THE EFFECT OF PERFORMANCE MANAGEMENT SYSTEM ON EMPLOYEE PRODUCTIVITY IN EAST AFRICA BOTTLING SHARE COMPANY: THE CASE OF DIRE DAWA PLANT

DIRE DAWA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

A THESIS SUBMITTED TO THE SCHOOL OF GRADUATE STUDIES OF DIRE DAWA UNIVERSITY IN PARTIAL FULFILMENT FOR THE REQUIREMENT FOR THE DEGREE OF MASTERS IN BUSINESS ADMINISTRATION

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DIRE DAWA ETHIOPIA

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As thesis research advisors, we here certifying that we have read and evaluated this thesis prepared, under our guidance, by Kalkidan Merid entitled **"The Effect of Performance Management System on Employee Productivity in East Africa Bottling Share Company: The Case of Dire Dawa Plant".** We recommend that it be submitted as fulfilling all the thesis requirements.

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As a member of the board of examiners of the open defense of the examination, we certify that we have read and evaluated this thesis properly which was prepared by Kalkidan Merid. We recommended that the thesis can be accepted as fulfilling the thesis requirement for the degree of Master of Science in Management of Business Administration (MBA).

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LIST OF ACRONYMS

ANOVA: Analysis of Variance

CCBA Coca Cola Beverage Africa

DDP Dire Dawa Plant

EABSC East Africa Bottling Share Company

PM Performance Management

SPSS Statistical Package for Social Science

VIF: Variance Inflation Factor

ABSTRACT

The main purpose of the study was to evaluate the effect of the performance management system on employee productivity in East Africa Bottling Share Company (Dire Dawa plant). This study use both descriptive and explanatory research design. The proposed model consists of five determinant factors of performance management system independent variables (IV), namely (Performance Appraisal, performance Feedback, Performance Based Reward System, Career advancement and Opportunities System and Training and Development) on dependent variable i.e. on employee productivity. Both descriptive and multiple linear regression analysis used to evaluate the relationship between dependent variable and independent variables also 190 questionnaires a total 147 (77.36%) questionnaires were returned and valid to analyzed. The regression coefficient results show that at 5% level of significance and 95% level of confidence. The study finding shows that the of performance management systems (performance appraisal, performance-based reward systems, performance feedback, and training and development] has a significant and positive effect on employee productivity, while career advancement and opportunities systems have positive effect but not significant effect on employee productivity at East Africa Bottling Share Company's (DDP). In general the study recommends managers should realize that Employee productivity is a crucial component of performance reviews, and it is closely tied to company outcomes. The productivity of the organization is directly impacted by employee performance reviews.

Keywords: *Performance Appraisal, performance Feedback, Performance Based Reward System, Career advancement and Opportunities System, Training and Development, Employee productivity*

Chapter One: Introduction

1.1.Background of the study

Developing an effective and efficient performance management system is crucial for every business, especially those that are functioning in current dynamic and technological contexts. Developing a performance management system, according to Schneier, Beatty, and Baird (1987), is separated into a development, planning, managing, evaluating, and rewarding phase.

In 2000, Macky and Johnson suggested that a typical performance management system would include: the organization communicating its mission and strategies to its employees; the setting of individual performance targets to meet the employees' individual teams and ultimately the organization's mission and strategies; the regular appraisal of these individuals against the agreed-upon targets; the use of the results for identification of development and/or for administrative decisions; and the continual review of the performance management system to ensure it continues to contribute to the organizational performance, ideally through consultation with employees.

Concurring to Heinen and O'Neill (2004) supported competitive advantage derives from ability administration hone. That's how the businesses bring in, creates, persuades, supervises and remunerate its talent. Performance administration is one of the ability administration tactics that comprise carefully advancing the execution of persons and groups in order to raise organizational execution to contemporary standards. With the purpose of achieving significantly better results, it is the approach of cascading the organization's objectives down to groups and people (Armstrong, 2009). Performance management is the umbrella word for all duties that guarantee that organizational goals are continuously and successfully accomplished.

Performance management typically focuses on organizational execution, faculty, divisions, and, to a lesser degree, the methods utilized to form a benefit or item, as well as other vital areas in a firm that would increase staff efficiency (Homayounizadpanah, V., & Baqerrkord,G. 2012).

Execution administration, as agreed to by Noble and Armstrong (2007), is a coordinated and organized way to expand representative and organizational efficiency by means of the development of group and individual talents. Performance administration makes the dedication of each individual to the company evident and demonstrates a coordinated link between worker execution and organizational objectives (Aguinis, 2007). Productivity evaluates how efficiently an individual, piece of equipment, factory, or system turns inputs into usable outputs (Marsor, 2011).

Worker efficiency might be an assessment of a worker's or a collection of workers' proficiency. Efficiency may be assessed in terms of an employee's yield over a certain time period. Ordinarily, a worker's efficiency will be judged in relation to the norm for workers doing comparable jobs. Worker efficiency is a critical notion for firms since it is essential to the success of any corporation. In other words, efficiency is what comes about through generation.
Each business organization's supervisors are responsible for driving its faculty to attain organizational aims. Most firms address how they can assure long-term execution among their personnel.

This entails studying what may be done to rouse folks to give their all to everything they embrace for the organization (Armstrong, 2001). Productivity is in this manner a subject that various organizations are looking at treating via diverse techniques in order for personnel to stay profitable in the long term.

EABSC's aim is to reliably boost productivity and sustain unit case sales of Coca-Cola items by pleasing contemporary and present clients through unique showcase execution at a moving forward return on speculation. The business is working arduously to attain its purpose of being one of the most remarkable bottlers in the world in terms of item quality and packaging requirements. When done properly, execution administration leads to higher degrees of involvement, upkeep, and staff efficiency. The purpose of this study is to examine the influence of the performance management system on employees' productivity at the EABSC.

1.2.Problems of the Statement

Globally, performance management stay a vital side of each company as poor performance management systems may lead to loss of consumers and sales whereas a good performance management inflated productivity is in a position to come up with a lot of sales for the corporate that directly affects productivity performance of the corporate.

Performance management might be a very vital feature of East Africa Bottling Share Company's (EABSC's) strategy to redesign its operations and implement its vision. It's also important for personnel to perform up to the standards of the company. Sadly, despite the various efforts and programs that square measure aimed at increasing the performance of its personnel, several of them are still not attaining the desired level.

Employee productivity may include: amount of output, quality of production, timing of output, presence at work and amenableness (Bernardin, 2007). Worker productivity may be merely understood because the associated actions required of an employee and the manner well those activities were performed. Worker productivity has been analyzed in several research to be full of diversity of things. Kim (2016) noted that the quantity of performance analysis affects productivity in workers.

Most of the organizations have used performance appraisal as compared to performance management in which the emphasize is made on contrast between the performance standards being made by the organization and the actual productivity of employees, while no one actually compares the performance against employees' objectives. This impacts the attainment of staff objectives negatively. Consequently, it is vital to highlight that the type or structure of the company might be a variable aspect in establishing the kind and criteria of the performance management system (Jamil & Mohammed, 2011). Thus, there is need for managers to design a vivid system that is related to employee strategy, and adequate in monitoring acceptable and non-accepted conduct for increased employee productivity.

The organization's aim should be clearly articulated for easy execution, and the performance management system should be matched precisely to it. Inability of the company to define or construct unique performance targets, presented in quantitative and qualitative terms against which performance can be assessed might skew employees' impression of their significance to the business (Kazim, 2008). However, the difficulty rests with inability of managers to manage performance, connect individual goals to a shared vision and effectively apply the organization's performance management system to boost staff productivity for increased employee performance.

Pulako (2004) states that a lot of businesses confront the challenge of "performance planning, performance review, 360 degree feedback ,performance evaluation, self-assessment and employee input which in return create ineffectiveness for many organizations". Performance management system begins with performance planning, which systematically analyses those critical areas mainly job related attitudes of the employees. In doing this, personnel are also reviewed, in terms of the desired attitudes and their respective results they are presumably expected to reach. The aforementioned promote staff effectiveness (Pulako, 2014).

Many researchers have explored the adoption of performance management in the employee productivity. Farheen, Faiza and Syed (2014) discovered that workers have confronted the problem of discontent with their present performance management and also the existing performance management system of their firm. Also, Rajesh and Nishant (2013) study demonstrated that performance management system allows individuals to set their own objectives with the staff goals and create relevant outcomes. Zhang (2012) evaluated the influence of performance management on employee performance and discovered a favorable but negligible association between performance management and employee performance.

Many researchers assess employees' execute on examination different strategies utilized, (Khurana, Khurana & Sharma, 2010; Aggarwal & Thakur, 2013; Dagar, 2014; Mulolli, Islami & Skenderi, 2015) broadly execution examination points to recognize the current skills' rank of their work drive (Shaout & Yousif, 2014). A proper framework of recompense makes a

difference representatives enhance their person efficiency (Miles, 2012). Armstrong and Taylor (2014) focuses out that a successful execution boosts employees' inspiration and efficiency.

Ogolla Carol and Oluoch Mercy Florah (2019) investigated the influence of performance management strategies on worker productivity at the State department of Labour. The performance management methods were consisted of employee's assessment yet as giving of feedback on employee's productivity. Each worker assessment and staff performance feedback on worker productivity the result revealed (β=.130, p value 0.042), and (β=.956, p value 0.000) severally. The study indicated that there was a powerful direct association between each worker assessment and staff performance feedback on worker productivity.

According to Owili and patriarch (2018); Inkinen (2016) the findings incontestable performance management approaches had a good and substantial relationship to company performance. Providing attractive operational conditions by the leader to the team contains a positive connotation to motivate to try and do best and record reasonable production as predicted by (Jackson & Schuller, 2012).

According to, Brown & Benson, (2013) employees' performance feedback has a very important influence on the firm's productivity (Caruth, 2018) claim the demand for clear-based performance feedback has beneficial impact on worker productivity. Similarly, Singh and amphibian genus (2015); music director and Li (2017); Owili and patriarch (2018) found a direct relationship between workers' performance feedback and employee productivity, Sadiya (2019) the impact that MBO (Management by Objectives) has on worker productivity victimization questionnaire/interview administration and therefore the finding of the study indicates that MBO incorporates an important positive impact on employees' productivity.

Furthermore, examined on the impact of performance management by objectives (MBO) on the worker productivity by Aminu, (2019); Islami, Mulolli and Mustafa, (2018); Okeke, Onyekwelu and Akpua (2019) and findings indicated a 360-degree feedback appraisal had a positive and important influence on the productivity of worker.

Similarly, Nosike and Okerekeoti, (2022) study studied the connection between worker productivity and structure performance and therefore the study ended that worker motivation and structure climate have positive critical link with structure performance. Muhammad, (2015) study aims to explore a way to worker performance influence on reward and study indicates that there's favorable association between rewards (extrinsic and intrinsic) and employee's job performance.

In whatever way, Olufemi (2017) deduce that the PMS has had constraint success caused a several of challenges that comprised deficiency of expertise, influenced by personal feelings and assessment standards given an absence of satisfactory performance a minimum or starting point used for comparisons facts and statistics used for information analysis consequence from non-existent task descriptions, in terms of information and definitely by all means of arrangement for attaining of objectives.

Concurring to the EABSC's execution administration rule/guidelines, the aim for execution is three and more out of six score that is projected to gain. In any way, actualizing various execution administration hones such as execution evaluations and remunerate frameworks could not be able to provide the stated degree of productivity.as per the execution administration record audit of the Company, it was learned that 23% (out of 341) and 20% (out of 359) representatives scored below the goal three point in their execution rating in 2020 and 2021 independently

In spite of the different assets and attempts that EABSC has dedicated to executing execution administration, it has not been able to accomplish its objectives of advance the efficiency of its representatives. This study intends to separate the variables that are leading to the poorer efficiency of its workforce. The shortage of a clear comprehension of the execution administration hypothesis and the true skill of actualizing it may too stop the corporation from accomplishing its aims.

Due to the company's strong extension goals, it is furthermore crucial that EABSC has the suitable management of its employees' execution. This will be done through the improvement of

an execution administration approach. Although past studies explored the association between various performance management system elements and these outcomes, no study has provided a full list of performance system characteristics. Therefore, the major purpose of this research is to examine how performance management approaches impact staff productivity in Dire Dawa plant. The research focuses in detail on the performance feedback system, existing performance evaluation procedures, and performance-based performance based stipend framework as determinants impacting workers' productivity.

1.3. Research Questions

1. What is the influence of performance appraisal on employees' productivity in East African Bottling Share Company-Dire Dawa Plant?
2. What is the influence of performance based reward system on employees' productivity in East African Bottling Share Company-DDP?
3. What is the influence of performance feedback on employees' productivity in East African Bottling Share Company-DDP?
4. What is the influence of career advancement and opportunity system on employees' productivity in East African Bottling Share Company-DDP?
5. What is the influence of performance training and development on employees' productivity in East African Bottling Share Company-DDP?
6. What are the challenges of performance management system and employees productivity in East African Bottling Share Company-DDP?

1.4. Objectives of the Study

1.4.1. General Objective

This study's primary goal is to analyze the effect of performance management system on employees' productivity in East Africa Bottling Share Company's (DDP).

1.4.2. Specific Objectives

1. To investigate the influence of the performance appraisal on employees' productivity in East African Bottling Share Company-Dire Dawa Plant
2. To determine the influence of performance based reward system on employees' productivity in East African Bottling Share Company-DDP
3. To examine the influence of performance feedback on employees' productivity in East African Bottling Share Company-DDP.
4. To examine the influence of career advancement and opportunity system on employees' productivity in East African Bottling Share Company-DDP
5. To examine the influence of training and development on employees' productivity in East African Bottling Share Company-DDP
6. To assess the challenges of performance management system and employees productivity in East African Bottling Share Company-DDP

1.5. Significance of the Study

The study's findings will be valuable in the following ways:
The findings of this study may be more useful to human resource practitioners who will plan and implement performance management. This study may very important for EABSC in redesigning its performance management strategy, which drives staff productivity.

The study may add value to the field's scholarly research and literature by serving as a reference for those wishing to replicate it. As a result, the findings of this study may give empirical data on how performance management practices influence employee productivity.

1.6. Scope of the Research

This research was conducted on East Africa Bottling Share Company, Dire Dawa Plant. The research was conducted on permanent employees only. The study focuses on performance appraisal, Performance -based reward systems, performance feedback, career advancement and

opportunity system and training and development as parts of performance management although performance management system can be examined from several approaches and perspectives.

1.7. Operational definitions of key terms and concepts

Performance management system: Processes used to identify, encourage, measure, evaluate, improve, and reward employee performance (Armstrong, 2010).

A performance development plan: is a tool for improving employee performance. The PDP process helps managers and employees identify areas for improvement, set goals, measure progress, and outline a strategy to achieve those objectives.

Managing & Reviewing Performance: managing & reviewing performance include includes activities such as observing and document efforts and accomplishments; provide feedback, coach and counsel employee regarding performance managing performance also includes communication, collecting performance and coaching.

Rewarding Performance: is evaluates the effectiveness of the whole process and its contribution to overall organizational performance to allow changes and improvements to be made, and also provides the feedback to the organization and to individual staff about their actual performance. Rewarding performance consist of personnel development, final evaluation and rewarding activities.

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

1.9. Organization of the Research Study

This study is organized in to five major chapters. The first chapter dealt with the introduction of the study, while the second chapter focused on the review of the related literature. Chapter three dealt with the research approaches followed to conduct the study and discuss research design and methodology in detail. The fourth chapter presented result and discussion. Chapter five includes summary of findings, conclusions and recommendations.

Chapter Two: Review of Related Literature

2.0. Introduction

The progress of the study will be built upon the principles presented in this chapter. The specific areas covered and include in this chapter theoretical literature review, empirical literature review, literature (research) gaps and conceptual framework.

2.1. Theoretical Review

2.1.1. The Concept of Performance Management

Performance management is a complete and cohesive strategy that helps businesses achieve long-term success by boosting employee performance and strengthening the capacity of teams and individual contributors (Armstrong and Baron, 2007).

Managers use performance management to make sure that workers' behaviors and outputs complement the objectives of the firm. Knowing intended actions and results, testing to see whether they happen, and offering feedback to assist staff members satisfy expectations are all part of this process. Managers and staff members may detect performance difficulties during the feedback process and determine how to resolve such issues (Raymond et al., 2011)

Armstrong (2006) describes performance management as "a systematic approach to improving organizational performance through enhancing the performance of individuals and teams." It is a strategy for enhancing organizational, team, and individual performance by assessing and regulating performance within an agreed-upon framework of specified objectives, standards, and competency requirements.

2.1.2. Performance Management Theories

2.1.2.1. Goal Setting Theory

This notion has been offered initially by Edwin Locke in the year 1968. This hypothesis implies that the individual objectives defined by an employee play a vital part in motivating him towards greater performance. This is because the staff keeps following their aims. If these goals are not attained, individuals either enhance their performance or adjust the goals and make them more achievable. In case the performance increases it will result in attainment of the performance management system targets (Salaman et al, 2005). On the other hand goal theory, as further elaborated by Latham & Locke (1979), identifies four processes that tie objectives to performance outcomes:

1) They direct attention to priorities;
2) They stimulate effort;
3) They challenge people to bring their knowledge and skills to bear to increase their chances of success;
4) And the more challenging the goal, the more people will draw on their full repertoire of skills.
This theory supports the emphasis in performance management on setting and agreeing objectives against which performance can be measured and managed.

2.1.2.2. Expectancy Theory

This hypothesis was suggested by Victor Vroom in 1964. This theory is founded on the notion that individuals modify their behavior in the organization on the basis of expected fulfilment of valued objectives stated by them. The individuals alter their conduct in such a way which is most likely to lead them to reach their goals. This idea informs the notion of performance management since it is thought that performance is impacted by the expectations surrounding future occurrences (Salaman et al, 2005).

2.2 The process of performance management

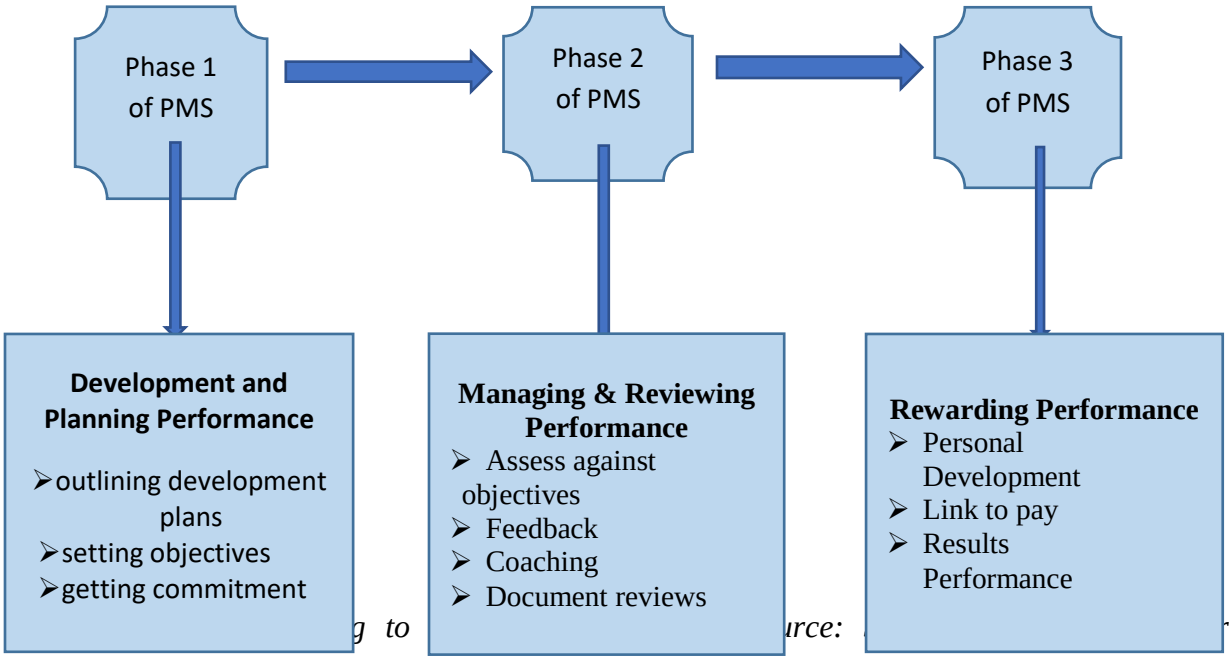
These include necessary performance, assessing performance, and offering feedback on performance. The organization initially defines the performance variables that are important to the organization. The company then employs performance reviews to measure the important performance parameters. Finally, managers tell workers about their performance through performance feedback sessions so that they may alter their activities to accomplish the objectives of the organization. If there are difficulties with performance, the feedback session should make an attempt to uncover and resolve the root reasons. As well as, the organization's rewards program may give performance feedback. Employing this performance management process supports managers and personnel in concentrating on the objectives of the organization (Raymond et al., 2011).

Thus, it is feasible to argue that activities like performance evaluation, performance feedback, and performance-based payment systems are all included in performance management. Each of them will be examined in full, as they are the study's major emphasis.

2.3 The Stages of Performance Management System

According to Schneier, Beatty and Baird (1987), a performance management system is classified into a development, planning, managing, reviewing and rewarding phase. The following figure shows the contents of three phases according Schneier, Beatty and Baird (1987).

Fig 2.1 Performance Management System



g to urce: rd, (1987:98)

From the above figure and according to Schneier, Beatty and Baird (1987), the performance management system consists of three phases are as follows.

Phase1: Developing and planning performance

Planning is the initial stage in the performance management system process cycle and lays the basis for an effective process. Planning is a continual activity in performance management and should be conducted with great attention (Schneier et al., 1987). Planning helps to foster dedication and understanding by aligning the workers' work with the organization's aims and objectives (Schneier et al., 1987). It generally comprises identifying key value drivers of stakeholders, for example, shareholders, customers and workers of the firm. Similarly, according to Armstrong and Baron (2004), objectives or goals represent something to be done by individuals, departments and organizations over a period of time.

They can be stated as objectives to be fulfilled, for instance, sales, and tasks to be performed before the deadline. Armstrong and Baron (2004) further emphasize that objectives need to be

stated and agreed on. The objectives relate to the general aim of the job and identify performance areas--all the components of the job that contribute to accomplishing its overall purpose. Targets then are defined for each performance area. Rogers and Hunter (1991) claimed that goal formulation is the key part for an organization. They also highlighted that productivity increases will connect with the level of top management support for and employees' engagement in the process of defining targets.

The development plan can also incorporate long-term development objectives which are typically based on potential and strong performance (Nyembezi, 2009). In this planning phase, the supervisors and subordinates are involved in a shared participative process and define organizational goals, as well as particular goals for an individual. Objectives, on the other hand, also provide the atmosphere in which an individual will be assessed according to his or her own performance and output, with specified standards for evaluation (Nyembezi, 2009).

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Phase 2: Managing and Reviewing performance

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

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

Armstrong and Baron (2004) emphasized that at its finest, performance management is a tool to guarantee that managers manage well. Therefore, performance management system ought to guarantee that the manager of employees or teams know and understand what is expected of them, and have the abilities and expertise to deliver on those standards and be supported by the organization to build the capacity to reach these expectation are given feedback on their performance; and have the opportunity to discuss and contribute to individual and team aims and objectives.

In addition, according to Armstrong and Baron (2004), performance management system is also about assuring that managers themselves are aware of the influence of their own behavior on the people they supervise, and are encouraged to find and display good behaviors. The actual performance is compared to the planned performance, thus the outcome is analyzed and a development plan is established according to the deficiency with reference the strategy. This outcome also provides a feedback channel to employees.

In order to enhance the feedback and update and discuss initial objectives, the business should also focus on communication between employees and between employees and management. It is necessary for managers to design a completely integrated strategy which enables the many forms of communication to contribute to the accomplishment of the firm's purpose or shared objective (Marion, 1998). Moreover, continual communication or sharing information between an organization's strategic management and its internal stakeholders should be aimed to foster commitment to the company and aware of its changing environment and knowledge of its developing purposes (Welch & Jackson, 2007).

In the second phase, it comprises the performance reviews which may be regarded as learning experiences. Individuals might be encouraged to think about how and in which ways they desire to improve. Studies by Ashford and Cummings (1983) shows that feedback has strong positive

effects on the performance of both individuals and groups, especially through role clarification, improved self-efficacy, the establishment of behavior reward contingencies and increased self-regulatory control processes (Ashford & Cummings, 1983). Similarly, according to Armstrong and Baron (2004), the actual performance might also be compared to the anticipated performance, hence the outcome is evaluated and a growth plan is established based on the deficiency. This comparison technique also gives a feedback channel to employees.

Additionally, at this period, coaching and training is a vital instrument in learning and growth. Coaching involves increasing a person's abilities and knowledge so that workers' job performance improves, and helps them to accomplish of organizational objectives. Managers should identify and conduct training and other steps necessary to increase individual performance (Bevan and Thompson, 1991).

According to Armstrong (2004), performance management is a planned and integrated approach to bringing sustainable success to companies by enhancing the performance of the people who work in them and by growing the capacities of teams and individual contributors. Similarly, Black, SE & Lynch, LM (1996) advice that the training courses that are delivered by firms must be constructed via addressing the present and future demands of the employees and encourage the development of these skills. A successful training or coaching course should enhance the amount and quality of organizations output; raise the possibility of organizational success; minimize the organizational costs and expenses.

Moreover, coaching is increasingly being acknowledged as a crucial obligation of managers, and may play an essential part in an employee's working life. In 2006, Cunneen underlined that coaching happens organically, and might take place at the review sessions or could be carried out throughout the year. Also, in this time, training may be needed to improve their talents.

Phase 3: Rewarding Performance

According to Schneier, Beatty and Baird (1987), the rewarding performance phase involves three activities: personnel development, tying to compensation and recognizing the results or

performance. In Rahdert's (1960) view, the role of personnel development is that the growth of individuals may be accelerated over and beyond that which would take place naturally and normally, and then maximise the workers' contribution to personal and collective goals. Personnel development has certain development concepts. First one is personal involvement.

All personnel development is fundamentally self-growth. Opportunity for growth is important only if the individual capitalizes on it himself. In truth, the organization may and should give encouragement and aid, but development activities tend to be successful only to the degree that individuals get personally invested in them. Second one joint purpose. The cornerstone of any growth activity in organization, there should be a clear understanding and acceptance of shared objectives by both the individual and organization. If the aims are understood and accepted, the efforts made will be significantly more likely to succeed. The corporation should give universal chance to every employee instead of pick out a select of its individuals and make possibilities available just to them. In truth, it is impossible to make long-term projections concerning the ambition, drive, and growth potential of individuals.

The forth principle is individual planning. Development is individual and should be adapted to meet the individual and the environment; efforts to cram everyone into the same paradigm may even constitute a waste of effort. Moreover, development should be structured to increase performance on the existing work firstly, and then prepare the individual for promotion. Employees who are promoted are individuals who are currently doing good job and so have been able to demonstrate their potential to take bigger responsibilities. Next principle is continuity. If a man who abandoned his attempts to constantly current skills or information, he would become antique. Especially for currently, the new information and abilities are continually being introduced. Rahdert (1960) also points out that the value of people development. For employees, if the individual abilities or knowledge develop, he may generate more value and as a consequence he may feel a sense of pleasure in the fulfillment of personal goals and attainment of professional recognition.

On the other side, for organization, people development is able to obtain competitive advantages because of a more qualified and a more highly motivated workforce, and is able to leverage

sophisticated technologies because of the properly trained staff. Furthermore, training activities should ideally be based on performance gaps that are detected during the performance review process (Teke, 2002). For employees, if the individual abilities or knowledge develop, he may generate more value and as a consequence he may feel a sense of pleasure in the fulfillment of personal goals and attainment of professional recognition.

Evaluation and verifying comments are also crucial actions at this era. In most firms, they will not have simply one corporate scorecard for the company as a whole, but will also have individual scorecards for each division/employee that feeds into the overall scorecard (Huang & Hu, 2007). In this phase, pay-for-performance might be employed along as a method to measure the performance. Moreover, in the business, employees are most likely to think that pay discrepancies are established fairly when they are supplied with information regarding the assessment process and employees are permitted to discuss the appraisal results.

According to the opinion of Locke (2004), the pay-for-performance concept comprises offering monetary rewards through properly structured compensation system that base pay on assessed performance within the control participants. In most situations, properly designed pay-for-performance systems will lead to better performance results. Pay-for-performance systems make major contributions to performance through two main mechanisms. First, they positively influence the motivation to perform. Second, they impact the attraction and retention patterns of organizations, thereby affecting the ability of individuals available to perform. Pay-for-performance systems can deliver monetary rewards at the individual, small group, and/or According to Delery and Doty (1996:802), employee performance appraisal is defined as 'the process of identifying, evaluating and developing the work performance of the employee in the organization, so that organizational goals and objectives are effectively achieved while, at the same time, benefiting employees in terms of recognition, receiving feedback, and offering career guidance'. Appraisals might be based on outcomes or conduct.

Behavior-based assessments focus on the actions of employees essential to execute the work effectively, whereas results-oriented evaluations focus only on the outcomes of such behaviors (Delery & Doty, 1996). Therefore, procedural fairness issues are crucial to ensuring that

employees view the process of performance assessments, and the relation of appraisal to compensation, to be fair (Greenberg, 1996) divisional or organizational level. All of this impact of different levels can positively impact performance.

2.4 Employee Productivity

Sutermeister (1976) defined productivity as production per employee hour, quality taken into account. Productivity, according to Dorgan (1994), is the improvement of organizational and functional performance, including quality. Productivity is a ratio used to assess how effectively an organization (or person, business, or nation) transforms input resources (labor, raw materials, equipment, etc.) into finished goods and services. In a production context, an increase in performance can be measured by the number of units produced per employee per hour; however, in this case, we see an increase in performance when there is less absenteeism, fewer employees leaving early, and fewer breaks. A subjective productivity measurement method was employed in this investigation. This method's measurements are not based on numerical operational data. Instead, they were based on the opinions of the staff. According to Wang and Gianakis (1999), a subjective performance measure is a tool used to gauge how many people collectively perceive, feel, or rate a company's good or service. Survey questionnaires are typically used to acquire subjective productivity data (Clements Croome & Kaluarachchi 2000).

2.5. Employee productivity measurement

The notions of productivities are examined via evaluation of overall performance and the management of the performance and the evaluation of performance is the process identifying particular outcomes within a defined period (Coens & Jenkins, 2002). Moreover, the statement, 'If you can't measure it, you can't manage it,' underlies the argument for organization having a thorough and comprehensive performance measurement system such as the Balanced Scorecard or overall quality performance management. This technique integrates metrics throughout an organization to transform high level objectives into lower level activity. Then, measures are placed on individual employees to check their execution of these duties (Platts & Sobotka, 2010). Performance standards ought to be unambiguous, well defined, relevant to the job duties

conducted by workers and feasible. The criterion should not contain issues beyond the control of the particular employee. Supervisors also need to be taught to deliver regular, relevant and constructive criticism. Employees should also be provided with suitable training and development opportunities to overcome deficiencies in performance highlighted via the assessment process. The assessment of individual employee performance also has to focus on analyzing employee behavior and job performance and not the personality of the employee (O' Donnell & O' Brien, 1999).

According to Huselid (1995), employees within organizations contribute for organizational performance and HRM practices can affect the performance of individual workers through their influence over employees' skills and motivation along with organizational structures that allow employees to improve how their jobs are performed. Also, he utilized labor turnover, productivity as employee performance assessment when he test the effect of HRM practices on employee performance. Labor turnover is the rate at which a business gets and lost employees.

Arnold and Feldman (1982) found that views of job security, the presence of a union, compensation level, job satisfaction, organizational tenure, demographic variables such as age, gender, education, and number of dependents, organizational commitment, whether a job meets an individual's expectations, and the expressed intention to search for another job were all predictive of employee's leaving, and Sheridan (1992) also concluded that perceptions of organizational culture influenced turnover. Job discontent might induce employees to depart once they have formed choices on the desirability of mobility and the perceived ease of movement (March and Simon, 1958). Prior to leaving the business, persons experiencing job discontent investigate career alternatives and evaluate these in terms of their predicted value (Mobley, 1977).

The classic approach consequently considers voluntary separation as a consequence of low work satisfaction paired with other labor market options that are subjectively seen as having higher utility and relative ease of transfer to alternative employment (Price, 1977). In order to minimize job unhappiness, employees require suitable salary, job security and acceptable working circumstances (Jonathan, 2004). In Bhatti (2007) and Qureshi's (2007) viewpoints, productivity

is a performance metric incorporating both efficiency and effectiveness. Labor productivity implies the output of employees per unit of time which is a generally used and easy metric of productivity. The growth rate of labor productivity is generally equal to the difference between the growth rate of production and the growth rate of the number of hours worked in the economy (Christopher Gust& Jaime Marquez, 2004). High performing, productive firms have a culture that fosters employee participation. Therefore, employees are more inclined to get participate in decision-making, goal setting or issue solving activities, which subsequently result in greater employee performance.

Moreover, worker productivity also might be influenced by continued information technology advancements which has the possibility of altering the competitive game for many firms (Mukhopadhyay, Javier Lerch& Mangal, 1994). If employee output is created by two elements, labor and capital, then the increase of labor productivity depends upon the rate of 'capital deepening' and the rise of 'multifactor productivity' (Christopher Gust& Jaime Marquez, 2004). Capital deepening refers to a rise in the ratio of capital to labor, that is, a growth in the amount of capital which comprises machinery, buildings, and infrastructure. For a given degree of technology, capital deepening enhances workers' ability to produce more output with the same amount of effort. Increases in multifactor productivity may represent breakthroughs in technology, but they may also reflect any other innovations that result in increased efficiency, such as restructuring of duties in a business or improvements in distribution routes used to distribute goods and services.

2.6. Empirical Literature Review

A research done by Mgbemena et al., (2015), excellent representative execution administration is wanted in each firm to enhance productive and viable representative execution toward the achievement of organizational goals. Research was done by Golden & Mubashir (2013) on the influence of execution administration on organizational execution: A comprehensive evaluation of the McDonald's commerce indicates. The analyst came to the conclusion that execution surveys have a great influence on worker effectiveness since it's crucial to offer the ideal

opportunities for improvement and advancement for representatives who perform beneath wants. Long-term efficiency picks up for the underperforming personnel are made plausible by this. According to Yohannes (2016) observed that execution administration structure involves a beneficial and important link with worker execution based on his examine on the influence of execution administration framework on the execution of Commercial Bank of Ethiopia workers.

Ayandele and Isichei (2013) found a positive relationship between representative interest within the plan of an organization's execution administration framework and representative commitment to the organizational set objectives in a ponder on execution administration framework and employee's work commitment: an experimental ponder of chosen recorded companies in Nigeria. According to Munzhedzi (2011), the enquire about on execution administration framework and made strides efficiency: A case of the office of local government and lodging within the Limpopo territory pushed that PMS has not contributed to the advancement of efficiency of the DLGH within the Limpopo territory concluded that PMS plays a noteworthy part in efficiency advancement, but in this think about PMS has not contributed to the change of efficiency of the DLGH within the Limpopo

Effective representative execution administration, according to Mgbemena et al., (2015), is essential in any company to back inventive and agent execution of the personnel in support of the achievement of organizational objectives. Okafor Chizoba Adaeze (2019), was investigated the association between worker execution administration and efficiency; Major apparatuses of examination were rundown insights of rates, relationship and numerous relapses (OLS). Too, the comes about of the relapse investigation suggested that positive and crucial association exists between acknowledgement and representative efficiency, which it exists as well between worker input instrument and efficiency.. It was similarly shown that a stable and peaceful mechanical environment increases representational efficiency in an organization. Representative efficiency (EP) subordinate variable, additionally autonomous factors were worker execution evaluation handle (EPA), representative acknowledgment (ERG), representative input component (EFM) and labour-management relations (LMR). The coefficients suggest that firm and positive association exists between the subordinate and the independent components within the research region.

In another contemplate, have been analyzed the open division organizations execution administration on organizational efficiency (Muanya, 2014; Mgbemena, Mbach & Ejike, 2015; thus also, Idemobi and Onyeizugbe (2011) seem that solid and good link. Worker efficiency could incorporate: amount of produce, quality of production, timeframes of yield, nearness at work and cooperativeness (Bernardin, 2007). Worker efficiency can be fundamentally caught on as the associated activities anticipated of a laborer and how efficiently those exercises were accomplished.

The ponder was conducted by Nabangala and Amuhaya, (2020) were utilized to compare the relationship between coefficients of execution administration hones and representative efficiency and the discoveries uncover that the esteem of the assurance coefficient test in clarifying the variety in representative efficiency esteem appears that 44.18% of the variety. All the factors had critical impact on representative efficiency. The study concluded that performance management system is a significant predictor of employee productivity. Thus unexplained variance in employee productivity implies that there is need of more inquiry. John Nkeobuna and Nnah Ugoani (2020) study the link between execution examination and representative efficiency information were studied by expressive and relationship measurable techniques the outcome of the think about reveals substantial positive association between execution examination and representative productivity.

Performance evaluation supplies a reasonable and trustworthy framework for creating crucial administration choices with respect to pay, representative progression, inspiration, and advancement, important for representative efficiency (Zhang & Bartol, 2010). Leisink and Knies (2017), indicate that evaluations give assistance to define what is anticipated of the worker and applied to reinforce and develop representative performance

Oroma, (2015) analyzes the influence of examination framework in Niger Delta College on worker efficiency. Relationship co efficient was employed to examine the supposition. There was a noticeable association between execution evaluation and worker efficiency wherein good assessment framework seem increase the assurance of laborers specifically when they are appraised suitably. The results additionally discovered those execution criteria that affect the

association between execution examination and worker efficiency. Execution assessment has to supply exact and crucial rating of a representative execution as compared to stated standards.

Dabhade and Yadav, (2013) getting to consider the PM handle, mindfulness level and fulfillment level of workers of BHEL and how the PM framework influences the execution and career advancement of workers, and utilized a graphic think about and Chi square test investigation of information and the discoveries uncovered that the in general key factors that are having solid impact on execution administration framework. On the other hand, Akinyele, (2010) the examine analyzed the purpose of execution assessment in private schools and recognizes relevant components for achieving a viable execution evaluation. Conclusively since the execution appraisal systems utilized in private colleges are not viable which they exist fair as a matter of conventions, the private universities cannot degree individuals of staff execution, subsequently making it troublesome to realize the expecting human asset administration objective.

The study of George et al., (2012) studied the multiple components influencing worker Execution Evaluation Framework in the interim numerous relapse investigation approach was used to clarify the nature of the link between PAS and the components that effect it. Comes about of the inquiry indicated that all the five factors: Usage prepares interpersonal connections, rater exactness, instructional characteristics and worker demeanors had a significant favorable link with the execution assessment framework. Barkha and Swarna (2018) influence of execution examination criticism, Objectives and Objective setup, Execution awards supplied to representatives on representative efficiency in a robotization arrangement firm. The investigation discovered that all three autonomous elements the discoveries displayed additionally indicate that there's crucial positive association with representational efficiency. Ponder observed that established objective inspire workers to accomplish aim, awards provided to workers for their positive result and criticism provides aid to recognize the quality and deficiencies of employee.

Mbae, James and Christopher (2018) the examined evaluated the influence of execution exams on worker efficiency in Sugar Inquire into Founded. The showed that the lion's share of the respondents strongly agree that execution evaluations framework has influence on representative

efficiency in Sugar Inquire into Organized. The finding revealed that supervisors spoke about with them routine work performance.

Islami, et al., (2018) look at administration by destinations as an execution assessment apparatus for worker contentment and econometric comes about indicated that MBO approach ought to be used as a strategy of execution examination as the employees' viability is enhanced. Pearson and connection and relapse examination applied as the theory checks employees' efficiency. The conclusion revealed that Persistent communication, Fulfilling framework based on comes about and Person execution estimation (β=.245; .172; .423) and $p<0.05$ independently had favorable association and were factually vital with employees' efficiency.

Additionally, analysts assess employees' execution examination different methods utilized (Khurana, Khurana & Sharma, 2010; Aggarwal & Thakur, 2013; Dagar, 2014; Mulolli, Islami & Skenderi, 2015) broadly execution examination points to recognize the current skills' rank of their work drive (Shaout & Yousif, 2014). A appropriate framework of remunerate makes a difference employees enhance their person efficiency (Miles, 2012). Armstrong and Taylor (2014) stress on that a productive execution boosts employees' inspiration and productivity. Ogolla and Oluoch (2019) evaluated the influence of execution administration hones on representative efficiency at the State division of Work.

The execution administration hones were composed of employee's examination as well as arrangement of input on employee's effectiveness. Both representative examination and employees execution input on representative efficiency the outcome showed (β=.130, p esteem 0.042), and (β=.956, p value 0.000) separately. The study indicated that there was a substantial beneficial association of both worker examination and representative's execution critique on worker efficiency.

Agreeing to, Sadiya (2019) the influence that MBO (Administration by Targets) has on representative efficiency using questionnaire/interview organization and the finding of the think about exhibits that MBO includes a significant favorable affect on employees' efficiency.

On the other hand, Awan, et al., (2020) this study looking for to investigate the suitability of a complete execution administration system in terms of worker execution. Other than, the interceding influence of work engagement was too investigated. The execution administration framework adequacy (PMSE) was judged by the degree of its exactness and reasonableness.

An ordered survey was used, which was authorized by corroborative calculate examination (CFA) and comes about showed a substantial influence of PMSE and work engagement on assignment and relevant performance of representatives. PMS as having a favorable part in their competent growth additionally demonstrates that PMS is obviously tied to job engagement

Moreover, Nosike and Okerekeoti, (2022) think about investigated the association between representative efficiency and organizational execution and study enquire about plan was received, and information were analyzed Pearson coefficient relationship was utilized to evaluate the assumptions. From the inquiry, the study found that worker inspiration and organizational atmosphere had positive crucial link with organizational execution of pharmaceutical enterprises in Ebonyi State, Nigeria.

In expansion Bokhori (2022) was examining the link between executives' involvement, attitude/discipline, communication, imagination and advancement, human relations, work information, and collaboration on executives' execution. A stratified examining approach was utilized to acquire information and the facts received were analyzed utilizing multivariate investigation technique research of the cause and effect link of each variable fundamental exhibit coordinate affects. The conclusion of this study indicated that there's a vital association between executives' engagement, manner /teach, inventiveness and growth, and cooperation on executives' execution, but communication, human relations, and work information have not significant. The restriction of investigate as it were includes officials

.Sharma et al., (2016) viable target setup, control and input, estimate, arrangement with destinations, performance-based incentives, and positive acknowledgement of reasonableness have been revealed as the critical components of execution administration framework adequacy. Solomon, Oravee and Hangeior (2017) the researchers investigated the influence of execution

examination on worker efficiency in Level State in side Income Benefit in Nigeria. There's measurably significant connections linking between Administration by Goals, 360 degree Criticism and worker efficiency in Level State Inner Income Service.

Owais (2015) consider was to examine how to representative execution influence on compensate in private school and study indicates that there's favorable association between incentives (outward and inherent) and employee's job execution. Most of the companies implement incentives framework to enhance the task execution and work pleasure.

Agreeing to Fareed et al., (2013) money related and non-financial rewards and benefits are significantly associated with employee's execution in an instruction rewards framework. Since of good association of between incentives and execution moreover boost the work contentment of specialists. Nurul, Sabiroh and Eliy (2021) explore the consequences of a compensation framework in an organization on worker execution. The variable explored in this investigation comprises remuneration, incentives, and appreciation and restorative advantages. Information examined employing connections and relapse inquiry. The out comes to appear that three things have a good critical influence on employees' execution. In every instance remunerate framework for compensation on worker execution, the outcome (β=.130, $p<0.70$), revealed that compensation includes a positive insignificant influence on worker execution.

Olufemi (2017) deduce that the PMS has had constraint success caused a several of challenges that comprised deficiency of expertise, influenced by personal feelings and assessment standards given an absence of satisfactory performance a minimum or starting point used for comparisons facts and statistics used for information analysis consequence from nonexistent task descriptions, in terms of information and definitely by all means of arrangement for attaining of objectives.

2.7. Conceptual Framework

The performance management strategy outlined by Ravi Chandra & Saraswathi, (2018) served as the basis for the components of performance management that were the topic of this study (2004). Therefore, this study employed the conceptual framework is model produced from Ravi Chandra & Saraswathi (2018). Firstly, the researcher would evaluate the association between defining objectives which is the most significant action in the designing and planning performance stage with employee performance (Hypothesis 1 below). In the second stage, investigates the association between requesting feedback, coaching and communication with employee performance correspondingly (Hypothesis 2abc). Then, in the penultimate step, how do people development, seeking assessment and remuneration effect employee performance will be test (Hypothesis 3abc).

Figure 2.2: Conceptual Framework of the Study

Source: conceptual framework model developed from Ravi Chandra & Saraswathi (2018)

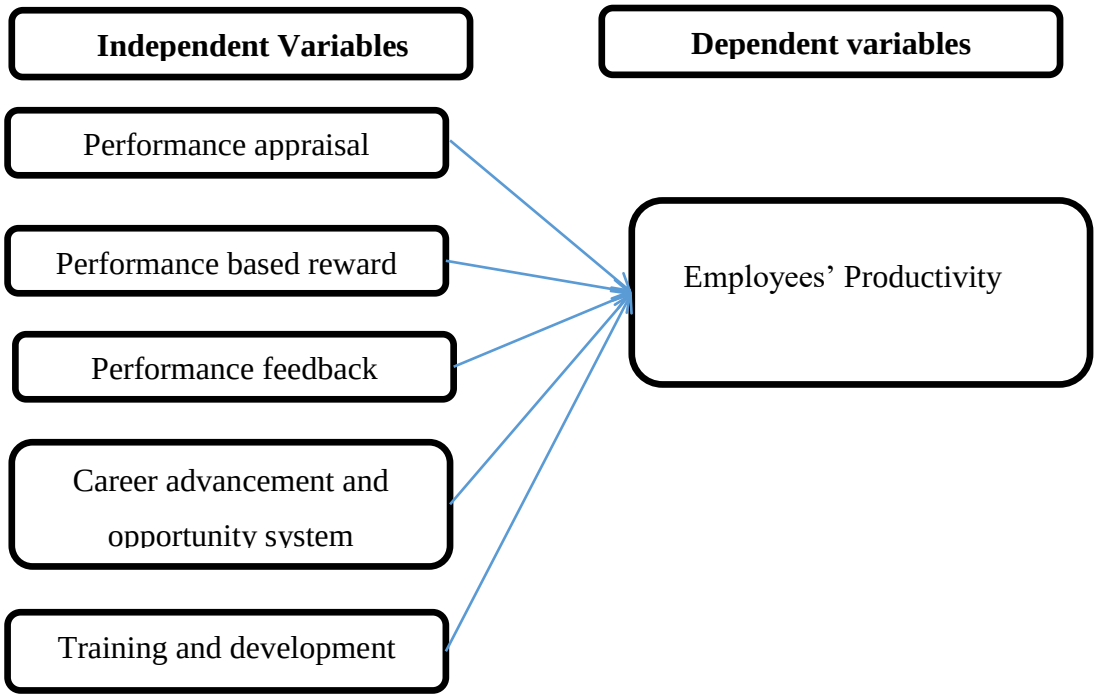


Fig.2. 1Conceptual Framework

2.8 The Research Hypothesis

In this study, the investigator makes predictions about the outcome of the results, and they may be written as alternative hypotheses specifying the results that would be expected. Therefore, in order to verify the relationship between independent variable and dependent variables to accept or reject the significance of the study, formulated the following hypotheses:

Ha 1. Performance appraisal has positive and significant effect on employees' productivity

Ha 2. Performance based reward system has positive and significant effect on employees' productivity

Ha 3. Performance feedback has positive and significant effect on employees' productivity

Ha 4. Career advancement and opportunity system has positive and significant effect on employees' productivity.

Ha 5. Training and development has positive and significant effect on employees' productivity

Chapter Three: Research Methodology

3.0. Introduction

The chapter focuses on the following sub-sections includes research design, target population, sampling strategy, data collection tools and techniques, data analysis, piloting the study, reliability and validity of the instruments.

3.1. Description of Study Area

A study is conducted to determine how performance management practices affect staff productivity in DDP. The study strategy and methods described below are utilized to achieve the objectives and respond to the fundamental research questions.

EABSC is the first coca cola bottler in Ethiopia, Addis Ababa in 1959 and later opened the second plant in 1965 in Dire Dawa. The two plants were nationalized in 1975 and operated as public companies until 1996, when they were purchased by Ethiopian entrepreneurs. Lastly, in 2016 the third plant opened in Bahir Dar.

In terms of sales volume and return on investment compared to all other Coca-Cola bottlers internationally, EABSC, a CCBA subsidiary, strives to be the top Coca-Cola bottler in the world. EABSC wants to increase value for all stakeholders involved in the business by providing the right refreshments at the right times and places. In order to establish an environment where employees are passionate about their work, it is crucial to maintain honesty, individual initiative, customer value, teamwork, people development, mutual trust, respect, and commitment.

This study is planned to be conducted at coca cola beverages Africa- east African bottling share company, Dire Dawa plant in Dire Dawa City. It is focus on analyzing the effect of performance management system on employee productivity. The target populations were employees of the company particularly who have a job roles of professionals and semi-professionals managers, Engineers, supervisors, specialist, technicians, electricians, machine operators, store keepers,

data encoders, cashiers and officers all of which make up the target population of the study. The total number of target population for the study was professional and semi-professional employees who are 215 in number out of 359 employees working in Dire Dawa plant.

3.2. Research Design

This study is measure the effect of performance management system on employee productivity in East Africa Bottling Share Company Dire Dawa plant by using an explanatory and descriptive survey research design. The explanatory research design was used with the goal of determining the cause and effect relationship between variables, specifically between performance management practice and employee productivity. Explanatory research seeks to identify causes and reasons.

This study was used descriptive survey research design, which is a fact finding enquiry that explains phenomena as they exist at that moment in time. However data collected in descriptive studies requires researchers can produce conclusions from the data collected through data evaluation and synthesis skills. Descriptive study is appropriate for this study as it seeks to identify and explain variables that exist in a given scenario. Furthermore in this study was employed only quantitative research approaches methods.

3.3. Data Source and types

This study relied on primary data which was collected by use of a questionnaire. The first hand data was collected through a survey questionnaire. The questionnaires were self-administered by respondents. The secondary sources of information that the researcher was used in this study included Human resources data, relevant published article journals, and other similar studies conducted in the field was used to substantiate the intended objectives were made the study fruitful.

3.4. Data collection tools/instrument

This study was used only questionnaires. Document and literature reviews were the first step in the data collection process. The performance management-related documents were examined. Following an examination of the documents, associated literature was examined. A tested and standardized questionnaire is used. The questionnaire were consist of structured 5 point Likert scale with 1 representing “Strongly Disagree” and 5 representing “Strongly Agree” questions with predetermined responses related to company’s performance management system. Respondents were then receive their questionnaires, which were then all be gathered, coded, and entered into SPSS for analysis. Finally, a secondary data analysis is conducted to evaluate the company's performance management system, and the research output was improved and expanded.

An interview guide was used to obtain data from key informants who include in-depth information that may not be captured by the questionnaire. The researcher is design an interview structured questionnaires to gather the required data from key informant respondents (HR manager, Finance manager, Manufacturing manager, Sales & Marketing manager and Logistics manager) in East Africa Bottling Share Company Dire Dawa plant.

3.5 Study population and sampling design

3.5.1 Study population

The target populations are employees of the company particularly who have a job roles of professionals and semi-professionals managers, Engineers, supervisors, specialist, technicians, electricians, machine operators, store keepers, data encoders, cashiers and officers all of which make up the target population of the study. The total number of target population for the study was professional and semi-professional employees who are 215 in number out of 359 employees working in Dire Dawa plant.

Table 3. 1 Total Population

No.	Competencies	Population size
1	HR	2
2	Finance	6
3	Manufacturing	162
4	Logistics	145
5	Sales & Marketing	44
Total		359

3.5.2 Sampling Techniques

The sample size represents a smaller portion of the whole population (Cooper and Schindler, 2003). They assert that the sample must be carefully chosen to be representative of the population and that the researcher must make sure that the subdivisions involved in the analysis are properly taken into account.

In this case, competency, stratified sampling techniques was utilized to divide the entire target population into subgroups or strata, because all those competencies have different role and function so that to avoid any omitted sample it is better to use stratified sampling to address all departments. And simple random sample techniques were applied from each stratum proportionate to the population from each of the strata.

The total population of the study is 359 which are divided into five competencies as shown on the below table and the sample size is determined using Yamane's (1964) statistical formula as follows:

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

Where, n is number of sample size.

N is number of population

e is error margin / 0.05

1 is constant value

$$n = 359/1 + 359\left(0.05^{\,2}\right)$$

n = 189.19

n = 190

Table 3. 2 Population and sample portion

No.	Competencies	Population size	Sample size	Percentage
1	HR	2	1	0.56
2	Finance	6	3	1.67
3	Manufacturing	162	86	45.12
4	Logistics	145	77	40.4
5	Sales & Marketing	44	23	12.25
Total		359	190	100

3.6. Methods of Data Analysis

In this study, both descriptive statistics and inferential (econometrics model) analysis were employed in order to analyze and interpret the effect of performance management system on employee productivity in East Africa Bottling Share Company Dire Dawa plant.

3.6.1. Descriptive Statistics

Descriptive statistics was used in this study to tabulate frequencies and percentages on the demographic data and to some extent the research question variables. In addition, to describe the data, means were used for each variable. These included descriptive statistics, frequency distribution, mean and standard deviation. Descriptive statistics involved computing the mean of the statements that reflect on the research questions. Data is analyzes with the help of Statistical Package for Social Sciences (SPSS) Software version 26.0. Program to help generate statistical analysis and present the data through the statistical techniques are presents in tables.

Descriptive statistics involved computing the mean of the statements that reflect on the research questions.

1.00 - 1.80 = very low mean score, 20% - 36% Strongly Disagree (SD) =1

1.81 - 2.60 = low mean score, 36.2% - 52% Disagree (D) =2

2.61 -3.40 = enough/moderate mean score, 52.20% - 68% Neutral (N) =3

3.41 - 4.20 = high mean score 68.2% - 84% Agree (A) =4

4.21 - 5.00 = very high mean score 84.2% - 100%, Strongly Agree (SA) = 5

3.6.2. Inferential or Econometrics Models Statistical Analysis

Inferential (econometrics model) analysis such as Pearson product-moment correlation and multiple linear regression analysis were used to see the effects of independent variables on dependent variable.

3.6.2.1 Pearson's Correlation Coefficient

Drawing the line of best fit for two variables is significant and best determined through Pearson's correlation analysis. That *r* helps to show the appropriateness of the regression model. According to Pallant (2010), "the interpretation of r - value indicating the strength of the relationship between two variables" was as follows: r - value = "0.10 to 0.29 or r = -0.10 to -0.29 weak", r - value = "0.30 to 0.49 or r = -0.30 to -0.49 Medium" and r - value = "0 .50 to 1.0 or r = -0.50 to -1.0 High".

3.6.2.2 Multiple Linear Regressions (MLR)

According to, Bhatti and Sundram, (2015) multiple regressions were utilized to assess the impacts of different independent variable factors on a single subordinate variable for purposes of forecast (Easterby-Smith, et al., 2012). One-way ANOVA tests is moreover conducted to test the factual noteworthiness of the generally impact of performance management system on employee productivity. All information was displayed utilizing regressions methods or a combination of both to come up with common conclusions (Kombo & Tromp, 2016).

The multiple linear regressions for the study were in the following form:

$\mathbf{Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta 5 X5 + \varepsilon}$

Y = **(Dependent variables)** Employees' Productivity

$\mathbf{X_1}$= Performance appraisal

$\mathbf{X_2}$**=** Performance based reward system

X3= Performance feedback

$\mathbf{X_4}$= Career advancement and opportunity system

$\mathbf{X_5}$= Training and development

***α*=** is represents Constant term/intercept

Є= error term

3.7. Measurement of Validity and Reliability

3.7.1. Validity of the research instrument

Validity refers to the extent to which an empirical measure adequately reflects the concept under consideration. It refers to how accurately the data obtained in the study represents the study variables (Babbie, 2010). The study utilized content and construct validities.

3.7.1.1. Content (Face) Validity

Content Validity (CV) is the extent to which a measuring instrument provides adequate coverage of the topic under study. Its measure is primarily judgmental based on how much the instrument represents the concept under study (Kothari & Gaurav, 2014). Content validity was tested and achieved through expert input, and also through adoption of questionnaire used in prior studies including.

3.7.1.2. Construct validity

Construct validity is a measure of the degree to which an instrument results conform to predicted correlations and other theoretical propositions (Kothari & Gaurav, 2014). This was realized by anchoring the study to theoretical expectations.

3.7.1.3. Pilot Test

The size of the pilot study is often dependent on the time and financial resources available for the study and for most studies there should be a minimum of ten (10) respondents (Saunders *et al.,* 2012). Based on 10 percent of the sample size, (00) pilot cases will be considered in this study. The pilot study is enable the researcher to assess the clarity of the questionnaire so that those items found to be redundant and misunderstood will be either discarded or modified to improve the quality of the research instrument, thus increasing its validity.

3.7.2. Reliability of the Research Instrument

Reliability is explained by Vogt (2007) as the consistency of either measurement or design to give the same conclusions if used as different times or by different scholars. The first step in ensuring reliability is by providing clear operational definitions of the variables under study. Thereafter, internal consistency was measured through internal consistency reliability (Sekaran & Bougie, 2010) as well as split-half reliability using Cronbach's alpha. If α (Alpha) value is 0.7 and above, then the instrument will be considered satisfactory (Cronbach, 1951; and Sekaran & Bougie, 2010), using results from the pretested questionnaire.

3.8. Testing Model Diagnosis

Multiple regression analysis makes a number of presumptions around the information which incorporate linearity, homoscedasticity, normality, and multicollinearity test. These presumptions were tried in arrange to create a conclusion around the populace. When the assumptions of regression are meet, the probability that the model gotten from a test of being the same as the

populace of intrigued the coefficients and parameters of the regression equation are fair expanded (Field, 2005).

3.8.1. Normality

Typically normality tests are vital in regression methods because it guarantees that factual examination does not result in expanded or under-estimated standard mistakes (Field, 2009). Data is ordinarily disseminated in the event that its skewness and kurtosis is between -1 and + 1 as recommended by Myoung (2008). Within the current study consider, the researcher will be utilized this rule of thumb to decide typicality. The Typical Likelihood (P-P) Plot of the result of regression standardized residual and the scatter plot as portion of the examination were utilized to distinguish exceptions.

3.8.2. Linearity

Examination of the leftover plots and scramble plots (SPSS yield) makes a difference to distinguish the linear of straight connections between the subordinate variable and the independent factors. Linearity infers that an increment within the independent variable causes a corresponding increment within the subordinate variable. The study utilized F-test for by and large importance of the model and T-test for individual significance as pushed by (Brooks, 2008). Direct relationship is affirmed on the off chance that the p-value < 0.05.

3.8.3. Homoscedasticity

The basis for testing for homoscedasticity is to guarantee that the ultimate out comes will not be affected by modeling errors. It makes a difference in guaranteeing that modeling errors are uncorrelated and similar (Femi, 2014). They clarify that homoscedasticity happens when the change in scores on one variable is to some degree like all the values of the other factors. That's, the measurable program diffuse plots of residuals with independent factors will be considered as a strategy to look at this presumption.

3.8.4 Multicollinearity

Field (2005) stated that multicollinearity refers to which two or more independent variables are very closely correlated. The presence of multicollinearity is not contributed to a good regression analysis. However, in most research, multicollinearity is present to some degree, but as long as the correlation coefficient between any two variables is not too large, the assumption of multicollinearity can then be ignored (Ching et al., 2015). The following assessments can be carried out to diagnose the multicollinearity: If the largest Variance Inflation Factor (VIF) value is greater than 10, then there is cause for concern. VIF employed in this study as the cut-off threshold for high multicollinearity. Another way of assessing multicollinearity is to measure the tolerance values. If the tolerance value is less than 0.1, there is almost certainly a serious collinearity problem (Field, 2005). In other words, very small tolerance values denote high collinearity.

3.8.5. Autocorrelation

Durbin-Watson coefficient was also deployed to investigate the assumption of autocorrelation. Autocorrelation can be referred when error term of a variable is subsequently correlated in a time period with error term of another variable (Field & Miles, 2010; Gujarati, & Porter, 2010; Zikmund et al., 2010). This is an assumption that the errors are linearly independent of one another (uncorrelated with one another).

Durbin-Watson coefficient was observed to be in an acceptable range since Durbin-Watson coefficient is in range between 1 and 3 for autocorrelation assumption test (Hair *et al.*, 2010).

3.9 Measurement of variables

The variables were measured using nominal, interval scales, categorical and continuous ordinal types of measurements. The questionnaires specifically for respondents were measured on a five Likert Scale, the level of agreement were ranked as strongly agree, which is reflect more agreement than just agreement or strongly disagree compared to just disagree.

Table 3. 3 Variable Measurements

Variables	How to measured
Sex	nominal scale, descriptive statistics analysis and Chi-square test
Age	Scale, descriptive statistics analysis
Educational levels	Category, descriptive statistics analysis
Monthly Income	Scale, descriptive statistics analysis
Dependent Variable	Likert Scale, descriptive statistics analysis Pearson product-moment correlation and multiple linear regression analysis
Independent Variable	Likert Scale, descriptive statistics analysis Pearson product-moment correlation and multiple linear regression analysis

3.10 Ethical Considerations

To meet the ethical obligations of the research, this research will use proper citation, follow truthful data collection and analysis, maintain data confidentiality, obtain the consent of the case organization and staffs, and keep the identity of respondents unanimous based on their consent.

Chapter Four: Results and Discussions

4.1. Introduction

This chapter discusses the interpretation and presentation of the findings obtained from the field. Descriptive and inferential statistics were used in this study. The data which were collected using quantitative method is tabulated and analyzed using descriptive, correlation and regression analysis statistical tools. The findings are also presented using tables and figures. In addition, the survey results are discussed in line with empirical literature related to the study.

4.2. Response Rate of the Study

Response rate depends on the data collection method and the nature of respondents. Out of the total of 190 questionnaires that were distributed to the selected sample of employees 19 questionnaires were partially filled and 24 questionnaires were not returned while 147 filled and returned the questionnaires making a response rate of 77.36%, satisfactory enough to complete this study.

Moreover, the rate response was in line with Henseler, *et al.*, (2016) who asserted that return rates of 50% are adequate for analysis, 60% is good and more than 70% is excellent. Based on these suggestions, the study's response rate of 77.36% was adequate to make meaningful inferences and conclusions. Hence, it can be concluded that the current response rate was considered sufficient and representative for this study based previous statistical assertions.

4.3. Reliability Test of Research Instrument

4.3.1. Reliability Test

The Cronbach's alpha used to assess the internal consistency of variables in the research instrument. Thus, for this study, Cronbach's alpha score were used to measure and determine reliability of the questionnaires'. Alpha test result ranged from 0.807 to 0.834, thus are

considered to have good reliability, which is above 0.7; this implied that all instruments of the study were reliable for measurement. Thus, According to Zikmund, et al., (2010) showing it all rages form moderately correlated to highly correlate. And all depicted that the data collected is reliable to run for further analysis for the current study.

Table 4. 1 Reliability Test

Variables	No of Items	Cronbach's Alpha
Appraisal	6	.807
Performance Based Reward System	12	.808
Performance Feedback	3	.817
Career advancement and Opportunities System	6	.817
Training and Development	9	.817

Source: Survey Result (2022)

4.4. Demographic Information of Respondents

Before start the analysis of the data some background information's i.e. Demographic data, is useful in order to make the analysis more meaning full for the readers. The purpose of the demographic analysis in this research is to describe the characteristics of the sample such as the number of respondents, proportion of males and females in the sample, range of age, education level, and length of services years. Each frequency distribution of demographic variables is presented below.

Table 4. 2 Demographic Information

Characteristics	**Frequency**	**Percent (%)**
Sex		
Female	63	42.9
Male	84	57.1
Age group		
Below and 25	25	17.0
26-30	48	32.7
31-40	64	43.5
41-50	10	6.8
Educational Level		

TVET Level 1-4	10	6.8
Diploma	14	9.5
Degree	88	59.9
Masters and above	35	23.8
Length of service		
Below & 2 years	29	19.7
3-5 Years	34	23.1
6-10 Years	40	27.2
11 Above Years	44	29.9

The findings in the above table 4.2 show that more than half of the sampled respondents', 84 (57.1%) were male, while 63 (42.9%) were female. In this demographic composition even though East Africa Bottling Share Company's (DDP) relatively unbalanced sex composition in selected sample units which is because of the nature of the work which is mainly hard work and not comfortable to females. However, given that both genders were involved in the study, it is arguable that the results of the research study did not experience gender biasness.

The findings below show that majority 64 (43.5%) of the respondents were aged between 31-40 years, followed by 48 (32.7%) who were aged 26–30 years, 25 (17%) were below 25 years and 10 (6.8%) were aged between 41–50 years. From the findings majority of respondents were aged between 31-40 years implying employees working in East Africa Bottling Share Company's (DDP) are matured and vibrant and this age group seems to be well equipped with up-to-date knowledge with respect to the role of performance management system, especially performance management system associated with employee productivity of East Africa Bottling Share Company's (DDP) in Dire Dawa.

The study respondents were required to indicate their level of educational qualifications. In terms of the respondents' level of education, Table 4.1 indicates that the highest percentage 88 (59.9%) were first degree holders, 35 (23.8%) were masters and above graduate education qualifications and 14 (9.5%) were diploma holders, as well as 10 (42.9%) were TVET Level 1-4 graduates. The findings indicated that majority of respondents 88 (59.9%) had BA/BSc Degree holders. The fact that the majority of the respondents were well-educated means that they well understood the question from the questionnaire and able to respond to the questionnaires without difficulties.

The respondents were asked about their length of service in their respective industry as a critical indicator of their understanding the role of performance management system and employee productivity. The findings indicated that 44 (29.9%) of them had served 11 years and above years of experience in East Africa Bottling Share Company's (DDP), followed by 63 (42.9%) who had 6-10 years of experience, 34 (23.1%) who had 3-5 years of experience and 29 (42.9%) had less than 2 years of experience in East Africa Bottling Share Company's (DDP). This also shows that majority of the respondents had served 11 years and above years of experience showing more experienced employees necessary to understand the role of performance management system and how it affects employee productivity in East Africa Bottling Share Company's (DDP). From the findings deduced that more than 75% of the respondents had above 3 years working experience in their current company, which shows that most of the respondents had adequate knowledge regarding the subject matter of the study and to contribute meaningfully; it is arguable that this length of service enabled them to respond to the research questions in a more sufficient way.

4.5. Results of Descriptive Analysis of the Measurement Scales

Descriptive analysis refers to "the elementary transformation of raw data in a way that describes the basic characteristics such as central tendency, distribution and variability" (Zikmund et al., 2010). The study sought to the role of performance management system in East Africa Bottling Share Company's (DDP) on employee productivity. The questionnaires were used with a five-point Agree-Disagree scale. In this scale, strongly disagree was coded as 1 and strongly agree was coded as 5. Detailed descriptions of the items or questions, "means and standard deviations" are reported in table form in the following sections. For the purpose of this research study the statements by computing with mean values of the responses.

4.5.1. Performance Management System

The results of the descriptive analysis for performance management system are shown in Table 4.3 for each item, measured on a five (5) - point Likert scale ranging from "1" ("strongly

disagree") to "5" ("strongly agree"). Based on the "mean scores" for each item, respondents' clearly show their agreement with performance management system practiced in their respective firms.

Table 4. 3 Descriptive Statistics of Performance Management System

Statement	N	Mean	Std. Dev
The company's performance management practice is considered in the company as a strategic tool in enhancing individual & organizational performance.	147	4.01	.754
The company's performance management practice strongly creates an alignment between employee performance & organizational goals.	147	4.09	.914
The company's performance management practice allows high employee participation.	147	3.87	.838
The company's performance management practice creates a cordial and a harmonious relationship between an individual employee and the line manager based on trust and empowerment.	147	3.62	.886
The company's performance management practice drives employee productivity.	147	3.76	1.018
Performance appraisal, performance based reward system & performance feedbacks are the major aspects of the company's performance management practice in the company.	147	3.79	1.055
The cycle of performance management (plan, act, Monitor & review) is clearly observed in the company's performance management practice.	147	3.76	.904

Source: Survey Result (2022)

Table 4.3 above demonstrates the mean score of the data with respect to Performance Management System majority of respondents 132 (89.7%) of responded to agreed were company's performance management practice is considered in the company as a strategic tool in enhancing individual & organizational performance with a mean score of data 4.01 (SD=.754), and 120 (81.7%) of responded to agreed were the company's performance management practice strongly creates an alignment between employee performance & organizational goals had a mean of 4.09 (SD=.914).

The findings also reported that, majority of respondents 103 (70%) of responded agreed the company's performance management practice allows high employee participation had a mean of 3.87 (SD=.838), in addition its performance management practice creates a cordial and a harmonious relationship between an individual employee and the line manager based on trust and empowerment thus the findings implied more than half of respondents implied that there were agreed 97 (66%) with a mean of 3.62 (SD=.886). Moreover, according to the findings, 111 (75.5%) of respondents agreed company's performance management practice drives employee productivity had a mean of 3.76 (SD=1.018), also, performance appraisal, performance based reward system & performance feedbacks are the major aspects of the company's performance management practice in the company thus the findings implied more than half of respondents implied that there were agreed 95 (64.7%) with a mean of 3.79 (SD=1.055).

Furthermore, respondents were asked to the cycle of performance management (plan, act, Monitor & review) is clearly observed in the company's performance management practice majority of participants 103 (70%) of responded agreed with a mean of 3.76 (SD=.904).

Hence, it is possible to conclude that majority of respondents responded agreed with respect to Performance Management System in East Africa Bottling Share Company's (DDP). Vroom's Expectancy theory proposes that individuals change their behaviour according to their anticipated satisfaction in achieving certain goals. Stoner, et al., (2011) note that productivity is likely to improve when clearly perceived and usable relationships exist between people's performance and outcome, and the outcome is seen as a means of satisfying needs. These theories are relevant to the study because they clarify the issue that set goals and expectations would produce better self-regulated performance because employees are likely to be committed to attaining the goals of the organization.

In line with these findings support previous study by Raymond et al., (2011) Employing this performance management procedure aids managers and staff in concentrating on the objectives of the company. Furthermore, the findings supported by Armstrong (2006) posited that performance management improving organizational, team, and individual performance by

analyzing and controlling performance within an agreed framework of set objectives, standards, and competency criteria.

4.5.2. Effect of Performance Appraisal on Employee Productivity

The results of the descriptive analysis for the effect of appraisal on employee productivity are shown in Table 4.5 for each item, measured on a five (5) - point Likert scale ranging from "1" ("strongly disagree") to "5" ("strongly agree"). Based on the "mean scores" for each item, respondents' clearly show their agreement with appraisal practiced in their respective firms.

Table 4. 4 Descriptive Statistics of Appraisal

Statement	N	Mean	Std. Dev
The performance rating scale is fairly assigned	147	3.63	1.047
The differentiation of rating scale is clear and concise	147	3.78	.913
The performance manager is impartial when assigning rating scales	147	3.57	.944
I am happy with how my performance is compared with colleagues in the same department	147	3.83	1.023
Performance of our department is fairly compared with those of other departments	147	3.93	.637
My performance is fairly compared with performance of individuals holding similar positions in the industry	147	3.80	.708

Source: Survey Result (2022)

In the above Table 4.4 the Effect of Appraisal on Employee Productivity with regard to the respondents were asked the performance rating scale is fairly assigned 96 (65.3%) more than half of respondents implied that there were agreed with a mean of 3.63 (SD=1.047), in addition 104 (70.8%) of responded to agreed were differentiation of rating scale is clear and concise had a mean of 3.78 (SD=.913). On the other hand 65 (44.2%) of respondents were neither agreed nor disagreed, while 71 (48.3%) of respondents were agreed the performance manager is impartial when assigning rating scales had a mean of 3.57 (SD=.944). The findings also reported that, more than half of respondents implied that there were agreed 104 (70.8%), 112 (76.2%) and 93 (63.3%) to they are happy with how their performance are compared with colleagues in the same

department, Performance of our department is fairly compared with those of other departments and my performance is fairly compared with performance of individuals holding similar positions in the industry with a mean of 3.83 (SD=1.023), 3.93 (SD=.639) and 3.80 (SD=.708) respectively. In regards to the effect of performance appraisals on employee productivity, the findings suggested that the appraisal leads to improve employee performance in East Africa Bottling Share Company's (DDP). An effective appraisal model can improve the performance of the workers important to the completion properly doing identified an objective fitted with succeed in accomplishing company goals.

The current finding also supported by early finding done by Onyije, (2015); Islami, Mulolli, and Mustafa, (2018); Barkha and Swarna (2018); John and Nnah (2020); Bokhori (2022) performance appraisal and employee productivity data were analyzed through descriptive that there were agreed majority of respondents. Kim (2016) noted that the level of performance evaluation influenced productivity in employees. These were evident on the respondents who responded to good percentage rating. The evaluation of employees was therefore encouraged, but caution was advised on evaluation as extreme measures of evaluation were found to management of employees that led to demotivation of employees.

4.5.3. Effect of Performance Based Reward System on Employee Productivity

The results of the descriptive analysis for the effect of Performance Based Reward System on employee productivity are shown in Table 4.5 for each item, measured on a five (5) - point Likert scale ranging from "1" ("strongly disagree") to "5" ("strongly agree"). Based on the "mean scores" for each item, respondents' clearly show their agreement with Performance Based Reward System practiced in their respective firms.

Table 4. 5 Descriptive Statistics of Performance Based Reward System

Statement	N	Mean	Std. Dev
Performance management is directly linked to reward systems.	147	3.54	1.100
The performance based rewards provided by the company very frequently motivate me to give my best	147	3.64	.883
The performance based rewards motivate me to be timely in completing my duties.	147	3.73	1.004
My level of wage is fair and satisfactory to the degree of my performance.	147	3.70	.831
Performance based rewards are varied.	147	3.64	.758
High performer employees are entitled for job promotion than low performers.	147	3.76	.888
The company uses performance appraisal result as one input for promotion decision.	147	3.70	.831
The company well recognize & reward high & extra ordinary performance.	147	3.67	1.080
The recognition for good work encourages me to work beyond the requirements of my job.	147	3.90	.659
The company grants bonuses to employees based on employees performance contribution	147	3.84	.970
The company gives adequate incentives for high performing employees	147	3.35	1.051
Incentives given for high performers encourages me to perform more	147	3.69	1.140

Source: Survey Result (2022)

In the above Table 4.5 the effect of performance based reward system on employee productivity statements of performance management is directly linked to reward systems asked respondents 89 (60.5%) of responded to agree, with a mean score of data 3.54 (SD=1.100), and 94 (63.9%) the performance based rewards provided by the company very frequently motivate me to give my best more than half of respondents implied that there were agreed with a mean score of data 3.64 (SD=.883). In addition to the performance based rewards motivate me to be timely in completing my duties of 103 (70%) majority respondents were agreed with a mean score of data 3.73 (SD=.1004). Moreover, according to the findings, level of wage is fair and satisfactory to

the degree of my performance 103 (70.1%) majority respondents were agreed with a mean score of data 3.70 (SD=.831).

Furthermore, respondents were asked to indicate the extent, to which they agreed with Performance based rewards are varied, high performer employees are entitled for job promotion than low performers and the company uses performance appraisal result as one input for promotion decision 89 (60.5%), 97 (66%) and 88 (59.9%) of respondents were agreed with a mean of 3.64 (SD=.758), 3.76 (SD=.888) and 3.70 (SD=.827) respectively.

The findings also reported that, the company well recognizes and reward high & extra ordinary performance, recognition for good work encourages me to work beyond the requirements of my job, company grants bonuses to employees based on employees' performance contribution and company gives adequate incentives for high performing employees also incentives given for high performers encourages me to perform more 108 (73.5%), 117 (79.6%), 118 (80.3%), 80 (54.4%) and 99 (67.4%) of respondents were agreed with a mean of 3.67 (SD=1.080), 3.90 (SD=.659), 3.84 (SD=.970), 3.35 (SD=1.051) and 3.69 (SD=1.140) respectively. Therefore, it is possible to conclude that, Performance-based pay refers to a variety of programs that use different strategies. The financial outcomes of organizational performance are, however, intended to be distributed or shared with employees. The programs can be categorized broadly into the following groups: skill- or competency-based remuneration, profit sharing, gain sharing, bonuses, and individual-based incentive programs.

The finding also supported by the view of 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. Furthermore, Randell (2014), rewarding good performance increases the likelihood that it will occur again, whereas discouraging or even punishing poor performance reduces the likelihood that it will occur again.

4.5.4. Effect of Feedback on Employee Productivity

The results of the descriptive analysis for the effect of Feedback on employee productivity are shown in Table 4.6 for each item, measured on a five (5) - point Likert scale ranging from "1" ("strongly disagree") to "5" ("strongly agree"). Based on the "mean scores" for each item, respondents' clearly show their agreement with Feedback practiced in their respective firms.

Table 4. 6 Descriptive Statistics of Feedback

Statement	N	Mean	Std. Dev
I often discuss my performance with my supervisor before it is reported	147	4.10	.659
My performance is always compared with the departmental target	147	4.17	.459
My performance is always compared with other staff mates	147	3.53	1.100

Source: Survey Result (2022)

In the above Table 4.6 the Effect of Feedback on Employee Productivity statements of I often discuss my performance with my supervisor before it is reported, my performance is always compared with the departmental target and other staff mates majority of respondents implied that there were agreed 132 (89.8%), 142 (96.6%) and 90 (59.9%), with a mean of 4.10 (SD=.659), 4.17 (SD=.459) and 3.53 (SD=1.100) respectively.

Therefore, it is possible to conclude that provides an opportunity to assess past performance in comparison to earlier defined objectives and to pinpoint any performance gaps. This procedure assesses the current performance level, discusses strengths and flaws, and identifies potential for the future for managers and supervisors (Jackson and Schuller, 2012). Employees can discuss their performance, receive coaching and feedback, and clarify objectives for their career growth through the performance feedback (Brown & Benson, 2013).

This finding concur with the findings of Brown & Benson, (2013) employees' performance feedback has an important effect on the firm's productivity (Caruth, 2018) Singh and Rana (2015); Bernstein and Li (2017); Owili and Isaac (2018) posited that the need for clear-based performance feedback had positive impact on employee productivity.

4.5.5. Effect of Career advancement and opportunities System on Employee Productivity

The results of the descriptive analysis for the effect of Career advancement and opportunities System on employee productivity are shown in Table 4.7 for each item, measured on a five (5) - point Likert scale ranging from "1" ("strongly disagree") to "5" ("strongly agree"). Based on the "mean scores" for each item, respondents' clearly show their agreement with Career advancement and opportunities System practiced in their respective firms.

Table 4. 7 Descriptive Statistics of Career advancement and opportunities System

Statement	N	Mean	Std. Dev
My organization provides a platform to develop my career	147	3.97	.785
Supervisors and employee are responsible for individual career advancement to improve performance	147	3.90	.765
The organization has promotion opportunities for an employee's achievements to motivate employee for better performance	147	3.57	.944
The organization encourages employee participation in deciding the career path for better performance	147	3.88	.810
My organization provides opportunity to do creative and challenging work to enhance performance	147	3.63	.796
My job gives me a feeling personal accomplishment	147	3.93	.934

Source: Survey Result (2022)

In the above Table 4.7 the Effect of Career advancement and opportunities System on Employee Productivity statements of the organization provides a platform to develop your career asked respondents 114 (77.5%) of responded to agree, with a mean score of data 3.97 (SD=.785), and supervisors and employee are responsible for individual career advancement to improve performance 124 (77.5%) majority of respondents were agreed with a mean score of data 3.90 (SD=.765).

The organization has promotion opportunities for an employee's achievements to motivate employee for better performance, the organization encourages employee participation in deciding the career path for better performance, organization provides opportunity to do creative

and challenging work to enhance performance and my job gives me a feeling personal accomplishment, 81 (55.1%), 113 (76.9%), 97 (66%), and 116 (78.9%) more than half of respondents implied that there were agreed with a mean score of data 3.57 (SD=.944), 3.88 (SD=.810), 3.63 (SD=.796) and3.93 (SD=.934) respectively. Therefore, it is possible to conclude that while others countered that factors similar to advancement, training, and professional growth, further more acknowledgment and a healthier work setting, offer employees with more openings, which will either one way or the other affect their job happiness and agreeing on performance development practices are keys to the achievement of objectives.

The current finding also supported by Rahdert's (1960) view, the function of personnel development is that the growth of people can be accelerated over and above that which would take place naturally and normally, and then maximum the employees' contribution to personal and group goals. Employees who get promoted are those who are currently doing outstanding work and thus have been able to demonstrate their capacity to assume greater responsibilities.

4.5.6. Effect of Training and Development on Employee Productivity

The results of the descriptive analysis for the effect of Training and Development on employee productivity are shown in Table 4.8 for each item, measured on a five (5) - point Likert scale ranging from "1" ("strongly disagree") to "5" ("strongly agree"). Based on the "mean scores" for each item, respondents' clearly show their agreement with Training and Development practiced in their respective firms.

Table 4. 8 Descriptive Statistics of Training and Development

Statement	N	Mean	Std. Dev
Regular Training and Development program is available	147	3.86	.926
Selection criteria for Training and Development is Fair	147	3.76	.822
My organization has a comprehensive policy on training which links training to performance.	147	3.97	.785
There is Equal access to Training and Development	147	3.57	.876
I am continuously learning and trying to improve my self	147	4.03	.831

Training programs are evaluated to gauge their effectiveness in improving performance	147	3.84	.951
Knowledge acquired through continuous training has a direct influence on my work performance	147	4.13	.770
I am more efficiency in my job compare to when I started	147	4.27	.940
Training programs have increased my outcome in the company	147	4.07	.768

Source: Survey Result (2022)

In the above Table 4.8 the Effect of Training and Development on Employee Productivity statements of regular Training and Development program is available, Selection criteria for training and development is fair and my organization has a comprehensive policy on training which links training to performance also there is equal access to training and development 117 (79.6%), 90 (61.2%), 120 (81.6%) and 76 (51.7%) more than half of respondents implied that there were agreed with a mean score of data 3.86 (SD=.926), 3.76 (SD=.822), 3.97 (SD=.785), and 3.57 (SD=.876) respectively.

The findings also reported that, employees continuously learning and trying to improve myself, Training programs are evaluated to gauge their effectiveness in improving performance, Knowledge acquired through continuous training has a direct influence on my work performance I am more efficiency in my job compare to when I started and Training programs have increased my outcome in the company 119 (81%), 107 (72.7%), 136 (92.5%), 127 (86.4%), and 127 (86.4%) majority of respondents were agreed with a mean score of data 4.03 (SD=.831), 3.84 (SD=.951), 4.13 (SD=.770), 4.27 (SD=.940) and 4.07 (SD=.768) respectively.

Therefore, it is possible to conclude that, training activities should ideally be based on performance gaps that are identified during the performance review phase (Teke, 2002). By linking training to identified performance gaps, training will be focused, specific and relevant, also points out that relevant training and development interventions and regular performance feedback are important factors in skills retention. Therefore, the training, development strategy and the performance management system process should be aligned tightly with the overall retention strategy of the organization.

The importance of training and development in human resource management cannot be overstated. Training and development, on the other hand, practice of providing employees with training, workshops, coaching, mentoring, or other learning opportunities in order to inspire. Black, SE & Lynch, LM (1996) suggest that the training courses that are offered by organizations must be designed through considering the present and future needs of the employees and facilitate the learning of these skills. A good training or coaching course should improve the quantity and quality of organizations output; increase the chance of organizational success; decrease the organizational costs and expenses.

4.5.7. Employee Productivity

The results of the descriptive analysis of employee productivity in terms of (Quantity of Output, Quality of Output and Efficiency in Productivity) are shown in Table 4.9 for each item, measured on a five (5) - point Likert scale ranging from "1" ("strongly disagree") to "5" ("strongly agree"). Based on the "mean scores" for each item, respondents' clearly show their agreement with employee productivity in their respective firms.

Table 4. 9 Descriptive Statistics of Employee Productivity

Statement	N	Mean	Std. Dev
Quantity of Output			
Employees have continuously increased their personal output	147	3.78	.617
All sections/departments have continuously achieved their targets since PM practices were commenced	147	3.99	.772
Employees are able to generate more than an hours' worth of productivity of each hour	147	3.71	.685
Quality of Output	**N**	**Mean**	**Std. Dev**
Products have always met customer satisfaction	147	3.99	.785
Employee quality of work has improved overtime	147	4.05	.645
Customer complaints have reduced overtime	147	4.10	.479
Efficiency in Productivity	**N**	**Mean**	**Std. Dev**
There is sufficient timeliness in completion of set assignments	147	3.81	.788
There is improved innovativeness among employees	147	3.83	.686
There is tremendous reduction in wastages among employees	147	3.73	.577

Source: Survey Result (2022)

In the above Table 4.9 the Employee Productivity statements of employees have continuously increased their personal output; all sections/departments have continuously achieved their targets since PM practices were commenced, Employees are able to generate more than an hours' worth of productivity of each hour; Products have always met customer satisfaction; Employee quality of work has improved overtime; Customer complaints have reduced overtime; There is sufficient timeliness in completion of set assignments; There is improved innovativeness among employees and there is tremendous reduction in wastages among employees majority of respondents were agreed with a mean score of data 3.98 (SD=.617), 3.99 (SD=.772), 3.71 (SD=.685), 3.99 (SD=.785), 4.05 (SD=.645), 4.10 (SD=.479), 3.81 (SD=.788), 3.83 (SD=.686) and 3.73 (SD=.577) respectively.

Therefore, it is possible to conclude that, a subjective productivity measurement method was employed in this study. This method's measurements are not based on numerical operational data. Instead, is based on the opinions of the staff. According to Wang and Gianakis (1999), a subjective performance measure is a tool used to gauge how employees are perceived and feel.
The employee performance reviews is directly impacted by productivity of the organization. It is necessary to evaluate and coach a person's abilities and knowledge to increase job productivity and help the organization reach its goals (Cunneen, 2006). Employee productivity is a crucial component of performance reviews, and it is closely tied to company outcomes. In the end, using performance reviews to increase employee commitment towards productivity.

4.5.8. Challenges of Performance Management System

The results of the descriptive analysis of Challenges of Performance Management System are shown in Table 4.13 for each item, measured on a five (5) - point Likert scale ranging from "1" ("strongly disagree") to "5" ("strongly agree"). Based on the "mean scores" for each item, respondents' clearly show their agreement with Challenges of Performance Management System in their respective firms.

Table 4. 10 Descriptive Statistics of Challenges of Performance Management System

Statement	N	Mean	Std. Dev
Strategies and plans are not always clear	147	2.39	1.322
Little or no communication, unfairness, lack of transparency, and equity as some of the main features leading to failure of performance management system.	147	3.12	1.128
Complexity issues of the system and the tool	147	2.95	1.087
Lack of leadership support & poor management and work practice	147	2.82	1.194
The performance appraisal is not on the base of employees' accomplishments and achievements	147	2.65	.984
Performance incentives are limited and inadequately recognize and reward top performers	147	3.20	1.209
Resistance to change management aspect of performance management	147	3.19	1.149

Source: Survey Result (2022)

In the above Table 4.10 the Challenges of Performance Management System statements of Strategies and plans are not always clear; Little or no communication, unfairness, lack of transparency, and equity as some of the main features leading to failure of performance management system; Complexity issues of the system and the tool; Lack of leadership support & poor management and work practice; The performance appraisal is not on the base of employees' accomplishments and achievements; Performance incentives are limited and inadequately recognize and reward top performers and Resistance to change management aspect of performance management majority of respondents were neither agreed nor disagreed with a mean score of data 2.39 (SD=1.322), 3.12 (SD=1.128), 2.95 (SD=1.087), 2.82 (SD=1.194), 2.65 (SD=.984), 3.20 (SD=1.209) and 3.19 (SD=1.149) respectively.

Therefore, it is possible to conclude that PMS has had constraint success caused a several of challenges that comprised deficiency of expertise, influenced by personal feelings and assessment standards given an absence of satisfactory performance a minimum or starting point used for comparisons facts and statistics used for information analysis consequence from non-existent task descriptions, in terms of information and definitely by all means of arrangement for attaining of objectives.

The current finding supported by Platts and Sobotka, (2010) posited that performance criteria need to be unambiguous, clearly explained, relevant to the work tasks undertaken by employees and achievable. The criteria should not include factors beyond the control of the individual employee. Supervisors also need to be trained to provide regular, meaningful and constructive feedback.

4.6. Econometrics Model Analysis Results

This section presents and interprets correlation analysis, assumptions of multiple regression model and multiple regression results.

4.6.1. Correlation Analysis

The study sought to determine the correlation between the independent and dependent variables. As per Based on the suggestion of Pallant (2010), the interpretation of r - value indicating the strength of the relationship between two variables The test also indicates the strength of a relationship between variables by a value that can range from -1.00 to 1.00; when 0 indicates no relationship, -1.00 indicates a negative correlation, and 1.00 indicates a perfect positive correlation. For the rest of the values is used the following guideline: small correlation for value 0.1 to 0.29; medium for 0.3 to 0.49; and large for 0.50 to 1.0 (ibid). All the cases were included into the correlation analysis. Depending on this assumption, all basic constructs were included into the correlation analysis and a bivariate two tailed correlation analysis was done. The results are shown in Table 4.11.

Table 4. 11 Pearson Correlation Analysis

Variables		Employee Productivity
Performance Appraisal	Pearson Correlation	.498**
	Sig. (2-tailed)	.000
	N	147
Performance Based Reward System	Pearson Correlation	.573**
	Sig. (2-tailed)	.000

	N	147
Performance Feedback	Pearson Correlation	.340**
	Sig. (2-tailed)	.000
	N	147
Career advancement and opportunities System	Pearson Correlation	.400**
	Sig. (2-tailed)	.000
	N	147
Training and Development	Pearson Correlation	.404**
	Sig. (2-tailed)	.000
	N	147

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

Source: Field survey, 2022

From the Table 4.11 above, presents performance appraisal, performance based reward system, and performance feedback has positive and strong correlation with employee productivity r= .498**, p=.000, .r= 573**, p=.000, .r=340**,p= .000 respectively.

Career advancement and Opportunities System (Corr. = .400** with significance level of correlation p= 000) and Training and Development (Corr. = .404** with significance level of correlation p= 000) Appraisal, (Corr. = .498** with significance level of correlation p= 000), the results indicate that a positive and moderate relationship with employee productivity.

4.6.2 Assumptions of Multiple Regression Analysis

According to Field (2009) to run a linear regression, checking critical assumptions is essential and it is helpful to draw conclusion about the population under study. In this regard, normality of the residuals variables Homoscedasticity and Multi collinearity between variables were checked, and the results presented as follows. The study sought to present the assumptions of multiple regression analysis based on the results.

4.6.2.1. Multicollinearity of Data

Multi-collinearity is a state of very high inter-correlations or inter-association among the independent variables. It is therefore a type of disturbance in the data and if presence in the data the statistical inference made about the data may not be reliable. Multi-collinearity can be detected with the help of tolerance and its reciprocal, called Variance inflation factor (VIF). Variance Inflation Factor (VIF) quantifies how much the variance if inflated. If the value of tolerance is less than 0.1 & simultaneously, the value of VIF are 10 and above, then the multi-collinearity is problematic. It is to mean that, If the VIF value lies less 10, then there is no multi-collinearity and if the tolerance < 0.1 or VIF > 10, then there is multi-collinearity.

Based on the coefficients output collinearity statistics, in table 4.12, the highest value was 2.998 and the minimum values were 1.703 showing the value obtained is less than 10, it can be concluded that there is no multi-collinearity symptoms.

Table 4. 12 Test of Multi Collinearity Statistics

Model		Collinearity Statistics	
		Tolerance	VIF
	Performance Appraisal	.234	4.270
	Performance Based Reward System	.382	2.619
	Performance Feedback	.313	3.197
	Career advancement and opportunities System	.393	2.544
	Training and Development	.334	2.998

Source: Survey Result (2022)

4.6.2.2. Residual Normality Test

One of the classical linear regression models assumptions is the error term should be normally distributed or expected value of the error term should be normally distributed or expected value of the errors terms should be zero (E(UT))=0). The researcher used histogram to identify normal distribution of residuals and the result indicates that standard residuals are a little bit far away from the curve, many of the residuals are fairly close more to the curve and the histogram is bell

shaped. This implies that the majority of scores lie around the center of the distribution (so the largest bars on the histogram are all around the central value. Therefore, this indicates that the residuals are normally distributed.

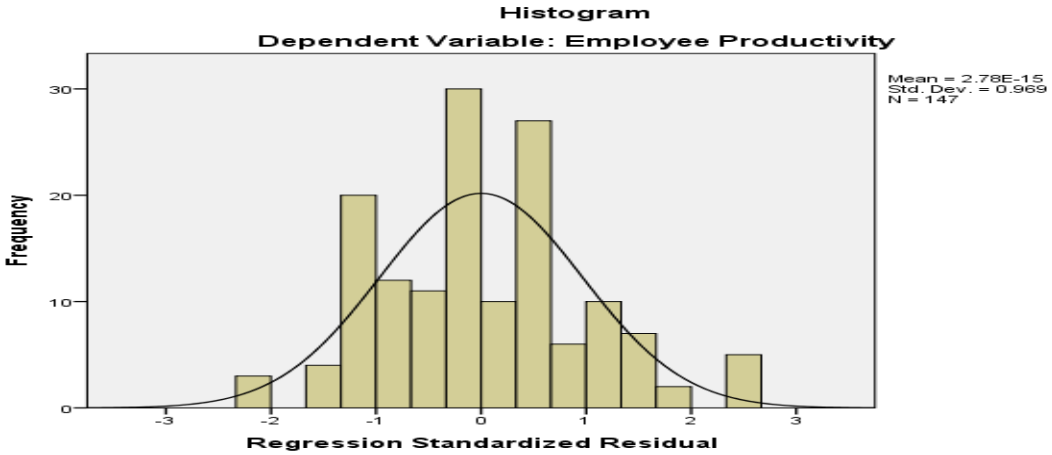


Fig.4. 1 Test of Normality Histogram

4.6.2.3. Checking for Linearity

The regression model can be expressed in a linear way. Checking the linearity between y and x variables can be done by plotting the independent variables against the dependent variable (Tabachnick & Fidell, 2007). As figure 4.2 shows the relationship of independent variables with the dependent variable is linear, P-P plot of residuals reveals no large deviation in the spread of the residuals that almost all residuals lay on the linear straight line. Therefore, this indicates that the relationship between the independent variables and the dependent variable is linear.

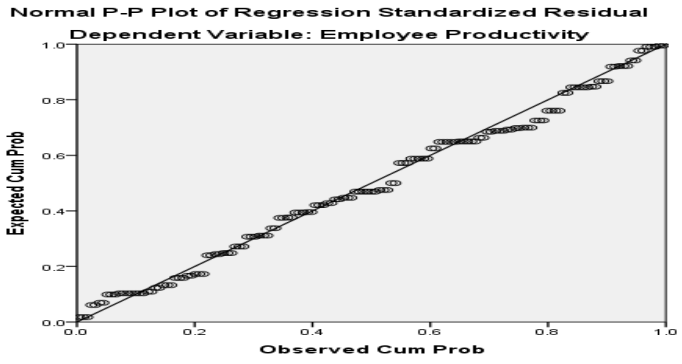


Fig.4. 2 Test of Linearity

4.6.2.4. Test of Heteroscedasticity

As shown in figure 4.3 the plot presented were not having a formal shape .Hence asked on the interpretation of the result it is possible to conclude there is no issues of Heteroscedasticity in the case of the current dependent and independent variables presented in the study. Likewise, the points are randomly and evenly dispersed throughout the plot and there are no obvious outliers on this cloud of dots which are spaced around zero.

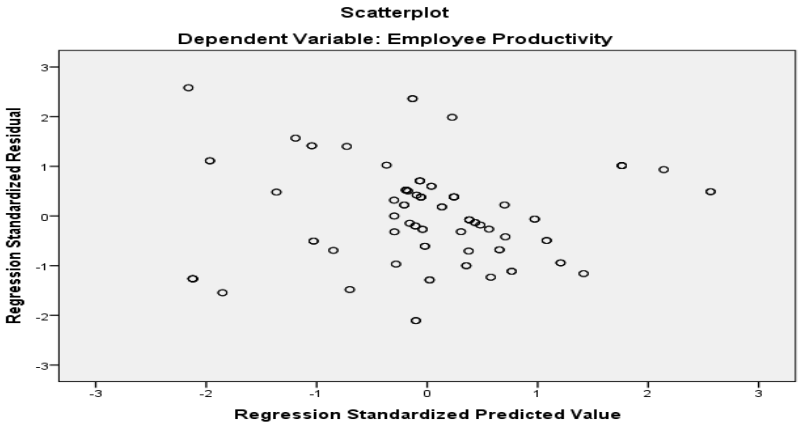


Fig.4. 3 Scattered Plot

4.6.2.5. Autocorrelation

Durbin-Watson coefficient was also deployed to investigate the assumption of autocorrelation. Autocorrelation can be referred when error term of a variable is subsequently correlated in a time period with error term of another variable (Field & Miles, 2010; Gujarati, & Porter, 2010; Zikmund et al., 2010). This is an assumption that the errors are linearly independent of one another (uncorrelated with one another). If the errors are correlated with one another, it would be stated that they are auto correlated. To test for the existence of autocorrelation or not, the popular Durbin- Watson test was employed.

Table 4. 13 Regression Analysis Durbin-Watson

Model	Durbin-Watson
1	2.382

Source: Survey Result (2022)

Table 4.13 results showed Durbin-Watson (DW) =2.382 indicating there is no autocorrelation among the variables. However, Durbin-Watson coefficient was observed to be in an acceptable range since Durbin-Watson coefficient is in range between 1 and 3 for autocorrelation assumption test (Hair *et al.,* 2010). Hence as the above figure indicates as it is very close to 2, there are no autocorrelation issues.

4.6.3. Regression Analysis

Multiple regression analysis was used to analyze the determinant factors of performance management system on employee productivity in East Africa Bottling Share Company's (DDP). Regression analysis is a statistical technique that can be used to analyze the associations between a set of independent variables and a single dependent variable (Ihantola & Kihn, 2014). As shown the second model in Table 4.14 the multiple regression analysis focuses on how much of the variance in the dependent measurement performance management system is explained by the model.

Table 4. 14 Regression Analysis Model Summary

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate	Durbin-Watson
1	.734[a]	.539	.508	.350	2.382

Source: Survey Result (2022)

Table 4.14 shows a strong positive relationship between the roles of performance management system on employee productivity. Based on this The model's multiple coefficient of determination or R square (R^2 0.539) obtained indicates that 53.9 % of variance in the measurement (Employee Productivity) function can be explained by Performance Management System, Setting Objectives, Appraisal, Communication, Feedback, Coaching, Performance

Based Reward System, Career advancement and Opportunities System and Training and Development, while the remaining 46.1% are explained by other variables out of this model. Adjusted R^2 = .508 with estimated standard deviation .350. The regression model is statistically significant since the probability level is 0.000

4.6.4. One-way ANOVA analysis

One-way analysis of variance was used to test whether the model was fit for prediction. In particular, One-way ANOVA sought to establish the overall significance of the regression model at a 95% confidence level (5% significance level). ANOVA (F-test) tests the acceptability of the model from a statistical perspective. The results are indicated in the following table:

Table 4. 15 Analysis of variance (ANOVA)

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.642	9	2.182	17.770	.000[b]
	Residual	16.826	137	.123		
	Total	36.469	146			
a. Dependent Variable: Employee Productivity						

Source: Survey Result (2022)

From Table 4.15, the significance value of the F statistic (F=17.770) is (Sig =0.000) less than 0.05, which means that the independent variables aggregated is significant. The F statistic was high and this means that the model is significant at the 5% significance level. In other words, the model is significant since the p value of 0.000 is less than the level of significance of 0.05. This means that it is a suitable prediction model for explaining how the role of performance management system affected on employee productivity in East Africa Bottling Share Company's (DDP) therefore; the regression model is a good fit of the data.

4.6.5. Regression Coefficient

The regression coefficient expounds the average amount of change in dependent variable that caused by a unit of change in the independent variable. Furthermore, we might want to find out which determinant or independent variable that gives relatively more important impact to the dependent variable. Accordingly, the function of Beta coefficient (β) or standardized regression coefficient might be helpful The larger value of Beta coefficient that an independent variable has, brings the more support to the independent variable as the more important determinant in predicting the dependent variable. The regression model was also used to simultaneously analyze the role of performance management system independent variables on the dependent variable of employee productivity in East Africa Bottling Share Company's (DDP). The results from the study are tabulated below:

Table 4. 16 Analytical Model Coefficients

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.851	.273		6.788	.000
	Performance Appraisal	.336	.112	.358	2.983	.003
	Performance Based Reward System	.402	.069	.549	5.841	.000
	Performance Feedback	.261	.081	.287	3.239	.002
	Career advancement and Opportunities System	.003	.087	.003	.032	.974
	Training and Development	.320	.063	.412	5.066	.000

Source: Survey Result (2022)

The regression equation was modeled as follows:

$Y = \beta_0 + \beta_1 X_1 - \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon_i$

$Y = 1.851 + 0.3367X_1 - 0.402X_2 + 0.261X_3 - 0.003X_4 - 0.320X_5$

4.7. Result and Discussion

The regression results are shown in Table 4.16 above the equation, taking all Independent Variables were the effect of performance management system [performance Appraisal, Performance Based Reward System, Feedback, Career advancement and Opportunities System and Training and Development] constant at zero, will lead to increase in 1.85 unite of employee productivity.

This outcome is supported by early finding done by Owino, Oluoch, & Kimemia, (2019); Solomon, Oravee and Hangeior (2017); Mbae, James and Christopher (2018); Eve Dzame Ndago (2020) Barkha Gupta and Swarna Parmar (2018); Eze, et al., (2019); Hamid Abdurehim (2017); Oroma (2015); John Nkeobuna Nnah Ugoani (2020); Ogolla and Oluoch (2019); Nabangala, and Amuhaya, (2020), Therefore, Employee Performance Management System, Employee Performance Appraisal, Performance Based Reward System, Employee Performance Feedback, Employee Career advancement and Opportunities System and Employee Training and Development important predictors of employee productivity.

The above table the regression coefficient for Performance Appraisal System, on employee productivity ($\beta 1$) = 0.336 which implies that one unit increase in Performance Appraisal System would lead to 33.6% increases in East Africa Bottling Share Company's (DDP) employee productivity if all the other independent variables are kept constant. The T- value is 2.983 and P value which are significant at .003 because significance level is less than $P \leq .05$. It implies that the alternate hypothesis should be accepted that is: Employee Performance Appraisal System has positive coefficient and significant effect on employee productivity of East Africa Bottling Share Company's (DDP).

The above findings were consistent with early findings by Mbae, James and Christopher (2018) Eve Dzame Ndago (2020) Barkha Gupta and Swarna Parmar (2018),Eze, et al., (2019) Hamid Abdurehim (2017) Oroma (2015), John Nkeobuna Nnah Ugoani (2020) Nduati and Wanyoike, (2022) Ogolla and Oluoch (2019) Employee Performance Appraisal System has significant effect on employee productivity.

The above table the regression coefficient for Employee Performance Based Reward System, on employee productivity (β2) = 0.402 which implies that one unit increase in Performance Based Reward System would lead to 40.2% increases in East Africa Bottling Share Company's (DDP) employee productivity if all the other independent variables are kept constant. The T- value is 5.841 and P value which are significant at .000 because significance level is less than P ≤.05. It implies that the alternate hypothesis should be accepted that is: Employee Performance Based Reward System has positive coefficient and significant effect on employee productivity of East Africa Bottling Share Company's (DDP).

The above findings were consistent with early findings by Barkha Gupta and Swarna Parmar (2018); Eze, et al., (2019); Hamid Abdurehim (2017); Nabangala, & Amuhaya, (2020) Employee Performance Based Reward System has significant effect on employee productivity.

Moreover, the value of the coefficient of Employee Performance Feedback on employee productivity (β3) = .261 which implies that one unit increase in Feedback would lead to 26.1% increase in East Africa Bottling Share Company's (DDP) employee productivity if all the other independent variables are kept constant. The T- value is 3.239 and P value which is significant at .002 because significance level is less than P ≤.05. It implies that the alternate hypothesis should be accepted that is: Employee Performance Feedback has positive coefficient and significant effect on employee productivity of East Africa Bottling Share Company's (DDP).

The above findings were partially consistent with early findings by Solomon, Oravee and Hangeior (2017); Eve Dzame Ndago (2020); Barkha Gupta and Swarna Parmar (2018)**,** Hamid Abdurehim (2017) Solomon, Oravee and Hangeior (2017) Nduati and Wanyoike, (2022) Ogolla and Oluoch (2019), Nabangala, & Amuhaya, (2020) Employee Performance Feedback has significant effect on employee productivity.

The outcome of regression coefficient for Employee Career advancement and Opportunities System, on employee productivity (β4) = 0.003 which implies that one unit increase in Career advancement and Opportunities System would lead to 3% unit increases in East Africa Bottling

Share Company's (DDP) employee productivity if all the other independent variables are kept constant. The T- value is 0. 032 and P value which are insignificant at .974 because significance level is above P >.05. It implies that the alternate hypothesis should be rejected that is: Employee Career advancement and Opportunities System has positive coefficient and insignificant effect on employee productivity of East Africa Bottling Share Company's (DDP).

This outcome is inconsistent with early findings by Nabangala, & Amuhaya, (2020) Mbae, James and Christopher (2018) Employee Career advancement and Opportunities System insignificant effect on employee productivity.

Finally, the value of the coefficient of Employee Training and Development on employee productivity (β5) = .320 which implies that one unit increase in Training and Development would lead to 32% increase in East Africa Bottling Share Company's (DDP) employee productivity if all the other independent variables are kept constant. The T- value is 5.066 and P value which is significant at .000 because significance level is less than P ≤.05. It implies that the alternate hypothesis should be accepted that is: Employee Training and Development has positive coefficient and significant effect on employee productivity of East Africa Bottling Share Company's (DDP).This outcome is supported by Eze, et al., (2019) Otoo, (2019) Employee Training and Development has significant effect on employee productivity.

4.8. Hypothesis Testing

The researcher has formulated four hypotheses which were presented in chapter one. Table 4.17 below summarized hypotheses testing results.

Table 4. 17 Hypothesis testing results

Hypothesis	B	T	Sig.	Decision
Ha 1. Performance appraisal has positive and significant effect on employees' productivity	.336	2.983	.003	**Accepted**
Ha 2. Performance based reward system has positive and significant effect on employees' productivity	.402	5.841	.000	**Accepted**
Ha 3. Performance feedback has positive and significant effect on employees' productivity	.261	3.239	.002	**Accepted**
Ha 4. Career advancement and opportunity system has positive and significant effect on employees' productivity.	.003	.032	.974	**Rejected**
Ha 5. Training and development has positive and significant effect on employees' productivity	.320	5.066	.000	**Accepted**

Source: Survey Result (2022)

Chapter Five: Summaries, Conclusions and Recommendations

5.0 Introductions

In the present chapter, an attempt has been made to discuss the findings based on the empirical and thematic analysis of the collected survey data and previous studies and to present the conclusions. At the end of the chapter, the suggestions for future researches are offered.

5.1. Summary of the Major Findings

The data gathered in the survey was summarized as follows:

- Out of the total of 190 questionnaires that were distributed to the selected sample of employees 19 questionnaires were partially filled and 24 questionnaires were not returned while 147 filled and returned the questionnaires making a response rate of 77.36%, satisfactory enough to complete this study.
- The Cronbach's alpha used to assess the internal consistency of variables in the research instrument. Alpha test result ranged from 0.807 to 0.834, thus are considered to have good reliability.
- Demographic data, background information's show that more than half of the sampled respondents', 84 (57.1%) were male, majority 64 (43.5%) of the respondents were aged between 31-40 years, to indicate their level of educational qualifications the highest percentage 88 (59.9%) were first degree holders, about their length of service in their respective industry as a critical indicator of their understanding the role of performance management system and employee productivity, the findings indicated that 44 (29.9%) of them had served 11 years and above years of experience in East Africa Bottling Share Company's (DDP),
- The study sought to the role of performance management system in East Africa Bottling Share Company's (DDP) on employee productivity Descriptive analysis employed.
- The results of the descriptive analysis majority of respondents responded agreed with respect to Performance Management System in East Africa Bottling Share Company's

(DDP) performance management improving organizational, team, and individual performance by analyzing and controlling performance within an agreed framework of set objectives, standards, and competency criteria.

- The performance appraisal and employee productivity data were analyzed through descriptive that there were agreed majority of respondents. These were evident on the respondents who responded to good percentage rating. The evaluation of employees was therefore encouraged, but caution was advised on evaluation as extreme measures of evaluation were found to management of employees that led to demotivation of employees.
- The results of the descriptive analysis for the effect of Feedback on employee productivity were agreed majority of respondents. According to Dechev, (2010) in order to improve each employee's performance in their own weak areas, performance feedback can also be a vital component.
- The results of the descriptive analysis for the effect of Performance Based Reward System on employee productivity were agreed majority of respondents, Pay-for-performance schemes that are properly designed will typically produce higher performance outcomes.
- The results of the descriptive analysis for the effect of Career advancement and opportunities System on employee productivity majority of respondents agreeing on performance development practices are keys to the achievement of objectives.
- The results of the descriptive analysis for the effect of Training and Development on employee productivity were agreed majority of respondents, the importance of training and development in human resource management cannot be overstated. Training and development, on the other hand, practice of providing employees with training, workshops, coaching, mentoring, or other learning opportunities in order to inspire. For company, study has shown that training brings better in effectiveness and productivity, greater financial gain and become smaller costs, better quality, and increased human capital.
- The results of the descriptive analysis of employee productivity in terms of (Quantity of Output, Quality of Output and Efficiency in Productivity) majority of respondents were agreeing on employee productivity is a crucial component of performance reviews, and it

is closely tied to company outcomes. In the end, using performance reviews to increase employee commitment towards productivity.

- The results of the descriptive analysis of Challenges of Performance Management System on employee productivity majority of respondents were neither agreed nor disagreed PMS has had constraint success caused a several of challenges that comprised deficiency of expertise, influenced by personal feelings and assessment standards given an absence of satisfactory performance in East Africa Bottling Share Company's (DDP).
- Performance Appraisal System, on employee productivity (β1) = 0.336 which implies that one unit increase in Performance Appraisal System would lead to 33.6% increases in East Africa Bottling Share Company's (DDP) employee productivity if all the other independent variables are kept constant
- Employee Performance Based Reward System, on employee productivity (β2) = 0.402 which implies that one unit increase in Performance Based Reward System would lead to 40.2% increases in East Africa Bottling Share Company's (DDP) employee productivity if all the other independent variables are kept constant
- Employee Performance Feedback on employee productivity (β3) = .261 which implies that one unit increase in Feedback would lead to 26.1% increase in East Africa Bottling Share Company's (DDP) employee productivity if all the other independent variables are kept constant.
- Employee Career advancement and Opportunities System, on employee productivity (β4) = 0.003 which implies that one unit increase in Career advancement and Opportunities System would lead to 3% unit increases in East Africa Bottling Share Company's (DDP) employee productivity if all the other independent variables are kept constant.
- Employee Training and Development on employee productivity (β5) = .320 which implies that one unit increase in Training and Development would lead to 32% increase in East Africa Bottling Share Company's (DDP) employee productivity if all the other independent variables are kept constant

5.2. Conclusions

A conclusion is about the implication of this study. Therefore, the following conclusions would be drawn from this study.

Productivity measures how well an individual, machine, factory, or system converts inputs into usable outputs. Despite the numerous resources and efforts that EABSC has dedicated to implementing performance management, it has not been able to achieve its goal of improving the productivity of its employees.

Nowadays competitive advantage plays a vital role for business firm or organizations to sustain and compete in this changing business environment. Using human capital as source to get competitive advantage takes an effective talent management system.

Came to the conclusion that performance reviews have a good impact on worker productivity since it's crucial to provide the best opportunities for growth and development for employees who perform below expectations this drawback Long-term productivity gains for the underperforming employees are made possible by this.

Pay-for-performance programs significantly improve performance using two key methods. They first have a beneficial impact on performance motivation. Second, they have an effect on how firms attract and retain employees, which affects the performance of the workforce. Pay-for-performance programs can offer financial incentives to an individual, a small group, a division, or a whole enterprise. Performance may be influenced favorably by all of these effects at various levels.

Developing strategies aiming to get the maximum advantage is essential for the organization. Identifying and valuing resources helps firms to have a potential benefits but those source should be rare, not imitable and substitutable.

Performance management is one of the talent management techniques that involve systematically improving the performance of individuals and teams in order to raise organizational performance to new levels. With the intention of producing a better outcome,

Performance management is the umbrella for all tasks that ensure that organizational goals are consistently and successfully achieved. Performance appraisal has reportedly improved the employee performance. Performance reviews aim to identify an employee's areas of strength as well as their developmental needs.

The ability of performance appraisals increases in role clarity can have an impact on both performance/reward instrumentality estimations and effort/ performance expectancy. Performance reviews may therefore have a positive impact on employees' levels of motivation by lowering ambiguity. Employees who receive feedback and appraisals more frequently can see how they are developing, which should inspire them to keep becoming better.

The acceptance of the procedure is necessary for the feedback to be successful. Feedbacks responses are frequently highly diverse, will further strengthen their working connections with managers and coworkers after receiving performance comments (Jackson & Schuller, 2012). Employees might respond negatively to the feedback. If the feedback is viewed as unfair, it may result in behavioral changes including absenteeism, a lack of collaboration, a lack of emphasis on urgencies, unhealthy competitiveness, or staff turnover (Dechev, 2010).

Therefore, it is possible to conclude that PMS has had constraint success caused a several of challenges that comprised deficiency of expertise, influenced by personal feelings and assessment standards given an absence of satisfactory performance a minimum or starting point used for comparisons facts and statistics used for information analysis consequence from non-existent task descriptions, in terms of information and definitely by all means of arrangement for attaining of objectives.

5.3. Recommendations

Based on the finding of the research the following recommends are suggestion to the East Africa Bottling Share Company's. The role of performance management system in East Africa Bottling Share Company's (DDP) on employee productivity it is widely acknowledged as being essential to give the employee feedback. The company as a whole will benefit from this input because it may promote and facilitate self-development.

Employee productivity is a crucial component of performance reviews, and it is closely tied to company outcomes. The productivity of the organization is directly impacted by employee performance reviews. It is necessary to evaluate and coach a person's abilities and knowledge to increase job productivity and help the company reach its goals.

For any employees that hopes to attain its objectives. This indicates that in order to do this, senior management must define each employee's function clearly and appropriately. Each employee's job must be described in detail, concisely communicated to and appropriately rewarded or corrected in order to be effective.

Rewarding good performance increases the likelihood that it will occur again, whereas discouraging or even punishing poor performance reduces the likelihood that it will occur again. Effective performance feedback is provided by a reliable source that is specific, timely, and behavioral in nature, and obtainable thus enhancing team and individual performance in the company.

In order to improve each employee's performance in their own weak areas, performance feedback can also be a vital component. Furthermore, there is a perception that managers and supervisors manage the feedback process reasonably well.

Due to the company's aggressive expansion plans, it is also important that EABSC has the proper management of its employees' performance. This can be done through the development of a performance management strategy.

5.4. Areas for Further Research

The present study focuses only on East Africa Bottling Share Company's (DDP) further scholarly research and literature by serving as a reference for those wishing to replicate it. As a result, the findings of this study will give empirical data on how performance management practices influence employee productivity further research study in other public or private Companies.

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Appendix I Questionnaires

DIRE DAWA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

Dear Respondents

I am pleased to inform you that I am a graduate student at Dire Dawa University pursuing a Master's degree in Business Administration. I am conducting a research study on ***"The effect of performance management system on employee productivity in East Africa Bottling Share Company's: The case of Dire Dawa Plant"***

I request you kindly spare your valuable time to fill up the questionnaire. The collected information will be kept as confidential and it will be used only for academic research and the individual data will not be shared with anybody under any circumstances.

Yours Sincerely!

In case you have any inquiry related to the study, please don't hesitate to contact me via:

Mobil phone: +251 91 388 1202

E-mail address: -Kalkidanmerid44@gmail.com

Please put a tick mark **(√)** on the appropriate responses category against each question.

No need of writing your Name

Thank you in advance for your cooperation!!

Section 1: GENERAL BACKGROUND INFORMATION

Instructions: *Please* (√) *tick or put "X" mark the right choice in the box, the answer you feel is appropriate, correct and matches the question.*

1. Gender: Male ☐ Female ☐
2. Age : Below 25 years ☐ 26 -30 ☐ 31 -40 ☐ 41- 50 ☐ 51&Above ☐
3. Educational Levels: Secondary ☐ TVET ☐ Diploma ☐ Degree ☐ Masters and above ☐
4. For how long have you worked in this organization?

Below & 2 years ☐ 3-5 years ☐ 6-10 years ☐ 11 years & above ☐

5	**Please indicate your designation in the company:**

Section 2: Performance Management System

The main purpose of below listed assessment instrument is to find out the role of performance management system in East Africa Bottling Share Company's (DDP) on employee productivity.

Direction: Please tick (√) or put "X" mark the number that you feel most appropriate, using the scale from 1 to 5 (Where 1: ***Strongly Disagree***, *2:* ***Disagree***, *3:* ***Neutral,*** *4:* ***Agree*** and 5: ***Strongly Agree***

	Statement PM	**1 SD**	**2 D**	**3 N**	**4 A**	**5 SA**
1	The company's performance management practice is considered in the company as a strategic tool in enhancing individual & organizational performance.					
2	The company's performance management practice strongly creates an alignment between employee performance & organizational goals.					
3	The company's performance management practice allows high employee participation.					
4	The company's performance management practice creates a cordial and a harmonious relationship between an individual employee and the line manager based on trust and empowerment.					
5	The company's performance management practice drives employee productivity.					

6	Performance appraisal, performance based reward system & performance feedbacks are the major aspects of the company's performance management practice in the company.					
7	The cycle of performance management (plan, act, Monitor & review) is clearly observed in the company's performance management practice.					

Section 2.2: Effect of Appraisal on Employee Productivity

Direction: Please tick (√) or put "X" mark the number that you feel most appropriate, using the scale from 1 to 5 (Where 1: ***Strongly Disagree****, 2:* ***Disagree****, 3:* ***Neutral,*** *4:* ***Agree*** and 5: ***Strongly Agree***

	Statement	**1 SD**	**2 D**	**3 N**	**4 A**	**5 SA**
1	The performance rating scale is fairly assigned					
2	The differentiation of rating scale is clear and concise					
3	The performance manager is impartial when assigning rating scales					
4	I am happy with how my performance is compared with colleagues in the same department					
5	Performance of our department is fairly compared with those of other departments					
6	My performance is fairly compared with performance of individuals holding similar positions in the industry					

Section 2.4: Effect of Feedback on Employee Productivity

Direction: Please tick (√) or put "X" mark the number that you feel most appropriate, using the scale from 1 to 5 (Where 1: ***Strongly Disagree****, 2:* ***Disagree****, 3:* ***Neutral,*** *4:* ***Agree*** and 5: ***Strongly Agree***

	Statement	**1 SD**	**2 D**	**3 N**	**4 A**	**5 SA**
1	I often discuss my performance with my supervisor before it is reported					
2	My performance is always compared with the departmental target					
3	My performance is always compared with other staff mates					

Section 2.6: Effect of Performance Based Reward System on Employee Productivity

Direction: Please tick (√) or put "X" mark the number that you feel most appropriate, using the scale from 1 to 5 (Where 1: ***Strongly Disagree***, *2:* ***Disagree***, *3:* ***Neutral,*** *4:* ***Agree*** and 5: ***Strongly Agree***

	Statement	**1 SD**	**2 D**	**3 N**	**4 A**	**5 SA**
1	Performance management is directly linked to reward systems.					
2	The performance based rewards provided by the company very frequently motivate me to give my best					
3	The performance based rewards motivate me to be timely in completing my duties.					
4	My level of wage is fair and satisfactory to the degree of my performance.					
5	Performance based rewards are varied.					
6	High performer employees are entitled for job promotion than low performers.					
7	The company uses performance appraisal result as one input for promotion decision.					
8	The company well recognize & reward high & extra ordinary performance.					
9	The recognition for good work encourages me to work beyond the requirements of my job.					
10	The company grants bonuses to employees based on employees performance contribution					
11	The company gives adequate incentives for high performing employees					
12	Incentives given for high performers encourages me to perform more					

Section 2.7: Effect of Career advancement and opportunities System on Employee Productivity

Direction: Please tick (√) or put "X" mark the number that you feel most appropriate, using the scale from 1 to 5 (Where 1: ***Strongly Disagree***, *2:* ***Disagree***, *3:* ***Neutral,*** *4:* ***Agree*** and 5: ***Strongly Agree***

	Statement	**1 SD**	**2 D**	**3 N**	**4 A**	**5 SA**
1	My organization provides a platform to develop my career					
2	Supervisors and employee are responsible for individual career advancement to improve performance					
3	The organization has promotion opportunities for an employee's achievements to motivate employee for better performance					
4	The organization encourages employee participation in deciding the career path for better performance					
5	My organization provides opportunity to do creative and challenging work to enhance performance					

6	My job gives me a feeling personal accomplishment					

Section 2.8: Effect of Training and Development on Employee Productivity

Direction: Please tick (√) or put "X" mark the number that you feel most appropriate, using the scale from 1 to 5 (Where 1: ***Strongly Disagree****, 2:* ***Disagree****, 3:* ***Neutral,*** *4:* ***Agree*** and 5: ***Strongly Agree***

	Statement	1 SD	2 D	3 N	4 A	5 SA
1	Regular Training and Development program is available					
2	Selection criteria for Training and Development is Fair					
3	My organization has a comprehensive policy on training which links training to performance.					
4	There is Equal access to Training and Development					
5	I am continuously learning and trying to improve my self					
6	Training programs are evaluated to gauge their effectiveness in improving performance					
7	Knowledge acquired through continuous training has a direct influence on my work performance					
8	I am more efficiency in my job compare to when I started					
9	Training programs have increased my outcome in the company					

Section 3: Employee Productivity

Direction: Please tick (√) or put "X" mark the number that you feel most appropriate, using the scale from 1 to 5 (Where 1: ***Strongly Disagree****, 2:* ***Disagree****, 3:* ***Neutral,*** *4:* ***Agree*** and 5: ***Strongly Agree***

	Statement	1 SD	2 D	3 N	4 A	5 SA
	Quantity of Output QUNO3					
1	Employees have continuously increased their personal output					
2	All sections/departments have continuously achieved their targets since PM practices were commenced					
3	Employees are able to generate more than an hours' worth of productivity of each hour					
	Quality of Output QUAO 3					
4	Products have always met customer satisfaction					
5	Employee quality of work has improved overtime					
6	Customer complaints have reduced overtime					
	Efficiency in Productivity EP 3					
7	There is sufficient timeliness in completion of set assignments					
8	There is improved innovativeness among employees					
9	There is tremendous reduction in wastages among employees					

Section 4: Challenges of Performance Management System

Direction: Please tick (√) or put "X" mark the number that you feel most appropriate, using the scale from 1 to 5 (Where 1: ***Strongly Disagree****, 2:* ***Disagree****, 3:* ***Neutral,*** *4:* ***Agree*** and 5: ***Strongly Agree***

	Statement	**1 SD**	**2 D**	**3 N**	**4 A**	**5 SA**
1	Strategies and plans are not always clear					
2	Little or no communication, unfairness, lack of transparency, and equity as some of the main features leading to failure of performance management system.					
3	Complexity issues of the system and the tool					
4	Lack of leadership support & poor management and work practice					
5	The performance appraisal is not on the base of employees' accomplishments and achievements					
6	Performance incentives are limited and inadequately recognize and reward top performers					
7	Resistance to change management aspect of performance management					