



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

**EFFECT OF EMPLOYEE PERFORMANCE MANAGEMENT ON  
EMPLOYEES' JOB PERFORMANCE IN DASHEN BANK S.C.**

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**ST.MARY'S UNIVERSITY**

**JANUARY, 2024**

**ADDIS ABABA, ETHIOPIA**

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**BY:**

**AMEN DANIEL MAMO**

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

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

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## **ENDORSEMENT**

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

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## **Abstract**

*This thesis investigates the effects of performance management on employee job performance at Dashen Bank S.C. in Ethiopia. Performance management refers to the systems and processes organizations use to manage employee performance and productivity towards achieving organizational goals. The main objective of the study was to examine how performance management practices such as goal setting, performance appraisal, feedback, training, and reward systems impact employee job performance at Dashen Bank. The study uses a descriptive and explanatory research design with a mixed methods approach, collecting qualitative and quantitative data through questionnaires and interviews. The sample consisted of 300 employees of Dashen Bank selected through simple random sampling. Data was analyzed using descriptive statistics, correlation analysis, and regression analysis. The findings indicate that performance management practices have a significant positive effect on employee job performance at Dashen Bank. In particular, aligning individual and organizational goals, employee involvement in performance planning, fair and accurate performance evaluations, regular coaching and feedback, and motivational rewards were key elements that enhanced job performance. The major challenges identified include unclear performance expectations, insufficient coaching and feedback, biased appraisals, and unfair reward systems. The study concludes that implementing an effective performance management system improves employee job performance. It recommends that the bank strengthen practices such as setting clear goals, increasing employee participation, delivering regular feedback, and linking rewards to performance. The findings provide insights into designing performance management systems to optimize employee productivity in banks and related service organizations.*

**Key Words: Performance Management, Employee's Job Performance, Performance Management Determinants**

# CHAPTER ONE

## INTRODUCTION

### 1.1 Backgrounds of the study

Performance management is a systematic process for improving organizational performance by developing the performance of individuals and teams. It is a means of getting better results by understanding and managing performance within an agreed framework of planned goals, standards and competency requirements. As Weiss and Hartle (1997) commented, performance management is: ‘A process for establishing a shared understanding about what is to be achieved and how it is to be achieved, and an approach to managing people that increases the probability of achieving success. Performance management is superior for an organization because it helps the organization ensure employees are working ambitiously to add to accomplishing the organization's main goals and objectives. However, performance management sets desires for employee performance and motivates employees to buckle down in a manner that is normal by the organization. Additionally, a performance management system gives a completed and expert management procedure for an organization to evaluate the performance results of organizations and employees. In this manner, improving worker performance by utilizing performance management system is an approach to improve organizational performance Ahmad Ali (2017)

Performance management is usually employed to build a service or product, as well as other key areas in an organization that would lead to employee productivity (Homayounizadpanah & Baqerrkord, 2012). Armstrong and Baron (2005) concluded performance management is an integrated and strategic approach. It aims to enhance employee and organizational productivity by improving the performance of employees through developing the individuals’ and teams’ capabilities. Performance management intends to assist the companies to manage results and behavior, which are the two important aspects of what is commonly identified as performance (Homayounizadpanah & Baqerrkord, 2012).

Performance management systems (PMS) are defined as a series of human resource management (HRM) practices, like goal-setting, coaching and appraisal, which serve to goal-set, follow-up and evaluate the efforts of employees. PMS help organizations in “identifying, measuring, and developing the performance of individuals and teams” (Aguinis, 2013). Hereby, ‘performance’ refers to every behavioral or attitudinal outcome of employees’ work activities, which acts upon public values or the goals of the organization (Van Dooren *et al.*, 2015). The aim of PMS is to

progress and develop employees' performances, as well as to ensure that their efforts are in accordance with organizational values and objectives (Aguinis, 2013; Van Dooren, Bouckaert & Halligan, 2015). Performance management systems extend with goal-setting and monitoring to create a developmental process during which leaders set clear goals or expectations for their employees (i.e. what is expected of them and in which situation) and ensure frequent feedback and follow-up on those goals and expectations, feeding into performance evaluations. Subsequently, a new cycle of planning, monitoring and evaluating can begin (DeNisi & Murphy, 2017; Pulakos, Mueller-Hanson & Arad, 2018). Despite the fact that the nature and application of performance management systems can differ between and within organizations (i.e. suggesting they are an 'approaches' rather than 'tools'), authors like Brown et al. (2018) argue that all present-day organizations have some kind of performance management system in place. Performance Management (PM) enables universities to improve their overall performance and it also enables universities to achieve goals and outcomes. PM helps the university understand job performance through measures, and individuals are rewarded and recognized through accurate and constructive feedback (Karwan, 2015).

Some performance management practices, such as training and development, career development, and performance-related pay and rewards, appeared to satisfy employees, according to a (Mallaiah, 2008) study. Even though the rest of the performance management practices such as performance agreements, performance planning, managing performance throughout the year, and reviewing performance did not seem to satisfy the employees or were not significant for employees' job satisfaction (Mallaiah, 2008). However, Robby (2010) noted that practices relating to performance management and organization results show association with employees' job satisfaction. Robby (2010) further indicated that PM practices are interdependent with employees' job satisfaction. This means that when employees perform well to achieve their goals, they derive satisfaction from this and this drives them to perform even better.

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 (Palethorpe, 2011). The major setback of evaluating the work performance of organizations around the world has been to determine the performance criteria in relation to the objective set

by their organizations (Parker et al, 2013). Performance Management is associated with creating a shared vision of the aims and purpose of the organization, helping each individual employee to understand and recognize their part in contributing to the organizational goals which help to manage and enhance employee and organizational performance (Williams, 2002). Performance management cycle begins and ends with formulating clear objectives for the organization (McDavid & Hawthorn, 2005).

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. Many modern firms give their PMS more importance as a way to produce higher levels of work performance. As 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 and Saks, 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. In order to organize and coordinate the strengths of each person inside the business in order to support them in achieving their strategic goals, companies have the influential instrument of performance assessment (Pelluri and Padmavathy, 2016).

## **1.2 Statement of the Problem**

Performance management is important for an organization, as it helps organizations ensuring employees are working hard to contribute to achieving the organization's mission and objectives. Performance management sets expectations for employee performance and motivates employees to work hard in ways that is expected by the organization. Macky and Johnson (2000) pressed that the importance of performance management system is on continuously improving organizational performance, and this is achieved by improved individual employee performance. Therefore, improving employee performance by using performance management system is away to improve organizational performance. Employee performance is one of the leading factors for organizational competitiveness and this has partly led to an increase in research on how it can be improved.

The poor execution or a lack of authentic management dedication is may be the reason for performance management system failures in life of the organizations. According to Armstrong (2009), lack of organizational agreement about clarity of purpose, main concerns or standards, or a divergence between values and actual behaviors are the resulting serious issues when the performance management system is not providing that are likely to be reflected. In order to execute performance management there are two most significant prerequisites. One of this is understand the strategic goal and mission of an organization. The other one is understand the job being inconsideration. Employees will set up their own goal once the organization established the strategic goal and cascaded down to departments. Personal development planning (PDP) imparts on the employees the skills they need to effectively execute their duties and responsibilities. In the absence of such skills, even highly motivated employees may be unable to exhibit the desired levels of productivity. This justifies why organizations invest significantly in training their employees. Notable employee job performance is achieved when employees receive managerial coaching (Liu & Batt, 2010).

A study by Odhiambo (2015) to determine the effect of performance management practices on employee productivity found that performance management system leads to enhanced employee performance in organization. An effective performance management system model can enhance the interest and performance of the employees leading to the completion of specific targets geared towards attainment of corporate goals. In regards to the influence of reward systems on employee productivity the findings suggested that employees can be rewarded to meet target productivity levels.

Many types of research have been done in Ethiopia, such as concerning performance management, performance Appraisal (PA), performance evaluation (PE) and employees' motivation, the impacts of PA and challenges of PA, and employees' perception of PA. For example, Abebe(2017) studied the role of the performance management system on employees' job motivation in the case of the Commercial Bank of Ethiopia. Alela (2016) assessed the PM practices of World Vision Ethiopia. Wondwossen (2017) investigated the effects of performance management practice on employee performance in Assai public school in Addis Ababa. Mulu (2018) examined the status of PM implementation in federal public-sector institutions with particular emphasis on measurement frameworks and PM structures, as well as behavioral aspects.

Although the organization implements different performance management approaches still there are problems that hinder the performance of the organization. Among this the performance management processes for instance; pre-requisites, setting goal, performance evaluation, reviewing and feedback that often takes place without the participation and engagement of employees, performance management techniques lacks objectivity and transparency and etc. some other indicators of performance management system problems such as; clarity in evaluations and supervisors capacity initiate this study come across how those activities in the performance management system (goal setting, performance appraisal, feedback, reward and purpose of performance management system) can affect the performance of employees in the organization.

More over this study addressed performance management problems In Case Of Dashen Bank S.C such as the link between performance management and strategic objectives, employee perception to performance management, Performance prerequisite, Planning, Performance Assessment and Performance Review on employee performance

Therefore this study used to investigate the Effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C.

### **1.3 Objectives of the Study**

#### **1.3.1 General Objective**

The main objective of this study was to investigate the Effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C

#### **1.3.2 Specific Objectives**

- To examine the effect of Strategic Objectives on Employee Performance of Dashen Bank S.C?
- To determine the effect of employees perception on Employee Performance in case of Dashen Bank S.C
- To examine the effect of Performance Management Implementation on Employee Performance in Dashen Bank S.C
- To examine the effect of Performance Management Kits on Employee Performance in Dashen Bank S.C.

### **1.4 Research question**

- What is the effect of Strategic Objectives on Employee Performance of Dashen Bank S.C?



- What is the effect of employees perception on Employee Performance in case of Dashen Bank S.C
- What is the effect of Performance Management Implementation on Employee Performance in Dashen Bank S.C
- What is the effect of Performance Management Kits on Employee Performance in Dashen Bank S.C.

### **1.5 Significance of the Study**

The purpose of the study is to investigate the Effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C. The findings of the study may have important implications for Academicians; this study brings in new knowledge in terms of the Effects of Performance Management on Employee Job Performance in case of Dashen Bank S.C. The findings of the current study are expected to show the effect of Performance Management on Employee Job Performance of the study organization on the performance of its employees, and would help managers in identifying the gap which needs to be bridged and also in their decision making and other concerned body And stakeholders of organization. Hence, the expected output of the study is believed to motivate and guide managers of the study organization. This study add to the body of knowledge on performance management and particularly as regards the Dashen Bank S.C.

This study benefits top management in identifying the various loop wholes in terms of all performance planning; managing and reviewing performance and Rewarding Performance will generate an idea where the PMS is going wrong. It helps managers in forecasting the employee job performance by ensuring the total use of performance management systems for the betterment of the organization. The study helps the management to know better how to use performance management systems to improve the job performance of their employees. The findings of this study may inspire other researchers' curiosity to conduct research deeply in the area related to performance management systems on employee job performance.

The study provide the human resource departments with an assessment of the performance management tools and provide a basis for improvement and also provide constructive feedback on how best to attain organization goals and objectives.

## 1.6 Scope of the Study

This study is limited to the Effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C. The proposed study content is mainly involved with finding out the Effects of Performance Management on Employee Job Performance. The study was conducted in these semesters to gather the information that adequately meets the study objectives efficiently. Conceptually, the researcher investigates the Effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C. Methodologically, the study delimited to explanatory research design; quantitative research approach was used for data collection and analysis. To the Effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C Simple random sampling was used for group homogeneity. Geographically, Dashen Bank S.C Headquarter is taken as an area for this study because of its convenience for the researcher to collect data easily. Regarding the time scope, the study was conducted for academically year 2016/2023

## 1.7 Operational definitions

The contextual definitions of technical terms frequently used in the proposal and the whole study are listed as follows:

**Performance Management:** is a means of getting better results from a whole organization by understanding and managing within an agreed framework, performance of planned goals, standards and competence requirements. (Armstrong, 2006)

**Employee job Performance:** refers to their output at a minimal cost from the use of their technical\ skills, raw materials in carrying out work responsibilities. (Odhiambo, 2015).

**Employee Productivity:** Productivity can be defined as “quality or volume of the major product or services that an organization provides” (Odhiambo, 2015, Moorhead &Griffin, 2012).

**Feedback:** This refers to the information reflecting past performance and results and given by the manager to the employee (Odhiambo , 2015, Solmon&Podgursky, 2010).

**Performance Management Practice:** is a way of communicating to employees on what they are expected to do and what the performance and productivity parameters are (Odhiambo, 2015)

**Reward system:** is the complex set of formal and informal incentives that connect individual motivation, behavior, performance, which is compensation received in exchange. (Mahapatro, 2010)

## **1.8 Limitation of the Study**

The thesis faces limitations due to time constraints, potentially impacting the depth of the study. Budget constraints may restrict access to necessary resources, affecting the quality of data collection. Cooperation problems with external entities pose challenges in obtaining diverse perspectives. Acknowledging these limitations is essential for understanding potential impacts on the study's outcomes and identifying areas for future research.

## **1.9 Organization of the Study**

This study is organized into five main chapters. Introduction part of the study, covering study background, problem statement, the research goals, hypotheses, scope and purpose of the study is stated in the first chapter. The second chapter deals with the review of the related literature. It involves theory, conceptual and analytical discussions leading to the identification and conceptual framework for addressing the identified research gap. The third chapter is all about research design along with its approach, study population, methods of sampling, sample size, data collection tools, data analysis, and presentation methods. Chapter four, finally, displays demographic features, statistical analyses (both descriptive and inferential), results of the findings, and their specific interpretations. A review of the key findings, conclusion and recommendations are depicted in the last chapter.

# **CHAPTER TWO**

## **REVIEW OF RELATED LITERATURE**

### **2.1 Theoretical Reviews**

#### **2.1.1 The concept of Performance Management**

According to Fletcher (2001), who gave a completed and comprehensive HR related performance management definition which is “an approach to creating a shared vision of the purpose and aims of the organization, helping each individual employee understand and recognize their part in contributing to them, and in so doing manage and enhance the performance of both the individual and the organization”. Similarly, performance management is a management process for ensuring employees is focusing on their work efforts in ways that contribute to achieving the organization's mission. It consists of three phases: (a) setting expectations for employee performance, (b) maintaining a dialogue between supervisor and employee to keep performance on track, and (c) measuring actual performance relative to performance expectations. Armstrong (2004) defined performance management as a means of getting better results from the whole organization by understanding and managing within an agreed framework, performance of planned goals, standards and competence requirements. “Performance management is a process of designing and executing motivational strategies, interventions and drivers with on objective to transform the raw potential of human resource into performance.

Performance management is a process of directing and ensuring that organizational processes are directed towards maximization of employees’ productivity. According to Brudan (2010), performance management is a ubiquitous term in today’s business environment due to being embedded in the body of knowledge of various disciplines and being used at all levels of the organization. Performance management is a process by which organizations set goals, determine standards, assign work and evaluate it, and at the same time distribute rewards (Varma et al., 2008). CIPD (2005) contended that performance management is the main vehicle by which managers communicate what is required from the employee and give feedback on how well they are achieving the job goals. Briscoe and Claus (2008) concurred that performance management is the system through which organization set work goals, determine performance standards, assign and evaluate employee’s work, provide feedback to employees, determine training and

development needs and distribute rewards to employees. It is a continuous process of identifying, measuring and developing the performance of individuals and aligning performance with the strategic goals of the organization” (Aguinis, 2009). Armstrong (1994) advocated that performance management is a strategic and integrated process that delivers sustained success to the organization by improving the performance of people who work in them and developing the capabilities of individual contributors and teams. Laurie (2007) supported that performance management is essentially an integrated activity that permeates every facet of the operations of an organization. Rogers (1990) saw performance management as a system for managing organizational performance.

Performance management is a combination of three main processes which are planning, improving and reviewing (Bredrup, 1995). It is seen as the way to manage employee performance and has incorporated the appraisal or review process (Torrington et al, 2008). Performance Management shifts the focus away from just an annual event to an on-going process (Bruce, 2014). A study by Newstrom, (2011) highlighted that performance management systems need to be reviewed on a regular basis to make them compatible with international trends of making businesses more responsive to the needs of the clients. Performance management systems typically include performance appraisal and employee development (Pulakos, 2004), it involves multiple levels of analysis and is clearly linked to strategic human resource management as well as performance appraisal (Hartog et al., 2004). Chubb et al. (2011) established that among the most common measures applied to improve the effectiveness of performance management systems are simplification and the use of competencies. Tobin and Pettingell (2008) were of the view that human resource as a function should not impose the idea of performance evaluation because it is everyone’s responsibility in an organization.

### **2.1.2 Objectives of Performance Management**

According to Armstrong and Baron (2005), the focus of performance management is an element such as recognition, constructive feedback, personal development and career opportunities. Chan (2004) postulated that performance management systems cause strategic evaluation and ensure goal congruence. McDavid and Hawthron (2005) said that performance management cycle begins and ends with formulating clear objectives for the organization. Price et al (2007) opined that performance management process should include performance planning, evaluation and rating. Cestolle (1994) indicated that the objective of performance management is to support the

organization's overall business goals by linking the work of each individual employee or manager to the overall mission of the work unit. Graham (2004) emphasized on the need for clear performance expectations for each employee to be linked to the desired outcomes documented in the organization's strategic plan.

Considering the goals of PM from a very general point of view, Biron et al. (2011, p. 1297) argue that it can be differentiated between tactical (short-term) and strategically (long-term) goals. From a short-term perspective, PM is supposed to generate useful information for HR-connected decisions. Such decisions can reflect in "salary adjustments, promotions, employee recruiting and termination, recognition of superior individual performance, identification of poor performance, and merit increases" (Biron et al., p. 1297). The enablement of HR-connected decisions is supported by Cleveland, Murphy, and Williams (1989, pp. 130-131), who furthermore argue that different goals and utilizations of PM have to be aligned, to avoid potential misunderstandings and conflicts. Additionally, PM enables for both executives and employees a better understanding about the actual status-quo, retro perspective, and prospective characteristics regarding employees' performance. The gained understanding, which also includes the identification of employees' strengths and weak-nesses, can be used in further consequence to identify and determine appropriate activities in terms of further education, training, and other activities, to improve the individual performance (Biron et al., 2011, p. 1297). Aguinis (2013, pp. 4-5) extends the goals of PM by a better clarification regarding job roles and job expectations, employees' improved self-insights and self-developments, and a clearer communication culture within the company regarding objectives and performance.

From a strategically point of view, PM is applied to support the company and the executives to achieve business objectives (Biron et al., 2011, p. 1297). PM is becoming more and more a strategically tool, given the development from a merely performance evaluation system towards a holistic and a broader understanding of PM systems (Budworth & Mann, 2011, p. 82). Biron et al. (2011, pp. 1305-1306) showed in their study that PM systems in world-leading firms are characterized by more strategically approaches and are used to link daily activities to the organization's overall strategy and goals. Through the derivation of individual goals for the employees from the organizational objectives, companies can ensure that the performance outcomes of employees are in line with the strategically organizational goals (Aguinis, 2013, p. 3). Furthermore, through the close conjunction between organizational and individual objectives,

employees are more willing to accept their own goals, as they recognize the importance of their own contribution through their performance (Aguinis, 2013, p. 5). Another useful benefit of PM is its possible utilization for change management. PM is a useful and well-working method to drive organizational change in a systematic way. If organizations are willing to change certain aspects of their culture, structure, or principles, and have clarified and established the new approaches, they have the possibility to implement them through their PM. In further consequence, executives can provide their employees with tools, methods, and motivation, to foster the individual change, which support subsequently the organizational change process (Aguinis, 2013, p. 6).

Concluding, the main goal of PM is the improvement of employees' performance (Armstrong, 2015, p. 9; Den Hartog et al., 2004, p. 556), which ensures that the company gets the employee performance it needs to reach the organizational goals (Kinicki et al., 2013, p. 1; Mathis & Jackson, 2014, p. 320). To generate the desired high performance of their employees, companies have to guarantee that their employees have a high engagement, as both theory and practice reveal that there is a positive linkage between employee engagement and high employee performance (Gruman & Saks, 2011a, p. 133). The overall objective of performance management is to develop and improve the performance of individuals and teams and therefore organizations. It is an instrument that can be used to achieve culture change in the shape of the creation of a high-performance culture. It aims to develop the capacity of people to meet and exceed expectations and to achieve their full potential to the benefit of themselves and the organization. Performance management provides the basis for self-development but importantly it is also about ensuring that the support and guidance people need to develop and improve is readily available. (Armstrong, 2009)

The real goals of any performance management system are threefold to correct poor performance, to sustain good performance and to improve performance. All performance management systems should be designed to generate information and data exchange so that the individuals involved can properly dissect performance, discuss it, understand it, and agree on its character and quality. According to the study carried out by Holloway, 2009 and as stated on the book of (Armstrong, 2009) the objectives of performance management system are to align individual and organizational objectives, improve organizational performance, improve

individual performance, provide the basis for personal development, develop a performance culture and inform contribution/performance pay decisions.

### **2.1.3 Performance management cycle or process**

Performance management as a cycle consisting of these elements can be both a descriptive and prescriptive device. Some writers use performance management as a convenient framework in which to analyze different aspects of strategic HR. Others argue that by distilling out the essential elements of the performance management process the cycle represents a model of how the process should be conducted by organizations wishing to take a rational and strategic approach to managing human resources, (Mabey, et. al., 1999). Performance management consists of five elements. Which are setting performance objectives, measuring outcomes, feedback of results, rewards linked to outcomes and amendments to objectives and activities.

Performance management is a natural cycle of management. It can't be seen as a method of human capital management. It's the way toward making a workplace or setting where individual employees are empowered to perform effectively (Armstrong, 2010). Furthermore Armstrong (2010, p.260) explained PMC "As a natural cycle of management the Performance management cycle matches with William Denning's (1965) Plan-Do-Check-Act framework." This cycle encourages the accomplishment of the corporate objective by assimilating of the corporate, departmental, functional, group and individual goals.

As stated by Aguinis (2009), and shared by several authors performance management is a persistent cycle in that it not a onetime process or not happen yearly rather it is sort of a closed loop system and has its own elements and these loop have six phases that are: prerequisites, performance planning, performance implementation/execution, performance evaluation, performance audit/review, and performance renewal and re-contracting. These parts are firmly identified with one another and improper execution of one of these harshly affects the overall system.

#### **2.1.3.1 Prerequisites**

According to Aguinis (2009), prior to executing the performance management system there two critical prerequisites required by organizations; which are: - "Knowledge of mission & strategic goals of the organization's" and -"Knowledge of the work in question." The strategic planning process creates knowledge of the organization's mission and strategic goals. Reciprocally the strategic planning process results once a corporation set mission and vision statement. These



strong relationship between the strategic planning, mission and vision statement result in knowledge on the organization strategic goal and mission that allow an organization to unmistakably characterize its purpose behind the existence, where it needs to be later on, the objectives it's to accomplish, and the strategies it will employ to achieve these objectives. Once the strategic goal had established the departmental and individual goals are going to be cascaded downward that support the objectives of the organization (Aguinis, 2009).

On the other hand, understanding job in question is enabled through choosing on the most work packages of a given work that incorporate processes, products, tasks and services that generally referred as the job analysis. Prior to implement performance management system every employee of the organization is expected to know the organization's vision, mission and strategic goals. These key issues that must come at the beginning of the stages when implementing performance system can create a concrete picture in the minds of the employees about their destination. If there is a lack of clarity regarding where the organization wants to go, or the relationship between the organization's mission and strategies and each of its unit's mission and strategies is not clear, there will be a lack of clarity regarding what each employee needs to do and achieve to help the organization get there. So making the employees aware of the organization's vision, mission and strategic goals lay foundation for undertaking the next performance management practice.

#### ***2.1.3.2 Performance Planning***

In the planning phase reviewing performance expectations which are expected behavior and results expected to achieve in the forthcoming period from employees are an important activity that should be made at the start of the performance management cycle (Pulakos, 2004). This notion is supported by Tyson (2006) that state the initial step in the performance management is to define the requirements for effective performance in order to provide the criteria without which sound and systematic judgments cannot be made. Moreover, as remarked by Aguinis (2009), the pre-review argument on performance planning or reviewing the standard of performance is consists of consideration on behaviors, results and development plan. This plan includes identifying parts that necessitate correction and setting goals to be achieved in each part. In performance planning stage employees should have clear knowledge of the performance management system. The supervisor and the employee should reach on consensus on what needs to be done and how it should be done. Planning helps to know the direction about how to get to

the destination and what is expected from the supervisor and the employees. An agreement reached at first through planning stage helps to meet the purpose of performance management practice.

#### ***2.1.3.3 Performance Execution***

At the performance execution stage employees begin to act or display as per the behavioral expectation made earlier and attempt to turn out the expected results and also to execute the developmental plan. The subsequent aspects must appear at the performance execution phase commitment to goal achievement, ongoing performance feedback and coaching, communication with supervisor, collecting and sharing performance data and preparing for the performance reviews.

The fact that performance execution is the main responsibilities for employees, supervisors should take their part in the job. Some of the duties expected from supervisors are: Observation and documentation, updates, feedback, resources and reinforcement. It is the process of implementing performance management. Employees endeavor to produce the results and display the behaviors agreed on as well as to work on development needs. The employee has primary responsible to pin put in the development of the job descriptions, performance standards, and the creation of the rating form. It is a stage where the knowledge, skill, behavior and effort of employees are observed while executing their job. In addition to this, employees themselves understand their duties and responsibilities and identify their strength and weakness in the actual performance cycle.

#### ***2.1.3.4 Performance Assessment***

In the performance assessment stage appraising how much the targeted or the desired result has been achieved and the degree to which the expected behavior is exhibited is a liability for managers and employees mutually. It is a responsibility for both managers and employees to assess the performance of employees. Employee's commitment and ownership to the system will enhance as result of the active involvement of employees throughout the process (Aguinis, 2009). Furthermore, the performance assessment gives a very significant issue that has to be examined at the time of performance audit. Performance appraisals necessitate the capacity to rate on performance, and the right decision making ability involves utilizing specific standards, thinking about just applicable facts, consolidating likelihoods in the right weight and excluding projection (Smither & London, 2009).

At this stage, actual performance is compared with the desired performance or performance standards. Comparison reveals deviations in the performance of the employees from set standards. This comparison can show actual performance being more than the desired performance or, actual performance being less than the desired performance. Information can be gathered from peers, supervisor, observation, document analysis, interview and the like. It includes recalling, evaluating and analysis of data related to the employees' performance. When both the employee and the supervisor are active participants in the evaluation processes, there is a greater likelihood that the information will be used productively in the future. This is to mean that performance assessment expose not only the strength but also gaps that must be filled before they become a cause for weak performance of employees and also the organization.

#### ***2.1.3.5 Performance Renewal and Re-contracting***

The renewal and re-contracting stage of performance is the last phase in the performance management process. Though this renewal and re-contract stage involves similar parts as the performance planning stage, it essentially utilizes the insights and information obtained from other stages. For instance, there may be unrealistic goal that does not take consider the business context that needs renewal and re-contracting. To sum up, recall that performance management is a continuous process in that it starts with prerequisites and end up with the performance renewal and re-contracting. The business context in which organizations operate is turbulent as a result there is a continual change in the environment and irregular customer demand for goods and services rendered by the organization. This in turn necessitates the discussion of prerequisites that are discussion on strategic goal and mission.

Therefore, the performance management system ensures and upholds that the strategic objective has attained. It is the process of revising performance management based on insights and information gained from the other phases. Here the implementation and results of the earlier stages are investigated in order to reach on decisions that help to maximize performance of employees and the organization. This is the stage where examination of the previous stages is done and some better ways of applying performance management are devised to enhance the performance of employees. The work done here also helps to update the overall performance management practice.

#### **2.1.4 Employee Job Performance**

Human resources are vital for organizational excellence and they act as the main factor for achieving anticipated organizational objectives. Employee's performance depends on a number of factors. There are employees who perform better due to their levels of intrinsic motivation. Other employees perform well because the working conditions and the benefits are favorable. In most cases, it depends on the needs and priorities of employees and the status of employment that they are enjoying. These factors may affect their performance in their work places and this highly influences retention of employees in a particular job. Performance is attained when an employee achieves organizational goals in a highly effective and efficient manner. This goal is closely aligned with achieving the overall goals of the organization (London, 2009).

Employee performance is the successful completion of tasks by a selected individual or individuals, as set and measured by a supervisor or organization, to pre-defined acceptable standards while efficiently and effectively utilizing available resources within a changing environment (Haenisch, 2012). Employee performance thus refers to undertaking a set of activities while aiming for the results and performance evaluation that is at the heart of performance (London, 2009). This integrative perspective represents a configuration approach to strategic human resources management, which argues that patterns of HR activities, as opposed to single activities, are necessary to achieve organizational objectives (Torrington, Hall, Stephen, 2006). Organizations should understand that an organization cannot move forward without employee engagement (Mone & London, 2010). Employee engagement is one of the key determinants fostering high levels of employee performance, as is constantly shown in a number of studies (Torrington, Hall, & Stephen, 2006).

A term typical to the Human Resource field, employee performance is everything about the performance of employees in a firm or a company or an organization. It involves all aspects which directly or indirectly affect and relate to the work of the employees" (employee performance, website) According to Leonard-Barton, (1992), an organization that gives worth to knowledge as a source of gaining competitive edge than competitors, should build up system that ensure constant learning, and on the effective way of doing so is training. Pfeffer (1994) highlights that well-trained workforce is more capable of achieving performance targets and gaining competitive advantage in the market. Training is determined as the process of enabling employee to complete the task with greater efficiency, thus

considered to be vital element of managing the human resource performance strategically (Lawler, 1993; Delaney and Huselid, 1996). The importance of training on the employee performance, through accelerating the learning process, is mentioned in many researches (e.g. McGill and Slocum, 1993; Ulrich et al., 1993; Nonaka and Takeuchi, 1995; DiBella et al., 1996). Employee performance, achieved through related work, and hence achieves more employee commitment towards the organizational goals (Huselid, 1995; Ichniowski et al., 1997). Kamoche and Mueller (1998) mentioned that training should lead to the culture of enhancing learning, to raise employee performance and ultimately higher return on investment (in training) for the firm. There has been a lot of research to support the fact that employee performance can improve through training by building a sense of teamwork among employees (Mary Jane), and to develop specialized financial skills. Also employee's capabilities are enhanced when the organization is started to spend in improving the knowledge and ability of its employee's through training so in return more effective employees are produced and also provides efficacious relationship between employees and the employer (Andy Smith). The evidence also proposes that training has a significant benefit to employee performance when joint with innovation. The research, performed by HR, reported that providing staff with training in how to deal with absenteeism occupy a huge part in improving absentee rates at their organizations (Patricia Lotic, 2014).

Setting performance expectations and goals for individuals and groups to channel their efforts towards achieving organizational objectives Getting employees involved in the planning process helps them understand the goals of the organization, what needs to be done, why it needs to be done and how well it should be done, Terrington (1995). Performance expectations need to be understood and where possible, to involve the contribution from the employees as Terrington (2005) puts it. Williams (2000), argues that as individuals cannot always control their results, it's important to have behavioral targets as well as output targets. It is recommended that there is a personal development plan which would again underpin the achievement of objectives.

Armstrong (2003). Measurement is an important concept in performance management. It's the basis for providing and generating feedback. It identifies where things are going well to provide the foundations for building further success, and it indicates where things are not going so well, so that corrective action can be taken. Armstrong (2006) all jobs produce

outcomes even if they are not quantified. It's therefore often necessary to measure performance by reference to what outcomes have been attained in comparison with what outcomes were expected. According to Behn (2003), the fundamental purpose behind measures is to improve performance. Measures that are not directly connected to improving performance (like measures that are directed at communicating better with the public to build trust) are measures that are a means to achieving that ultimate purpose. There are several methods of assessing individual's ability to perform a job effectively and to identify the gap between effective and current performance for which a training solution will contribute to closing the gap Muchel'le (2007).

### **2.1.5 Performance Management and Employee Performance**

The impact of performance management on employee performance was a topic of discussion in earlier research since it was universally acknowledged in those studies that this impact is both significant and positive. The PMS is a tool for assessing and recording performance in relation to objectives, according to those researches. Different methods for creating a PMS were offered in the literature, some of which used the balanced scorecard and others which used managing by objectives. However, they both concur that three phases are necessary for an effective PMS: employee motivation, design, and execution. This research demonstrated that workplace environments, pay, and promotion—in addition to the PMS—are organizational elements that influence employees' performance. The research indicates that performance planning has limited impact on employees' performance; hence management combines performance monitoring and assessment. The management ought to devote more funds to assessing the productivity of its workers. This is so because, according to the research, performance reviews were the most accurate indicators of an employee's performance.

### **2.1.6 The effect of Performance Management System on Employee performance**

#### ***2.1.6.1 Performance Planning***

Planning is the first stage in the performance management system process cycle and offers the foundation for an effective process. Planning is a continuous process in performance management and should be executed with great care (Schneier et al., 1987). Planning helps to encourage commitment and understanding by linking the employees' work with the organization's goals and objectives (Schneier et al., 1987). It usually includes identifying key value drivers of stakeholders, for example, shareholders, customers and employees of the

organization. Similarly, according to Armstrong and Baron (2004), objectives or goals describe something to be accomplished by individuals, departments and organizations over a period of time. They can be expressed as targets to be met, for instance, sales, and tasks to be completed before the deadline. Armstrong and Baron (2004) further state that objectives need to be defined and agreed on. The objectives relate to the overall purpose of the job and define performance areas--all the aspects of the job that contribute to achieving its overall purpose. Targets then are set for each performance area. Rogers and Hunter (1991) stated that goal setting is the fundamental aspect for an organization. They further indicated that productivity gains will correlate with the extent of top management support for and employees' participation in the process of setting objectives. It is a motivational process which also gives the individual the feeling of being involved and creates a sense of ownership for employees. At the same time, part of the planning phase includes the agreement on a formal development plan for the employees. Actually this plan should be based on requisite skills, behaviors and knowledge and key competencies that will be required to achieve the objectives and targets set. The development plan can also include long-term development initiatives which are usually based on potential and good performance (Nyembezi, 2009).

The performance planning part of the performance management sequence involves the agreement between the manager and the individual of how the latter is expected to perform in terms of results and behaviors. These objectives may have been cascaded down from the strategic objectives of the organization to achieve alignment, but in practice this may be difficult to achieve. In addition, success criteria for each area of performance and methods of measuring performance against these objectives will be agreed. (Armstrong, 2009. P.624)

### ***2.1.6.2 Managing and reviewing performance***

Managing performance is the second element of the performance management system cycle.

This step distinguishes performance management as a process from performance appraisal as an activity (Schneier et al., 1987). According to Schneier et al. (1987), every employee is responsible for managing his or her own work performance. This involves: (1) maintaining a positive approach to work, (2) updating and revising initial objectives, performance standards and job competency areas as conditions change, (3) requesting feedback from a supervisor, (4) providing feedback to supervisor, (5) suggesting career development experiences, and (6) employees and supervisors working together, managing the performance management process.

According to the view of Fletcher, in the second stage, enhancing communication within an organization is important for employees to be aware of objectives and contribute to the future development.

Armstrong and Baron (2004) pointed that at its best, performance management is a tool to ensure that managers manage effectively. Therefore, performance management system should ensure the manager of employees or teams know and understand what is expected of them, and have the skills and ability to deliver on these expectations and be supported by the organization to develop the capacity to meet these expectation are given feedback on their performance; and have the opportunity to discuss and contribute to individual and team aims and objectives. Moreover, according to Armstrong and Baron (2004), performance management system is also about ensuring that managers themselves are aware of the impact of their own behavior on the people they manage, and are encouraged to identify and exhibit positive behaviors. The actual performance is compared to the desired performance, so the outcome is evaluated and a development plan is set according to the weakness with reference the strategy. This outcome also provides a feedback mechanism to employees. In order to improve the feedback and update and discuss initial objectives, the organization should also focus on communication within employees and between employees and managers. It is important for managers to develop a fully integrated strategy which enables the different forms of communication to contribute to the success of the firm's mission or common goal (Marion, 1998). Moreover, continuous communication or exchanging information between an organization's strategic managers and its internal stakeholders should be designed to promote commitment to the organization and aware of its changing environment and understanding of its evolving aims (Welch&Jackson,2007).

performance review, is mainly characterized by the communication between executive and employee. As Linna et al. (2012, p. 1361) state, the main topics and contents of discussions are the employee's performance during a certain period, with a focus on his or her progress, goals, and needs. The inclusion of the development plan, which is an outcome of the performance definition element, is another key point and shall ensure that the employee receives the appropriate resources to develop his or her KSAs for a better performance (Aguinis, 2013, pp. 50-51). In general, the performance review shall be seen as a continuous communication between employee and executive, whereby the communication needs to focus on the future rather than on the past (Den Har-tog et al., 2004, p. 557). If employees have a positive perception



of the two-way communication between them and their executives, it will lead to a higher level of satisfaction about the whole PMP (DeCramer et al., 2013, p. 367).

Several scholars argue that providing feedback to employees is one of the key activities for an executive in the PMP (e.g. Kinicki et al., 2013, p. 5; Mone et al., 2011, p. 207). Kinicki Prussia, Bin, and McKee-Ryan (2004) revealed in their study, which was based on the feedback model by Ilgen, Fisher, and Taylor (1979) that employees' perception of feedback depends mainly on two areas. It is crucial for organizations and executives to establish a feedback-rich environment, which is given when employees' perception the received feedback as "specific, frequent, and positive" (Kinicki et al., 2004, p. 1064). In addition to the feedback-rich environment, the credibility of the feedback source is a determining factor for employees' feedback perception, as it is more likely that employees show a higher motivation to respond to feedback, when they receive the feedback from a trusted and knowledgeable executive (Kinicki et al., 2004, p. 1065). Given the two prerequisites for a successful feedback, which positively influence employees' perceptions of feedback accuracy (Kinicki et al., 2004, p. 1066), three main issues for executives are becoming apparent. Firstly, the way feedback is delivered to employees affects the likelihood of the employees responding to the feedback in a positive way. Executives are in this sense expected to give feedback on an ongoing and premature basis, whereby positive feedback reinforces and encourages the employee and negative feedback remedies potential issues as early as possible (Aguinis, 2013, p. 48).

#### ***2.1.6.4 Rewarding Performance***

According to Schneier, Beatty and Baird (1987), the rewarding performance phase includes three activities: personnel development, linking to pay and identifying the results or performance. In Rahdert's (1960) view, the function of personnel development is that the growth of people can be accelerated over and above that which would take place naturally and normally, and then maximum the employees' contribution to personal and group goals. Personnel development has some development principles. First one is personal involvement. All personnel development is basically self-development. Opportunity for development is valuable only if the individual capitalizes on it himself. In fact, the organization can and should offer encouragement and help, but development activities seem to be successful only to the degree that individuals become personally involved in them. Second one mutual objective. The premise of any development activity in organization, there should be a clear understanding and acceptance of mutual

objectives by both the individual and organization. If the objectives are understood and accepted, the efforts expended will be far more likely to succeed.

The company should offer universal opportunity to every employee instead of single out a few of its people and make opportunities available only to them. In fact, it is difficult to make long-term predictions concerning the ambition, drive, and growth potential of individuals. The forth principle is individual planning. Development is individual and should be tailored to fit the individual and the situation; attempts to squeeze everyone into the same model may even prove a waste of effort. Moreover, development should be designed to improve performance on the current job firstly, and then prepare the employee for promotion. Employees who get promoted are those who are currently doing outstanding work and thus have been able to demonstrate their capacity to assume greater responsibilities. Next principle is continuity. If a man who abandoned his efforts to keep updating skills or information, he will become antiquated.

Especially for nowadays, the new knowledge and skills are constantly being introduced. Rahdert (1960) also points out that the benefit of personnel development. For employees, if the individual skills or knowledge increase, he may create more value and as a result he may receive a sense of satisfaction in the achievement of personal goals and attainment of professional recognition. On the other hand, for organization, personnel development is able to achieve competitive advantages because of a better qualified and a more highly motivated team, and is able to utilize advanced technology because of the effectively trained employees. Furthermore, training activities should ideally be based on performance gaps that are identified during the performance review phase (Teke, 2002). By linking training to identified performance gaps, training will be focused, specific and relevant. Teke (2002) also points out that relevant training and development interventions and regular performance feedback are important factors in skills retention. Therefore, the training, development strategy and the performance management system process should be aligned tightly with the overall retention strategy of the organization. Development programmers are reflecting the needs of succession plans and seeking to foster leadership skills. In addition, there is a growing interest in pay-for-performance plans focused on small groups or teams. Small group pay plans provide monetary rewards based on the measured performance of the group or team.

Evaluation and checking feedback are both important activities in this period. In most organizations, they will not have only one corporate scorecard for the company as a whole, but

will also have separate scorecards for each division/employee that feeds into the overall scorecard (Huang & Hu, 2007).

## **2.2. Theories on the study**

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, with its detailed consideration of the ways in which people are motivated to perform (Nini,2012).Dyer and Reeves (1995) note that: ‘The logic in favor of bundling is straightforward. Since employee performance is a function of both ability and motivation, it makes sense to have practices aimed at enhancing both.’ Thus, there are several ways in which employees can acquire needed skills (such as careful selection and training) and multiple incentives to enhance motivation (different forms of financial and nonfinancial rewards).

### **2.2.1 Goal Setting Theory**

According to Mabey, Salaman, Storey, (1999), Goal-setting theory was established by Edwin Locke in a paper published in 1968, in which he argued that goals pursued by employees can play an important role in motivating superior performance. In following these goals people examine the consequences of their behavior. If they surmise that their goals will not be achieved by their current behavior, they will either modify their behavior, or choose more realizable goals. If managers can intervene to establish the organization’s goals (or translations of them for the group or individual) as being worthwhile for employees to accept, they can harness a source of motivation to perform, and direct it to securing strategic outcomes. Subsequent empirical research into goal-setting has specified more precisely the conditions necessary for organizational goals to be motivating to employees; these are that; Goal-setting theory has been subject to a great deal of theoretical and empirical scrutiny since it was first advanced. The resulting body of evidence now provides a set of rigorously tested principles which offer clear guidance to designers of performance management systems. (Mabey, et. al., 1999)

### **2.2.2 Expectancy Theory**

As stated on the book of Human Resource Management, A strategic introduction: Expectancy theory hypothesizes that it is the anticipated satisfaction of valued goals which causes an individual to adjust his behavior in a way which is most likely to lead to his attaining them.

In fact, while the popularity of expectancy theory is relatively recent, it draws on a tradition which can be traced back to early Utilitarians. Mill and Bentham described an ethical system in which people determined their actions by conscious calculation of the consequences which they expected the actions to bring about. The most immediate precursors of expectancy theory were Georgopoulos et al. (1957) with their 'path-goal' approach to productive performance at work. The path-goal hypothesis stated that 'if a worker sees high productivity as a path leading to the attainment of one or more of his personal goals, he will tend to be a high producer.

Expectancy theory has been developed from Vroom's early specifications to be expressed very clearly as a combination of factors: In practice, if a person sees it as being clear that performing in a certain way will bring about a reward which he or she values, then this individual is more likely to attempt to perform in that way than if the relationship between effort and measured performance, or measured performance and rewards, is slight or uncertain. (Mabey, C. et. al., 1999 p. 130)

### **2.3. Empirical Literature Review**

The link between performance management and employee performance in firms has been examined in several studies utilizing a variety of research techniques. Here, we analyse the most crucial research that addressed the issue and the most crucial conclusions they came to Kaur and Singla (2019). The goal of the study was to carefully evaluate the features of performance management which significantly influence staff engagement and thereby improve organizational effectiveness. The concept of employee engagement is relatively new in the literature, yet it has become hugely popular in business. Staff engagement and organizational performance are strongly correlated, according to proponents of the concept, both in the workplace and among employees. Strong organizational performance can only be attained when all employees are actively participating. According to the study, employee engagement is most positively impacted by empowerment-contributing recognition and participative decision-making. Because of this, firms will be more able to build PMS that increase employee engagement. The goal of the Adam Study (2020) was to ascertain how UN-Somalia Habitat's program's staff members performed in relation to PMS. Additionally, the research attempts to investigate the impact of performance standards, performance measurements, quality improvement processes, and progress reporting on UN-Somalia Habitat's Program. The study demonstrated that there is no association between employee performance and performance criteria, performance assessment, or quality

improvement techniques. The study did show a strong favourable association between progress reports and employee performance, though. Additionally, regression analysis demonstrated that progress reporting had a very beneficial impact on staff performance. Using a survey of 924 workers of tech service organizations in India, Mangipudi *et al.*, (2019) performed pilot research on how a PMS influences employee performance. The system of performance management was assessed on 13 different parameters. Using multiple regression analysis, it was discovered that 5 factors had an impact on performance management and that 9 components were responsible for enhancing performance. The findings revealed that the performance management system greatly raises worker productivity.

Gerrish (2016) used 2,188 impacts from 49 researches in an effort to provide a thorough analysis of the impact of performance management on performance in public institutions in three methods. The effects of a "medium" performance management system are first looked at. The second part looks at management's impact and determines if good performance management procedures lessen the overall effect. Thirdly, it looks at how "time" affects performance management. An average minor influence of performance management was discovered through investigation. When best practice indicators are incorporated into high-quality research, the impact is significantly stronger. The effectiveness of PMS is significantly influenced by management practices. Mixed evidence exists on the impact of time. The primary performance management system components—the PMS, the performance reward system, and the performance contract system—were the focus of Subbaiah and Mathew's (2019) investigation into the relationship between PMS and employee performance. The study used a descriptive methodology to gather information from 100 workers in Bangalore's IT industries. According to the study's findings, PMSs and employee performance are positively correlated. The PMSs and employee performance at the United Nations Regional Centre for Services were the subjects of a research by Busingye (2018). The goals were to (i) investigate the correlation between staff performance in the United Nations Regional Centre for Services and performance planning; (ii) determine the correlation between staff performance and performance monitoring; and (iii) look into the connection between employee's performance and performance evaluation. Regional Services of the United Nations. 103 workers and 2 key informants' quantitative data were gathered quantitatively utilizing survey questionnaire and interview guide, respectively. Performance planning and employee performance have a positive, statistically significant

association, according to the Pearson Correlation Coefficient values, but it is a weak one. The variable, which is regarded as the second predictor of the employee's performance, had a small influence on the employee's performance but had a strong association with performance monitoring.

The employee's performance was significantly impacted by the performance assessment and had a considerable positive association with it. In order to ensure staff productivity, Nikeshbhai (2019) looked at the approach to putting in place a PMS. The study's goal was to assess how satisfied organization employees were with their current PMS. Questionnaires were used to gather the data for this investigation. The study found that organizational elements including pay, benefits, and advancement had an impact on worker productivity. The findings also demonstrate that a large portion of respondents believed that improving efficiency is currently a crucial element of corporate strategy. In order to increase employee performance and competitiveness, the research suggests performing a frequent evaluation of performance. Understanding the PMS and its link to employee performance determinants is the goal of the Deogaonkar *et al.*, (2020) study. The research data used in this study came from 416 experts who work for Indian telecom businesses. Three phases were included in the study's recommended model: design, execution, and employee motivation. The findings indicated that individuals are intellectual resources and are more motivated to put a performance management system in place, indicating that the design of the performance management system seems reasonable. Because the design of the PMS is to offer a tool for measuring and recording performance in relation to goals, this is the case. The PMS's implementation has an impact on an employee's performance since it involves manual engagement with supervisors and discussions with them regarding the employee's performance. The study by Almohtaseb *et al.*, (2017) looks at how employing a scorecard affects how well employees perform while using a PMS. The industrial businesses registered on the Jordanian Amman Stock Exchange were the subject of this investigation. 192 senior managers from 63 manufacturing businesses were surveyed as part of the research project. The findings shown that implementing a Balance Scorecard lessens the effect of the PMS on employee performance. Accordingly, integrating the Balanced Scorecard into strategic decision-making enhances and complements the connection between the PMS and employee performance. According to the study, banks should be careful of the amount of empowerment since it might erode organizational culture and the company should establish a robust PMS in order to have a

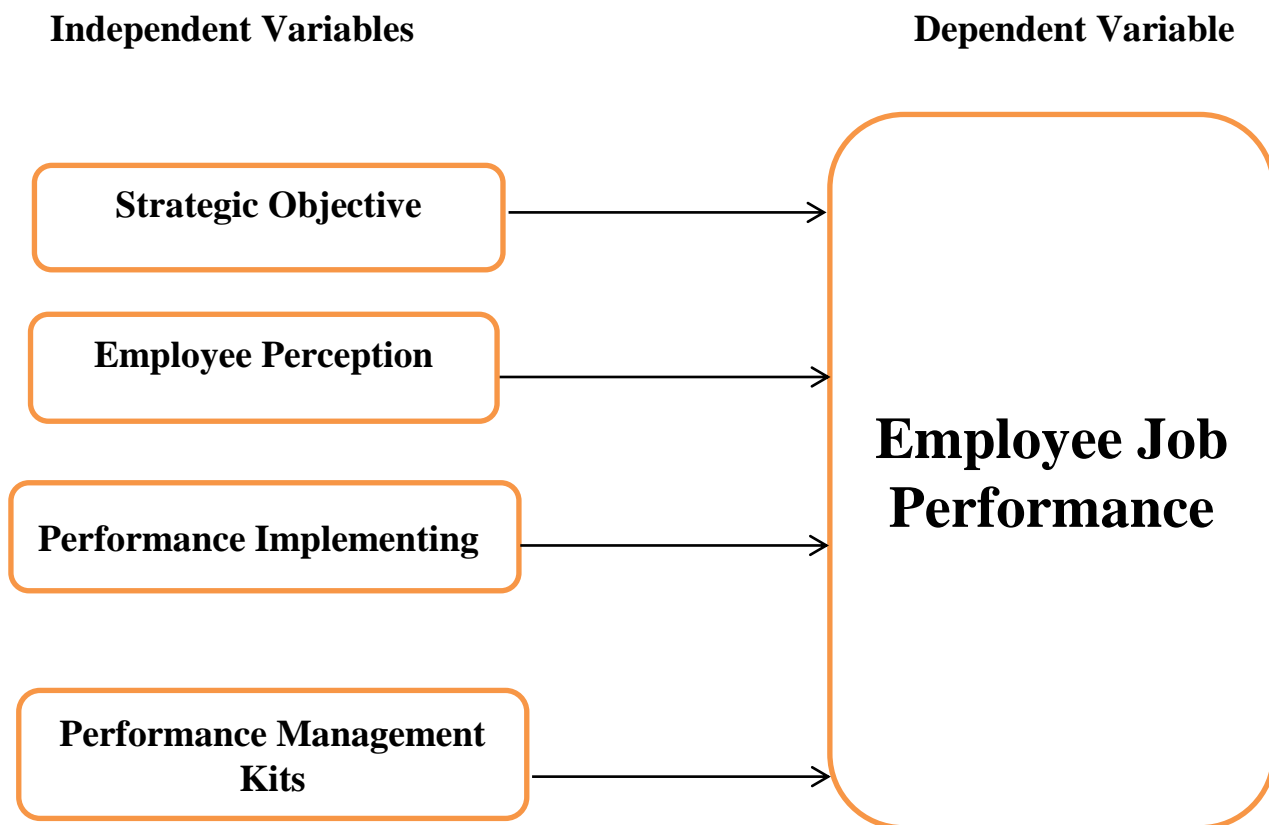
more transparent and dynamic organizational culture. The conceptual underpinnings of both classic and current performance measuring methodologies, as well as their traits, benefits, and drawbacks, are outlined in Pelluri and Padmavathy's (2016) work. The study came to the conclusion that one of the trickiest and most complicated methods 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. The report stressed the importance of performance evaluation as a powerful instrument for firms to organize and integrate each employee's capabilities in order to achieve their strategic goals. Erdem *et al.*, (2017) study used 605 distributed questionnaires to investigate the association between performance management (PM) conduct and the performance of laborers working in 6 different organizations in Khartoum. The findings showed a strong correlation between the actions of PM supervisors and labor performance. In general, task performance and organizational citizenship behavior are positively correlated with all PM behaviors, with the exception of monitoring performance objectives (OCB). However, negative relationships exist between PM practices (such as feedback, coaching, and monitoring performance objectives) and unproductive work behavior. Building on these findings, business managers have the chance to boost worker performance by putting more of a focus on encouraging supervisors to participate in positive behaviors and by emphasizing coaching and performance awards.

According to (Prakash & Thembinkosi, 2015) effectively implemented PMS would provide critical information that would allow an organization to make sound decisions regarding their people resources. Hence, there should be no room to compromise the use of a well-developed PMS to achieve the strategic plans of any organization. According to 2017 research by Van Waeyenberg, effective PMSs improve employee performance and well-being. Physical well-being of employees and their performance were more or less independent outcomes, but psychological well-being moderated the link between PMS and performance. This study advances knowledge of what efficient PMSs are, how they may be put into practice, and how they can improve employee performance and well-being. The purpose of Shrivastava's (2018) study was to assess the PMS's efficacy and investigate the connection between that effectiveness and employee commitment and satisfaction. The findings indicated that the PMS and satisfaction, as well as the typical link between employee work satisfaction and commitment, are

statistically correlated. According to the report, an efficient PMS is just a tool for creating an employee loyalty index, which will keep employees' content and boost their productivity.

## 2.4 Conceptual Frameworks of the of the Study

In this study, the independent variable is the activities in performance management system. Each independent variable extracted from the stages of performance management system from the literature review and also the established relationship of these independent variables with employee performance. These variables were Strategically objective, Employee perception, Performance implementing, Performance management determinants while in a research; the dependent variable is the employee job performance. From literature review, employee job performance could be measured with each stages of performance management system.



Source: - Own developed

Figure 2.1 Conceptual Frameworks



## **2.5. Research Hypothesis**

H1: Strategic Objective has significant effect on employee job performance in Dashen Bank

H2: Employee Perception has significant effect on employee job performance in Dashen Bank

H3: Performance Implementing has significant effect on employee job performance in Dashen Bank

H4: Performance Management Kits has significant effect on employee job performance in Dashen Bank

# **CHAPTER THREE**

## **RESEARCH METHODOLOGY**

### **3.1. Research Design and Methodology**

In this research a explanatory research design applied to this study. Explanatory research design used to explain and explore the occurrences of phenomena towards the future. Therefore it was useful in describing the On Employee Job Performance as the dependent variable by exploring different independent variables that are affecting them include, Strategical objective, Employee perception, Performance implementing, Performance management Kits the Effects Of Performance Management On Employee Job Performance In Case of Dashen Bank S.C

### **3.2. Research approach**

The researcher used a quantitative research approach in order to achieve the study's goal and answer the research questions. In this study Individuals contacted and questionnaires was distributed, and filled up and returned. With the Effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C investigated using correlation and linear regression.

### **3.3. Data Collection tools**

The study used both primary and secondary data collection procedures. Primary data is directly collected from the field through questionnaires. This research used questionnaire survey for employee of Dashen Bank S.C.

#### **3.3.1 Primary Data**

##### ***3.3.1.1. Questionnaires***

Primary data for the study is gathering by using questionnaires which are managed to the targeted respondents. The choice of using questionnaires as method of data collection considering the fact that the respondent may be very busy working place and employees may have a limited time. Therefore, questionnaires distributed among the respondents who found their own time to fill them. Also, this method was opted in order to avoid interfere of employees' working hours. For this study the researcher provided questionnaires employees of the Dashen Bank S.C.

## **3.4 Population and Sampling Design**

### **3.4.1 Target Population**

The target population was the total employees of Dashen Bank S.c. The target populations from which the sample respondents selected from the total number of employees who is working in Dashen Bank S.c, the total number of employees in Dashen Bank S.c were 1348 .

### **3.4.2 Sampling Design**

Selecting respondents for a representative of the whole population is what sampling mean. (Mugenda & Mugenda 2003), Sampling was vital since it is impossible to take the entire population because of time, financial factors and errors which can discourage the researcher. For this research random sampling was used for the case of giving equal chance for respondents

#### ***3.4.2.1. Sampling Frame***

Sampling frame is an objective list of the population from which the researcher can make a selection according to Cox and Hassard (2005). The sampling frame was obtained from special such studied areas and different department of Dashen Bank S.C. The sample frame consists of the valid full time employees of Dashen Bank S.C.

#### ***3.4.2.2 Sampling Technique***

The sampling method used in drawing samples from a population is driven by the objectives of the research activity. The sampling process has been guided by the parameters in the population in line with specific objectives of the study (Cooper and Schindler, 2011). The study adopted simple random sampling, and also to ensure that different age groups represented. Semi-structured questionnaires administered to obtain the necessary data.

#### ***3.4.2.3 Sample size***

According to Cooper and Schindler (2008), sample size was described as a smaller set of elements from the larger population. Mugenda (2003) argued that the choice of sample size was governed by the confidence you need to have in your data, level of certainty, and the accuracy. You require for any estimates made in your sample, the type of analysis you are going to undertake and finally the size of the total population from which your sample is drawn. The sample computation will be as follows. Using all population for data collection is difficult for one researcher. So it is difficult to use all population, and the researcher using formula developed by (Yamane, 1967).

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

Where N= number of total population

n= sample

e=level of precision (5%)

$$n = \frac{N}{1+N(e)^2} = n = \frac{1348}{1+1348(0.05)^2} = 308.467 \sim 309$$

***Therefore My Sample size is = 309***

#### ***3.4.2.4 Sampling technique***

The number of sample units was large, and time and cost-constrained samples are drawn from the target population. This study uses probability sampling because this study was more quantitative and each respondents have equal chances of being selected, and it is difficult to personally arrive at the randomly selected sample based on the employee list. In order to increase the representativeness of the sample, the same number of respondents has been selected from Dashen Bank S.c in order to avoid lower responsiveness, and the questioners were collected through the direct help of researchers. The right sample size was determined in order to draw confident generalizations about the construct under research. Size of the sample the act of determining the number of observations or repetitions to include in a statistical sample is known as sample size determination.

### **3.5. Variables of the study**

**Dependent variable:** - the dependent variable for this study is the Employee Job Performance and it may be affected by different known and unknown factors, but in this study, the relative impact of four certain factors on Performance Management on Employee Job Performance evaluated. Factor that affects Performance Management on Employee Job Performance is the result of a combination of different factors, which can be measured by the comprehensive effect and significant relationship of factors such as regression and related analysis the Effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C

**Independent variable:-** Although Performance Management on Employee Job Performance is affected by different known and unknown factors, the known factors that have a direct impact on the Performance Management on Employee Job Performance in the study are Pre Requisites, Performance Planning, Performance Execution, Review and Renewal and Contracting systems. The

value of the independent variable is measured using the frequency, average, and standard deviation of the respondents' agreement with Employee Job Performance.

### **3.6. Methods of data analysis**

The Statistical Package for Social Sciences (SPSS) version 24 used to analyze both qualitative and quantitative collected data. The descriptive statistics (frequencies distribution) was applied to the Effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C. Data analysis that was conducted involved reducing the collected data to a manageable size, by developing summaries, through the utilization of data analysis techniques (Cooper and Schindler, 2008). The quantitative data was analyzed using both descriptive and inferential statistics.

### **3.7 Research Procedures**

Research procedures refer to a detailed description of the steps to be taken and the conduct of research should be provided for by the purpose of the study. This study used the five-point Likert scale to affirm. Compared to two- and seven-scale systems, this scale is more reliable and an effective option, because if the number of response options is greater than five, the reliability reduced (Hayes, 1992). Then, after the instrument of collection of this investigation which reflects;

Primarily, The level of employees consent based on the Likert scale of five points from "1" (strongly disagree) to "5" (strongly agree) is used for Dashen Bank S.C employees based on standardization issues to use any Effects of Performance Management on Employee Job Performance that they hinder the Factor that affect Effects of Performance Management on Employee Job Performance in case of Dashen Bank S.C. This research adapts Performance Planning, Performance appraisals, managing and reviewing performance and Reward systems of Dashen Bank S.C (Chen, 2007). The questionnaire has been distributed to a sample of 1348 CBE employees of Dashen Bank S.C.

### **3.8. Reliability Test**

Reliability test is the degree to which a construct's measure is consistent or reliable. Cronbach's alpha coefficient was used to perform the reliability test and items that scored higher than the acceptable value were kept. Dennick & Tavakol (2011) if a test has more than one idea or construct, reporting alpha for the entire test may not make sense because the higher number of questions invariably inflates the value of alpha. As a result, rather than calculating alpha for the

entire test or scale, alpha should be determined for each of the concepts. The alpha coefficient ranges from 0 to 1, with a value of 0.5 or below indicating unsatisfactory internal consistency dependability and unacceptability (JRamayah, 2011). Scales with coefficient alpha between 0.6 and 0.7, according to Zikmund et al. (2000), imply fair reliability and acceptability. A questionnaire adapted and constructed from this study has been pretested by using Cronbach's alpha coefficient through SPSS v 22 was found to be more than 0.60. Based on the above range all the variables designed were found to be a good measure of the dependent variable.

### **3.9. Ethical Considerations**

Some ethical considerations had been examined by the researcher. Respondents have the option of participating or not participating in the survey, and the survey enumerator has informed them of the poll's aim as well as the confidentiality of their responses. Emerging ethical considerations were evaluated and addressed during the study's execution. The objective and importance of the study, as well as confidentiality, were stated in the introduction section of the questionnaire for this purpose. Respondents were advised that they had complete freedom to fill out the questionnaires or withdraw from the study at any time, with no negative consequences, and that their participation or non-participation would not hurt them. Structured questionnaires were given to obtain primary data. To shield their responses from predisposition, only generic information was written in the paragraph of the questionnaire. Respondents' confidentiality was maintained, and their identities were not revealed. Finally, by recognizing every reference used, all research findings have not been concealed and are free of plagiarism. Furthermore, the study was conducted in an open-minded manner, with attitudes expressed as they are. Nothing was changed or modified. As a result, the material that acquired provided as is, and all of the literatures gathered for the purpose of this study appreciated in the reference section.

# CHAPTER FOUR

## ANALYSIS AND INTERPRETATION OF DATA

### 4.1 Introduction

The fourth chapter deals with the analysis, discussion and findings of the research study work that deals about the Effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C. The chapter included the response rate, demographic data, the result or findings, the interpretation and discussion, data presentation tools statically symbols, summery of the chapter and the link between chapter four & five based on the research study report section. The quantitative data that was gathered and organized and coded would be analyzed. Accordingly the result of the coded data was translated to a tabular data using frequency and percentages in accordance with the value given for the coded categories above and below the median. As high & low and then the analysis of the tabular data was explained under it.

### 4.2 Response Rate

This chapter used to the Effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C. The survey had a sample size of 309 respondents, returning questionnaires, yielding a response rate of 97% percent. It is a reliable response rate for data analysis as Babbie (2002) posited that any response of 50 % and above is adequate for analysis. Moreover, it is possible to generalize that as the response rate indicates all of the respondents were happy towards the study and its findings.

#### 4.1: Response Rate

**Table 4.1 respondent's rate of response**

No.	Respondents category	Frequency	Percentage
1	Responded	300	97%
2	Did not responded	9	3%
Total		309	100%

(Source: SPSS output researcher survey data, 2024)

### 4.3 General Information of the Respondents

This section profiles the respondents in respect to gender, age, level of education, year of experience and trainings to participate in one year of the respondents of the Employee Job Performance In Case Of Dashen Bank S.C. The items in the research instruments used in the study informed profiling of the respondents.

#### 4.3.1 Gender of respondents

Table 4.2 genders of the respondent

Genders of the respondent					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	166	55.3	55.3	55.3
	female	134	44.7	44.7	100.0
	Total	300	100.0	100.0	

Source: - SPSS output 2024

The data sought on whether respondents were males or females. The study found it important to analyze gender distribution of the respondent so, as to compare the level of participation in managers and employees of in the Effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C. The study did not consider any of the gender in the selection of respondents. Respondents asked to indicate their gender. From the findings of the males made the majority of the respondents at 166 (55.3 %) and the females at 134(44.7 %) as shown the above table. This indicates the majority of the respondents are males .



### 4.3.2 Age of the respondent

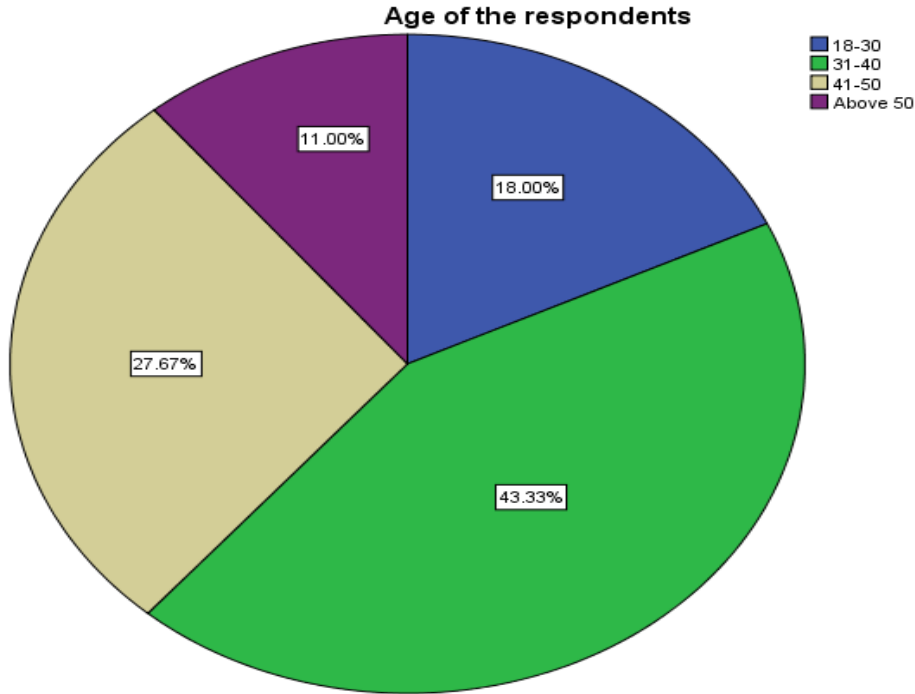


Figure 4.1 age of the respondents

Source: - SPSS survey output 2024

From the given figure above Respondent asked to indicate their age group in years. This done to understand the age distribution of the respondents since an individual's age was not a consideration in the selection of respondents in this study. Age groups classified into four categories: as we see the 18-30years; 31-40 years, 41-50 years and above 50 years. Regarding to respondent Age category in year majority 130 (43.3%) of respondents are participated at age of 31-40 years old, similarly the second highest number 83 (27.7%) of respondents are at age of 41-50 years. on other hand the list participated respondents are who are 54(18%) were 18-3 years old and on the other hand above 50 years olds are 33(11%). This confirms that 140 (44 %) of respondents were youths between the age of 31-40 years. About the age, distribution of the respondent majority of them found at young and youth age and well known about the Effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C.

### 4.3.3. Departments of the respondents

Table 4.3 Departments of the respondents

What is your department and title					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Customer service	138	46.0	46.0	46.0
	HR	16	5.3	5.3	51.3
	Audit	37	12.3	12.3	63.7
	project	28	9.3	9.3	73.0
	finance	36	12.0	12.0	85.0
	others	45	15.0	15.0	100.0
	Total	300	100.0	100.0	

Source: - SPSS survey output 2024

From the given table above respondents were asked to indicate their department and majority of the respondents stated that 46% (138) of the respondents were customer service, whereas 12.3% (37) of the respondents were audits departments. On the other hand 12% (36) and 9.3% (28) of the other respondents were finance and project departments respectively. . Finally the remaining 5.3% (16) and 15% (45) of the other respondents were HR and others departments respectively. In general majority 46% (138) of the respondents were customer service departments that have basic knowledge's about the Effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C

#### 4.3.4 Education level of respondents

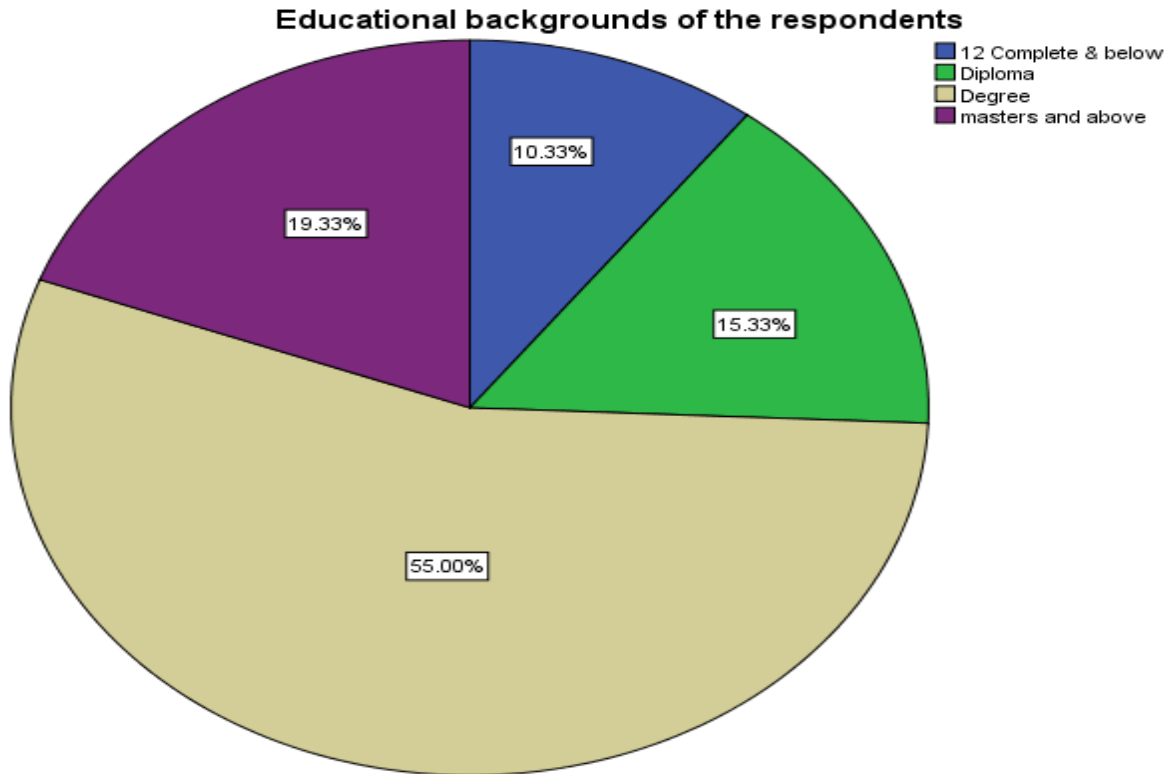


Figure 4.2. Educational levels of the respondents

Source: - SPSS survey output 2024

From the figure above the respondents asked to indicate their highest level of education. Respondent's level of education considered important in this study in respect to responding to the research instruments as well understanding Service Quality and Customer Satisfaction. The study sought to establish the educational level of respondents from the findings of the respondents 31 (10.3%) had 12 complete and below followed by those diploma 46 (15.3%) whereas first degree were the majority of the respondents having 165 (55%) and with 2<sup>nd</sup> degree and above having 58(19.3%) as shown in the table above. From this majority of the respondents are educated and have knowledge about the Effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C which were first degree having 163(48.1%).

### 4.3.5 Work Experience of respondents

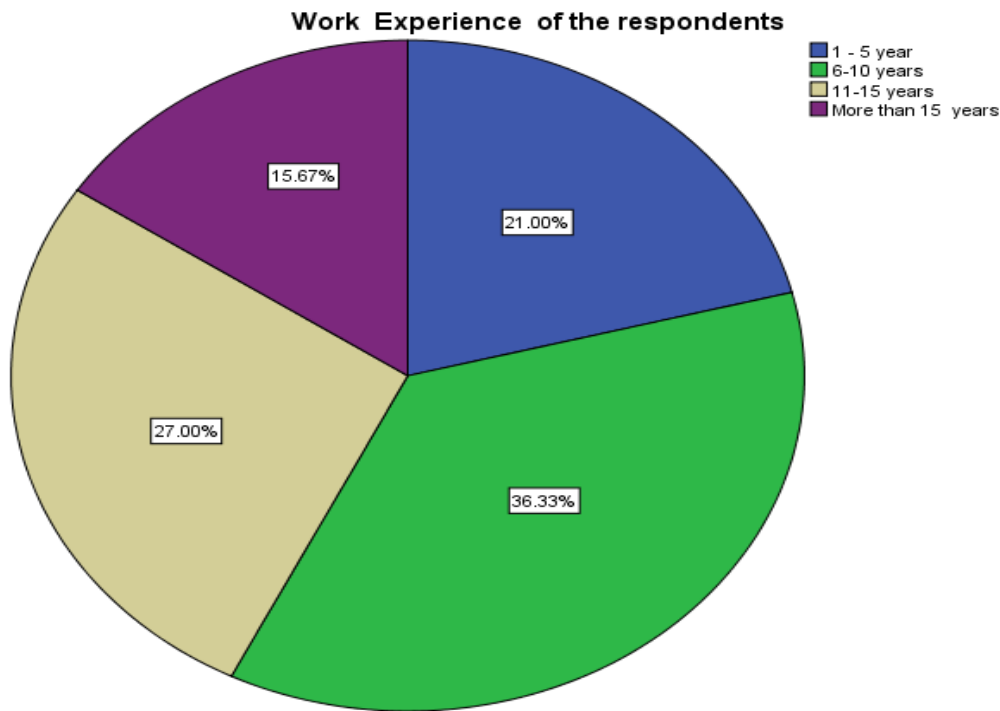


Figure 4.3. Work experience of the respondents

Source: - SPSS survey output 2024

From the given table above the study sought to establish that the work experience of respondents. From the findings of the respondents are 63 (21%) for 1-5 years followed by 109 (36.3 %) of those 6-10 years, 11-15 years 81(25.9 %), and above 15 years 81(15.3 %) as shown the above table. So, the established of the work experience of the respondents from the findings the majority of them are from 6-10 years which is 109 (36.3%) years followed by 11-15 years' work experience About the education, distribution of the respondent majority of them found at young and youth age which were found under work group.

### 4.4 Descriptive Statistics

The objective of the study was to the Effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C. This section contain descriptive statistics of the research variables strategically objective, Employee perception, Performance implementing, Performance management determinants

#### 4.4.1 Descriptive Statistics of strategically objective

This section presents the analysis of strategically objective obtained from the results. Interpretation of the data and findings in the following discussion produced the mean score and standard deviation of the responses of respondents on the Effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C. The questions were scaled by using a five point Likert scale in which 1= strongly disagree, 2= Disagree, 3 = Neutral, 4 = Agree, 5 = strongly Agree to rate the exhibited strategically objective. The analysis of the strategically objective was investigated by using means and standard deviations from the results. The results of the means were interpreted based on: 1-1.49 = Very Low; 1.5-2.49 = Low; 2.5-3.49 = Moderate; 3.5-4.49 = High; 4.5-5.0 = Very high.

Table 4.4 Descriptive Statistics of strategically objective

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
I understand the organization's vision, mission and strategic goals.	300	1.00	5.00	3.5800	.94865
My individual work objectives are aligned with the organization's strategic goals.	300	1.00	5.00	3.5600	.96410
My manager communicates how my work contributes to achieving the organization's strategic objectives.	300	1.00	5.00	3.6167	1.03277
Valid N (listwise)	300				
Aggregate mean and STD				3.5856	0.9818

Source: - SPSS output survey data 2024

The results presented in Table 4.4 indicate that the sample mean for individual responses ranged between 3.5600 and 3.6167. These values of sample mean generally tends to 3.5856 on the Likert scale used in this study and thus translates to agreement amongst respondent in respect to the activities implied by the statements. Similarly, the sample standard deviation for the different responses ranged between .94865 and 1.03277 demonstrating that the responses were

fairly close together around the sample mean as the variability was narrow. Furthermore, the aggregate scores for sample mean and sample standard deviation for strategically objective was 3.5856 and 0.9818 respectively.

According to the given table above majority of the respondents stated respondents manager communicates how my work contributes to achieving the organization's strategic objectives, having a highest means of 3.6167 and STD of 1.03277, understand the organization's vision, mission and strategic goals having a highest means of 3.5800 and STD of .9486 and respondents individual work objectives are aligned with the organization's strategic goals having a highest means of and 3.5600 and STD of 0.96410 respectively

In general strategically objective of the respondents were highly affecting Performance Management on Employee Job Performance In Case Of Dashen Bank S.C having aggregate scores for sample mean and sample standard deviation of 3.5856 and 0.9818 respectively

#### **4.4.2 Descriptive Statistics of Employee perception**

This section presents the analysis of Employee perception obtained from the results. Interpretation of the data and findings in the following discussion produced the mean score and standard deviation of the responses of respondents on the Effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C. The questions were scaled by using a five point Likert scale in which 1= strongly disagree, 2= Disagree, 3 = Neutral, 4 = Agree, 5 = strongly Agree to rate the exhibited Employee perception. The analysis of the Employee perceptions was investigated by using means and standard deviations from the results. The results of the means were interpreted based on: 1-1.49 = Very Low; 1.5-2.49 = Low; 2.5-3.49 = Moderate; 3.5-4.49 = High; 4.5-5.0 = Very high.

Table 4.5 Descriptive Statistics of Employee perception

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
The performance planning process is participatory.	300	1.00	5.00	3.5433	1.12799
My inputs are considered in setting performance targets.	300	1.00	5.00	3.7000	.89779
The performance evaluation process is fair and accurate.	300	1.00	5.00	3.9700	1.00954
I receive regular coaching and feedback from my manager.	300	1.00	5.00	3.8233	.93185
The rewards and incentives motivate me to improve my performance.	300	1.00	5.00	3.8133	1.04024
Valid N (listwise)	300				
Aggregate mean and STD				3.76998	0.96578

Source: - SPSS output survey data 2024

The results presented in Table 4.4 indicate that the sample mean for individual responses ranged between 3.5433 and 3.9700. These values of sample mean generally tends to 3.76998 on the Likert scale used in this study and thus translates to agreement amongst respondent in respect to the activities implied by the statements. Similarly, the sample standard deviation for the different responses ranged between .89779 and 1.12799 demonstrating that the responses were fairly close together around the sample mean as the variability was narrow. Furthermore, the aggregate scores for sample mean and sample standard deviation for Employee perception was 3.76998 and 0.96578 respectively.

According to the given table above majority of the respondents stated The performance evaluation process is fair and accurate having a highest means of 3.9700 and STD of 1.00954, respondents receive regular coaching and feedback from my manager having a highest means of

3.8233 and STD of .93185 and respondents the rewards and incentives motivate me to improve my performance having a highest means of and 3.8133 and STD of 1.04024 respectively

On the other hand respondents stated that inputs are considered in setting performance targets having a highest means of and 3.700 and STD of 1.89779 and the performance planning process is participatory having a highest means of and 3.5433 and STD of 1.12799 respectively

In general Employee perception of the respondents were highly affecting Performance Management on Employee Job Performance In Case Of Dashen Bank S.C having aggregate scores for sample mean and sample standard deviation of 3.76998 and 0.96578 respectively

#### 4.4.3 Descriptive Statistics of performance management effectiveness

This section presents the analysis of performance management effectiveness obtained from the results. Interpretation of the data and findings in the following discussion produced the mean score and standard deviation of the responses of respondents on the Effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C. The questions were scaled by using a five point Likert scale in which 1= strongly disagree, 2= Disagree, 3 = Neutral, 4 = Agree, 5 = strongly Agree to rate the exhibited performance management effectiveness. The analysis of the performance management effectiveness was investigated by using means and standard deviations from the results. The results of the means were interpreted based on: 1-1.49 = Very Low; 1.5-2.49 = Low; 2.5-3.49 = Moderate; 3.5-4.49 = High; 4.5-5.0 = Very high.

Table 4.6 Descriptive Statistics of performance management effectiveness

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
My individual goals are specific, measurable, achievable, relevant and time-bound.	300	1.00	5.00	3.5000	1.01329
My manager regularly monitors and documents my performance.	300	1.00	5.00	3.5700	.99418
Performance reviews are conducted regularly as per schedule.	300	1.00	5.00	3.4267	1.09939
Feedback from performance reviews is used to update objectives and activities.	300	1.00	5.00	3.5500	1.05096
I receive the training and resources needed to improve my capabilities.	297	1.00	5.00	3.5152	.97638
Valid N (listwise)	297				
Aggregate mean and STD				3.51238	1.02684

Source: - SPSS output survey data 2024



The results presented in Table 4.6 indicate that the sample mean for individual responses ranged between 3.4267 and 3.5700. These values of sample mean generally tends to 3.51238 on the Likert scale used in this study and thus translates to agreement amongst respondent in respect to the activities implied by the statements. Similarly, the sample standard deviation for the different responses ranged between .97638 and 1.09939 demonstrating that the responses were fairly close together around the sample mean as the variability was narrow. Furthermore, the aggregate scores for sample mean and sample standard deviation for performance management effectiveness was 3.51238 and 1.02684 respectively.

According to the given table above majority of the respondents stated respondents manager regularly monitors and documents my performance having a highest means of 3.5700 and STD of 0.99418, respondents Feedback from performance reviews is used to update objectives and activities having a highest means of 3.5500 and STD of 1.05096 and respondents receive the training and resources needed to improve my capabilities having a highest means of and 3.5152 and STD of .97638 respectively

On the other hand respondents stated that their individual goals are specific, measurable, achievable, relevant and time-bound having a highest means of and 3.500 and STD of 1.01329 and Performance reviews are conducted regularly as per schedule having a highest means of and 3.4267 and STD of 1.09939 respectively

In general performance management effectiveness of the respondents were highly affecting Performance Management on Employee Job Performance In Case Of Dashen Bank S.C having aggregate scores for sample mean and sample standard deviation of 3.51238 and 1.02684 respectively

#### **4.4.4 Descriptive Statistics of Performance management determinants**

This section presents the analysis of Performance management determinants obtained from the results. Interpretation of the data and findings in the following discussion produced the mean score and standard deviation of the responses of respondents on the Effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C. The questions were scaled by using a five point Likert scale in which 1= strongly disagree, 2= Disagree, 3 = Neutral, 4 = Agree, 5 = strongly Agree to rate the exhibited Performance management determinants. The analysis of the Performance management determinants was investigated by using means and

standard deviations from the results. The results of the means were interpreted based on: 1-1.49 = Very Low; 1.5-2.49 = Low; 2.5-3.49 = Moderate; 3.5-4.49 = High; 4.5-5.0 = Very high.

Table 4.7 Descriptive Statistics of Performance management determinants

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Unclear performance expectations negatively affect the performance management system.	300	1.00	5.00	3.7033	.88578
Lack of employees' involvement in performance planning impacts the system's effectiveness.	300	1.00	5.00	3.5467	1.18568
Insufficient coaching and feedback from managers is a challenge.	300	1.00	5.00	3.4000	1.29056
Biased performance appraisals affect the system.	300	1.00	5.00	3.5000	1.17527
Unfair reward systems demotivate employees.	300	1.00	5.00	3.9272	1.07177
Lack of performance reviews and updates to objectives affect the system.	300	1.00	5.00	3.3767	1.30658
Valid N (listwise)	300				
Aggregate mean and STD				3.57565	1.065714

Source: - SPSS output survey data 2024

The results presented in Table 4.6 indicate that the sample mean for individual responses ranged between 3.3767 and 3.9272. These values of sample mean generally tends to was 3.57565 on the Likert scale used in this study and thus translates to agreement amongst respondent in respect to the activities implied by the statements. Similarly, the sample standard deviation for the different responses ranged between .88578 and 1.30658 demonstrating that the responses were fairly close together around the sample mean as the variability was narrow. Furthermore, the aggregate scores for sample mean and sample standard deviation for Performance management determinants was 3.57565 and 1.065714 respectively.

According to the given table above majority of the respondents stated Unfair reward systems demotivate employees having a highest means of 3.9272 and STD of 1.07177, respondents Feedback from performance reviews is used to update objectives and activities having a highest means of 3.7033 and STD of .88578 and Lack of employees' involvement in performance planning impacts the system's effectiveness having a highest means of and 3.5467 and STD of 1.18568 respectively

On the other hand respondents stated that biased performance appraisals affect the system having a highest means of and 3.500 and STD of 1.17527 and Lack of performance reviews and updates to objectives affect the system having a highest means of and 3.3767 and STD of 1.30658 respectively

In general Performance management determinants of the respondents were highly affecting Performance Management on Employee Job Performance In Case Of Dashen Bank S.C having aggregate scores for sample mean and sample standard deviation of 3.5467 and 1.18568 respectively

#### **4.4.5 Descriptive Statistics of employee job Performance**

This section presents the analysis of employee job Performance obtained from the results. Interpretation of the data and findings in the following discussion produced the mean score and standard deviation of the responses of respondents on the Effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C. The questions were scaled by using a five point Likert scale in which 1= strongly disagree, 2= Disagree, 3 = Neutral, 4 = Agree, 5 = strongly Agree to rate the exhibited employee job Performance. The analysis of the employee job Performance was investigated by using means and standard deviations from the results. The results of the means were interpreted based on: 1-1.49 = Very Low; 1.5-2.49 = Low; 2.5-3.49 = Moderate; 3.5-4.49 = High; 4.5-5.0 = Very high.

Table 4.8 Descriptive Statistics of employee job Performance

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
I effectively use resources including time and materials	300	1.00	5.00	3.8267	1.07103
I try my best to avoid lateness and absence from my job	300	1.00	5.00	3.7600	1.16631
I receive regular job performance feedback	300	1.00	5.00	3.5200	1.13456
I effectively work with other employees	300	1.00	5.00	3.4167	1.22804
The bank work environment is good for employees to have good job performance	300	1.00	5.00	3.5100	1.17238
Employee's job performance is affected by the current motivational practice	300	1.00	5.00	3.4000	.91440
I strictly follow the policies and procedures of the bank in my job	300	1.00	5.00	3.5433	1.35927
Valid N (listwise)	300				
Aggregate mean and STD				3.5681	1.130821

Source: - SPSS output survey data 2024

The results presented in Table 4.7 indicate that the sample mean for individual responses ranged between 3.4000 and 3.8267. These values of sample mean generally tends to was 3.5681 on the Likert scale used in this study and thus translates to agreement amongst respondent in respect to the activities implied by the statements. Similarly, the sample standard deviation for the different responses ranged between .91440 and 1.35927 demonstrating that the responses were fairly close together around the sample mean as the variability was narrow. Furthermore, the aggregate scores for sample mean and sample standard deviation for Performance management determinants was 3.5681 and 1.130821 respectively.

According to the given table above majority of the respondents stated They effectively use resources including time and materials having a highest means of 3.8267 and STD of 1.07103, respondents try my best to avoid lateness and absence from my job having a highest means of

3.7600 and STD of 1.16631 and strictly follow the policies and procedures of the bank in my job having a highest means of and 3.5433 and STD of 1.35927 respectively. On the other hand respondents stated that biased performance appraisals affect the system having a highest means of and 3.5200 and STD of 1.13456, The bank work environment is good for employees to have good job performance having a highest means of and 3.5100 and STD of 1.17238, respondents effectively work with other employees having a highest means of and 3.4167 and STD of 1.22804 and Employee's job performance is affected by the current motivational practice having a highest means of 3.400 and 0.9144 and STD of respectively

In general employee job Performance of the respondents were highly affecting Performance Management on Employee In Case Of Dashen Bank S.C having aggregate scores for sample mean and sample standard deviation of 3.5681 and 1.130821 respectively.

#### **4.5 Correlation Analysis**

In order to decide the relationship between independent variables of the study to the effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C and to evaluate strength of this relationship, the product moment correlation coefficient was used. The product moment correlation coefficient is the most widely used method of measuring the degree of relationship between two variables (Kothari, 2004). This coefficient assumes that there is linear relationship between the two variables. Positive values of "r" indicate positive correlation between the two variables (i.e., changes in both variables take place in the same direction), whereas negative values of 'r' indicate negative correlation i.e., changes in the two variables taking place in the opposite directions. A zero value of 'r' indicates that there is no association between the two variables. According to Bartz (2009) a correlation coefficient enables to quantify the strength of the linear relationship between variables. This coefficient is usually denoted by 'r' and can take only the value from -1 to +1. If  $r = +1$  there is perfect positive relationship between variables. Table 4.9 shows interpretation of R range.

**Table 4. 9 Interpretation of R**

Range of R	Description
1.00	Perfect relationship
0.80 or higher	Very strong
0.6 to 0.8	Strong
0.4 to 0.6	Moderate
0.2 to 0.4	Low
0.2 or lower	Very low
0.00	No relationship at all

Source: Bartz, (2009)

**Table 4.10 Correlations analysis result**

		Correlations				
		Strategic objectives	Employees perception	Performance management implementation	Determinants performance management	Employee job performance
Strategic objectives	Pearson Correlation	1	.528**	.684**	.520**	.720**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	300	300	300	300	300
Employees perception	Pearson Correlation	.528**	1	.794**	.580**	.683**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	300	300	300	300	300
Performance management implementation	Pearson Correlation	.684**	.794**	1	.594**	.755**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	300	300	300	300	300
Determinant performance management	Pearson Correlation	.520**	.580**	.594**	1	.612**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	300	300	300	300	300
Employee job performance	Pearson Correlation	.720**	.683**	.755**	.612**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	300	300	300	300	300

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

Source: Own survey, 2023

As indicated in Table 4.10 the relationship among all the variables was found by using Pearson’s correlation coefficient. The correlation value  $r .720^{**}$  shows that there is a strong relationship

between Strategic objectives and Employee job performance and the p-value showed that the relationship is significant. Regarding to Employee job performance and Employees perception,  $r = .683^{**}$ , which shows a strong relationship between the two variables, and the p-value indicates that the relationship is significant. When Coming to the relationship of Employee job performance with Performance management implementation, the  $r = .755^{**}$  showed a strong relationship between the two variables, also p-value shows that the relationship is significant. The value of  $r = .612^{**}$  Employee job performance and Determinants performance management shows a strong relationship, and the p-value indicates a significant relationship between them. The result of correlation analysis shows that all study variables have positive and significant relationship with the effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C

#### **4.8 Regression Analysis**

Multiple regression analysis studies the relationship between a dependent (response) variable and independent variables (predictors, regressors, IV's). In this study multiple regression analysis was used. Regression analysis is a statistical method that relates one dependent variable to a linear combination of one or more independent variables. Regression identifies how much each independent variable has an effect on dependent variable. Multiple regression analysis calculates multiple correlation coefficients and R-square (Kerlinger and Lee, 2000).

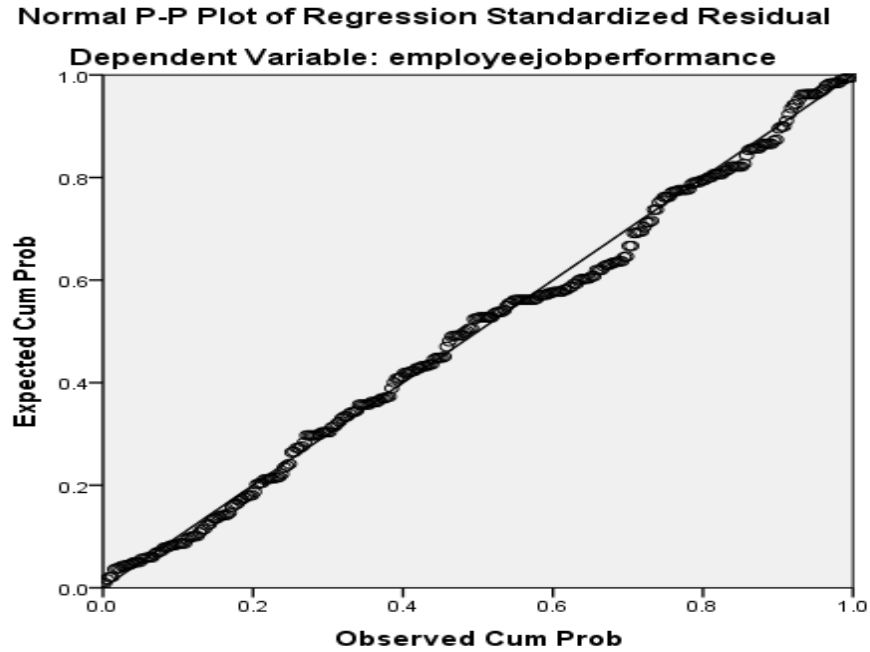
##### **4.7.1 Testing assumptions of multiple regression model**

Before conducting multiple regression analysis the study assessed whether the collected data satisfied multiple regression model assumptions or not. According to Dhakal, (2018) any fit of a multiple regression model is valid, if and only if it should satisfy assumptions of linear relationship between, data must not show multicollinearity, Homoscedasticity, and the residuals (errors) are approximately normally distributed. The tested assumptions are shown as follows:

##### **Assumption 1: Linearity Test**

Linearity means the relationship between dependent and independent variables is to be linear. This relationship characterized by a straight line. Linearity allowed the researcher to predict the dependent variable based on one or more several independent variables. The assumption was checked through a scatter plot by looking at whether the two variables approximately form a straightline. As presented figure 3 there was linear relationship between dependent and each of

independent variables in the study area.



**Figure 4.4 Linearity test**

**Source:** Own survey, 2024

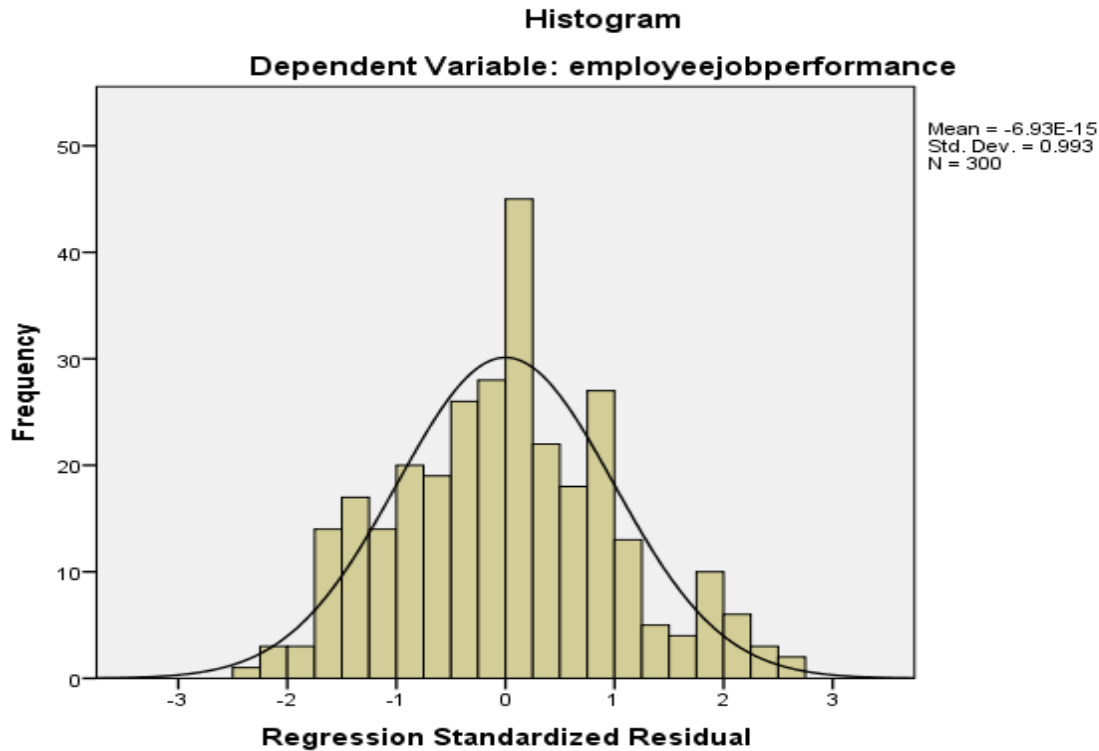
#### **Assumption 2: Multicollinearity Test**

Multi-collinearity is the undesirable situation when one independent variable is a linear function of other independent variables or high correlations between the independent variables (Gelman, 2006). Andy (2006) suggests that a tolerance value less than 0.1 almost certainly indicates a serious collinearity problem. According to Liu, (2010) a VIF value greater than 10 is because for concern. In this study the researcher was checked this assumption with tolerance and VIF statistics. As it can be observed from Table 4.11 taking in to account the Variance Inflation Factor not to exceed the allowable value (10) and Tolerance value greater than(0.1) for all independent variables. Therefore, multi-collinearity problem does not exist.

#### **Assumption 3: Normality Test**

Most statistical analysis works on the assumption and requirement of normality (Kline, 2016). Pallant (2011) explained normal distribution as it describes a symmetrical bell-shaped curve that portrays the greatest frequency of scores in the middle, with smaller frequencies towards the extremes.



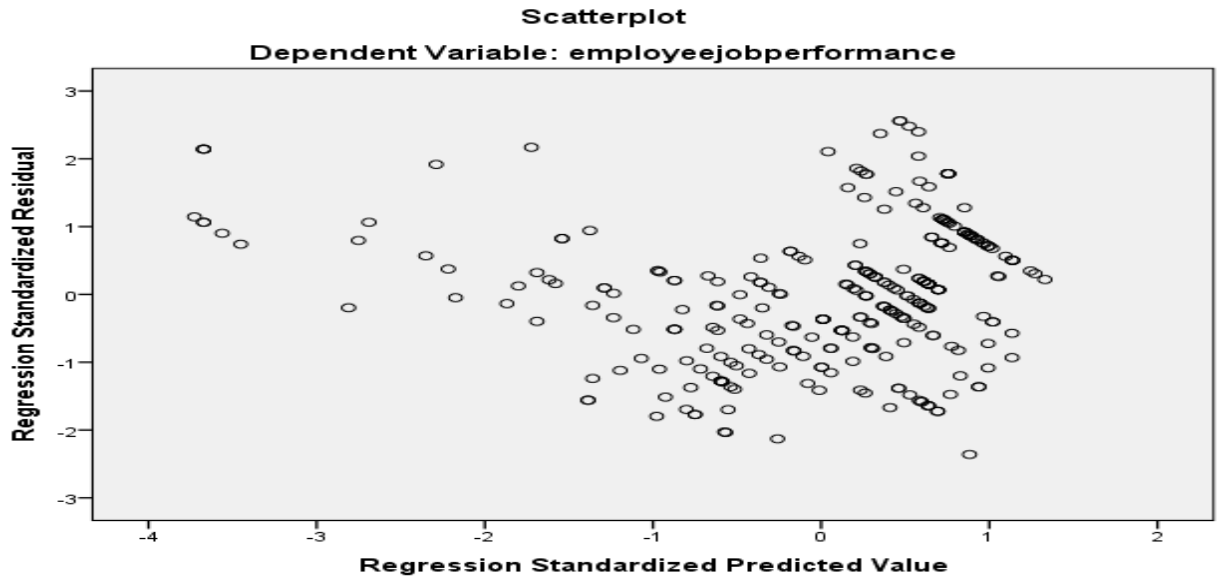


**Figure 4.5 Normality test**

**Source:** Own survey, 2024

**Assumption 4:5 Homoscedasticity Test**

This is the assumption that the variation in the residuals (or amount of error in the model) is similar at each point across the model. In other words, the spread of the residuals should be fairly constant at each point of the predictor variables (or across the linear model). It can be getting an idea of this by looking at our original scatter plot but to properly test this, we need to ask SPSS to produce a special scatter plot for us that includes the whole model (and not just the individual predictors). To test this assumption, we need to plot the standardized values our model would predict, against the standardized residuals obtained. As shown in figure 5 the spread of the residuals were fairly constant at each point of the predictor variables or our plot of standardized residuals vs standardized predicted values showed no obvious signs of funneling, suggesting the assumption of homoscedasticity has been met.



**Figure 4.6 Homoscedasticity Test**

**Source:** Own survey, 2024

#### 4.6.2 Result of Regression Analysis

Multiple regression analysis calculates multiple correlation coefficients and R-square. The contribution of independent variables towards dependent variable is measured by Beta value and can be explained on bases of p or t values. From the study finding each point were presented below:

**Table 4. 11 Model Summaries**

<b>Model Summary<sup>b</sup></b>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.827 <sup>a</sup>	.684	.680	.39730

a. Predictors: (Constant), determinants performance management, strategic objectives, employees perception, performance management implementation

b. Dependent Variable: employee job performance

**Source:** Own survey, 2024

In Table 4.12 R value represents the correlation strength between dependent variable and independent variables of the study. The value 0.827 shows strong correlation between variables tested (dependent and independent variables) R-square is the coefficient of determination and measures the proportion of variance in dependent variable (employee job performance) that is explained by independent variables (determinants performance management, strategic objectives,

employees perception, performance management implementation) in dashin bank

**Table 4. 12 ANOVA**

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	100.923	4	25.231	159.846	.000 <sup>b</sup>
	Residual	46.564	295	.158		
	Total	147.486	299			

a. Dependent Variable: employee job performance

b. Predictors: (Constant), determinants performance management, strategic objectives, employees perception, performance management implementation

**Source:** Own survey, 2024

Table 4.13 shows whether the test carried out was statistically significant for the regression model used in the study using ANOVA and degree of variability. Since the sig = .000 which is less than 0.05, the model is good fit of the data tested i.e. the independent variables (determinants performance management, strategic objectives, employees perception, performance management implementation) statistically significant to predict the dependent variable (employee job performance) at dashin bank and the F calculated at 5% level of significance is 159.846 this shows that the overall model is significant.

**Table 4.13 Regression Coefficient**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.258	.149		1.729	.085
	Strategic objectives	.306	.040	.354	7.724	.000
	Employees perception	.171	.049	.193	3.486	.001
	Performance management implementation	.250	.060	.266	4.200	.000
	Performance management Kits	.192	.052	.158	3.715	.000

a. Dependent Variable: employee job performance

**Source:** Own survey, 2024

According to Kabir (2016) one of the approaches used to test a research hypothesis is *p*-value approach. In this approach, researchers compute the *p*-value on the basis of a test statistic and then compare it with the significance level (test size). If the *p*-value is smaller than the significance level, researchers reject the null hypothesis. A *p*-value is considered as amount of risk that researchers have to take when rejecting the null hypothesis. This study used the test size of  $\alpha = .05$  which is at 95% confidence level or 5% level significance. Pallent (2016) states the general rule to reject  $H_0$  if  $p < 0.05$  and accept  $H_0$  if  $p \geq 0.05$ . Table 4.14 above presents regression coefficient result. According to Dhakal (2018) unstandardized coefficients indicate how much the dependent variable varies with an independent variable when all other independent variables are held constant. The regression coefficient provides the expected change in the dependent variable for a one-unit increase in the independent variable. In order to measure the contribution of each independent variable on the dependent variable the study considers the following model specification by using unstandardized coefficient values.

Where:  $x_1$ ,  $x_2$ ,  $x_3$  and  $x_4$  are independent variables of the study (i.e. determinants performance management, strategic objectives, employees perception, performance management implementation) respectively. From the above regression equation the researcher understands that keeping all other variables constant: For every one-unit increment on Strategic objectives, the percentage of employee job performance increases by 30.6% the study area. For every one-unit increment on Employees perceptions, the percentage of employee job performance increases by 17.1%. For every one-unit increment on Performance management implementation, the percentage of employee job performance increases by 25%. For every one-unit increment on Determinants performance management, the percentage of employee job performance increases by 19.2%. As it can be seen from the regression result, out of four independent variables, Strategic objectives is the most significant, followed by Performance management implementation, Determinants performance management and Employees perceptions.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATION

#### 5.1 Introduction

This chapter outlines the summary of the findings and its relationship to related theories, and determines how the identified and the Effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C. Based on the results obtained from the research, the theoretical and practical significance are discussed. The contribution of this research can make to give the direction for the future researchers. Discussed the limitations of the research

#### 5.2 Summary of findings

This research was undertaken to explore the relationship between determinants performance management, strategic objectives, employees perception, performance management implementation and Employee Job Performance. The most important finding was of course that determinants performance management, strategic objectives, employees perception, performance management implementation was important for the Effects of Performance Management on Employee Job Performance. In this section, each of these relationships are discussed in some detail demonstrating that these finding were consistent with the expected out comes and identifying potential reason why these findings may have been seen.

- The sample size of 309 questionnaires was distributed and 300 responses have correctly filled and returned which accounted 97% of response rate.
- From the findings of the males made the majority of the respondents at 166 (55.3 %) and the females at 134 (44.7 %) as shown the data analysis parts of the study. Regarding to respondent majority 130 (43.3%) of respondents are participated at age of 31-40 years old, similarly the second highest number 83 (27.7%) of respondents are at age of 41-50 years. on other hand the list participated respondents are who are 54(18%) were 18-3 years old and on the other hand above 50 years olds are 33(11%). The study sought to establish the educational level of respondents from the findings of the respondents 165 (55%) had first degree followed by those master's level of education having 58(19.3%) were the majority of them.
- When we see the work experience of the respondents from the findings the list respondents From the findings of the respondents are 63 (21%) for 1-5 years followed by 109(36.3 %) of

those 6-10 years, 11-15 years 81 (25.9 %), and above 15 years 81(15.3 %) as shown the above table. So, the established of the work experience of the respondents from the findings the majority of them are from 6-10 years which is 109 (36.3%) years followed by 11-15 years 'work experience. From total respondent's considered 46% (138) of the respondents were customer service, whereas 12.3% (37) of the respondents were audits departments and 12% (36) and 9.3% (28) of the other respondents were finance and project departments respectively

- From the response of the respondents strategically objective to investigate the Effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C having aggregate mean and SD of statements listed response from the despondence is (M= 3.5856 and SD = 0.9818) which lies between the range of [3.5 - 4.49] and it felt high mean range Section and strategically objective of the respondents were highly needed investigate the Effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C
- From the response of the respondents Employee perception to investigate the Effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C having aggregate mean and SD of statements listed response from the despondence is (M= 3.76998 and SD = 0.96578) which lies between the range of [3.5 - 4.49] and it felt high mean range Section and Employee perception of the respondents were highly needed investigate the Effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C
- From the response of the respondents performance management effectiveness to investigate the Effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C having aggregate mean and SD of statements listed response from the despondence is (M= 3.51238 and SD = 1.02684) which lies between the range of [3.5 - 4.49] and it felt high mean range Section and performance management effectiveness of the respondents were highly needed investigate the Effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C
- From the response of the respondents Performance management Kits to investigate the Effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C having aggregate mean and SD of statements listed response from the despondence is

(M= 3.51238 and SD = 1.02684) which lies between the range of [3.5 - 4.49] and it felt high mean range Section and Performance management determinants of the respondents were highly needed investigate the Effects of Performance Management on Employee Job Performance In Case Of Dashen Bank S.C

### **5.3. Conclusions**

The conclusion part of this study drawn based on the objectives and research questions of the study. The research was undertaken to explore the relationship between strategic objectives, employee's perception, performance management implementation and Performance management Kits. In conclusion, this study makes an important contribution to understanding the effects of performance management on employee job performance in the banking sector. The findings reveal that employees perceive performance management as an important process and agree that components like goal-setting, feedback, and development planning can impact performance when implemented effectively.

With a high response rate and reasonable sample representation, the study provides compelling evidence that performance management requires greater attention and optimization to motivate employees and elevate individual and organizational performance. As competition intensifies in the banking industry, performance management emerges as a strategic lever that can potentially give companies a competitive edge.

Overall, the insights from this study will be valuable for banks seeking to enhance their performance management strategies and link them firmly with business objectives. By focusing on improving employee perception, maximizing process effectiveness, and aligning performance management components with desired competencies, banks can utilize performance management to positively influence employee performance.

Further research can build on these findings by examining the specific aspects of performance management that have the strongest effect on performance. Additionally, differences across demographic factors could reveal how personalized performance management approaches may be warranted for diverse talent groups within banks. As performance management continues to

evolve, more targeted research will be key for companies to adapt their practices and realize the full potential of this critical HR process.

## **5.4 Recommendation**

- Dashen Bank S.C should reward the employees for greater performance levels. For every opportunity possible, the manager should formally recognize good employee efforts for enhanced work performance. The reward system should be varied to encourage the staff to be creative to meet the organization goals. This will increase the chances of the performance to be repeated and increased, while pointing out that poor performance will be discouraged. The study recommends that effective feedback should be used by an organization to meet the organization target.
- There should be an effective performance feedback that would translate into improved employee productivity. Feedback enables the employees be aware of what exactly is expected from them. Therefore, managers of the organization should frequently give feedback to the subordinates.
- Dashen Bank S.C. continues to ensure that employees understand how their work contributes to achieving the organization's strategic objectives. This alignment can be reinforced through regular communication from managers.
- Dashen Bank S.C. should focus on maintaining and enhancing the participatory nature of the performance planning process, ensuring that employees' inputs are considered in setting performance targets.

### **5.4.1. Recommendation for Future Research**

The thesis mentions the limitations of the research, and it is recommended that future researchers explore these areas further. Additionally, ongoing research can provide valuable insights into evolving practices in performance management and employee job performance.



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# APPENDICES

## APPENDIX A: Letter of Introduction

Dear Sir/Madam, I am a Post Graduate student in St. Mary's University, Department of Business Administration. This is a questionnaire designed to collect data on the "The effect of performance management on employee job performance" which will be used as an input for a thesis in partial fulfillment of MBA. 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 +251-910616226 or via my email address: Amendaniel039@gmail.com.

With best regards,

Amen Daniel

MBA Student, St. Mary's University

## APPENDIX B: Questionnaire

### Section I: General Information

1. What is your Gender? Male  Female
2. What is your age bracket? 18-30  31-40  41-50  above 50
3. What is your department and title? Customer service 138 HR 16 Audit 37  
Project 28 finance 36 others 45
4. Number of years worked for Dashen Bank?
- 1-5 years  6-10 years  11-15 years
- Above 15 years
5. Educational level?
- 12 complete and below  diploma  Degree
- Masters and above masters

**Section II: To what extent performance management linked to strategic objectives?**

Please indicate the extent to which you agree with the following statements by using a scale of 1 to 5 Where 1 =Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree 5 =Strongly agree,

Statement	1	2	3	4	5
6. I understand the organization's vision, mission and strategic goals.					
7. My individual work objectives are aligned with the organization's strategic goals.					
8. My manager communicates how my work contributes to achieving the organization's strategic objectives.					

**Section III: How do employees perception the performance management system?**

Please indicate the extent to which you agree with the following statements by using a scale of 1 to 5 Where 1 =Strongly disagree, 2 = Disagree, 3 = Neutral, 4 =Agree 5 =Strongly agree,

Statement	1	2	3	4	5
11. The performance planning process is participatory.					
12. My inputs are considered in setting performance targets.					
13. The performance evaluation process is fair and accurate.					
14. I receive regular coaching and feedback from my manager.					
15. The rewards and incentives motivate me to improve my performance.					

**Section IV: How effectively is the performance management system implemented?**  
**Please indicate the extent to which you agree with the following statements by using a scale of 1 to 5 Where 1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree 5 = Strongly agree,**

Statement	1	2	3	4	5
23. My individual goals are specific, measurable, achievable, relevant and time-bound.					
24. My manager regularly monitors and documents my performance.					
25. Performance reviews are conducted regularly as per schedule.					
26. Feedback from performance reviews is used to update objectives and activities.					
27. I receive the training and resources needed to improve my capabilities.					

**Section V: What are the determinants affecting the performance management system?**  
**Please indicate the extent to which you agree with the following statements by using a scale of 1 to 5 Where 1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree**

Statement	1	2	3	4	5
35. Unclear performance expectations negatively affect the performance management system.					
36. Lack of employees' involvement in performance planning impacts the system's effectiveness.					
37. Insufficient coaching and feedback from managers is a challenge.					
38. Biased performance appraisals affect the system.					
39. Unfair reward systems demotivate employees.					
40. Lack of performance reviews and updates to objectives affect the system.					

**Section V: What are the employee job performances?**

**Please indicate the extent to which you agree with the following statements by using a scale of 1 to 5 Where 1 = strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly agree**

<b>Statement</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
I effectively use resources including time and materials					
I try my best to avoid lateness and absence from my job					
I receive regular job performance feedback					
I effectively work with other employees					
The bank work environment is good for employees to have good job performance					
Employee's job performance is affected by the current motivational practice					
I strictly follow the policies and procedures of the bank in my job					