

ASSESSMENT OF THE CHALLENGES OF EMPLOYEE
PERFORMANCE MANAGEMENT SYSTEM PRACTICES: THE CASE
OF AWASH BANK, ADDIS ABABA AREA, NORTH DISTRICT



**Research Submitted to Department of Management for Partial Fulfillment of
Requirement for The Master of Arts in Business Administration**

BY

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AUGUST, 2022

FICHE, ETHIOPIA

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SALALE UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

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BY

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Co-advisor Biniyam G.

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FICHE, ETHIOPIA

Certification

This is to certify that Assefa Bogale carried out his project on the topic entitled “Assessment of practices, opportunities and challenges of employee performance management system: A case of Awash bank (Addis Ababa North District “under my supervision. This work is original in nature and is suitable for submission for the award of Degree of Master of Business Administration.

Advisor: Thomas Haile Declaration

I, the undersigned, declared that this thesis is my own original work. To the best of my knowledge, it has not been presented for a degree in any university, and all sources of materials for this thesis have been duly acknowledged.

Name: Assefa Bogale Gari

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Date of submission: _____

This research project has been submitted for examination with my confirmation as a supervisor to the candidate.

Advisor: Thomas Haile (Assistant Prof,)

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Date: _____

Co-advisor Biniyam G.

Signature _____

Date _____

SALALE UNIVERSITY COLLEGE OF
BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT

This is to certify that this thesis entitled “**Assessment of the Challenges of Employee Performance Management System Practices.: A case of Awash bank** (Addis Ababa North District) “by Assefa Bogale is submitted in partial fulfillment of the requirements of the master of business administration (MBA). It is prepared in accordance with the regulation of the university and meets the accepted standards with respect to originality and quality.

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Name of department head	signature	date

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Acronyms

AIB- Awash International Bank

AB- Awash Bank

EPMS- Employee Performance Management System

HRM – Human Resources Management

PMS- Performance Management System

KPIS- Key Performance Indicators

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Abstract

The purpose of this study was to assess advantages, challenges, perception and practices of employee performance management system implemented in Awash bank. The study used descriptive method of study with cross sectional survey and used mixed research approach. This study has used census to select questionnaire respondents and purposive sampling to select interviewees. The objectives of the study were to assess the practices and challenges of employee performance management system, to identify opportunities gained from in implementing the system, to assess employees' perception towards employee performance management system and to evaluate performance management processes in the bank. Primary and secondary data were used. The analysis was presented using descriptive statistics; frequency tables, and percentages. The scope of the study was limited to branches within Addis Ababa area. The findings of the research indicated that employees' performance management system has numerous benefits. Among them; it has created role clarity among employees, enables to differentiate good and poor performers, created a constructive competition among staffs. The system has also helped to motivate employees and encourage development through creating communication between the employees and their supervisor or managers. It improves both individual and the bank's overall performance. However, the research has found that there were challenges; a tendency giving unbalanced goals for similar positions while they have equal job grades, no fair job rotation among employees, no sufficient resource allocation to execute their job properly, no clear mechanism in the bank to address the issue of underperformance, a tendency of giving 1 and 5 only for non-financial targets. Furthermore, the result of evaluation did not attach with reward and recognition schemes. On the basis of the findings, the researcher recommended that the bank has to be sure that equal jobs are assigned for equal positions, prevailing fair job rotation, attaching performance evaluation results with reward and recognition programs so that the issue of underperformance will be solved. The bank has also work with training of supervisors on assessment to make rating standard/uniform across assessors and branches/process

Key words: Employee Performance Management system, Awash Bank, challenges and practices

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Awash Bank (AB) was established by 486 founding shareholders with a paid-up capital of Birr 24.2 million and started banking operations on Feb 13, 1995. As of end of June 2020 the number of shareholders and its paid-up capital increased to over 4369 and Birr 6 billion, respectively. Awash Bank continues to be leading private commercial bank in Ethiopia. Having grown from humble beginnings with visionary intent, we are the first private bank in Ethiopia to exceed a billion-profit mark in the history of Ethiopian Private Banks. Since inception, we have expanded through a combination of substantial organic growth and an enhanced customer experience.

Organizations want motivated and talented employees that will offer outstanding service to customers are likely to pull ahead of the competition, even if the products that we offer are similar to those offers by the competitors. Customers want to get the right answer at the right time and they want to receive their products and services promptly and accurately. Only people can make these things happen and produce a sustainable competitive advantage (Aguinis, 2009). Human resource management is fundamental to all management activity in that it is a series of activities which: first, enables working people and the business which uses their skills to agree about the nature and objectives of their working relationship; and, second, ensures that the agreement is fulfilled.

Performance Management as one of the aspects of human resource management is a process of advancing the performance of the organization to the higher expectation by developing the performance of individuals and teams in a systematic way (Armstrong, 2009). Performance management systems will be the key tools that is going be useful to transform people's talent and motivation into a strategic business advantage (Aguinis, 2009). It is the process of cascading the goal of the organization down to teams and individuals with the aim of getting a better result (Armstrong, 2009).

Organizational performance is one of the most important variables in management research. Although the concept of organizational performance is very common in the academic literature, its definition is difficult because of its many meanings. For this reason, there isn't a universally accepted definition of this concept. Organizational performance analyzes company's performance as compared to the goals and objectives. In corporate organizations, organizational performance encompasses three specific areas of firm outcomes: Financial performance (profits, return on assets, and return on investment), Product market performance (sales, market share) and shareholders return, total shareholders return, economic value added (Richard, Devinney, Yip & Johnson, 2009)

When successful performance management system is implemented, it helps in evaluating and improving both individual and company performance against pre-defined business strategies and objectives. Each concept of performance management has its importance as a system for managing organizational performance, managing employee performance, and for integrating the management of organizational and employee performance (Kumar, Nirmala and Mekoth, 2015).

Performance management systems that do not make the employee contribution to the organizational goals explicit are not true performance management systems. Making an explicit link between an employee's performance objectives and the organizational goals also serves the purpose of establishing a shared understanding about what is to be achieved and how its to be achieved (Aguinis, 2009).

Fletcher (as cited in Armstrong, 2009) indicated that to achieve a long term goal, the introduction of suitable performance management by aligning individual and organizational objectives is paramount in every willing organization that has a drive for organizational excellence. This means, the real concept of performance management is associated with an approach to creating a shared vision of the purpose and aims of the organization, helping each employee understand and recognize their part in contributing to them, and in so doing, manage and enhance the performance of both individuals and organizational performance.

In an effective performance management system, it is easy for managers to evaluate and measure individual performance and increase productivity by aligning individual and strategic objective, providing visible and clear performance expectation, documenting individual's performance for future decision and focusing on skill development plan. Having the right performance

management system is a concern of every organization because it is an important gear of any organization to be a front runner in the market by evaluating and developing employee performance in order to get enhanced organizational success. This has created a fertile ground to link employees' performance with organizational objectives and goals. This in effect has brought about the creation of a mechanism that helps to visualize explicitly their contributions at corporate level as well. However, the integration of corporate performance indicators and measuring the outcomes at the individual level was missing. Following this, the implementation of employee performance management system was begun with the main aim of aligning the strategic objectives of the bank to that of individual level so that each individual employee

Performance will be tracked in relation to the targets or goals given to the respective place of assignment. It will also implement to provide a context in which the development need of the job holders can be address and allows the bank to manage its resources within a strategic framework and achieve better performance so that the bank can realize its vision to become a world class private commercial bank by the year 2025(From strategic plan of the company)

1.2. Statement of the Problem

It is well known that an organization achieves the desired objective having resources like materials, information, capital and human resources. People as human assets are the “glue” that holds all the other assets, such as financial and physical ones, together and guides their use to better achieve results. Many organizations have identified that having their human resources as core competencies differentiates them from their competitors and is a key determinant of competitive advantages (Mathis & Jackson, 2011).

According to Armstrong (2009), alignment of individual and organizational objectives is one of the most fundamental purposes of performance management. The performance management system is strategic management tool in addition to the customary performance measurement system. This helps to align the strategic objectives of the bank through the individual performance measurement system. However, based on the preliminary investigation conducted in the case organization, there are challenges in implementing the performance management system effectively in synchronization with the corporate performance measures. This is due to gaps in cascading organizational strategy downwards. As a result, the appraisal result of

individual doesn't effectively indicate overall organizational performance in the end. This has paved the way for this study so that the researcher tried to fill the gap by studying performance management system of Awash bank and by assess its practice, opportunities and effect on organizational performance.

Performance evaluation system is one of the relevant and considerable reform programs that are effective and efficient in responding and satisfying the public needs. In designing a performance appraisal system attention must be given to a number of aspects that impact on how effectively the system actually measures employee contributions in a work setting (Buford and Lindner, 2002). However, from the existing condition in the ground the researchers also believe that the efficiency of the organization in giving employee centered quality service is highly affected by weak administrative and management system which is mainly characterized by the problems of performance management system and evaluation of employee such as using faults in rating format , deficiencies in appraisal content, rater resistance to judge others, and the implications of the specific purpose of appraisal for the rater and the rate (Decotiis & Petit, 1978).

Effective performance management systems have a well-articulated process for accomplishing evaluation activities, with defined roles and timelines for both managers and employees.

Awash bank has implemented employee performance management system in order to aligning the strategic objectives of the bank to that of individual level. However, as shown in the performance management system follow-up 2019 report of the bank, the implementation has been encountered different types of challenges like; unbalanced goals and targets were assigned for employees assigned at different assignments while they are at the same job grades, un alignment of performance management system with benefit packages and two extreme appraisal score (1 and 5) for internal business process target have been given. There is a tendency of evaluating individual performance on the target not actually given for them in the bank.

Correspondingly by preliminary discussions with some employees of Awash Bank, the investigator observed that many employees are not happy with it complaining the promotion is not based on instable goals and targets were assigned for employees assigned at different assignments, they are not given performance appraisal feedback regularly and open discussion with supervisors do not take place which make employee performance related problems explicit and thereby enhance organizational productivity by motivating employees to improve their

performance.

Also, Employee's dislike performance appraisal because managers do not always rate them on objective criteria (problem rater bias). When the manager or supervisor is in a bad mood, he or she is a much more conscientious performance rater and more attuned to employee mistakes and problems.

Through a well-developed and motivated staff, achieving its vision and mission means a lot for the bank. As a result, Awash bank needs a well designed and implemented performance management system to enhance the performance of its employees who are responsible in serving variety of customers.

Many studies are conducted on the performance management system in different industry including banking industry outside Ethiopia and within Ethiopia. But majority of the studies in Ethiopia on performance management are focus on the human resource department they don't consider the feeling and perception of the employees about PMS in the bank and its effect on employee work behavior and increment. Among these studies were conducted in Addis Ababa on performance management system. Haile Selassie W/Gerima who has conducted research on performance management practice and challenges in Ethiopian management institute has found that there was no strong link between individual, departmental and organizational goals. The study conducted by Melat (2014), at the Ethiopian Management Institute, on performance management practice indicates that organizational goal was not fully aligned with individual and departmental goal, participation of employees in planning stage of PMS is not across all staffs of the organization, lack of regular feedback, and lack of uniformity in gathering information on employee's performance are major problems in PMS implementation.

Therefore, this research is designed to assess the practice and challenges of performance management system of employees in Awash bank in order to fill the gap in the study area and this study might help the bank to see its progress in terms of the practice of the system and to depict areas of focus for the assurance of successful implementation of the system in the branches under study. It gives special reference for the newly opened private banks since such banks needs to measure the difference of the employee expectation and perceived range of attitudes toward the actual performance of their service quality. So that to make adjustment and get competitive advantage over competitors.

1.3. Research Questions

Considering the importance of challenges employee performance management system practices (in the case of Awash bank north district) and some above-mentioned implementation problems in the bank and tried to answer the following basic research questions;

1. How performance management system practices are conducted in Awash bank?
2. What are the major challenges that affect the employee performance management system?
3. What could be the perceptions of employees towards employee performance management system in Awash bank?
4. How the practices of performance management being conducted in an objective manner?

1.4. Objective of the study

1.4.1. General objective of the study

The overall objective of this study was to assess the practices, opportunities and challenges of employee performance management system in Awash Bank north district area.

1.4.2. Specific objectives of the study

The following specific objectives were set to achieve the general objective;

1. To identify the advantage of performance management system in Awash bank.
2. To explore the challenges encountered while implementing employee performance management system.
3. To find out employees' perception toward employee performance management system of the bank.
4. To assess the objectivity processes of performance management system.

1.5. Significance of the study

The study assesses the practices and challenges of employee performance management system practice in AIB. Furthermore, the study will enable; Awash Bank to obtain the necessary feedback and take corrective measure to ensure the successful implementation of performance management system. It broadens the knowledge of the researcher about the subject matter with a

range of practical application of performance management system. In addition, it might be an input for other banks who are interested in designing and implementing a performance management system. Moreover, it triggers other study in the area and can be used as an input for further research and adds something on the literature regarding the performance management system.

1.6. Scope of Study

Even though performance management system is applicable in all types of organization regardless of its size, nature and goal, the outcome of the study will be applicable to the organization under the study using the data obtained from participants using questionnaires, interview on a few branches of Awash employees, employees working at north district and district offices which are located in North Addis Ababa area and also using secondary sources. Moreover, the study will use both managers and permanent clerical employees as participants and precludes the contractual clerical and non-clerical employees of the bank. Although, there are many factors or variables which can play a role for studying the practice and challenges of performance management system, in this study only few dominant variables will be analyzed such as in terms of purpose of performance management system, importance both to the organization as well as employees in enhancing productivity, coaching and development and in terms of controlling the performance.

1.7. Organization of the Study

The study was composed of five chapters. The first chapter deals with the introduction part includes the background of the study, statement of the problem, objectives of the study, operational definition of terms, significance of the study and scope of the study. Chapter two was include related literature review where detail discussion about the topic was undertake. The third chapter is going to present the research design and methodology. In the fourth chapter data presentation, analysis and interpretation will be discussed. The last chapter covered the summary of major findings and conclusions drawn from the findings and also the possible recommendations forwarded by the researcher.

CHAPTER TWO

RELATED LITERATURE REVIEW

2.1. Theoretical Literature Review

2.1.1. Definition of Performance

Performance can be defined as ‘the act or process of performing a task or an action that involve a lot of effort’ (Oxford Advanced Learner Dictionary, 2006). According to Smither and London, 2009 it can be also defined as a combination of both results (what need to be achieved) and behaviors (how to be achieved). In a simple way performance can be also regarded as a record of an outcome or accomplishment achieved by a person or a team (Armstrong, 2009). Therefore, it is possible to say that when managing performance both inputs (behavior) and outputs (results) need to be considered since they are interrelated. And, behaviors emanate from the performer and transform performance from abstraction to action.

2.1.2. Performance Management

Performance management can be defined as a systematic process for improving organizational performance by developing the performance of individuals and teams (Armstrong, 2006).

Performance management is a continuous process of identifying, measuring and developing performance in organizations by linking each individual’s performance and objectives to the organization’s overall mission and goals (Aguinis, 2009). Therefore, performance management is a tool which enables to improve organizational performance by clearly aligning the general objectives and mission of the organizations with each individual/ team goals.

2.1.3. Processes of Performance Management

Most authors have agreed on the meaning of performance management that, it is a continuous process that engages both the manager and an employee to set out how they can best work together to achieve the required results. As a result, performance management system has its own process in order to execute the system effectively.

2.1.3.1. Performance Planning

According to Smither and London (2009), the performance planning cycle of performance management system is the first stages where employees will be enabling to have a clear knowledge about the system. It is the first cycle where supervisor and employee meet to discuss and agree on what is to be done and how it is to be done by combining the result, behavior and development plan.

Performance planning is a discussion between supervisor and employee with the agenda of coming to agreement on individual's key job responsibilities, developing a common understanding of the goal and objective that needs to be achieved, identifying the most important 10 competencies and creating an appropriate individual development plan (Grote, 2002). While conducting the performance planning cycle, there are some responsibilities which will be expected both from the supervisor and the employee before the discussion and during the discussion.

Components of Performance Planning

Performance planning is the process of setting goals in relation to the key accountabilities associated with your role.

In general, according to Armstrong (2009) performance planning among others includes: agreement on goals/objectives, performance standards, performance measures, key result areas, and agreement on personal development needs.

1. Goals/ objectives

According to Grote, 2002 goal setting is one of the key elements of performance planning. In addition to identifying the key responsibilities of the individual's job and the competencies or behaviors that the organization expects everyone to display, another critical element is setting appropriate goals for the upcoming year.

2. Performance standards

Performance standards are management approved expressions of the performance threshold(s), requirement(s), or expectation(s) that employees must meet to be appraised at particular levels of performance (United States Office of Personnel Management, January 2001). Standards of performance are different from objectives. Objectives should be set for an individual, rather than for a job. Therefore, a manager who has several employees who do the same job will have one set of standards for the job but may have different objectives for each person (for mediocre or outstanding), based on that person's experience, skills, and past performance

3. Performance measures

In identifying what the key responsibilities of a position are; the manager and the individual need to discuss how the person's performance was measured and evaluated. There is a difference between output measures and outcome measures. An output is a result that can be measured quantifiably, while an outcome is a visible effect that is the result of effort but cannot necessarily be measured in quantified terms.

4. Key performance indicators

KPIs define the results or outcomes that are identified as being crucial to the achievement of high performance.

2.1.3.2. Performance Execution

Once the performance-planning phase has been completed, it's time to get the job done to execute the plan. Performance execution is the second phase of an effective performance management process.

Smither and London (2009), has also mentioned the following responsibilities of supervisor in the execution stage of performance management system.

1. Observation and documentation - it is an observation and documentation of employee's performance in a daily basis which helps to keep track of both good and poor performance.

2. Updates: - when there is a change in organizational goal, supervisors must update and revise the initial planned objectives, standards, key accountabilities and key competencies accordingly.

3. Feedback: - in order to improve performance, feedback should be provided regularly before the time of assessment and also supervisors should coach and mentor employees every time.

4. Resources: - without sufficient resource it is difficult for employees to achieve the planned objective. Thus supervisors have a responsibility of ensuring the availability of the necessary supplies and funding to perform the job properly.

5. Reinforcement: - supervisors must let employees know that their outstanding performance is noticed by reinforcing effective behaviors and progress toward goals.

As the responsibility of supervisors was cited by Smither and London, Dick Grote states the responsibilities of employees as follows.

- ✓ **Get the job done:** - performing the agreed objectives, competencies and development plan at the performance planning stage is solely the responsibility of the employee by carrying out them on a daily activity.
- ✓ **Solicit performance feedback and coaching:** - even though giving feedback is the responsibility of supervisors, employees have to also ask for feedback on their performance and plead for coaching and mentoring while they face some problems in executing their day-to-day job.
- ✓ **Communicate openly with appraisers on progress and problems in achieving objectives:** - at the performance execution stage, employees should feel free to communicate with their supervisors regarding their progress as well as problems while trying to achieve their objectives.
- ✓ **Update objectives as conditions change:** - whenever there is a change in organizational objective, employees should update their objectives as well in order to comply with the new change.
- ✓ **Complete the development plan:** - once employees put their development plan in the planning process, they have to complete it before the performance assessment stage. This is because without employees' development, performance management system is like a bird with one wing that does not able to fly.
- ✓ **Keep track of achievements and accomplishments:** - employees should register their achievements and accomplishments while performing their job.

This was help them to point out the major achievements at the time performance assessment with their supervisors.

- ✓ **Actively participate in the midterm review meeting:** - this is the chance where employees can reach on an agreement with their supervisors about their performance in the past and the areas of improvement for the future.

2.1.3.3. Performance Assessment

In the assessment phase, both the employee and the manager are responsible for evaluating the extent to which the desired behaviors will display, and whether the desired results will be achieved. It is important that both the employee and the manager take ownership of the assessment process. The manager fills out his or her appraisal form, and the employee should also fill out his or her form. The fact that both parties are involved in the assessment process provides better information to be used during the review phase (Smither and London, 2009).

Methods of Assessment

According to Armstrong, 2006 there are seven ways of assessing performance:

1. Overall analysis of performance:

An overall analysis is a form of assessment, as it will reveal strengths and, possibly, weaknesses, which indicate where development can usefully take place.

2. Narrative Assessment

A narrative assessment is simply a written summary of views about the level of performance achieved. This at least ensures that managers have to collect their thoughts together and put them down on paper.

3. Rating

A rating scale is supposed to assist in making judgments and it enables those judgments to be categorized to inform performance or contribution pay decisions or simply to produce an instant summary for the record of how well or not so well someone is doing. Rating scales can be defined alphabetically (a,b,c etc) or numerically (1,2,3 etc). Initials (ex for excellent etc) are sometimes used in an attempt to disguise the hierarchical nature of the scale. The alphabetical or

numerical scale points may be described adjectivally, for example a = excellent, b = good, c = satisfactory and d = unsatisfactory.

Alternatively, scale levels may be described verbally as in the following example:

Exceptional performance: exceeds expectations and consistently makes an outstanding contribution that significantly extends the impact and influence of the role.

Well-balanced performance: meets objectives and requirements of the role; consistently performs in a thoroughly proficient manner.

Barely effective performance: does not meet all objectives or role requirements of the role; significant performance improvements are needed.

Unacceptable performance: fails to meet most objectives or requirements of the role; shows a lack of commitment to performance improvement, or a lack of ability, which has been discussed prior to the performance review. The number of rating levels can be three, four, five or even six levels.

4. Forced distribution

Forced distribution means that managers have to conform to a laid-down distribution of ratings between different levels.

5. Forced ranking

Forced ranking is a development of forced distribution. Rankings can be generated directly from the assignment of employees to categories (eg A, B and C) or indirectly through the transformation of performance ratings into groups of employees.

6. Quota systems

Quota systems lay down what the distribution of ratings should be and adjust the ratings of managers after the event to ensure that the quota in each level is met.

7. Visual methods of assessment

An alternative approach to rating is to use a visual method of assessment. This takes the form of an agreement between the manager and the individual on where the latter should be placed on a matrix or grid,

In the performance assessment stage supervisors have the following major responsibility which helps them to evaluate their subordinate effectively and fairly.

1. Review the original list of competencies, goals, objectives, and key position responsibilities: - since performance assessment is made based on the goals, objective and competencies listed in the performance planning stage, supervisors should review them so as to cascade the assessment from them.
2. Prepare a preliminary assessment of the employee's performance over the entire year: - it helps to have a clear picture on the performance of the employee while accomplishing their planned objective as well as achieving organizational goal.
3. Review the individual's list of accomplishments and the self-appraisal: - assessing the accomplishment made by the employee and referring to self-appraisal will help supervisors to remind every accomplishment and failure so as to make an accurate evaluation accordingly.
4. Prepare final assessment of the employee's performance: - after reviewing the data gathered through self-appraisal, peer appraisal and self-evaluation made by supervisors, the final assessment should be prepared with fair judgment.
5. Write the official performance appraisal using the appraisal form
6. Review the appraisal with the manager and obtain concurrence: - the assessment filled on the appraisal form should be reviewed by the higher supervisors in order to cross check the fairness of the evaluation.
7. Determine any revisions needed to the employee's key position responsibilities, goals, objectives, competencies, and development plans for the next appraisal period: - based on the past performance point out the areas which needs revision on the responsibilities, objectives, goals, competencies and development plans. This is highly appreciated when performance gap is identified.

8. Prepare for the performance review meeting: - employees and supervisors should have a meeting to talk about the assessment as well as performance review for the next period. Likewise supervisors' individuals have also the above stated responsibilities in the performance assessment phase of the process.

2.1.3.4. Performance Review

The performance review stage involves the meeting between the employee and the manager to review their assessments. This meeting is usually called the appraisal meeting or discussion. The appraisal meeting is important because it provides a formal setting in which the employee receives feedback on his or her performance.

Objectives of performance review

Among different objective of performance review the followings are some of them which can be mentioned as the most important one (Smither and London 2009).

- i. It gives motivation to provide positive feedback, recognition, praise and opportunities for growth; to clarify expectations; to empower people by encouraging them to take control over their own performance and development.
- ii. It encourages development by providing a basis for developing and broadening capabilities relevant both to the current role and any future role that the employee may have the potential to carry out. Note that development can be focused on the current role, enabling people to enlarge and enrich the range of their responsibilities and the skills they require, and to be rewarded accordingly. This aspect of role development is even more important in flatter organizations, where career ladders have shortened and where lateral progression is likely to be the best route forward.
- iii. It gives a chance for communication to serve as a two-way channel for talking about roles, expectations (objectives and capability requirements), relationships, work, problems and aspirations.

2.1.4. Principles of Performance Management System

Performance management is primarily concerned with performance improvement in order to achieve organizational, team and individual effectiveness. Secondly, performance management is concerned with employee development. Performance improvement is not achievable unless there are effective processes of continuous development.

Just like any other profession performance management has principles which govern the entire system. The following are some of them identified by Armstrong, 2000:

- ✓ It translates corporate goals into individual, team, department and divisional goals;
- ✓ It helps to clarify corporate goals;
- ✓ It is a continuous and evolutionary process, in which performance improves over time;
- ✓ It relies on consensus and co-operation rather than control or coercion;
- ✓ It creates a shared understanding of what is required to improve performance and how this will be achieved;
- ✓ It encourages self-management of individual performance;
- ✓ It requires a management style that is open and honest and encourages two-way communication between superiors and subordinates;
- ✓ It requires continuous feedback; Feedback loops enable the experiences and knowledge gained on the job by individuals to modify corporate objectives;
- ✓ It measures and assesses all performance against jointly agreed goals;
- ✓ It should apply to all staff; and it is not primarily concerned with linking performance to financial reward.
- ✓ It is owned and driven by line management and not by the HR department; performance management is not a packaged solution but something that has to be developed specifically and individually for each particular organization;

2.1.5. Purposes of Performance Management System

The whole purpose of performance management is to get better results from the organization, teams and individuals by understanding and managing performance within an agreed framework of planned goals, standards and competency requirements.

According to Smither and London, (2009), Performance management system has many purposes but the major ones are discussed below as follows;

Strategic: It links the organization's goals with individual goals, thereby reinforcing behaviors consistent with the attainment of organizational goals.

Administrative: It is a source of valid and useful information for making decisions about employees, including salary adjustments, promotions, employee retention or termination, recognition of superior performance, identification of poor performers, layoffs, and merit increases.

Communication: It allows employees to be informed about how well they are doing, to receive information on specific areas that may need improvement, and to learn about the organization's and the supervisor's expectations and what aspects of work the supervisor believes are most important.

Developmental: It includes feedback, which allows managers to coach employees and help them improve performance on an ongoing basis.

Organizational maintenance: It yields information about skills, abilities, promotional potential, and assignment histories of current employees to be used in workforce planning as well as assessing future training needs, evaluating performance achievements at the organizational level, and evaluating the effectiveness of human resource interventions (for example, whether employees perform at higher levels after participating in a training program).

Documentation: It yields data that can be used to assess the predictive accuracy of newly proposed selection instruments as well as important administrative decisions.

2.1.6. The importance of performance management system

There are many advantages associated with the implementation of a performance management system in the organizations. According to Aguinis (2009), a performance management system can make the following important contributions:

Motivation to perform is increased by giving feedback, Self-esteem is increased, Managers gain insight about subordinates, The job definition and criteria are clarified employees know the specific job that they are working and accountable for their action. Self-insight and development are enhanced about their strength and weakness and Personnel actions are fairer and more appropriate. Not only this but also organizational goals are made clear that is why employees

become more competent in the organization. There is better protection from lawsuits. Also, there is better and timelier differentiation between good and poor performers in the organization to give responsibility, supervisors' views of performance are communicated clearer that is why they give attention because it affects the benefits of the employees, Organizational change is facilitated by giving training for poor performer.

2.1.7. Challenges of Performance Management System

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

1. Lack of Alignment

The first challenge is the lack of alignment due to various organizational processes being created in isolation. The link between Strategy development, budgeting and operational planning is developed by different groups of people with different frameworks being used.

2. Lack of Measurements

The second challenge happens at various levels of the organization in that poor measures are developed, in many cases targets are set but no relevant measure is put in place. In other cases no data can be collected or is kept as evidence to track performance.

3. Leadership and Management commitment

The Leadership and Management challenge has a huge impact on integrating and aligning a management system to deliver a comprehensive performance management system.

4. Managing of the performance system

Managing a performance system in an organization requires a disciplined framework; it requires the organization to work off one master plan broken down into relevant parts and areas of responsibility. The management responsibility at various levels needs to understand the contracting, measurement development and appraisal process very well and apply it consistently.

5. Managing poor performance/ underperformance

The management of poor performance is normally a reactive action, but in many cases, it is delayed and therefore turns into a discussion that is difficult to make relevant. Another reason poor performance is not managed on time is the lack of valid measurements and the collection of required evidence and measurement data. (Adapted from a PhD dissertation 'Integrated Performance Management Systems' by Dr Marko Saravanja)

2.2. Empirical Literature Review

In this section empirical evidence supporting the performance management system has been presented. However, only few studies are undertaken, of which most of them are not on the banking industry.

According to Munzhedzi (2011), performance management system in the organization has a valuable impact if the system is well established and common understanding is created between employees and managers and if objective of the organization cascaded accordingly. He has tried to find out that, performance management has a great role on organizational productivity even if it was on government offices other than banks.

According to Matlala (2011) is that employees at the organization have a negative perception of the fairness of their organization's performance management system. However since this study has made on in South Africa the context might differ and the researcher has to be investigated the study.

According to Boipono, Tsomele & Mogadime (2014) a study made on implementation of performance management system (PMS) in Schools states that, though PMS is faced with implementation challenges, participants interviewed appreciated the need for a system like PMS that could be used to measure their performance. However, the feeling is that the system should be redesigned to suit the context of environment and not the current one size fit all approach. Effective communication and timely feedback are also important success

factors for a performance management system like PMS as they are formative and help employees to continuously improve their processes towards achieved their set objectives. According to Mughal and Akram (2014), their study has explored the issues (weaknesses) related with performance management in banking sector. This research shows that the performance management of Alfalah bank lacks motivation and proper reward system. Performance management system is properly implemented in Alfalah but employees should be involved in setting standards of performance management to evaluate the performance of each employee.

Haileselassie W/Gerima who has conducted research on performance management practice and challenges in Ethiopian management institute has found that there was no strong link between individual, departmental and organizational goals. In addition to this, the researcher has concluded that there was no sufficient participation by employees at the planning stage of the planning phase. Inconsistency in giving performance feedback, lack of uniformity in gathering information about employee's performance and absence of information technology to assist the gathering and analysis of performance related information were also noted as deficiency of the PMS in the organization under study. Haileselassie W/Gerima (2014).

The study conducted by Melat (2014), at the Ethiopian Management Institute, on performance management practice indicates that organizational goal was not fully aligned with individual and departmental goal, participation of employees in planning stage of PMS is not across all staffs of the organization, lack of regular feedback, and lack of uniformity in gathering information on employee's performance are major problems in PMS implementation.

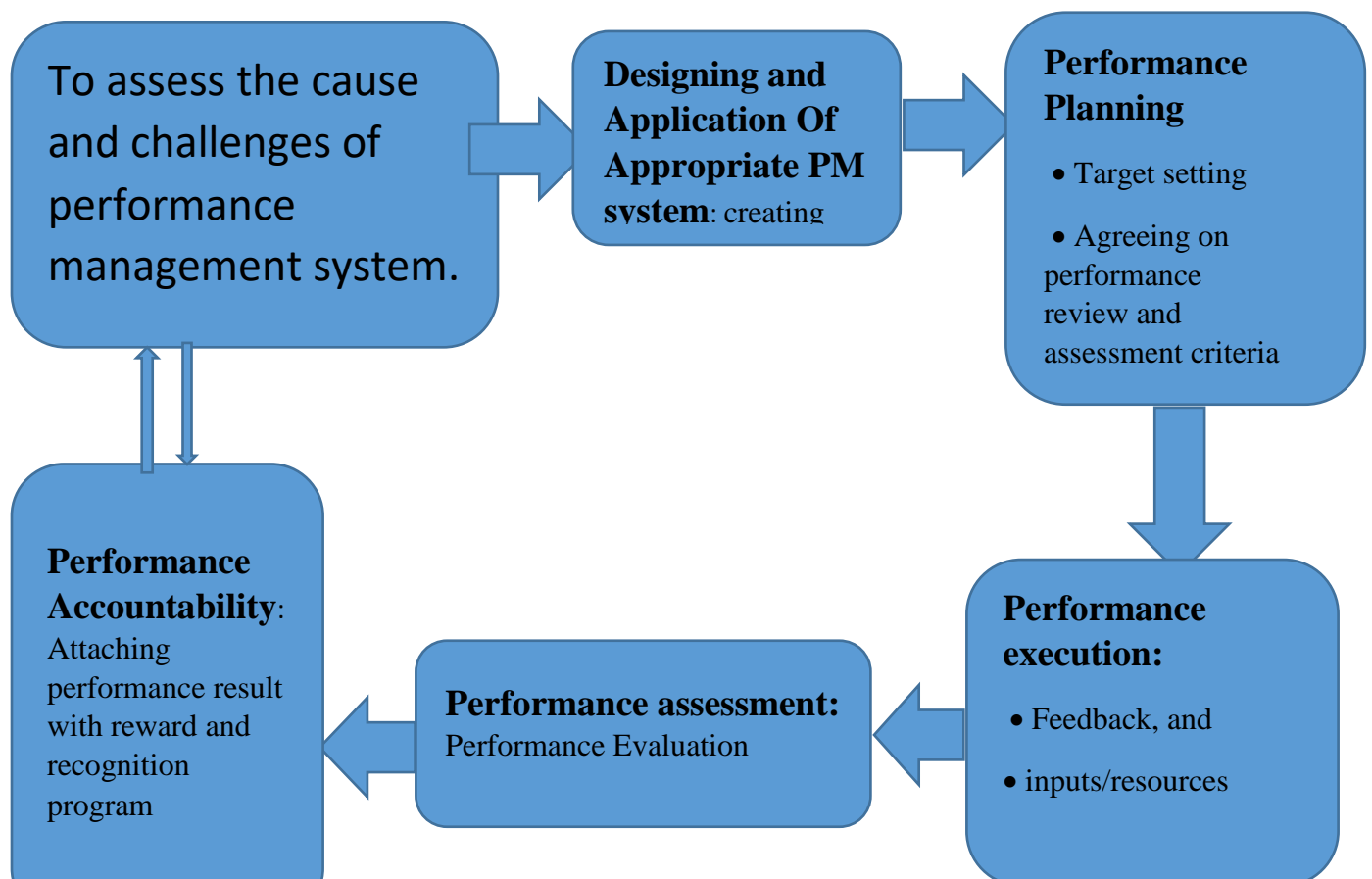
Similarly, the result of the study conducted by Dereje (2015) regarding the implantations of performance management in Addis Ababa City Administration, with taking Addis Ketema Sub city Wereda 2, indicates that the performance management processes of the study wereda needs serious consideration to reap some fruits out of it. In short, the study has found out that the whole processes of performance planning, provision of ongoing coaching and technical supports to the implementing agencies and individuals, recognition and reward, and ensuring performance accountability both at individual employee and organizational levels were not on the right track to bring about meaningful performance improvement. Dereje

(2015) further added that the problem is associated with the need to shift to and institutionalization of effective modern performance management system and practice on the one hand, and inability to break away from traditional bureaucratic mentality and practices on the other.

Based on the literature reviewed above in this chapter the researcher has got a clear insight about the concept and overview of employee performance management system. The researcher has reviewed a number of performance management literature and almost all the literatures agree that performance management is concerned with identification of organizational visions, missions and objectives, bringing managers and employees on the same direction towards the achievement of organizational strategic objectives/alignment, creating shared understanding, provision of coaching and periodic performance review, final performance evaluation, attaching results with reward system depending on the nature of result and creating a felt fair atmosphere in the mind of all employees.

2.3. Conceptual Framework

Figure 2.1 Conceptual framework



Source: Adopted from MA dissertation Dereje Kebede, (2015) with a modification to fit with the title

From the conceptual frame work we can understand that, the first thing that we have for implementing EPMS in the organization is organizational commitment to improve performance. Then after, the appropriate PMS application will develop. And, then performance planning will take place to reach an agreement regarding review and assessment criteria. Provision of continuous support through coaching, mentoring and providing resources to execute their jobs will follow. Then periodic performance review and performance evaluation will be executed.

CHAPTER THREE

RESEARCH METHODOLOGY

This Chapter of the study dealt with the research design and methodology that was employed for data gathering as well as the relevant statistical analysis tools that were employed for analyzing the survey results that was gathered during the study.

3.1 Research Design and Approach

The study used a descriptive type of research through surveys to assess the advantages, challenges and practice of employees' performance management system in Awash Bank. This type of research helps to portray accurately the characteristics of a particular individual, situation or a group.

The study applied both qualitative and quantitative approach or mixed method approach. The core argument for a mixed methods approach is that the combination of both forms of data provides a better understanding of a research problem than either quantitative or qualitative data by itself.

3.2 Target Population, Sample Size, and Sampling Techniques

3.2.1 Target Population

As discussed above, the study aimed to assess the advantages, challenges and practice of employee performance management system practiced in the awash bank. So, the total population of the study were employees of the bank found in Addis Ababa city North district which was selected purposely from twelve Branches (Addisu Gebeya, A. giorgis, Piassa, Sheger, M. areda, H/giorgis, Sululta, Chanco, Mukaturi, Fiche, G/t/biru and Gojamber) totally 248

employees. Because, the education level and work experiences of employees of the bank were similar across the branches and hence it helps to reduce redundant data.

Though, incorporating all employees' idea on the analysis would be better for conclusion and generalization, economically and operationally it would be very difficult to contact all employees in the research. Therefore, taking a respective sample of the population of the employees has found to be feasible.

Table 1. Number of Employees Per Selected branches

No	Name of the branch	No of employees
1	Addisu gebeya Branch	25
2	A.Giorgis Branch	25
3	Piassa Branch	25
4	Sheger Branch	20
5	M. areda	20
6	H/giorgis Branch	35
7	Gojaber	15
8	Sululta branch	20
9	Chanco Branch	15
10	Mukaturi branch	15
11	Fiche Branch	18
12	G/T/biru Branch	15
Total		248

Source: From the Branches' data

3.2.2 Sampling Technique

Because of that the target populations of the study were employees of Awash Bank found in Addis Ababa city North district; the researcher used census method to select samples from the target population. This is because census method is especially suit to statistical investigation involving a small population, all branches are homogenous (have same level of educational background and level of job categories) even they have different position all employees who are within the same divisions have an equal access and information about employee performance management implementation of the organization.

3.2.3. Types and sources of data

According to Adams, Raeside and White (2007), there are two types of data, primary and secondary. The primary data are those which will be gathered for the first time and afresh and collect for the case at hand. Secondary data is a data that going to collect by someone else and there is a great deal available to researchers from books, libraries and on the web. For the purpose of this study in order to obtain relevant information both primary and secondary data was used.

Primary data was collected using questionnaires and interviews from the employees of the Awash Bank. The questionnaire was based on the mentioned research questions. This was because questionnaires are advantageous in collecting large amount of data from large number of respondents and help respondents to fill the questionnaires at their convenient time without the interviewer bias. And the study was also used interview. The secondary data sources were collected from company reports, annual reports, and HR manuals of the bank has also used as a secondary data sources.

3.4 Method of Data Collection

Questionnaire and interview were used to collect the data. The questionnaire includes closed-ended questions that going to be measure by a five-point Likert scale (from strongly Agree to strongly disagree) and some open-ended questions to elicit the respondents feeling. Semi structured interview has been also scheduled to gather information on the subject.

3.5 Method of Data Analysis

The data were collected from 248 respondents. The data was analyzed following Likert scale procedures using excel. Descriptive statistic such as frequency and percentage were used to describe the general level of agreement of respondents. Table and charts were used to ensure easily understanding of the analysis.

3.6 Reliability and validity of the Instrument

3.6.1 Validity

Validity is the strength of our conclusions, inferences or propositions. It involves the degree to which we are measuring what we are supposed to, more simply, the accuracy of our measurement Adams et al, (2007). To raise the validity of the research, questionnaires had distributed and collected by the researcher in order to maintain its validity.

3.6.2 Reliability

It estimates the consistency of the measurement or more simply, the degree to which an instrument measures the same way each time it is used under the same conditions with the same subjects. Reliability is essentially about consistency Adams et al, (2007). To make sure that the data collection methods were error free and to minimize the instruments' biases the researcher undertook the following: The researcher has made a pilot test on 15 employees before questionnaire has been distributed to all sample size; some important questions were re-asked in different place in a different order; the researcher, when collecting the questionnaires, has tried to make sure that it was the respondents who have complete the questionnaire through making the distribution and collection time gap short an as much as possible, and open ended questionnaire was forwarded to understand the perception of the employee

3.7. Ethical Consideration

Ethical consideration in research should up hold fairness, honesty, openness, disclosure of methods and the purpose for which the research was being carried out. In this case, primary information gathered from Awash bank respondents was kept confidentially and would be destroyed after a reasonable period of time. Confidential files and issues regarding employees 'personal data, policies and strategies of the company and other highly classified information that need to be kept confidential were given value and kept confidential

CHAPTER FOUR

RESULTS AND DISCUSSIONS

Demographics of Respondents

The respondents of the research were male (73%) and female (27%). Their education qualifications consist of both first degree (90%) and master's degree (10%). The respondents work experience range from less than one year (23%) up to more than 10 years (6%). Where the highest percentage were 6 years to 10 years of work experience (36%). Regarding to the current position of the respondents, ten types of position were identified and the highest percentage of position were CSO-I (46%) (see Table 1).

Table 2. Demographics of respondents

Demographic Profile	Frequency	Percent
Gender		
Male	180	73%
Female	68	27%
Total	248	100%
Educational Qualifications		
Degree	224	90%
Masters	24	10%
Total	248	100%
Work Experience (Year)		
less than 1 year	58	23%
1 year to 5 years	85	34%
6 years to 10 years	89	36%
more than 10 years	16	6%
Total	248	100%
Current Position		
Accountant	10	4%
Auditor	10	4%

Cashier	9	4%
customer service manager	18	7%
CSO-I	115	46%
CSO-II	34	14%
digital Chanel	10	4%
Direct sales representatives	8	3%
Manager	24	10%
Relation officer	10	4%
Total	248	100%

Source: primary data collected in 2022

Advantages of Employee Performance Management System in Awash Bank

More than 80 % respondents respond that employee performance management system had created role clarity among the employees, better differentiation between good and poor performers, competent employees, and improve individual and the bank's performance at large in excellent way. Regarding to the role of employee performance management system in serving as two-way communication about the role and expectation; motivating employees and encouraging development; and enhancing employee success and the bank were in acceptable manner. However, on the personnel actions fairness and appropriateness, the result indicted that it requires improvement (see table 2.). Moreover, increased employee's motivation and prevailing performance accountability (75%) and knowing employees' current position/performance (80%) were the advantages of EPMS in the bank according to the dt from open ended questioner survey (table 7). This result was in agreement with (Kuhil, 2019) in creating role clarity among the employees and serving as two-way communication about the role and expectation.

Table 3. Responses on Advantages of Employee Performance Management System in AB in (%)

Questions	Total	Strongly Agree (%)	Agree (%)	Neutral (%)	Disagree (%)	Strongly Disagree (%)	Total (%)
Question 1	248	56	24	20	0	0	100
Question 2	248	30	53	17	0	0	100
Question 3	248	20	20	56	4	0	100
Question 4	248	30	60	10	0	0	100
Question 5	248	36	44	13	6	0	100

Question 6	248	20	54	17	10	0	100
Question 7	248	27	34	19	13	6	100
Question 8	248	40	38	10	10	3	100

Source: primary data collected in 2022

Challenges of Employee Performance Management System in Awash Bank

This study indicated that, there was limited challenges that hinder employee performance management system implementation in the bank. Lack of alignment between organizational and individual goal and no fair job rotation among employees were challenges that the respondents figured out. Whereas, giving unbalanced targets for similar position, provision of insufficient resource to execute the job, not to use written evidences for performance assessment, and no clear mechanism to address underperformance were not found to be challenges in the bank. This finding was similar with (Kuhil, 2019) in the case of no fair job rotation in the bank while, this result was disagree in the case of employees are not treated equally by the system with same job grade and poor resource allocation

Table 4. Responses on challenges of Employee Performance Management System in AB in (%)

Questions	Total	Strongly Agree (%)	Agree (%)	Neutral (%)	Disagree (%)	Strongly Disagree (%)	Total (%)
Question 1	248	4	37	17	35	7	100
Question 2	248	3	3	14	56	23	100
Question 3	248	13	17	21	23	27	100
Question 4	248	4	14	13	47	23	100
Question 5	248	6	3	21	43	27	100
Question 6	248	6	3	24	63	3	100

Source: primary data collected in 2022

Perception of Employee Performance Management System in Awash Bank

Respondents perceived that they were highly clear with their roles and responsibility. Sixty percent (60%) of respondents did not accept that performance management process was free of bias and objectively. However, half of the respondents did not have perception on the availability of similar rating mechanism among branches and employees, and also feedback communication between office and employee (see table 4).

Table 5. Responses on perception of Employee Performance Management System in AB in (%)

Questions	Total	Strongly Agree (%)	Agree (%)	Neutral (%)	Disagree (%)	Strongly Disagree (%)	Total (%)
Question 1	248	17	69	10	4	0	100
Question 2	248	13	25	50	6	6	100
Question 3	248	10	18	40	23	10	100
Question 4	248	6	17	17	50	10	100
Question 5	248	6	27	24	40	3	100
Question 6	248	17	21	36	27	0	100
Question 7	248	13	31	20	33	3	100

Source: primary data collected in 2022

Practice of Employee Performance Management System in Awash Bank

Practice of employee performance management system in the bank was analyzed. The analysis indicted that the employees of the bank were highly clear about their duty and responsibility, and were very clear about the standards used to evaluate their work. Similar to Kuhil (2019), employee of Commercial Bank of Ethiopia was clear about what is expected from them.

Regarding to knowing the strategic objective of the bank very well were in the acceptable rate. The bank had poor practices on proper cascading of the overall corporate plan to units and individuals; and poor regular performance assessment of the employee based on the cascaded plan; poor feedback provision on employee performance from manger regularly. The result of employee performance evaluation did not match with actual performance of the employee, there was limited meeting with the supervisor after evaluation, the supervisors did not evaluate their employees work based on recorded evidence only, and performance evaluation was limitedly attached with reward and recognition schemes. Furthermore, 57% of respondents refused regarding to the continuity of PMS. The proposed points on PMS to make best evaluation method were clear procedure (like using PMS forms) and, should lie on written and recorded evidence only, and work-based evaluations (42%), and team work (33%) (see table 7).

This result was consistent with (Kuhil, 2019) in which most of the employee of Commercial Bank of Ethiopia fail to get frequent feedback on performance and coaching to improve performance from their supervisor or manager, and biased supervisor assessment to performance exists. Contrary to this, (WORDOFA, 2019) indicted that data generated through performance

evaluation is used to counsel and coach subordinates so that they will improve their performance and develop future potential.

Table 6. Responses on practice of Employee Performance Management System in AB in (%)

Questions	Total	Strongly Agree (%)	Agree (%)	Neutral (%)	Disagree (%)	Strongly Disagree (%)	Total (%)
Question 1	248	16	58	3	23	0	100
Question 2	248	13	40	23	24	0	100
Question 3	248	17	73	4	6	0	100
Question 4	248	29	54	17	0	0	100
Question 5	248	13	37	36	13	0	100
Question 6	248	10	17	40	29	3	100
Question 7	248	7	14	46	30	3	100
Question 8	248	7	24	17	43	10	100
Question 9	248	3	38	26	20	13	100
Question 10	248	7	27	24	33	10	100
Question 11	248	4	7	40	24	26	100

Source: primary data collected in 2022

Table 7. Summary on advantages, challenges and practices of Employee Performance Management System in AB from open ended questioner in (%).

No	Themes	Response	Frequency (N= 248)	Percent (%)	Remarks
1	Major benefits epmsi gained	Create clear mechanisms to address issue underperformance	42	17	-

	for the bank and employees	To assign equal job for similar position so that to give proportional assets.	9	3.7	-
		Increase employee's motivation and prevailing performance accountability	75	30	-
		It helps to know employees' current position/performance	80	32	-
		Proper documentation for evidence	9	3.7	-
		Increased number of customers & increase mount of deposit	36	14.5	-
2	Major challenges that faced s result of EPMSI in the bank	There is no clear mechanism in the bank to address the issue of underperformed	36	14.5	-
		There is no fair job rotation	57	23	-
		There is tendency of giving unbalanced goals for similar position.	42	17	-
		Lack of trust on the system	16	6.5	-
		Lack of information on the system/mechanism	16	6.5	-
		Punctuality of customers	16	6.5	-
		Lack of resource	32	13	-
		Unfair distribution of plan	25	10	-
3	PMS should continue	yes	65	26	Time bound discussion b/n manger and employees (1); Based on the recorded evidence only & role and responsibility

					(1); Reducing the amount of deposit and customer number (target) (1); By creating good relationship between worker (1); & Increase the capacity of the bank (2).
		No	141	57	-
4	The treatment of the manger on the employees of the same position PMS	I don't know	33	13	-
		Not fair in line with the employees' position	9	3.7	-
		Similar treatment	75	30	-
		Not fair	9	3.7	-
5	The proposed points on PMS to make best evaluation method	Clear procedure (like using PMS forms) and, should lie on written and recorded evidence only, and work-based evaluations	42	17	-
		Team work	33	13	-
		Providing appreciation and special award for employees	9	3,7	-
		Regular meeting	9	3.7	-

		Training to improve services/work	9	3.7	-
		Increasing coordination of workers	17	7	-
6	What assurance and consulting service does the PMS provide?	Increased number of customers	42	17	-
		Increase mount of deposit	17	7	-
		Increase the performance of the bank	25	10	-

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5. 1. Conclusions

This study found out the advantages, challenges, perception and practices of employee performance management system in Awash bank of Ethiopia. The advantages of employee performance management system have made employees; role clarity among the employees, better differentiation between good and poor performers, competent employees, and improve individual and the bank's performance at large significantly. However, poor personnel actions fairness and appropriateness was found in the bank. The challenges that hinder employee performance management system implementation in the bank were lack of alignment between organizational and individual goal, and no fair job rotation among employees.

Concerning the perception, the respondents were highly clear with their roles and responsibility but the performance management process was not free of bias and objectively. However, half of the respondents did not have perception on the availability of similar rating mechanism among branches and employees, and also feedback communication between office and employee.

Poor practices were conquered in the bank than good practices. The poor practices were, lack of proper cascading of the overall corporate plan to units and individuals; and poor regular performance assessment of the employee based on the cascaded plan; poor feedback provision

on employee performance from manager regularly. The result of employee performance evaluation did not match with actual performance of the employee, there was limited meeting with the supervisor after evaluation, the supervisors did not evaluate their employees work based on recorded evidence only, and performance evaluation was limitedly attached with reward and recognition schemes. The good practices were highly clear about their duty and responsibility, very clear about the standards used to evaluate their work, and knowing the strategic objective of the bank very well.

5.2. Recommendations

Based on the findings and conclusions reached, the following recommendations are forwarded in order to improve the EPMS in awash bank found in Addis Ababa area:

- Personnel actions fairness and appropriateness should be improved,
- Proper alignment between organizational and individual goal has to be done,
- Fair job rotation among employees should be practiced,
- Similar rating mechanism among branches and employees should be developed and awareness rising has to be done,
- Feedback communication between office and employee should be created.
- Culture of proper cascading of the overall corporate plan to units and individuals should be started and developed,
- Regular performance assessment of the employee based on the cascaded plan should be followed,
- There should be culture of regular feedback provision on employee performance from manager, and the result of employee performance evaluation should match with actual performance of the employee,
- The supervisors should evaluate their employees work based on recorded evidence only, and performance evaluation has to be attached with reward and recognition schemes,
- Appropriate meeting time should be arranged with the supervisor after evaluation.

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Appendix

Appendix 1. Research questioner

Salale University

College of Business and Economics

Department of Management

Dear respondent,

My name is **Assefa Bogale Gari**, a post-graduate student pursuing a Master's of Business Administration (MBA) Department of Management at Salale University. As part of the requirement for the award of the Master's Degree, I am expected to undertake a research study on **Assessment of Practices and Challenges of Employee Performance Management System: A case of Awash Bank of (Addis Ababa area)**. Therefore, I respectfully request for your participation in this study to fill the questionnaires attached below. Your opinion is extremely important in this study and I promise that the research results will be used for academic purposes only and will be treated with maximum confidentiality. For this reason, your honest contribution to filling this questionnaire is helpful to produce a quality paper. So, you are warmly requested to answer the following questions please. If you need any clarification or information, contact me by **Mob. No. 0913510046**

Thank you in advance for your appreciable cooperation

General Direction

- You do not need to write your name on the questionnaire paper
- To the questions with alternative choices, please place "✓" mark inside the boxes

I. Background Information

1. Gender

Male ☐ Female ☐

2. Educational Qualification

Diploma ☐ Masters ☐

Degree ☐ Other (please specify)

3. Years of experience

Less than 1 year ☐ 6 years-10 years ☐

1year- 5 years ☐ More than 10 years ☐

4. In which district office / division of the bank you are currently working? _____

5. What is your current position in the bank? _____

II. Main research questionnaire

Note: 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree and 5= Strongly Agree

	Advantages of Employee performance management system in AB	1	2	3	4	5
1	It has created role clarity among the employees in our branch/office.					
2	There is better differentiation between good and poor performers					
3	Personnel actions are fairer and more appropriate.					
4	Employees become more competent.					
5	It contributed to improve individual and the bank's performance at large.					
6	It serves as a two-way communication about the roles and expectations.					
7	It helps to motivate employees and encourage development					
8	It is important for employee success and the bank; thus, it is good to have.					
	Challenges that hinder Employee Performance Management System Implementation in the Bank.	1	2	3	4	5
1	There is lack of alignment between organizational and individual goals.					
2	There is a tendency of giving unbalanced targets for similar positions.					
3	There is no fair job rotation among employees in our branch/office					
4	The bank doesn't provide employees sufficient resources to execute the job.					
5	Performance assessment is not based on written evidences					
6	There is no clear mechanism to address underperformance.					
	Perceptions of Employees towards Performance Management System	1	2	3	4	5
1	I am clear with my roles and responsibilities					
2	There is similar rating mechanism among branches and employees.					
3	The feedbacks are properly communicated to our office and me.					
4	Performance management processes are done free of bias & objectively					
5	Performance raters are competent enough to undertake their assignment.					
6	I feel fairly treated in every process of performance management system.					
7	In my opinion, Employee Performance Management System is clearly defined in the organization.					

	Practices of Employee Performance Management System in the Bank	1	2	3	4	5
1	I know the strategic objective of the bank very well.					
2	The overall corporate plan is properly cascaded to units and individuals.					
3	I am clear about what is expected from me and my job responsibilities.					
4	I know the standards that used to evaluate my work.					
5	My performance is regularly assessed based on the plan cascaded to me.					
6	I have received feedback regularly for my performance from my manager.					
7	The result of the evaluation matches with my actual performance					
8	There is a meeting with my supervisor after evaluation is made to review results					
9	My supervisor evaluates my work based on recorded evidence only.					
10	Performance evaluation is attached with reward and recognition schemes.					
11	All performance management processes in AB is trustworthy and right.					

1. What are the major benefits gained for the bank and yourself from employee performance management system implementation?

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

3. Do you want to that this PMS has to continue? If your answer is yes in what way?

4. How your manager treats you the same way with your coworkers within the same position on the performance management system?

5. What you propose on PMS to make it best evaluation method

6. What assurance and consulting service does the PMS provide?

Thank you!!