the survey results and explains the findings in detail, including responses and opinions from respondents. The fifth chapter states the implications of the results, as well as conclusions and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITRATURE

Any organization's success is determined by the quality and productivity of its employees. Employees are an important factor in any organization because they are the heart of the organization. Without them, organizations cannot achieve their goals and objectives. As a result, something must be done to motivate the employee to work in the organization's best interests. The organization's key aims, goals, and objectives are integrated into the performance management process and communicated through the performance appraisal process (Marchington & Wilkinson, 2005).

2.1 Review of Theoretical Literature

2.1.1. Performance Management

2.1.1.1. History of Performance Management

Every institution's success is determined by the caliber and commitment of its human resources. To ensure the continued efficiency and effectiveness of staff members, each organization must conduct employee performance appraisals on a regular basis in order to keep them in check and replace, motivate, retain, or take any other appropriate action. Organizations that use a performance appraisal system to evaluate their employees face challenges with implementation, adoption, and integration with other human resource systems (Devries, D.L., 1983).

Performance management methods have grown in popularity in recent years as a way to give a more integrated and ongoing approach to performance management than the prior, discrete and frequently ineffective merit rating or performance appraisal schemes. (Armstrong, 2009).

2.1.1.2. Definition of Performance Management

Individual and team performance is identified, measured, and developed through a continuous process that aligns performance with the organization's strategic goals (Aguinis, 2009).

Many academics have used the term performance management to describe a variety of issues. Sloltje (2000) recognizes that this term has two meanings. According to Sloltje (2000), performance management is a ubiquitous term in today's business environment, embedded in the body of knowledge of various disciplines and used at all employee levels. Performance

management is concerned with managing performance, whereas performance is defined by the Oxford English Dictionary as the accomplishment, execution, carrying out, and working out of anything ordered or undertaken. Performance can be defined as behavior, or the manner in which organizations, teams, and individuals carry out their responsibilities (Armstrong, 2001). According to McNamara (2006), performance management is a comprehensive process that sheds light on overall employee performance at the departmental and individual levels.

According to Armstrong (2009), performance management is a process that is owned and driven by the line manager in order to improve employee, team, and individual performance. According to Maina (2015), performance management is about achieving excellence in performance by striking a harmonious alignment between employees and employee objectives. It is integrated in four ways: vertically by aligning business teams and individual objectives; fundamentally, human resource integration; and individually by integrating individual needs integration (Barnard, 2003). Performance management is a process that assesses how well an organization's strategy is being implemented. According to Aguinis (2007), performance management is primarily concerned with identifying weaknesses, improving them, and establishing an individual's performance. He also claims that this process entails the alignment of critical goals with individual performance and the provision of appropriate feedback. Performance management enables managers to quickly adapt to and improve in the face of abrupt changes (Cokins, 2004).

2.1.1.3. Aim of Performance Management

The overall goal of performance management is to create a high-performance culture in which individuals and teams take ownership of the continuous improvement of business processes as well as their own skills and contributions within a framework provided by effective leadership. Performance management, in particular, is concerned with aligning individual goals with organizational goals and ensuring that individuals uphold corporate core values. It calls for expectations to be defined and agreed upon in terms of role responsibilities and accountability (what is expected to be done), skills (what is expected to be possessed), and behaviors (what is expected to be) (Armstrong, 2009). The goal is to develop people's capacity to meet and exceed expectations and reach their full potential for the benefit of themselves and the organization.

Importantly, performance management is concerned with ensuring that people have access to the support and guidance they require to grow and improve (Armstrong, 2009).

The performance management process must communicate to employees how well they have performed in relation to established goals. It is also preferable if these objectives and performance measures are mutually agreed upon by the employee and the supervisor. Without two-way feedback about an employee's effort and its impact on performance, we risk demotivating him or her. However, the issue of development is just as important as feedback. By development, we mean areas in which an employee has a deficiency or weakness, or areas in which performance could be improved through effort. A performance evaluation system would be negligent if it did not address the legal aspects of employee performance (David A. DeCenzo and Stephen P. Robbins).

➤ **Development Purpose**

The goal of performance management is to develop employees who are capable of doing their jobs well. When employees aren't performing as well as they should, performance management tries to help them improve. The feedback provided during a performance evaluation process frequently identifies an employee's weaknesses. However, ideally, the performance management system identifies not only any deficient aspects of the employee's performance but also the causes of these deficiencies, such as a skill deficiency, a motivational issue, or some obstacle impeding the employee's progress. (Noe, Hollenbeck, Gerhart, Wright, 2008).

➤ **Strategic Purpose**

According to Armstrong (2009), the other primary goal of performance management is to align individual and organizational objectives. This means that everything people do at work leads to outcomes that help the organization achieve its goals. The true meaning of performance management is associated with an approach to developing a shared vision of the organization's purpose and goals, assisting each employee in understanding and recognizing their role in contributing to them, and thus managing and improving the performance of both individuals and the organization. Alignment can be achieved through a cascading process in which objectives flow down from the top and team or individual objectives are defined in light of higher-level goals at each level. However, it should also be a bottom-up process, with individuals and teams

given the opportunity to formulate their own goals within the framework provided by the organization's defined overall purpose, strategy, and values. Objectives should be agreed upon rather than set, and this agreement should be reached through open dialogues held throughout the year between managers and individuals. In other words, this must be viewed as a collaboration in which responsibility is shared and mutual expectations are established. (Armstrong, 2009).

One of the primary ways strategies are implemented is by defining the outcomes, behaviors, and, to some extent, employee characteristics required to carry out those strategies, and then developing measurement and feedback systems to maximize the extent to which employees exhibit the characteristics, engage in the behaviors, and produce the outcomes.(Noe. Hollenbeck, Gerhart, Wright, 2008).

2.1.1.4. Characteristics of Performance Management

Agreement, measurement, feedback, positive reinforcement, and dialogue are the primary components of performance management. It is concerned with determining outputs in the form of delivered performance versus expectations expressed as objectives. It focuses on objectives, standards, and performance measures or indicators in this regard. It is based on the agreement of role requirements, objectives, and plans for performance improvement and personal development. It serves as a forum for ongoing discussions about performance as well as a continuous review of accomplishments in relation to objectives, requirements, and plans. It is, however, concerned with inputs and values. The inputs are the knowledge, skills, and behaviors required to achieve the desired outcomes. Developmental needs are identified by defining these requirements and assessing the extent to which expected levels of performance have been met through the effective application of knowledge and skills, as well as appropriate behavior that upholds core values (Armstrong, 2009).

Performance management is a continuous and flexible process in which managers and those they manage work together as partners within a framework that specifies how they can best collaborate to achieve the desired results. It is founded on the principle of management by contract and agreement rather than command and control. Rather than control or coercion, it is based on consensus and cooperation. Performance management, as opposed to performance appraisal, focuses on future performance planning and improvement. It works as a continuous and evolving process that enhances performance over time. It serves as the foundation for regular

and frequent discussions regarding performance and development needs between managers and employees. It focuses on individual performance, but it can also be used in groups. Although performance management is an important aspect of the reward system through the provision of feedback and acknowledgment, as well as the discovery of chances for growth, the focus is on development. It may be linked to pay for performance or contribution, but its developmental components are far more significant (Armstrong, 2009).

2.1.1.5. Performance Management Process

Performance management methods have risen in popularity in recent years as a way to give a more integrated and ongoing approach to performance management than the prior, discrete and frequently ineffective merit rating or performance appraisal schemes. Management by agreement or contract, rather than command, is the foundation of performance management. It stresses the creation and implementation of self-directed learning strategies as well as the alignment of personal and business goals. It can, in fact, play a critical role in ensuring an integrated and consistent set of human resource management processes that are mutually supportive and contribute to overall organizational effectiveness (Armstrong, 2009).

While research and experience have revealed some features that are required for effective performance management systems, numerous decisions must be made in order to develop a system that is tailored to the demands of a specific business. One such decision is what the system's purposes will be. Performance management systems, for example, can help with salary decisions, promotion decisions, employee development, and force reductions. A performance management system that tries to accomplish too many goals is doomed to fail due to a lack of focus and weight. There is no one-size-fits-all method or set of goals that will work for all businesses. (Elaine D. Pulakos, 2004).

One important caveat to keep in mind is that, while performance management for decision-making and employee development are undoubtedly related, these two goals are rarely supported equally well by a single system. When a performance management system is used to make decisions, the appraisal information is used to justify pay raises, promotions, transfers, assignments, force reductions, and other administrative HR actions. When a performance management system is used for development, the appraisal information is used to guide the training, job experiences, mentoring, and other developmental activities that employees will

participate in to develop their abilities. Although it is theoretically possible to have a performance management system that is useful for both decision-making and development, doing so in practice can be difficult. (Elaine D. Pulakos, 2004).

Furthermore, research has shown that the purpose of the rating (decision-making versus development) influences the observed ratings. Decision-making ratings are typically lenient, with most employees receiving ratings on the high end of the scale. Ratings for developmental purposes are typically more variable, reflecting both employee strengths and development needs. An example will show why it can be difficult to place equal emphasis on decision-making and development within the same system. This organization's managers evaluate their employees before meeting to calibrate their ratings and make reward decisions (Elaine D. Pulakos, 2004).

Managers then hold review meetings with each employee to discuss the employee's performance, pay raise, and stock option grant. The meeting is supposed to include developmental feedback. However, the range of percentage increases and stock options is broad, allowing managers to effectively link performance to rewards. With so much at stake, the majority of the meeting is usually spent justifying both parties rather than discussing how the employee can grow. The meeting's atmosphere is not conducive to giving and receiving feedback, and employees are hesitant to discuss their development needs for fear of jeopardizing their pay. Despite this organization's strong performance-based culture, the decision-making aspect of performance is given more weight by default (Elaine D. Pulakos, 2004).

2.1.2. Motivation

Motivation has been defined differently in different academic disciplines, ranging from management to psychology to allied sciences. Motivation is derived from the Latin word "movere," which means "to move," according to Kreitner and Kinicki (1998) and Ramlall (2004). According to Butkus and Green (1999), motivation is derived from the word "motivate," which also means to move, push, or persuade someone to act in order to meet a need. Mol (1992), on the other hand, distinguished between the terms "motion" and "motivation." According to Mol (1992), movement is defined as performing a task in order to be compensated or remunerated, whereas motivation is defined as a person's voluntary involvement and decision to perform a task.

According to Cole (1996), motivation is essentially about what motivates a person to work in a certain way and with a certain amount of effort. In his article on non-monetary incentives in the

workplace, Page (2008) defined motivation as the process that accounts for an individual's intensity, direction, and persistence of effort toward achieving a goal.

The desire within a person that causes that person to act is referred to as "motivation." People usually act with one purpose in mind: to achieve a goal. Thus, motivation is a goal-directed drive that rarely occurs in a vacuum. Need, want, desire, and drive are all synonyms for motive, from which the term motivation is derived. Understanding motivation is critical because it is linked to performance, reaction to compensation, and other HR concerns. Because many individual theorists have developed their own views and theories, approaches to understanding motivation differ. They approach motivation from various perspectives, with various ideas in mind and from various backgrounds. There is no such thing as the "ultimate" approach. According to Spurgeon and Harrington, (1989). Each approach has contributed to a better understanding of human motivation

Motivation has been defined as "a decision-making process by which an individual selects desired outcomes and initiates the behaviors necessary to achieve them" (Huczynski & Buchanan, 1991, in Dartey-Baah, 2010). Lindner (2004) defines motivation as a psychological process that provides meaning, purpose, and direction to behavior.

Motivation, according to Robbins (2005), is "the willingness to exert high levels of effort toward organizational goals, conditioned by the effort's ability to satisfy some individual need." A need, according to Robbins (2005), is an internal state that causes certain outcomes to appear appealing, and an unsatisfied need creates tension that stimulates drives within an individual.

Motivation was also defined by Baron (1983, in Mol, 1992) as a set of processes concerned with a type of force that energizes behavior and directs it toward specific goals. It goes on to say that not only can motivation influence performance, but performance can also influence motivation if it is followed by rewards. Carraher et al. (2006) argue that an effective reward system should be in place to retain high performers in organizations, and that the reward should be proportional to their productivity. As a result, Baron (1983) concludes that organizations could benefit from implementing total reward programs that focus on formal reward policies.

Motivation, according to Shah and Shah (2010), is the act of inspiring people to work, either individually or in groups, in order to achieve the best possible results. It goes on to say that motivation is a broad term that encompasses all drives, desires, needs, desires, and other similar forces. According to Shah and Shah (2010), managers motivate their subordinates by doing

things that they hope will satisfy their subordinates' drives and desires and induce them to act in a desired manner.

2.1.2.1. Motivation Theory

According to Armstrong, motivation theory underpins all approaches to motivation. The following are the most influential theories:

- **Process theory:** Focuses on the psychological processes that influence motivation, such as expectations (Vroom, 1964), goals (Latham and Locke, 1979), and equity perceptions (Adams, 1965).
- **Content theory:** This theory focuses on the content of motivation, stating that motivation is essentially about taking action to satisfy needs and identifying the primary needs that influence behavior. Maslow (1954) developed a needs theory, and Herzberg (1957) listed needs that they referred to as "satisfiers" in their two-factor model.
- **Instrumentality theory:** states that rewards or punishments (carrots or sticks) are used to ensure that people behave or act in the desired manner.

Theories of motivation attempt to explain why some employees act or do things differently than others. Goal Setting Theory (Lotham and Locke, 1979) and Expectancy Theory (Vroom, 1964), were used to support the study. For the purposes of this study, the researcher will only consider the following theories:

a. Goal Theory

Lotham and Locke (1979) advanced the theory by arguing that setting goals for employees can motivate them and thus improve their performance. Employees link targets to organizational goals, assessing themselves and changing their behavior to meet those targets. Performance and motivation improve when goals are specific. This also occurs when challenging but achievable goals are set and performance feedback is provided. They also emphasize that employees should be involved in goal setting in order to own them. Feedback is also important because it motivates employees to strive for great things. According to Pintrich (2004), employees set different goals in different work situations, and we cannot always assume that goals are always attainable. According to Locke and Lotham (2002), setting challenging and specific goals does not guarantee employee performance, but the achievement of those goals must be motivating. They both agree that when goals are made public and not imposed on individuals, goal commitment is likely to be high. According to Latham and Locke (1979), goal theory states that when

individuals are given specific goals, when those goals are difficult but accepted, and when there is feedback on performance, motivation and performance increase. Participation in goal setting is essential for reaching agreement on the establishment of higher goals. Difficult goals must be agreed upon, and their attainment must be aided by guidance and advice. Finally, feedback is critical for maintaining motivation, especially when it comes to achieving even higher goals (Armstrong, 2009).

According to Drummond (2000), the core of the theory is targeted action, in which employees choose objectives that allow them to meet their aspirations or needs. According to Mitchell (1997), difficult goals motivate more than easier ones; additionally, specific goals motivate more than general goals. Newstrom (2011) believes that setting goals motivates people because there is a gap to be filled between current and future performance. This creates tension, which the employee alleviates by meeting the objectives. This, in turn, increases employee motivation, competence at work, and self-esteem, all of which stimulates the desire for personal development. According to Luthans (2011), goals direct employees' behavior and direct their efforts toward specific outcomes.

Goals inform individuals to achieve specific levels of performance in order for them to direct and evaluate their actions, according to Locke, Smith, Erez, Chah, and Shaffer (1994), whereas performance feedback allows the individual to track how well he or she has been doing in relation to the goal in order to make adjustments in effort, direction, or task strategies.

The importance of goal acceptance and dedication was stressed by Erez and Zidon (1984). Demanding goals, they discovered, produce greater results than easy ones as long as they are agreed upon.

b. Expectancy Theory

Expectancy valence theory is another name for this theory. Vroom (1964) proposed Expectancy Theory, which states that people's expectations of their performance influence their behavior and the reward they seek. It contends that motivation arises from the expected performance outcome and the individual's attachment level to the outcome. Vroom believes that assessing organizational behavior is critical. He contends that people's motivation is determined by their expectations in terms of the likelihood that effort will result in performance; instrumentality, or the assumed connection between performance and reward; and valence, or the assumed value attached to the reward.

Vroom (1964) also believes that if people accept a goal's worth as true and believe they will achieve it through their actions, they will be motivated to achieve it. According to Vroom's theory, people are motivated to do anything because they place a certain value on the goal and the likelihood of achieving that goal. The theory also assists managers in comprehending the relationship between motivation, performance, and compensation. According to Vroom, motivation is based on the expectation that effort will result in performance.

c. Maslow's Hierarchy of Needs

Maslow's theory of the hierarchy of needs is one of the most widely accepted theories of motivation, and it serves as one of the foundations of the model for this study. A need is something that a person requires, and satisfaction occurs when a need is met, while motivation is the attempt to meet a need (Aldag & Kuzuhara, 2002).

Maslow (1954). Hierarchy of needs is the most well-known classification of needs. He proposed that there are five major need categories that apply to all people, beginning with basic physiological needs and progressing through a hierarchy of safety, social, and esteem needs to the need for self-fulfillment, the highest need of all. Maslow (1954) identified five levels of needs in employees and that human needs are organized in a hierarchy ascending from the lowest to the highest. Maslow emphasizes that no need can be completely satisfied and that once a need is substantially satisfied, it no longer serves as a motivator. As a result, a person seeks a higher level of need (Drummond, 2000).

Maslow proposed that lower level needs must be met before the next higher level need can motivate an employee (Armstrong, 2010). According to Maslow's conclusion, in order to meet an employee's needs, the employer must first understand the hierarchy of needs to which the employee belongs

The need level is a clear dividing point within the hierarchy in terms of the locus of the source of need fulfillment; for the lower half of the esteem stage and those needs below, need fulfillment is accomplished outside the person, through the manipulation of objects in the environment or through interpersonal contact (Armstrong, 2010). According to Aldag and Kuzuhara (2002), satisfaction occurs when needs that motivation attempts to satisfy are met.

This theory can be a helpful tool in determining the types of rewards that are likely to be effective in motivating employees. The key is for managers to remember that employees' needs change from time to time and to recognize each employee as an individual (Butkus & Green,

1999). Maslow's hierarchy is a methodical approach to thinking about the various requirements that employees might have at any given time, as well as how they might react to similar treatment. When a supervisor compliments an employee who is working to meet her esteem requirements, she may feel gratified. On the other hand, another employee, on the other hand, who is attempting to meet his social requirements, may hate being lauded by upper management in front of peers if the praise separates him from the rest of the group (Armstrong, 2009).

d. Herzberg's two- factor Model Theory

After researching the origins of job satisfaction and discontent among accountants and engineers, Herzberg et al. (1959) created the two-factor model of satisfied and dissatisfied individuals. People are considered to be capable of appropriately reporting the conditions that make them content or unsatisfied with their jobs (Armstrong, 2010).

Frederick Herzberg took an unconventional approach to the subject of motivation. By questioning individuals about what makes them happy on the job and what makes them unhappy, Herzberg arrived at the idea that people are quite different from aspects of the work environment that dissatisfy them. Factors that generate employee unhappiness were called "hygiene" factors by Herzberg because they were part of the context in which the job was performed, rather than the job itself. Company policies, supervision, working conditions, income, workplace safety, and security were all considered hygiene issues. On the other hand, motivators are job-related elements like achievement, recognition, fascinating work, greater responsibility, progression, and growth possibilities. Motivators, according to Herzberg's research, are the factors that actually motivate employees to work harder (Baumeister, 1995).

Herzberg (2003) claimed that intrinsic variables are associated to job satisfaction and extrinsic elements are related to job discontent, based on the two categories of motivators, factors that result in job satisfaction and factors that result in job dissatisfaction for employees at work. Herzberg identified two major factors that could lead to job satisfaction: motivators and hygiene factors (Herzberg, 2003). According to Herzberg, motivators are intrinsic factors that allow for psychological growth and development on the job, such as achievement, advancement, recognition, challenges, responsibility, and the work itself (Wilson, 2010; Ajila & Abiola, 2004).

2.1.2.3. Importance of Motivation

Employee motivation is a major issue in all organizations, regardless of whether they are skilled, unskilled, or professionals. Employee motivation is another major issue for businesses. In today's competitive world, it is a challenge for management to motivate employees to provide efficient and good services that customers expect. Employee motivation, as well as their enthusiastic and energetic behavior toward task completion, plays a critical role in an organization's success (Thomas Owusu, 2012).

Individual and organizational goals are accomplished through separate processes linked by employee work motivation. Individuals are motivated to achieve their personal goals, so they invest and direct their efforts toward the achievement of organizational objectives in order to meet their personal goals as well. This means that organizational goals are proportional to individuals' personal goals. The manager's job is to ensure that employees are satisfied with their work and that they are self-motivated rather than being directed. The involvement of managers in employee motivation is not as important as it once was. Employees must motivate themselves to put in extra effort.

2.1.3. Relationship of Performance Management and Motivation

According to DeCenzo and Robbins (2010), a performance management system must be able to communicate to employees how well they have performed in relation to established goals. It is also preferable for such goals and performance measures to be mutually agreed upon by the employee and the supervisor. Without proper two-way feedback about an employee's effort and its impact on performance, we risk demotivating him or her.

Employees are more motivated when they have goals and receive feedback on their progress. Although performance management systems can be quite effective in motivating employees and resolving performance issues, only a small number of organizations fully utilize the performance appraisal process. In many organizations, performance management is viewed as a strict activity that both employees and managers despise. Many experts have recommended that a poor performance management system process be eliminated entirely because the problems it can cause are so severe. Robbins and DeCenzo (2010)

According to Noe et al. (2016), an effective performance management system serves a developmental purpose by motivating employees to improve their knowledge and skills. Even employees who are meeting expectations can benefit from hearing and discussing performance

feedback. Employees who receive effective performance feedback are aware of their own strengths as well as areas in which they can improve.

In conclusion, the relationship between motivation and performance is dynamic and complex, depending on how performance is defined, the nature of the task, how performance feedback is interpreted, and the extent to which environmental factors may limit performance achievements.

2.2. Empirical Review

Naveed, Nadeem, Zeeshan, Yumna, and Qurat-ul-ain (2013) investigated the role of motivation as a moderator of the impact of performance appraisal on employee performance. The study concentrated on the effect of performance appraisals on employee performance and discovered that motivation influences the relationship between performance appraisals and employee performance. The study used IBM SPSS and Amos Software to analyze the data. The findings revealed a positive relationship between performance evaluation and employee performance. The role of motivation as a moderator in the relationship between performance appraisal and employee performance was found to be beneficial.

Okumu (2012) investigated the impact of employee performance management practices on Kenya Airways employee productivity. The study made use of an explanatory research design. The collected data was analyzed with descriptive and inferential statistics. In addition, the Statistical Package for Social Sciences (SPSS) was used to analyze the data. According to the findings of the research, 96 percent of Kenya Airways employees indicated that the organization had implemented employee performance management and sensitized its employees on the importance of employee performance management prior to its implementation through seminars and workshops. The results of the hypotheses tested revealed that goal setting, rewards and recognition, and training and development all had a positive effect on Kenya Airways' productivity.

Maina (2015) investigated the impact of a performance management system on employee performance in food and agricultural organizations. A descriptive research design was used for the study. The population of interest included 94 employees from food and agriculture organizations. A census was conducted in order to interview the entire population. A structured questionnaire was used to collect the data. The study's main finding was that employees felt there was a significant need for a performance management system at FAO. The study concluded that

employees' perceptions of performance management practices are critical in all organizations because they motivate them to achieve the goals set by the organizations. Oluwatosi (2015) investigated the impact of performance management on organizational productivity in the public sector. A survey research design was used in the study. The collected data was analyzed using simple percentages and Chi-Square (X²). The study found that, when done properly, performance management has a catalytic effect on the productivity of public-sector organizations. Based on the findings, the study concluded that performance management enables organizations to measure employees' strengths and weaknesses in relation to their contributions to the overall goal of the organization and thus recommended that government-owned institutions conduct performance evaluations on a quarterly basis to promote employees' commitment to work.

Mwema and Gachunga (2014) looked at the impact of performance appraisals on staff productivity in a few East African companies. A descriptive research design was adopted in this study. A regression analysis was used to examine the impact of performance appraisals on staff productivity. According to the conclusions of the study, firms should regularly review their employees for performance measurement purposes, using targets, accomplishments, organizational goals, time management, and efficiency, as this would lead to greater employee productivity.

Farheen, Faiza, and Syed (2014) investigated the implementation and effectiveness of Alfalah Bank's performance management system. Data was collected and analyzed using this qualitative technique.

To identify performance management issues, structured interviews were conducted with employees from Alfalah Bank's various departments. According to the research findings, the employees of Alfalah bank have been experiencing dissatisfaction with their current performance management. Furthermore, Alfalah Bank's current performance management system lacks motivation and a proper reward system.

Franklin (2015) conducted a study on the performance management system and its impact on employee effectiveness in 22 districts in Ghana's Brong-Ahafo Region. The research was conducted in the form of a survey. The study discovered a positive relationship between performance management systems and employee effectiveness, and thus concluded that if performance evaluation is effectively conducted in government-owned institutions, it will inspire

employees to be committed to their work, resulting in employee effectiveness. It was therefore suggested that organizations, particularly government-owned institutions, conduct performance evaluations on a regular basis in order to inspire their employees to work harder.

Ayandele and Isichei (2013) investigated the performance management system and employee job commitment in Nigeria using selected publicly traded companies. The data was analyzed using simple linear regression, which demonstrated the significance of the alternate hypothesis in the hypotheses tested. According to the findings, the performance management system has an effect on employees' commitment to the goals they set for themselves. According to the findings of the study, there is a positive relationship between employee participation in the design of an organization's performance management system and employee commitment to employee-set goals.

According to Aguinis (2009), modern organizations rely on their employees' competitiveness and performance. He defined performance management as a continuous process of identifying, measuring, and developing the performance of individuals and teams, as well as aligning performance with the organization's strategic goals (Aguinis, 2009). It is obvious that the performance management system would become dysfunctional if it lacked continuity, failed to identify key indicators, failed to measure anticipated performance, and could not develop performance to be in line with the organization's strategic goals. As a result, the administration of performance management systems has become a central discussion topic in every major organization that must contend with ever-changing global competition.

Various scholars have studied performance management systems in terms of reward and their effects on employee performance, and they have come to the following conclusions, among others. According to Meaza Asfaw (2017), effective performance management implementation necessitates thorough communication about the system, the process, the expectations, and the like. Similarly, Tekeba Bekele (2016, p.41) found that "the majority of (Ethiopian Airlines) employees are moderately satisfied with the clarity of performance expectations in the performance management process, the level of communication between employees and supervisors, the fairness of the performance appraisal process, and trust in supervisors."

Abebe Kassaye (2017) concluded in his study titled "The Role of Performance Management Practice on Employees' Motivation: The Case of Commercial Bank of Ethiopia" that an effective performance management system is positively related to employee motivation. He went on to say

that "a well-executed performance management process provides a powerful tool for addressing or improving poor performance issues when they are identified." (Abebe Kassaye, 2017, p.78)

Abebe Kassaye (2017) concluded in his study titled, *The Role of Performance Management Practice on Employee Motivation: The Case of Commercial Bank of Ethiopia*, that an effective performance management system is positively related to employee motivation. He went on to say that when poor performance issues are identified, a well-performed performance management process provides a powerful tool for addressing or improving them. (Abebe Kassaye, p.78, 2017).

2.3. Conceptual Framework

Motivation is concerned with a person's desires as well as his emotional state, which propels him toward achieving his goals (Mullins, 2010). As a result, the conceptual approach to motivation is based on the idea that an individual's needs or expectations lead to behavior or action that motivates him or her to achieve desired goals that provide personal fulfillment.

This study's theoretical framework was founded on the idea that the characteristics of an effective performance management system could influence motivation. The primary goal of a performance management system is to improve the performance of individuals, teams, and entire organizations. The system may also be used to help make administrative decisions, and the following factors will help the performance management system serve its purpose by making it effective. These elements are required for a performance management system to be referred to as an effective performance management system. Performance planning, ongoing feedback, employee input, performance evaluation, and review are all important factors.

2.3.1. Typical performance management system

- **Performance planning**

It's critical to review performance expectations with employees at the start of the performance management cycle, covering both the behaviors and results they're expected to achieve during the forthcoming rating cycle. Behaviors are significant because they indicate how a person approaches their work—how they assist the team, communicate, mentor others, and so on. We've all worked with individuals who produce excellent results but are difficult to deal with, unhelpful, or demonstrate maladaptive work behaviors. Behavior is vital to consider in most work environments because such behaviors can be quite disruptive. An employee, on the other hand, can be exceedingly helpful, kind, and interpersonally effective but never achieve any significant outcomes. Expectations for behavior and performance should be linked to the organization's strategic direction and corporate goals. (Elaine D. Pulakos, 2004).

- **Ongoing Feedback**

Both behavioral and result expectations should have been established during the performance planning process. Throughout the rating period, performance in both of these areas should be discussed and feedback provided on an ongoing basis. In addition to providing feedback whenever outstanding or ineffective results are found, providing regular feedback on daily accomplishments and contributions is also extremely beneficial. Unfortunately, many managers are not able to provide effective feedback, so this does not happen to the degree that it should in organizations. In fact, many managers avoid giving feedback because they don't know how to do so in a way that minimizes employee retaliation. Experienced practitioners have argued that for the feedback strategy to be successful, it must have been a two-way communication process involving managers and employees, rather than just managers (Elaine D. Pulakos, 2004).

- **Employee Input**

Employee input has proven to be effective in many organizations. It can take the form of asking employees to rate themselves on performance standards, which are then compared and discussed with the manager's ratings. However, experienced practitioners have discovered that if managers rate employees less effectively than they rate themselves, this approach and conversation can lead to increased defensiveness, conflicts, and negative feelings between employees and

supervisors. Encourage employees to produce statements of their major results or most meritorious accomplishments at the end of the rating period as an additional method of gathering employee opinion (Elaine D. Pulakos, 2004).

- **Performance Evaluation**

As with any human resource activity, performance evaluation is critical because it serves as a foundation for developing employees and recognizing their accomplishments. Because of the inherent difficulties in gathering good objective performance measures, many organizations have shifted their focus from evaluating results to gathering information on employees' most laudable accomplishments and the impact of these contributions. It enables the consideration of outcomes that may have objective performance measures associated with them, such as team leadership skills (Elaine D. Pulakos, 2004).

- **Performance Review**

Assuming that ongoing feedback has been given, the formal performance review session should simply be a summary of what has happened during the rating period. In other words, the performance review should not contain any surprises. Managers should discuss their ratings, narratives, and rationale for the evaluation given with employees during this meeting. It's also a good idea to plan developmental activities with employees during the performance review session. Competency models and performance standards, such as those described above, have been found to assist managers and employees in identifying and addressing development needs by experienced practitioners. Any performance standards that are not currently being met should, of course, be identified as areas for improvement. If all current job standards have been met, employees and managers can look to the next level's performance standards to identify requirements and developmental areas to pursue in preparation for advancement. (Elaine D. Pulakos, 2004).

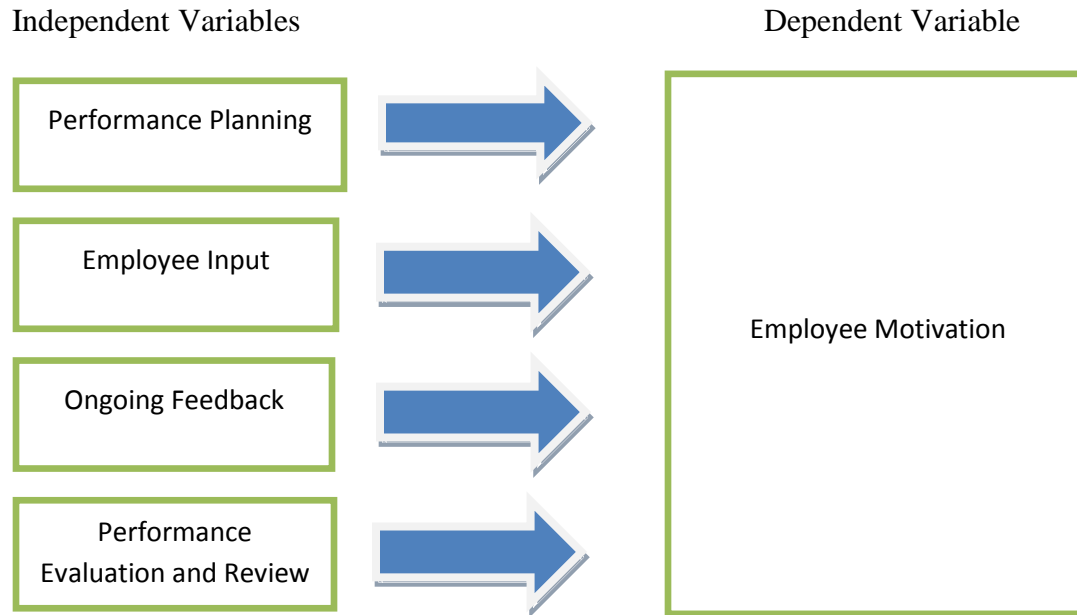


Figure 1. Conceptual Framework

Source: Adopted from literatures, (Elaine D. Pulakos, 2004).

2.4. Research Hypotheses

Hypotheses 1: Performance planning has a significant effect on employee motivation

Hypotheses 2: Employee input has a significant effect on employee motivation.

Hypotheses 3: Ongoing feedback has significant effect on employee motivation

Hypotheses 4: Performance Evaluation and Review has significant effect on employee motivation

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This chapter deals with the description of the methods that will be applied in carrying out the research. It covers the following areas: research design; data source; data gathering tools; sample size and sampling techniques; and methods of data analysis.

3.1. Research Design and Approach

A descriptive and explanatory research design was used by the researcher to capture the logical structure of the study. This design most accurately and economically describes the company's performance management system, as well as demonstrates its impact on motivation. According to Mugenda and Mugenda (1999), It seeks to determine who, how, what, where, and when something specific occurred. It is a method of collecting data from a specific population of respondents through the use of questionnaires, interviews, and an observation schedule. In a systematic and accurate manner, descriptive research design describes the characteristics of a specific population. According to Mugenda and Mugenda (2003), descriptive survey design assists the researcher in gathering, summarizing, presenting, and interpreting information for clarification.

The quantitative approach entails the collection of quantitative data that can be subjected to rigorous quantitative analysis in a formal and rigid manner. Quantitative research is based on quantifying or quantifying something. It is applicable to phenomena that can be expressed numerically (Kothari, 2004). To that end, quantitative research was chosen in order to obtain a quantitative point of analysis and inference techniques on the effect of performance appraisal on employee motivation.

3.2. Source of Data

The researcher used both primary and secondary data sources to complete the study's objectives. The questionnaire was used to collect primary data from sample respondents about: the applicable performance management system and practices; the employee motivation level of the performance management system used; the employee view of the performance management system; the link between the companies' expected outcome and the effect that performance management has on employee motivation; and employee motivation in relation to performance.

The questionnaires were pre tested and modified or refined for reliability and validity issues prior to administration. Secondary data was gathered from reference books, journals, the internet, and an examination of company documents.

3.3. Data Gathering Tools

Questionnaires were used to collect primary data as they would help get a satisfactory number of respondents' opinions on the subject under study at a minimum cost and help compare the result with the existing literature. Hence, they will be used to gather the wider group of staff as it was the best solution to overcome the logistical and financial problems of addressing the staff.

3.4. Sample Size and sampling techniques

A population, according to Kumekpor (2002), is the total number of all units of the issue or phenomenon being investigated, which would be "all possible observations of the same kind." The total group of people or entities from which research data is to be obtained is known as the population.

East Africa Bottling Share Company operates four production facilities across the country (Bahir Dar, Dire Dawa, Sebeta and Addis Ababa). East Africa Bottling Share Company has over 2,000 permanent employees working in its manufacturing plants in Addis Ababa (1,112), Dire Dawa (420), Bahir Dar (331), and Sebeta (192) as of June 2020. For the reasons stated in the scope section, employees from the Dire dawa, Bahir dar and Sebeta plants were excluded from the study. Furthermore, the study did not include all workers at the Addis Ababa plant. The researcher used his preliminary observations to find the appropriate respondents with the necessary knowledge, experience, and ability to respond to the research questions. East Africa bottling s.c. employees were divided into three categories: professional (211), semi-professional (243), and non-professional (658). Employees in the non-professional employee category perform routine and labor tasks at a low level. Cleaners, carpenters, office attendants, checkers, fuel attendants, drivers, file clerks, manufacturing crews, production deliverers, security guards, truck helpers, and warehouse crews are examples of these employee groups. Employees in these positions were not included in the study because the majority of them lacked the necessary

knowledge, experience, and ability to respond to the research questions and were not considered part of the critical workforce.

Semiprofessional and professional employees include storekeepers, cashiers, officers, accountants, supervisors, managers, engineers, electricians, technicians, data encoders, and machine operators, who make up the study's target population. Responses from such a diverse group of employees on the relationship between the dependent variable (motivation) and the independent variables (performance planning, employee input, ongoing feedback, performance evaluation, and review) allowed us to avoid common respondent bias and obtain more reliable data. Non-professional employees were barred for the reasons stated above. As a result, the total number of target populations for the study is 454 semi-professional and professional employees out of 1,112 employees working in the Addis Ababa plant.

The sample size represents a subset of the larger population (Cooper and Schindler, 2003). They argue that in order for the sample to be representative of the population, it must be carefully chosen. The researcher will use a simple random sampling technique to obtain a representative opinion from the population. Taro Yemane's (1964) statistical formula will be used to determine the sample, as follows:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n = sample size to be determined

N = population of interest

e = error margin (0.05)

1 = constant value

$$n = \frac{454}{1 + 454(0.05)^2}$$

n = 213

Thus, 213 is the sample size.

3.5 Method of Data Analysis

To investigate the effect of performance management on employee motivation, the data was organized, analyzed, and expressed using both descriptive and explanatory data analysis. An explanatory design not only describes but also explains a phenomenon of substantive interest (Keith F. Punch, 2006). According to Schuler, R.S. (2000), it entails data analysis using frequencies, dispersion of dependent and independent variables, and measures of central tendency and variability, as well as getting a feel for the data. Different variables were computed using frequency, means, ratios, and percentages. The data from the sample employees and management was analyzed using statistical techniques. In order to process the data, the Statistical Package for Social Scientists (SPSS) version 26 was used. Statistics such as mean and standard deviation were used to analyze the data. The data obtained from the independent variables (the four quadrants of performance management) and the dependent variable (employee motivation) was described using the mean and standard deviation.

Inferential statistics were also used to enable the researcher to present the research data in a statistical format, facilitating the identification of important patterns and making data analysis more meaningful. According to Schuler, R.S. (2000), inferential statistics are used when making generalizations from a sample to the population. The Pearson Product Moment Correlation and regression analyses were used in this study as statistical methods. Among the performance appraisal system constructs, the factor that best explains employee motivation was discovered using simple linear regression. This is accomplished through the use of a simple linear equation:

$$\mathbf{Y = aX + b}$$

Where (Y) is the dependent variable's value and (X) is the independent variable's value.

Finally, the study's findings were interpreted, a conclusion was reached, and recommendations were made.

3.6 Validity and Reliability

3.6.1 Validity

The validity of data collection instruments was considered to ensure that the instrument could obtain the information that it was designed to obtain and that the data analysis method could measure what it was designed to measure. A questionnaire was distributed to fifteen respondents, and the questionnaire items were revised and modified based on their responses. From the design

of the questionnaire to the interpretation of the results, several measures were taken to ensure that the results were free of material errors. Such measures allow for the determination of the time required to complete a questionnaire, the clarity of the instructions, the clarity of the questions, the layout of the questionnaire, and other comments.

3.6.2 Reliability

The reliability of the primary data is critical in this study because the study relies heavily on the respondents' opinions. The research instruments will be designed in simple and clear language to ensure that respondents understand what each question is meant to ask and that the sequence of questions is requested to increase the likelihood of consistent responses. In order to be relevant to the subject matter, a standard questionnaire that has been slightly customized to suit the research was chosen with a strong foundation from the literature. Prior to the actual administration of the questionnaire, it was pilot-tested to determine the reliability and validity of the information it contained. The Cronbach alpha coefficient was used to assess the variables' reliability, and the results for each unit are shown in the table below. As a result, all of the units have a result greater than 0.7, indicating that they have acceptable internal reliability and have been proven to be good.

Table 1. Reliability Statistics

Reliability Statistics		
Variables	Cronbach's Alpha	N of Items
Performance Planning	0.948	4
Employee input	0.931	3
Ongoing feedback	0.900	2
Performance Evaluation and Review	0.988	9
Employee Motivation	0.980	8

Source: Own survey, 2022

3.7. Ethical Considerations

Ethical conduct states that it is the researcher's responsibility to carefully assess the possibility of harm to research participants and that the possibility of harm should be minimized to the greatest extent possible (Bryman & Bell, 2007). During the data collection and interpretation processes, the researcher persuaded the participants that any confidential information they disclosed would be kept confidential, and persuaded them that the study's importance would benefit the company and its employees. The respondents were also informed that the exercise would only be used for academic purposes, that confidentiality would be maintained, and that no one would suffer as a result of any negative findings in connection with their professional duties. This was done in order to encourage them to respond without reservation. Every questionnaire was accompanied by a cover letter that explained the purpose of the survey in detail. The questionnaire did not require respondents to provide their names in order to protect their identities and remain anonymous. As a result, the employees knew from the start what the researcher was doing, why and where the information was going, and why it was being collected.

The primary data collected from respondents was kept strictly confidential and destroyed after a reasonable period of time. The process necessitates gathering information from employees' personal files, which necessitates a high level of confidentiality. The researcher was able to access confidential files based on the availability of the person responsible for keeping those records and the location where they are kept. Employee personal data, company policies and strategies, and other highly classified information that must be kept confidential are given value and kept confidential.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

This chapter is divided into three sections: descriptive analysis, correlation analysis, and regression analysis. The first subsection, descriptive analysis, presents the information gathered through questionnaires. The researcher also analyzed and interpreted the data collected. Furthermore, in the second subsection, correlation analysis was used to determine the degree to which the two variables are related. The final subsection regression analysis determines the statistical impact of performance management on employee motivation.

4.1. Response Rate

Table 2. Response Rate of Distributed Questionnaires

Description	Frequency	Percent
Returned	182	85.45
Rejected	31	14.55
Total distributed questionnaires	213	100.00

Source: Own survey, 2022

From a total of 213 distributed questionnaires, 182 were returned, with 31 incorrectly completed and rejected. As a result, 182 were effectively analyzed, yielding an 85% response rate. According to Fowler (2002), a response rate of 75% is considered adequate.

4.2. Demographic Information

Table 3. Demographic Information

Description		Frequency	Percent	Cumulative Percent
Gender of the respondent	Male	103	56.6	56.6
	Female	79	43.4	100.0
	Total	182	100.0	
Age of the respondent	18-28	43	23.6	23.6
	29-39	79	43.4	67.0
	40-50	38	20.9	87.9

	Over 50	22	12.1	100.0
	Total	182	100.0	
Educational Qualification	Diploma	40	22.0	22.0
	Degree	91	50.0	72.0
	Postgraduate	37	20.3	92.3
	Certificate	11	6.0	98.4
	Other	3	1.6	100.0
	Total	182	100.0	
Work Experience of respondents	Less than 2 years	38	20.9	20.9
	2-5 years	71	39.0	59.9
	5 -10 years	41	22.5	82.4
	10 years or more	32	17.6	100.0
	Total	182	100.0	
Current position of respondents	Top Level Management	13	7.1	7.1
	Middle Level Management	32	17.6	24.7
	Lower Level Management	33	18.1	42.9
	Clerical Staff	104	57.1	100.0
	Total	182	100.0	

Source: Own survey, 2022

As shown from the above table 3, the majority of 103 (56.6%) of the respondents were male and the remaining 79 (43.4%) of the respondents were female. Regarding the age group of the respondents, the greater part of 79 (43.4%) of respondents were within the age category of 29-39 years. The second was 43 (26.6%) within the age category of 18–28 years. The third was 38 (20.9%) within the age category of 40–50 years. Moreover, the fourth group was 22 (12.1%) within the age category of over 50 years old.

With regard to the educational qualifications of the respondents, the majority of the respondents were 91 (50%) first degree. The second group of 40 (22%) of the respondents were holders of college diplomas. The third group, 37 (20.3%), were postgraduates. In addition, the fourth group, 11 (6%) of the respondents, were holders of certificates, and the remaining 3 (1.6%) were

classified under "other." This demonstrates that the majority of the company's employees are well-educated.

With regard to the work experience of the respondents, the largest group of respondents, 71 (39%), had working experience of 2 to 5 years. The second group of 41 (22.25%) had working experience of 5 to 10 years. The third group, 38 (20.9%) of respondents, has served in the organization for less than 2 years. and the last group, 32 (17.6%), worked for 10 years or more. This demonstrates that the company is primarily staffed with new employees, indicating a risk in the company's ability to retain employees for an extended period of time.

The current job positions of respondents range from top-level managers to clerical employees. With regard to the educational qualifications of the respondents, the majority of the respondents were 104 (57.1%) clerical staff. The second group, 33 (18.1%) of the respondents, was at the level of lower level management. The third 32 (17.6%) of respondents held a position in middle management. In addition, the last group of 13 (7.1%) of the respondents were top-level management.

According to the results of the demographic profile of respondents, the majority of the East African Bottling S.C. is degree holders, and young and energetic employees were employed at the factory, causing the firm to become more productive and to have a competitive advantage by utilizing the young and productive age groups.

4.3. Respondents' Overall Perceptions of the Performance Management System

The following two questions were included to learn about and comprehend how employees perceive the company's performance management system. Furthermore, the questions are designed to assess how well they understand the company's performance management system.

4.3.1. Kind of performance appraisal used by East Africa Bottling Company.

Table 4. Kind of performance appraisal used

Kind of performance appraisal					
Description		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Formal	173	95.1	95.1	95.1
	Non Formal	2	1.1	1.1	96.2
	Both	7	3.8	3.8	100.0
	Total	182	100.0	100.0	

Source: Own survey, 2022

With this question, the researcher hopes to get an idea of the kind of performance appraisal used by the company, as it will help in predicting how organized the performance management system of the company is. Likewise, as seen in table 4 above, 173 (95.1%) of the respondents stated that the performance appraisal the company implements is a formal one, while 2 (1.1%) of the respondents believe that the company implements a non-formal performance appraisal, and 7 (3.8%) of the respondents stated that the performance appraisal was both formal and non-formal. This implies that the company has a formal performance appraisal system in place. According to Cleveland and Murphy (1989), one of the most important purposes of a performance management system is communication, which allows employees to be informed about how well they are doing, to receive information on specific areas that may need improvement, and to learn about the organization and the supervisors' expectations, as well as what aspects of work the supervisor believes are most important.

4.3.2. The result of the performance appraisal in East Africa's bottling S.C is used?

Table 5. The result of performance appraisal used

The result of performance appraisal used					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Only for formality	28	15.4	15.4	15.4
	For employee development	9	4.9	4.9	20.3
	As a base for salary & incentive payment	145	79.7	79.7	100.0
	Total	182	100.0	100.0	

Source: Own survey 2022

This question will enable us to understand what employees perceive as the motive of the performance appraisal that is being implemented by the company. Hence, as seen in table 5 above, 145 (79.7%) of the respondents believe that the performance appraisal is used as a basis for salary and incentive payment, while 28 (15.4%) of the respondents believe that it is only used for formality purposes, and the remaining 9 (4.9%) of the respondents state that it is used for employee development.

4.4. Analysis of Collected Data

4.4.1 Descriptive Data Analysis

Elaine D. Pulakos (2004) divides performance management into five categories: performance planning, ongoing feedback, employee input, performance evaluation, and performance review. This means that if a specific performance system encompasses and effectively implements all of these aspects, it is said to be a good performance management system. As a result, the researcher divided each question based on these headings to analyze the effectiveness of the performance management system, leaving the final section to deal with motivation. The result was analyzed using percentages, means, and standard deviations. Readers should note that as the likeret scale used ranges from 1 being strongly agreed to 5 being strongly disagreed, a mean value of more than 3 will show a positive response and vice versa.

4.4.1.1 Performance Planning

Table 6. Performance Planning

Variables	Measurement	Level of agreement						Mean	St.Devia tion
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total		
EABS performance management planning begins with identifying the organization's goal.	Freq.	37	106	13	22	4	182	2.18	0.964
	%	20.3	58.2	7.1	12.1	2.2	100		
	Cum.	20.3	78.6	85.7	97.8	100			
Line managers at EABSC meet with their direct reports to determine and set their development goals for the year.	Freq.	20	112	5	7	38	182	2.62	1.340
	%	11	61.5	2.7	3.8	20.9	100		
	Cum.	11	72.5	75.3	79.1	100			
The line manager and employees work together to establish goals that will serve as benchmarks against which employees' performance will be measured.	Freq.	12	61	10	72	27	182	3.23	1.243
	%	6.6	33.5	5.5	39.6	14.8	100		
	Cum.	6.6	40.1	45.6	85.2	100			
It is possible to say that the EABSC performance management process translates organizational goals into individual job objectives.	Freq.	14	67	12	81	8	182	3.01	1.142
	%	7.7	36.8	6.6	44.5	4.4	100		
	Cum.	7.7	44.5	51.1	95.6	100			

Source: Own survey, 2022

As shown in the table above, this section contains four questions. The first question, whether East Africa's bottling s.c performance management planning begins with identifying the organization's goal or not, has the majority of respondents in the range of agree and strongly agree; 58.2% agree; 20.3% strongly agree; with a mean and SD of 2.18 and 0.964, respectively. As a result, we can say that the company begins by identifying the organization's objectives,

which is an essential requirement according to Armstrong (2009), who states that performance management is about aligning individual objectives to organizational objectives and ensuring that individuals uphold corporate core values. As a result, this is a good performance management practice that the company should continue to employ.

The second question asks whether East Africa Bottling s.c. line managers meet with their direct reports to determine and set their development goals for the year, with 61.5% agreeing, 11% strongly agreeing, 3.8% disagreeing, and 20.9% strongly disagreeing. The average value is 2.62. This implies that the majority of employees agree that line managers (LM) sit with their direct reports to determine development goals, indicating that the company is in the early stages of planning.

The third question, which is about whether the line manager and employees work together to establish goals that will serve as benchmarks against which employees' performance will be measured, is the majority of the respondents, which is 39.6% disagree, while 33.5% agree. The mean and SD are 3.23 and 1.243, respectively. From this result, we can understand that the majority of staff disagrees with this statement, which shows a gap.

The fourth question concerns whether East African Bottling S.C.'s performance management process translates organizational goals into individual job objectives. According to the results, 36.8 % agree, 44.5% disagree, 7.7%strongly agree, 4.4% strongly disagree, and 6.6% are not sure. The mean and standard deviation were also 3.01 and 1.142, respectively. This shows that the majority of staff feels that the company communicates the organizational objectives; it doesn't translate them to individual objectives, which will affect the performance management process as per the definition above by Armstrong, 2009. Moreover, according to Cleveland and Murphy (1989), it will be difficult to align organizational goals with those of individual goals and expectations unless the performance expectations of the organization are communicated to each employee.

4.4.1.2 Employee input

Table 7. Employee input

Variables	Measurement	Level of agreement						Mean	St.Devia tion
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total		
Employee participation in the development of performance standards results in a more effective performance management system	Freq.	78	69	5	16	14	182	2.01	1.228
	%	42.9	37.9	2.7	8.8	7.7	100		
	Cum.	42.9	80.8	83.5	92.3	100			
My input is highly valued in the performance management process, and I am heavily involved in it.	Freq.	16	65	12	69	20	182	3.07	1.238
	%	8.8	35.7	6.6	37.9	11.0	100		
	Cum.	8.8	44.5	51.1	89	100			
I would prefer that my performance be evaluated using an instrument created and designed with the assistance of employees.	Freq.	33	112	7	17	13	182	2.26	1.084
	%	18.1	61.5	3.8	9.3	7.1	100		
	Cum.	18.1	79.7	83.5	92.9	100			

Source: Own survey, 2022

This section will have three questions that can best explain if there is employee participation in the company's Performance management system. The first question assesses whether employee participation in the development of performance standards results in a more effective performance management system, Among the respondents, the majority of 42.9% strongly agree and 37.9% agree, with a mean and SD of 2.01 and 1.228, respectively. This shows a majority of employees feel that employee participation can bring better results to the performance management system.

The majority of respondents (37.9%) disagreed, while 35.7% agreed with the statements in the second question, which asks whether or not employees' input is highly valued in the performance management process and they are heavily involved in it. The mean and standard deviation are

3.07 and 1.238, respectively. This demonstrates that the majority of employees do not believe that their opinions are valued or that they are involved in the performance management process. According to Armstrong (2009), employee input can play a critical role in achieving the organization's goal, as outcomes will likely meet an agreed-upon standard of performance or level of service. Furthermore, according to Herzberg, if performance standards are developed collaboratively, employee motivation will increase, and, as a result, performance will improve. The third question is intended to determine whether employees would prefer that their performance be evaluated using an instrument developed and designed with their input. The majority, 61.5%, agree, with 18.1% strongly agreeing. The mean and standard deviation are 2.26 and 1.084, respectively. The results show that the majority of employees will be pleased if the company creates an instrument to evaluate their performance with the help of employees.

4.4.1.3 Ongoing feedback

Table 8. Ongoing feedback

Variables	Measurement	Level of agreement					Total	Mean	St.Deviation
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree			
Apart from the annual performance review, I receive and provide regular, timely, and constructive performance feedback.	Freq.	23	56	4	80	19	182	3.09	1.293
	%	12.6	30.8	2.2	44	10.4	100		
	Cum.	12.6	43.4	45.6	89.6	100			
The performance feedback I receive assists me in improving my on-the-job performance and achieving my objectives.	Freq.	24	97	10	40	11	182	2.54	1.149
	%	13.2	53.3	5.5	22	6	100		
	Cum.	13.2	66.5	72	94	100			

Source: Own survey, 2022

Feedback is one of the factors that contribute to employee motivation, according to Herzberg's two-factor theory (Kreitner, 2001). As a result, the researcher has used two questions to help analyze whether the company implements ongoing feedback in its performance management system.

The first question concerns whether or not employees receive regular, timely, and constructive performance feedback. With a mean and standard deviation of 3.09 and 1.293, respectively, 30.8% of respondents agree, while 44% disagree. This demonstrates a disparity between those who receive regular, timely, and constructive performance feedback and those who do not. As Elaine D. Pulakos (2004) explained, experienced practitioners have advocated for the feedback process to be a two-way communication process and a joint responsibility of managers and employees, not just managers. As a result, we can clearly see that the feedback given to the staff needs to be improved. Furthermore, Baum and Zablocki (1996) stated that feedback, particularly constructive criticism, is required for employee development.

The second question, which deals with determining whether performance feedback is helpful in improving job performance and attaining goals, 53.3% of the respondents agree, 13.2% strongly agree, while 22% and 6% disagree and strongly disagree, respectively. And the remaining 5.5% are not sure, with a mean and SD of 2.54 and 1.149, respectively. This shows that the majority of the employees feel that the feedback they receive is helpful to their job performance and to attaining their goals.

4.4.1.4. Performance Evaluation and Review

Table 9. Performance Evaluation and Review

Variables	Measurement	Level of agreement						Mean	St.Devia tion
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total		
The performance evaluation process at East African Bottling S.C. is open and transparent.	Freq.	13	60	17	79	13	182	3.10	1.154
	%	7.1	33.0	9.3	43.4	7.1	100		
	Cum.	7.1	40.1	49.5	92.9	100			
The process of performance management yields a clear and unbiased evaluation.	Freq.	11	63	19	72	17	182	3.12	1.162
	%	6.0	34.6	10.4	39.6	9.3	100		
	Cum.	6.0	40.7	51.1	90.7	100			

As a result of the performance management process, I am able to communicate more effectively with my direct reports.	Freq.	27	86	12	47	10	182	2.60	1.179
	%	14.8	47.3	6.6	25.8	5.5	100		
	Cum.	14.8	62.1	68.7	94.5	100			
The highest evaluation scores are given to the best employees.	Freq.	22	83	23	48	6	182	2.63	1.098
	%	12.1	45.6	12.6	26.4	3.3	100		
	Cum.	12.1	57.7	70.3	96.7	100			
The performance management process is well-designed, resulting in improved performance and work quality.	Freq.	9	63	18	70	22	182	3.18	1.178
	%	4.9	34.6	9.9	38.5	12.1	100		
	Cum.	4.9	39.6	49.5	87.9	100			
Line managers at East African Bottling s.c. have the necessary knowledge and training to properly implement their direct reports' performance evaluations.	Freq.	37	59	15	55	16	182	2.75	1.318
	%	20.3	32.4	8.2	30.2	8.8	100		
	Cum.	20.3	52.7	61.0	91.2	100			
My line manager will be fair in how he or she evaluates my performance.	Freq.	34	75	14	50	9	182	2.59	1.212
	%	18.7	41.2	7.7	27.5	4.9	100		
	Cum.	18.7	59.9	67.6	95.1	100			
East African Bottling S.C. line managers use the performance management process to develop their subordinates.	Freq.	11	73	7	77	14	182	3.05	1.174
	%	6.0	40.1	3.8	42.3	7.7	100		
	Cum.	6.0	46.2	50	92.3	100			
During performance reviews, line managers at East African Bottling S.C. write statements about an employee's strengths, weaknesses, and suggestions for	Freq.	21	113	2	41	5	182	2.43	1.047
	%	11.5	62.1	1.1	22.5	2.7	100		
	Cum.	11.5	73.6	74.7	97.3	100			

improvement.									
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Source: Own survey, 2022

There are eight questions in this section. Each will be explained briefly by the researcher. The first question concerns whether or not East African Bottling S.C.'s performance evaluation process is open and transparent. 43.4% of respondents disagree, while 33% agree, with a mean and standard deviation of 3.10 and 1.154, respectively. As a result of this, we can conclude that there is a gap in the openness and transparency of the performance evaluation process.

The second question concerns whether or not the performance management process produces a clear and unbiased evaluation. 39.6% of respondents disagreed with this statement, while 34.6% agreed with it; with a mean and standard deviation of 3.12 and 1.162, respectively. We can deduce from this that there is some ambiguity in the performance management process.

The third statement concerns whether, as a result of the performance management process, employees are able to communicate more effectively with their direct reports. 47.3% disagree, while 25.8% disagree with this statement. The mean and standard deviation are 2.60 and 1.179, respectively. From this, we can understand that employees can communicate in a more effective way with their direct reports.

With regards to the statement, the highest evaluation scores are given to the best employees. 45.6% agreed, while 26.4% of the respondents disagreed. The mean and standard deviation are 2.63 and 1.098, respectively. From this, we can conclude that the highest evaluation scores are given to the best employees.

The next question concerns whether or not the performance management process is well-designed, resulting in improved performance and work quality. 38.5% of the respondents disagreed, while 34.6% of the respondents agreed with the mean and standard deviation value of 3.18 and 1.178, respectively. As a result of this, we can conclude that there is a gap regarding this statement.

Regarding the question Line managers at East African Bottling S.C. have the necessary knowledge and training to properly implement their direct reports' performance evaluations, 32.4% agreed with this statement, while 30.2% of the respondents disagreed with the mean and standard deviation values of 2.75% and 1.318, respectively. From this, we can conclude that managers at East African Bottling S.C. have the necessary knowledge and training to properly implement their direct reports' performance evaluations.

Regarding the question of whether the manager will be fair in how he or she evaluates employees' performance, 41.2% of the respondents agree, while 27.5% of the respondents disagree with the mean and standard deviation of 2.59 and 1.212, respectively.

The seventh question in this category is whether or not East African Bottling S.C. line managers use the performance management process to develop their subordinates. 42.3% of the respondents disagreed, while 40.1% of the respondents agreed with the statement. The mean and standard deviation are 3.05 and 1.174, respectively. This also shows there is a gap when managers use the performance management process to develop their subordinates.

The last section of the questions tries to identify whether or not managers at East African Bottling S.C. write statements about an employee's strengths, weaknesses, and suggestions for improvement during performance reviews. The majority of respondents (62.1%) agreed, while 22.5% disagreed with this statement. The mean and standard deviation are 2.43 and 1.047 respectively. This shows that line managers effectively capture strengths and weaknesses and suggest improvements during reviews, which will help the employee to develop and grow in the company.

4.4.1.5. Employee Motivation

Table 10. Employee Motivation

Variables	Measurement	Level of agreement						Mean	St.Deviation
		Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree	Total		
I am pleased with the acknowledgement I have received for my accomplishments.	Freq.	11	70	6	51	44	182	3.26	1.348
	%	6.0	38.5	3.3	28.0	24.2	100		
	Cum.	6.0	44.5	47.8	75.8	100			
I believe that my performance is fairly measured based on agreed-upon objectives at the start of my assignment.	Freq.	4	70	23	66	19	182	3.14	1.113
	%	2.2	38.5	12.6	36.3	10.4	100		
	Cum.	2.2	40.7	53.3	89.6	100			

Based on the results of performance reviews, the company's top executives are willing to invest in employee development, motivation, and job satisfaction.	Freq.	4	71	15	82	10	182	3.13	1.067
	%	2.2	39.0	8.2	45.1	5.5	100		
	Cum.	2.2	41.2	49.5	94.5	100			
To motivate employees, the company uses performance-based pay (such as bonuses and incentives).	Freq.	20	100	8	43	11	182	2.59	1.142
	%	11.0	54.9	4.4	23.6	6	100		
	Cum.	11.0	65.9	70.3	94	100			
The East African Bottling S.C. performance management process inspires me.	Freq.	13	61	19	72	17	182	3.10	1.178
	%	7.1	33.5	10.4	39.6	9.3	100		
	Cum.	7.1	40.7	51.1	90.7	100			
A performance appraisal is used at East African Bottling S.C. to develop employee knowledge, skills, and efficiency.	Freq.	15	68	8	71	20	182	3.07	1.239
	%	8.2	37.4	4.4	39.0	11.0	100		
	Cum.	8.2	45.6	50.0	89.0	100			
I enjoy the sense of accomplishment that comes from completing a difficult task.	Freq.	73	100	4	3	2	182	1.69	0.702
	%	40.1	54.9	2.2	1.6	1.1	100		
	Cum.	40.1	95.1	97.3	98.9	100			
I enjoy making realistic goals and putting them into action.	Freq.	69	104	4	4	1	182	1.70	0.673
	%	37.9	57.1	2.2	2.2	0.5	100		
	Cum.	37.9	95.1	97.3	99.5	100			

Source: own survey, 2022

This section contains eight questions that attempt to determine an employee's level of motivation, which will be explained by the mean values. When asked questions about whether they are pleased with the acknowledgement they have received for their accomplishments, 28.0% and 24.2% of the respondents disagreed and strongly disagreed respectively with the statement, while 38.5% of the respondents agreed with the mean and standard deviation of 3.26 and 1.348

respectively. We can conclude from this that there is some disparity in the recognition given to employees for their achievements.

The second question concerns whether employees' performance is fairly measured in relation to agreed-upon objectives at the start of their assignment. 36.3% and 10.4% of the respondents disagreed and strongly disagreed respectively with the statement, while 38.5% of the respondents agreed with the mean and standard deviation of 3.14 and 1.113 respectively. From this, we can understand that the majority of the respondents feel that their performance is not fairly measured in relation to agreed-upon objectives at the start of their assignment. According to Elaine D. Pulakos (2004), it is critical to review performance expectations with employees at the start of the performance management cycle, including both the behaviors employees are expected to exhibit and the results they are expected to achieve.

The third question deals with whether or not the company's top executives are willing to invest in employee development, motivation, and job satisfaction based on the results of performance reviews. 45.1% disagreed while 39.0% agreed on the statements with a mean and standard deviation of 3.13 and 1.067, respectively. From this, we can understand that the majority of the respondents believe that the company's top executives are not willing to invest in employee development, motivation, and job satisfaction based on the results of performance reviews.

Regarding the question of whether the company uses performance-based pay (such as bonuses and incentives) to motivate employees, the majority (54.9%) agreed while 23.6% disagreed with the statement, with a mean and standard deviation of 2.59 and 1.142 respectively. The results show that the majority of the respondents agree that the company uses performance-based pay to motivate employees.

The other question concerns whether the performance management process at East African Bottling S.C. inspires employees. The majority (39.6%) disagreed, while 33% agreed with the statement, with a mean and standard deviation of 3.10 and 1.178, respectively. The results show that the majority of employees are not motivated by the performance management system that is in place.

The next question deals with whether a performance appraisal is used to develop employee knowledge, skills, and efficiency. The majority (39.0%) of the respondents disagreed, while 37.4% agreed, with a mean and standard deviation of 3.07 and 1.239, respectively. The results

show that the majority of the respondents disagree with the fact that the performance appraisal in east Africa Bottling s.c. is used to develop employee knowledge, skills, and efficiency.

The final set of questions concerns whether employees enjoy setting and achieving realistic goals, as well as the satisfaction that comes from completing a difficult task. The respondent results had a mean of 1.70 and 1.69, respectively. Both of these findings indicate that the majority of employees enjoy setting and achieving realistic goals as well as completing difficult tasks.

4.4.2. Correlation Analysis

Correlation analysis is a technique for indicating the relationship between two variables. It is a standardized covariance that shows the extent to which a change in one variable corresponds systematically to a change in another (Zikmund et al., 2013).

The Pearson's Product Moment Correlation Coefficient (r) measures the degree of association between the independent variables (planning, employee input, employee feedback, and evaluation) and the dependent variable (Employee Motivation). It accepts values ranging from -1 to 1. A value of r close to 1 indicates a strong positive linear association, while a value of r close to -1 indicates a strong negative linear association. When $r = \pm 1$, the two variables are perfectly correlated, i.e., all of the points are on a straight line (Coetzee, 2003).

There is a perfectly linear positive or negative relationship between the two sets of data when the correlation is 1 or -1; when the correlation is 0, there is no relationship between the two sets of data. According to Coetzee (2003), the greater the magnitude of the correlation between the independent variable and the dependent variable, the stronger the linear association. The standard correlation coefficient is Pearson's r , and it primarily applies to variables that are distributed along interval or ratio scales of measurement.

Correlations of 0.01 to 0.30 are considered small, correlations of 0.31 to 0.70 are considered moderate, correlations of 0.71 to 0.90 are considered large, and correlations of 0.91 to 1.00 are considered very large. Festinger, Dematteo, and Marczyk (2005). Based on this assumption, the correlation analysis included all basic constructs.

Table 11 below shows the inter-correlations between the variables being investigated. In other words, depicts the correlation matrix between the independent variables (planning, employee input, ongoing feedback, performance evaluation and review) and the dependent variables (employee motivation). All of the relationships between the dependent and independent variables

are significantly and positively correlated. According to the results of the analysis, motivation has a high correlation with each of the independent variables, ranging from 0.728 to 0.894, all of which are significant at the $p < 0.01$ level.

The symbol "***" indicate that each variable is significantly correlated with each other at a $p < 0.01$ level of significance. As a result, the table below shows that they are all significantly correlated. Performance evaluation and review have the most significantly correlated and strong relationship with employee motivation ($r = 0.894$, $p < 0.01$) of all performance management variables. As a result, Table 11 below shows a positive relationship between employee motivation and all performance management variables.

Table 11. Correlation

Correlations						
		PP	EI	OF	PER	EM
PP	Pearson Correlation	1	.689**	.636**	.756**	.773**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	182	182	182	182	182
EI	Pearson Correlation	.689**	1	.606**	.724**	.728**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	182	182	182	182	182
OF	Pearson Correlation	.636**	.606**	1	.702**	.754**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	182	182	182	182	182
PER	Pearson Correlation	.756**	.724**	.702**	1	.894**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	182	182	182	182	182
EM	Pearson Correlation	.773**	.728**	.754**	.894**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	182	182	182	182	182

** . Correlation is significant at the 0.01 level (2-tailed).

Source: own survey, 2022

4.4.3. Regression Analysis

This section investigates how a portion of the variation in each of the independent variables explains variation in the dependent variable (employee motivation). Furthermore, regression analysis can show which variables are significant or not (which variables passed the t-test and which did not) and can indicate the magnitude and level of the coefficient on the importance of the variables. In the case study, linear regression analysis was used to investigate the effect of the independent variables (planning, employee input, ongoing feedback, performance evaluation and review) on the dependent variable (employee motivation). To do so, we calculate the coefficient of determination and test its significance, as well as the regression line and its slope. R² denotes the goodness of fit test or the overall strength of the association between the dependent (employee motivation) and the independent variables (planning, employee input, ongoing feedback, performance evaluation and review) in East Africa Bottling s.c.

It enables us to make statements about how well one or more independent variables predict the value of a dependent variable. The regression analysis of the effect of performance management on employee motivation is shown in Table 12 below.

The values of R and R² are clearly shown in Table 12 below. The value of R in this analysis is 0.920, which is a measure of the correlation between the observed and predicted values of the dependent variable (employee motivation). Whereas R Square (R²) is the square of this measure of correlation and indicates the proportion of employee motivation variance associated with the presence of performance management variables. As a result, R Square = 0.846 implies that performance management factors (planning, employee input, ongoing feedback, and performance evaluation and review) explain 84.6% of employee motivation. In essence, this is a measure of how well we can predict the dependent variable given the independent variables. This means that the independent variables in the model explain 84.6% of the variance in the dependent variable. The model also indicates that the remaining 15.4% of the variance can be explained by variables outside of this model, implying that additional research may be required.

Table 12. Regression Model summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.920 ^a	.846	.842	.27958
a. Predictors: (Constant), PER, OF, EI, PP				

Source: own survey, 2022

The F ratio describes whether the regression model's results could have happened by chance. A high F value and a low significance level (typically less than 0.05 or 0.01) indicate that the results are unlikely to be due to chance. As a result, as shown in the table below, the F value is 242.190 and is significant at 0.000. As a result, the researcher can confidently state that the regression model used in this study did not happen by chance and is highly significant. As shown in the below table, 13.

Table 13.ANOVA

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	75.723	4	18.931	242.190	.000 ^b
	Residual	13.835	177	.078		
	Total	89.558	181			
a. Dependent Variable: EM						
b. Predictors: (Constant), PER, OF, EI, PP						

Source: own survey, 2022

As shown in table 14 below, the beta value expresses the strength with which the predictor variable influences the criterion variable. Similarly, the beta value of this study is as shown in the table below. As an example, performance evaluation and review have a 0.583 value, indicating that a one standard deviation change in the predictor variable (performance management factor) resulted in a 58.3% standard deviation change in the criterion variable (employee motivation). As a result, performance management has a greater impact on employee motivation. The greater the beta value, the greater the predictor variable's influence on the criterion variable. Furthermore, if your model contains only one predictor variable, beta is equivalent to the correlation coefficient between the predictor and the criterion variable (www.SPSS for Psychologists). As a result, the unstandardized beta coefficient (β) informs us of each factor's unique contribution to the model. A high beta value (β) and a small p value (<0.05) indicate that the predictor variable contributed to the model in a statistically significant way. A small beta value (β) and a high p value ($p >0.05$) on the other hand, indicate that the predictor variable makes little or no significant contribution to the model (George and Mallery, 2003).

Similarly, performance evaluation and review have the greatest effect on employee motivation, with a coefficient of ($\beta = 0.583$), followed by ongoing feedback ($\beta =0.152$), performance planning ($\beta =0.136$), and finally employee input ($\beta =0.072$). The regression model predicts the

value of one dependent variable (Y) based on the value of one independent variable (X). The simple regression linear equation is as follows: $Y = ax + b$

Table 14. Coefficients^a

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.084	.076		1.107	.270
	PP	.136	.044	.150	3.097	.002
	EI	.072	.040	.083	1.821	.070
	OF	.152	.032	.202	4.692	.000
	PER	.583	.054	.579	10.814	.000

a. Dependent Variable: EM

Source: own survey, 2022

4.4.4. Linearity

A mathematical relationship or function that can be graphically represented as a straight line, such as two quantities that are directly proportional to each other, is referred to as linearity. It is the ability to obtain test results that are directly proportional to the concentration (amount) of analyte in a sample (within a given range). The property of data such that a straight line fits as well (using the least-squares criterion) as any other mathematical function as a description of the relationship between method response and analytic concentration (Coetsee, 2003). Multicollinearity occurs when the independent variables are highly correlated with one another. One major assumption in multiple regression analysis is the existence of a very high correlation between the study's independent variables, which is referred to as multicollinearity (Burns, 2008). This could result in an inconsistent effect in which the regression model fits the data well but none of the predictor variables has a significant effect on predicting the dependent variable. Because the highly correlated variables in a multiple regression analysis predict the same variance in the dependent variable, it is difficult to identify the unique contribution of each variable in predicting the dependent variable. In this case, the overall P value may be significant, but the P values for each predictor may not be.

Multicollinearity was tested in this study using tolerance and VIF statistics. According to Andy (2006), a tolerance value of less than 0.1 almost certainly indicates a serious Collinearity problem. According to Burns (2008), a VIF value greater than 10 indicates a serious Collinearity

problem. Field (2009) emphasizes that values for tolerance of less than 0.1 indicate serious problems, whereas several statisticians believe that values for tolerance of less than 0.2 are cause for concern. As shown in table 15 below, in this study, all of the independent variable determinants of employee motivation (planning, employee input, ongoing feedback, performance evaluation and review) were found to have a tolerance of more than 0.1 and a VIF value of less than 10, indicating that there is no problem of multicollinearity.

Table 15. Multicollinearity Test

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.084	.076		1.107	.270		
	PP	.136	.044	.150	3.097	.002	.374	2.671
	EI	.072	.040	.083	1.821	.070	.420	2.378
	OF	.152	.032	.202	4.692	.000	.472	2.119
	PER	.583	.054	.579	10.814	.000	.304	3.284

a. Dependent Variable: EM

Source: Own survey, 2022

Table 16. Collinearity Diagnostics

Collinearity Diagnostics ^a								
Model	Dimension	Eigenvalue	Condition Index	Variance Proportions				
				(Constant)	PP	EI	OF	PER
1	1	4.835	1.000	.00	.00	.00	.00	.00
	2	.068	8.433	.76	.00	.02	.24	.00
	3	.047	10.153	.13	.06	.35	.61	.00
	4	.031	12.462	.04	.64	.55	.05	.02
	5	.019	15.977	.07	.29	.08	.09	.98

a. Dependent Variable: EM

Source: own survey, 2022

CHAPTER FIVE

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This chapter presents major findings regarding the study's objectives, conclusions, and recommendations.

5.1. Summary of Major Findings

The goal of this research was to look at how performance management affects employee motivation at East African Bottling Sharing Company in Ethiopia. The study's data were gathered by distributing questionnaires to a predetermined sample of East African Bottling Sharing Company employees. A total of 213 questionnaires were distributed to respondents, with 182 of them returned, representing an 85 percent response rate.

The following are the major findings regarding the company's performance management systems demographic and general perception questions:

- According to the background information of the East Africa bottling s.c. respondents, the majority of the respondents 103(56.6%) are males, while the remaining 79 (43.4%) are females. This indicates that the majority of respondents in the study were male employees, which could indicate that East African Bottling Share Company is dominated by men.
- The results also show that the age group of 29–39 years was dominated by 79 (43.4%), while those between the ages of 18-28 years were 43. (23.6%). This could indicate that the majority of East Africa Bottling Share Company's employees (67%) are in the actively productive age group, implying the possibility of gaining a competitive advantage in the industry by having a young, energetic, and trainable workforce.
- In terms of academic status, the majority of respondents (91, 50%) were degree holders, while 40 (22.0%) were diploma holders. This reveals that the majority of the East African Bottling Share Company's employees have a first-degree or a diploma, indicating that if the company could use them, they would make a significant difference in the company's competitive strength.
- The majority of the respondents (173; 95.1%) confirmed that they had had a formal performance appraisal since joining the company.

- The majority of respondents (79.7%) believe that performance appraisals are used to determine salary and incentive payments.

As it is shown in the descriptive analysis, East Africa Bottling S.C. performance management planning begins with identifying the organization's goals and line managers meet with their direct reports to determine and set their development goals for the year, but the line manager and employees do not collaborate to establish benchmarks against which employees' performance will be measured, and the performance management process did not translate organizational goals into individual job objectives.

Majorities of the staff believe that employee participation in the development of performance standards results in a better performance management system; and they prefer that performance be evaluated using an instrument created and designed with the assistance of employees; but employees' input is not highly valued and employees are not heavily involved in the performance management process.

The results obtained from descriptive statistics show that performance feedback is helpful in improving job performance, but employees do not receive regular, timely, and constructive performance feedback

The results obtained from descriptive statistics show that the majority of employees at East African Bottling S.C. disagree with the statements that: the performance evaluation process at the company is fair and unbiased; the performance management process yields a clear and unbiased evaluation; the performance management process is well designed, resulting in improved performance and work quality; and line managers use the performance management process to develop their subordinates.

As a result of the performance management process, employees are able to communicate more effectively with their direct reports. The highest evaluation scores are given to the best employees. The line manager will have the necessary knowledge and training to properly implement their direct reports' performance evaluations; the line manager will be fair in how he or she evaluates performance. Line managers at East African Bottling S.C. write statements about an employee's strengths, weaknesses, and areas for improvement.

The results show that employees are not satisfied with the recognition they receive; performance is not fairly measured based on agreed-upon objectives at the start of the assignment; the company's top executives are not willing to invest in employee development, motivation, and job satisfaction based on the results of performance reviews; employees are not inspired by the performance management process; and a performance appraisal is not used to help an employee improve his or her knowledge, skills, and efficiency.

An overall frequency, percentages, and mean score were calculated for each independent variable (planning, employee input, ongoing feedback, performance evaluation, and review) and dependent variable (employee motivation) using descriptive statistical analysis.

The correlation coefficient was calculated to investigate the relationship between performance management and employee motivation. As a result, high correlations were found for performance planning ($r = 0.773$, $p < 0.01$), employee input ($r = 0.728$, $p < 0.01$), ongoing feedback ($r = 0.754$, $p < 0.01$), and employee evaluation and review ($r = 0.894$, $p < 0.01$).

Simple linear regression analysis was used, yielding $R = 0.92$ and $R^2 = 0.846$, implying that 84.6% of employee motivation is explained by factors of performance management (performance planning, employee input, ongoing feedback, and employee evaluation and review). The ANOVA result indicates that F value is 242.190 and is significant at 0.000, which shows that the result couldn't have happened by chance. Employee evaluation and review have the greatest impact on employee motivation, with a coefficient of ($\beta = 0.583$), followed by ongoing feedback ($\beta = 0.152$), performance planning ($\beta = 0.136$), and employee input ($\beta = 0.072$).

5.2 Conclusions

Based on the preceding findings and data analysis in the previous chapter, the following conclusions were reached:

- Managers at East Africa Bottling s.c. and employees do not collaborate to establish benchmarks against which employees' performance will be measured, and the performance management process does not translate organizational goals into individual job objectives.
- Giving employees continuous feedback is one aspect of performance management. The employees believe that providing performance feedback is beneficial in improving job performance. However, employees do not receive regular, timely, and constructive performance feedback, and line managers do not provide sufficiently lucid and detailed feedback, indicating another flaw in the system.
- Employees believe that employee participation in the development of performance standards leads to better performance management, and they prefer that performance be evaluated using an instrument developed and designed with employee input. However, employees are not involved in decisions that affect how they work or in performance management in general.
- According to the findings of this study, employees do not believe managers use performance management to develop subordinates.
- According to the study's findings, employees believe that the performance management system improves communication between employees and line managers. On the other hand, the staffs agree that the process is biased, unclear, and not transparent.
- The company implements a poorly designed performance management system, which results in improved performance and work quality.
- The majority of employees believe that their performance is not fairly measured against agreed-upon objectives at the start of their assignment and they are dissatisfied with the recognition they receive.
- The performance management system of the company doesn't motivate the majority of the employees.
- Employees enjoy the satisfaction of completing a difficult task as well as setting and achieving realistic goals.

- The correlation result revealed a positive relationship between the performance management system and employee motivation. As a result, the implementation and effectiveness of the performance management system have a direct impact on employee motivation.
- Employee motivation is highly correlated with all four performance management factors (performance planning, employee input, ongoing feedback, performance evaluation, and review). As a result, proper implementation of all of these aspects results in high levels of employee motivation.
- Based on the findings of the study and what has been stated above, we can conclude that the majority of employees at East Africa Bottling S.C. are not motivated by the performance management system.

5.3. Recommendations

The following recommendations are suggested based on the research's major findings:

- Prior to any evaluation, effective two-way communication must be part of the performance planning process to set the standard by which employees' performance will be judged.
- Individual employee or team participation should be appreciated and valued by the organization because they play an important role in the performance management process because employees are the subject of performance and no system can be expected to be effective unless all parties with a stake in it are involved.
- The organization should make every effort to involve employees in the development of goals and objectives as well as in decisions that affect how they work. This will instill a sense of ownership in them and boost their motivation.
- The company's top executives should be able to review the evaluations given by the line managers and challenge the results given in order to send the message that this process requires a thorough understanding and knowledge that a specific line manager must gather all of the evidence before giving a rating.
- By involving employees, top managers should make every effort to ensure that the entire performance management process is clear and transparent.

- The company should establish performance standards for each job level and conduct performance reviews based on those standards on a regular and continuous basis.
- All line managers should ensure that they have given timely feedback to their subordinates that show their achievements, strengths and weaknesses.
- Based on the outcomes of the performance management process, the organization must put in place a system to recognize, reward, and develop its employees in order to motivate them to perform better.

5.4. Implications for Future Research

The purpose of this research is to see how performance management affects employee motivation in the case of East Africa Bottling S.C. It can also be used to investigate the impact on other factors such as organizational commitment, turnover intention, and performance. The research can be expanded to include additional sectors and scenarios in Ethiopia and other developing countries.

This research focuses on the manufacturing sector, but it could be expanded to include the Ethiopian service sector. Other data collection methods, such as interviews, focus group discussions, and so on, can be used. Other data analysis tools and techniques can also be used to produce more reliable results.

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Meaza Asfaw (2017) *The Effect of Employee's Perception towards the Performance Appraisal on their Job Satisfaction: the Case of Ethiopian Electric Utility.*

Appendix
St. Mary's University
College of Business and Economics
School of graduate studies

Dear Respondent,

This research is being carried out as part of the requirements for the award of a Master of Arts Degree in Business Administration by the College of Business and Economics at St. Mary's University.

The goal of this study is to assess the impact of a performance management system on employee motivation at East African Bottling Share Company, as well as to alleviate major problems related to the subject matter under study and assist in obtaining practical knowledge on the topic.

The research is for academic purposes only, and any information you provide will be kept strictly confidential. As a result, I respectfully request that you complete the questionnaire truthfully and precisely. The study's overall reliability is determined by the quality of the information you provide.

I'd like to express my heartfelt appreciation and heartfelt gratitude in advance for sparing your valuable time as well as providing honest and prompt responses to the questionnaire.

N.B. This question is to be answered by staffs of East African Bottling S.C.

Belachew Mulugeta +251923-10-55-57

Email- belachewmu19@gmail.com

Note –

- You are never expected to mention your names.
- Please put a “✓” in the boxes whenever the questions provide you with alternatives.

Part One: Demographic and Other Information

1. Gender a) Male b), Female
2. Age a) 18-28 b) 29-39 c) 40-50 d) Over 50
3. Educational Qualification
 a) Diploma b) Degree c) Postgraduate d) Certificate
 e) Other _____
4. How long have you been employed by Coca-Cola?
 a) Less than 2 years 2-5 years
 c) 5-10 years d) 10 years or more
5. Your Current position in Coca-Cola
 a) Top Level Management b) Middle Level Management
 c) lower Level Management d) Clerical Staff
6. What kind of performance appraisal does East Africa Bottling Company use?
 a) Formal b) Non Formal c) Both
7. The result of Performance appraisal in Coca-Cola is used _____
 a) As a base for salary & incentive payment b) For employee development
 c) Reward or punish employee d) Only for formality

Part two: questions related to factors of employee Motivation.

Survey statement	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
<i>Performance planning</i>					
1. EABSC performance management planning begins with identifying the organization's goal.					
2. Line managers at EABSC meet with their direct reports to determine and set their development goals for the year.					
3. The line manager and employees work together to establish goals that will serve as benchmarks against which employees' performance will be measured.					
4. It is possible to say that the EABSC					

performance management process translates organizational goals into individual job objectives.					
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Survey statement	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
<i>Employee input</i>					
5. Employee participation in the development of performance standards results in a more effective performance management system.					
6. My input is highly valued in the performance management process, and I am heavily involved in it.					
7. I would prefer that my performance be evaluated using an instrument created and designed with the assistance of employees.					

Survey statement	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
<i>Ongoing feedback</i>					
8. Apart from the annual performance review, I receive and provide regular, timely, and constructive performance feedback.					
9. The performance feedback I receive assists me in improving my on-the-job performance and achieving my objectives.					

Survey statement	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
<i>Performance Evaluation and Review</i>					
10. The performance evaluation process at East African Bottling S.C. is open and transparent.					
11. The process of performance management yields a clear and unbiased evaluation.					
12. As a result of the performance					

management process, I am able to communicate more effectively with my direct reports.					
13. The highest evaluation scores are given to the best employees.					
14. The performance management process is well-designed, resulting in improved performance and work quality.					
15. Line managers at East African Bottling s.c. have the necessary knowledge and training to properly implement their direct reports' performance evaluations.					
16. My line manager will be fair in how he or she evaluates my performance.					
17. East African Bottling S.C. line managers use the performance management process to develop their subordinates.					
18. During performance reviews, line managers at East African Bottling S.C. write statements about an employee's strengths, weaknesses, and suggestions for improvement.					

Part Three: questions related to employee motivation.

Survey statement	Strongly Agree	Agree	Not Sure	Disagree	Strongly Disagree
<i>Employee Motivation</i>					
19. I am pleased with the acknowledgement I have received for my accomplishments.					
20. I believe that my performance is fairly measured based on agreed-upon objectives at the start of my assignment.					
21. Based on the results of performance reviews, the company's top executives are willing to invest in employee development, motivation, and job satisfaction.					
22. To motivate employees, the company uses performance-based pay (such as bonuses and incentives).					
23. The East African Bottling S.C. performance management process inspires					

me.					
24. A performance appraisal is used at East African Bottling S.C. to develop employee knowledge, skills, and efficiency.					
25. I enjoy the sense of accomplishment that comes from completing a difficult task.					
26. I enjoy making realistic goals and putting them into action.					

DECLARATION

I, Belachew Mulugeta, hereby declare that the thesis titled "The effect of performance management on employee motivation: the case of East Africa Bottling Company" is my original work, prepared under the guidance of Asst. Professor Shoa Jemal. And has not been presented previously at St. Mary's or any other university or institution, and that all sources of material used for the study have been cited.

Belachew Mulugeta

Name

Signature

St. Mary's University, Addis Ababa

June, 2022

ENDORSEMENT

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

Shoa Jemal (Asst.Prof.)

Advisor

Signature

St. Mary's University, Addis Ababa

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