



**ST. MARY'S UNIVERSITY
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MASTER'S OF BUSINESS ADMINISTRATION (MBA) PROGRAM

**THE EFFECT OF PERFORMANCE MANAGEMENT PRACTICES
ON EMPLOYEE'S PERFORMANCE: THE CASE OF METAD
PRIVATE LIMITED COMPAY (PLC)**

**BY
MERDIYA HUSSEN**

**JUNE, 2024 G.C
ADDIS ABABA, ETHIOPIA**

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**A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY, SCHOOL OF
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Declaration

I, Merdiya Hussen the under signed, declare that this thesis entitled: “*the Effect of Performance Management Practices on Employee’s Performance in METAD Private Limited Company (PLC)*” is my original work, prepared under the guidance of Asst. Professor Shoa Jemal. All sources of material used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institutions for the purpose of earning any degree.

Merdiya Hussen_____

Name

Signature

St. Mary’s University, Addis Ababa

June, 2024 G.C

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Abbreviations/Acronym

SPSS	Statistical package for social science
ANOVA	Analysis of Variance
VIF	Variance Inflation Factor
PLC	Private Limited Company
PMS	Performance Management System

Abstract

The purpose of this study was to examine the effect of performance management on organization performance in the case of METAD Private Limited Company (PLC). In light of this objective, the study employed a descriptive and explanatory research design with a quantitative research approach to address research questions. Both primary and secondary source of data was used. Out of the 177 questionnaires distributed, 159 were filled and collected back. The collected data from the respondents were analyzed using descriptive and inferential statistical tools in terms of Frequency, mean, standard deviation, correlation, and regression based on the view of respondents. Data was analyzed by using Statistical Package for Social Sciences (SPSS) version 27. The key findings from the study were the finding of the correlation result revealed that planning, continuous communication; review, assessment, and reward are positively and significantly correlated with employee performance. Regression analysis also shows that there are positive and significant relationship between dependent and all independent variables. Hence, the study recommends that METAD Private Limited Company (PLC) work on its assessment and continuous communication practices to influence employee performance highly significantly.

Keywords: Performance management, employee's performance

CHAPTER ONE

INTRODUCTION

This part of the study presents the introductory contents which are considered to be the blueprint for the overall thesis work. Therefore, it comprises the background of the study, definition of key terms, statement of the problem, basic research questions, objectives of the study, significance of the study, scope of the study, limitation of the study, and organization of the paper.

1.1 Background of the Study

Performance management is one of the important key activities performed by organizations to monitor the performance of their employees. Organizations must regularly evaluate the performance of their employees to understand their current and future abilities (Armstrong, 2010). Performance management is a broad concept that involves understanding and executing the performance issues at every level of the company starting from the individual employee to the organization itself. The issues include leadership, decision-making, motivation, encouraging innovation, and risk-taking, among others (Rajesh & Nishant, 2013). Employee performance in the organization is determined through performance management practice. In recent years the use of performance management practice has increased in many organizations. Performance Management Systems are implemented in organizations worldwide (Thorpe, 2011).

The performance of employees is one of the most important factors that lead to the success of any business. Therefore, many managers seek to find innovative ways within the company's performance management system (PMS) to motivate employees and evaluate their performance efficiently and effectively. The primary goal of employee motivation is to improve their productivity and increase their connection to the organization in which they work. Many modern firms give their PMS more importance as a way to produce higher levels of work performance. The performance increase can be accomplished by directing the PMS to enhance employee participation through employee participation and managing the participation process according to a specific method that ensures the promotion and management of employee participation to attain high levels of career performance (Gruman, 2011).

One of the sophisticated techniques in human resource management is performance management. If done properly, performance assessment gives employers the chance to let workers know how quickly they are developing their skills, abilities, and potential. To organize and coordinate the expectations and contentment with material advantages, the Human Resources Development Fund places a strong

emphasis on financial incentives, which serve to raise the level of national incomes (Dothan & Alba, 2015).

Performance management processes give paramount benefits to employees, supervisors, and organizations. The benefits for employees include improving better understanding of their duties and working with supervisors to achieve the organization's goals, reducing enmity between staff and the risk of staff violence. It helps employees to gain insight into their expected performance status. The benefits of performance management to supervisors include easy evaluation of employees with the impact of increasing employee productivity, enabling supervisors to direct their employees to align their goals with those of their organizations, creating the right environment for open, unbiased, and mutually beneficial communication and dialogue between supervisors and employees, shifts supervisors focus to emphasize on positive aspects of their employees performance and once they have it they can easily explain the evaluation process to their team(Fatimah, 2019 Shoo & Susana, 2012).

According to the knowledge of the study, many researchers conducted on the effect of performance management practices in many ways but they do not apply to all kinds of business nature. The study will contribute to the existing academic literature on the effect of performance management practices on employee performance, particularly in the Ethiopian context where limited research has been done. The in-depth analysis of the various components of performance management practices, such as planning, communication, review, assessment, and reward systems, provided a comprehensive understanding of the factors influencing employee performance. The purpose of this study was to assess the effect of performance management practices on employee performance in METAD Private Limited Company (PLC). Making such an assessment for METAD at this time gives the company the huge opportunity to timely act to the current market.

1.2 Background of the Organization

METAD Agricultural and Development Private Limited Company (PLC) is a coffee farming and processing company based in Ethiopia. It was founded in 2013 by Aman Adinew, a fourth-generation coffee farmer. The company operates in the Guji Zone of the Oromia Region, which is known for producing high-quality coffee beans. METAD focuses on sustainable and eco-friendly agriculture practices, including shade-grown coffee, crop rotation, and soil conservation. The company works with smallholder farmers in the region to improve their livelihoods through training, access to finance, and fair prices for their coffee beans.

In addition to coffee farming and processing, METAD Private Limited Company (PLC) is also involved in community development initiatives. It has constructed a primary school in the area and provides healthcare services to the local community. METAD Private Limited Company (PLC) has received numerous awards and accolades for its work, including the Specialty Coffee Association's Sustainability Award in 2017 and the Ethical Business Award from the European Business Awards in 2019. The company is considered a leader in the Ethiopian coffee industry and a model for sustainable agricultural practices.

1.3 Statement of the problem.

The existing research on the effect of performance management on employee performance shows that only a few practices are effectively influencing employee performance. This suggests that satisfaction with performance management systems remains a challenge for many organizations (Steven et.al, 2014). Even though performance management is widely used to evaluate and monitor employee performance, some organizations are still struggling to implement effective systems that can help them achieve their objectives. Both employees and managers have reported the ineffectiveness of performance management systems (Marr, 2003)

Despite the importance of performance management practices in improving employee performance, many organizations, including METAD Private Limited Company (PLC), struggle to implement effective performance management systems. The existing literature highlights several challenges associated with performance management practices, including the lack of alignment with organizational strategic objectives, inadequate communication, poor planning, ineffective review processes, and unreliable reward systems (Melat, 2014)

The limited domestic literature on this topic in Ethiopia mainly focused on the impact of performance appraisal, a component of performance management, on organizational or team performance, rather than the effect of the performance management practices on individual employee performance these points to a gap in the local research on the broader issue of how performance management practices influence employee's performance.

In the case of METAD Private Limited Company (PLC), preliminary assessments have identified several problems related to performance management practices, including the lack of clear direction, failure to develop key competencies, poor communication, and ineffective reward systems. Furthermore, employees have raised concerns about the parameters used to measure their performance and some have expressed a lack of understanding of the benefits of the performance management system.

Therefore, this study aims to investigate the effect of performance management practices on employee performance in METAD Private Limited Company (PLC), focusing on the effect of planning, communication, review, assessment, and reward systems on employee performance. By addressing these gaps the study seeks to provide practical solutions to improve employee performance and contribute to the success of the company.

The in-depth review of the literature indicates that there are few studies conducted previously and also they limited their scope to the analysis of the effects of performance management practices on employee performance in Ethiopia. Generally, very little equivalent work has been carried out in Ethiopia, which is why there is a need for research to be conducted on the effect of performance management practices on employee performance. Therefore, due to this research gap, the study is interested and highly motivated in conducting this study.

1.4 Basic Research Questions

Based on the statement of the problem the study tried to answer the following research question.

1. What is the effect of planning on employees' performances in METAD Private Limited Company (PLC)?
2. What is the effect of communication on employee performance in METAD Private Limited Company (PLC)?
3. What is the effect of review on employee performance in METAD Private Limited Company (PLC)?
4. What is the effect of assessment on employee performance in the Private Limited Company (PLC)?
5. What is the effect of performance rewards on employee performance in METAD Private Limited Company (PLC)?

1.5 Objectives of the Study

This study has general and specific objectives.

1.5.1 General Objectives of the Study

The general objective of this study was to assess the effect of performance management practices on employee performance in Private Limited Companies (PLCs).

1.5.2 Specific Objectives

To achieve the general objective of the study the following specific objectives were identified:

- To determine the effect of planning performance on employee performance in METAD Private Limited Company (PLC).

- To determine the effect of communication on employee performance in the company METAD Private Limited Company (PLC).
- To determine the effect of review on employee performance in METAD Private Limited Company (PLC).
- To examine the effect of assessing performance on employee performance in METAD Private Limited Company (PLC).
- To determine the effect of rewarding performance on employee performance in the METAD Private Limited Company (PLC).

1.6 Significance of the Study

The purpose of this study was to examine the effects of performance practices on employees' performance and provide the findings for better improvement and policy revision to be performed by the decision-makers. Highly specialized performance management and value-added service strategies if successfully implemented in organizations. The study will fill the gaps through its findings on the lack of knowledge of the effects of performance practices on employee performance and its consequences on overall organizational performance. To researchers, the result of the study will serve as literature to throw more light on the factors that may affect employee performance. The outcome will further serve as secondary data for future research on the topic. Moreover, the research findings will contribute to a deepening understanding of effective performance management practices in the company and their importance on the effect of employee performance to researchers, policymakers, and performance management practitioners for addressing key issues, starting from assessment of the experienced or potential entrepreneur on the sector to ideas until their visions are realized.

1.7 Scope of the study

Performance management comprises individuals, teams, and organizations; however, this study was focused only on individual performance management by using the following variables performance planning, communication, review, assessment, and reward. The study was conducted in the main office of METAD Private Limited Company (PLC). The study employed a descriptive and explanatory research design with a quantitative approach. The study was carried out between December 2023 to June 2024 G.C.

1.8 Limitations of the study

As the performance management system is a very confidential and sensitive issue the chances of bias in the response of respondents are very high and that might influence the findings of the study. The limitation that the study faced was some of the respondents are reluctant to answer the questions on time and there was some cost constraint to do this study.

1. 9 Organization of the paper

The study has five chapters. The first chapter is the introduction part, which includes; background of the study, statements of the problem, and objectives of the study, research question, scope and organization of the paper. The second chapter consists of a review of relevant theoretical and empirical literatures. The third chapter was focuses on the proposed research methodology in detail including the design, data collection and analysis tools employed. The fourth chapter was containing data analysis and interpretation while the fifth and last chapter was drawing conclusion and proposing recommendations based on the findings of the studies.

1.10 Definition of Key Terms

- **Assessment:** -considers the observable tasks, behaviours, and attitude that constitute the right way to do the job (Blunkett.2019).
- **Communication:** - to establish strong working relationship with employees, promote easy information and feed back to employees (Robbins & Judge2018).
- **Reward:** - Considers all monetary and non-monetary payment that an organization provides to its employees (Chauhan 2018).
- **Performance management:** - Improving the performance of an organization by helping individuals and team to develop their capacity to reach the intended destination (Chauhan, 2018)

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter presents a relevant literature-related theoretical review of the concept of performance management practice and employee performance, an empirical review, an additional conceptual review, and a research hypothesis of the study discussed at the end of this chapter.

2.1 Theoretical Literature

2.1.1 Overview of Performance and Performance Management

In this section performance and performance management concepts were discussed. Performance and performance management are critical aspects of organizational success, as they directly impact employee productivity, motivation, and overall organizational performance. In recent years, there has been a growing body of research on performance and performance management, which has led to new insights and best practices in the field Gallup (2017). Here is an overview of some of the recent trends and research in performance and performance management:

Performance Management: Performance management has evolved significantly in recent years, with a growing focus on continuous feedback, regular check-ins, and employee development. Continuous performance management has been driven by the recognition that traditional annual reviews are not effective in motivating employees or improving performance (Gallup 2017). Performance feedback is a critical component of performance management, and organizations are recognizing the importance of providing regular, constructive feedback to employees (Harvard 2017). In summary, performance and performance management are critical aspects of organizational success, and recent research has highlighted the importance of continuous feedback, employee engagement, and the use of performance metrics. However, there is also a growing recognition that metrics can be flawed and that technology must be used judiciously to support, rather than replace, human interaction and feedback.

2.1.2 Performance

Performance is the ability to execute tasks and achieve desired outcomes while demonstrating efficiency, effectiveness, and excellence. It encompasses various aspects of organizational functioning, including productivity, quality, innovation, and customer satisfaction" (Kumar & Suresh, 2020). Performance is a multidimensional construct that includes both behavioural and outcome-based

measures. It involves the demonstration of skills, knowledge, and attitudes that contribute to the achievement of organizational goals and objectives (Aguinis, 2016) Performance is the result of a combination of individual and organizational factors, including motivation, ability, leadership, and resources. It is a key driver of organizational success and can be measured through various metrics, such as financial performance, customer satisfaction, and employee engagement (Bloom & Farh, 2019).

Performance is the ability to achieve desired outcomes while minimizing the use of resources and maximizing efficiency. It involves the implementation of effective strategies, processes, and systems that enable organizations to achieve their goals and objectives (Hill & Jones, 2017). Performance is a continuous process of improvement that involves the identification of areas for improvement, the implementation of change, and the measurement of results. It is a critical aspect of organizational success and can be influenced by various factors, such as leadership, culture, and employee engagement (Bouris & Soteriou, 2019).

2.1.3 Employee Performance

Employee performance is defined as the outcome or contribution of employees to make them attain goals Herbert et al (2000) cited by (Nassazi, 2013) Performance is the achievement of specific tasks measured against predetermined or identified standards of accuracy, completeness, cost, and speed. Employee performance can be manifested in improvement in production, easiness of using the new technology, and highly motivated workers. Employee performance is an important factor and the building block that increases the performance of the overall organization. Employee performance depends on many factors like job satisfaction, knowledge, and management but the most important factor of employee performance is training and development (Fakhar, 2008)

2.1.4 Performance Management

Performance management is the broader one which identifies measures, manages, and develops the performance of the human resources in an organization whereas performance appraisal is the sub-set of performance management that we use for evaluating the competence of employees (Lussier & Hendon, 2013) Performance management is a term popularly used in the area of human resource management which is defined as a process of identifying, measuring, and developing the performance of individuals and aligning performance with the strategic goals of an organization (Woyessa, 2015). Performance management implies that organizations seek to develop, motivate, and increase the performance of their employees in a variety of human resources applications (Gerrish, 2016). Performance management

systems set expectations for employee performance and motivate employees to work hard. It also involves identifying the strengths and weaknesses of employees in their performance as it sets work standards, measures actual performance, and gives feedback to employees regarding performance (Mbiya, 2014).

The essence of performance management is establishing a framework in which performance by human resources can be directed, monitored, motivated, and refined and that the links in the cycle can be audited. Unsurprisingly, given this, the principal theoretical foundation of performance management is social psychology, which is a detailed consideration of how people are motivated to perform (Nini, 2012). The effective management of individual performance is critical to the execution of institutional strategy and the achievement of strategic objectives (Sattar, Khaliq & Butt, 2018).

2.1.5 Purpose of Performance Management

The entire reason for performance management is to get higher results from the business enterprise, teams, and individuals via knowledge and dealing with performance within an agreed framework of planned desires, standards, and competency necessities. It's far a process for organizing shared expertise of what is to be finished, and an approach to coping with and growing people in a manner that will increase the probability that it will be performed within the short and longer term. The essential goal of performance management is to set up a way of life wherein people and corporations take duty for the continuous development of business strategies and their abilities and contributions (Smither & London 2009).

There are several functions that formal performance management structures may serve. They could provide employees with information about the expertise they may be perceived in the business enterprise and where they stand. They also can offer developmental remarks on the strengths the employee should capitalize on and the weaknesses wherein development can be required (Drake management assessment, volume 1, problem 1, October 2011). Performance management as a system can function as a pillar for the development of people, groups, and corporations in a way that they intend to get to their favoured goals. The performance management system has many functions know-how predominant ones are strategic purpose, administrative reason, communication motive, developmental purpose, organizational preservation reason, and documentation purpose (Smither & London 2009). It also evaluates the improvement being made towards the achievement of organizational strategic business objectives (Bridger, 2014).

2.1.6 Performance Management System

The performance management system is considered to be one of the strongest tools for developing human assets as it lays the foundation for training, promotion, career planning competency mapping, etc. The most important aspect of the performance management system is failing to deliver the expected result. An increasing number of profit and non-profit organizations are turning towards PMS for their organizations to achieve better results and better psychosomatic outputs (Gupta, 2013). Performance Management System provides feedback to an organization about its functional and individual achievements. These qualitative or quantitative substitute measures further provide a roadmap for how future organizational objectives can be attained.

Van Soelen, (2013) argues that past performances do not ensure better or similar future outcomes. There are several reasons for the failure of Performance management systems. More often than not, systems are used and supported by top management. Supervisors view the system as an administrative burden and do not see the benefits of energy invested in making the system work. Performance objectives are written so subjectively that measurement is not possible. Performance objectives set at the beginning of the year appear to be less important by the end of the year if linked to certain projects that were not deemed to be critical success factors. Managers are unable to give feedback and deal effectively and constructively with the conflict generated by the assessment of employees' performance. During the last two decades, an increasing number of organizations have implemented Performance Management Systems that are based on Critical Success Factors and Balanced Scorecards (Sparrow, 2012).

2.1.7 Process of Performance Management System

As most authors have agreed at which means of performance management it is a continuous process that engages each supervisor and the employee to set out the knowledge they can first-class work collectively to achieve the specified standards. As a result, the performance management system has its process to execute the system correctly. Although utilizing to achieve reliability there are different methods of performance management systems indicated with the aid of different authors, the most common and solid one is a system that encompasses four levels which can be performance planning, performance execution, performance assessment, and performance review. Each phase can be discussed in brief as follows.

2.1.7.1 Performance Planning

The performance planning phase of the performance management system is the primary stage wherein employees are probably enabled to have clear facts about the system. The performance planning process is a step by which the manager and individual get together to discuss what the employee will achieve over the next period (the key responsibilities of the person's job and the goals the person will work on) and how the person will do the job (the behaviours and competencies the organization expects of its members). They typically discuss the individual's development plans. Performance planning is the stage where the supervisor and the employee meet to discuss and agree on, what needs to be done and how it should be done, (Smither & London, 2009).

The third element of a planning section is the development plan. It's far from figuring out areas of improvement and setting desires to be performed in every situation. It typically includes each result and behaviour. Such plans spotlight employee's strengths and the areas in want of improvement, and they provide a motion plan to decorate areas of weaknesses and in addition growth areas of strengths. It allows employees to perceive know-how continuously study and grow, look at the opportunity of being better inside their destiny, and allows them to keep away from performance issues faced in the past (Smither & London 2009).

2.1.7.2 Performance Communication

Performance communication refers to the process of exchanging information and feedback between managers and employees regarding performance expectations, progress, and outcomes. It involves clear and effective communication channels to ensure that employees understand what is expected of them, receive feedback on their performance, and have the opportunity to discuss their performance and development goals (Bauer & Erdogan, 2019). It provides full information for employees on how well they are doing, to receive information on specific areas that may need improvement, and to learn about the organization and the supervisor's expectations and what aspects of work the supervisor believes are most important. Performance management promotes openness, transparency, and a smooth flow of information among employees. Communication also plays an important role in the review or feedback meeting. A performance management system that is established and communicated to employees and supervisors in the organization helps to correct errors immediately by devising the right solution (Harvard teal. 2009).

2.1.7.3 Performance Execution

The performance execution stage focuses on commitment to goal achievement, ongoing performance feedback and coaching, communication with the supervisor, collecting and sharing performance data, and preparing for performance reviews. During this stage, the employees strive to produce results and display behaviours agreed upon earlier as well as to work on developmental needs. According to (Pulakos, 2004) especially, ongoing feedback is very critical to make sure that the behavioural and results expectations from the team are achieved. Performance in both areas should be discussed and feedback provided on an ongoing basis throughout the rating period. In addition to providing feedback whenever exceptional or ineffective performance is observed, providing periodic feedback about day-to-day accomplishments and contributions is also very valuable.

The performance execution stage is a critical phase in the employee life cycle where employees are expected to demonstrate their commitment to achieving their goals and display during the performance the behaviours agreed upon during the performance planning stage. On-going feedback and coaching are essential during this stage to ensure that employees are meeting their performance targets and displaying the desired behaviours. Employees who receive regular feedback, both positive and negative are more likely to be engaged and motivated, and are less likely to leave their job (Harvard, 2013).

2.1.7.4 Performance Assessment

This section delves into the assessment phase of performance management. It discusses various methods and tools used to evaluate employee performance. It highlights the importance of fair and objective assessments in providing employees with constructive feedback and identifying areas for improvement. It is a quantifiable indicator used to assess how well an organization or business is achieving its desired objectives. Within the performance assessment stage, both the employee and the supervisor are chargeable for evaluating the volume to which the standard behaviours have been displayed, and whether or not the desired effects have been accomplished (Liu, 2014).

Even though many resources may be used to accumulate performance information (for instance, peers or subordinates), in most cases, the direct manager offers the data. This additionally includes an assessment of the extent to which the goals stated in the improvement plan have been finished. Each employee and supervisor has to improve and take possession of the evaluation process. The manager fills out his or her appraisal form, and the employee needs to additionally fill out his or her shape. The truth that both events are involved in the assessment manner gives better facts for use at some unspecified time in the future in the assessment stage (Smither and London 2009). Performance assessment involves both the supervisor and employee and the evaluation of the extent to which the

desired behaviours have been displayed, and whether desired results have been achieved. Organizations should provide a convenient means of summing up performance judgments so that high or low performances can easily be identified (Armstrong, 2010).

2.1.7.5 Performance Review

The performance review stage involves a meeting between the employee and the supervisor to review their assessments. This assembly is commonly referred to as the appraisal assembly or dialogue. The appraisal assembly is essential because it offers a proper area in which the employee gets feedback on his or her performance. This immoderate stage of discomfort, which often interprets into tension and the avoidance of the appraisal interview, can be mitigated through education of the ones responsible for presenting remarks (Smither & London 2009). The review phase of performance management is examined in this section. It emphasizes the value of periodic performance reviews and discusses the benefits of timely feedback and coaching. The review process helps identify strengths, weaknesses, and developmental opportunities, leading to enhanced employee performance (Bajorek & Bevan, 2015).

2.1.7.6 Performance Rewarding

(Auginis, 2013) argues that an employee's compensation, usually referred to as tangible returns, includes cash compensation (i.e., base pay, cost of living and merit pay, short-term incentives, and long-term incentives) and benefits (i.e., income protection, work/life focus, tuition reimbursement, and allowances). However, employees also receive intangible returns, also referred to as relational returns, which include recognition and status, employment security, challenging work, and learning opportunities. A reward system is a set of mechanisms for distributing both tangible and intangible returns as part of an employment relationship. It should be noted that not all types of returns are directly related to performance management systems. This is the case because not all types of returns are allocated based on performance. For example, some allocations are based on seniority as opposed to performance. In whichever recognition type we make, the performance of staff should be recognized in a fair, relevant, and equitable manner, and should facilitate improved performance (Baird, 2012). According to Edirisooriya (2014), reward is conducive when the employees show readiness to contribute to the profitability of the organization through additional efforts. Another pre-requisite of the reward system is that employees should see a visible link between their day-to-day tasks and the expected reward through enhanced motivation and improved performance.

2.1.8 Effect of Performance Management System

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

2.1.9 The Relationship between Performance Management System and Employees' Performance

The details on how the different dimensions of performance management affect employees' performance are discussed in this subsection.

2.1.9.1. Relationship between Performance Planning and Employee Performance

As briefly discussed under performance planning stage undergoes several activities including the development of the company mission, vision, and objectives, and setting annual performance plan. These all activities directly affect the employee's performance if one fails to plan he or she is planning to fail. Recent studies have identified trends in effective performance planning and determined the effect of this activity on employees and the organization's success. The message from these studies is senior managers must be attentive to the performance planning in their organizations as they affect the employee's performance (Sumlin, 2006).

Performance management planning involves setting clear and achievable goals and expectations for employees. It also includes identifying the resources and support needed to accomplish these goals. Effective planning helps employees understand what is expected of them and provides a roadmap for their performance. Employees involved in the goal-setting process and clear plans for achieving their objectives demonstrated higher performance levels (Bazan & Nowak, 2020). Darbi(2012) argues that the strategic plans should be cascaded down through departmental, directorate, divisional or sectional plans to the individual level where each staff member and his/her supervisor enter into an annual performance

agreement. Such cascading and the buy in of employees become smooth when they are also part of the strategic plan development.

2.1.9.2. Relationship between Reviewing Performance and Employees Performance

The relationship between performance review and employee performance has been extensively studied, and recent research has provided further insights into this dynamic. Here are some key points regarding the relationship, with references to recent studies: A study by Marrelli (2022) found that providing employees with constructive feedback during performance reviews can lead to significant improvements in their performance. The researchers emphasize the importance of feedback that is specific, actionable, and focused on development. Jiang et al. (2021) examined the impact of goal-setting within the performance review process. Their findings suggest that when employees are involved in setting their own performance goals, it enhances their motivation and aligns their efforts with organizational objectives, leading to better performance outcomes.

Rahmani & Ashtari (2021) investigated the role of perceived fairness in performance review processes. Their study indicates that when employees perceive the review process as fair and transparent, it can increase their engagement and commitment, which in turn positively affects their performance. A study by Dawson et al. (2022) highlighted the importance of a developmental focus in performance reviews. They found that when reviews emphasize employee development and growth opportunities, it can foster a sense of autonomy and lead to improved performance. Silverman & Wehr (2020) examined the impact of feedback quality during performance reviews. Their research suggests that high-quality; constructive feedback can prompt behavioural changes in employees, resulting in enhanced performance. These recent studies underscore the crucial role that the performance review process plays in shaping employee performance. Effective performance review practices, such as providing constructive feedback, aligning goals, ensuring fairness, and focusing on development, can positively influence employee motivation, engagement, and ultimately, their performance outcomes.

2.1.9.3. Relationship between Performance Assessment and Employee Performance

Performance management assessment involves evaluating employees' performance against the established goals and standards. Regular feedback and assessment help employees understand their strengths and areas for improvement, ultimately enhancing their performance. It demonstrated positive relationship between performance appraisal and employee performance. The researchers found that when performance assessment was conducted fairly and consistently, it contributed to improved employee performance (DeNisi & Murphy, 2019).

The relationship between performance assessment and employee performance has been the subject of extensive research, with recent studies providing additional insights. Here is a summary of the key findings from recent literature: A study by Xiao & Tomlinson (2022) found that when performance assessment criteria are closely aligned with an organization's strategic objectives, employees are better able to understand how their work contributes to the overall success of the organization, leading to improved performance. Gallo & Shafiq (2021) examined the impact of involving employees in the performance assessment process. Their research indicates that when employees have a voice in how their performance is evaluated, they feel more empowered and engaged, which positively influences their performance outcomes.

Kang & d Kim (2022) investigated the role of balanced performance assessments that consider both quantitative and qualitative measures. Their findings suggest that this approach can help mitigate the impact of cognitive biases and lead to more accurate and fair evaluations of employee performance. A study by Sanderson & Moser (2021) highlighted the importance of providing employees with developmental feedback during the assessment process. They found that when feedback is focused on growth and improvement opportunities, it can foster a learning mindset and enhance employee performance. Nguyen & Pham (2020) explored the role of perceived transparency in performance assessment processes. Their research indicates that when employees perceive the assessment process as transparent and fair, it can increase their trust in the organization and positively impact their performance. These recent studies underscore the multifaceted nature of the relationship between performance assessment and employee performance. Effective performance assessment practices, such as aligning criteria with organizational goals, involving employees, using balanced assessments, providing developmental feedback, and ensuring transparency, can all contribute to enhanced employee performance and organizational success.

2.1.9.4. Relationship between Performance Rewarding and Employees' Performance

Performance management rewarding involves recognizing and rewarding employees for their performance and contributions. Effective reward systems incentivize employees to maintain high-performance levels and contribute positively to the organization. A recent study highlighted the importance of various forms of rewards, including intrinsic rewards, monetary incentives, and recognition, in driving employee performance. The study emphasized that well-designed reward systems positively influence employee motivation and performance study by (Gubler et al., 2021).

Managers who seek to influence the performance of their subordinates need to ensure that good performance is followed by positive consequences. Ideally; good performance should not only lead to recognition but also to material benefits for the subordinate. The important point is that there should be a clear link between good performance and reward in the organization (Schultz et al., 2013). Sometimes a subordinate fails to perform as expected (Schultz et al., 2013). Similarly, if the poor performance persists, it may be necessary to start disciplinary procedures. This needs to be aligned with labour union proclamations whenever applicable so that it protects not to being exposed to legal costs. In both cases, it directly contributes to the performance of the organization (Gunter & Furnham, 2012).

2.2 Empirical Review

Currently, there is a continuing debate in the performance management literature as to whether performance management has a positive effect on employee performance or not. As a result, the evidence is mixed. Hence, one might question under what circumstances performance management positively affects an employee's performance. The link between performance management and employee performance in firms has been examined in several studies utilizing a variety of research techniques. Here, the study analyse the most crucial research that addressed the issue and the most crucial conclusions they came to (Kaur, 2019).

Odhiambo, (2015), examined the effect of performance management practices on employee productivity with a focus on Schindler Limited Company in Nairobi, Kisumu, and Mombasa branches in Kenya. In the study, the researcher considered dependent variables including performance appraisals, reward systems, and performance feedback, and the implications on employee productivity as the independent variable. This study used the descriptive research design. The study adopted a quantitative approach to the effects of performance management practices on employee productivity. Descriptive statistics was used as a data analysis tool. Inferential statistics such as correlation and regression analysis were used to establish the relationship between dependent and independent variables. The study concluded that effective performance management practices allow employees to express their ideas and expectations for meeting the strategic goals of the company.

(Samuel 2018) assessed the impact of performance management systems on organization and employee work satisfaction of private banks in Tanzania and the findings of the research show that it has a positive impact on both organization and employee performances. However, some research findings indicate that having a performance management system alone cannot ensure a positive impact on performance unless some conditions are fulfilled for success.

(Ying, 2012) examined, the relationship between performance management systems with employee performance. The research strategy is based on quantitative research. Data was analyzed using a package STATA for Windows. The results show that the performance management system has a positive but no significant relationship with employee performance.

(Makamu, 2016) assessed the performance management and development system in selected South African national government departments by taking samples of employees between salary levels 3- 12 that are from 47 such companies. The research finding indicates that current performance management and development systems are not effective in improving the company's success. The study further demonstrates that employees are motivated and have lost confidence and trust in the appraisal system. The main cause for the problem, as identified by the researcher, is the supervisor's bias as they are biased in managing and implementing the system mainly using performance management as compliance rather than management.

Similarly, (Malek, 2014) critically evaluated the effectiveness of performance management and its alignment with organizational goals for the Department of Communication (DoC) in South Africa. The research finding reveals that although certain elements of performance management within the DoC can be perceived as being effective, however, there are issues that still need to be addressed such as communicating with employees and clearly defining the purpose of the performance management, commitment to senior managers and addressing the staff attitudes and perceptions, as staff attitude and negative perception by employees can have detrimental consequences to the organization and positive perception can improve the organization and commitment of employees towards organizational performance. However, the research is silent on the causes of the gaps whether it is due to design problems where stakeholders should participate and feel ownership.

(Colorosa, 2016) Researching a company called Blue Star Recyclers (BSR), a company that recycles electronics while employing individuals with disabilities (including Autism), is different. The research output shows that managers focus on the abilities of their employees and on the production necessary to meet the mission of the organization, while also creating a fun work environment. In doing so, they have experienced almost no turnover or absenteeism. The author further recommends that other organizations use as a model BSR to focus on the outcomes and objectives of employees, linking individual goals to organizational goals, and creating an environment in which employees like to work.

2.3 Conceptual Framework of the Study

Based on the discussion made so far referring to different theoretical and empirical literature, a research framework was built. The framework is constructed based on different literatures ((Samwel , 2018) and (Ying , 2012) Accordingly, first, the paper was tested the relationship between setting objectives which is the most important activity in the developing and planning performance stage with employee's performance (Hypothesis 1). In the second stage, the researcher will test the relationship between Performance communication and employees' performance (Hypothesis 2). The third is testing the relationship between reviewing performance and employee performance (Hypothesis 3). Fourth is testing the relationship between assessment and employee performance ((Hypothesis 4) and finally, the relationship between rewarding and employee performance is tested (Hypothesis 5).

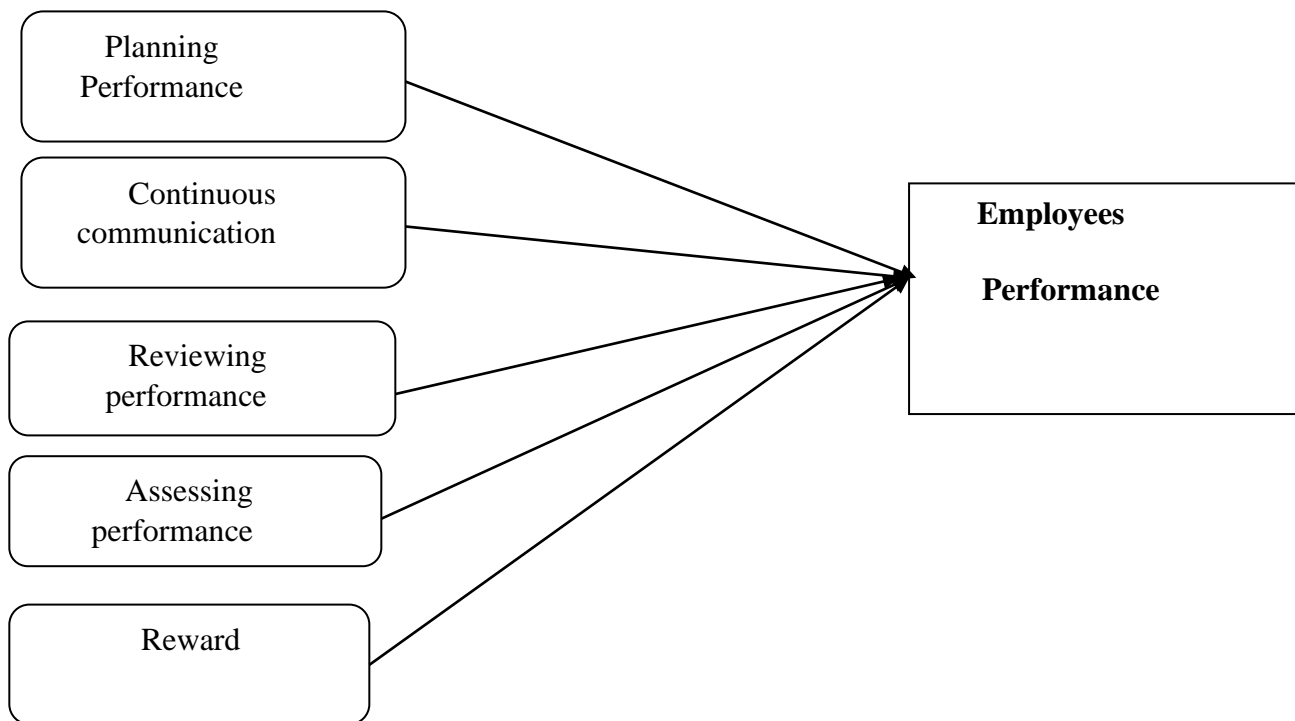


Figure 1: Conceptual Framework of the Study
Source: Adopted from Samwel (2018) and Ying (2012)

2.4 Research Hypothesis of the Study

H1: Planning performance has a positive and statistically significant effect on employee performance.

H2: Continuous communication has a positive and statistically significant effect on employee performance.

H3: Assessing performance has a positive and statistically significant effect on employee performance.

H4: Reviewing Performance has a positive and statistically significant effect on employee performance.

H5: Performance reward has a positive and statistically significant on effect employee's performance.

In all the cases, the independent variables (planning, communication, assessment, reviewing, and rewarding) positively affect the dependent variable (employee performance). The findings of the study were later summarized in evaluating the set hypothesis.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

The previous chapter described a theoretical and works related to management practice by different authors. This Chapter focuses on the research design and applicable methodology for this study. The main purpose of this study is to explore and analyze the effect of Management practices on the performance of METAD Private Limited Company (PLC). This chapter moves some steps further by showing how the relevant data and its collection methods have helped prove that indeed proper management practice is necessary for any company. It covers research designs, research approach, data source, collection methods, population, sample size, and method of data analysis.

3.1 Research Design

The purpose of this study was to assess the effect of performance management practices on employee performance in METAD Private Limited Company (PLC). The study adopted a descriptive and explanatory research design. The descriptive and explanatory research design is a research approach that involves the systematic collection and analysis of quantitative data. By integrating these two complementary approaches, researchers can gain a more holistic and in-depth understanding of the research problem, leading to more robust and reliable findings (Creswell, 2018).

The descriptive research design involves systematically observing and documenting characteristics, behaviours, or phenomena to provide an accurate and comprehensive representation of a specific population, event, or phenomenon. Explanatory research design goes beyond description and seeks to uncover the underlying causes, mechanisms, or processes that explain the observed phenomena. It aims to establish causal relationships by manipulating variables and conducting rigorous data analysis (Smith & Johnson, 2021).

3.2 Research Approach

This study was focused on a descriptive and explanatory research design since it seeks to evaluate performance management practices' effect on employee performance on a five-point scale questionnaire. In this study, a quantitative research approach was employed. A quantitative method was used to assess

the direct involvement of the operational activities with the performance management practice of the METAD Private Limited Company (PLC) Thus, to investigate the effect of independent variables on employee performance and sought to quantify quantitative data and analyze the data from a sample, which is a representative of a large population. The study collected data by using structured closed-ended questionnaires.

3.3 Data Sources

The data source used in this study was primary data.

Primary Data Sources: collected using questionnaires to all permanent employees of METAD Private Limited Company (PLC). The decision to use those persons as a source of data is based on the expectation and perception that they have a better understanding and information about performance management.

3.4 Data Collection Technique

The Primary data was collected using a questionnaire. The study was developed close-ended questionnaire and distributed to all employees and management of METAD Private Limited Company (PLC). A questionnaire was prepared to get an idea about how employees understand performance management practices. The questionnaire was categorised in to two sections, namely: Section 1: Demographical background information; Section 2 A five-point Likert scale questionnaire was used.

3.5 Target Population of the Study

As stated by Neelam et al, (2014) population means the totality of individuals from which some sample is drawn. The target population for the study is METAD Private Limited Company (PLC) employees and management. There are a total of 316 permanent employees that conclude top-level management to line operation teams. However, the target population for the study was 316 management and employees.

3.6 Sample Size and Sampling Techniques

Utilizing a representative sample size in a scientific study enhances the degree of accuracy of a research finding, thus it, in turn, allows generalizing to the entire population, and consequently, it ensures efficiency (Kothari, 2004). In his study simple random sampling methods was employed. Moreover, the random sampling method gives an equal chance for all respondents to be chosen in the sample and is also a straightforward and unbiased sampling (Kothari, 2018). So sample for this study was selected from managers and Human resource department heads based on their experiences with management practice and their seniority in the METAD Private Limited Company (PLC). All employees and all operational managers were engaged through a questionnaire. The total population of the study was 316. To get a representative sample for the population under the study the formula of Yaro Yamane (1969) was cited in Obasi and Ekwueme (2011).

$$n = \frac{N}{1 + Ne^2}$$

$$\mu = \frac{N}{1 + N(e^2)} = \frac{316}{1 + 316(0.05^2)} = 177$$

Where n = sample size N = Total Population 1 = constant value e = level of precision or random error (0.05)

e^2 = constant standard error equal to 5% for a 95% confidence level. Therefore, the sample size of the study was approximately 177 employees from the target population of 316 to achieve a 5% margin of error.

3.7 Methods of Data Analysis

Data analysis is the process of organizing, summarizing, and interpreting data to extract meaningful information and identify patterns and relationships. It involves a range of techniques, including descriptive statistics, visualization, and inferential statistics (Bourdieu, P. 2018). The data was analyzed and interpreted by using descriptive statistics. Descriptive statistics was analyzed by using frequency tables, percentages, and mean. The results were presented by using tables. Inferential statistical analysis for the study included correlations and Regression was used to determine the level of significance in the relationship between a dependent variable and the independent variable. Pearson Correlation is also used

to establish the existence, nature, and strength of the relationships between a dependent variable and independent variables. The data analysis was conducted by using the SPSS version 27 as a tool.

3.8 Model Specification

To see the effect of a unit change in the independent variables on the dependent variable, a linear regression is conducted with the following model summary:

$$EP = \beta_0 + \beta_1 PP + \beta_2 CP + \beta_3 RP + \beta_4 AP + \beta_5 RWP + \varepsilon$$

Where EP = Employee performance

PP = Performance Planning

CP = Performance Communication

RP = Performance Review

AP = Performance Assessment

RWP = Rewarding performance

β_1 ----- β_5 =Coefficients

Σ = sum of residuals error terms

3.9. Reliability and validity

Reliability and validity are the two most fundamental features in the evaluation of any measurement instrument or tool for good research.

Validity in this research concerned with whether the findings were really about what they appear to be approximate. Several different steps were taken to ensure the validity of the study. First data was collected from reliable sources, from respondents who have more experience in working at METAD Private Limited Company (PLC); the survey question is made based on a literature review and frame of reference to ensure the validity of the result; the questionnaire has been pre-tested by pilot test before starting the survey.

Reliability measures the internal consistency of the model. In this research, Cronbach's alpha was used to test the reliability. Reliability is also the extent to which results are consistent over time and accurately represent the characteristics of the total population under study. Therefore, before the actual administration of the questionnaire pilot test was conducted on randomly selected employees.

Table 4.1 The Cronbach Alpha Result

No	Variables	Cronbach alpha	Decision on reliability
1	Planning	0.845	Accepted
2	Communication	0.822	Accepted
3	Review	0.757	Accepted
4	Assessment	0.848	Accepted
5	Reward	0.701	Accepted
6	Employees performance	0.813	Accepted

Source: Survey Data, SPSS analysis 2024

The above table illustrates that the values all of the Cronbach alpha coefficients were above 0.7. The result indicated that planning (0.84), communication (0.82), Review (0.75), Assessment (0.84), Reward (0.7) and employees performance (0.81).

3.10. Ethical Consideration

Ethical considerations in research were critical. Ethics are the norms or standards required to distinguish between good or bad and/or right and wrong acts. Moreover, when it comes to the research work, they play multiple roles. Questionnaires were distributed to permanent METAD Private Limited Company (PLC) staff members who were willing to fill out the questionnaire. The purpose of distributing the questionnaire was indicated on the questionnaire. The name of the respondents was also kept confidential. Also, the conclusion reached, and the recommendations given were not biased. Rather it was aimed to assist and review the performance of their employees and the way they enhance their employees' performance to make their company even better competitive.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

This chapter deals with the analysis and interpretation of data obtained from the selected respondents through the distributed questionnaire. Objective of the study were to determine the effect of performance management practices on employee's performance. A total of 177 questionnaires were distributed among the employees. The data were collected and represent with the help of statistical software program SPSS version 27 in order to be free from ambiguity for readers. This chapter was organized and analysed with: respondent's response-rate, Demographic Characteristics of the Respondents, descriptive statistics, correlation analysis, and regression analysis.

4.1 Response Rate of Respondents

Based on the aforementioned facts and the overall population's sample size, the researcher sought 177 responses from METAD Private Limited Company (PLC) personnel. To increase the likelihood of a positive response rate, 177 questionnaires were distributed to management, supervisors and employees they completed and returned 159 questionnaires, leaving a total of 14 questionnaires unreturned and 4 was rejected due to incompleteness of the data. According to Cooper & Schindler (2014), a 50% response rate is suitable for analysis, 60% is good, and 70% is considered great for analysis. As a result, the study's response rate was 89.84%, which is high enough to analyze data.

4.1 Response of Rate of Respondents

Table 4.2 Table Response of Rate of Respondents

Questionnaires Administered	In Number	In Percent
Returned	159	89.84
Unreturned	14	7.91
Rejected	4	2.25
Total	177	100

4.2 Demographic Characteristics of the Respondents

For the researcher to understand the variations among the respondents, the study analyzed the respondent's information such as to Gender, Age, Educational qualifications, Work experience, job positions as result is shown below.

Table4. 3Demographic Characteristics of the Respondents

	Frequency	Percentage	Valid Percentage	Cumulate
Gender	Male	92	57.9	57.9
	Female	67	42.1	42.1
	Total	159	100.0	100.0
Age	18-29	42	26.4	26.4
	30-39	72	45.3	45.3
	40-49	37	23.3	23.3
	Abov50	8	5.0	5.0
	Total	159	100.0	100.0
Educatio nal qualificat ion	Certifies	5	3.1	3.1
	Diploma	9	5.7	5.7
	First Degree	125	78.6	78.6
	Masters Degree	20	12.6	12.6
	Total	19	100.0	100.0
Job Position	Management	19	11.9	11.9
	Supervisor	45	28.3	28.3
	Non management	95	59.7	59.7
	Total	19	100.0	100.0
Work experience	1-2	8	5.0	5.0
	2-3	16	10.1	10.1
	3-4	24	15.1	15.1
	4-5	35	22.0	22.0
	above 5 year	76	47.8	47.8
	Total	159	100.0	100.0

Source: Survey Data, SPSS analysis 2024

4.2.1 Gender of Respondents

According to respondents' response rate on number and frequency based on gender distribution, which is on table 4.3 above the results revealed that more respondents were male in number 92, which is 57.9% of the total sample size, whereas female respondents were 67 in number, which accounted for 42.1% of the sample in the study. The results implied that both genders participated and thus biases were avoided as there was evidence of gender imbalance of respondents.

4.2.2 Age of Respondents

Majority of the respondent's age range is between 30 to 39 years that accounts for about 38.1 percent which is nearly half of the respondents. The result implies respondents are matured and have a potential.

4.2.3 Educational Qualification of Respondent's

As of the respondent's response rate on Educational background, which is tabulated and figured out on table 4.3 above, their Educational background was distributed accordingly. Based on the ranges, 5 or (3.1%) respondent was Certificate Holder, 9 or (5.7%) respondents were Diploma holders, 125 or (78.6%) of respondents were Degree Holders, 20 or (12.6%) respondents were Master's Degree Holders. In this study, most of the respondents were degree holders. In overall observation of the data, METAD Private Limited Company (PLC) hires all educational level employees starting from certificate holder to the post-graduate studies though one participant's education level not known clearly to set the range on respondent's educational background.

4.2.4 Job Position of Respondents

As can be seen in the above table 4.3, the respondents are more of non-management, which contributes 59.7%. This is also expected result as the management and supervisor contributes small proportion compared to the total staff of the company.

4.2.5 Work Experience of Respondents

Based on the respondent's response rate for respondents working experience in the organization, which is tabulated table 4.3 above; their working experience was distributed accordingly. Majority of the respondents have work experiences are above 5 years that accounts for about 47.8% of respondents. Those who worked for the company from 4 to 5 years are also second large ones contributing about 22.0% of the total respondents. In general, participants in the study have had a good working experience to handle the study questionnaire, as well as to provide information on the effects of performance management practices on employee's performance in the organization.

4.3. Descriptive Analysis of Study

Descriptive statistics examine and evaluate data collected from a primary source. The primary data was acquired from a questionnaire intended to collect the information required to answer the study questions. The questionnaire was distributed 177 to management, supervisor and employees, at METAD Private Limited Company (PLC). Among distributed questionnaires 159 was returned. Before analysis, the acquired data was verified for completeness and consistency. The data was analyzed with SPSS software version 27. The descriptive statistics used in the analysis included standard deviation, mean.

Table4. 4Mean Comparison Based Mean Range Criteria

No	Mean Range	Response Options
1	1.00-1.80	Strongly disagree
2	1.81 -2.60	Disagree
3	2.61 -3.40	Neutral
4	3.41 -4.20	Agree
5	4.21 -5.00	Strongly agree

Source; (Boone, 2012).

4.3.1 Performance Planning

Table 4.5Descriptive Analysis of planning

No	Statements	N	Mean	Std. Deviation
1	The performance planning process is participatory	159	3.94	.932
2	I understand how my work contributes to the overall goals of the organization.	159	3.93	.962
3	Planning process help me to addressing my performance gaps.	159	3.95	.513
4	I receive adequate support and resources to achieve my performance goals.	159	4.14	.680
5	Planning provides a roadmap for my performance.	159	3.94	.748
	Aggregate	159	3.9887	.52639

Source; Survey Data, SPSS analysis 2024

Based on the information shown by the descriptive data that is tabulated on tables 4.5, the mean statistics on each item is greater than the scale mean (3), the overall mean of 3.9887 across all items suggests a

generally positive perception of the planning process on average. Generally, the finding reveal that the company's performance planning process is generally well-received by employees. It fosters a sense of participation, motivation, and clarity. However, further exploration of the variability in responses, particularly regarding participation and motivation, could lead to refinements that enhance the process and ensure a more consistent positive experience for all employees.

4.3.2 Performance Communication

Table 4.6 Descriptive Analysis of Continuous Communication

No	Statements	N	Mean	Std. Deviation
1	I have open and transparent discussions about my performance with my manager.	159	3.82	1.188
2	I have constructive conversations with my manger to address performance issue.	159	3.95	.940
3	Continuous communications help me to receive information on specific areas that need improvement.	159	3.75	.974
4	There is effective communication channel which help me to understand what expected from me.	159	4.11	.803
	Aggregate	159	3.9088	.52639

Source; Survey Data, SPSS analysis 2024

Based on the information shown by the descriptive data that is tabulated on tables 4.6, the mean statistics on each item is greater than the scale mean (3), it range from 3.75 to 4.11 results indicate a positive perception of the continuous communication processes, with the strong agreement around how effective communication helps employees understand and solve problems. However, further exploration of the variability in responses, particularly regarding the clarity of communication channels and the frequency of feedback, could lead to refinements that enhance the communication process and ensure a more consistent positive experience for all employees.

4.3.3 Performance Review

Table 4.7 Descriptive Analysis of Performance Review

No	Statements	N	Mean	Std. Deviation
1	Performance review is productive.	159	3.92	.958
2	I believe the review help me to address my performance issues.	159	3.78	.809
3	The performance review process motivates me to perform better.	159	3.77	.982
	Aggregate	159	3.7799	.84347

Source; Survey Data, SPSS analysis 2024

As shown on above table 4.7 the overall mean of 3.7799 across all items. As above results indicates that positive perception of the performance review process with the strong agreement around the meetings being meaningful and productive. Respondents also tend to agree that the reviews help address performance issues and concerns, and lead to enhanced performance. However, there is some variability in individual responses, particularly around the effect of the reviews on performance enhancement. The aggregate statistics suggest the performance review process is viewed positively overall, but there may be room for improvement to further enhance consistency in the perceived effectiveness across employees.

4.3.4 Performance Assessment

Table 4.8 Descriptive Analysis of Performance Assessment

No	Statements	N	Mean	Std. Deviation
1	I believe that the performance evaluation process is fair.	159	3.85	.821
2	I receive regular feedback on my performance based on the established criteria.	159	3.79	.957
3	The criteria used to assess my performance are clearly defined.	159	3.89	.857
4	Performance assessment results are used to identify areas for my professional development.	159	4.16	.710
	Aggregate	159	3.9214	.53155

Source; Survey Data, SPSS analysis 2024

According to the descriptive data presented in tables 4.8, the mean statistics on each item are greater than the scale mean (3), the overall mean of 3.9214 across all items indicates a positive perception of the performance assessment process it implying that most respondents had a similar overall evaluation of

the performance assessment system. Result show that METAD Private Limited Company performance evaluation process is perceived as fair, accurate, motivating, and transparent. However, further investigation into the variation in feedback experiences could lead to improvements that ensure all employees benefit from the process. By addressing any potential gaps in feedback provision and maintaining a culture of transparency, the company can further enhance the effectiveness of the performance evaluation process and contribute to employee engagement and development.

4.3.5 Performance Reward

Table 4.9 Descriptive Analysis of Performance Reward

No	Statements	N	Mean	Std.Deviation
1	High levels of performance are recognized and rewarded.	159	3.74	.821
2	The rewards provided by my organization motivate me to exert more effort in my work.	159	3.99	.742
3	I am satisfied with the rewards I receive for my work performance.	159	3.97	.544
4	The rewards motivate me to be timely completing my duties.	159	4.03	.631
5	Rewards for my performance are reflective of my overall effort.	159	3.63	1.286
	Aggregate	159	3.9509	.44762

Source; Survey Data, SPSS analysis 2024

As shown on above table 4.9 mean of 3.9509 across all items positive perception of the performance reward system on average. The finding suggests that the company's reward system is generally perceived as motivating and satisfactory. However, the perception of unfairness and lack of alignment with effort is a significant concern that needs to be addressed to ensure a sense of equity and fairness within the organization. By reviewing and refining the reward criteria, implementing a robust performance evaluation system, and addressing concerns about fairness, METAD Private Limited Company (PLC) can create a more equitable and motivating reward system that fosters employee engagement and performance.

4.3.6 Performance Employee

Table 4.10 Descriptive Analysis of employees Performance

No	Statements	N	Mean	Std. Deviation
1	1. Performance management system of the company encourages me to accomplish my task effectively.	159	3.99	.545
2	2. Performance reviews provide me with a clear understanding of my strengths and areas for development.	159	4.14	.670
3	3. I am ready to work an extra mile for my company.	159	4.05	.736
4	I seek out and take advantage of opportunities for professional development and growth	159	3.97	.544
5	I take responsibility for my action and try to improve my performance	159	4.13	.654
	Aggregate	159	4.055	.42570

Source; Survey Data, SPSS analysis 2024

Based on the information shown on tables 4.10, the mean statistics on each item is greater than the scale mean (3), mean of 4.0553 across all items suggests a very positive perception of the employee performance management system and practices on average. The finding suggests that METAD Private Limited Company (PLC) performance management practices are highly effective in fostering employee development and engagement. Employees perceive as beneficial, motivating, and contributing to their professional growth. By continuing to foster a culture of feedback, development, and accountability, the company can further enhance the effectiveness of these practices and create a more engaged and productive workforce.

4.4 Inferential Analysis

This section includes different Correlation and Regressions Analysis

4.4.1 Correlation Analysis

Correlation analysis is a technique used to show the relationship of one variable to another and can be considered as 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). Correlation analysis is used to describe the strength and direction of the linear relationship between two or more variables. These analysis employee’s Pearson Correlation Coefficients to check the correlation between performance management practices and employee’s performance for METAD Private Limited Company (PLC). According to Field (2005) Pearson correlation coefficients (r) can only take on values from –1 to +1.

Table 4.11 Pearson Correlation Coefficients

No	Correlation Coefficients (r)	Strength of Correlation
1	.01 to .30	Weak
2	.30 to .70	Moderate
3	.70 to .90	Strong
4	.90 to 1.00 are	very strong

Source: (kelley, 2017)

Table 4. 12 Correlation Analysis of Dependent and Independent Variables

		PP	CC	PRV	PA	PRW	EP
PP	Pearson Correlation	1					
	Sig. (1-tailed)						
	N	159					
CC	Pearson Correlation	.702**	1				
	Sig. (1-tailed)	.000					
	N	159	159				
PRV	Pearson Correlation	.519**	.692**	1			
	Sig. (1-tailed)	.000	.000				
	N	159	159	159			
PA	Pearson Correlation	.591**	.712**	.788**	1		
	Sig. (1-tailed)	.000	.000	.000			
	N	159	159	159	159		
PRW	Pearson Correlation	.678**	.422**	.460**	.419**	1	
	Sig. (1-tailed)	.000	.000	.000	.000		
	N	159	159	159	159	159	
EP	Pearson Correlation	.885**	.722**	.672**	.686**	.798**	1
	Sig. (1-tailed)	.000	.000	.000	.000	.000	
	N	159	159	159	159	159	159

** . Correlation is significant at the 0.01 level (1-tailed).

** . Correlation is significant at the 0.05 level (1-tailed)

Source: Survey Data, SPSS analysis 2024

The Pearson correlation coefficients are run for all the independent variables including performance planning, continuous communication, performance review, assessment and reward of performance that are denoted in the table 4.12 by planning, communication, review, assessment and rewarding respectively with the dependent variable Employees performance denoted by employees performance.

The correlation test demonstrates that there was statistically significant and positive relationship between planning and employees performance ($r=0.885$, $p<0.05$). The result demonstrates that there was a strong relationship between planning and employees performance.

The correlation test demonstrates that there was statistically significant positive relationship between communication and employees performance ($r=0.722$, $p<0.05$). The result demonstrates that there was a strong relationship between communication and employees performance.

The correlation test demonstrates that there was statistically significant positive relationship between review and employees performance ($r=0.672$, $p<0.05$). The result indicates that there was a moderate relationship between review and employees performance.

The correlation test demonstrates that there was statistically significant positive relationship between assessment and employees performance ($r=0.686$, $p<0.05$). The result demonstrates that there was a moderate relationship between assessment and employees performance.

Furthermore, there was statistically significant positive and strong relationship between reward and employees performance ($r=0.798$, $p<0.05$). This implies that when reward increase, employees performance also increases. Moreover, the analysis shows that all levels of significant values (Sig. 1-tailed) are less than .001. This proves the existence of significant evidence of correlation for each variable.

4.5 Regression Analysis

4.5.1 Multi co linearity Test

Multi co linearity occurs when the independent variables are not independent from each other. A second important independence assumption is that the error of the mean has to be independent from the independent variables. According to (dorman, 2013), such tests can be undertaken using different criteria. One of such criteria is the Correlation matrix where multi co linearity can be checked looking at the outputs of the Pearson's Bivariate Correlation results. The coefficient among all independent variables need to be smaller than 1. The second criteria are to check tolerance which measures the

influence of one independent variable on all the other independent variables. The result is presented in Table below. The result needs to be less than one.

Table 4.13 Multi co linearity Test Coefficients

Model		Colinearity Statistics	
		Tolerance	VIF
1	(Constant)	0.471	
	Planning	.315	3.178
	Communication	.325	3.077
	Review	.319	3.133
	Assessment	.314	3.189
	Reward	.493	2.029

Source: Survey Data, SPSS analysis 2024

Accordingly, the finding shows that all the tolerance coefficients are < 1 that again shows that there is no Tolerance problem. The second is Variance Inflation Factor (VIF). The rule is if $VIF > 10$, there is an indication for Multi co linearity to be presented. The result is also shown in the table 4.13 above and all the VIF coefficients are less than 10 which show that there is no Multi co linearity indication.

4.5.2 Autocorrelation Test

The other assumption of linear regression analysis is that there is little or no autocorrelation in the data. According to Stevens(2009), autocorrelation occurs when the residuals are not independent from each other. The study tests the linear regression model for autocorrelation with the Durbin-Watson test. The value of Durbin Watson assumes to be between 0 and 4; values around 2 indicate no autocorrelation.

Table 4.14 Regression model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.952 ^a	.906	.903	.13259	1.470
a. Predictors: (Constant), PRW, CC, PRV, PP, PA					
b. Dependent Variable: EP					

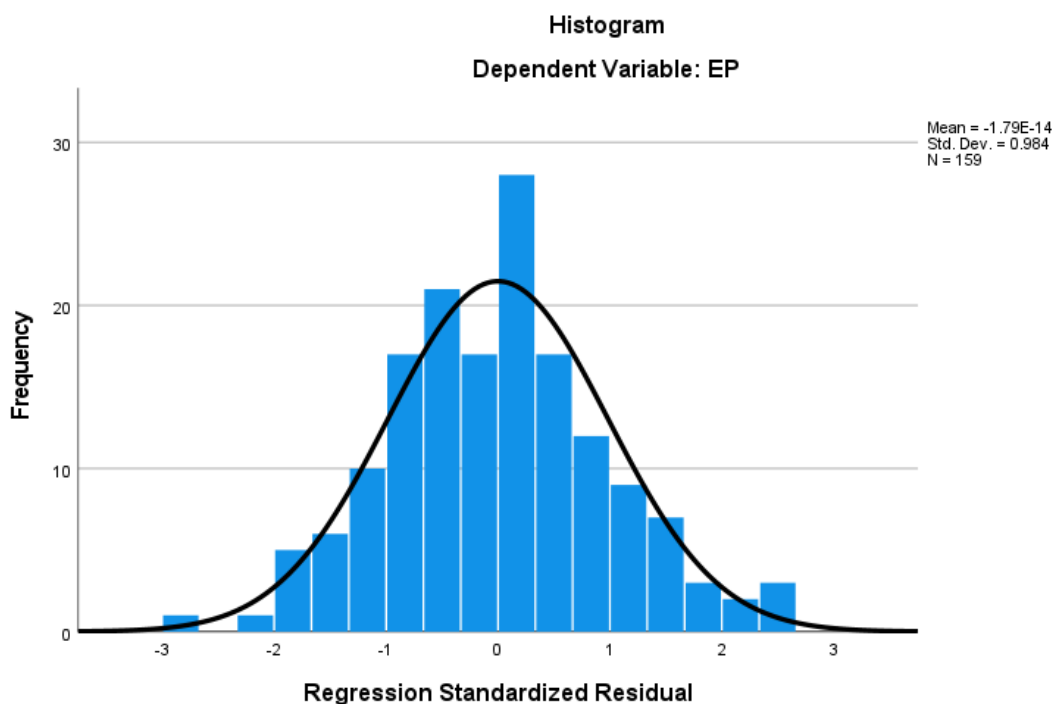
Source: Computed, SPSS analysis 2024

The Durbin-Watson result is as seen in the above table 4.14 this statistic ranges from 0 to 4, with a value close to 2 suggesting no autocorrelation with that assumption the above table result

represent of 1.47 which shows a value closer to 2 which is there is no autocorrelation between the data.

4.5.3 Normality Test

The assumption of normal distribution of the data was examined. To check the normality of variable which are incorporated in the multiple linear regression model, by using the histograms with a normal curve imposed. If the residuals are normally distributed, the histogram should be bell-shaped kabacoff, (2015). Therefore, from the below figure, the Histogram is bell shaped; this implies that the residuals are normally distributed.



Source: survey computed, SPSS analysis 2024

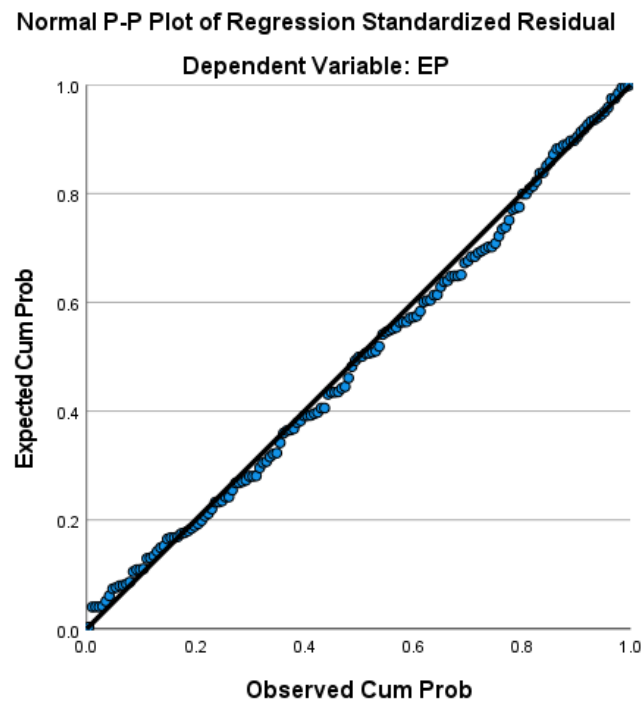
Figure 2: Normality Test

Upon analysing the figure that is presented above, it is quite evident that the histogram exhibits a clear bell-shaped structure. This particular shape of the histogram is a strong indication that the underlying random variable, as well as the residuals, follows a normal distribution.

4.5.4 Linearity Test

There must be a linear relationship between the dependent and independent variables. Linearity refers to the degree to which the change in the dependent variable is related to the change in the independent

variables. This can be also verified via the p-plot presented below. The plots appeared to be in a straight line fulfilling the linearity assumption.



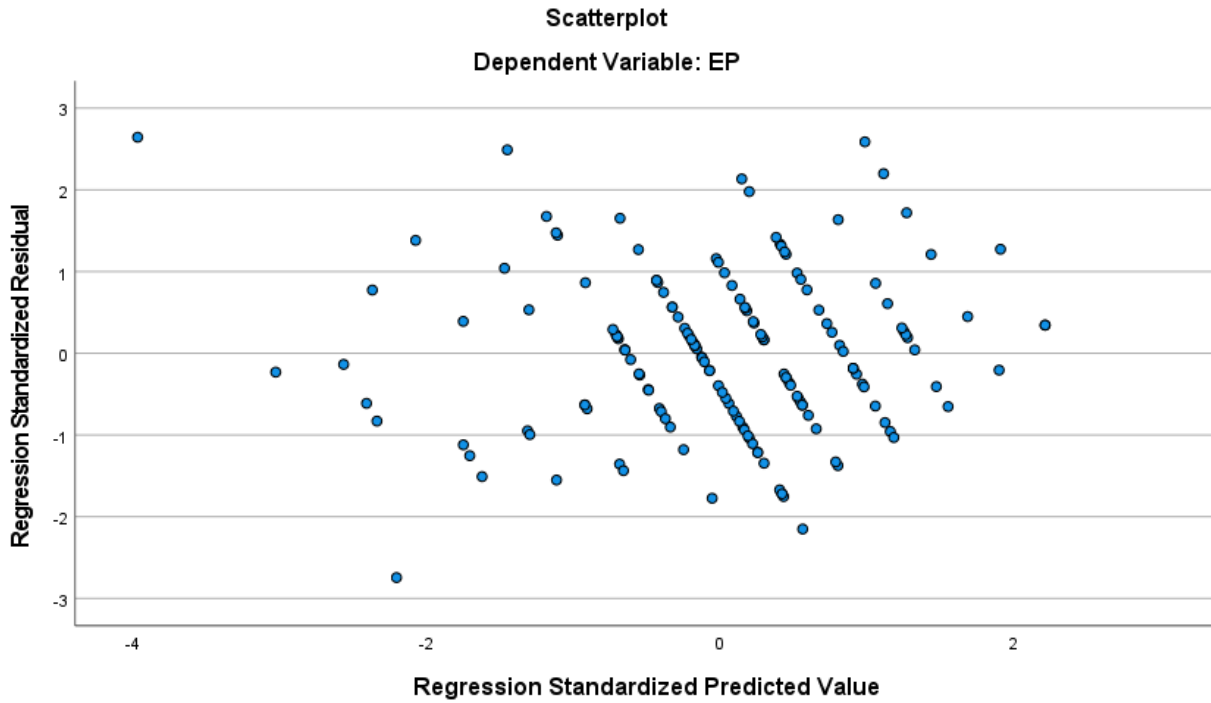
Source: computed, SPSS analysis 2024

Figure 3: Linearity Test

This study implies that the p plot result from the chart above, it can be seen that, the observed cumulative probabilities of the residuals are close to the line. This indicated that the distribution of the residuals is close to the normal distribution. Hence, the straight-line relationship between the residuals and the predicted dependent variable scores depicted that linearity was achieved.

4.5.5. Homoscedasticity Test

It refers the Variance of the Errors which should be Constant. To test for this, plot the errors against the Dependent Variable (Tefera, 2018).



Source: Computed, SPSS analysis 2024

Figure 4: Homoscedasticity Test

The concept of homoscedasticity refers to the distribution of residuals, specifically whether they are equally distributed or tend to cluster at certain values while being spread far apart at others. In this context, the plot demonstrates that the dependent variables exhibit an even distribution, indicating that outliers are absent and the variance of the errors remains constant.

4.5.6 Multiple Regressions Analysis

Table 4.15 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.952 ^a	.906	.903	.13259
a. Predictors: (Constant), PRW, CC, PRV, PP, PA				
b. Dependent Variable: EP				

Source: Survey computed, SPSS 27 analysis 2024

The data presented in above table 4.15 offer a comprehensive analysis of the correlation between the performance management practices and employees performance. The study has investigated the variation in the dependent variable, which is employee’s performance, with regards to the independent

variable, performance management practices (Reward, Planning, Assessment, Review, and Communication). This variation has been measured by calculating the R² and Sig. value. The adjusted R square value of .903 indicates that the performance management practices can explain almost 90.3% of the variation in the employees. This finding suggests that the performance management practices are a crucial factor that plays a significant role employees performance. However, it should be noted that other variables not considered in this study may account for the remaining 9.7 % variation in the employee’s performance.

4.5.7 ANOVA Test

The main purpose of ANOVA or usually called F- test is to examine whether the independent variables, taken together, have a significant effect to the dependent variable. If the significance value of the F statistic is smaller the assumed error margin, 0.05 in this case, then the independent variables explain the variation in the dependent variable significantly. Accordingly, the result indicated in table 4.16 below shows F value o f 295.133 which is significant at 0.000 significance level which is smaller than the error margin of 0.05. Thus, statistically all the independent variables predicts the dependent variable.

Table 4.16Regression of ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	25.943	5	5.189	295.133	.000 ^b
	Residual	2.690	153	.018		
	Total	28.633	158			
a. Dependent Variable: EP						
b. Predictors: (Constant), PRW, PA, CC, PRV, PP						

Source: own survey computed, SPSS 27 analysis 2024

The table that is presented above displays the analysis of variance, which is also known as model fit marks. The key elements of interest in this table are the F-statistics and its associated sig. value. After conducting the analysis, it was found that the F-statistics is significant with a Sig <.000b, indicating that the model has the ability to predict employees performance from performance management practices in a significant manner.

It is worth noting that the null hypothesis of the model was that it had no predictive power. However, the results of the analysis reject this hypothesis. Therefore, the alternative hypothesis is accepted, which states that the model has the power to predict employee's performance from performance management practices significantly. In other words, the presented model provides a statistically significant explanation of how performance management practices influences employee's performance. To forecast the effect of performance management practices (independent variables) on employees performance (dependent variable) multiple regression analysis was conducted. The result is accessible in the subsequent table. In order to see the impact of a unit change in the independent variables on the dependent variable, a liner regression is conducted with the following model summary:

$$EP = \beta_0 + \beta_1 PP + \beta_2 CP + \beta_3 RP + \beta_4 AP + \beta_5 RWP + \varepsilon$$

Where EP = Employees performance

PP = Performance Planning CP = Performance Communication RP = Performance Review AP = Performance Assessment
 RWP = Rewarding performance β_1 ----- β_5 =Coefficients
 Σ = sum of residuals error term

Table 4.17 Regression Coefficient

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.471	.111		4.247	.000	.252	.689
2	Planning	.371	.036	.459	10.391	.000	.301	.442
3	Communication	.059	.029	.089	2.042	.043	.002	.115
	Review	.067	.022	.133	3.022	.003	.023	.111
4	Assessment	.083	.035	.103	2.329	.021	.013	.153
5	Reward	.329	.034	.346	9.793	.000	.262	.395

Source: survey computed, SPSS 27 analysis 2024

Multiple linear regressions are a method of estimating the value of a dependent variable using the values of one or more independent variables. Table 4.17 illustrates the parametric estimation of several linear

regressions. As a result, numerous linear regression models were used to determine the study's independent variables, which were all considered to be good predictors of the dependent variable, employee performance. Table 4.17 reveals that the coefficient for performance planning is 0.371. So, assuming all other variables fixed, every unit increases in performance planning is anticipated to result in a 0.459 unit increase in employee performance.

The coefficient for Performance communication is 0.059. So for every unit increase in Performance communication practices, a 0.089 unit increase in employee performance is predicted, holding all other variables constant. The coefficient for performance review practices is 0.067. So for every unit increase in performance review, a 0.133 unit increase in employee performance is predicted, holding all other variables constant.

The coefficient for performance assessment is 0.083, which mean that for every unit increase in performance evaluation methods, a 0.103 unit improvement in employee performance is projected, assuming all other variables remain constant. The coefficient for performance rewards is 0.329. So, for every unit increase in performance reward practices, a 0.346 unit increase in employee performance is projected, assuming all other variables remain constant.

The correlation test demonstrates a statistically significant and positive association between employee performance (dependent variable) and three independent variables: planning, communication, review, assessment, and reward (0.000, 0.000, 0.043, 0.003, 0.021, and 0.000, respectively). The coefficients of all independent variables planning, communication, assessment, and reward indicate a positive association between these independent factors and the dependent variable. Now the equations can be expressed as follows.

$$EP = 0.471 + 0.371PP + 0.059CP + 0.067RP + 0.083AP + 0.329RWP$$

The output shows that a one unit increase in performance practices on planning, Communication, review, assessment and reward leads to an increase in the performance of the employees by 0.371, 0.059, 0.067, 0.083 and 0.329 units respectively

H1: Planning performance has positive and statistically significant effect on employee's performance.

The result of multiple regression analysis clearly indicates that planning has significant & positive effect on employees performance ($\beta=0.371$ $P<0.05$). This implies that a one-unit increase in planning, 0.371-unit increase in employees performance. Thus, the hypothesis is accepted.

H2: Continuous communication has positive and statistically significant effect on employee's performance.

The result of multiple regression analysis of the above table clearly indicates that communication has significant and positive effect on employees performance ($\beta= 0.059$, $P<0.05$). This study implies that a one-unit increase in continuous communication, 0.059-unit increase in employee's performance. Thus, the above proposed hypothesis is accepted.

H3: Review has positive and statistically significant effect on employee's performance.

The result of multiple regression analysis of the above table clearly indicates that performance review has positive and significant effect on employees performance ($\beta=0.067$, $p <0.05$). This study implies that a one unit-unit increase in review, 0.067 unit increase in employee's performance. Therefore, accept the proposed hypothesis.

H4: Assessment has positive and statistically significant effect employee's performance.

The results of multiple regressions analysis clearly indicate that in assessment has a positive and significant effect on employees performance ($\beta= 0.083$, $p<0.05$). This study implies that a one unit increase in assessment, 0.083 unit increase in employee's performance. Thus; the above proposed hypothesis is accepted.

H5: Reward has positive and statistically significant effect on employee's performance.

The result of multiple regression analysis of the above table 4.18 clearly indicates that reward has significant and positive effect on employee's performance. ($\beta= 0.329$, $P<0.05$). This study implies that a one-unit increase in reward, 0.329 unit increase in employee's performance. Thus, the above proposed hypothesis is accepted.

Table 4. 18 Summary of the overall outcome of the research hypotheses

Hypothesis	Result	Reason
H1: Planning performance has positive and statistically significant effect on employee's performance.	Accepted	$\beta=0.371$
H2: Continuous communication has positive and statistically significant effect on employee's performance.	Accepted	$\beta=0.059$
H3: Review has positive and statistically significant effect on effect performance.	Accepted	$B=0.067$
H4: Assessment has positive and statistically significant impact on employee's performance.	Accepted	$= 0.083$
H5: Reward has positive and statistically significant effect on employee's performance.	Accepted	$\beta= 0.329$

Source: Computed, SPSS and alysis2024

4.6 Discussions of Findings

Performance Planning

The model's findings indicate that the independent variables in relation to performance planning had a substantial effect on employee's performance. The result of regression analysis indicate that Performance Planning has a positive and significant effect on employee's performance ($\beta=0.371$, p-value <0.05). This means that when one percentage increases in performance planning leads to 37.1% increase in employee's performance and holding other independent variables constant. This aligns with research by Xiao & Tomlinson (2022) who found that aligning performance assessment criteria with organizational goals leads to improved performance. Clear performance planning helps employees understand how their work contributes to the company's success, leading to greater motivation and performance.

Continuous communication

The model's findings indicate that the independent variables in relation to continuous communication had a substantial effect on employee's performance. The result of regression analysis indicate that continuous communication has a positive and significant effect on employees performance ($\beta=0.059$, p-value <0.05). This means that holding other independent variables constant and when one percentage increase in continuous communication leads to 5.9% increase in employee's performance. This is

supported by research Gallo & Shafiq (2021) who found that involving employees in the performance assessment process leads to greater engagement and performance. Open and frequent communication is essential for this involvement.

Performance Review

The model's findings indicate that the independent variables in relation to performance review had a substantial effect on employee's performance. The result of regression analysis indicate that to performance review has a positive and significant effect on employees performance ($\beta=0.067$, p-value <0.05). This means that holding other independent variables constant and when one percentage increase in to performance review leads to 6.7% increase in employee's performance. This result supports the working hypothesis that performance review has positive and statistically significant effect on employee's performance. Link to Research: This supports the importance of constructive feedback emphasized by Dawson et al. (2022). Effective performance reviews that provide specific, actionable, and developmental feedback help employees identify areas for improvement and grow.

Performance Assessment

The model's findings indicate that the independent variables in relation to performance assessment had a substantial effect on employee's performance. The result of regression analysis indicate that to performance assessment has a positive and significant effect on employees performance ($\beta=0.083$, p-value <0.05). This means that holding other independent variables constant and when one percentage increase in to performance assessment leads to 8.3% increase in employee's performance. This result supports the working hypothesis that performance assessment has positive and statistically significant effect on employee's performance. Link to Research: This aligns with the research on the importance of fair and transparent assessment processes. Al-Haddad & Al-Shboul (2021) found that perceived fairness in performance assessment leads to increased motivation and trust.

Performance Reward

The model's findings indicate that the independent variables in relation to performance reward had a substantial effect on employee's performance. According to regression analysis Performance reward has a positive and significant effect on employee's performance ($\beta=.0329$, p-value <0.05). This means that holding other independent variables constant and when one present increase in performance reward leads to 32.9% increase in employee's performance. Link to Research: This is supported by Marrelli (2022) who found that performance-based rewards and recognition act as strong motivators.

Overall, these findings contribute to the growing body of evidence demonstrating the importance of well-designed and implemented performance management practices. The fact that all five practices the study examined had a positive impact on employee performance highlights the need for a holistic approach to performance management. This means that organizations should focus on all aspects of performance management, not just one or two, to maximize their impact on employee performance.

CHAPTER FIVE

SUMMARY OF MAJOR FINDINGS, CONCLUSION AND RECOMMENDATION

This chapter presents the research findings; conclusion and recommendation based on the research results that has been presented and discussed under chapter four of this paper and area of future research were presented. This chapter was organized and analyzed in the following sections; Summary of the findings, Conclusions of the findings, Recommendations.

5.1 Summary of Major Findings

This study examined the effect of performance management practices on employee performance in METAD Private Limited Company (PLC). The results of the study indicate that all five performance management practices (planning, communication, review, assessment, and reward) have a positive and statistically significant effect on employee performance. Key Findings was all five performance management practices demonstrated a statistically significant and positive correlation with employee performance. Multiple regression analysis revealed that these practices collectively explained almost 90.3% of the variation in employee performance. Performance Planning had the strongest positive effect on employee performance ($\beta = 0.371$), indicating that a 1% increase in performance planning leads to a 37.1% increase in employee performance. Performance Reward had the second strongest positive effect ($\beta = 0.329$), indicating that a 1% increase in performance reward leads to a 32.9% increase in employee performance. Continuous Communication, Performance Review, and Performance Assessment: While significant, these practices had a smaller but still positive effect on employee performance ($\beta = 0.059$, 0.067, and 0.083 respectively).

5.2 Conclusions

This study aimed to investigate the relationship between performance management practices and employee performance at METAD Private Limited Company (PLC). The primary objective was to determine the impact of five key performance management practices performance planning, continuous communication, performance review, performance assessment and performance reward on employee performance. The findings of this study provide strong evidence that effective performance management practices significantly contribute to enhanced employee performance at METAD PLC.

The study achieved its objectives by demonstrating: A statistically significant and positive correlation between all five performance management practices and employee performance. This confirms that these practices are not merely associated with, but actively contribute to, improved employee performance.

The significant predictive power of these practices, explaining nearly 90.3% of the variation in employee performance. This highlights the crucial role of performance management practices in driving employee performance at METAD PLC. The individual effect of each practice with performance was planning and performance reward demonstrating the strongest positive effects. This suggests that METAD PLC should prioritize further development and optimization of these two practices. While the study found that continuous communication, performance review and performance assessment also contribute positively to employee performance, the company could further enhance their effectiveness by implementing more robust communication channels, providing more frequent and constructive performance reviews, and refining its performance assessment methods. Overall, this study provides valuable insights for METAD PLC to further enhance its performance management practices and in turn boost employee performance. By focusing on strengthening its performance planning and reward systems, as well as improving the effectiveness of its communication, review, and assessment processes METAD PLC can create a more engaged and productive workforce, ultimately contributing to the achievement of its strategic goals.

5.3 Recommendation

As the finding reveals that performance planning has positive and significant effect on employee's performance so the company should have Strengthen and refine the performance planning process by individualized goal setting, regular goal review and Feedback, Training and Resources, means move beyond generic goals.

- Work with employees to set specific, measurable, achievable, relevant, and time-bound (SMART) goals that align with individual roles and company objectives.
- Implement regular check-ins (quarterly or bi-annually) to discuss progress towards goals, provide feedback, and make adjustments as needed.
- Provide employees with training on effective goal-setting techniques and resources to support their goal achievement.

As findings show that continuous communication has positive and significant effect on employee performance so the company should have establish more robust and effective communication channels by;

- **Developing Multi-Channel Communication:** Utilize a mix of communication channels, including face-to-face meetings, email, instant messaging, and internal communication platforms, to cater to different employee preferences and ensure information reach everyone.
- **By Providing Regular Feedback and Updates:** Implement regular feedback mechanisms, including performance updates, project updates, and team meetings, to keep employees informed and engaged.
- **By Establishing Open Dialogue and Transparency:** Foster an environment of open communication where employees feel comfortable sharing feedback, concerns, and ideas.

As finding indicated that performance review has positive and significant effect on employee performance METAD PLC should have Make performance reviews more frequent, constructive, and impactful by;

- **Regular Reviews:** Move away from annual reviews and implement more frequent reviews (quarterly or bi-annually) to provide timely feedback and support.
- **Focus on Development:** Shift the focus of reviews from simply evaluating performance to identifying areas for improvement and development.
- **Constructive Feedback:** Train managers on providing constructive feedback that focuses on specific behaviors and actions, avoiding generalizations or personal attacks.

The finding reveals that performance assessment has positive and significant effects on employee performance so the company should have refine the performance assessment methods to ensure they are accurate, reliable, and aligned with company objectives by;

- **Using multiple assessment methods** utilize a combination of assessment methods, such as performance reviews, 360-degree feedback, and objective performance metrics, to provide a comprehensive picture of employee performance.
- **Clear Criteria** ensure that assessment criteria are clearly defined, measurable, and communicated to employees.
- **Regular Calibration:** Regularly calibrate performance assessment methods to ensure consistency and fairness across different departments and managers.

The finding reveals that performance reward has positive and significant effect on employee performance so; the company should have enhance the performance reward system to make it more motivating and effective by;

- **Clear Link to Performance:** Ensure that rewards are directly linked to performance and that employees understand the criteria for earning them.
- **By using variety of rewards:** Offer a variety of rewards to cater to different employee preferences, including financial incentives, recognition programs, professional development opportunities, and flexible work arrangements.
- **Timely and Transparent Rewards:** Deliver rewards in a timely manner and ensure transparency in the reward allocation process. By implementing these recommendations, METAD PLC can create a more robust and effective performance management system that will contribute to enhanced employee performance, increased engagement, and ultimately, the achievement of its strategic goals.

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ST.MAR'Y UNIVERSITY

SCHOOL OF GRADUATE STUDIES

APPENDICES: Questionnaires

Dear Sir/Madam,

I am a Post Graduate student in **St. Mary's University School of Graduate Studies** Masters of Business Administration. This is a questionnaire designed to collect data on the "The effect of performance management practice on employee performance" which will be used as an input for a thesis in partial fulfillment of Master of Business Administration. Your genuine response is solely used for academic purpose. Therefore, your kind cooperation is appreciated in advance. Should you have any questions about this survey, please feel free to contact me at +251912063793 or via my email address: merdiyahuss6@gmail.com

With regards,

Merdiya Hussen

MA Student, St. Mary's University School of Graduate Studies

Questionnaire

Part One: General Information of Respondents

Instruction: Please put tick mark (✓) in the circle with most closely represents your personal situation. Please mark one item only per question.

1. Gender

A. Male B. Female

2. Age

A. 18-29 B. 30-39 C. 40-49 D. Above 50

3. Educational qualification

A. Certificate B. Diploma C. First Degree D. Master's Degree

4. Number of years worked at METAD Private Limited Company (PLC)?

- A. 1-2 B. 2- 3 C. 3-4 D.4-5 E. above 5 years

5. What is your Position in METAD Private Limited Company (PLC)?

- A. management B. Supervisor C. Non-Management

Part Two: Performance management practices

Instruction: Please, indicate the degree of agreement or disagreement that fits the situation in your company best putting tick mark (√) in the box. Please, tick per statement based on a five point scale Where 1 = strongly disagree, 2 = disagree, 3 = Neutral, 4 =agree, 5 = strongly agree.

Statements	Rating				
	1	2	3	4	5
2.1 Planning Performance					
1. The performance planning process is participatory					
2. I understand how my work contributes to the overall goals of the organization.					
3. Planning process help me to addressing my performance gaps.					
4. I receive adequate support and resources to achieve my performance goals.					
5. Planning provides a roadmap for my performance.					
2.2 Continuous Communication					
1. I have open and transparent discussions about my performance with my manager.					
2. I have constructive conversations with my manger to address performance issue.					
3. Continuous communications help me to receive information on specific areas that need improvement.					
4. There is effective communication channel which help me to understand what expected from me.					
2.3 Reviewing performance					
1. Performance review is productive.					

2. I believe the review help to address performance issues.					
3. The performance review process motivates me to perform better.					
2.4 Assessment					
1.I believe that the performance evaluation process is fair.					
2. I receive regular feedback on my performance based on the established criteria					
3 The criteria used to assess my performance are clearly defined.					
4. The performance assessment results are used to identify areas for my professional development.					
2.5 Rewarding Performance					
1 High levels of performance are recognized and rewarded.					
2. The rewards provided by my organization motivate me to exert more effort in my work.					
3. I am satisfied with the rewards I receive for my work performance.					
4. The rewards motivate me to be timely completing my duties.					
5. Rewards for my performance are reflective of my overall effort.					

3.1 Employees performance

Statements	Rating				
	1	1	2	4	5
1. Performance management system of the company encourages me to accomplish my task effectively.					
2. Performance reviews provide me with a clear understanding of my strengths and areas for development.					
3. I am ready to work an extra mile for my company.					
4.I seek out and take advantage of opportunities for professional development and growth					

5. I take responsibility for my action and try to improve my performance					
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Thank you once more for taking your precious time to fill the questionnaire!

Preliminary Assessment interview Questions for Employees of METAD PLC

1. Can you describe your understanding of your current job responsibilities and performance expectations? Are these clear and communicated effectively?
2. What are the most important skills and competencies needed for success in your role?
3. Do you feel you have the opportunities to develop these skills?
4. How does the current performance management system support your professional development?
5. "Do you feel your manager provides adequate guidance and support in helping you develop your skills?
6. How comfortable are you discussing your performance with your manager?
7. Do you feel open and transparent communication is encouraged?
8. What are some ways your manager could improve their communication with you about your performance?
9. Do you feel the reward system in place is fair and aligned with your performance?
10. Do you feel the rewards offered for high performance are motivating and meaningful?
11. What are your overall impressions of the current performance management system?
12. Do you feel the performance management system benefits you as an employee?
13. What are your expectations for a performance management system?