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**ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
GENERAL MBA PROGRAM**

**ASSESSMENT OF PERFORMANCE MANAGEMENT SYSTEM
IMPLEMENTATION AND CHALLENGES: IN A CASE OF
ETHIOTELECOM**

BY

TSION FEKADU DEFERE

MAY, 2019

ADDIS ABABA, ETHIOPIA

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

I, TSION FEKADU DEFERES, declare that this research, titled —ASSESEMENT OF PERFORMANCE MANAGEMENT SYSTEM IMPLEMENTATION AND CHALLENGES: A CASE OF ETHIOTELECOM is done with my own effort. I have produced it independently except for the guidance and suggestions of my research advisor. I assure that this study has not been submitted for any scholarly award in this or any other university.

TSION FEKADU DEFERES

Signature _____ Date _____

CERTIFICATION

Here with I state that TSION FEKADU DEFERES has carried out this research work on the topic entitled —ASSESEMENT OF PERFORMANCE MANAGEMENT SYSTEM IMPLEMENTATION AND CHALLENGE: A CASE OF ETHIOTELECOM under my supervision. It is sufficient for submission for the partial fulfilment for the award of General MBA.

ABIRARAW CHANIE (PhD)

Signature _____ Date _____

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ABBREVIATIONS/ACRONYMS

EPMS- Employee Performance Management System

EPM-Employee Performance Management

HRM - Human Resources Management

HRD- Human Resources Development

PMS- Performance Management System

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Abstract

This paper is a case study assessing the employee performance management system: a case of Ethio telecom (Addis Ababa). It aimed at attaining the specific objectives of assessing whether the strategic mission of Ethio telecom aligns with individuals' performance objectives, investigating whether the organization performance management system properly implemented or not, identifying the benefits gained from performance management system implementation in the company, identifying potential challenges and recommend possible solutions in order to mitigate them, and finding out employees' perception toward employee performance management system of the company . To attain these objectives descriptive survey research design has been deployed by using mixed method approach. For this study simple random sampling technique was used by taking 137 employees to fill in the adapted questionnaire, which is the main data collection instrument. The analysis was done by the help of SPSS and presented using descriptive statistics; frequency tables, percentages, mean and standard deviation. However, data gathered from interview document analysis were analyzed contextually. The scope of the study was delimited to head office and divisions within Addis Ababa area. In general the finding of the study revealed that: organizational goals were fully aligned with departmental and individual goals; there is a tendency of giving unbalanced targets for similar positions; supervisor evaluates employees work based on recorded evidence; there is fair job rotation among employees; there is sufficient resource allocation to execute their job properly; performance management processes are done free of bias and objectively; pay raises are depending on how well employees perform their jobs. Employees feel they are fairly treated in every process of performance management system, they have received training in performance management, and performance management system is clearly defined in the organization. Having this in mind the researcher concluded that even though Ethio telecom has good qualities in clearly defining the mission, vision and values and developing strategy map the company do have a lot to be made in making performance management system to be more useful for the organization. In order to fill the identified gap, recommendations were forwarded to align organizational goals with departmental and individual level, increase adequate and timely trainings to its employees concerning the end-to end aspects of the employee performance management system; instituting system to support the data tracking & documentation; increase promoting and ensuring effective feedback and coaching culture; revising performance standards and measuring to minimize subjectivity, vagueness, and inappropriateness; enhancing the involvement and ownership of both the managers and employees via promoting transparency and equipping them with the required knowledge, skill and resources; and clearly articulate the end-to-end implication of good as well as poor performance.

Key Words: - Ethio telecom, Employee Performance Management system and Human Resources Development

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Among different resources found in every organization, human resources is one of the most important assets with the responsibility of managing other resources like financial, material, technological and other monetary or non-monetary resources. The human resource can be said to be a backbone of any organization in coordinating and controlling the whole activities of the organization directly or indirectly to ensure achievements of organizational goal. Unlike other resources, human resource can develop sustained competitive advantage by creating values which cannot be imitated by competitors. Without good human resource, an organization cannot build a good team of working professionals and environment. Successful organizations do not owe their success solely to market realities and sustainable competitive advantages. Actually, there is a lot more. Successful companies are those that consider their human capital as their most important asset.

In the eyes of an organization employees are viewed as assets whose value is enhanced by development. For this reason, companies will engage in practice of Human Resource Management to capitalize on those assets. Human Resources Management (HRM) is all about managing employees strategically who contribute to the achievement of the strategic objective of the organization individually or collectively. Assuming that the employees of an organization are individuals with own mental maps and perceptions, own goals and personalities they cannot be perceived as a whole, HRM holds that the organization should be able to employ both individual and group psychology in order to commit employees to the achievement of organizational goals (Armstrong, 2006).

Human Resource Management (HRM) is a process that links the goal of the organization together with the goal of the people by securing the best people and winning their wholehearted cooperation to attain organizational goal in an effective and efficient manner. In other words it is shaping and managing people at work to gain the maximum contribution of them to the organization (Mahapatro, 2010). Contributing to the development of employee's is one of the goals of HRM. It supports people to exert their maximum potential and gives them suggestion that will help them to improve their performance by providing the necessary information regarding their performances and by defining their respective roles. By doing this they will be benefited in outlining their anticipated goals and thereby, helps them to execute it with the best possible efforts.

Performance Management as one of the aspects of HRM is a process of advancing the performance of the organization to the higher expectation by developing the performance of individuals and teams in a systematic way. It is the process of cascading the goal of the

organization down to teams and individuals with the aim of getting a better result (Armstrong 2009). In an effective performance management system, it is easy for managers to evaluate and measure individual performance and increase productivity by aligning individual and strategic objective, providing visible and clear performance expectation, documenting individual's performance for future decision and focusing on skill development plan. Having the right performance management system is a concern of every organization because it is an important gear of any organization to be a front runner in the market by evaluating and developing employee performance in order to get enhanced organizational success.

Having the above stated roles in the country, the successful practice of performance management system in ethiotelecom is a vital one since the staffs are the one who transform the mission and vision of ethiotelecom into practice. Hence, the researcher chose to assess the practice of performance management at ethiotelecom as it is a monopoly governmental in the country and plays an important role in developing the capacity of organization by providing and delivering network service for the successful transformation of the development goal of the country.

1.2 Statement of the problem

It is not known how and to what extent performance management systems improve employees' competency and/or be a challenge for strategic goals. Without having a high performing employee and units it will be difficult for organizations to compete with national and international market. To ensure market competitiveness performance management system is highly desired to develop the capacity of the employees and inspired them to put maximum effort in the realization of organizational goals.

Performance Management System depends on the performance of an employee in terms of skill, knowledge and attitude. The more people are developed and able to work toward the strategy, the more they are important to the organization.

The reason for the existence of performance management system in an organization is to improve organizational result, deploy a culture that will attract and develop employees, create a good relationship between leaders and employees, enhance meaningful work cooperation among employees, generate an opportunity for growth and development and to make clear on understanding of work objectives. Beside this performance management system will provide information about where employees are in performing day to day activities for the achievement of organizational goal, it gives developmental feedback on the strength and weakness of employees so as to keep the strengths and work on the weakness, it distinguishes good and poor performers and also it uses as a base for HR system improvement in personnel selection as well as design of training programs. In addition to this it will decrease employee turnover, increase productivity and enhance employee well-being in knowing how they are doing by relating their status in the organization in the future.

Even though performance management system has so many advantages both for organizations and employees, it needs a high degree of involvement from senior management and leadership. A key to successful performance management is the ownership and leadership of senior management. When management owns the system instead of HR, and when senior leaders support it, performance management systems are much more effective. It is hard to imagine any organization having an effective performance management system without strong senior leadership.

There might be a quite beautiful policy and procedure which clearly shows the steps, benefits and implementation process of performance management system. But it only can be kept on paper as a policy unless it is converted into practice. This is the rationale for the researcher to assess the practical implementation of the performance management system at ethiotelecom.

Ethiotelecom is one of the biggest governmental institutes in Ethiopia which strives to design and deliver different network services and products with the aim of enhancing the expansion of network capacity of different regions. This will have a great impact in the vision of Ethiopia to be one of the middle income countries in two decades which will be realized by different sectors in the economy who have the capacity and capability of implementing the expansion of network for the country. Cognizant to this, the country needs a highly qualified and competent human resource in different sector. In this regard, ethiotelecom has a very huge contribution in developing the capacity of organizations by providing network service. Through a well-developed and motivated staff, achieving its vision and mission means a lot for ethiotelecom. As a result ethiotelecom needs a well designed and implemented performance management system to enhance the performance of its employees who are responsible in capacitating others.

1.3 Research Questions

On the basis of the discussions above, the research will revolve around the following basic research questions.

To what extent the strategic mission of ethiotelecom is aligned to individual employee's performance objectives?

What purpose does the performance management system have in ethiotelecom and to what extent it is understood by employees?

How are the planning and execution phases of performance management system carried out in ethiotelecom?

How does performance review stage applied at ethiotelecom?

What challenges does ethiotelecom face in implementing its performance management system?

1.4 Objective of the study

1.4.1 General Objective

The overall objective of this study was to assess the practice and challenges of Performance Management System in ethiotelecom and to forward possible solution for the actual problems.

1.4.2 Specific Objective

While conducting the study the researcher believes that the study has the following specific objectives.

- Assess the alignment of ethiotelecom's strategic mission with individual's performance objectives.
- Investigate the practice of planning and execution phases of performance management.
- Identify the purpose of performance management system in ethiotelecom?
- Explore whether the performance review system is taking place properly in ethiotelecom or not?
- Point out the challenges faced while implementing performance management system and to assess the solution used to overcome the challenges.

1.5 Significance of the study

This research will have the following significance:

Ethiotelecom can obtain the necessary feedback and take corrective measure to ensure the successful implementation of performance management system.

It broadens the knowledge of the researcher about the subject matter with a range of practical application and improves the understanding of research ability of the researcher.

It might be an input for other organizations who are interested in designing and implementing a performance management system.

It provides sufficient information to those who are interested to perform further research in a similar area.

It might add something on the literature regarding the performance management system.

1.6 Scope of the study

Even though performance management system is applicable in all types of organization regardless of size, nature, and goal, the scope of this study is delimited to only the practice and challenges of performance management system in ETHIOTELECOM. In addition, though human resource management is a broad field of study and practice, this study focuses only on performance management practices.

1.7 Limitation of the Study

Due to the time and cost constraint the research delimited only on the performance of management practice and challenges in ethiotelecom. So, the research doesn't assess other human resource management functions and also other organizations.

CHAPTER TWO

LITERATURE REVIEW

In this chapter, reviews of related literature and lessons from international as well as domestic practices are presented. To be more specific concepts of performance, definition, processes, purpose, principles and best practice of performance management, have been discussed briefly.

2.1 1 Concepts and Definition of Performance and Performance Management

Performance: - In a simple way performance can be regarded as a record of an outcome or accomplishment achieved by a person or a team (Armstrong, 2009). Performance can also be defined as “the act or process of performing a task or an action that involve a lot of effort” (Oxford Advanced Learner” Dictionary 2006, p 1080). It is the accomplishment or outputs/outcomes of a task undertaken but also states that performance is about doing the work effectively so as to achieve the desired goals. Performance can also be perceived as a non-job specific behavior such as cooperation, dedication, enthusiasm and persistence that develop the effectiveness of the organization to enhance the working culture and climate of the organization.

2.1.2 Performance Management

In most cases performance management system and performance appraisal are interlinked with each other. However, performance management system is the broader one which identifies measure, manage and develop performance of the human resource in an organization whereas performance appraisal is the sub set of performance management system in which we use it for evaluating the competence of employee’s (Robert and John, 2013).

Performance management is a process of improving the performance of an organization by helping individuals and team to develop their capacity to reach the intended destination (Armstrong, 2006). James Smither and London also define performance management as it is a “continuous process of identifying, measuring, and developing the performance of individuals and teams and aligning performance with the strategic goals of the organization” (Smither and London, 2009 p.5).

Performance management is an integrated and systematic process of sustaining the success of organization by improving the performance of the people who work in them and also it is developing the capacity of individuals and team who contribute to the organization. It is also a strategic process in a sense that it deals with the broader issue of the organization efficiency to meet the market demands and long term goal (Armstrong, 2000).

When we say performance management is an integrated process, first it is linking of the organization objective with the teams and individual core competences as well as integration of different aspects of human resource management including, organizational development, human

resource development, reward and recognition to ensure excellence in the management and development of people.

Performance management is based on the agreement of objectives, knowledge, skill and capability (competence) requirements, performance improvement, and personal development plans. It involves the joint and continuing review of performance against these objectives, requirements and plans and the agreement and implementation of improvement and further development plans (Armstrong, 2000).

Many factors will impact the effectiveness of an organization's performance management system, but three are most important. First, the system needs to be aligned with and support the organization's direction and critical success factors. Second, well-developed, efficiently administered tools and processes are needed to make the system user friendly and well received by organizational members. Third, and most important, is that both managers and employees must use the system in a manner that brings visible, value-added benefits in the areas of performance planning, performance development, feedback and achieving results (Pulakos, 2004).

2.1.3 Processes of Performance Management System

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

Even though there are different processes of performance management system indicated by different authors, the most common and concrete one is a process which encompasses four phases which are performance planning, performance execution, performance assessment and performance review. Each phase will be discussed briefly as follows.

2.1.3.1 Performance Planning

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

By results we mean the outcomes that an employee must perform quality products and services with time in accordance to personal accountabilities. On the other hand, behavior is an important measure of results on how employees do their job by discussing on competencies, which are measurable clusters of knowledge, skills, and attitudes (KSAs) that are critical in determining how results will be achieved. The third component of a planning phase is development plan. It is identifying areas of improvement and setting goals to be achieved in each area. It usually includes both results and behaviors. Such plans highlight an employee's strengths and the areas in need of development, and they provide an action plan to improve in areas of weaknesses and

further develop areas of strength. And it helps employees to identify how continually learn and grow, to see the possibility of being better in the future and helps them to avoid performance problems faced in the past (Smither and London, 2009).

To show the difference between result and behavior Grote (2002) identified that, results include actual job outputs, countable products, measurable outcomes and accomplishment, and objectives achieved. It deals with what the person achieved whereas behaviors include competencies skills expertise and proficiencies. The individual adherences to organizational values and the person style manner and approach. Behaviors deal with how the person went about doing the job.

2.1.3.2 Performance Execution

Once the performance-planning phase has been completed, it's time to get the job done to execute the plan. Performance execution is the second phase of an effective performance management process. For the individual, the critical responsibility in phase two is getting the job done achieving the objectives. Even if the line share of this phase will be taken by the employee, but the appraiser have also two major responsibilities: creating the conditions that motivate, and confronting and correcting any performance problems. In an effective performance management system, performance execution also includes a midterm review to ensure that performance is on track (Grote, 2002). Smither and London has also mentioned the following responsibilities of supervisor in the execution stage of performance management system.

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

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

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

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

Reinforcement: - supervisors must let employees know that their outstanding performance is noticed by reinforcing effective behaviors and progress toward goals. Also, supervisors should provide feedback regarding negative performance and how to remedy the observed problem. Observation and communication are not sufficient. Performance problems must be diagnosed early and appropriate steps must be taken as soon as the problem is discovered.

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

Get the job done: - performing the agreed objectives, competencies and development plan at the performance planning stage is solely the responsibility of the employee by carrying out them on a daily activity.

Solicit performance feedback and coaching: - even though giving feedback is the responsibility of supervisors, employees have to also ask for feedback on their performance and plead for coaching and mentoring while they face some problems in executing their day to day job.

Communicate openly with appraisers on progress and problems in achieving objectives: - at the performance execution stage, employees should feel free to communicate with their supervisors regarding their progress as well as problems while trying to achieve their objectives.

Update objectives as conditions change: - whenever there is a change in organizational objective, employees should update their objectives as well in order to comply with the new change.

Complete the development plan: - once employees put their development plan in the planning process, they have to complete it before the performance assessment stage. This is because without employees' development, performance management system is like a bird with one wing that does not able to fly.

Keep track of achievements and accomplishments: - employees should register their achievements and accomplishments while performing their job. This will help them to point out the major achievements at the time performance assessment with their supervisors.

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

2.1.3.3 Performance Assessment

In the assessment phase, both the employee and the manager are responsible for evaluating the extent to which the desired behaviors have been displayed, and whether the desired results have been achieved. Although many sources can be used to collect performance information (for example, peers or subordinates), in most cases the direct supervisor provides the information. This also includes an evaluation of the extent to which the goals stated in the development plan have been achieved. It is important that both the employee and the manager take ownership of the assessment process. The manager fills out his or her appraisal form, and the employee should also fill out his or her form. The fact that both parties are involved in the assessment process provides better information to be used during the review phase (Smither and London, 2009).

When both the employee and the supervisor are active participants in the evaluation process, there is a greater likelihood that the information will be used productively in the future. Specifically, the inclusion of self - ratings helps emphasize possible discrepancies between self-views and the views that important others (that is, supervisors) have. It is the discrepancy between these two views that is most likely to trigger development efforts, particularly when

feedback from the supervisor is more negative than are employee self - evaluations. The benefit of self-appraisal is to reduce an employee's defensiveness during the assessment meeting and also in increase employee's satisfaction and trust in the performance management system.

According to Dick as the time for the formal performance appraisal nears, the manager reflects on how well the subordinate has performed over the course of the year, assembles the various forms and paperwork that the organization provides to make this assessment, and fills them out. The manager may also recommend a change in the individual's compensation based on the quality of the individual's work (Grote, 2009).

Habitually, people think that performance appraisal is an event required by the personnel department in which the manager fills out the form and then uses it to give feedback which is totally wrong. Rather performance assessment is one of the most important processes in performance management system in which supervisors are assessing their subordinates regarding their performance in the past which lays a ground for keeping the strength and improving on the weaknesses and working on the development plan for the future.

Managers often complain that evaluating someone's performance is difficult. The reason that they find it difficult is usually that they have not done a good job of performance planning at the beginning of the year. If a manager has not held a planning discussion at that time, it's difficult to evaluate performance at the end of the year.

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

1. Review the original list of competencies, goals, objectives, and key position responsibilities: - since performance assessment is made based on the goals, objective and competencies listed in the performance planning stage, supervisors should review them so as to cascade the assessment from them.

2. Prepare a preliminary assessment of the employee's performance over the entire year: - it helps to have a clear picture on the performance of the employee while accomplishing their planned objective as well as achieving organizational goal.
3. Review the individual's list of accomplishments and the self-appraisal: - assessing the accomplishment made by the employee and referring to self-appraisal will help supervisors to remind every accomplishments and failure so as to make an accurate evaluation accordingly.

4. Prepare final assessment of the employee's performance: - after reviewing the data gathered through self-appraisal, peer appraisal and self-evaluation made by supervisors, the final assessment should be prepared with fair judgment.

5. Write the official performance appraisal using the appraisal form

6. Review the appraisal with the manager and obtain concurrence: - the assessment filled on the appraisal form should be reviewed by the higher supervisors in order to cross check the fairness of the evaluation.

7. Determine any revisions needed to the employee's key position responsibilities, goals, objectives, competencies, and development plans for the next appraisal period: - based on the past performance point out the areas which needs revision on the responsibilities, objectives, goals, competencies and development plans. This is highly appreciated when performance gap is identified.

8. Prepare for the performance review meeting: - employees and supervisors should have a meeting to talk about the assessment as well as performance review for the next period.

Likewise supervisors' individuals have also the above stated responsibilities in the performance assessment phase of the process.

Rating errors which is encountered during performance evaluation process

Rating errors are faults or factors that influence supervisors to have a wrong judgment in evaluating employees' result and behavior and making a wrong decision on the quality of someone's job performance.

According to Armstrong the following errors are common while rating employee's performance.

- **Attractiveness effect:** - the well-documented tendencies for people to assume that people who are physically attractive are also superior performers.

- **Attribution bias:** - the tendency to attribute performance failings to factors under the control of the individual and performance successes to external causes.

- **Central tendency:** - the inclination to rate people in the middle of the scale even when their performance clearly warrants a substantially higher or lower rating Out of an erroneous belief that the law required companies to treat all employees the same, and a conscious desire to avoid confrontation.

- **First impression error:** - the tendency of a manager to make an initial positive or negative judgment of an employee and allow that first impression to color or distort later information.

- **Halo/horns effect:** - inappropriate generalizations from one aspect of an individual's performance to all areas of that person's performance.

- **High potential error:** - confusing an individual's future potential with his current performance.

- **Negative and positive skew:** - the opposite of central tendency. The rating of all individuals higher or lower than their performance actually warrants.

- **Past performance error:** - permitting an individual's poor (or excellent) performance in a previous rating period to color the manager's judgment about her performance in this rating period. –

Decency effect: - the tendency for minor events that have happened recently to have more influence on the rating than major events of many months ago.

- **Similar-to-me effect:** - the tendency of individuals to rate people who resemble themselves higher than they rate others. - **Stereotyping:** - the tendency to generalize across groups and ignore individual differences

2.1.3.4 Performance Review

The performance review stage involves the meeting between the employee and the manager to review their assessments. This meeting is usually called the appraisal meeting or discussion. The appraisal meeting is important because it provides a formal setting in which the employee receives feedback on his or her performance. In spite of its importance in performance management, the appraisal meeting is often regarded as the most difficult of the entire process because many managers are uncomfortable providing performance feedback, particularly when performance is deficient. This high level of discomfort, which often translates into anxiety and the avoidance of the appraisal interview, can be mitigated through training those responsible for providing feedback (Smither and London, 2009).

Providing feedback in an effective manner is extremely important because it leads not only to performance improvement but also to employee satisfaction with the system. At this point, however, let's emphasize that people are apprehensive about both receiving and giving performance information, and this apprehension reinforces the importance of a formal performance review as part of any performance management system.

The performance review meeting is the basis for assessing the three key elements of performance (the three Cs), namely contribution, capability and continuous development. Such meetings are also the means through which the five primary performance management elements measurement, feedback, positive reinforcement, exchange of views, and agreement can be put to good use. A performance review should be rooted in the reality of the employee's performance. The latter is concrete, not abstract, and it allows managers and individuals to take a positive look together at how performance can become even better in the future and how any problems in meeting performance standards and achieving objectives can be resolved. Individuals should be encouraged to assess their own performance and become active agents for change in improving their results. Managers should be encouraged to adopt their proper enabling role (Armstrong 2000).

There should be no surprises in a formal review if performance issues have been dealt with as they should have been, namely as they arise during the year. In one sense the review is a stocktaking exercise, but this is no more than an analysis of where those involved are now, and

where they have come from. This static and historical process is not what performance management is about. The true role of performance management is to look forward to what needs to be done by people to achieve the overall purpose of the job, to meet new challenges, to make even better use of their knowledge, skills and abilities, and to help them to develop their capabilities and improve their performance. This process also helps managers to improve their ability to lead, guide and develop both individuals and teams for whom they are responsible (Armstrong 2000).

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

- It gives motivation to provide positive feedback, recognition, praise and opportunities for growth; to clarify expectations; to empower people by encouraging them to take control over their own performance and development.

- It encourages development by providing a basis for developing and broadening capabilities relevant both to the current role and any future role that the employee may have the potential to carry out. Note that development can be focused on the current role, enabling people to enlarge and enrich the range of their responsibilities and the skills they require, and to be rewarded accordingly. This aspect of role development is even more important in flatter organizations, where career ladders have shortened and where lateral progression is likely to be the best route forward.

- It gives a chance for communication to serve as a two-way channel for talking about roles, expectations (objectives and capability requirements), relationships, work, problems and aspirations.

Smither and London (2009) in their book “Performance Management” indicates the following six recommendations for conducting an effective performance reviews.

1. Identify what the employee has done well and poorly by citing specific positive and negative behaviors.
2. Solicit feedback from the employee about these behaviors. Listen for reactions and explanations.
3. Discuss the implications of changing, or not changing, the behaviors. Positive feedback is best, but an employee must be made aware of what will happen if any poor performance continues.
4. Explain to the employee how skills used in past achievements can help him or her overcome any current performance problems.

5. Agree on an action plan. Encourage the employee to invest in improving his or her performance by asking questions such as “What ideas do you have for?” and “What suggestions do you have for?”

6. Set up a meeting to follow up and agree on the behaviors, actions, and attitudes to be evaluated.

While carrying out performance review supervisors have seven primary responsibilities (Dick Grote 2002)

1. Review the agenda and time frame for meeting
2. Review and discuss the performance appraisal and the individual’s achievements list
3. Listen and respond appropriately to the individual’s perceptions and feedback
4. Discuss your assessment of the individual’s performance against objectives over the entire cycle, especially strengths/achievements, weaknesses/deficiencies and development needs
5. Ensure full understanding of the core message
6. Conclude the performance review discussion by scheduling the performance-planning meeting to plan next year’s performance
7. Handle all administrative requirements

Just as the manager has responsibilities, so too does the individual. There are six primary ones:

1. Discuss the achievements list that an employee wrote
2. Discuss the achieved one against the development plan
3. Compare the assessment of own performance with that of the appraiser.
4. Seek clarification for any assessments or examples that are unclear.
5. Consider how the appraiser’s feedback will influence the performance plan for the upcoming appraisal period.
6. Listen and respond appropriately to the appraiser’s perceptions and feedback.

2.2 Principles of Performance Management System

Performance management is primarily concerned with performance improvement in order to achieve organizational, team and individual effectiveness. Secondly, performance management is concerned with employee development. Performance improvement is not achievable unless there are effective processes of continuous development. This addresses the core capabilities of the organization and the specific capabilities of individuals and teams. Performance management

should really be called performance and development management. Thirdly, performance management is concerned with satisfying the needs and expectations of all of an organization's stakeholder's owners, management, employees, customers, suppliers and the general public. In particular, employees are treated as partners in the enterprise whose interests are respected, who have a voice on matters that concern them, and whose opinions are sought and listened to (Armstrong, 2006).

Performance management should respect the needs of individuals and teams as well as those of the organization, recognizing that they will not always coincide. Finally, performance management is concerned with communication and involvement. It creates a climate in which a continuing dialogue between managers and the members of their teams takes place in order to define expectations and share information on the organization's mission, values and objectives. This establishes mutual understanding of what is to be achieved and a framework for managing and developing people to ensure that it will be achieved. Performance management can contribute to the development of a high-involvement organization by getting teams and individuals to participate in defining their objectives and the means to achieve them (Armstrong, 2009).

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

It translates corporate goals into individual, team, department and divisional goals;

It helps to clarify corporate goals; - It is a continuous and evolutionary process, in which performance improves over time;

It relies on consensus and co-operation rather than control or coercion;

It creates a shared understanding of what is required to improve performance and how this will be achieved;

It encourages self-management of individual performance;

It requires a management style that is open and honest and encourages two-way communication between superiors and subordinates;

It requires continuous feedback;

Feedback loops enable the experiences and knowledge gained on the job by individuals to modify corporate objectives;

It measures and assesses all performance against jointly agreed goals;

It should apply to all staff; and it is not primarily concerned with linking performance to financial reward.

It is owned and driven by line management and not by the HR department; performance management is not a packaged solution but something that has to be developed specifically and individually for each particular organization;

2.3 Purposes of Performance Management System

The whole purpose of performance management is to get better results from the organization, teams and individuals by understanding and managing performance within an agreed framework of planned goals, standards and competency requirements. It is a process for establishing shared understanding about what is to be achieved, and an approach to managing and developing people in a way which increases the probability that it will be achieved in the short and longer term. The fundamental goal of performance management is to establish a culture in which individuals and groups take responsibility for the continuous improvement of business processes and for their own skills and contributions (Smither and London, 2009).

There are a number of purposes that formal performance management systems might serve. They can provide employees with information about how they are perceived in the organization and where they stand. They can also provide developmental feedback on the strengths the employee should capitalize on and the weaknesses where improvement may be required (Drake, 2011).

Performance management as a system can serve as a pillar for the development of individuals, teams and organization in a way that they intend to get to the desired goal. Performance management system has many purposes but the major ones are discussed below (Smither and London, 2009)

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

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

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

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

Organizational maintenance: It yields information about skills, abilities, promotional potential, and assignment histories of current employees to be used in workforce planning as well as assessing future training needs, evaluating performance achievements at the organizational level,

and evaluating the effectiveness of human resource interventions (for example, whether employees perform at higher levels after participating in a training program).

Documentation: It yields data that can be used to assess the predictive accuracy of newly proposed selection instruments as well as important administrative decisions. This information can be especially useful in the case of litigation. And also for Dick Grote performance management system has so many purposes like, providing feedback to employees about their performance, determining who gets promoted, facilitating layoff or downsizing decisions, encouraging performance improvement, motivating superior performance, setting and measuring goals, counseling poor performers, determining compensation changes, encouraging coaching and mentoring, supporting manpower planning or succession planning, determining individual training and development needs, determining organizational training and development needs, confirming that good hiring decisions are being made, providing legal defensibility for personnel decisions and improving overall organizational performance (Grote, 2002)

2.4 Best Practices in Performance Management System

For performance management to be successful there are features that are likely to produce good results in terms of individual, team and organizational performance. However, the practical constraints may not allow for the implementation of these entire features. For example, there may not be sufficient funds to deliver training to all people involved, supervisors may have biases in how they provide performance ratings, or people may be just too busy to pay attention to a new organizational initiative that requires their time and attention. However, as scientist - practitioners, we should strive to place a check mark next to each of these characteristics: the more features that are checked, the more likely it will be that the system will live up to its promise (Smither and London, 2009).

In order to know whether the performance management is working or not, first, before implementing the system organization wide, it is a good idea to pilot test it because we can identify potential problems and glitches and we can take corrective action before the system is put in place. Pilot testing consists of implementing the entire system, including all of its components, but only with a select group of people. Results are not recorded in employees' records. Instead, the goal is that the people participating in the pilot - test provide feedback on any possible problems and on how to improve the system. In addition to this pilot testing will help to check whether the performance management system is good for the specific organization or not by checking the under listed components of best practice in performance management system (Smither and London, 2009)

Strategic congruence: - The system should be congruent with the unit and organization's strategy. In other words, individual goals must be aligned with unit and organizational goals.

Thoroughness: - The system should be thorough regarding four dimensions. First, all employees should be evaluated (including managers). Second, all major job responsibilities should be

evaluated (including behaviors and results). Third, the evaluation should include performance spanning the entire review period, not just the few weeks or months before the review. Finally, feedback should be given on positive performance aspects as well as those that are in need of improvement.

Practicality: - Systems that are too expensive, time - consuming, and convoluted will obviously not be effective.

Meaningfulness: - The system must be meaningful in several ways. First, the standards and evaluations conducted for each job function must be considered important and relevant. Second, performance assessment must emphasize only those functions that are under the control of the employee. Third, evaluations must take place at regular intervals and at appropriate moments. Fourth, the system should provide for the continuing skill development of evaluators. Finally, the results should be used for important administrative

Decisions Specificity: - A good system should be specific: it should provide detailed and concrete guidance to employees about what is expected of them and how they can meet these expectations. **Identification of effective and ineffective performance:** - The performance management system should provide information that allows for the identification of effective and ineffective performance. That is, the system should allow for distinguishing between effective and ineffective behaviors and results, thereby also allowing for the identification of employees displaying various levels of performance effectiveness.

Reliability: - A good system should include measures of performance that are consistent and free of error. For example, if two supervisors provided ratings of the same employee and performance dimensions, ratings should be similar.

Validity: - The measures of performance should also be valid. The measures should include all relevant performance facets and do not include irrelevant performance facets. In other words measures include what is important and do not assess what is not important and outside of the control of the employee.

Acceptability and fairness: - A good system is acceptable and is perceived as fair by all participants. Perceptions of fairness are subjective, and the only way to know whether a system is seen as fair is to ask the participants. We can ask about distributive justice, which includes perceptions of the performance evaluation received relative to the work performed, and perceptions of the rewards received relative to the evaluation received.

Inclusiveness: - Good systems include input from multiple sources on an ongoing basis. First, the evaluation process must represent the concerns of all the people who will be affected by the outcome. Consequently, employees must participate in the process of creating the system by providing input regarding what behaviors or results will be measured and how. Second, input about employee performance should be gathered from the employees themselves before the

appraisal meeting. In short, all participants must be given a voice in the process of designing and implementing the system.

Openness: - Good systems have no secrets. First, performance is evaluated frequently and performance feedback is provided on an ongoing basis. Therefore, employees are continually informed of the quality of their performance. Second, the appraisal meeting consists of a two-way communication process during which information is exchanged, not delivered from the supervisor to the employee without his or her input. Third, standards should be clear and communicated on an ongoing basis. Finally, communications are factual, open, and honest.

Correct ability: - The process of assigning ratings should minimize subjective aspects; however, it is virtually impossible to create a system that is completely objective because human judgment is an important component of the evaluation process. When employees perceive an error has been made, there should be a mechanism through which this error can be corrected. Establishing an appeals process, through which employees can challenge what may be unjust decisions, is an important aspect of a good performance management system.

Standardization: - Good systems are standardized. This means that performance is evaluated consistently across people and time. To achieve this goal, the ongoing training of the individuals in charge of appraisals, usually managers, is a must.

Ethicality: - Good systems comply with ethical standards. Operationally, this means that the supervisor suppresses his or her personal self-interest in providing evaluations. In addition, the supervisor evaluates only performance dimensions for which she has sufficient information, and the privacy of the employee is respected. Finally as Smither and London stated that, organizations with motivated and talented employees offering outstanding service to customers are likely to pull ahead of the competition, even if the products offered are similar to those offered by the competitors. Customers want to get the right answer at the right time and they want to receive their products and services promptly and accurately. Only people can make these things happen and produce a sustainable competitive advantage. Performance management systems are key tools that can be used to transform people's talent and motivation into a strategic business advantage. To do so, however, we first need to expand our view of performance management so we go beyond performance appraisal and place performance management within the broader organizational context. Also, we need to integrate performance management with other human resources management functions (for example, staffing, training, compensation, and succession planning) and conduct research on issues of concern to practitioners. Such research has great potential in terms of closing the much discussed science - practice gap (Smither and London 2009).

2.5 Challenges of Performance Management System

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

silver bullet approach. In many cases remuneration schemes are driving the performance system, which creates a number on long term consequences in organizational behavior and culture. In other cases senior management are so focused on scorecard management to hold people accountable that the creation of the scorecard is not aligned with business focus areas, but rather a number of deliverable projects and tasks.

2.5.1 Lack of Alignment

The first challenge is the lack of alignment due to various organizational processes being created in isolation. The link between Strategy development, budgeting and operational planning is developed by different groups of people with different frameworks being used. The performance management system lacks alignment between individual performance, departmental performance and organizational delivery and so all systems default back to financial measurements.

2.5.2 Lack of Measurements

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

2.5.3 Leadership and Management commitment

The Leadership and Management challenge has a huge impact on integrating and aligning a management system to deliver a comprehensive performance management system. The commitment and understanding of leadership and management of the requirements for achieving a workable performance system is critical to performance success.

2.5.4 Managing of the performance system

Managing a performance system in an organization requires a disciplined framework; it requires the organization to work off one master plan broken down into relevant parts and areas of responsibility. The management responsibility at various levels needs to understand the contracting, measurement development and appraisal process very well and apply it consistently. Secondly management needs to appreciate that performance management is not an event but something that is managed daily but recorded and reported at certain times through reviews and appraisals.

2.5.5 Managing Poor Performance

The management of poor performance is normally a reactive action, but in many cases it is delayed and therefore turns into a discussion that is difficult to make relevant. Another reason poor performance is not managed on time is the lack of valid measurements and the collection of required evidence and measurement data.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This chapter provides the research methodology used in order to achieve the research objective. The research design, population and sampling techniques, types of data and instruments of data collection, procedure of data collection, methods of data analysis, and finally the ethical consideration are the areas presented in this chapter. The purpose of this chapter is to describe the choice of appropriate research method for the study. Research design is specific research methodology philosophies and techniques used to achieve the objective of the study. It include philosophies and techniques used in opting alternative research methodology and technique such as qualitative, quantitative and mixed methodologies, sources of data, sampling plan and method of analysis. Further, this section organized in to two components. The first section describe about research approach (philosophy). The second section presents methods adopted for this study.

3.1.1 Research Design

In terms of the purpose it entails to achieve a business research can be classified into three as exploratory, descriptive or causal study. Descriptive design is mainly used when the study try to demonstrate relationships and describe the world as it exists. Descriptive study describes accurately the characteristics of individual, group or situation (Creswell, 2003). Accordingly, this study used a descriptive type of research through surveys to assess employee performance management system in ethiotelecom. The descriptive survey research design is an appropriate choice, because the study is aimed at assessing the implementation of the employee performance management system of the company. (Creswell, 2003).

3.1.2 Research Approach

The research problem along with the philosophy of research methodology would guide the choice of the appropriate research method. On the basis of knowledge claims (such as positivist, social constructivism, advocacy or participatory, and pragmatic approaches), strategy of inquiry that guide selection of particular research methods and specific research methods of data collection and analysis Creswell (2009) characterizes research approach in to quantitative, qualitative and mixed. Besides, the approach explains as follows:

3.1.3 Quantitative Research Approach

Quantitative research uses positivist knowledge claims (such as cause and effect thinking, reduction to specific variables and hypothesis, use of measurement and observation, and test of theories) employs strategies of inquiry such as experiments and surveys and collect data on predetermined instrument that yields statistical data (Creswell, 2009). The strengths of the quantitative methodology are – it follow scientific approach; bias from the researcher's influence

is less; it can employ large sample size; it can test the validity and reliability of the instrument. So, the results can be believed and generalized for larger population.

3.1.4 Qualitative Research Approach

Qualitative research approach is one in which the investigator often makes knowledge claims based primarily on the multiple meanings of individual experiences, socially and historically constructed meanings, participation in issues, collaboration or change oriented with an intent of developing a theory or pattern qualitative research methodology is based on constructivist or advocacy or both perspectives. Qualitative research is not intended to test a predetermined theory or hypothesis; instead, it is exploratory in nature and through induction it builds theories or hypotheses. In showing the lack of an established theory and exploratory nature of the qualitative research approach, McDonald and Daly (1992) noted that this approach is particularly essential when the researchers have little knowledge about the area of investigation. The strength of qualitative research is helps to generate a theory; also it explores issues which are not studied in the past. But it is criticized by bias because of researcher's interference.

3.1.5 Mixed approach

Mixed methods approach, which is believed to mitigate the biases of quantitative and qualitative approaches, is one in which a researcher tends to base knowledge claims on 37 Pragmatic grounds employing strategies of inquiry that involve collecting both quantitative and qualitative data either concurrently or sequentially to best understand research problems. It is more than simply collecting and analyzing both kinds of data both numeric information and text information (Creswell 2009). Mixed approach also has its strengths such as it aid to triangulate evidence and it helps to solve the problems associated with both qualitative and quantitative approach. But it requires an immense intensity of effort from the researcher as it include both designs.

Given the above points in the mind of the researcher, this study adopted mixed type of research approach in collecting and analyzing data in order to better understand the research problem. Mixed approach implemented sequentially, in which the researcher starts with gathering qualitative data and then gather quantitative data.

3.2 Population, Sample Size and Sampling Design

A research population is a large collection of individuals or objects that it is the main focus of a scientific query. It is for the benefit of the population that the researchers are done. However, due to the large size of the population, the researchers often cannot test every individual in the population because it is too expensive and time consuming. This is the reason why the researchers rely on sampling techniques.

Sample is a subset of the population that is obtained through some process, possibly random selection or selection based on a certain set of criteria, for the purpose of investigating the

property of the underlying parent population/. In particular statistical quantities determined directly from the sample. The process of obtaining of the sample is known as sampling and the number of members in a sample is called sample size Nick Fox, et.al (May 2009).

A sample design is the framework, or road map, that serves as the basis for the selection of a survey sample and affects many other important aspects of survey as well. In broad context, survey researchers are interested in obtaining some type of information through a survey from some population, or universe, of interest. One must define the sampling frame that represents the population of interests, from which a sample is to be drawn. A sampling frame work may be identical to the population, or it may be only part of it and it is therefore subject to some under coverage, or it may have an indirect relationship to the population.

3.2.1 Types of data to be collected

There are two types of data that were used in this study, namely primary and secondary data. The primary data are those which are gathered for the first time and afresh and thus collected for the case at hand. Primary data were collected by using questionnaires and interviews from the employees of the ethiotelecom. The questionnaires and interviews were based on the mentioned research questions. Secondary data is a data collected by someone else and there is a great deal available to researchers from books, libraries and on the web (Adams, 25, Raeside&White2007). As source of secondary data collection, different books, articles, publications, as well as office documents, progress reports, materials developed during the pre-implementation or preparation period were also reviewed to grasp basic understanding on the subject matter and come up with the theoretical frame work.

3.2.2 Procedure of data collection

The study was use questionnaires adapted from (Mulu, 2016) by making a modification to fit for the variables of this study. The questionnaires were developed by using the 5-point Likert Scale due to the fact that each variable or topic comprises series of questions which fit with the mere purpose of using rating scale, that is, it allows respondents to express both the direction and strength of their opinions about a given topic (Catherine, 2000). The 5-point Likert Scale were developed with ratings at which respondents can able to put their opinions with respect to their level of agreement for each specific variable under each topic or construct that ranges from Strongly disagree (1), disagree (2), neutral (3), agree (4), and strongly agree (5).

First the reliability and validity of research instrument will checked, then after questionnaires were distributed to the participants of the study. After the questionnaires are carefully filled, the researcher collects and arranges the completed questionnaires and compiled for data discussion and analysis. Finally, the collected data were inserted into data set and make ready for data analysis and discussion by using statistical package for social sciences (SPSS). Semi structured interview were also scheduled to gather information on the subject from the district human

resource and business managers and the human resource development officer/expert of the ethiotelecom.

3.2.3 Target population

As discussed above, this research is aimed at assessing employee performance management system practiced in the ethiotelecom. The total population of the study was employees of the ethiotelecom found in Addis Ababa city which is 12,622. Though incorporating all employees' idea on the analysis would have been better for conclusion and generalization but economically and operationally it is very difficult to contact all employees in the research. Therefore, taking a representative sample of the population of the employees' is feasible.

3.2.4 Sampling Method

To select portion of respondent employees from the specified population, the researcher used simple random sampling technique. Simple random sampling technique is more reliable and decreases the subjective bias of the researcher. The research focused on head office which has different divisions in corporate level. Based on the above reason the research uses the following formula.

$$S = \frac{x^2 NP(1-P)}{d^2(N-1)+x^2 P(1-P)} S$$

S= required sample size

X= the Z value of confidence interval which means we take 95% of confidence intervals.

N= population size which means the total population of the study was 12,622.

P= population proportion usually expressed as decimals.

d= degree of accuracy expressed as a proportion it was margin of errors. Our margin of error will be 5%.

Therefore, according to the above information we can calculate required sample population as follows

$$S = \frac{1.96^2 12622 * 0.1(1-0.1)}{0.05^2(12622-1)+1.96^2 * 0.1(1-0.1)} = 136.8 \approx 137$$

Therefore 137 sample respondent will be taken by a simple random sampling method.

3.3 Methods of Data Analysis

Once the required data are collected from the primary and secondary sources, it was analyzed through quantitative and qualitative data analysis methods. And, descriptive statistic helps to describe the general level of agreement of respondents. It reveals the conformity of respondents' response about employee performance management system in Ethiotewlcom. In addition, frequency, percentage, means and standard deviation was used to present the data. And

table has also used to ensure easily understanding of the analysis. Finally, the result of statistics analysis have be summarized, tabulated and interpreted appropriately. Responses found from the interview have reported in line with the questions forward to the interviewees. And then these findings have combined and summarized together with the quantitative data findings to triangulate the results accordingly.

3.4 Ethical Considerations

Study respondents willingness to fill the questionnaires was respected and verbal consent was taken while distributing the questionnaire papers. Name of individuals were not mentioned in the report, and yet any information or data that can be found confidential as well as affecting the goodwill and reputation of the organization under study is not included in the report of the study.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

This chapter presents the data collected from primary sources. Primary sources are data that have been collected by undertaking survey from employees of Ethio telecom. Moreover; interviews were made with the human resource development of the company. Including contingency a total of 145 copies of the questionnaire was distributed out of which 140 have been collected but according to the sample size formula, the researcher made analysis 137 respondent questionnaires, because the sample size of the research was 137. This makes the response rate to be 100 %. Therefore the analysis is made based on the 137 respondent's data only. The data collected through questionnaire and interview is analyzed using descriptive analysis method.

4.1.1 Respondents' Background Information

Table 4.1 Background Information of Respondents

	item	frequency	percentage	valid percent
Gender	Male	67	48.9	48.9
	Female	70	51.1	51.1
	Total	137	100	100
Educational background	Diploma	4	2.9	2.9
	Degree	104	75.9	75.9
	Masters	25	18.2	18.2
	Others	4	2.9	2.9
	Total	137	100	100
Year of work experience	Less than 1 year	-	-	-
	1-5 years	40	29.2	29.2
	6-10 years	53	38.7	38.7
	More than 10 years	44	32.1	32.1
	Total	137	100	100
Work division	Customer service division	93	67.9	67.9
	Customer service specialist	6	4.4	4.4
	Customer service technical support team	4	2.9	2.9
	Enterprise division	10	7.3	7.3
	Finance department	8	6.8	6.8
	Head office	16	11.7	11.7
	Total	137	100	100
Respondent position	Accountant	8	5.8	5.8
	Billing and credit control advisor	26	19.0	19.0
	Bill compliant management specialist	6	4.4	4.4
	Bill quality check specialist	6	4.4	4.4
	Bill and credit control specialist	23	16.8	16.8

	Customer service advisor	8	5.8	5.8
	Customer service manager	10	7.3	7.3
	Customer service specialist	14	10.2	10.2
	Customer service supervisor	16	11.7	11.7
	IT application support team	16	11.7	11.7
	Technical support	4	2.9	2.9
	Total	137	100	100

Source: survey and SPSS frequency output of 2019G.C

As indicated in table 4.1 above, 51.1 % of the total respondents are females working in the company. The percentage of male respondents constitutes 48.9% of the total sample. This shows that the number of female respondent in the staff is little more from the number of male staffs. Which mean there is gender equality in the organization? As indicated in Table 4.1, 75.9 % are first degree holders followed by Master's Degree holders 18.2%, and Diploma 2.9% the remaining 2.9% are other than the three. Which mean they are masters degree followers but not graduate. This implies that all employees in Ethio telecom are well educated and professional. There for all of the respondents being educated in different levels it is believed that they can easily understand the questionnaire as desired by the researcher.

Regarding respondent's service year in the organization, as indicated in Table 4.1 above 29.2% of the total respondents has served the company between one and five years, 38.7% of them were between 6 and 10 years. From the total respondent 32.1% were served ethio telecom for more than ten years. But there is no respondents served the organization for about Less than 1 year. Therefore almost all participants will have a better understanding regarding employee's performance management system in the company because of their long time work experience.

As shown in the table 4.1 above, respondents were participated in the study from different division. These are Customer service division, Customer service specialist division, Customer service technical support team, Enterprise division, Finance department, and Head office (human resource department). From each department the ratio is 67.9%, 4.4%, 2.9%, 7.3%, 6.8%, and 11.7% respectively. All respondents participated in this study were employees they are worked in Addis Ababa area.

As indicated in table 4.1 above; 67.9%% of the total respondents were under customer service. Therefore almost a large proportion of all participants will have a better understanding regarding employee's performance management system in the company.

In general the above table which is characteristics of the respondents shows that the study is represented by those who are qualified in understanding the questionnaire as well as the subject matter, most of them are serve the company more than five year which helps them to respond their true feeling without fear of losing their job and they understand the practice of performance management system which were implemented in Ethio telecom. As a result it is the researcher

belief that the study is well represented by the respondents which helps to get the opinion of all which assures the accurate data have been secured from the respondents of the sample size.

4.2 DATA ANALYSIS

4.2.1 Alignment of the strategic mission with individuals' performance objectives

Table 4.2 Alignment of the strategic mission with individuals' performance objective

QUESTIONS		S D	D A	N	A	S A	T O T A L	M E A N	S T D I V
I know the strategic objective of ethiotelecom.	F	1	8	20	66	42	137	4.02	0.86
	%	0.7	5.8	14.6	48.2	30.7	100		
The overall corporate plan is properly cascaded to units and individuals.	F	9	5	33	70	20	137	3.63	0.99
	%	6.6	3.6	24.1	51.1	14.6	100		
I am well clear about my business process/work unit strategic objective	F	1	4	18	65	49	137	4.14	0.80
	%	0.7	2.9	13.1	47.4	35.8	100		
My business process/work unit's goal is aligned with the strategic mission of the organization	F	4	1	16	96	20	137	3.92	0.74
	%	2.9	0.7	11.7	70.1	14.6	100		
My individual goal is aligned with the strategic objective of my business process/work unit as well as the organization	F	-	15	20	70	32	137	3.86	0.89
	%	-	10.9	14.6	51.1	23.4	100		
My business process/work unit objective is realistic and attainable	F	-	6	15	82	34	137	4.05	0.73
	%	-	4.4	10.9	59.9	24.8	100		
The goals settled for me supports to achieve the strategic objective of the business process/work unit as well as the ethiotelecom.	F	4	12	25	54	42	137	3.86	1.04
	%	2.9	8.8	18.2	39.4	30.7	100		

SD=strongly disagree; D=Disagree; N=Neutral; A=Agree; and SA=Strongly Agree

Source: survey and SPSS frequency output of 2019G.C

Concerning the question on the awareness of the strategic objective of Ethio telecom, 48.2 % agree and 30.7 % strongly agree on their clear knowledge of strategic objective company. On the other hand 5.8 % disagree and 0.7% strongly disagrees and 14.6 % respondents are neutral, which mean they did not have any information about the strategic objective of company. Based on the sample participants response, large number of employees of Ethio telecom know the strategic objective of the company very well. Regarding the cascading of the corporate plan, from the total respondents 51.1% have agreed and 14.6% are strongly agreed that the overall corporate plan is properly cascaded to units and individuals. From the total respondents 3.6% of the total respondents disagreed, 6.6 % are strongly disagreed that the overall corporate plan is properly cascaded to units and individuals and 24.1% of the total respondents have no comment on it (which means they are neutral). This implies that the way the overall corporate plan is cascaded to units and individuals is strongly perceived to be proper. Among the respondents 47.4% have agreed and 35.8 % have strongly agreed that they are clear about their business process/work unit strategic objective. To this contrary 2.9% have disagreed and 0.7% are strongly disagreed that they are clear about their business process/work unit strategic objective; and the rest 13.1% are neutral. Since performance management is a process that enables employees to perform their roles to the best of their ability which are directly derived from the strategic objective of the organization, they should be well informed about where the organization would like to go. From this we can say majority of the respondents know the mission, vision, values and the desired goal of Ethio telecom. Concerning the alignment, respondents were asked about their level of agreement on the alignment of their department goal with that of organizational goal. Accordingly, 70.1% of the respondents agreed and 14.6 % strongly agreed on the fact that their departmental goal is aligned with the organizational goal; whereas 11.7% of them have no clue about the issue and 0.7% of the respondents disagree and 2.9% of the respondents are strongly disagree on that the goal of their department and the organization is aligned together. From this response the researcher can understand that there is clear line of sight between department goals and organizational goal and it support the strategic objective of the organization.

Among the total respondents, 51.1% of the respondents agreed and 23.4% strongly agreed on the fact that their individual goal is aligned with the organizational goal. Whereas 14.6% of them have no clue about the issue and 10.9% of the respondents disagree on that their individual goal and the organization is aligned together. This shows that the majority of the respondents are agreed on the alignments of their individual goal with the organizational. From this anyone can understand that there is better understanding regarding the alignment of individual goal to that of department or organizational goal and also it can be clear that the company done his work in cascading its goal to the level of departmental and individual.

On the subject of believing the objective of their work unit is realistic and attainable, 59.9% respondents agree on the fact that their work unit objective can be attained if they work hard, and 24.8% of the respondents are strongly agreed. But 10.9% have no idea whether it can be achieved or not and 4.4% are totally disagree and believes that it is not easy to make it realistic

as it seems on the paper. This implies majority of the respondents are clear about the goal of their work unit, it will be a better opportunity for Ethio telecom to have an employee who thinks their work unit objective is realistic and attainable.

Regarding the question about the goals settled for employees supports to achieve the strategic objective of the business process/work unit as well as the organization as whole 39.4 % respondents agreed and 30.7% are strongly agreed. Whereas 18.2% of them have no clue about the issue and 8.8 % of the respondents are disagree and 2.9%are strongly disagreed on this statement. From the respondents response majority of the employees believe that the goal that was settled for employees will support them to achieve the strategic objective of the business process/work unit as well as the organization as whole .This lead to good performance, because if the employees believes that their goal is support to achieve the strategic objective of the organization, then they became good performer.

Interviews were also conducted with the human resource and business managers and the human resource development officer/expert of the company. The interview questions forwarded to them were to explain that to what extent do all employees informed about the mission, vision and overall strategy of company. Almost all the selected respondents answered that since performance management is a process that enables employees to perform their roles to the best of their ability which are directly derived from the strategic objective of the organization, they should be well informed about where the organization would like to go. So from the beginning Ethio telecom tries to express its mission, vision and strategic objective of the company before the employees began their work by induction session.

But it is difficult to say all employees are informed about the mission, vision and strategic objective of Ethio telecom. even though majority of the respondents know the mission, vision, values and the desired goal of Ethio telecom but it is not still quite enough for the effective realization of its objective because when it comes to knowing where the Ethio telecom would like to go everybody should talk on the same language. This lack of awareness about the strategic objective might be due to communication gap in the institute as a whole or due to the gap at departmental level. The next interview question asked to selected respondents were to what extent the specific job performed by an individual is linked with the strategic objective of the organization .In this regard, human resource managers and the human resource development officer/expert of the company replied that the departmental and individual goals were not fully aligned with organizational goal. Ethio telecom did not work too much in cascading its goal to the level of departmental and individual.

Response found from the interviewees confirmed that, the majority of employees are informed about the mission and vision of the Ethio telecom. And also clear with the overall strategy of the Ethio telecom and their performance targets. Even if they are clear with the mission, vision and strategic objective of the company the job performed by an individual is not fully linked with the strategic objective of the organization.

4.2.2 Implementation of employee PMS in Ethio telecom

Table 4.3 Implementation of employee PMS in Ethio telecom

QUESTIONS		S D	D A	N	A	S A	T O T A L	M E A N	S T . D I V
I am clear about what is expected from me and my job responsibilities	F	7	5	4	42	79	137	4.32	1.05
	%	5.10	3.60	2.90	30.7	57.7	100		
I know the standards that used to evaluate my work.	F	1	14	24	46	52	137	3.97	1.01
	%	0.7	10.2	17.5	33.6	38.0	100		
My performance is regularly assessed based on the plan cascaded to me.	F	3	17	22	58	37	137	3.79	1.04
	%	2.2	12.4	16.1	42.3	27.0	100		
I received feedback regularly for my performance from my manager.	F	-	7	35	66	29	137	3.85	0.80
	%	-	5.1	25.5	48.2	21.2	100		
The result of the evaluation matches with my actual performance	F	3	14	20	74	26	137	3.77	0.94
	%	2.2	10.2	14.6	54.0	19.0	100		
There is a meeting with my supervisor after evaluation is made to review results.	F	5	4	33	62	33	137	3.83	0.95
	%	3.6	2.9	24.1	45.3	24.1	100		
My supervisor evaluates my work based on recorded evidence only.	F	11	16	20	58	32	137	3.61	1.19
	%	8.0	11.7	14.6	42.3	23.4	100		
The feedbacks are properly communicated to our office and me	F	6	16	29	80	6	137	3.46	0.91
	%	4.4	11.7	21.2	58.4	4.4	100		
Performance evaluation is attached with reward and recognition schemes	F	7	23	29	59	19	137	3.42	1.08
	%	5.1	16.8	21.2	43.1	13.9	100		
All performance management processes in ethio telecom are trustworthy and right.	F	8	17	42	54	16	137	3.38	1.03
	%	5.8	12.4	30.7	39.4	11.7	100		

SD=strongly disagree; D=Disagree; N=Neutral; A=Agree; and SA=strongly agree

Source: survey and SPSS frequency output of 2019G.C

Among the respondents 30.7% have agreed, 57.7% have strongly agreed that they are clear about what is expected from them and their job responsibilities, 2.9% of the respondent have no clue about it and the rest 3.6% and 5.1 % have respectively disagree and strongly disagreed that they are they are not clear with what is expected from them and their job responsibilities. Therefore based on their response, large numbers of the respondents in Ethio telecom are clear with what should they do and their responsibilities .So the employees are responsible in their day to day activity.

Regarding the performance standards of Ethio telecom 33.6% of them have agreed and 38% of them have strongly agreed that they know the standards that used to evaluate their work, on the other hands 10.2% respondents disagreed and 0.7% have strongly disagreed with knowing performance standards of the company and the rest 17.5% of the respondents have no clue about the performance standards of the company. This indicates large portion of the respondents agree on the statement and the rest have no comment on it this shows there is a clear standards concerning performance standards many respondents know whether they are evaluated by standard or not.

As indicated from table 4.3 above, 42.3% of the respondents have agreed and 27% have strongly agreed that their performance is regularly assessed based on the plan/target cascaded for them. Even though, 12.4% of the total respondents have disagreed and 2.2% of the respondent have strongly disagreed that their performances have been assessed regularly based on their given plan and the rest 16.1% have no comment on it. From this we can say that their supervisors are continuously assessing their performance based on the target plan. This improves job satisfaction of the employees and increase productivity.

From table 4.3 above, we can see that, 48.2% of the total respondents agreed and 21.2% have strongly agreed that they received regular feedback for their performance from their supervisor or manager. However, 5.1% of the respondents disagreed that they have received regular feedback from their supervisor or manager for their performance. The remaining 25.5% of the respondent have no ideas about it. This mean they are neutral on it. This result shows that majority of the respondent perceive that employees received regular feedback for their performance from their supervisors or managers. So in Ethio telecom Performance Execution phase of PMS which allow to observing, providing continuous assessment, follow-ups and feedbacks to performers by supervisors/managers is implemented in a good manner.

As indicated in table above; 19% of respondents have strongly agreed and 54% agreed that the result of their performance evaluation does matches with their actual performance, 14.6% of the respondent has no comment on it and the rest 10.2% and 2.2% disagreed and strongly disagreed on the result of their performance evaluation matches with their actual performance. This shows that employees in ethio telecom believes that they are appraised based on their actual effort.

As indicated in table above among the total respondents 45.3% agreed and 24.1% have strongly agreed that there is a meeting with their supervisor after evaluation made to review results. From the respondents 24.1 % have responded that there is no a meeting with their supervisor after evaluation is made and the rest 2.9% and 3.6% disagree and strongly disagree on it. Therefore there is no meeting with their supervisors after the evaluation s made. From this we can infer that we say here is a meeting between managers and employees to review their results after they made performance evaluation. So it is a better culture in ethio telecom, a meeting between managers and employees to review their results after they made performance evaluation.

According to table above, among the total respondents 4.3% have agreed and 23.4% have strongly agreed that their supervisor evaluates their work based on recorded evidence only. However, 11.7% of the total respondents disagreed and 8% strongly disagreed that their supervisor evaluates their work based on recorded evidence only and the rest 14.6% don't know whether they are evaluated by recorded evidence or not. From this we can understand that, employees are evaluated their work based on recorded evidence only in the Ethio telecom.

From the total respondents 58.4% have agreed and said feedbacks are properly communicated to our office and me, 4.4 % of the respondents are also strongly agreed on it. But 11.7% and 4.4% are disagree and strongly disagreed on it and said feedbacks are not properly communicated to our office and me but the rest 21.2% respondents have no comment on this statement. From this we can say that, feedbacks from their supervisor and upper level units are communicated to the respective individuals.

According to table above, among the total respondents 43.1% have agreed and 13.9% have strongly agreed with statement; performance evaluation is attached with reward and recognition schemes and 21.2% respondents have no clue on this statement. From these we can say that employee performance management system has been implemented in the organization and attached it with the employee's reward and recognition programs.

As indicated in the table above, from the total respondents 39.4 % have agreed and 11.7% strongly agreed with the statement says all performance management processes in Ethio telecom is trustworthy and right and 12.4% of the total respondents have disagreed and 5.8% strongly disagreed with this statement. The rest 30.7% of the respondents are neutral on it statement. This shows employees in the company believe that all performance management system processes are trustworthy and right in Ethio telecom..

Interviews were also conducted with the four human resource and business managers and the human resource development officer/expert of Ethio telecom. The interview questions forwarded to them were to explain how the Ethio telecom successfully handles the processes of Performance Management System and about manual or rule being used to standardize the employee performance management system in the company. The selected respondents says that the Ethio telecom tries to implement PMS by ensuring that individual employees have current job descriptions as well as conduct job reviews regularly plays significant part in reducing role insufficiency, role conflict or role overload. It is also stressed that as resistance to change is part of the culture in most organizations; the best change management strategy is multifaceted in a way that regulations and example are there to support communication and education.

Towards this the major initiatives and tasks undertaken by the company includes: formulate the company's EPM frame work and guideline, develop performance standards and measures segregating the financial and non-financial objectives, conduct workshops and awareness sessions targeting top management and line managers by the consultants team, revise the HRM

processes structure and formulate EPM team under the HRD sub process which is in charge of any issues concerning the EPM system of Ethio telecom. Even if the company tries to implement PMS there are some difficulties within the organization regarding to job designing, ensuring employee's readiness and rewarding and developing stage. Regarding the manual or rule being used to standardize the EPMS in Ethio telecom, the company has a guideline to support the cascading of goals and targets that was disseminated to line managers and also they have a monitoring and evaluation checklist to see if all divisions and processes are acting by complying with this guideline. There is EPM team which goes through each and every contract and appraisal document in order to see the extent of performance of each and every division.

4.2.3 The benefits gained from the implementation of employee PMS in Ethio telecom

Table 4.4 benefits gained from the implementation of employee PMS in Ethio telecom

QUESTIONS		S D	D A	N	A	S A	T O T A L	M E A N	S T. D I V
Employees Performance management system has created role clarity among the employees in our division/office.	F	-	19	31	64	20	137	3.64	0.89
	%	-	13.9	22.6	48.9	14.6	100		
There is better differentiation between good and poor performers.	F	-	7	27	74	29	137	3.91	0.78
	%	-	5.1	19.7	54.0	21.2	100		
Personnel actions are more fair and appropriate	F	11	1	37	59	29	137	3.68	1.07
	%	8.0	0.7	27.0	43.1	21.1	100		
Employees become more competent	F	-	12	32	57	36	137	3.85	0.91
	%	-	8.8	23.4	41.6	26.3	100		
Employees Performance management system contributed to improve individual and the company's performance at large.	F	8	8	30	51	40	137	3.78	1.10
	%	5.8	5.8	21.9	37.2	29.2	100		
Employee Performance management system helps to motivate employees and encourage development.	F	-	20	20	54	43	137	3.87	1.01
	%	-	14.6	14.6	39.4	31.4	100		
Employees Performance management system is important for employee success and the company, thus it is good to have.	F	-	8	8	73	48	137	4.17	0.78
	%	-	5.8	5.8	53.3	35.0	100		

SD=strongly disagree; D=Disagree; N=Neutral; A=Agree; and SA=strongly agree

Source: survey and SPSS frequency output of 2019G.C

From the total respondents 48.9% agreed and 14.6% have strongly agreed that employee performance management system has created role clarity among the employees in the company. However, 13.9 % of the respondents disagreed with the statement that employee performance management has created role clarity among employees in Ethio telecom. The rest 22.6% are neutral. Therefore, the point we can understand majority of the respondents perceive that PMS has created clear mechanism to inform employees what is expected from them for each employees.

Again from the respondents, 54% agreed and 21.2% strongly agreed on employee performance management system has made a better differentiation between good and poor performers. But 5.1% of the respondents disagreed on the importance of performance management system to differentiate good and poor performers and the rest 19.7% are neutral. Here we can say from this result, the employee performance managements system implemented in Ethio telecom enable to differentiate those best performers and poor performers so that personnel actions can be made.

As shown in table 4.4 above, 43.1% of the respondents agreed and 21.1% have strongly agreed that, as a result of employee performance management system of the company personnel actions become fair and appropriate. But only 0.7% of the total respondents disagreed and 8% have strongly disagreed that personnel actions are not became fair and appropriate as a result of employee performance management system and the remaining 27% are neutral. From this we can say that, many respondents perceive that PMS can be used for personnel actions by providing valid information about performance.

From table above we can see that, 41.6% of the total respondents agreed and 26.3% have strongly agreed that after employee performance managements system has implemented in the Ethio telecom employees became competent. However, 8.8% of the total respondents disagreed that after employee performance managements system has implemented in the company employees became competent and the rest 23.4% are neutral. This shows that, employee performance management system enable employees to improve their performance. Due to the plan given for them and to become front runners competition among employees will enhanced and obviously performance can be improved and employees become more competent.

As indicated in table 4.4 above, from the total respondents 37.2 % agreed and 29.2% have strongly agreed that employee performance management system contributed to improve individual and the company performance at large. However, from the total respondents 21.9% neutral and 5.8% of the respondents are disagreed strongly disagreed. Here, we can infer that when performance management system gets implemented in the organization employees become more competent and their performance gets improved so that organizational performance also improved.

From the total respondents 39.4% agreed and 31.4% have strongly agreed that, employee performance management system have helps to motivate employees and encourage development. However, 14.6% of the respondents disagreed with the statement says, employee performance management system helps to motivate employees and encourage development and 14.6% are neutral. From this we can infer that employee performance management system can make employees target oriented and motivated to achieve their performance at a favorable level and hence encourage development.

As indicated in the table above, from the total respondents 53.5% have agreed and 35% have strongly agreed that employee performance management system is important for employees

success and ethiotelecom, thus it is good to have. However 5.8% of the respondents have disagreed with the statement and 5.8% of the respondents are neutral. Therefore, we can say that employee's performance management system is important for employees' success; since it can create role clarity, makes them goal oriented and encourage development and for the company too; by improving each individual performance so that the company's success will be enhanced.

Interviews were also conducted with the human resource and business managers and the human resource development officer/expert of Ethio Telecom. The interview questions forwarded to them were to explain the major benefit gained from PMS and achievements that have been observed since the introduction of EPMS. The respondents try to explain benefit of PMS for Employees and for the organization. For employees, PMS help to every employee know what is expected of him or her, creates role clarity, create competition, increase self-esteem, Personnel actions become more fair and appropriate and Provide promotional/career development opportunities. Benefit of PMS for organization is supervisors and Managers gain insight about subordinates, organizational goals are made clear, and there will be better and timelier differentiation between good and poor performers , Supervisors' views of performance are communicated more clearly and Organizational change is facilitated .Regarding achievements observed since introduction of EPMS respondents observe that some improvement has been noticed in the quality of service in customer service and volume of transaction Also managers have found a good way to track the performance of the employees under their domain

4.2.4 Challenges that affect employees' PMS in Ethio telecom

Table 4.5 Challenges that affect employees' PMS

QUESTIONS		S D	D A	N	A	S A	T O T A L	M E A N	S T. D I V
There is a tendency of giving unbalanced targets for similar Positions.	F	8	24	37	44	24	137	3.37	1.13
	%	5.8	17.5	27.0	32.1	17.5	100		
There is no fair job rotation among employees in our division/office.	F	12	36	49	31	9	137	2.91	1.05
	%	8.8	26.3	35.8	22.6	6.6	100		
The corporation doesn't provide employees sufficient resources to execute the job.	F	15	28	40	43	11	137	3.05	1.13
	%	10.9	20.4	29.2	31.4	8.0	100		
There is no clear mechanism to address underperformance	F	6	27	50	46	8	137	3.16	0.95
	%	4.4	19.7	36.5	33.6	5.8	100		
Performance management processes are done free of bias & objectively.	F	7	33	36	48	13	137	3.19	1.06
	%	5.1	24.1	26.3	35.0	9.5	100		
Pay raises depend on how well employees perform their Jobs.	F	16	22	42	45	12	137	3.10	1.14
	%	11.7	16.1	30.7	32.8	8.8	100		
Performance raters are competent enough to undertake their assignment.	F	4	34	47	36	16	137	3.18	1.03
	%	2.9	24.8	34.3	26.3	11.7	100		

SD=strongly disagree; D=Disagree; N=Neutral; A=Agree; and SA=strongly agree

Source: survey and SPSS frequency output of 2019G.C

From the table 4.5 above, 32.1% of the total sample respondents agreed, 17.5% have strongly agreed that there is a tendency of giving unbalanced targets for similar positions. And 17.5% of the respondents have disagreed and 5.8% have strongly disagreed. From the total respondents 27% of them are neutral for this statement. Many respondents also explained in the open ended question part of the questionnaire that, even for equal job grades there is a tendency of giving different evaluations in terms of difficulty.

As we see from the above table 22.6% of respondents have agreed and 6.6 % strongly agreed that there is no fair job rotation in the Ethio telecom. 26.3% of the respondent disagreed and 8.8% are strongly disagreed that there is no fair job rotation. the rest 35.8% are neutral on it. As we can see from participants' responses, there is no fair job rotation in the Ethio telecom. When there is fair job rotation, it is possible to reduce challenges of giving unbalanced goals for employees under the same job grade levels since all the performers are circulating at all assignments for a given job grade position.

From the same table above, from the total respondents 31.4% have agreed and 8% strongly agreed that the company doesn't provide employees sufficient resources to execute the job. However, 20.4% of the respondents disagreed and 10.9% have strongly disagreed that Ethio telecom doesn't provide employees sufficient resources to execute the job. The rest 29.2% of the respondents are neutral for this. Therefore Without sufficient resource it is difficult for employees to achieve the planned objective. Thus supervisors have a responsibility of ensuring the availability of the necessary supplies and funding to perform the job properly. This will affect their level of performance.

And, among the total respondents, 33.6% agreed and 5.8% strongly agreed that there is no clear mechanism to address under performance. From those all respondents, 19.7% of the respondents disagreed and 4.4% strongly disagreed that here is no clear mechanism to address under performance. The majority of the respondent that is 36.5% of the respondents is neutral, which mean they have no ideas about it. This implies there is no clear mechanism in the company to address the issue of underperformance and no action has been taken for both poor as well as good performer.

Among the total respondents 24.1% have disagreed and 5.1% of the respondents strongly disagreed with the statement saying performance management processes are done free of biases and objectively. However, 26.3% of the total respondents have no comment with the statement saying processes are done free of bias and objectively. But from the total respondent 35% of them are agreed and 9.5% are strongly agreed on it. From this we can understand that, employee performance management processes in Ethio telecom are implemented almost without biases and objectively in the organization.

Among the total respondents 11.7% have strongly disagreed and 16.1% have disagreed with the statement saying Pay raises depend on how well employees perform their jobs. From those respondent 32.8% are agreed and 8.8% of them are strongly agreed on it. But the rest of them which mean 30.7% are neutral on it. This shows that the payment in Ethio telecom is depend on how well employees perform their jobs.

As indicated in the table 4.5 above, among the participants 26.3% of the total respondents have agreed and 11.7% have strongly agreed that Performance raters are competent enough to undertake their assignment. However, 24.8 % of the respondents have disagreed and 2.9% have strongly disagreed with the statements saying Performance raters are competent enough to undertake their assignment. The rest 34.3% of them are neutral on it. From this we can infer that, the major respondents have neutral with the statement. And employees give value for their rater because they plays a major role to come up with better results and employees should have to rely on their raters' competency. Otherwise, it is difficult to get favorable advantage from employee performance management system.

Interviews were also conducted with the human resource and business managers and the human resource development officer/expert of Ethio telecom. The interview questions forwarded to them were to explain Challenges that affect employee's performance management system. The selected respondents says that the respondents have faced similar challenges which are: - cascading the objective of the organization to department and individual level, planning list of activities which should be performed over the period, performing the planned assignments while executing performance due to unplanned activities, preparing reports which takes much of employee's time about the works that have been done, being confused about the whole system, lack of higher officials and supervisors commitment to support employees to perform better, some of the standard used for measuring performance are unrealistic, bias due to different circumstances, limited participation of employees in the process, poor development opportunities for employees, lack of accurate data while measuring employee's performance, difficulty on measuring routine works, lack of training and sharing of experience for better result, lack of fair workload assignment, difficulty in observing and documenting employees daily performance, lack of timely feedback about the strength and weakness of an employee, spending much of time with meetings which leads to failure of doing the planned activities and filling the observed knowledge gap so as to capacitate employees with the desired knowledge, skill and attitude were the major challenges faced by respondents.

From the open ended question the majority of the respondents have faced similar challenges with the interview respondents.

4.2.5 The perceptions of employees towards employee PMS in Ethio telecom

Table 4.6 perceptions of employees towards PMS in Ethio telecom

QUESTIONS		S D	D A	N	A	S A	T O T A L	M E A N	S T. D I V
Performance management helps me to do my job better.	F	9	12	12	53	51	137	3.91	1.18
	%	6.6	8.8	8.8	38.7	37.2	100		
Performance management helps me to develop my skill and potential.	F	-	13	27	56	41	137	3.91	.093
	%	-	9.5	19.7	40.9	29.9	100		
I feel motivated after a performance review.	F	-	11	32	65	29	137	3.81	0.85
	%	-	8.0	23.4	47.4	21.2	100		
I feel fairly treated in every process of performance management system.	F	-	11	39	66	21	137	3.70	0.82
	%	-	8.0	28.5	48.2	15.3	100		
The system of performance management used here works well and does not need to change.	F	15	20	40	49	13	137	3.18	1.13
	%	10.9	14.6	29.2	35.8	9.5	100		
I have received adequate training in performance management	F	15	11	40	46	21	137	3.40	1.19
	%	10.9	8.0	29.2	33.6	18.2	100		
In my opinion, employee performance management system is clearly defined in the organization	F	4	26	27	59	21	137	3.48	1.05
	%	2.9	19.0	19.7	43.1	15.3	100		

SD=strongly disagree; D=Disagree; N=Neutral; A=Agree; and SA=strongly agree

Source: survey and SPSS frequency output of 2019G.C

As indicated in the table above, among the participants 38.7% of the total respondents have agreed and 37.2% have strongly agreed that Performance management helps them to do their job better. And, 8.8% of the respondents have disagreed and 6.6% have strongly disagreed with the statements saying Performance management helps them to do their job better. The rest 8.8% are neutral on it. The mean score for this question is 3.91 this implies that majority respondents agreed that PMS help them to do their job better. This implies that major respondents perceive that employee performance management system help employees to do their job by making employees target oriented and motivated to achieve their performance at a favorable level and hence encourage development.

From the total respondents shown in above table 40.9% have agreed and 29.9% have strongly agreed that employee that Performance management helps them to develop their skill and potential. However 9.5 % of the respondents have disagreed with the statement and 19.9% of the respondents are neutral. The mean result for this variable is 3.91 this result shows that major employees agreed that Performance Management System helps them to develop their skill and potential.

From the table above, 47.4% of respondents have agreed that they feel motivation after a performance review was made, and 21.2 % of them are strongly agreed on this statement. From the total respondent 8% are disagreed and the res 23.4% are neutral with this statement. This shows us employees are feel motivation when they are treated and evaluated fairly.

From the same table above 48.2% are agreed and 15.3% of the respondent is strongly agreed with the statement I feel fairly treated in every process of performance management system. Also 29.8 % have disagreed with that and the rest 28.5% are neutral on it. The mean result for this statement is 3.70 this implies majority employees believe that they are fairly treated in every process of performance management system.

From the same table above, from the total respondents 14.6% have disagreed and 10.9% have strongly disagreed that the system of performance management used in Ethio telecom works well and does not need to change. And 35.8% of the respondents have agreed and 9.5% of them are strongly agreed that the system of performance management used in Ethio telecom works well and does not need to change the rest 29.2% of them are neutral on it. The mean result of this question is 3.18. From this the researcher understands Ethio telecom implement performance management system and so it is good to works well.

As indicated in the table above, from the total respondents 8% have disagreed and 10.9% have strongly disagreed that they have received adequate training in performance management. From those respondents 33.6% are agreed and 18.2% are strongly agreed on the statement of that they have received adequate training in performance management. The rest 29.2% are neutral on it. The mean result shows 3.40, this implies that majority of employees have received adequate training in performance management.

From the above table 19% of the total respondents disagreed and 2.9% of the respondents have strongly disagreed that, Employee Performance Management System is clearly defined in the organization. However, 43.1% of the total respondents agreed and 15.3% have strongly agreed with the statement. The rest 19.7% are neutral on it. The mean result for this question is 3.48. This shows that, in the employees view even if the 43.1% have agreed on that there are employees who did not believe that employee performance management is clearly defined in the organization. As a result Ethio telecom must clearly define PMS to its employees.

CHAPTER FIVE

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

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

5.1.1 Summary major findings

The main objective of this study was to assess performance management system implementation and challenges in Ethio telecom by having the following basic questions to be addressed.

- Does the strategic mission of Ethio telecom align with individual's performance objectives?
- To what extent the organization performance management system is being properly implemented?
- What are the benefits gained from the implementation of employee performance management system in Ethio telecom?
- What are major challenges that affect employee's performance management system?
- What are the perceptions of employees towards employee performance management system in the company?

In order to address the above basic questions, descriptive survey research design was employed by using mixed research approach which comprises both quantitative and qualitative methods of data gathering. Data was gathered through questionnaire, interviews, and also document reviews were made to triangulate and increase the validity of the data obtained. To collect representative data, 145 questionnaire copies were distributed by using simple random sampling technique. Out of which, 140 of the questionnaires were collected from which 137 was used to analysis purpose. Furthermore, interview was also made with human resource and business managers and the human resource development officer/expert of Ethio telecom. The data collected from target respondents through questionnaire was compiled and summarized by using SPSS version 25 statistical software. The variables were analyzed by using frequency counts, percentages, mean values, and standard deviation. Finally, information obtained through open ended questionnaire and interview, were thematically analyzed and interpreted.

Based on the sample participants response, major employees of Ethio telecom believe that they know the strategic objective of the Ethio telecom very well and are clear about their business process/work unit strategic objective. They believe that the overall corporate plan cascaded to units and individuals is perceived to be proper, there is clear line of sight between department goals and organizational goal and it supports them to understand and implement the strategic

objective of the organization. And also alignment of individual goal to that of department or organizational goal is properly done. As a result employee thinks his/her department will have a significant contribution for the overall development of the organization, majority employees believe that the goal that was settled for employees support to achieve the strategic objective of the business process/work unit as well as the organization as whole. From this it can be understood that Ethio telecom work too much in cascading its goal to the level of departmental or divisional and individual levels.

Based on the sample participant's response, many of respondents in the company are clear with what they should do and their responsibilities. they believe that there is clear standards concerning performance standards many respondents know this and they are evaluated by standard or not, their supervisors are continuously assessing their performance even if some respondents don't feel so, majority of the respondent perceive that employees receive regular feedback for their performance from their supervisors or managers , employees in Ethio telecom believe that they are appraised based on their actual effort, employees are evaluated based on recorded evidence only in the company, feedbacks from their supervisor and upper level units are fully communicated to the respective individuals and division. Employee performance management system has been implemented in the organization and attached with the employees` reward and recognition programs. This shows employees in the company believe that all performance management system processes are trustworthy and right in Ethio telecom.

Majority of the respondents on the benefit of PMS like. PMS has create clear mechanism to inform employees what is expected of them for each employee, enable to differentiate those best performers and poor performers, personnel actions become fair and appropriate, enable employees to improve their performance, employees become more competent, helps to motivate employees and encourage development and finally employee performance management system is important for employees success and the company as a whole.

Keeping the benefits of employee performance management system in mind, the system has encountered some challenges. Even for equal job positions there is a tendency of giving different goals, there is no fair job rotation, Ethio telecom provides employees sufficient resources to execute the job, there is clear mechanism in the company to address the issue of underperformance and action has been taken for both poor as well as good performer. Employee performance management processes in Ethio telecom are implemented without biases and objectively in the organization, payment in Ethio telecom is depend on how well employees perform their jobs and Performance raters are little competent enough to undertake their assignment.

That major respondents perceive that employee performance management system help employees to do their job by making employees target oriented and motivated to achieve their performance at a favorable level and hence encourage development, Performance Management System helps them to develop their skill and potential however ,majority of employees believe

that they are fairly treated in every process of performance management system, still majority of the employees have received adequate training in performance management, and they believe that employee performance management is clearly defined in the organization. As a result Ethio telecom implements performance management system as its best.

5.2 Generally this study has reached the following findings

The overall corporate plan is properly cascaded to units and individuals as a result business process/work unit goal and individual goal are aligned with strategic objective and mission of the organization.

But there is a tendency of giving unbalanced targets for similar positions

Supervisor evaluates employees work based on recorded evidence only.

There are fair job rotations among employees

There are sufficient resource allocations to execute their job properly

Performance management processes are done free of bias & objectively

Pay raises are depend on how well employees perform their jobs

Performance ratters are competent to undertake their assignment

Employees feel they are fairly treated in every process of performance management system.

Employees have received adequate training in performance management

Performance Management System is clearly defined in the organization.

5.3 CONCLUSIONS

Alignment of the strategic mission of Ethio telecom with individuals' performance objectives

This study has conclude that, major employees of Ethio telecom know the strategic objective of the company very well and clear about their business process/work unit strategic objective they believe that the overall corporate plan is properly cascaded to units and individuals as a result business process/work unit goal and individual goal is aligned with strategic objective and mission of the company.

Implementation of employee performance management system in Ethio telecom

Based on the sample participants' response, the researcher concludes that employees of Ethio telecom clear with what should they do and their responsibilities and they know the standards that used to evaluate their work, their performance is regularly assessed based on the plan/target cascaded for them and they received regular feedback for their performance from their supervisor or manager. The result of their performance evaluation matches with their actual performance and employees are evaluated their work based on recorded evidence only. There is a meeting between managers and employees to review their results after they made performance evaluation and the feedbacks are properly communicated to their office and them and Performance evaluation is attached with reward and recognition schemes so it is important to say that implementation of performance management system processes are trustworthy and right. EPMS has been implemented in the organization by formulating the company EPM frame work and guideline, develop performance standards and measures segregating the financial and non-financial objectives, conduct workshops and awareness sessions targeting top management and line managers by the consultants team, revise the HRM processes structure and formulate EPM team under the HRD .Even still not fully implemented because there are some difficulties within the organization regarding to job designing, ensuring employee's readiness and rewarding and developing stage .

Benefits gained from the implementation of employee performance management system in Ethio telecom.

This study concludes on that employees agreed on the major benefits of employee performance management system implemented in Ethio telecom like; it has created role clarity among employees in the company, enables to differentiate good and poor performers so that personnel actions are became more fair and appropriate. Furthermore, it has created a constructive competition among staffs to achieve their targets. The system has also helps to motivate employees and encourage development through creating communications between the employees and their supervisor or managers. After its implementation, it has contributed to improve both individual and the company overall performance at large hence it is good to have.

Challenges that affect employees' performance management system

Based on the responses given by sampled employees, the researcher concludes that there are different types of challenges encountered during employee performance management system implementation. For instance, there is a tendency giving unbalanced goals for similar positions, in some case, there is no fair job rotation in the company. When there is fair job rotation, it is possible to reduce challenges of giving unbalanced goals for employees under the same job grade levels since all the performers are circulating at all assignments for a given job grade position. The major employees are believed that there is sufficient resource allocation to execute their job properly. And also they responded performance management processes are done free of biases, there is clear rating mechanism among divisions and employees and the employee performance management system has uniformity because raters are believed to be competent enough.

Perceptions of employees towards employee performance management system in Ethio telecom

This study has also tried to assess and conclude the employees' perception towards the performance management system in the company. The sampled participants responded that they are Performance management helps them to do their job better, develop their skill and potential. However, in some extent they feel they are not fairly treated in every process of performance management system. They have received adequate training in performance management this shows Employee Performance Management System is clearly defined in Ethio telecom. As a result the system of performance management used in Ethio telecom does work well.

5.4 RECOMMENDATIONS

In considering the major findings of the study and the conclusions drawn, efforts were made to forward possible recommendations by the researcher for the attainment of a better result out of the employee performance management system in Ethio telecom. Accordingly, the researcher recommends the following points of action.

- In order to have a successful performance management system and also in order to achieve the desired goal of the organization Ethio telecom must continue working on in aligning the Ethio telecom's corporate objectives with team's and individual goals and targets.
- To make fairness among employees give proportional targets for equal divisions by making equal job assigned for equal position.
- The company have evaluate based on recorded evidence. This helps to address questions raised from employees; Supervisor evaluates employees work must be based on recorded evidence only by having proper data tracking.
- Implement fair job rotation, since all the performers are circulating at all assignments for a given job positions it reduce challenges of giving unbalanced goals for employees under the same job grade levels.

- In order to create similar rating mechanism among division and employees Ethio telecom provides sufficient resources for all employees and units this helps the company to achieve its goals.
- To motivate high performers and to take correction, match the result of the employee's evaluation with employee's actual performance by evaluating employees by their actual result.
- To implement Performance management processes free of bias & objectively Supervisor must evaluate employees work based on recorded evidence only and Performance raters must be competent enough to undertake their assignment. Therefore it is done well in the company.
- To come up with better results Ethio telecom must provide competent performance raters by selecting most committed employees and give adequate training because they play a major role to get favorable advantage from employee performance management system. In this regard ethio telecom is doing the best according to the sample respondents.
- To increase employees' motivation and to prevailing performance accountability in the company Performance result is attached with reward and recognition system. It helps employees to increase motivation.
- To Employees feel that they are fairly treated in every process of performance management system Ethio telecom should create opportunity for the practice of setting goals and standards of performance measures on the basis of mutual agreement between employees and supervisor and let employees to agree on the goals they are expected to achieve and the standards which they will be evaluated. The act of jointly setting goals and standards will provide a clear direction in the every process of performance management system.
- To increase the attitude of employees about the implementation and process of performance management system, Ethio telecom have to organize a training for employees to know more about the benefits of performance management system, why evaluation is needed, for what purpose does it serve and the evaluation procedures and components and instruments of the process of performance management.
- Before implementing Performance management Ethio telecom must clearly define the concept of performance management system by setting up a shared understanding of what is to be achieved at an organization level.

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APPENDIX A
ST.MARY'S UNIVERSITY
ASCHOOL OF GRADUATE STUDIES
GENERAL MBA PROGRAM

Questionnaires filled by employees of *ETHIOTELECOM*.

Dear Respondent, The purpose of this questionnaire is to collect primary data to conduct a study entitled, An "Assessment of performance management practices and challenges in ethiotelecom." The study is required as partial fulfillment to the completion of the Masters of Business Administration (MBA) at St. Mary`s University. In this regard I kindly request you to provide me with reliable information to the best of your knowledge so that the findings from the study would meet the intended purpose. Your prompt attention to this study will support me to achieve my MBA and will also support me to contribute to the implementation of performance management system. Please note that your responses will be used for my research purpose only. Consequently, rest assure about the confidential treatment of your answers. I would like to extend my deep heart thanks in advance for your willingness to fill in this form.

General Direction

Please do not write your name on the questionnaire. Put (X)sign on the box provided based on your level of agreement for each statement for close- ended questions and write your response in brief on the space provided for open-ended questions. In case you have ambiguities on any of the questions, please do not hesitate to contact me through my mobile number +251966302491.

I. Background Information

Gender A. Male B. Female

Educational Qualification

Diploma C. Masters

Degree D. Other (please specify) _____

Years of experiences at ethiotelecom

Less than 1 C. year 6 year s-10 years

1year- 5 years D. More than 10 years

In which district office/division of the company you are currently working?

What is your current position in the company? _____

II. Questions in relation to Employees’ Performance Management system

Please indicate to what extent you agree or disagree with each of the following statements by putting a check mark (x) in the appropriate column within a range between strongly disagree(1) And strongly agree(5).

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

s. no	A. Alignment of the strategic mission of Ethio telecom with individuals’ performance objectives	1	2	3	4	5
1	I know the strategic objective of ethio telecom.					
2	The overall corporate plan is properly cascaded to units and individuals.					
3	I am well clear about my business process/work unit strategic objective					
4	My business process/work unit’s goal is aligned with the strategic mission of the organization					
5	My individual goal is aligned with the strategic objective of my business process/work unit as well as the organization					
6	My business process/work unit objective is realistic and attainable					

7	The goals settled for me supports to achieve the strategic objective of the business process/work unit as well as the ethio telecom.					
	<i>B. Implementation of employee performance management system in ETHIOTELECOM</i>					
8	I am clear about what is expected from me and my job responsibilities.					
9	I know the standards that used to evaluate my work.					
10	My performance is regularly assessed based on the plan cascaded to me.					
11	I received feedback regularly for my performance from my manager.					
12	The result of the evaluation matches with my actual performance.					
13	There is a meeting with my supervisor after evaluation is made to review results.					
14	My supervisor evaluates my work based on recorded evidence only.					
15	The feedbacks are properly communicated to our office and me.					
16	Performance evaluation is attached with reward and recognition schemes.					
17	All performance management processes in ethio telecom are trustworthy					

	and right.					
	<i>C. The benefits gained from the implementation of employee performance management system in ethiotelecom.</i>					
18	Employees Performance management system has created role clarity among the employees in our division/office.					
19	There is better differentiation between good and poor performers.					
20	Personnel actions are more fair and appropriate.					
21	Employees become more competent.					
22	Employees Performance management system contributed to improve individual and the company's performance at large.					
23	Employees Performance management system helps to motivate employees and encourage development.					
24	Employees Performance management system is important for employee success and the company, thus it is good to have.					
	<i>D. Challenges that affect employees' performance management system</i>					
25	There is a tendency of giving unbalanced targets for similar Positions.					
26	There is no fair job rotation among employees in our division/office.					
27	The corporation doesn't provide employees sufficient resources to execute the job.					
28	There is no clear mechanism to address underperformance.					
29	Performance management processes are done free of bias & objectively.					
30	Pay raises depend on how well employees perform their Jobs.					
31	Performance ratters' are competent enough to undertake their assignment.					
	<i>E, The perceptions of employees towards employee performance management system in the ethiotelecom.</i>					
32	Performance management helps me to do my job better.					
33	Performance management helps me to develop my skill and potential.					
34	I feel motivated after a performance review.					
35	I feel fairly treated in every process of performance management system.					
36	The system of performance management used here works well and does not need to change.					
37	I have received adequate training in performance management.					
38	In my opinion, employee performance management system is clearly defined in the organization.					

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

40. What are the major challenges you faced as a result of Employee Performance Management system implementation in the corporation?

Thank you!!

APPENDIX B

Interview question for employee`s of ETHIOTELECOM.

QUESTIONS FOR SELECTED INTERVIEWEES

The researcher I currently conducting research thesis for the purpose of fulfilling requirements of Masters of Business Administration (MBA) Program at St. Mary`s University. The following questions will ask about Employee Performance Management System implementation in ethiotelecom (Addis Ababa) and you are selected because of your role and closeness to the subject. Your responses will be kept confidential and used for academic purpose only.

Thank you for participating in this interview!

Part I. Questions in relation to alignment of the strategic mission of ethiotelecom with individuals` performance objectives.

To what extent do all employees informed about the mission and vision of ethiotelecom?

How does division/offices and individual employees are clear with the overall strategy of the corporation and their performance targets?

To what extent the specific job performed by an individual is linked with the strategic objective of the organization?

Part II. Questions related to implementation of employee performance management system in ethiotelecom.

How does ethiotelecom successfully handle the processes of Performance Management System?

Is there any manual or rule being used to standardize the employee performance management system in the organization?

Part III. Questions in relation to the benefits gained from the implementation of employee performance management system in ethiotelecom.

What is the main benefit gained from Performance Management System?

What achievements have been observed since the introduction of employee performance management system?

Part IV. Questions related to challenges that affect employee performance management system.

What challenges have been you faced in the employee performance management system?

Do you have any other comments or suggestions regarding Performance Management System at ethiotelecom?