

**EXAMINING EMPLOYEES' PERFORMANCE MANAGEMENT SYSTEM  
THE CASE OF BUTAJIRA TOWN ADMINISTRATION PUBLIC  
SERVICE OFFICES**



**A THESIS SUBMITTED TO THE SCHOOL OF GRADUATE STUDIES OF  
WOLKITE UNIVERSITY IN PARTIAL FULFILMENT OF THE  
REQUIREMENTS OF THE DEGREE OF MASTERS OF ARTS IN  
BUSINESS ADMINISTRATION**

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**January, 2019**

**Wolkite, Ethiopia.**

**Approval Sheet**

**Wolkite University  
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## **Declaration**

I hereby declare that the Research entitled Examining Employees' performance management system (the case of Butajira town administration public service offices) submitted to the Faculty of Business and Economics Wolkite University for the award of the Degree of Masters of Business Administration is based on my original research work carried out by me under the supervision and guidance of Alemseged Gerezgiher (PhD) and Mr. Fuad Hussein. This work has not been submitted earlier in full or in a part thereof, for the award of other similar degree, Diploma, Fellowship, Associate-ship or any other similar titles to this or any other University or Institution.

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## **Acknowledgement**

First and for most my special appreciation and heartfelt gratitude expressed to my main advisor Dr. AlemsegedGerezgiher and the Co-Advisor Mr.FuadHussien for their patience, consistent encouragement and unreserved assistance throughout the completion of this research.

I owe special thanks to Welkite University department of management heads, Butajira town administration land management officer, Mr. Amare, work process coordinators, Mr. BrukWoldie and Mr. AberaKebede, and employees for showing hospitality and giving valuable information to my study.

My sincere and profound gratitude goes to my family especially mother LakechWoinu and wifeMerkeb Korma. I am thankful to my brothersHabtamu Shay and Tirusew Kormaand my sister Abaynesh Shay, and all individuals who have in one way or another contributed to the completion of this thesis.

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## Acronyms

EPMS\_\_\_\_\_ Employee Performance Management System

EPMSs\_\_\_\_\_ Employee Performance Management Systems

PMS\_\_\_\_\_ Performance Management System

HRM\_\_\_\_\_ Human Resources Management

SPSS\_\_\_\_\_ Statistical Package for Social Science

JEG\_\_\_\_\_ Job Evaluation and Grading

BPR\_\_\_\_\_ Business Process Reengineering

BSC\_\_\_\_\_ Balanced Score Card

PAS\_\_\_\_\_ Performance Appraisal System

## **Abstract**

*It is not known how and to what extent employee performance management system is practiced and the challenges and opportunities in Butajira town administration public service offices and the main purpose of this study was to examine the EPMS in Butajira town administration public service offices. To conduct the research, descriptive survey research design has been deployed by using both quantitative and qualitative research approach. The total number of the subjects in Butajira town administration public service offices were 158. The entire population was involved to fill the questionnaire, which was the main data collection instrument. The data gathered were compiled by using SPSS software. Descriptive statistics method was used for analyzing the data obtained in the questionnaire and data gathered by interview and focus group discussion and document analysis were analyzed contextually. The result of the analysis was presented using tables. In general the finding of the study revealed that the reward and recognition system of the offices has to be integrated with the goals and objectives of respective offices, performance standards were not reviewed and updated timely so it is recommended to be done as per the expected time, there was serious shortage of training in the whole system of EPMS, there was no as such a strong reward and recognition system which could support higher achievers in their respective offices and departments. Having this in mind the researcher concluded that even though Butajira town administration public service offices had some good qualities in most of the job places were filled with at least minimum requirements of qualifications clearly defining the mission, vision and values and developing strategic plan, a lot has to be made on reward and recognition of employees, setting performance standards and on the evaluation system in making EPMS effective and efficient by filling the gaps which were forwarded in the recommendation.*

*Keywords: Employee Performance Management System (EPMS), Butajira, Public Offices*

# **Chapter One**

## **Introduction**

### **1.1 Background of the study**

This chapter deals with the back ground of the study, statement of the problem, research questions, objectives of the study, scope of the study, significance of the study, and organization of the study.

Employees Performance Management system is a process, which may be completed based on the workforce performance and the fulfillment of organizational objectives at all levels (Cokins, 2008). The basic philosophy behind employee performance management system is to make the integration between the organizational objectives, with the employees' skills and capabilities, moreover it emphasize on the development and enhancement of the whole system (Mc Namara, 2008).

Organizations can achieve their goals and objectives only through the combined efforts of their employees and it is the task of management to get work done. Employee performance management system is fundamental to the effective operation of organizations and is an integral part of the employees and organizations relationship (Mullines, 2007).

In another side management in all business and organizational activities is the act coordinating the efforts of people to accomplish desire goals and objectives using available resources. It is an active part not just theoretical. It is about changing behavior and making things happen; and is about developing people, working with them, reaching objectives and achieving results. Management plays a vital role in an organizational overall performance (Mullines, 2007).

People mostly misperceive the performance management to the performance appraisal; in actual performance appraisal is judging the past performance while performance management system is an ongoing process to measuring the fulfillment of objectives Nankervis (2004). Performance

appraisal is the ongoing process of evaluating the employee performance. Performance appraisals are reviews of employee performance over time, so appraisal is just one piece of performance management (Denisi& Kulger, 2001).

Performance management system is a kind of completed and integrated cycle for performance management (Macky & Johnson, 2000). The emphasis of performance management systems is on continuously improving organizational performance, and this is achieved through improved individual employee performance (Macky & Johnson, 2000). Similarly, from Lawler (2003), the objectives often include motivating performance, helping individuals develop their skills, building a performance culture, determining who should be promoted or not, eliminating individuals who are poor performers, and helping implement business strategies.

The basic purpose of performance management system is to creating the alignment in between the organization objectives and its sub systems to achieve the organization objectives, McNamara(2008). In modern organizations, there should be a balanced performance management system to achieve the organization objectives. By strategically using the performance management system, organizations can develop their performance standards, can develop the measures and then report the findings for further improvement and in this a continuous process keep running (South Carolina, public journal of public health, 2002).

Some organizations like Ethiopian airlines already have a strong performance management culture. In others, it may be necessary to educate the executive team about the critical role that performance management can play in an organization's effectiveness and convince them about the criticality of their role in leading the effort (Smither &London, 2009) Piloting a new system with the executive or higher level management teams can be a useful strategy for gaining the support of these critical individuals. In situations where there is no a strong Performance culture to begin with, it can be established over time with management support (Smither &London, 2009); Because a performance management system's success relies so much on the effectiveness with which managers and employees use the system, it is also essential to get organizational members committed to the new system (Smither and London,2009).

A strategy for accomplishing this is to involve key individuals in the design and implementation process.

In Africa in spite of the risks attendant on performance management, it constitutes one single most important item that is the need to revitalize public service institutions and enhance their capacities to collaborate with the civil society and the private sector on value-adding ventures; on the public sector management reform agenda today (Balogun,2003) No matter under what label the revitalization process is launched, the accent will have to be on performance improvement and on the elimination of barriers to productivity (Balogun, 2003)At the very least, the political class and the Higher Civil Service should reach an understanding with other stakeholders on the objectives to be pursued, and on *what* it takes to realize these objectives (Balogun, 2003).

Fortunately, many African countries (among them, Botswana, South Africa, Ghana, Nigeria, and Uganda) are not strangers to strategic visioning. The challenge ahead is to link these visions to the work of public administration.

Ethiopian Management Institute (EMI), one of the government agencies in Ethiopia is established with the aim of conducting research, training and consultancy service in developing people which are the key resources of an organization. Currently, EMI is trying to address the National Capacity Building Programs and act as a strong change agent so as to bring a paradigm shift in its service delivery. The institute gives access to a range of expertise whether from own or from experienced practitioners inside and outside the public service or from academic communities (EMI Brochure, 2012);in relation to this, other public service offices need to be addressed in implementing current management philosophies and thoughts.

EMI has established a performance management system by developing a policy with the aim of; executing the mission of Ethiopian Management Institute by having a long term and short term plan ; Cascading organization goal to departmental and individual goal to enhance the performance of work unit, team and individuals ; to appreciate and recognize department, teams

and employees who perform well ; to create an awareness on the roles and responsibilities of supervisors and employees in the process of performance management (EMI ,2013|14).

Similarly in different governmental and non-governmental institutions in Ethiopia have been trying to work on the basis of performance management principles. However, a number of managerial and technical and attitudinal hindrances affected negatively the success of performance management system endeavors in country level, for instance low level of implementation of BPR and BSC in the public service offices. Moreover, sufficient researches have not been conducted on the issue to fill the implementation gap. Thus, this research envisages investigating the overall implementation and intensity of EPMS in the public offices of Butajira town administration because several ups and downs have been observed in planning, executing, developing and leading employees and organizational performances.

## **1.2. Statement of the problem**

It is one of the major problem that not knowing the contribution of performance management system in deciding the competency of employees and organizational performances in the highest extent (Yilma, 2015).

Performance management is a system by which an organization evaluates and develops its employee's skills, behavior and individual employee performance in order to improve organizational performance in this competitive World. It is the system through which organization set work goals, determine performance standards, assign and evaluate employee's work, provide performance feedback to employees, determine training and development needs and distribute rewards to employees (Briscoe & Claus, 2008).

In the current competitive environment of the world organizations are on the pressure to compete in their respective market competition (Timothy, 2009) This situation by itself obliged organizations to improve the performance of their employees and teamwork in order to attain the predetermined objectives and then to sustain competitiveness of the organization for today and in the future (Sulsky, 2008).

Performance management is very important to both employers and employees. From the employers prospective, it is vital to understand how your employees contribute to the objectives of the organization. A good performance management system enables the organization to understand how its employees are currently performing. It allows organizations to undertake a thorough assessment of the training needs of its employees, set development plans and gives them the option of using the result of the performance management process to influence an individual remuneration. From the employees prospective, the performance management process provides transparency over performance at workplace and can be used to assess future career development requirements

[http://www2.accaglobal.com/documents/employers\\_perform\\_mgt.pdf](http://www2.accaglobal.com/documents/employers_perform_mgt.pdf) access date 30.9.2016).

To fulfill the expected higher achievement of an organization through the implementation of PMS, the required basic principles of PMS have to be put into practice. Without the existence of PMS, it is not possible to set higher expectations in the planning phase , this situation will cause to design weak performance standards and thus employees performances could be unsatisfied and employee assessment and empowerment would be interrupted and also paying system could be insignificant (Nyembezi,2009).

According to Bruce (2014), Performance management is a strategic approach to delivering successful results in organizations. This is done through improving performance and developing talents as well as building capacity of staff. This can be important as it helps to review the previous findings and encourage gradual improvement; whereas a PMS rewards excellence by maintaining knowledge sharing and designing recognition and reward systems.

An effective PMS entails ensuring that the system focuses on performance variables as opposed to personal traits; Lawrie(2004) In addition to this, organizations should set up clear performance expectations to be communicated to employees. The expectations include results, actions and employee behaviors. Employees will then understand what output is required from them when their terms of reference are clearly stipulated. It also helps to set out standards and outcomes. According to Aguinis, (2009) continuous communication between supervisors and the employees helps to diagnose problems when they arise as well as taking remedial actions.

An effective Performance Management process establishes the groundwork for excellence by linking individual employee objectives with the organization's mission and strategic plans or outcomes (Drewitt, 2013)the employee has a clear concept on how they contribute to the achievement the overall business objective. Supervisors need to conduct regular discussions throughout the performance cycle which include coaching, mentoring, feedback and assessment (Lee, 2006) performance planning, coaching, and review are the foundation of any well designed PMS as outlined by (Reynolds, 2009).

Macky and Johnson (2000) pressed that the importance of PMS is on continuously improving organizational performance, and this is achieved by improved individual employee performance. PMS is a tool which operates in developing, empowering, motivating and enhancing employees and their respective teams and organizations (Gundor, 2011). Beside this PMS will provide information about where employees are in performing day to day activities for the achievement of organizational goal, it gives developmental feedback on the strength and weakness of employees so as to keep the strengths and work on the weakness, it distinguishes good and poor performers and also it uses as a base for HR system improvement in personnel selection as well as design of training programs (Armstrong and Baron, 2004).

According to Arup (2008) PMS basically serve two critical purposes. For one they help in reaching informed decisions about administrative issues, which could include aspects such as according employees with bonuses, merit raises and/or promotion. The PMS are also critical in coming up with the organization's developmental goals, which could include aspects such as training of employees and generation of their feedback.

According to Cook (2003)supervisors and employees are falling short in meeting the expectations of the organization. There are gaps on how to execute the PMS to benefit both the organization and the employees.

A research conducted in the Ethiopian civil service universityon results based performance management; the practices and challenges in the Ethiopian public sector by,Tesfayie and Atkilt

(2012) showed that there are strong input control; most of the organizations in the public sector have not clearly indicated their outcomes, non-existence of performance agreement between the government and different policy implementing agencies. It is also indicated that managers are not accountable for the results of their organizations and there wasn't integration between governments organizations in utilizing result based PMS. The research lastly underlined the need of filling the positions in government public sectors by competitive and responsible managers to give a remedy for the problems of ineffective result based performance management system.

Another comprehensive study was made on effect of performance appraisal system on employees' motivation of commercial bank of Ethiopia in Addis Ababa University by, Alemeneh (May, 2017) showed that employees motivation is strongly affected by the factors such as ongoing feedback, rewarding performance, trained appraiser, continuous open communication, fairness of PAS (performance appraisal system) and employees participation in the PAS. it is suggested that rewarding performance can be considered as a technique that has a positive effect on employee motivation. it is also indicated that there is a clear link between performance appraisal and bank efficiency and profitability. Therefore performance appraisal should involve an open communication where both managers and employees have clear understanding of the nature, purpose and problems of the appraisal and it identify what improvement need to be done by communicating the employees. Furthermore employees should participate in the designing of the performance appraisal system and helps the appraisal to reach its potential and to be benefited to all involved.

With regard to the topic under study that is "Examining employee's performance management system in the case of Butajira town administration public service offices", the student researcher have interested in examining the existing system of performance management in the area under study because the topic is very crucial for achieving organizational goals and individual employee's developments and sustainable manpower achievements. Thus the researcher would like to assess by asking how does the existing performance management system is implementing in the area under study?

### **1.3. Research questions**

The following questions were raised in order to examine the very nature of the existing performance management system of Butajira town administration public service offices.

1. How are the planning and executing phases of EPMS conducted in Butajira town administration?
2. How are the performance standards of the public service offices of Butajira town administration set?
3. How is performance evaluation of employees conducted in the public service offices of Butajira town administration?
4. What do reward systems and pay-for performance look like in Butajira town administration public service offices?

### **1.4. Objectives of the study**

The overall objective of this study was to examine the employee's performance management system of Butajira town administration public service offices. The specific objectives include:

1. To examine the implementation of employee's performance management system (EPMS) in Butajira town administration.
2. To investigate the practice of setting performance standards in the public service offices of Butajira town administration.
3. To assess the evaluation system of employee performance in the public services of Butajira town administration.
4. To identify the reward system of employees in the public services of Butajira town administration.

## **1.6. Scope of the study**

This study was delimited to only examining the performance management system of Butajira town administration public service offices. The delimitation of the study was also found on the realities and facts on the ground. Butajira town administration is one of the reform towns as planned by the federal government. The town is under the administration of Gurague zone administration which is one of the zones in SNNPR. In the zone there are 13 woredas and 2 town administrations. One is Butajira town administration which is divided by two sub-city administrations; Eresha and Erenzaf and five kebele administrations. The research is delimited to the town public service offices. The offices are eleven in number. To mention, the municipality, finance and economic development, trade and industry, customs, justice and security, courts, education, water and sewerage, the mayor office, health, and female and children affairs. In these offices chief human resource officials, work process leaders, line managers and employees were selected as part of the parameter of the study area.

## **1.6. Significance of the study**

The findings of this study would enable;

- Obtaining the necessary feedback and take corrective measures in order to ensure effective EPMS in the public service offices of Butajira town administration.
- Widening the knowledge of the researcher about the subject matter with a range of practical application and improves understanding of research ability of the researcher.
- Providing as an input for other organizations which are interested to design and implement EPMS.
- In adding something on the literature regarding performance management system.
- In Providing additional information to those who are interested to study further research on the topic under study.

## **1.7. Organization of the Study**

The study comprises five chapters. Chapter one discusses the background, problem statement, scope, significance, and objectives for undertaking this research project. Chapter Two looks at existing literature comprising the theoretical, empirical and conceptual frameworks related to the study to gain an understanding of the research topic. Chapter Three presents the research methodology that the researcher used to undertake the study. Chapter Four comprises the findings and discussions of the findings to the study. Chapter five summarize the findings of the study and also make recommendations that would contribute to solve the basic question, as well as a recommendation for further study.

## CHAPTER TWO

### REVIEW OF RELATED LITERATURE

This part of the research was viewed as theoretical, empirical and conceptual analysis of the topic under the study.

#### 2.1. Theoretical review

In the organizational context, performance is usually defined as the extent to which an organizational member contributes to achieving the goals of the organization. Employee performance is originally what an employee does or does not do. Performance of employees could include: quantity of output, quality of output, timeliness of output, presence at work, cooperativeness (Güngör, 2011) as cited by, Bhatti & Qureshi (2007) productivity is a performance measure encompassing both efficiency and effectiveness. Labor productivity means the output of workers per unit of time which is a commonly used and straightforward measure of productivity. Grant (2008) interpreted a study where motivation enforced the employee outcomes such as persistence, productivity and performance.

There are a number of purposes that performance management system might serve in any organization. They can provide employees with information about how they are perceived in the organization and where they stand. They can also provide developmental feedback on the strengths the employee should intensify on and the weaknesses where improvement may be required (Drake Management Review, Volume 1, 2011). The basic purpose of performance management system is to creating the alignment in between the organization objectives and its sub systems to achieve the organization objectives (McNamara, 2008). Undoubtedly, there is an important factor is human in organizations. One of the main management strategies of the organizations is to invest in employees. Organizations are seeking to develop, motivate and increase the performance of their employees in a variety of human resources applications (Gungor, 2011). Thus, performance management should be an important step in the organization's HRM system and influences employee performance and then to organizational performance.

The structure of performance management the system and operational mechanism determines the performance of the system. The mechanism which restricts each behavioral subject determines the performance of these systems. It puts forward a new region for the research of general system theory (Han-jiang & Duan-hong, 2012).(Simmons,2008) a responsible organization as a means of assessing organizational maturity in performance management, and a linkage to dimensions of organizational justice, enables stakeholder perceptions of equitable treatment to be combined with effectiveness measures in the more holistic performance management framework is proposed. Waal (2007) suggests that applying the strategic performance management development cycle makes it possible for an organization to create in a short time period a new PMS, which will then improve the organization's results dramatically.

Armstrong and Baron (2005) noted the shift in terminology from performance appraisal to performance management which they believe indicates a wider shift in the philosophy and content of the process; 'Performance appraisal has a reputation as a punitive, top-down control device, an unloved system. Performance Management is a holistic, total approach to engaging everyone in the organization in a continuous process, to improve everyone and their performance, and thereby the performance of the whole organization.' performance management system is the broader one which identifies measure, manage and develop performance of the human resource in an organization whereas performance appraisal is the sub set of performance management system in which we use it for evaluating the competence of employees (Robert and John, 2013).

As mentioned in employee performance measurement, Platts&Sobotka(2010); Grant (2008) motivation of employees, the goals of performance feedback (Aguinis, 2009); there are various models of performance management. Each model has its importance as a system for managing organizational performance; employee performance, and integrating the management of organizational and employee performance, (Latham,Borgogni, & petitta, 2008). Many of the models have a similar content with similar steps plan, act, monitor, review. Some models have only three steps without the 'monitor' step (Smither & London,2009);however, all of these models concluded in one theory plan, do, review; (Nickson, 2007) has introduced one of the

models 'Investors in People', abbreviated as 'IIP' in the performance management process (IIP 2006, in Nickson 2007, p.149).

Cardy and Leonard (2011, p.5) have described their model in detail of performance management process. This model includes the phases of the actual performance, performance appraisal, and feedback and performance improvement for the future. Compared to the other approaches, this model shows the phases how to manage performance in detail which the other previous models were lacking.

Performance management involves multiple levels of analysis, and is clearly linked to the topics studied in strategic HRM as well as performance appraisal (Rudman, 2003). A variety of terms refer to performance management initiatives in organizations, for example, performance-based budgeting, pay-for-performance, planning, programming and budgeting, and management by objectives (Heinrich, 2002). A performance management system, according to Rudman (2003) is increasingly seen as a means of integrating HRM activities with the business objectives of the organization where management and HR activities are work together to influence individual and collective behavior to support the organization's strategy. In addition, he also stressed that the performance management system must fit with the organization's culture.

It's proved by decades of research and theory have established an excellent foundation of knowledge which covers employee performance and organizational effectiveness. Employee performance management is an ongoing communication process, undertaken in partnership, between an employee and his or her immediate supervisor that involves establishing clear expectations and understanding. Performance management process and tools are essential for employee motivation for high performance. The most important issue with any performance management system is how seriously it is taken and used by managers and employees (Pulakos, 2009, p. 103). Employee motivation and treatment is very important for high performance.

Now a day's what is important employees need to be respected and treated as precious asset of an organization. It is very clear employees can be the primary source of an organization's competitive advantage in most businesses. Today is completely different and the reality is: to be effective, organizations must excel in organizing and managing their employee because today employer knows the value of good employee.

Employees have found that they simply don't have the skills needed to compete in the market place, having no their personal competitive advantage and their value as human capital. Today's employees are finding that although they still have jobs, they are falling behind the business, scientific and technical skills that organizations have (Edward, 2003).

Employee performance management can save time by helping employees make decisions on their own by ensuring they have the necessary knowledge and power of decision to make decisions properly. Employee performance management can reduce time consuming misunderstanding among staff about who is responsible for what. Employee performance management can identify individual training and development needs. It builds closer working relationship based on mutual trust and respect. It also provides better feedback to individuals about their performance and progress based on mutual understanding of needs (Mustefa, 2013).

Management has evolved over time capturing the ever-changing demands of organization as they have sought to remain relevant and make the most of their human resource. These evolutionary stages have been categorized as the industrial revolution era; the scientific management era; science person era and human relations era. In the industrial revolution era of management saw to the substitution of the power of machine to that of the human resource and this made it economically feasible to manufacture goods in factories instead of home. Even though these factories were well equipped with power-driven machines they too needed managers who would help in forecasting demands, assign tasks to the employees and coordinate the numerous tasks in the factory (Lister, 2014) the managers were also needed to help in ensuring that the machines were used and maintained according to the required standards; they also ensured that there was sufficient material required for production for an available market.

This necessitated the conceptualization of a formal theory to help guide managers in running these organizations that were increasing in size. The 1900s saw the generation of management theories, which was characterized by divergent belief about what management entails and what were the imperatives and responsibilities of managers (Springer, 2013).

The scientific management era is Fredrick W. Taylor's who argued that the major task of an organization's management is to design jobs properly and also provide the workers with incentives that will motivate them to achieve higher productivity, Lister(2014). Taylor changed the role of the manager from being an eagle-eyed supervisor into a specialized foreman that is adequately equipped in supervising each and every phase of the production processes. In essence, Taylor revolutionized management thinking and laid the ground for the formation of numerous other managerial systems that sprang up in the subsequent decades (Lister, 2014).

Fayol was the other management scholar that is characterized by the scientific era. He argued that management is an activity that is common to all aspects of human life including the running of business, schools, religious organizations, government and also homes. He argued that all these undertakings called for five basic administrative functions, which include planning, organizing, commanding, coordinating and controlling, Lister(2014). Fayol advocated for the teaching of management at all level of schooling largely due to the fact that it is an all-encompassing activity. His approach is commonly referred to the administrative approach. He rejected the argument that managers are born and not nurtured, arguing instead that management is a skill that can be learned especially when its principles are adequately understood (Springer, 2013).

Max Weber is the other scholar of the scientific management era. His approach focused on the structure of particular organizations, dividing it into hierarchies that have got some clear lines of control and authority. This implied that managers are granted the legal authority to serve the organization based on their position in the structure of their organization (Lister, 2014). This bureaucratic system as proposed by Weber helped organizations to achieve stability, and function in systematic manner. This approach however, pushes individuality, creativity and charismatic leadership to the periphery since bureaucratic leaders demand that their workers

obey rules and only do what they are instructed to do. This makes it increasingly hard for organizations that use this model to adapt in the face of changing environment (Lister, 2014).

The social person era of management on the other hand captures the managers in the current social and economic climate, who are increasingly driven by the quest to satisfy the wants and needs of their customers. This however is not attainable without the effective management of the employees who both help in the creation and delivery of products and services to the customers (Lister, 2014). In this era the manager is required to hire and retain effective employees and also establish with the organization an effective communication system and finally be able to motivate the employees to be more productive.

The behavioral management theory that emerged in the 90`s emphasized on how managers need to behave in order to motivate their employees and encourage them to work diligently in the quest to achieving the desired strategic goals and this shows today`s managers employ the techniques, principles and practices that were developed earlier on (Lister, 2014). Therefore, the social person era of management emphasizes on the need for the employees being treated humanely in order to motivate them to be innovative and productive.

The human relations era of management was propounded by Elton Mayo who argued that managers should be people-oriented. Mayo established through conducting various experiments that for organizations to achieve maximum productivity the participation of the employees and managers in social groups and group pressure was increasingly important in comparison to upholding organizational structures and the authorities that come with it (Roussel, 2011).

Mayo`s approach has revolutionized the role of managers in running organizations. This is in the sense that the work that an individual employee performs has to satisfy their subjective, personal need as much as it also satisfies the productive requirements of the company (Roussel, 2011). Mayo therefore calls for managers to take up a new role in their relationship with their employees and foster a new social order at the workplace. This entails consulting employees about any proposed change; taking their views into consideration and showing concern for the employees` mental and physical health (Roussel, 2011).

### **2.1.1. Performance Management**

Performance management is a ubiquitous term in today's business environment, being embedded in the body of knowledge of various disciplines and being used it at all organizational levels (Brudan, 2010).

Performance management is the system through which organization set work goals, determine performance standards, assign and evaluate employee's work, provide performance feedback to employees, determine training and development needs and distribute rewards to employees (Briscoe & Claus, 2008).

The last few decades have seen to the increasing acceptance of performance management by various organizations, both public and private across the globe (Hiemae, 2012). Performance management seems to move from that traditional form of management in which the leaders of the organization determined what employees would do, restricting their creativity and discretionary contribution to the organization. This is at least evident from the definition of what performance management entails. For instance, Vilkinas (2013) define performance management as the systematic process through which organizations improve on their performance. This improvement is achieved through the development of the performance of individual employees or the teams that they belong to. Performance management therefore, entails getting better results from the individual employee and/or teams through understanding and managing of performance following an agreed framework of set goals, competence requirements and standards.

On the other hand, (Lunenburg, 2011) define performance management as the development of employees to equip them with competence and commitment; this in turn enables the organization to achieve its shared vision and mission. The employees in this case, are regarded as members of teams founded within the organization.

Both definitions demonstrate that performance management has got two ends to it. However broad the concept could be, its salient features are the performance of the organization on one hand and the participation of its people on the other hand. Performance management helps to reiterate the importance of employees to the organization; how their participation through goal

setting, capacity building and motivation is essential in ensuring that the organization realizes its long-term and short-term objectives.

### **2.1.2. The stages of Performance Management System**

A performance management system is classified into a development planning, managing, reviewing and rewarding phase (Schneier, Beatty, and Baird (1987). the Phase 1 includes outlining development plans, setting objectives and getting commitment activities. In the phase 2 managing and reviewing performance are addressed which includes assessing against objectives, seeking feedback, coaching and document reviews activities. In the third and last phase is rewarding performance which holds personal development, results of performance and link to pay activities. According to (Schneier et al., 1987), Planning helps to encourage commitment and understanding by linking the employees' work with the organization's goals and objectives. Objectives or goals describe something to be accomplished by individuals, departments and organizations over a period of time (Armstrong& Baron, 2004).

Employees Performance Management system is a complete process, which is based on the workforce performance and the fulfillment of organizational objectives at all levels. Performance management and getting the required behavior is one of the core issues which most of the organization fails to analyze in order to achieve the required goals, (Weatherly &Malott, 2008).Employees' performance depends on the effective performance management system, Buchner

(2007). Employee must have knowledge about their job what they must have to perform in order to fulfill its job target.HR-performance management aims at developing potential capabilities of human resource. The performance management must be in line with the company's long-term policies (Kandula, 2006)from the beginning of planning supervisors and subordinates are involved in a joint participative process and set organizational goals, as well as specific goals for an individual. Objectives, on the otherhand, also create the environment in which an individual will be measured according to his or her own performance and output, with set standards for evaluation, Nyembezi (2009).As suggested by Armstrong (2004) performance management is a strategic and integrated approach to delivering sustained success to organizations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors.

Moreover, 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 (Armstrong and Baron, 2004). In the last phase of PMS, pay-for-performance could be used together as a tool to assess the performance. Moreover, in the organization, employees are most likely to perceive that pay differences are made fairly when they are provided with information regarding the appraisal process and employees are allowed to discuss the appraisal results. Locke (2004), the pay-for-performance principle involves providing monetary rewards through carefully designed compensation system that base pay on measured performance within the control participants.

## **2.2. Empirical Review of literature**

A study interrogated the implementation of a performance management system in Gaborone secondary schools in Botswana states that, though PMS is faced with implementation challenges, teachers interviewed appreciated the need for a system like PMS that could be used to measure their performance. However, they criticized the current system and suggested that the system should be redesigned to suit the school environment. Teachers who participated in the study urged that students are in themselves human beings and not easily controllable subjects.

Their performance is influenced by multiple variables some of which are outside the control of a teacher. Teachers are also assessed on personal attributes and interpretation of such differs across supervisors and schools (Impact journal, May 2014).

Another study conducted on the topic “Developing a model of employee’s performance management process for Tallinn hotel businesses” in the republic of Estonia raised a number of important issues on performance management and employees performance management with the

model related to the topic in the study (Johanna - Hedwiga, 2012).

The first idea was that performance management is used in all eight hotels under the study but some hotels focus more on managing their employees' performance than other hotels which depends on the size and star rating of the hotel. Moreover, the usage of performance management is different in every hotel. Hotels that have a lot of employees or have a very good star-rating are using performance management on a deeper level and in a more structured way. Structured and organized performance management is essential to handle a big number of employees. The bigger or with higher star-rating hotels focus on performance management more and have many methods and standards for managing their employees' performance. They take care of the influencing factors by trying to meet employees' expectations, motivating employees with methods like discounts for hotel services, salary bonuses, recognition and some are also offered cross training, employee exchange program and other great motivation methods. It is also suggested that the organizations under the study have ensured the competences of an employee and develop worker's competences by offering various trainings and the organizations also ensure that the job related factors are satisfying e.g. by offering vertical and horizontal career change opportunity (Johanna - Hedwiga 2012, p. 78).

It is also suggested that in case of an employee emotional reactions from the feedback, bigger organizations communicate with the worker and try to find a solution. Concerning the performance improvement, the organizations make a plan with next steps and sometimes give a deadline with a follow-up interview (Johanna - Hedwiga 2012, p. 79).

The research importantly discussed that not only taught a great deal about developing a model based on different theories but also taught about the historical development of performance management. Moreover, the research taught how to carry out face-to-face interviews, how to analyze the collected data, how to present the results and how to make own conclusions based on the data. (Johanna-Hedwiga, December 2012).

As cited by Yilma in the research conducted on Ethiopian management institute” In order to have a successful performance management system and also in order to achieve the desired goal of the organization, organization goal should be cascaded to departmental and individual level of goals so as to align it properly by revising the job description of each job thoroughly.”

A research compiled in Botswana on secondary school states that the PMS system is also viewed as discouraging innovativeness as it has little or no room for unplanned/unintended results. An evaluation of the Department of Tribal Administration PMS system in Botswana attributed PMS failure to lack of feedback, poor leadership and difficulties in implementing the system (Monnaesi, 2011).

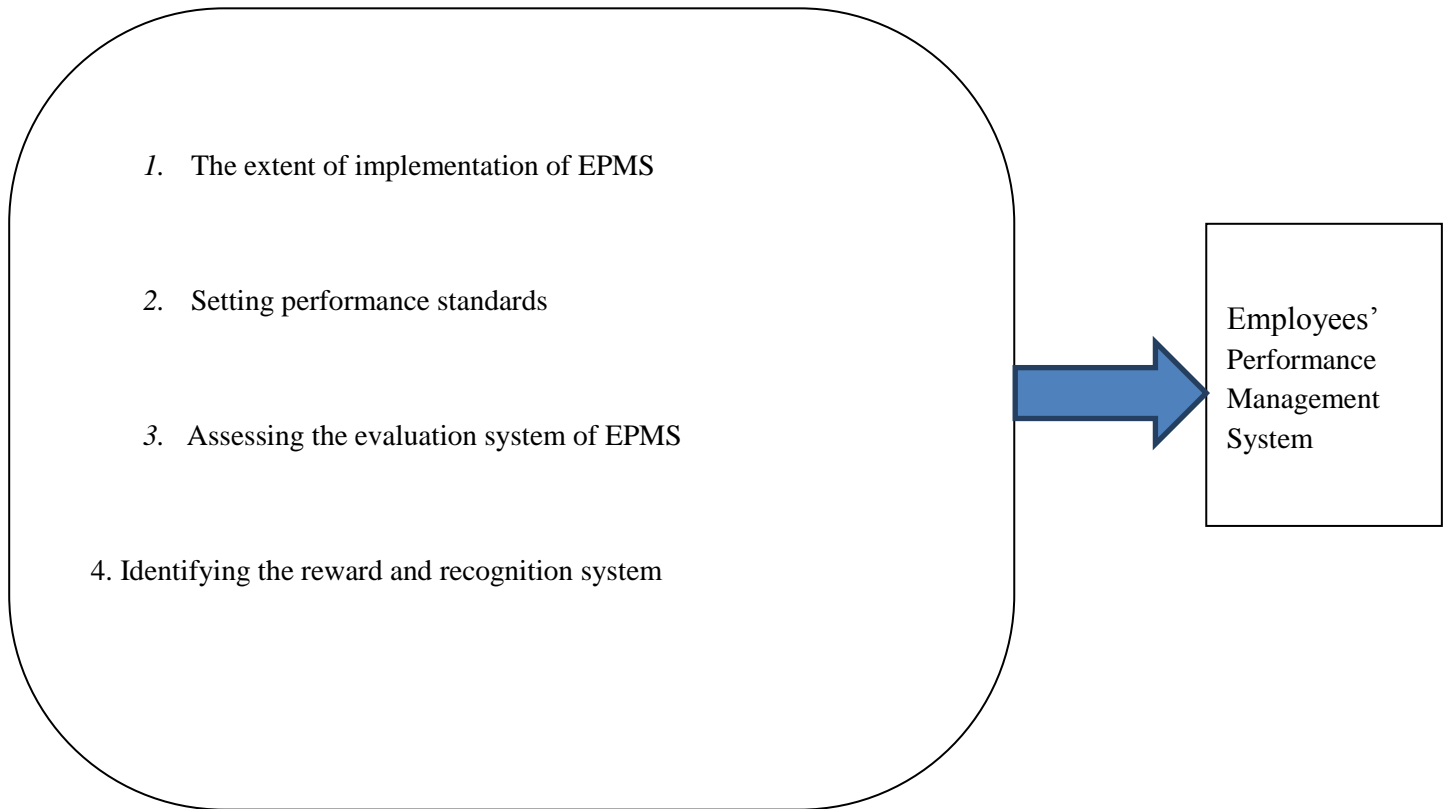
### **2.3. Conceptual frame work for the study**

The conceptual frame work is developed based on the variables, the extent of implementation of employee performance management system (EPMS) (Satisfied with the existing EPMS, The EPMS helps to win cooperation and team work ,EPMShelps to identify competencies that require personal improvement,developing intervention training programs that are tied to the gaps identified in the performance, if performance ratings were done periodically, helping to identify the strength and weakness of the employee,performance management system recognizes employee’s efforts to organization goals, the performance management systems implemented in the department achieve its intended results of improved individual performance),performance standards to implement EPMS (setting standards in consultation with the deliverers and customers, visible and measurable performance standards, practicing realistic, consistent with the goals and objectives, and challenging performance standards, practicing performance standards achievable with the skill and resource available,well known and understood, published and made known by all concerned, used to measure performance and customer satisfaction, and reviewed and updated regularly),Assessing the evaluation system of EPMS (Managers are held accountable for doing effective appraisals, High levels of performance are recognized and rewarded, the system measures the right things,and measures both the results and how they are achieved, managers view the appraisal as a valuable management tool,ratings are accurate and reflect actual performance, and are based on actual performance and not personal feelings,the

system supports developmental opportunities., managers treat the process as on-going versus once a year, the employees believe the system is fair), Reward and recognition system (Higher salary and pay raise on good performance, satisfied with the bonus/tip/reward in the organization, with the regular and systematic increment and other monetary benefits,with promotional opportunities,with recognition on good performance,with the recognition from the contribution in the organization) has significant impact on the effectiveEPMS.

**Figure 1 conceptual framework**

**Independent variables** **Dependent variable**



Source:- Developed by the researcher (2019)

## **2.4. Summary**

As mentioned above, various studies were conducted on the EPMS in one or another way in different countries in different subjects. Most of the studies focused on different factors of performance management system in different social, cultural and economic contexts. Studies done in Ethiopia have focused more on individual organizations in the main components of EPMS. However, in the literature review there is no indication of coverage of the existence of effective performance management system of employees especially in public organizations except Melat's study which was done on the practice and challenges of performance management system in the Ethiopian management Institute (2014) which the study didn't cover any other areas in Ethiopia including my research area Butajira town public service offices and it was limited to the practice of EPMS within the institute. Therefore, this study aims at addressing this research gap by focusing on examining EPMS in SNNPR in Butajira town administration public service offices in which no study has been conducted so far; the study was analyzed based five perspectives as mention in the objective of the study and it involves all employees who are employed in the town administration including work process leaders and managers in each public sector.

## **Chapter Three**

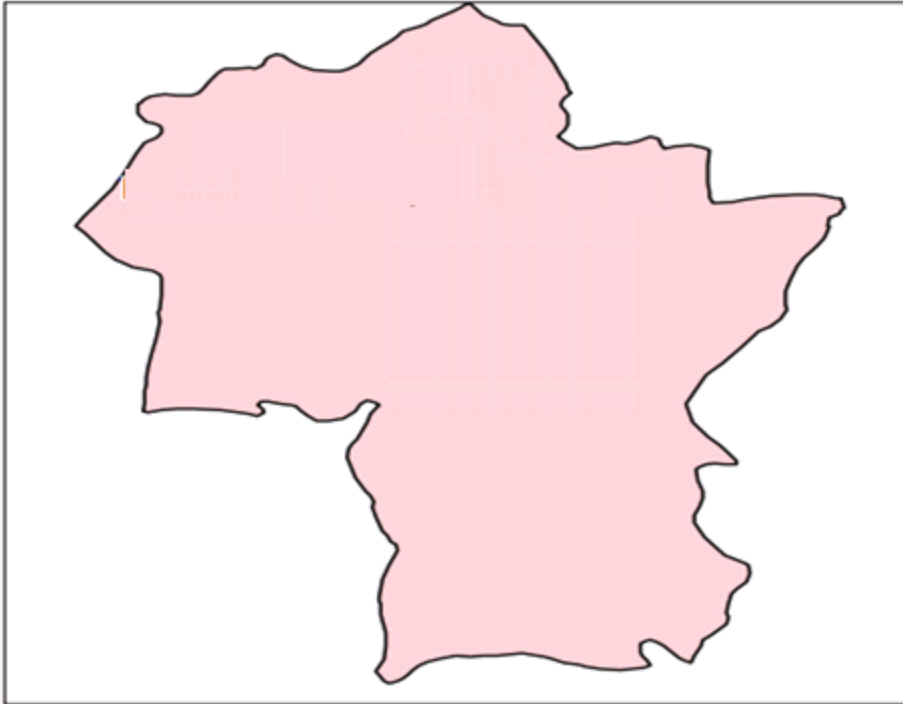
### **Research Methodology**

In this part of the research proposal, research methods, data sources, sampling techniques, data collection instruments and procedures, and data analysis methods have discussed as follows.

#### **3.1. Description of the Study Area**

Butajira town is one of the ‘reform’ towns as it was planned by the government in the country level (SNNPR statistics bureau, 2006-07). It is situated 130km south of Addis Ababa, North of Silte zone administration, and surrounded by Meskan woreda administration on the other sides of the town. The town administration is found in the administrative region of southern nation’s nationalities and peoples (SNNPR) in Gurague zone. It is divided in to two sub-cities, Eresha and Erenzaf and has 5 kebele administrations in total. Under the town administration, there are about 11 main offices. These are the municipality, finance and economic development, trade and industry, customs, justice and security, courts, education, water and sewerage, the mayor office, health, and female and children.

**Figure2. MAP OF BUTAJIRA TOWN ADMINISTRATION**



Source: - Taken from goggle (2019)

### **3.2. Research design**

In this study descriptive survey research design was used by using both quantitative and qualitative methods. This design was chosen because it helped to describe and interpret the actual events i.e. how objectives and performance standards set; how were the evaluation, and reward and recognition system implemented that were existed and that had influences on the present performance management system of Butajira town administration public service offices.

Descriptive survey research design gather a data at a particular point in time with the intention of describing the nature of existing conditions, or determining the relationships that exists between specific events (Abiy, 2009).

### **3.3. Sources of data**

The primary sources of data for this study were using questionnaires, interviews and focus group discussion from different public service sector managers, work department leaders, and employees under the administration of Butajira town public service offices. The focus group discussion was conducted by selecting participants in each office purposefully and dividing the group in to two in order to make two independent sessions. The secondary data were also from document analysis, journals/articles (published and unpublished), brochure and the Internet. The necessary data for the study was collected from both primary and secondary sources. Primary sources refer to individuals or organizations from which information originates directly as a result of the particular problem under study. Then the target populations for this study were eight head of public service officials, tencore work process leaders, nine supportive work process, eight deputy public office officials, eight HR officers and two hundred seventeen employees, which were totally two hundred sixty participants in Butajira town administration public service offices. The respondents were divided in to top level managers (head of public service officials, deputy office officials and work leaders) and lower level managers (HR officers and employees).

### **3.4. Sample Size**

Sampling is the process of selecting units (e.g. people, organizations) from a population of interest so that by studying the sample, a fairly generalize results is trace back to the population from which they were chosen.

Probability Sampling was used because each member of the population had an equal likelihood of being selected to be part of the sample. From the types of probability sampling, this study found stratified random sampling appropriate for selecting samples from the population. In this study the total population was divided in to three stratum based on work experience of employees and from this each stratum the researcher took samples from both job categories managerial and non-managerial.

A stratified random sampling allowed us to take into account the different subgroups of people in the population and helped guarantee that the sample accurately represented the population on specific characteristics. It enabled the survey to include all hierarchy of the organizations under the study and allotted the total sample for each stratum proportionally. According to Robert and Richard (2008) no survey can ever be deemed to be free from error that could provide complete accuracy. Bearing this in mind, at a confidence level of 95%, the margin of error would be 0.5%.

To obtain the minimum population sample for this study, the researcher adopted stratified sampling as a technique using Yamane's formula (cited in Israel, 1992) as follows:

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

Where n is the sample size, N is the population size and e is the margin of error.

$$n = \frac{260}{1 + 260(0.05)^2}$$

$$n = 158$$

Therefore a sample size of 158 selected from a total population of 260 employees. The sample size was sufficiently large enough to produce results among variables that were significantly different and it broadened the range of possible data and forms a better picture for analysis.

### **3.5. Sampling Techniques**

The study used non-probability sampling techniques. Purposive sampling techniques were used by the researcher to select offices in each public service sectors and sample of employees. Based on the purposive sampling techniques the researcher selected six key offices in each eleven Public service sectors based on their numbers of employees, and the degree of their contribution.

### **3.6. The Study Subjects**

The population considered for this study consisted of all management staff and employees of Butajira town administration public service offices. According to the data obtained Butajira town administration main office, there were eleven public service offices under the town administration and total number of managers was forty -three and the number of employees in the public sectors under this study was two hundred seventeen and then the total population in this study was two hundred sixty.

### **3.7. Instruments of Data Collection**

#### **3.7.1. Questionnaire**

For gathering primary data close and open ended questionnaire and also Likert Scale questions were prepared and distributed to the study participants Butajira town administration public service offices who worked in different support and core processes. The reason for using questionnaire was responses gathered in a standardized way, and it was more objective, certainly more than interviews. It was relatively quick to collect information using a questionnaire.

#### **3.7.2. Interview**

In addition to the questionnaire structured interview was prepared and conducted with four supervisors/team leaders who worked under the public office officials, selected experienced employees as well as two human resources team leaders that were not made to fill the questionnaire. The interviewees were selected purposefully among the public offices of the town administration which were taken as the population of the study. The researcher used this method because it was useful to investigate issues in an in depth way, discovered how individuals think and feel about a topic and why they hold certain opinions, investigate the use, effectiveness and usefulness of particular issues, inform decision making, strategic planning and resource allocation, sensitive topics which people may feel uncomfortable discussing in a focus group, add a human dimension to impersonal data and deepen understanding and explain statistical data. Therefore, it was the

researcher belief that conducting interview would help to understand the practical implementation of performance management system in Butajira town administration public service offices.

### **3.7.3. Focus Group Discussion**

In every organization the mission, vision and strategy was expected to be shared and understood by all members of the organization. In order to assess this and other related issues, focus group discussion was used. As mentioned earlier the discussion was held in two groups by dividing the participants deliberately and conducted independently. This helped the researcher to get information from those who were unable to fill the questionnaire as well as who were not entertained by interview. The researcher believed that to use this method with the aim of checking whether the vision and mission of Butajira town administration public service offices was understood by all staff members and also it helped to know their understanding of performance management system which was implemented by Butajira town administration.

### **3.7.4. Document Analysis**

In order to understand the subject matter and the existing system in area under study different published and unpublished documents was reviewed by the researcher. In addition, annual reports, performance management system procedure of Butajira town administration and brochures on the history of Butajira town administration were assessed to better understand how Butajira town administration practically implemented the performance management system, how they understood the system, how it was customized to Butajira town administration, what challenges they faced with all the process and how they planned to manage the challenges in the future to enhance individual, unit and organization's performance.

### **3.8. Method of Data Analysis**

The data that gathered from questionnaire were summarized and analyzed by using descriptive statistics like frequency, percentage and mean. Then the data were described using tables for more clarification and it coded using scientific statistical data analysis software such as SPSS. The data that gained from interview, focus group discussion and document review were analyzed contextually as per the research basic questions.

## CHAPTER FOUR

### RESULTS AND DISCUSSIONS

#### 4.1. Introduction

In this chapter data collected through questionnaire, interview, focus group discussion and document review will be presented, analyzed and interpreted in a brief and organized way.

Among the distributed 158 questionnaire, 153 of them have been collected and this makes the response rate to be 96.8%. The remaining five were not returned. In order to increase the validity of the information obtained, interview were made with the work process team leaders and with human resource officials and work process coordinators. In addition focus group discussion was made with 9 support staffs and middle level managers. At last document analysis was made in order to strengthen the reliability of the data and to assess the current practice of EPMS in Butajira town administration public service offices

**Table 1:- Reliability Analysis of Main Variables**

Construct	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
Implementation	.705	.728	8
Objective Setting	.097	.097	6
Performance Standards	.770	.747	8
Evaluation system	.750	.741	10
Reward and Recognition	.697	.642	6

Source: - own survey (2019)

Reliability Analysis: Cronbach's coefficient of reliability was computed for all dimensions to verify the internal consistency of the items that constitute dimensions. Reliability of an instrument is the degree to which it yields a true score of the variable under consideration. Reliability is also defined as the extent to which any measuring instrument yields the same results on repeated trials. Bohrnstedt and Knoke (1994) suggest that researchers should strive for alphas of 0.70 or higher. As shown in the above table, a reliability analysis was carried out resulting that implementation, performance Standards, evaluation system, reward and recognition

appeared to be worthy of retention, as alpha ( $\alpha$ ) =0.7; but objective setting is  $\alpha=0.097$ , which shows that the variable is very far from the scale and contains divergent items of lacking correlation and consistency under consideration of the variable. Thus, it is not included in the subsequent analysis.

#### **4.2. Demographic Information of Respondents**

In this section, the general background the respondents of the study is summarized by focusing their gender, age group, educational status, years of service and category of position classification.

**Table 3:- Sample and target population of the study.**

<b>Position of Respondents</b>			
	Frequency	Percent	Valid percent
Work process coordinator & team leaders	123	80.4	80.4
Human resource officers	5	3.3	3.3
Work process supporters	25	16.3	16.3
Total	153	100.0	100.0
<b>Gender</b>			
	Frequency	Percent	Valid percent
Male	124	81.04	81.04
Female	29	19	19
Total	153	100	100
<b>Age Group</b>			
20 or below 20 yrs.	–	–	–
21-30 yrs.	32	20.9	20.9
31-40 yrs.	113	73.9	73.9
41 and above	8	5.2	5.2
Total	153	100	100
<b>Educational status</b>			
Diploma	21	13.7%	13.7%
BA/BSC Degree	131	85.6%	85.6%
MA	1	0.6%	0.6%
Total	153	100	100
<b>Year of Service</b>			
5 or below 5 yrs.	20	13.1%	13.1%
6-10 yrs.	28	18.3%	18.3%
11-15 yrs.	40	26.1%	26.1%
16-20 yrs.	62	40.5	40.5
Above 20 yrs.	3	2%	2%
Total	153	100	100

Among the total respondents i.e. 153, 124 (81.04%) of them were male and the remaining 29(19%) were female. This shows that the number of females far more 2 times less than the number of male. This directly implies that there is severe gender imbalance in the respective public service offices in Butajira town administration.

Regarding the age group of the respondents, the larger portion of the respondents i.e. 113 (73.9%) falls within the age group of 31\_40. Age group from 21\_30 and 41 and above hold 32 (20.9%) and 8(5.2%) number of respondents respectively. From this, the researcher can say that butajira town administration public service offices are filled with younger and energetic manpower that can make the organization to be productive and enable to achieve the goals and objectives of the organizations under the study.

Concerning educational status of the respondents, staffs who are degree graduates take the largest portion which is around 131 (85.6%), the rest of the respondents about 21 (13.7%) and 1 (0.6%) are diploma and MA graduates respectively. Based on this fact the researcher can say that the town administration has most of the required manpower of the jobs as they require degree as a minimum requirement according to the public service standard; but, it is better to add some second degree holders which enable the whole administrative activities to be effective and efficient.

Based on the data collected through questionnaire, the large portion of respondents 62(40.5) fall within the range of sixteen to twenty years of service in the town administration, the second highest percent 40 (26.1%) of the respondents have 11\_\_15 years of experience, 3 (2%) respondents have an immense experience that is above twenty years, the rest 28 (18.3%) and 20 (13.1%) respondents from the sample size have an experience of six to ten years and five or below five years respectively. It is the researcher believe that these combination of the respondents were good enough in finding the accurate information because the majority of respondents have eleven to twenty years of experience in implementing EPMS in their respective offices and this gives them an opportunity to reflect their opinion on the

achievements obtained by the town administration and clearly understand the current performance management system practice of the town administration and to identify the weaknesses and strengths of the system by comparing the previous and the current. In general the above table which was characteristics of the respondents showed that the study was represented by those who were sufficient in understanding the questionnaire as well as the subject matter, most of them were at their ample knowledge and experience in their specific position which helped them to respond their true feeling with an understanding of the practice of EPMS which were implemented in the town administration. Because the employees were in a position of holding the required educational preparation and work experience. As a result it is the researcher belief that the study was well represented by the respondents which helped to get the opinion of all which assures the accurate data had been secured from the respondents of the sample size.

### 4.3. Descriptive Analysis of Main Variables

Before implementing performance management system it should be clearly defined and the possible outcomes should also be known. In order to assess whether the town administration defined it and listed out its purpose in a way it should be and whether employees are clear about the whole concept of EPMS the following questions were forwarded to the selected respondents as well as the attendees of interview and focus group discussion and their response is analyzed and interpreted as follows.

**Table 4:- Summary Statistics of Main Variables**

Variable	N	Minimum	Maximum	Mean	Std. Dev
EPMS	135	2	3	2.77	.220
Implementation	135	2.13	4.00	3.2306	.53052
PerformanceStandards	135	1.50	3.50	2.6441	.52314
EvaluationSystem	135	1.50	2.90	2.2765	.37148
Reward and recognition	135	1.33	3.17	2.4276	.56301

Source: - own survey (2019)

The employee performance management system (EPMS) in Butajira town public service offices generally affected by the cumulative effects of those factors which were investigated under the study; the extent of implementation of EPMS, how the public service offices in the town administration were setting performance standards implementing them accordingly, how was the evaluation, and reward and recognition system in the EPMS. In this respect, the EPMS in the town administration was not implemented as intensively as possible in comparison to the main variables described above. Most of the respondents decided negatively and others not decided on the factors that can determine the effective implementation of EPMS with an average of 2.77 (55.4%) total response rates of the main variables.

Concerning one of the main variables, the extent of implementation of EPMS in the public services of the town administration, the respondents replied the minimum value (2.13) of them negatively to the maximum value (4) of it positively with a mean value 3.23(64.6%) which implied that even if a number of respondents decided on positively and negatively on the extent of implementation of EPMS on their own respective sides ; with regard to satisfied with the existing EPMS , the existence of cooperation and team work , in identifying competencies that require personal improvement , conducting training programs that were tied to the gaps identified , whether ratings were done periodically , in identifying the strengths and weaknesses of employees , in recognizing employees' efforts to organization goals and implementing EPMS in department level to achieve intended results of improved individual performance , most of them stick in to not decided. This implied that they didn't believe on the system to achieve organizational goals and couldn't satisfy their personal and organizational goals in their respective offices of the town administration public service offices.

Regarding the other main variable, setting performance standards in the process of implementing EPMS in the town administration , we got responses from a minimum value (1.5) of highly negative to a maximum value 3.5 with not decided and some extent positive on issue under discussion ; but its mean 2.6(52%) told us that the majority of the respondents in the process of setting standards in relation to consultation with deliverers and customers , setting visible and measurable performance standards , practicing realistic, consistent with the goals

and objectives and challenging performance standards, whether performance standards practicing in the offices were achievable with the skill and resource available and the standards were well known and understood by managers and employees , in publishing and made known by all concerned , if the standards were used to measure performance and customer satisfaction and also if they were reviewed and updated regularly decided negatively which showed that performance standards in most of the offices of the town public services didn't design well in harmonious with the goals and objectives of the country in general and the organizations in particular and couldn't completely applicable as part of an effective EPMS of the town administration public service offices.

Concerning the evaluation system of EPMS of the town administration public service offices , the respondents replied from a minimum value (1.5) negatively to a maximum value (2.9) of not decided on the system of evaluation ; but in considering to the mean value 2.27 (45.4%) of this variable , most of the respondents on the system of evaluation which includes whether managers were accountable for doing effective appraisals , high levels of performance were recognized and rewarded , the system measured the right things and it measured both the results and how they were achieved , managers viewed the appraisals as a valuable management tool , ratings were accurate and reflect actual performance and not personal feelings , it supported developmental opportunities , the managers treat the process as an ongoing versus once a year , the employees believed that the system was fair , on average decided negatively. This clearly indicates that the evaluation system didn't be well organized and was not result oriented and also couldn't measure the degree of implementation of the EPMS of the town administration public service offices in comparison to the goals and objectives of the respective offices under the town administration.

The last variable among the main variables was about the reward and recognition system of the town public service offices in the process of EPMS. Here under reward and recognition system from the respondents some of them correspond to a minimum value (1.3) of highly negative as they decided; whereas a maximum value (3.2) of the response belong to not decided ; however , as it indicated by the mean value 2.43 (48.6%) , most of the respondents decided negatively in

considering whether the reward and recognition system worked on higher salary and pay raise on good performance , made to satisfy with bonus/tip/reward , maintained satisfaction with the regular and systematic financial policies regarding increment and other monetary benefits , satisfied with promotional opportunities and with the recognition from the contribution in the organizations. Thus, we can conclude that the town administration public service offices couldn't be effective in reward and recognition of employees who achieved notable performances in their respective positions. In general, the implementation of EPMS in Butajira town administration was not effective and its accomplishment was also under average. Due to these problems the employees' participation and satisfaction on the job was coming to less. Therefore the system needed to be re-established and intensive reconstruction task should be stabilized.

Various studies in the EPMS have shown that performance management system is the system through which organization set work goals, determine performance standards, assign and evaluate employee's work, provide performance feedback to employees, determine training and development needs and distribute rewards to employees (Briscoe & Claus, 2008). The present research finding supports the fact that these factors are significant factor which influences the overall achievement of individual and organizational performances. On the other hand, as suggested by Armstrong (2004), performance management is a strategic and integrated approach to delivering sustained success to organizations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors. The importance of performance standards, training, feedback, evaluation and distributing rewards to employees concerning to effective EPMS is supported by numerous of authors (Buchner, 2007: Nyembezi, 2009; Lunenburg, 2011). The present research finding is similar with the past researches and its support that the positive influences of performance standards, the evaluation system, reward and recognition and the existing performance management practices on EPMS in the public service offices.

#### 4.5. Correlation Analysis

There are different kinds of statistical models. Among them correlation, chi-square linear & multiple regression are most popular one. But the study would be used correlation to measure the degree of relationship between variables. More importantly, Phyllis and his associates (2007:18-55) speculate that the Pearson Product Moment Correlation Coefficient is a widely used statistical method for obtaining an index of the relationships between two variables when the relationships between the variables is linear and when the two variables correlation are continuous.

It also used to measure of correlation to indicate both the strength and the direction of the relationship between a pair of variables; since the study conducted the categorical data, the researcher would use correlation test to measure linear relationships between variables to be gauged under the study.

**Table 5:- Correlation Analysis of Main Variables**

		EPMS	Implementation	Performance Standards	Evaluation System	Reward
<b>EPMS</b>	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	69				
<b>Implementation</b>	Pearson Correlation	.566**	1			
	Sig. (2-tailed)	.000				
	N	69	135			
<b>Performance Standards</b>	Pearson Correlation	.381**	.118	1		
	Sig. (2-tailed)	.001	.186			
	N	69	126	144		
<b>Evaluation System</b>	Pearson Correlation	.410**	.073	-.235**	1	
	Sig. (2-tailed)	.000	.399	.005		
	N	69	135	144	153	
<b>Reward and recognition</b>	Pearson Correlation	.699**	.197	.122	.384**	1
	Sig. (2-tailed)	.000	.066	.243	.000	
	N	69	88	94	99	99

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

As it is clearly indicated in the above table7, the independent variables are the extent of implementation, performance standards, the evaluation system and the reward and recognition system; the dependent variable is employees' performance management system (EPMS). There is a positive relationship between the extent of implementation of EPMS and EPMS ( $r=0.566$ ,  $p < .01$ ); in the next variable which is about the relationship between the process of how are performance standards set and EPMS, they are positively correlated ( $r= 0.38$ ,  $p < .01$ ); the other relationship of variables is the relationship between the evaluation system of EPMS and EPMS is that they are positively correlated ( $r=0.41$ ,  $p < .01$ ); the last relationship of variables is the relationship between the reward and recognition system and EPMS, they are positively correlated ( $r= 0.69$ ,  $p < .01$ ) and statistically significant at 99% confidence level.

In asking whether how performance standards are set under the basic questions of this study, the correlation analysis revealed that performance standards have positive influence on EPMS. Besides this, the results supported in literature as indicated by strategically using the performance management system, organizations can develop their performance standards, can develop the measures and then report the findings for further improvement (South Carolina, public journal of public health, 2002). Similarly, Manville & Greatbanks (2013) emphasizes that if the measurement systems in an organization are unable to meet conclusions and facilitate decision making it becomes a futile exercise and a redundant process of no value, indicating that the result of the correlation analysis showed the significance of performance standards on EPMS. In addition, Standards reinforce behavior, promotes the consistency of employee's performance and it can also be used to weigh and measure the impact of employee's performance (Greiner, 2013).

Another insight in the correlation analysis is the evaluation system which is positively correlated with EPMS indicated that the system influenced the public offices of EPMS as it assessed under the study. The essence of evaluation described as evaluating employee's performance on pre-defined parameters as stipulated by (Armstrong, 2009) has been considered as a differentiating factor among the market leaders and survivors (Lawler & Garber, 2007). Thus, the result of the

correlation analysis clearly confirmed its significance particularly in relation to the effectiveness of EPMS in the public offices of the town administration.

The reward and recognition system positively correlated with EPMS which clearly showed that the basic question which rose in the study is systematically interpreted and touched its influence on the EPMS of the public service offices under the study. The result also enlighten in the fact that,Locke (2004) the pay-for-performance principle involves providing monetary rewards through carefully designed compensation system that base pay on measured performance within the control participants.it is importantly expressed the positive impact of the correlation analysis through the expectancy theory by Victor Vroom tells us that employee commitment to organizational goals depends on the strength of expectation that doing so will be followed by favorable outcome and the value that the individual attach to the reward.

#### 4.5.Regression Analysis of Covariates of Employee Performance Management System

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	.963	.927	.923	.061

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	3.040	4	.760	204.085	.000 <sup>b</sup>
	Residual	.238	64	.004		
	Total	3.278	68			

From the equation, it was realized that EPMS had a moderate relationship with the extent of implementation of EPMS, performance standards, the evaluation system, and the reward and recognition system. The correlation value was .963 which is considered a moderate relationship because the value falls greater than 0.70 (Pallant, 2011). The value was also positive indicating that, when the independent variables increase dependent variable also increases and vice versa. The R<sup>2</sup> indicates that 92.7 % (.927) of EPMS could be explained using the independent

variables (the extent of implementation of EPMS, performance standards, the evaluation system, and the reward and recognition system).

**Table 6:- Regression Analysis**

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity1 + Statistics	
	B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
(Constant)	.395	.093		4.245	.000					
Implementation	.215	.015	.500	14.136	.000	.566	.870	.476	.907	1.103
Performance Standards	.216	.016	.476	13.456	.000	.381	.860	.454	.909	1.100
Evaluation System	.266	.025	.383	10.795	.000	.410	.803	.364	.904	1.107
Reward& recognition	.183	.015	.437	12.025	.000	.699	.833	.405	.859	1.164

Source: - own survey (2019)

Table 5 above displays the estimates of the multiple regression of performance against its variables for the sample of 153 study populations. It has discovered that the extent of implementation of EPMS, setting performance standards, assessing the evaluation system of EPMS and reward and recognition system do play a significant role in determining the performance of employees in an organization and it is accepted that the performance standard setting, the evaluation system and the reward and recognition system of EPMS do affect the EPMS of Butajira town administration public service offices.

Table 5 revealed that, the correlation between the observed value of performance and the optimal linear combination of the independent variables (the extent of implementation of EPMS, how did performance standards set, the evaluation system, and the reward and recognition system) is 0.963, as indicated by multiple R. Besides given the R Square value of 0.927 and adjusted R square value of 0.923, it may be realized that 92.7% of the variation in the performance can be explained by the independent variables. The remaining 7.3% of the variance is explained by other variables not included in this study. The unstandardized coefficients B column, gives us the coefficients of the independent variables in the regression equation including all the predictor variables as indicated below.

Predicted performance score =  $.395 + .215(\text{the extent of implementation of EPMS}) + .216(\text{the performance standards}) + .266(\text{the evaluation system}) + .183(\text{reward and recognition})$

From the analysis the co-efficient value for the extent of implementation of EPMS was .215. This means that all things being equal, when the other independent variables (Performance Standards, evaluation system, and reward and recognition system) are held constant; EPMS would increase by 21.5% if there is 100% improvement in the extent of implementation of EPMS. This was statistically significant ( $0.00 < 0.05$ ) i.e. the variable (the extent of implementation of EPMS) is making a significant unique contribution to the prediction of the dependent variable (EPMS). Literature reminds that Employees' performance depends on the effective performance management system, Buchner (2007). From the discussion we can say the results of regression revealed the positive impact the variable on EPMS in the public service offices in the parameter of the study.

From the analysis the co-efficient value for performance standards was 0.216. This means that all things being equal, when the other independent variables (evaluation system, reward and recognition, and the extent of implementation of EPMS) are held constant, EPMS would increase by 21.6% if there is 100% improvement in performance standards. This was statistically significant ( $0.00 < 0.05$ ) i.e. the variable (performance standards) is making a significant unique contribution to the prediction of the dependent variable (EPMS). This showed that setting appropriate performance standards positively influences the practice of EPMS in the public service offices under the present study and as it is articulated in a literature, performance management cycle should begin with a discussion of employee and supervisor to discuss results, the expected behaviors and developmental aspects for better future performance (Aguinis, 2009). Therefore the result depicts the positive effect of the variable (performance standards) over the predictive independent variable (EPMS).

From the analysis the co-efficient for evaluation system was 0.266. This means that all things being equal, when the other independent variables (implementation of EPMS, performance standards, and reward and recognition system) are held constant, EPMS would increase by 26.6% if there is 100% improvement in the evaluation system. This was statistically significant ( $0.00 < 0.05$ ) i.e. the variable (evaluation system) is a significant unique contribution to the

prediction of the dependent variable (EPMS). As in the basic questions discussed, the evaluation system of EPMS affected the process of EPMS in the public service offices. In addition, it is elaborated the evaluation system in the literature that Synchronization feedback mechanisms will address developmental gaps so as to improve future performance according to (Aguinis, 2009).

From the analysis the co-efficient for reward and recognition system was 0.183. This means that all things being equal, when the other independent variables (implementation of EPMS, performance standards, and the evaluation system) are held constant, EPMS would increase by 18.3% if there is 100% improvement in the reward and recognition system. This was statistically significant ( $0.00 < 0.05$ ) i.e. the variable (reward and recognition) is a significant unique contribution to the prediction of the dependent variable (EPMS). This showed that the question rose in the study was clearly affected by the result of this analysis. Besides this, other researches pointed out that to develop positive perceptions organizations should ensure that their processes are clear in relation to the key performance indicators and rewards, consistent feedback and clear explanations about performance management processes by Managers (Palethorpe, 2011).

Table 5 further shows that, all the explanatory variables included in this study can significantly explain at 100% confidence level to the variation on the dependent variable. The standardized beta coefficient column shows the contribution that an individual variable makes to the model. The beta weight is the average amount the dependent variable increases when the independent variable increases by one standard deviation (all other independent variables are held constant). As these are standardized we can compare them. Thus, the largest influence on EPMS is from the evaluation system (.266) and the performance standards (.216). On the other hand the reward and recognition system of .183 and the extent of implementation of EPMS with the beta value of .215 is the poorest predictor of EPMS respectively.

## CHAPTER FIVE

### Summary, Conclusions and Recommendations

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

#### 5.1. Summary of Major Findings

The result obtained from descriptive statistics show that majority of respondents are disagrees and unsatisfied with setting performance standards (M=2.6), the evaluation system (M=2.2), the reward and recognition system (M=2.4), except the extent of implementation of EPMS (M=3.2) which also indicates similar result as it implies the respondents not decided. The findings of the result have shown that the extent of implementation of EPMS, setting performance standards, the evaluation system, and reward and recognition system in the organizations contain many of the important factors that make the system effective. The system could enhance EPMS of the organizations and improves performance. While the system has its flaws and needs a lot of improving to get it to where it needs to be, it is going in the right direction and has some positive results.

From the correlation analysis the factors of effective EPMS, the extent of implementation of EPMS ( $r=0.566$ ), setting performance standards( $r=0.38$ ), the evaluation system( $r=0.41$ ), and the reward and recognition system ( $r=0.69$ ) have positive correlation with EPMS. Consequently, there is a significant and positive relationship between factors of effective EPMS, (The extent of implementation of EPMS, setting performance standards, the evaluation system, and the reward and recognition system) with EPMS. Multiple regression analysis was conducted to test the influence among predictor variables. The regression analysis results showed that, 92.7% of the changes in the EPMS could be explain using combined effect of the predictor variables. More over the p-value of the regression coefficient was less than 0.05 for the extent of

implementation of EPMS, setting performance standards, the evaluation system, and the reward and recognition system. It is noted that the extent of implementation of EPMS, setting performance standards, the evaluation system, and the reward and recognition system have significant effect on EPMS.

## **5.2. Conclusions**

This study aims at examining employees' performance management system in Butajira town administration public service offices. The study targeted a total of 158 respondents. However, 153 respondents responded and returned their questionnaires contributing to 96.8% response rate. The Data was collected using structured questionnaires. The data was analyzed into frequency distribution, percentages, Pearson correlations, and linear regression using the Statistical Package for Social Sciences (SPSS). The data was presented using tables. Respondent from different age group, educational background, and year of experience are represented in the data collected. With the quantitative research approach the study arrive at the extent of implementation of EPMS, setting of performance standards, the evaluation system, and the reward and recognition system were causes of poor EPMS of the public service offices of the town administration.

According to the data analysis presented in previous chapter, there were both positive and negative findings concerning the implementation of the performance management system by Butajira town administration public service offices. The strong points of Butajira town administration public service office on EPMS include, most of the job places are filled with at least minimum requirements of qualifications, most of the managers and employees believe that EPMS has helped to win cooperation and team work, identify competencies that acquire personal improvement and to identify strengths and weaknesses of employees are among the strengths observed in this study.

To conclude, effective implementation of EPMS existed in some public service offices, however there are some problems in the EPMS. One of the prevalence of lack of satisfaction on the EPMS in the town administration public service offices is shortage of training, especially for the employees who have working on the foot of the organization structure.

The four indicators or factors of effective EPMS, the extent of implementation of EPMS, setting performance standards, the evaluation system of EPMS, and the reward and recognition system have strong and significantly positive effect on EPMS with significant value less than 0.05. This showed that the need for improvement on the above mentioned factors of EPMS in order to bring effective implementation of EPMS in the public service offices of the town administration.

### 5.3. Recommendations

Considering the major findings of the study and the conclusions drawn, some efforts were made to forward possible recommendations by the researcher for the attainment of a better result out of the EPMS of Butajira town administration public service offices.

- ✓ In order to have a successful implementation of EPMS and to achieve the desired goals of the organization, it is important to create a genuine system which can involve the employees on the whole sphere of EPMS and need to strive for cooperation and team work which eventually attain organizational and individual satisfaction.
- ✓ Training is one of the ingredients of successful implementation of EPMS as it expressed in different literatures, Butajira town administration public service offices need to plan giving the required training to the employees especially who have worked at the foot of the organization structure and should solve the problem and bring effective and efficient EPMS.
- ✓ The evaluation system of the town administration need to be systematic and scientific which means it has to be impartial, consistent, continuous and regular in the all offices of the town administration. Because they indicate the way how we get the work assigned and identify the level of achievement of performances as per the given standards which enables the organization to see what is to improved other than the good performances. Additionally, it is important to encourage employees who have successful and to inform who have failed to achieve; as defined in literature performance management system provide employees with information about how they are perceived in the organization. They can also provide developmental feedback on the strengths the employee should intensify on and the weaknesses where improvement may be required.

- ✓ The public service offices should design measurable, realistic, and challenging performance standards and make them achievable with the skill and resource available. Additionally, they need to be drawn in consultation with the deliverers and customers and should be reviewed and updated regularly.
  
- ✓ The study revealed that there is a problem in the performance rewarding and recognition system. Therefore the researcher recommends that effective performance rewarding and recognition should be applied in the EPMS to utilize the EPMS effectively and to meet its purpose and to encourage higher achievers and initiate the weaker ones.
  
- ✓ Concerning the economic conditions of employees, the salary increment and other benefits of employees seems unsatisfied and unfair though the level of economic stability is different from person to person. Thus, from the findings of the study, the economic stability of the majority of employees of the town administration has to be addressed and sustainably guaranteed. Finally, I would like to recommend that, further study need to be conducted, especially on the areas of factors of employee performance management system and managerial competence and skills in a comprehensive study parameter.

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## Appendix 1

### **WOLKITE UNIVERSITY COLLEGE OF BUSINESS AND ECONOMICS DEPARTMENT OF MBA**

#### **Questionnaire filled by: Employees**

**Dear respondent:** this questionnaire is designed by Desalegn Shay post graduate student from Wolkite University to conduct for the partial fulfillment of MA in MBA. The main purpose of this questionnaire is to examine and describe about Employees' Performance Management System in the case of Butajira Town Administration Public Service Offices. Therefore, I promise you that your response will be kept secret except for the academic purpose, I request to answer each questions patiently and honestly, I would like to thank you very much in advance for cooperation and sacrificing invaluable time in helping me to complete my research

#### Part1. Respondents' Personal Information

1.1 Name of organization..... Town.....

1.2 Sex: 0. female      1. Male

1.3 Age on date of Interview (in Years): \_\_\_\_\_

1.4 Qualification: 3. MA      2. (BA/BSC/BED)

1. Diploma    0. Certificate    5. Other

1.5 Work experience in years: \_\_\_\_\_

1.6 please indicate your current position: \_\_\_\_\_

1.7 Have you obtained any training on employee performance management system? 1. Yes  
0. No

1.8 If your answer for Q1.7 yes, please list down the major areas or topics covered on the training.

1.9 Have you participated in the planning phase of employee performance management system?

1. Yes 0. No

Section 2. General information about the implementation of Employee Performance Management System

Section 2.1. The extent of implementation of employee performance management system (EPMS)

1.9 Have you participated in the planning phase of employee performance management system?

Section 2. General information about the implementation of Employee Performance Management System

The following are statements about the extent of implementation of employee performance management system (EPMS) in Butajira town administration. Please rate what extent EPMS has been implemented in your office from strongly agrees to strongly disagree and put a tick mark (√) in the space provided under the number which closely represents your option using the 5 point scale. The number indicates; 5=strongly agree, 4=Agree, 3=Undecided 2=Disagree, 1=strongly disagree

No	Item	Response				
		5	4	3	2	1
1	Satisfied with the existing employee performance Management System					
2	The employee performance management system helps to win cooperation and team work					
3	Employee Performance management system helps to identify competencies that require personal improvement					

4	Your organization develops intervention training programs that are tied to the gaps identified in the performance					
5	The performance ratings were done periodically					
6	The performance management system helps to identify the strength and weakness of the employee.					
7	Performance management system recognizes employee's efforts to organization goals					
8	The performance management systems implemented in the department achieve its intended results of improved individual performance?					

2.1.1 If you have any comment, opinion or views on how to enhance the success of EPMS in the Process of overall organizational achievement please list down below.

1. \_\_\_\_\_

2. \_\_\_\_\_

Section 2.2. How is objectives setting in planning employee performance management system. Following statements are about the current major practices of setting objectives in public service offices. Please rate how often practiced in your organization from almost always to almost never and put a tick mark (√) in one of the boxes. The numbers indicate: - 5=strongly agree, 4=Agree, 3=Undecided 2=Disagree, 1=strongly disagree

**Questionnaire filled by work process coordinators and supporters**

**Objective setting in planning EPMS**

No	Item	Practices				
		5	4	3	2	1
1	Objectives are announced with no opportunity to raise questions or give comments					
2	Objectives are announced and explained, and an opportunity is then given to ask questions					
3	Objectives are drawn up, but are discussed with subordinates and sometimes modified before being issued					
4	Specific alternative objectives are drawn up by supervisors, and subordinates are asked to discuss them and indicate the one they think is best					
5	Problems are presented to those persons who are involved, and the objectives felt to be best are then set by the subordinates and the supervisor jointly, by group participation and discussion					
6	To what extent do persons in different departments plan together and coordinate their efforts?					

**2.3. Performance standards of the organization implementing EPMS.**

**Questionnaire filled by work process supporters and other employees**

Following are statements about Performance standards of your office to implement EPMS. Please rate the extent of implementing Performance standards in your office from strongly agree

to strongly disagree and put a tick mark (√) in the space provided under the number which closely represents your opinion using the 5 point scale; the number indicates 5= Strongly Agree, 4= Agree , 3 = Undecided 2= Disagree 1= strongly disagree

**Performance standards of the organization implementing EPMS**

No	Item	practices			
		4	3	2	1
1	Your office set standards in consultation with the deliverers and customers who avail them.				
2	The management set visible and measurable performance standards.				
3	The office is practicing realistic, consistent with the goals and objectives, and challenging performance standards.				
4	The Performance standards practicing in your office is achievable with the skill and resource available.				
5	Performance standards of the office are well known and understood by the managers and employees.				
6	Performance standards of the office are published and made known by all concerned				
7	Performance standards are used to measure performance and customer satisfaction.				
8	Performance standards are reviewed and updated regularly				

**2.4. Assessing the evaluation system of EPMS in the offices.**

**Questionnaire filled by work process supporters and other employees**

To what extent do the following practices implemented effectively in the EPMS in your office in relation to meeting the overall objectives of the organization? Please give your response by marking (√) in the box provided corresponding to each factor among the following rates: 5=strongly agree, 4=Agree, 3=Undecided 2=Disagree, 1=strongly disagree

### Assessing the evaluation system of EPMS in the offices

	Factors	Responses				
		5	4	3	2	1
1	Managers are held accountable for doing effective appraisals					
2	High levels of performance are recognized and rewarded					
3	The system measures the right things					
4	The system measures both the results and how they are achieved					
5	Managers view the appraisal as a valuable management tool					
6	Ratings are accurate and reflect actual performance					
7	Ratings are based on actual performance and not personal feelings					
8	The system supports developmental opportunities.					
9	Managers treat the process as on-going versus once a year					
10	The employees believe the system is fair					

## 2.5. Identifying the reward and recognition system in the EPMS

### Questionnaire filled by work process supporters and other employees

Following are statements about reward and recognition system of your office to implement EPMS. Please rate the extent of implementing reward and recognition from strongly agree to strongly disagree and put a tick mark (√) in the box provided under the number which closely represents your opinion using the 5 point scale; 5=strongly agree, 4=Agree, 3=Undecided 2=Disagree, 1=strongly disagree

#### Identifying the reward and recognition system in the EPMS

No		Responses				
		5	4	3	2	1
1	Higher salary and pay raise on good performance					
2	Satisfied with the bonus/tip/reward in the organization					
3	Satisfaction with the regular and systematic financial policies regarding the increment and other monetary benefits					
4	Satisfied with promotional opportunities in the organizations					
5	Satisfaction with recognition on good performance					
6	Satisfied with the recognition from the contribution in the organization					

## **Interview guide for supervisors, work team leaders and HR officers**

The purpose of this interview is to collect data on challenges and opportunities of EPMS in achieving the organizational objectives of Butajira town administration public service offices. Thus the information that you provide will be used only for this research purpose and you are kindly requested to contribute your own in giving response honestly and responsibly.

1. What type of mechanism does your office have to facilitate and evaluate the challenge of EPMS?
2. What are the major activities that employees perform in EPMS?
3. In your opinion what type of improvement should managers show in implementing EPMS in their offices?
4. What are the duties that take most of your times in your leadership?
5. Do you think having the necessary managerial and leadership skills and competence necessary for implementing EPMS and achieving organizational goals? How?
6. What role should an effective HR officer/ work team leader play to implement EPMS in public service offices?
7. How do you evaluate the attitude of managers and employees toward EPMS and pay-for performance system?
8. As any office manager how do you evaluate your role and employees involvement in the process of EPMS?
9. How do you see employee performance with pay and reward system in the process of EPMS?
10. What do you think are the major problems of your office in implementation of EPMS?

## **Interview guide for employees**

The purpose of this interview is to collect data on challenges and opportunities of EPMS in achieving the organizational objectives of Butajira town administration public service offices.

Thus the information that you provide will be used only for this research purpose and you are kindly requested to contribute your own in giving response honestly and responsibly. The researcher would like to assure that the information that you would provide will be kept confidentially and will not be personalized as the data is to be used only for the academic purpose. So you are requested to be genuine and honest in giving the actual information.

**Thank you in advance for your cooperation!**

May we proceed to the interview?

1. How long have you been serving this office as an employee?
2. Could you tell me your qualification, work experience, and training that you have attend on EPMS?
3. How do you see that EPMS has been going in your office?
4. Could you explain any effort made to develop the awareness of employees and managers on the components of EPMS; such as planning, assessing and evaluating?
5. How has the office modified current job manuals and assessment check lists in a way to address different customer needs?
6. What efforts have been made the physical and social environment of the office and work teams conducive and welcoming?
7. How do you explain the partnership collaboration strategies being used between and among work teams and other offices to assure effective performance management of employees in your office?
8. What challenges have you perceived in your office in implementing effective EPMS regarding meeting the specific objectives of the organization? Regarding
  - Developing supportive and inclusive work environment,
  - Making the employee performance responsive to the diverse customer needs and the organization specific objectives,
  - Establishing partnership and collaboration within work teams and the staff in the process of planning, executing, assessment and evaluation of EPMS.
  - 9. Have you anymore to add?

If you don't have any more, I would like to thank you again for your explanation.

### **A Focus Group Discussion for employees.**

The purpose of this interview is to collect data on challenges and opportunities of EPMS in achieving the organizational objectives of Butajira town administration public service offices. Thus the information that you provide will be used only for this research purpose and you are kindly requested to contribute your own in giving response honestly and responsibly. The researcher would like to assure that the information that you would provide will be kept confidentially and will not be personalized as the data is to be used only for the academic purpose. So you are requested to be genuine and honest in giving the actual information.

### **The guiding questions for the discussion are the following:**

1. How do you describe the involvement of the following stakeholders in the EPMS processes?
  - Employees
  - Work team leaders
  - Managers
  - The chief administrative officials.
  
2. How do you describe the support of the organization management body and higher officials at the administration in facilitating the performance of the employees in their respective career?
  
3. Could you describe the efforts that have been made to create conducive physical and social work environment of the employees in their respective position?
  
4. How do you mention the efforts made to the following components of employee performance management processes in response to customer needs?

- Training
  - Setting standards
  - Assessment
  - Evaluation and reward
5. What challenges have you perceived regarding the implementation of EPMS?
  6. Now you can mention it if you have any more to add?  
If not, I would like to thank all of you for spending your time and sharing your office experience on the process and implementation of EPMS.

## Appendix 2

**Table1. The extent of implementation of EPMS**

No	Item	SA		A		UD		DA		SDA	
		F	%	F	%	F	%	F	%	F	%
1	Satisfied with the existing employee performance Management System		–	44	28.6	27	17.5	64	47.4	18	11.7
2	The EPMS helps to win cooperation and team work	–	–	97	63	19	12.3	37	24	–	–
3	The EPMS helps to identify competencies that require personal improvement.	26	16.9	61	39.6	39	25.3	27	17.5	–	–
4	Your organization develops intervention training programs that are tied to the gaps identified in the performance	10	6.5	18	11.7	27	17.5	69	44.8	29	18.8
5	The performance ratings were done periodically	9	5.8	18	11.7	45	29.2	63	40.9	18	11.7
6	The EPMS helps to identify the strength and weakness of the employee.	9	5.8	99	64.3	8	5.2	19	12.3	18	11.7
7	EPMS recognizes employee's efforts to organization goals			69	44.8	18	11.7	38	24.7	28	18.2
8	EPMS implemented in the department achieve its intended results of improved individual performance	16	10.4	73	47.4	27	17.5	37	24.0		

Strongly agree(SA) =5, Agree(A) =4, Undecided(UD)=3, Disagree (DA)= 2, St. disagree(SDA)=1

**Table2. Performance standards of the organization implementing EPMS**

No	Item	SA		A		UD		DA		SDA	
		F	%	F	%	F	%	F	%	F	%
1	Your office set standards in consultation with the deliverers and customers who avail them			84	54.9	39	25.5	13	8.5	17	11.1
2	The management set visible and measurable performance standards			40	27.8	59	41	45	31.3		
3	The office is practicing realistic, consistent with the goals and objectives, and challenging performance standards			56	36.6	38	24.8	49	32	10	6.5
4	The Performance standards practicing in your office is achievable with the skill and resource available			1	0.7	51	33.3	84	54.9	17	11.1
5	Performance standards of the office are well known and understood by the managers and employees			9	5.9	29	19	104	68	11	7.2
6	Performance standards of the office are published and made known by all concerned			13	8.5	45	29.4	69	45	26	17
7	Performance standards are used to measure performance and customer satisfaction			42	27.5	43	28.1	49	32	19	12.4
8	Performance standards are reviewed and updated regularly			19	12.4	16	10.5	92	60.1	26	17

**Table.3 Assessing the evaluation system of EPMS in the offices.**

No	Item	SA		A		UD		DA		SDA	
		F	%	F	%	F	%	F	%	F	%
1	Managers are held accountable for doing effective appraisals					45	29.4	108	70.6		
2	High levels of performance are recognized and rewarded					27	17.6	108	70.6	18	11.8
3	The system measures the right things			18	11.8	63	41.2	63	41.2	9	5.9
4	The system measures both the results and how they are achieved			9	5.9	18	11.8	117	76.5	9	5.9
5	Managers view the appraisal as a valuable management tool			27	17.6	63	41.2	54	35.3	9	5.9
6	Ratings are accurate and reflect actual performance					54	35.3	90	58.8	9	5.9
7	Ratings are based on actual performance and not personal feelings			18	11.8	36	23.5	99	64.7		
8	The system supports developmental opportunities			9	5.9	36	23.5	90	58.8	18	11.8
9	Managers treat the process as on-going versus once a year					9	5.9	108	70.6	36	23.5
10	The employees believe the system is fair			9	5.9	36	23.5	72	47.1	36	23.5

**Table4. Identifying the reward and recognition system in the EPMS**

No	Item	SA		A		UD		DA		SDA	
		F	%	F	%	F	%	F	%	F	%
1	Higher salary and pay raise on good performance			18	18.2	8	8.1	73	73.7		
2	Satisfied with the bonus/tip/reward in the organization					37	24.2	98	64.1	18	11.8
3	Satisfaction with the regular and systematic financial policies regarding the increment and other monetary benefits			9	5.9	9	5.9	108	70.6	27	17.6
4	Satisfied with promotional opportunities in the organizations			19	12.4	9	5.9	89	58.2	36	23.5
5	Satisfaction with recognition on good performance			36	23.5	9	5.9	99	64.7	9	5.9
6	Satisfied with the recognition from the contribution in the organization			45	29.4	9	5.9	72	47.1	27	17.6

Strongly agree (SA) =5, agree (A) =4, undecided (UD) =3, disagree (DA) =2

Strongly disagree (SDA) =1