

***Perceived Effect of Performance Management System on
Employees Motivation at DFID Ethiopia***

***A Thesis Submitted to the School of Graduate Studies of Jimma
University in Partial fulfillment of the Requirements for the Award of
the Degree of Master of Business Administration (MBA)***

By

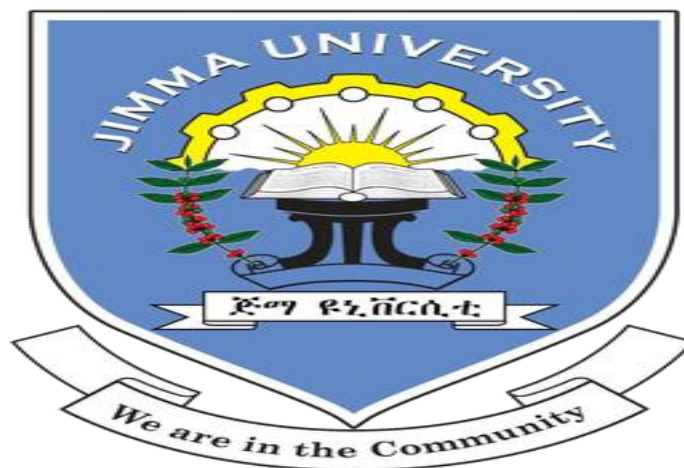
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Abstract

The research was conducted with the objective of assessing performance management systems on staff motivation. It was conducted in Department for International Development office based in Addis Ababa office on 126 permanent employees. In order to achieve the objective of the study descriptive research design was used. The study used census survey; data was collected through questionnaire from a population of 126 employees. Out of which 42.51% male and 66.49% are female respondents. The data collected from the questionnaire were analyzed using statistical tools SSPs 24 mean scores and standard deviation was used to assess the level agreeableness of the respondents. Relationship of the independent and dependent variables were analyzed using Pearson correlation and regression method. The results were then presented in the form of tables followed by discussions for further explanation on the findings. The major findings of this study is that the independent variables, which is performance pre-requisite, Performance planning and Performance Implementation factors has significant effect on motivation with $P < 0.01$ and $P < 0.05$. From the regression analysis result performance pre-requisite, performance planning and performance implementation had positive effect on staff motivation whereas performance assessment and aspiration and talent assessment had negative effect on staff motivation. The major findings of the study show that lack of appropriate skill of line managers, unbalance performance assessment, and unclear talent assessment from variables of the performance management system have been taken as less effective. The researcher recommended that performance assessment; aspiration and talent assessment factors needs to be revisited as it is directly connected with motivation. It also recommended that the structures of the performance management system to improve and execute systematically so that it becomes strong in influencing the employees level of motivation.

Key Words: *Performance, PMS, Motivation,*

DECLARATION

I declare that the research report entitled “Assessment of Performance Management System on Staff Motivation of Employees at |DFID Ethiopia” submitted to Research and Postgraduate Studies’ Office of Business and Economics College is original, and it has not been submitted previously in part or full to any University.

Declared by:

Name: Bantyalu Yeshegeta

Signature _____

Date _____

STATEMENT OF CERTIFICATE

This is to certify that the thesis titled “*Assessment of Performance Management System on Staff Motivation*”. A case study on *DFID Ethiopia Staff submitted* to Jimma University, College of Business and Economics, Department of Management for the *Award of the Degree of Master of Business Administration (MBA)* and is a record of genuine research work carried out by Bantywalu Yeshegeta under our guidance and supervision.

Therefore, we hereby declare that no part of this thesis has been submitted to any other university or institution for the award of any degree or diploma.

Dr. Zerihun Ayenew

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Main Advisor

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Table of Contents

Abstract	ii
DECLARATION	iii
STATEMENT OF CERTIFICATE	iv
Acknowledgments.....	v
List of Tables	x
LIST OF FIGURES.....	xi
ACRONYMS and Abbreviation.....	xii
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background of the Study.....	1
1.2 Statement of the problem	3
1.3 Objective of the study.....	5
1.4 Specific Objective	5
1.5 Operational Defenation.....	5
1.6 Significance of the study	6
1.7 Scope and delimitation of the Study	7
1.8 Organization of the study	7
CHAPTER TWO	8
2 REVIEW OF THE RELATED LITERATURE	8
2.1 Definition of Performance	8
2.2 Performance Management.....	8
2.3 Objectives of Performance Management.....	9
2.3.1 Supporting Theories.....	10
2.3.2Goal-setting theory.....	10

2.3.3 Control Theory	10
2.3.4 Social Cognitive Theory	10
2.3.5 Performance Management System	10
2.3.5.1 The performance planning.....	11
2.3.5.2 The second performance Implementation	12
2.3.5.3 The third step performance assessment	12
2.3.5.4 The last phase performance review.....	12
2.3.6 Principles of Performance Management system	12
2.3.7 Purposes of performance Management System	13
2.3.8 Performance Management System Cycle.....	13
2.3.9 The approach of Performance Management System	15
2.4 Definition of Motivation	15
2.4.1 Concept and Definition of Motivation	15
2.4.2 Theories of Motivation	16
2.4.3 Content' Theories of Motivation	17
2.5 Association of Performance Management System and Motivation.....	18
2.6 Empirical Literature Review	19
2.7 Conceptual Framework.....	23
CHAPTER THREE	24
3 RESEARCH DESIGN AND METHODOLOGY	24
3.1 Research Design.....	24
3.2 Research Approach	24
3.3 Population and Sample.....	24
3.3.1 Sample.....	24
3.4 Data sources and types	25

3.5 Data collection Instrument	25
3.6 Methods of Data analysis	25
3.7 Validity and Reliability.....	27
3.8 Model specification	28
3. Ethical Issues	28
CHAPTER FOUR	25
4. DATA PRESENTATION AND ANALYSIS	25
4.1 Response Rate.....	25
4.2 Demographic Characteristics	26
4.3 Analysis of Independent Variables	29
4.3.1 Pre- Requisite of PMS	30
4.3.2 Performance Planning.....	31
Table 7 Performance Planning & Expectations.....	31
4.3.3 Performance Implementation	36
Table 8 Performance Implementation.....	36
4.3.4 Performance Assessment	38
4.3.5 Aspirations and Talent Assessment	40
4.3.6 Analysis of the Dependent variable	41
4.4 Association between the Independent and Dependent Variables.....	42
4.5 Effect of Performance Management System on Motivation	43
Source: Own survey,2020.....	Error! Bookmark not defined.
4.6 Major findings of the study.....	47
CHAPTER FIVE	49
5 CONCLUSIONS AND RECOMMENDATIONS.....	49
5.1 Conclusion.....	49

5.2 Recommendation..... 51

5.3 Limitation of the study..... 52

5.4 Future Research Information 52

Reference:..... 53

Appendix 1xiii

Appendix 2xviii

List of Tables

Table 1 Range of Openness	26
Table 2 Strength of the Correlation Reference	26
Table 3 Result of Reliability Analysis	28
Table 4 Response Rate of Respondents	25
Table 5 Mean and standard deviations of the independent variables.....	29
Table 6 Pre- Requisite of PMS	30
Table 7 Performance Planning & Expectations	31
Table 8 Performance Implementation.....	36
Table 9 Performance Assessment	38
Table 10 Performance Assessment	40
Table 11 Performance Award and Motivation.....	41
Table 12 Correlation of independent variables and the dependent variable	42
Table 13 Regression analysis of individual independent variables against motivation	44
Table 14 Regression Model Summary of the relationship.....	46
Table 15 ANOVA test of the relationship	46
Table 16 Effect of Performance Management System on Motivation.....	Error! Bookmark not defined.

LIST OF FIGURES

Figure 1 Flow of the Performance Management Process	14
Figure 2 Conceptual model.....	23
Figure 3 Distribution of Respondents by gender	26
Figure 4 Age of Respondents.....	26
Figure 5 Respondents' Level of Education.....	27
Figure 6 Work Positions of Respondents.....	28
Figure 7 Respondents Year of Service.....	28

ACRONYMS and Abbreviation

BST: Business Support Team

DFID: Department for International Development

HR: Human Resource

HRM: Human Resource Management

NGO: Non Government Organization

MMM: Monday Morning Meeting

PMF: Performance Management Form

PMS: Performance Management System

PMSC: Performance Management System Cycle

SPSS: Statistical Package for Social Sciences

STD: Standard Deviation

CHAPTER ONE

INTRODUCTION

The chapter contains background of the study, description of the study area, statement of the problem, objective and significance of the study, scope and limitation of the study and organization of the study.

1.1 Background of the Study

Performance management as a means of getting better results from organizations, teams and individuals by understanding and managing performance within an agreed framework of planned goals, standards and attributes or competency requirements. Armstrong and Baron (2004) emphasized that Performance Management is a tool to ensure that the managers are managing effectively. Performance management is the day-to-day management of employees in terms of goals of the organization. Performance management system is an orderly process that properly documents the goals and objectives of each employee, with a built-in review process. Having a good performance management system means that each person will have goals and measures that are linked directly to the organization's strategy. The process of developing individual measures starts by taking the strategy of the organization and cascading the strategic objectives down through the diverse departments. Once managers of the different departments have set their goals and objectives, each person in the department should be assisted by means of a co-operative goal setting session to set his or her goals and the associate measures. This process is often known as goal alignment. In effect, everyone's efforts are directed towards the same goal and there is no wasted effort with employees going off at a tangent (Shultz, 2003).

Performance management is a systematic process for improving organizational performance by developing the performance of individual and teams. It 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).

Armstrong and Baron (2004) emphasized that performance management is a tool to ensure that the managers are managing effectively that they ensure the people or teams they manage know and understand what is expected of them and have the skills and ability to deliver on these expectations also they are supported by the organization to develop the capacity to meet these expectations are given feedback on their performance and have the opportunity to discuss and contribute to individual and team aims and objectives.

Helm et al (2007) have noted that performance management system is vital to an organization's performance for various reasons such as, it facilitates the organization to achieve its vision and business objective also it is a prerequisite to develop a performance-oriented culture within the organization. It aligns the employee's performance goals with the organization's strategic goals and ensures that the individual has clarity regarding performance expectations and improves the employee performance.

Managing employee performance is important as it leads to employee satisfaction by linking benefits with performance accomplishment; it enables the organizations to achieve higher performances accordingly. It also leads to employee satisfaction improvement, rise in employee work motivation, creativity and development of the knowledge and competency levels, as a key competitive advantage (Coens & Jenkins, 2002). Therefore, performance management systems have come to play an essential role in helping organizations to reach their goals. (Stevens & Joyce, 2000).

DFID performance management system is also a way of cascading corporate strategy down to teams and individuals to align individual objectives with the objectives of the organization.

DFID is listened from staff views and learnt from research and evidences that in order to helping everyone in the organization to maximize their contribution and realize their potential Is mandatory as the process of measuring and managing organizational and employee performance is currently seen as critical to the development and success of the organization mission.

In DFID Ethiopia, performance management system is seen as management's systematic application of processes aimed at fully exploit human resources. Thus, to enhance impacts of performance management system, it is important to understand employees' perceived perception toward the new performance management system in terms of staff motivation. Therefore, this study will be conducted with the aim of assessing the new performance management system on staff motivation in DFID Ethiopia.

1.2 Statement of the problem

The reason for the existence of performance management system in any organization is to improve organizational result, deploy a culture that will attract and develop employees, create a good relationship between managers and employees, enhance meaningful work cooperation among employees and to make clear on understanding of work objectives.

What performance management systems exist to do Lee (2005), the basic goals of any performance management system are to correct poor performance, to sustain & improve performance. Performance management systems designed to generate information and data exchange so that the individuals involved can properly dissect performance, discuss it, understand it, and agree on its character and quality.

The foundation of any performance management system is an agreement on what needs to be done and how it should be done (Lawler & Worley, 2011). Without a clear definition of the type of performance desired, it becomes impossible to develop and motivate individuals who can meet or exceed the required performance standards. Clear definition of the type of performance required is also key to guiding the performance of individuals so that it supports the organization's strategy and goals (Lawler & Worley, 2011).

Performance management system needs to provide data to the organization's human capital information system (Lawler & Worley, 2011). It needs to be the primary source of information about how individuals are performing and what skills and knowledge exist in the workforce. This

information is a critical input to talent management, as well as for strategic planning of the organization (Lawler & Worley, 2011)

The performance management system must show the development of individuals so that they have the skills and knowledge needed to perform effectively. To be effective, a performance management system needs to help employees gain the skills and knowledge. (Lawler & Worley, 2011).

Following the assessment of the reviewed literature there were different studies that conducted on the performance management system in different organizations. Such as “Assessment of Performance Management Practice in a case of World Vision Ethiopia” Alela Sertsu, (2016). “Assessment of performance management practices in a case of Oromia international bank, Kerimu Mohammed (2017). Assessment of employee’s performance evaluation practices for enhancing the effectiveness of an organization “In a case of Addis Ababa city roads authority, Girma Kassaye (2017). Following the research finding there were gaps which are different between organizations due to implementation strategy some focus on performance appraisal & evaluation of the system and others on reward system.

Department for international development support government of Ethiopia on poverty reduction & tackling the global challenges including poverty, disease, mass migration, and conflict over twenty years. Without having a high performing employee and teams it is difficult to meet planned mission and vision of the organization. Performance management system in the organization changed from performance management form (PMF) to the new performance management system in the beginning of 2018 by assuming the new system is highly desired to develop the capacity of the employees and inspired them to put maximum effort in the realization of organizational goals.

It is over two years since the new system implemented in department for international development (DFIDE) into practice, but no research has been conducted to make sure the new system is effective in terms of improving staff motivation.

In 2018 and 2019 organizations annual people survey result particularly on leadership and management, learning and development and staff benefits result below the average which tells staff are not happy with the new pms system.

Department for international development (DFIDE) performance management system added aspirations and talent assessment on the performance management system to enhance staff motivation . However, employee does not find the usefulness & value of aspirations & talent assessment. Therefore, the research intended to assess the effectiveness of performance management system and the additional variable talent assessment in the organization.

Thus, basic research questions in this study are:

1. How effective was the new performance management system in DFIDE?
2. To what extent organization performance management system associate with motivation?
3. To what extent performance management system affects staff motivation in the organization?

1.3 Objective of the study

The main objective of this study is to assess the role of performance management system on staff motivation of employee in DFID Ethiopia.

1.4 Specific Objective

While conducting the study the researcher believe that the study will have the following specific objectives:

1. To assess the effectiveness of performance management system in the department for international development office.
2. To identify the association of performance management system with motivation in the organization.
3. To determine the effect of performance management system on staff motivation.

1.5 Operational Definition

Key terms which have been included in the topic of this proposed research study are defined as follows.

Performance Management: is a continuous process of identifying, measuring and developing performance in organizations by linking each individual's performance and objectives to the organization's overall mission and goals (Aguinis H., 2009).

Performance Prerequisite : There are some important prerequisites that are required before a performance management system can effectively be implemented. Soltani, (2006). If there is a lack of clarity regarding these aspect, there will be a lack of clarity how to develop PMS in that organization.

Performance planning: is a systematic and structured approach to successfully achieve the desired goals of an individual or team throughout the assessment year.

Performance Implementation: is the process that turns strategies and plans into actions in order to accomplish strategic objectives and goals.

Performance Assessment : is a periodic review and evaluation of an individual's job performance (Armstrong 2006). Performance management practice: Performance management practice as a systematic way of communicating to employees on what they are expected to do and what the performance and productivity parameters are (Marsor, 2011).

Aspiration and Talent Assessment: aspiration is a target for a person who is interested and actively working for promotion in the coming few years. Talent assessment will give a steer on someones potential career options particularly if anyone is interested for promotion.

1.6 Significance of the study

The findings of this study would enable department for international development to obtain the necessary feedback and put recommendation for the successful performance management system in the organization. Also, it might be an input for other international organizations who are interested to revisit their performance management system. It might also consider the importance of talent assessment on the literature in order to strengthen the performance management system. It provides information to those who are interested to perform further research in a similar area.

1.7 Scope and delimitation of the Study

The scope of the research was limited to department for international development office staff in Addis Ababa since it is complex to undertake the research on the organization staff globally. The research also focused on performance planning, execution, assessment, review, aspiration & talent management there may be other components of PMS which formulate the study limited to some elements of the whole performance management system. The study is delimited by the quantitative type of the research methodology chosen, which limits the respondents to choose only from the alternatives given to them in the form of a questionnaire and interview. Since the whole process of data collection and analysis need considerable amount of time and finance shortage of time and lack of finance is worth mentioning.

1.8 Organization of the study

The study is organized in to five consecutive chapters. The first chapter dealt with the introduction, statement of the problem, objectives of the study, scope of the study and significance of the study part. The second chapter discussed about related literature reviews written by different scholars. The third chapter dealt with methodology of the study. The fourth chapter focuses on the research presentation, analysis and interpretation of the data and the last chapter five dealt with the finding of the research gap, conclusions and possible recommendation.

CHAPTER TWO

2 REVIEW OF THE RELATED LITERATURE

This chapter deals with the review of related literatures in line with the study variables

2.1 Definition of Performance

Performance can be defined as an outcome or accomplishment achieved by a person or a team (Armstrong, 2009). It is the accomplishment or outputs/outcomes of a task undertaken but also states that performance is about doing the work effectively 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.

2.2 Performance Management

Performance management is a concept in the field of human resource management. Performance management is a continuous process of identifying, measuring and developing the performance of individuals and aligning performance with the strategic goals of the organization” (Aguinis,2009). Performance management is many times mistaken as performance appraisal, but the latter is just a part of the former.

There is no single universally accepted model of performance management. Various experts have explained the concept in their own ways. Mabey et al, (1999), has prescribed the model of performance management system in the form of ‘performance management cycle’. This cycle has 5 elements which suggest how performance management system should be implemented in an organization.

The elements of performance management system cycle include: Setting of objectives, measuring the performance, feedback of performance results, reward system based on performance outcomes and amendments to objectives and activities (Mabey et al, 1999).

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 organizations 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).

DFID Ethiopia defined performance management system is to ensure that teams and employees perform at their best and contribute positively to the business objectives and it is a means to secure the team and organization success or results by helping everyone maximize their contribution and realize their potential DFID Being my Best guide, April (2018)

2.3 Objectives of Performance Management

The overall objective of performance management is to develop the capacity of people to meet and exceed expectations and to achieve their full potential to the benefit of themselves and the organization. Performance management provides the basis for self-development but importantly, it is also about ensuring that the support and guidance people need to develop and improve is readily available (Armstrong, 2009).

According to (Armstrong, 2006) the overall aim of performance management is to establish a high-performance culture in which individuals and teams take responsibility for the continuous improvement of business processes and for their own skills and contributions within a framework provided by effective leadership. Specifically, performance management is about aligning individual objectives to organizational objectives and ensuring that individuals uphold corporate core values. It provides for expectations to be defined and agreed in terms of role responsibilities and accountabilities (expected to do), skills (expected to have) and behaviors (expected to be).

2.3.1 Supporting Theories

The below theories underpinning performance management have been identified by (Buchner, 2007).

2.3.2 Goal-setting theory

Goal theory, as developed by (Latham and Locke, 1979) highlights four mechanisms that connect goals to performance outcomes: 1) they direct attention to priorities; 2) they stimulate effort; 3) they challenge people to bring their knowledge and skills to bear to increase their chances of success; and 4) the more challenging the goal, the more people will draw on their full repertoire of skills. This theory underpins the emphasis in performance management on setting and agreeing objectives against which performance can be measured and managed (Armstrong, 2009).

2.3.3 Control Theory

Control theory focuses attention on feedback as a means of shaping behavior. As people receive feedback on their behavior, they appreciate the discrepancy between what they are doing and what they are expected to do and take corrective action to overcome the discrepancy. Feedback is recognized as a crucial part of performance management processes (Armstrong, 2009).

2.3.4 Social Cognitive Theory

Social cognitive theory was developed by (Bandura, 1986). It is based on his central concept of self-efficacy. This suggests that what people believe they can or cannot do powerfully impacts on their performance. Developing and strengthening positive self-belief in employees is therefore an important performance management objective (Armstrong, 2009).

2.3.5 Performance Management System

Performance management systems are a key tool that organizations use to translate business strategy into business results. Specifically, performance management systems influence “financial performance, productivity, product or service quality, customer satisfaction, and employee job satisfaction and organizations drive the “cultural strategies that maximize human assets. (PMS 3rd Edition by Aguinis)

Developing a performance management system, according to schneier, Beatty and Baired (1987) is classified into a development, planning, managing, reviewing and rewarding phase. Macky and Johnson (2000) suggested that a typical performance management system would include the organization communicates its mission/strategies to its employee, the setting of individual performance targets to meet the employees' individual team and ultimately the organization mission/strategies.

The main building blocks of performance management system approach according to Fletcher(1996) development of the organization's mission and objectives, enhancing communication within the organization so that employees are not only aware of the objectives and the business plan, but can contribute to their formulation, clarifying individual responsibilities sand accountabilities, defining & measuring individual performance implementing appropriate reward strategies, and developing staff to improve performance & their career progression for future.

Watkins (2007) indicates, most public sector business organization like those in Delta state of Nigeria have not given adequate attention to performance management review as a tool for improving performance even when recent studies suggest that performance review benefit organizational performance in both private & public sectors. Performance management has been described as a systematic approach to the management of people, using performance goal measurement, feedback and recognition as a means of motivating them to realize their maximum potentials. Public sector business organizations that strive to deliver quality services at competitive prices are those that embrace various performance review practices to assess their employee performance & motivate them with incentives.

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.

2.3.5.1 The performance planning

Planning of performance management system is the first stages where employees will be enabled to have a clear knowledge about the system. It is the first cycle where Line mangers 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.

2.3.5.2 The second performance Implementation

Once the planning phase has been completed, it's time to get the job done to execute the plan it is the second phase of an effective performance management process. For staff the critical responsibility in phase two is getting the job done achieving the objectives. In an effective performance management system, performance execution also includes a midterm review to ensure the performance is on track (Dick Grote 2002).

2.3.5.3 The third step performance assessment

Performance assessment is the third step: 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. 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 line manager and employee are active participants in the evaluation process, there will be a greater likelihood that the information will be used productively in the future.

2.3.5.4 The last phase performance review

At this stage the meeting will be 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. As it is very important in performance management the appraisal meeting is often regarded as the most difficult of the entire process because many mainly line managers are uncomfortable providing performance feedback manly when the staff is under performance. This kind of 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 London2009). 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.

2.3.6 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 an organization's entire management employee. Employees are treated as partners in the organization whose interests are respected, who have a voice on matters that concern them, and whose opinions are sought and listened to (Armstrong 2006)

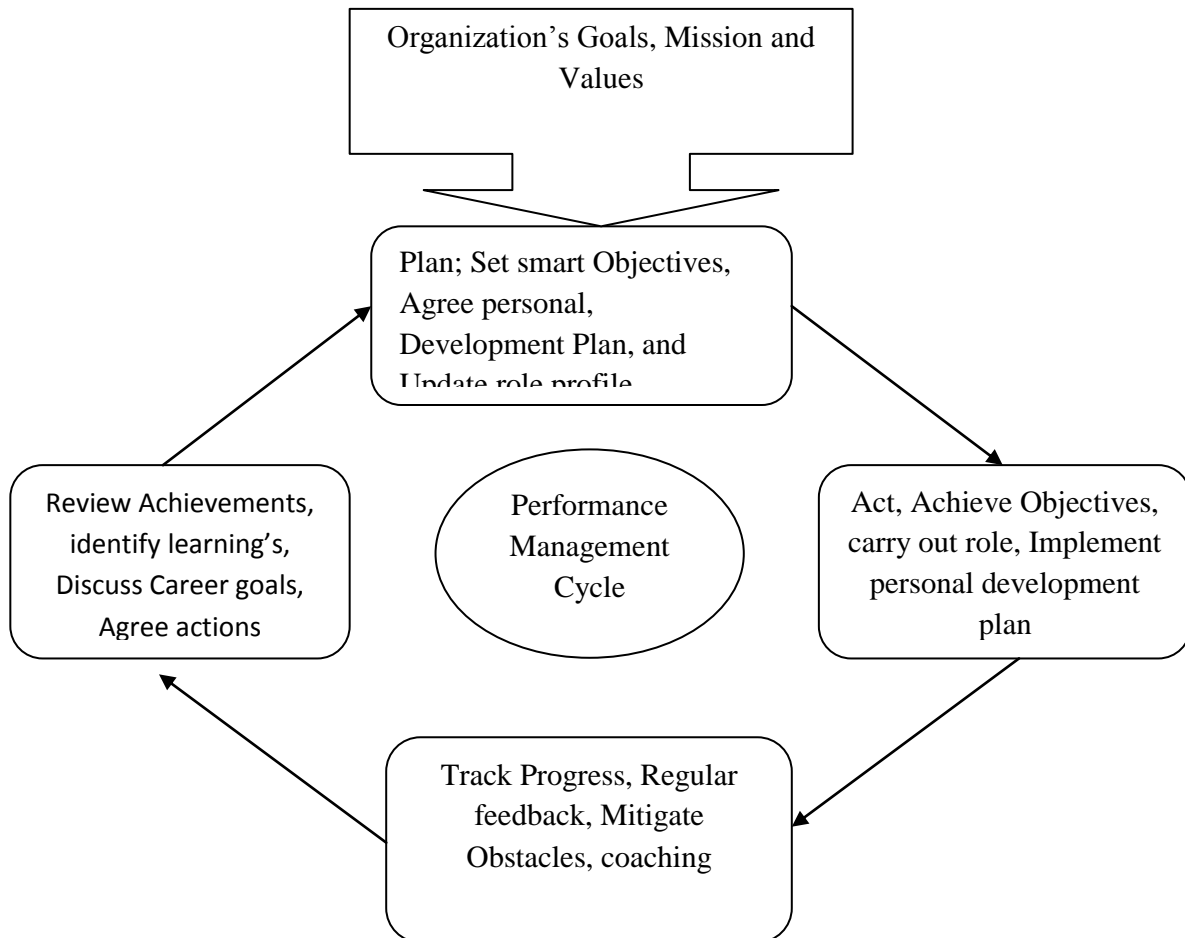
2.3.7 Purposes of performance Management System

The whole purpose of performance management system 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 system is to establish a culture in which individuals and group take responsibility for the continuous improvement of business processes and for their own skills and contributions (Smither and London 2009)

2.3.8 Performance Management System Cycle

Overseeing performance and providing feedback is not an isolated event, focused in an annual performance review. It is an ongoing process that takes place throughout the year. The Performance Management process is a cycle, with discussions varying year-to-year based on changing objectives.

Figure 1 Flow of the Performance Management Process



Source: Michael Arm-strong (2006)

To begin the planning process, you and your employee review overall expectations, which include collaborating on the development of performance objectives. Individual development goals are also updated. You then develop a performance plan that directs the employee's efforts toward achieving specific results to support organizational excellence and employee success.

Goals and objectives are discussed throughout the year, during check-in meetings. This provides a framework to ensure employees achieve results through coaching and mutual feedback.

At the end of the performance period, you review the employee's performance against expected objectives, as well as the means used, and behaviors demonstrated in achieving those objectives. Together, you establish new objectives for the next performance period

2.3.9 The approach of Performance Management System

In the views of Joseph R. Grima (2000), performance management should be:

Participative: Performance management is a two-way process and must encourage the participation of both supervisor and employee. This participation should be there for establishing objectives at the very start of the assessment period and at the end, evaluating results.

Task-oriented: Performance should be measured based on business objectives and the outcomes, personal traits and pre-defined areas and targets.

Developmental: The process should be implemented not only to evaluate and rate employees but also to help the employees to advance their future career paths by way of personal growth and development. It should also identify the areas where employee needs further training (Grima, 2000).

It is essential for performance management system to be participative, task-oriented as well as developmental. If the performance management system of an organization doesn't provide the employees' opportunities to learn and develop when deficiencies from the results are identified, then such system is of no use. The focus of performance management is to identify and to address vital people issues that exist in an organization. It leads towards building relationship with the people employed by the organization. It creates an environment or work setting that enables the employed people to best perform the abilities that they possess (Heathfield, 2012).

2.4 Definition of Motivation

2.4.1 Concept and Definition of Motivation

Motivation is a complex phenomenon and several theories attempt to explain how motivation works. The concept of motivation has been described by many scholars in different ways. Bartol direction to behavior and energizes the tendency for persistence. Luthans (2005) perceives motivation as a combination of needs, drives and incentives. In similar fashion, Mullins (2005) argues that motivation is a driving force within individuals by which they attempt to achieve some goal. Robbins and Judge (2014) have forwarded more to them, motivation is the process that accounts for an individual's intensity, direction, and persistence of effort toward attaining an

organizational goal. In tries to accomplish the task. The second element is direction and that is the effort that is channeled or directed toward organizational goals. The final element is persistence or how long a person can maintain the effort. In general motivation can be viewed in two ways as intrinsic motivation (IM), which refers to doing something because from inherently interesting force or enjoyable agent (Csikszentmihaly et al. 2005; Ryan & Deci,2000) and extrinsic motivation(EM),which refers to doing something because it leads to separable outcome from the outside (Ibid).Thus, from these scholars' concept, motivation can be summed up as the processes that account for an individual's intensity, direction, and persistence of effort toward attaining a goal (Robbins and Judge, 2014).

Some theories explain about intrinsic motivation (IM) from perspective of motivating employees either directly or indirectly in the form of esteem needs (related to desire of respect, appreciation) and self- actualization in taking of new challenges that make them happy (Baure and Erdogan, 2012; Mullins, 2005; Robbins and Judge, 2014). On the contrary, extrinsic motivation (EM) theory explains that employees are motivated due to external factor of employer force applied to them. As Vroom's expectancy theory of motivation argues, to motivate employees externally organizational resources must be distributed fairly (Armstrong and Taylor, 2014). Other authors (Taylor, 2003) suggest that good leadership makes use of a combination of both intrinsic and extrinsic motivation.

2.4.2 Theories of Motivation

According to Dolan and Lingham (2012), motivation is very important, particularly in the world of work, that many theories have been put forward. They can be divided into two groups: content theories and process theories. Content theories address the question of what need triggers motivation, whereas process theories tackle the question of why a person behaves in a certain way. Process theories are concerned with explaining the behavioral and thought processes through which individuals attempt to satisfy their needs.

2.4.3 Content' Theories of Motivation

One of the motivational theories content describes a system of needs that motivate people's actions. Content theories were the first to be developed, and they stem from the understanding of motivation as behavior that is based on attempts to satisfy unfulfilled needs. The main content theories of motivation include Maslow's hierarchy of needs, Herzberg's motivator - hygiene theory, Alderfer's ERG theory and McClelland need theory (Szilagyi, et al. 1990). As a result, these theories attempt to classify universal human needs and, in some cases, to organize these needs in terms of their importance. Consider about this group of theories as being concerned with identifying the content of motivation.

Maslow's hierarchy of needs theory: Abraham Maslow's hierarchy of needs theory identifies five levels of individual needs. Mulins, (2007) They range from self-actualization and esteem needs at the top, to social, safety, and physiological needs at the bottom. The concept of a needs' "hierarchy" assumes that some needs are more important than others and must be satisfied before the other needs can serve as motivators. For example, physiological needs must be satisfied before safety needs are activated; safety needs must be satisfied before social needs are activated; and so on. The five levels of individual needs are Physiological, Safety, Belongingness or Love, Self-esteem and Self-actualization.

Alderfer's ERG theory: The ERG theory is an extension of Maslow's hierarchy of needs. Alderfer (1972) suggested that needs could be classified into three categories, rather than five, existence needs, desires for physiological and material well-being; relatedness needs, desires for satisfying interpersonal relationships; and growth needs, desires for continued personal growth and development. Second, ERG theory emphasizes a unique frustration-regression component. An already satisfied lower-level need can become activated when a higher-level need cannot be satisfied. Thus, if a person is continually /frustrated in his or her attempts to satisfy growth needs, relatedness needs can again surface as key motivators. Third, unlike Maslow's theory, ERG theory contends that more than one need may be activated at the same time.

McClelland's Acquired Needs Theory: was developed by McClelland David & his associates, need for achievement, need for power, Need for affiliation

Herzberg's Two – Factor Theory: Frederick Herzberg (1966) developed the motivator-hygiene theory this theory identifies motivator factors as primary causes of job satisfaction and hygiene factors as primary causes of job dissatisfaction.

Hygiene factors: In 1959, Frederick Herzberg a behavioural scientist proposed a two-factor theory or the motivator-hygiene theory are sources of job dissatisfaction, and they are found in the job context or work setting. That is, they relate more to the setting in which people work than to the nature of the work itself. The two-factor theory suggests that job dissatisfaction occurs when hygiene factor is poor. But it also suggests that improving the hygiene factors will not increase job satisfaction; it will only decrease job dissatisfaction. Herzberg found that a low base salary or wage makes people dissatisfied, but that paying more does not necessarily satisfy or motivate them.

Motivator factors: These factors are found in job content—what people do in their work. They include such things as a sense of achievement, opportunities for personal growth, recognition, and responsibility.

As per the two-factor theory, the existence or lack of satisfiers or motivators in people's jobs is the key to satisfaction, motivation, and performance. When motivator factors are minimal, low job satisfaction decreases motivation and performance. When motivator factors are important, high job satisfaction raises motivation and performance.

2.5 Association of Performance Management System and Motivation

Performance management system must be able to convey to employees how well they have performed on established goals. 'DeCenzo and Robbins' (2010) it's also desirable to have such goals and performance measures mutually set between the employee and the line manager. Without proper two-way feedback about an employee's effort and its effect on performance, it decreases his or her motivation.

When employees have goals, they tend to be more motivated if they also receive feedback about their progress. Although performance management systems can be quite effective in motivating

employees and resolving performance problems only a small number of organizations use the performance appraisal process to its full potential. In many companies, a performance management system takes the form of a strict activity that is mutually despised by employees and managers. The problems a poor performance management system process can create may be so severe that many experts have recommended eliminating the system altogether.

According to Noe et al. (2016) effective performance management system has a developmental purpose, meaning that it serves as a basis for motivating employees to improve their knowledge and expertise. Even employees who are meeting expectations can become more valuable when they hear and discuss performance feedback. Effective performance feedback makes employees aware of their strengths and of the areas in which they can improve.

In general, the relationship between motivation and performance is complex and dynamic depending on how performance is defined, the nature of the task, how performance feedback is interpreted, and the extent to which environmental factors may limit performance accomplishments.

2.6 Empirical Literature Review

As the empirical evidence supporting the performance management system has been presented. According to Munzhedzi (2011), performance management system in the organization has a precious impact if the system is well established and common understanding is created between employees and managers and if objective of the organization cascaded down accordingly. He has tried to find out that, performance management has a great role on organizational productivity. Employees in any organization have a negative perception of the fairness of their organization's performance management system. Matlala (2011). According to (Boipono, Tsomele & Mogadime, 2014) a study made on implementation of performance management system (PMS) in Schools states that, though PMS is faced with implementation challenges, participants interviewed appreciated the need for a system like performance management system that could be used to measure their performance. However, the feeling is that the system should be redesigned to suit the context of environment and not the current one size fit all approach. Effective communication and timely feedback are also important success factors for a

performance management system like PMS as they are formative and help employees to continuously improve their processes towards achieved their set objectives. According to (Mughal and Akram, 2014), their study has explored the issues (weaknesses) related with performance management of Alfalah banking sector lacks motivation and proper reward system. Performance management system is properly implemented in Alfalah but employees should be involved in setting standards of performance management to evaluate the performance of each employee. Performance assessment in many organizations has not met expectations of employees Morgan (2006). According to Temesgen Bahre, (2017), his study has explored at the issues their finding of the study shows. The essence of performance management is the development of individuals with competence and commitment, working towards the achievement of shared meaningful objectives within an organization that supports and encourages their achievement, Lockett, (1992). An effective performance management system encourages managers and associates to work together, communicate openly and provide feedback regularly until people focus on communication, cooperation and collaboration skills, appraisal forms remain vehicles for failure and appraisals go on evoking fear and suspicion Rogers, (2004). On the implementation of performance management systems encounters resistance at various points throughout the organization but in order to overcome the resistance to focus on the implementation of its plan which includes the cultural and environmental issues in concern so that PMS can be carefully implemented. Du Plessis (2007). Employees are the most crucial and valuable assets for an organization, if any organization wants to gain speedy growth it are very important to manage the human resource of the organization well, Bhattacharjee and Sengupta (2011). The system of managing the performance has an important role and function in the context of managing the organizational performance to develop effective work system. Armstrong, (2012).

Selamawit Girma, (2016), Getting ongoing positive and constructive feedback about the progress of the performance on timely manner is minimal. Most employees stated that constructive feedback they get from supervisors is not based on the facts, results and behavior and performance gaps. No clear criteria and standards to over which evaluation and assessments are not based on results and behaviors agreed in the previous period Selamawit Girma, (2016).

Yohas Getachew, (2018), the set of evaluating performance standard were unrealistic to evaluate the performance and Lack clear performance evaluation criteria. There were also inadequate training and development opportunities for employees to fill the performance gaps.

Talent management is a process of attraction, development and retention of individuals who are able to cope with business critical tasks in the organization Rana and Abbasi (2013). And also it is defined as a set of human resource practices, or a predictor of human resource flow in the organization, or a process of attracting, developing and rewarding talents. Lewis and Heckman, (2006), Talent assessment via selecting people for future leadership positions, succession planning by which talents is prepared for future position based on their skills, knowledge and competencies, talent development through education, training, career development, as well as challenging job tasks and assignments, and talent retention by benefits pay and motivation.

Factors affecting performance management system: performance management is a systematic process that links means that enable organization to foster a common image related to the goals set by the organization and in providing direction to employee so that they can comprehend and preserve for both, individual as well as company's performance. Holton, (2002). For performance management system to be implementd ther are a number of conditions that must exist prior to its execution. This are ability of manager to mobilize the organization, effectively communicating the roles, suties and responsibilities of all such individuals who ae the participants in the process of brining about change, transparency and simplicity of systems, practicality and participation, equality and objectivity are the main factors which affects implementation of PMS. Amatayakul, (2005).

Employees have negative perception on performance management system. They beleve that system is influenced by subjectivity accoding to the investigation done by Newel, (2000) concerning the perception that employees have of performance management system. There is very little employee involvement in formulating criteria agreeing performance standards and objectives when designing performance systems.

Clarity in tasks and duties in order for a performance management system to be successful there need to be a collaborative process between supervisors and employees otherwise it will impact

staff motivation. The collaborative aspect of performance management processes lets supervisors understand the story from a subordinate's perspective. Robbins, (2007).

Lack of integration between organization objectives and individual objectives according to Cooper, (2005) are that integration can be achieved in an organization through agreement on performance objectives and performance definitions at all functional levels in the organization.

Evaluating employee's performance on pre-defined parameters as stipulated by Armstrong, (2009) has been highlighted as a differentiating factor among the business leaders and employees. This difference emanates from evaluation processes and their results as these influence employee motivation.

Feedback system has one of the factors that affects staff motivation in the system. Employee engagement behavior should be included in the performance management system. Armstrong, (2012) the behaviors of the employee include persistence the ability to be proactive role expansion and adaptability. The main activities of this component are performance appraisals and feedback from supervisor.

Lack of leadership commitment is one of the key factors that decline staff motivation in the organization. Organizations have a need for leadership styles that create favorable environments for teams to function optimally according to the findings of Plaethorpe, (2011). Team leadership is a fundamental process focusing around the satisfaction of critical needs of a team with goal of enhancing team effectiveness.

Bias in performance appraisal one of the most difficult requirements of an effective performance management system is that it should be as free as possible from bias staff cannot deny the involvement of bias in their decision making of performance of theater. There are many types of bias that creep into pms. Tobin, (2008). The main issue in the practice of performance assessment activity is the fairness of the evaluation decision by supervisors due to lack of skill. Performance of individual employees that is not measured accurately can lead to demotivation with the system.

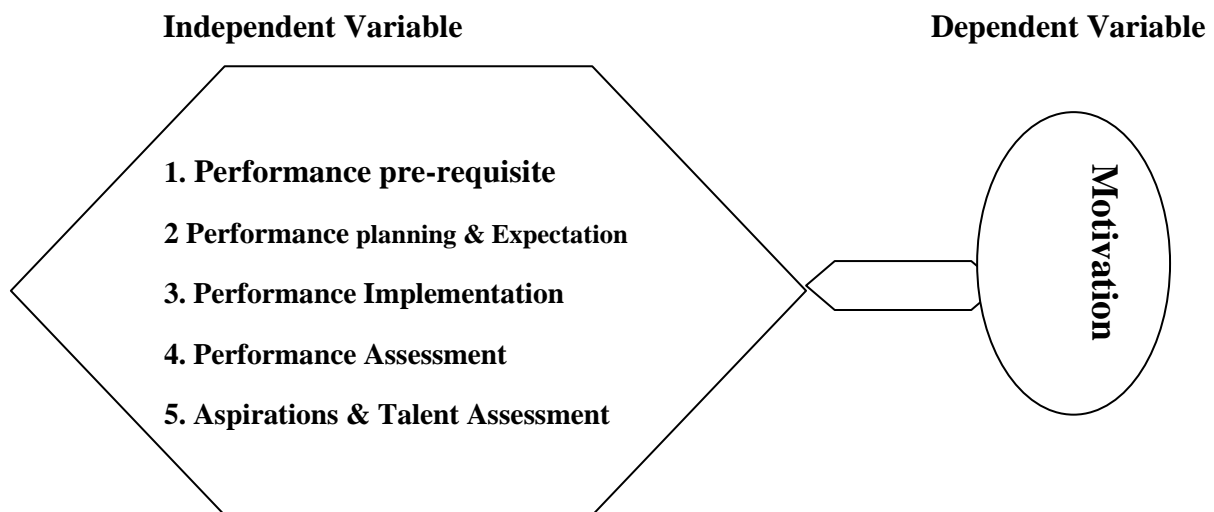
Lack of training and awareness is the other element of challenges for motivation because not all employees accept the changes that have occurred in their area communication between supervisors and subordinates must be good in order to enable the organization to realize the desired mission. Training and awareness have been found to play an important role in ensuring the success in the pms implementation and staff motivation. Tobin, (2008).

2.6 Conceptual Framework

The excellence of the organization performance management system is main factor that supports to achieve objectives of the company. Effective performance management system implementation has many advantages. Aguinis (2009) from the perspective of employees, a good system increases motivation, helps to improve performance, clarifies job tasks and responsibility, provides self-insight and development opportunities, and clarifies supervisors’ expectations.

Based on various literature reviewed the below conceptual framework is developed. The framework describes the relationship between performance management system and employee motivation. The model is limited only to factors related to performance management system and motivation variables. In this model, the factors that influence the effectiveness of performance management system are categorized as independent variable while motivation is considered as a dependent variable.

Figure 2 Conceptual model



Source: Conceptual modal of the Study Developed based on Aguinis (2009) and Armstrong (2012).

CHAPTER THREE

3 RESEARCH DESIGN AND METHODOLOGY

3.1 Research Design

The study is focused in assessing the performance management system on staff motivation at department for international development office in Addis Ababa. The study employs a descriptive approach. Descriptive research designs were used to summarize large quantities of data using understood measures in form of graphical and numerical techniques (Burns, 2000). Descriptive studies are said to be a type of survey design that will give specific or group characteristics for a sampled population (Kothari, 2006). It also minimizes bias and maximizes reliability of the evidence collected if designed within precise objectives and on relevant data.

3.2 Research Approach

The study adopted quantitative approach and this approach has been used to quantify the respondents' evaluation of the performance management system and its relationship with their motivation. According to Plano Clark and Creswell (2015), this approach is preferred as it attempts to examine the relationship between variables, which are measured numerically and analyzed using a range of statistical and graphical techniques.

3.3 Target Population of the study

3.3.1 Sample

Sample size determination is the act of choosing the number of observations or replicates to include in a statistical sample. It is an important feature of any empirical study in which the goal is to make inference about a population from a sample. These include using a census for small populations imitating a sample size of similar studies, using published tables.

The total number of employees in department for international development office in Addis was as of 31st March 2018 is 126. The target population for this study was all employees who were working in the organization based on one of the research approaches which is census survey,

It eliminates sampling error and provides data on all the individuals in the population. The entire population sampled in small populations to achieve a desirable level of precision.

3.4 Data sources and types

Sources of data employed for the study was primary source of data. To collect the primary data, a structured and self-administered questionnaire has been developed, based on the objective of the study and the research design chosen. Questionnaires were then distributed to the total population of the organization. The questionnaire has closed ended questions to gather the desired quantitative data. The main reason for selecting structured questionnaires, according to Kothari (2004) is that “they are simple to administer and relatively economical to analyze. The qualitative type of data was employed to get reliable information to support the quantitative data regarding the specific objectives of the study through interview. Therefore, semi structured interview was made with business Support team.

3.5 Data collection Instrument

To address the research objectives the main data collection method that was employed in this study are primary source of data. Basically, the data was collected by using questionnaires and interview. The questionnaires were included closed-ended question that was measured by a five-point Likert scale method used in the questionnaire. As per this scale, a score of five is the highest degree of agreement and a score of one will be the least degree of agreement and semi structured interview with the organization business support manager and the team which was also conducted to gather information on the subject.

3.6 Methods of Data analysis

After collecting the distributed questionnaires, checking and cleaning the respondents’ quantitative data, they were coded and entered in to (SPSS) version 24 software to facilitate the analysis process using descriptive statistics like mean, standard deviation, percentage and frequency on a Likert scale of 1 to 5, used to assess agreeableness of the respondent and also correlation and regression methods applied to check the relationship of the dependent and independent variables.

Interview: Interview was the other type of data collection instrument used in the study. Also, the purpose of the interview was to substantiate the results obtained from the questionnaire thereby

to get a greater depth of information. The interview questions were prepared in a semi structured type & consisting total of 11 questions to be asked to the organization business support manager and HR team. To interpret the interview questions the researcher used thematic analysis to analyze the qualitative data and closely examines the data to identify common themes – topics ideas and patterns of meaning that come up repeatedly.

Table 1 Range of Openness

No	Mean Range	Response Option
1	(1.00-1.80)	Strongly disagree
2	(1.80-2.60)	Disagree
3	(2.60-3.40)	Neutral
4	(3.40-4.20)	Agree
5	(4.20-5.00)	Strongly agree

Source: Based Plano Clark and Creswell (2015)

The relationship of the variables has been interpreted and discussed with the strength of the correlation reference table 2, provided below. The table shows the range of the coefficient values with the level of strength of the relationship.

Table 2: Strength of the Correlation

Range of Coefficient	Description of Strength
Very strong	$\pm .80$ to ± 1.00
Strong	$\pm .60$ to $\pm .79$
Moderate	$\pm .40$ to $\pm .59$
Weak	$\pm .20$ to $\pm .39$
none	$\pm .00$ to $\pm .20$

Source: Evans (1996)

The researcher has tried to describe and relate the results by quantitatively testing the effect of the selected variables; pre-requisite, planning, performance implementation, performance assessment and talent assessment of the performance management system. In addition, their relationship with employees' motivation was analyzed. The results of the analysis have been compared against the literature reviewed in drawing conclusions and recommendations.

3.7 Validity and Reliability

It involves the degree to which you are measuring what you are supposed to, more simply, the accuracy of your measurement. It is believed that validity is more important than reliability because if an instrument does not accurately measure what it is supposed to, there is no reason to use it even if it measures consistently. To check the validity the initial questionnaire has been given to a group of referees to judge its validity according to its content, clearness of its meaning, appropriateness to avoid any misunderstanding and to assure its linkage with the study objectives.

For the current study, two staff who works in the related field was consulted about the reliability and content validity of the instrument. For instance, they comment on same words, confusing sentences on the side of readers and also, they point out on the applicability of the statement to the targeted group. In addition, they also looked over each statement if it addressed the objectives of research problems or what it was intended to measure. After receiving all the opinions, revision was made to the instruments.

Reliability concerns the extent to which a measurement of a phenomenon provides stable and consist result Carmines and Zeller, (1979). Testing for reliability is important as it refers to the consistency across the parts of a measuring instrument Huck, (2007). The most commonly used internal consistency measure is the Cronbach Alpha coefficient. It is viewed as the most appropriate measure of reliability when making use of Likert scales (Whitley, 2002, Robinson, 2009). No absolute rules exist for internal consistencies, however most agree on a minimum internal consistency coefficient of .70 Whitley, 2002, Robinson, (2009). The reliability analysis was conducted by calculating the Cronbach's alpha for each scale. Zikmund (2000). Stated that Cronbach's alpha should be the first measure to be employed to assess the quality of a measurement instrument. The results in Table 2. Indicate that the Cronbach's alpha measures

were above the minimum criterion of 0.7 Zikmund, (2000). Therefore, they were reliable for the study.

Table 3 Result of Reliability Analysis

<i>Factors</i>	<i>Cronbach's Alpha</i>	<i>No Items</i>
Performance pre-requisite	0.737	3
Performance planning & Expectation	0.71875	8
Performance Implementation	0.71575	4
Performance Assessment	0.73275	4
Aspirations & Talent Assessment	0.7255	2
Total		21

Source: Own Survey, 2020

3.8 Ethical Issues

There are certain ethical practices that must be followed by the researcher, the first is soliciting explicit consent from the respondents. The researcher has also ensured that the respondents are aware of the objectives of the research and their contribution to its completion. The researcher has also acknowledged the authors and owners of the referred documents that were used in this study. All necessary data were collected formally from respondents and concerned bodies.

3.9 Model Specification

Model specification is to determine which independent variables to include and exclude from a regression equation. The models for this study were derived on the basis of previous studies such as Samuel and Widjojo (2016), Zeitun and Tian (2007), and Frezewed (2016) and this equation was believed to capture the essence of the subject under study.

The general form of the model is:

$$Y_{it} = \alpha + \beta x_{it} + U_{it}$$

Where

Y_{it} = dependent variable

α = Constant term

β = Coefficients for independent variables

X_{it} = is the explanatory variable

μ_{it} = are the error terms

With subscript i denote the cross-section and t representing the time-series dimension.

Specifically, the above general model is converted into specified variables it becomes:

$$\text{Motivation} = (\beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 \dots + E$$

$$\text{Mot}_{it} = \beta_0 + \beta_1 (\text{Prerequisite}_{it}) + \beta_2 (\text{Perplanning}_{it}) + \beta_3 (\text{Perimplementation}_{it}) + \beta_4 (\text{Perassessment}_{it}) + \beta_5 \text{Aspiration \& Talent}_{it} + \varepsilon$$

Where: MOT: Motivation

Prere: Performance prerequisite

Perp: Performance planning

Perim: Performance Implementation

Perass: Performance assesement

Asptal: Aspiration talent assessmet

CHAPTER FOUR

4. DATA PRESENTATION AND ANALYSIS

This chapter deals with the review of related literatures in line with the study variables.

4.1 Response Rate

This chapter presents the results of the study based on the analysis of the data collected from the respondents and discussion of results based on the literature reviewed. This part includes the descriptive, mean, median Frequencies analysis that evaluated the relationship between the variables. As indicated in the methodology section, the study was conducted basically using a questionnaire filled by respondents. A total of 126 questionnaires were distributed out of which 114 were returned (with a response rate of 91%) and 5 questionnaires were discarded due to the incompleteness of data. Therefore, 109 questionnaires were considered for the data analysis. The profile of these respondents is described in terms of gender, age, educational background, work position and year of services. The data received from the respondents were analyzed with the help of statistical software program – the SPSS V23.

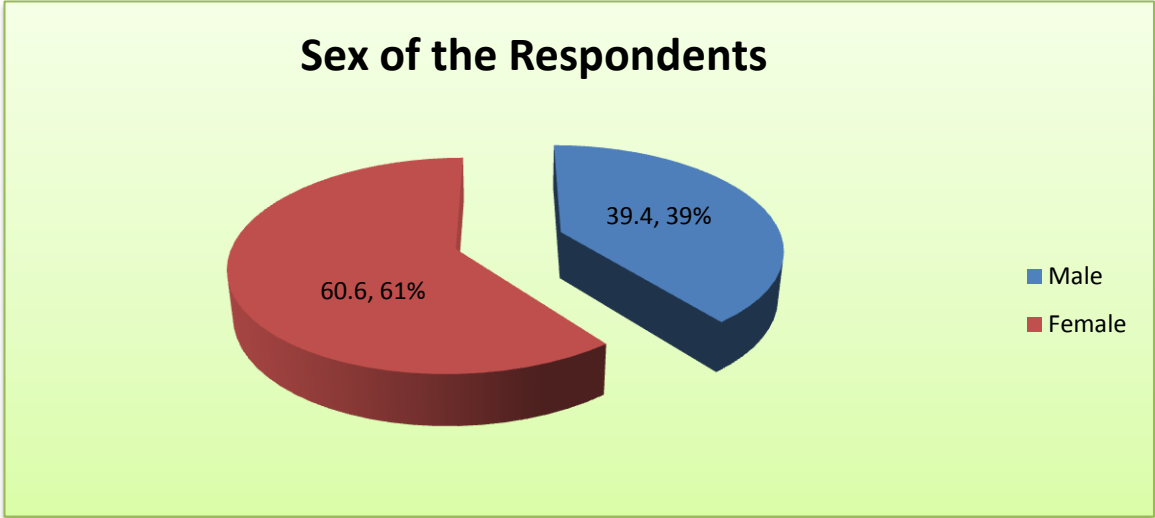
Table 4 Response Rate of Respondents

Organization	Population	Returned	Completed	Incomplete	Response
Department for International Development	126	114	109	17	91%

Source: Own Survey 2020

4.2 Demographic Characteristics

Figure 3 Distribution of Respondents by gender

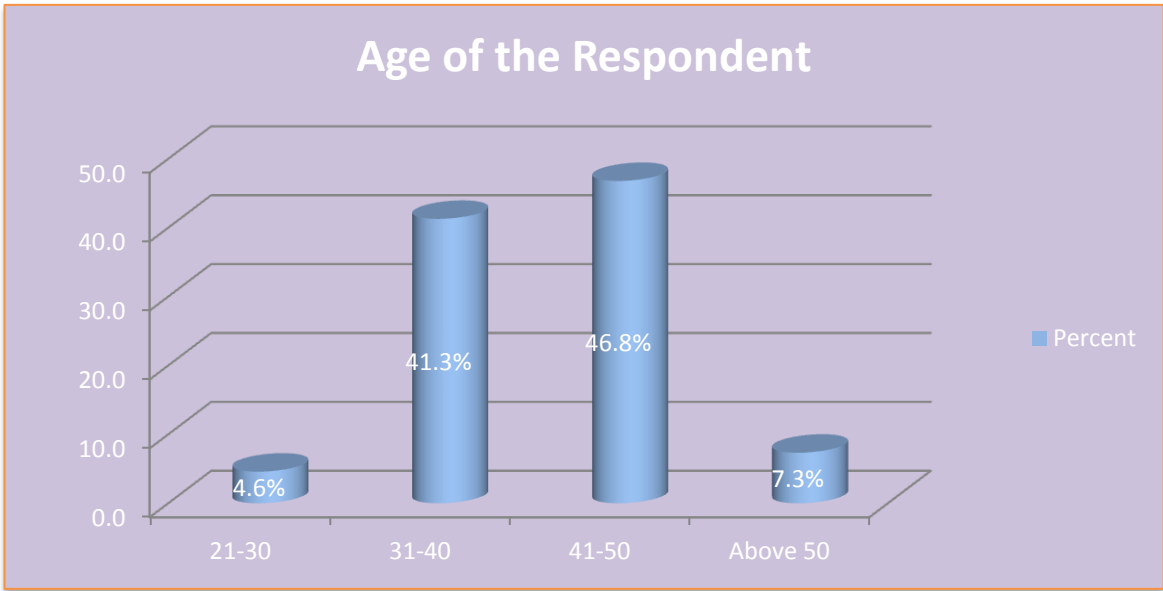


Source: Own Survey 2019

As it is shown in figure 1, the gender distribution of participants indicated that higher number of female respondents is 60.6 (61%) and the lower number of males is 39.4 (39%).

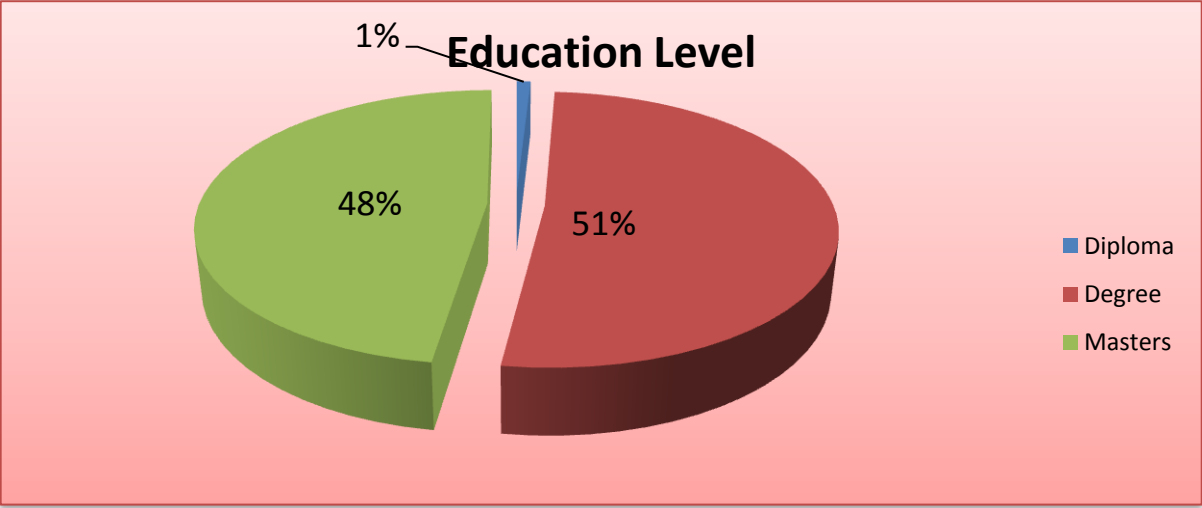
This implies that majority of the employees are female and this again indicate that how the recruitment system of the organization is gender sensitive.

Figure 4 Age of Respondents



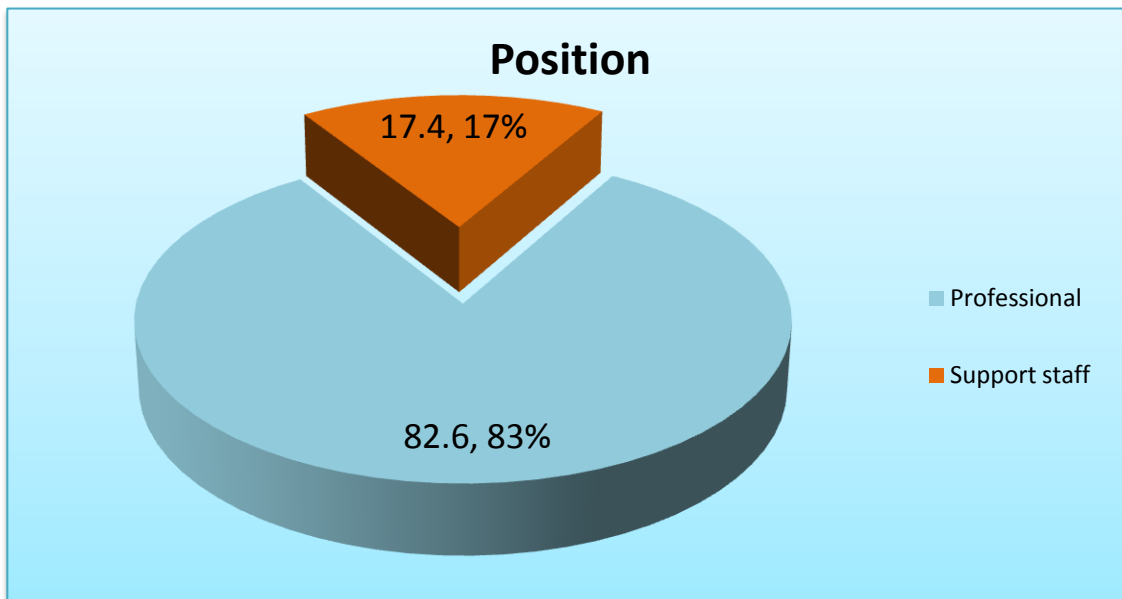
Age distribution large number of the respondents 45(46.8%) and 41(41.3%) were from 31 to 40 years and from 41 to 50 years old, respectively. Small number of them 22(7.3%) were from 21 to 30 years of age and 14(4.6%) were from 51 to 60 years old. This data indicates that the organization has a leading young work force this is good opportunity to the organization for the implementation of its strategy.

Figure 5 Respondents' Level of Education



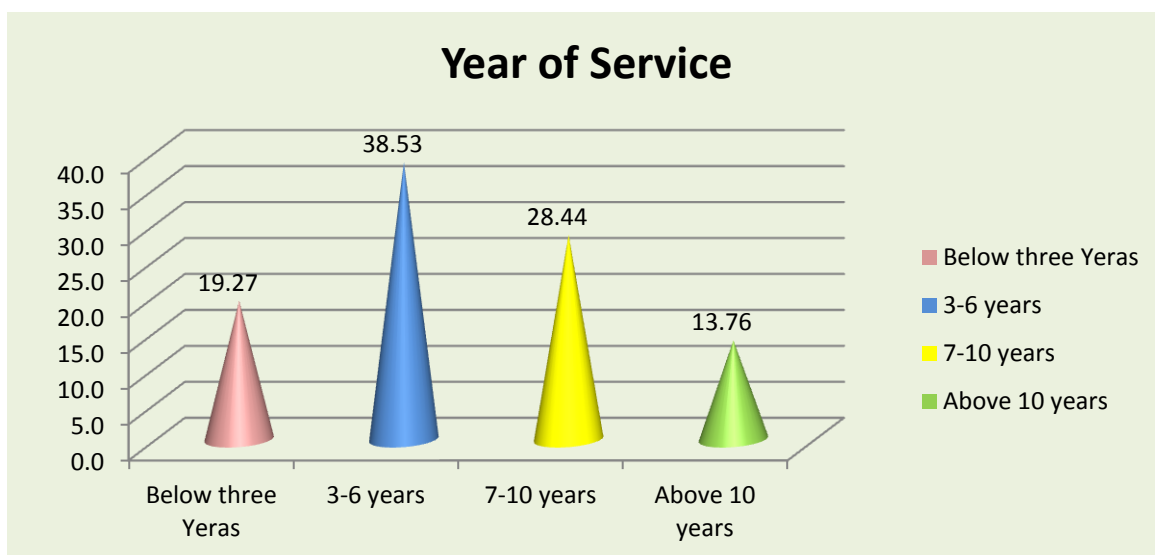
The level of education 58(51%) of the respondents were first degree holders while 49(48%) of them are a master's degree holders and the least number of respondents 10(1%) are Diploma holders. The result indicates that organization has a high educational background staff is being employed this enable managers to better understand their employees skill sets and help them to improve their performance.

Figure 6 Work Positions of Respondents



Based on the above figure number four respondents' position or job title as can be seen from the above figure 4, the job title/position of the respondents indicates that 82.6(83%) were professional employee, 17.4(17%) were team support staff. The result indicates that the organization has skilled pool of professionals this helps the organization to align their employees, resources and systems to meet their strategic objectives.

Figure 7 Respondents Year of Service



With regard to organization staff service years, 37(38.53%) of respondents were from 3 to 6 years, 29(28.44%) of them were from 7 to 10 service years, were above 10 years of service; 19 (13.76%) and below tree years of service (19.27%) 24.

The result shows that more than half of the employees of the organization are considered as experienced, having worked from 3 to 10 years in the organization this helps the new comers easily adopt the system by working collaboratively. Review of mean and standard deviation scores of the independent variables of the study is presented as follows:

4.3 Analysis of Independent Variables

Table 5 Mean and standard deviations of the independent variables

Variable	Mean	Std. Deviation
Performance pre-requisite	4.3028	.53584
Performance planning & Expectation	3.0387	.52478
Performance Implementation	3.8257	.50633
Performance Assessment	4.3945	.85626
Aspirations & Talent Assessment	3.0642	.52919
Group Mean	3.725	.655

Table 2. Explain a summarized average (mean) score of the employee’s awareness towards the determinant factors of the performance management systems’ effectiveness, provided by the 109 respondents on a Likert scale of 1 to 5. It shows that the average score for pre-requisite is 4.30 with a standard deviation of +0.53 this implies that the employees’ view towards this factor is neutral; the mean score for Performance planning 3.03 and a standard deviation of 0.849 describes the uniformity of the respondents’ reaction. The Performance Implementation factor has scored a mean of 3.82 indicating that the respondents agree with. Similarly, a standard

deviation of +0.506, is an indicator that the employees' view towards this factor is homogenous. The performance assessment factor have a mean of 4.39 with a standard deviation of +0.85, which again indicates that the respondents' agreeableness to this factor of the system. Talent assessment has a score of 3.06 with a standard deviation of +0.52, indicating that the respondents' agreement with the factor. At the end, the mean score of all the determinant factors of the system has a group mean of 3.72 and 0.655 a standard deviation .

4.3.1 Pre- Requisite of PMS

Transparency is the most important factor which needs to be considered before a performance management system implementation like knowledge of the organization's mission and strategic goals and knowledge of the specific job. The researcher assessed whether staff know the overall mission, goals and objectives as one of performance prerequisite employees' response with regards to the questions presented in the table below.

Table 6 Pre- Requisite of PMS

	<i>Items</i>		1=Strongly disagree	2=Disagree	3=Neutral	4=Agree	5=Strongly agree	<i>M</i>	<i>S.D</i>
1	I have a clear understanding about the organization mission and strategic goals.	<i>N</i>		-	4	68	37	3.4876	.53584
		%		-	3.7	32.4	33.9		
2	I understand how my Individual objectives support the overall organizations strategic goals and objectives.	<i>N</i>	3	1	2	74	29	4.1468	.74319
		%	2.8	.9	1.8	67.9	26.6		
3	I clearly understand DFID's PMS to secure the team & organization's success and results by helping everyone maximize their contribution.	<i>N</i>	-	1	28	71	9	3.8073	.58495
		%	-	.9	25.7	65.1	8.3		

The above table was regarding basics where related variables were analyzed. Goals have been considered important as expressions of organizational values that can motivate and generally

orient employees to the organization’s mission & strategy. Researchers also address that clarification of goals for individuals and work groups can improve efficiency and productivity (Rainey, 2003). On item number one table 6 when asked staff awareness of understanding on the organization mission and strategic goals 78% have responded positively. The mean value of 3.8139 and standard deviation .6213 that shows almost all employees know that the organization mission and strategic goals and staff are focused on its key activities.

During the interview regarding the practice of alignment the organization business support team said that all staff has enough knowledge of the organization vision and mission at the beginning. Above all vision and mission of the organization are clearly communicated all the time through organization insight to read every time also when any change happens business support team notify staff on weekly meeting. In addition to this when every individual joins the organization one of the criteria that knows the organization mission and vision. So, enough sources are available in order to understand the organization mission and goal.

4.3.2 Performance Planning

Table 7 Performance Planning & Expectations

	<i>Items</i>		1=Strongly disagree	2=Disagree	3=Neutral	4=Agree	5=Strongly agree	M	S.D
1	The process and objectives of performance management system are described clearly to me on my induction.	N	17	34	20	30	8	2.7982	1.21549
		%	15.6	31.2	18.3	27.5	7.3		
2	My department goals are SMART (Specific, Measurable, Attainable, Realistic and Time bounded) and Challenging.	N	-	-	15	86	8	3.9358	.45695
		%		-	13.8	78.9	7.3		
3	In DFID goal setting is carried out with the discussion between the employee and the Line Manager	N	-	-	24	76	9	5.2110	3.78612
		%	-	-	22	69.7	8.3		
	My Line manager gives me a chance to participate in	N	5	5	53	43	8	3.4954	.70216

	<i>Items</i>		1=Strongly disagree	2=Disagree	3=Neutral	4=Agree	5=Strongly agree	M	S.D
4	performance planning (agreeing on results and behaviors).	%	-	4.6	48.6	39.4	7.3		
5	Effective working relationship between line manager & individual staff is at the heart of DFID performance management system (Being my Best).	N	-	18	13	72	6	3.6055	.82796
		%	-	16.5	11.9	66.1	5.5		
6	DFID performance plan indicates success criteria (how the individual and the manager will know that the desired results have been met).	N	-	18	37	47	7	3.3945	.83907
		%	-	16.5	33.9	43.1	6.4		
7	While setting a goal, my line Manager clearly tells me the expectation he/she has from my performance.	N	3	1	37	63	5	3.6055	.72032
		%	2.8	.9	33.9	57.8	4.6		
8	My supervisor and I reached to an agreement about my development plan to enhance my performance	N	3	1	37	63	5	3.6055	.72032
		%	2.8	0.9	33.9	57.8	4.6		
9	I get rewarded (Bones\Benefits) for accomplishing my development plan objectives	N	-	-	25	78	6	3.9257	.50633
		%	-	-	22.9	71.6	5.5		
10	Line Managers have the required skill and attitude during performance planning & objective setting.	N	9	8	64	26	2	3.0367	.84904
		%	8.3	7.3	58.7	23.9	1.8		

On the performance planning part on the first item participants were asked if the organization performance management system is described clearly on their induction time 34.8% (30 plus 8) of them are responded positively, 54% (17 plus 34) responded negatively & 18.3% (20) of the

respondent were neutral on the subject. The result shows that 66.1% whether they have lack of understanding or no proper induction has been given to the staff as induction pack. This shows that one of intervention areas that should be further improved.

On item number 2 participants were asked if their departments goals are challenging 86.2% (86 plus 8) of them are responded positively, 13.8 % (15) are Neutral However, the mean value 3.94 with standard deviation of .45695 shows most respondents were agree on the subject. This shows that majority of them have proper understanding about organization goal as it is SMART and challenging. Challenging goals are relatively necessary to stimulate high standards of performance which literature recommends. Goals shouldn't be difficult to get in to it but have moderate level of challenge. From this it can be inferred that having SMART and challenging objectives are very mandatory for the achievement of organizational objective otherwise performance management system will face difficulties in cascading down effectively.

On item number three participants were asked whether goal setting process is managed based on the discussion between employee and line manager, 78% (69.7 plus 8.3) responded positively that goal setting has been done clearly with the discussion of both party and 22% (24) of the participant respond neutral. However, the result shows that most of the respondent is responded positively that goal setting in the organization managed by the discussion between employee and line manger this helps for achieving performance.

Item number four respondent were asked whether their line mangers allow the employee to participate in performance planning & agreeing on results and behaviors 46.7% (43 plus 8) responded positively and 4.6% (5) responded negatively then 48.6% (53) staff are natural. The result shows that only 51 staff is agreed with the process but almost half percent of the employee where neutral this shows that one of intervention areas that should be further improved.

On item five when employees were asked if there is effective working relationship between employee and line manager at the heart of DFID performance management system, 71.6% (72 plus 6) were agree, 11.9% were neutral and 16.5% (18) disagree on the issue and this clearly implies that there is good working atmosphere in the organization.

As shown on the table in item number six staff were asked if DFID performance plan or objectives indicates success criteria on how the necessary result been met, employ were responded 49.5% (47plus7) of participant responded positively, 33.9% (37) staff were neutral of the issue and 16.5% (18) were disagreed. In discussing the contents of the goals and the alignment of the performance plans with the key success criteria, half of the study participants reported as their individual plans contain success criteria but some of them are neutral. The result implies that 33.9% staffs were neutral of the issue which mean large amount of employee whether do not understand the importance of objectives & success criteria for improved performance. An effective performance management system should have a clear objective with manageable success criteria for individual staff performance achievement.

For item number nine 77.1% (78 plus 6) of respondents answered they get rewarded for accomplishing development plan objectives, 22.9% (25) answered neutral which means they don't get rewarded bones /benefits for accomplishing their development plan objectives. This result shows that getting rewarded for accomplishing development plan objectives don't included all the staff who accomplishing the performance requirement in the organization.

On item number ten respondent were asked whether line managers have the required skill and attitude during performance planning & objective setting, 15.6% (17) responded negatively with the statement and 58.7% (64) were neutral of the statement and finally 25.7% (26plus 2) agreed. However, collectively 53.58% employee responded positively on the organization performance planning system. Armstrong stated an important consideration in designing and operating performance management is how to gain the commitment of line managers and ensure that they have required skills. At the planning and performance agreement stage they have the responsibility of agreeing with individual members their roles, goals and performance improvement and personal development plans. However, the results show that the organization line managers do not have enough management skill to conduct Performance management system in all steps.

In the interview session with business support manger said that every year the organization provides necessary documentation and briefing how line mangers work together with repartees

on performance planning and objective setting with continue discussion happening every quarter. In fact, all line managers are not expertise on line management skill & task.

In line with some research finding on performance planning and objective setting kemunto ongori et.al (2007) stated that employees lack understanding about the entire performance management process, line managers neither have well documented strategic planning to make sense of organization purposes and actions. Performance planning is a one way and a onetime activity and employees don't engage in the planning process. He further stated that line managers have low conceptual skill that is required for performance planning. However, according to k. maluleke (2012) there is positive result in performance planning. Their performance management is regarded as a strategic process and integrated approach. It involves ongoing dialogue between line managers and the employee for setting goals which are achievable and contribute in the direction of fulfillment of the organizational goal. It identifies major performance indicators and key result areas.

4.3.3 Performance Implementation

Table 8 Performance Implementation

	<i>Items</i>		1=Strongly disagree	2=Disagree	3=Neutral	4=Agree	5=Strongly agree	<i>M</i>	<i>S.D</i>
<i>1</i>	My line manager provides me positive & developmental feedback about my performance progress.	<i>N</i>	-	2	59	46	2	3.4404	.56815
		<i>%</i>	-	1.8	54.1	42.2	1.8		
<i>2</i>	My line manager has the skills and attitude required for managing performance throughout the year by monitoring performance against the objective & success criteria.	<i>N</i>	-	1	24	72	12	4.1376	.94539
		<i>%</i>	-	.9	22	66.1	11		
<i>3</i>	My LM feedback helped me to improve my performance	<i>N</i>	-	1	27	70	11	3.8349	.60114
		<i>%</i>	-	.9	24.8	64.2	10.1		
<i>4</i>	I have the opportunity to give my opinion (feedback) to my line manager freely.	<i>N</i>	-	-	2	90	17	4.5872	.79238
		<i>%</i>	-	-	1.8	82.6	15.6		
<i>5</i>	I have positive attitude for feedback. It is important for my performance improvement.	<i>N</i>	-	2	4	91	12	4.3945	.85626
		<i>%</i>	-	1.8	3.7	83.5	11		

As indicated in table 4.3, Participants of the study were asked about whether line manager provides positive & developmental feedback on their performance progress and they provided their answer as 48 (44%) responded positively, (1.8%) responded negatively, the rest 59(54.1%) were neutral. In this regard almost most of the staff does not get proper and positive feedback from their line managers.

Concerning line managers skills and attitude required for managing performance throughout the year by monitoring performance against the objective & success criteria most of the respondents which was 84 (77.1%) were agreed on the issues and around 1 (0.9%) respondents said that disagree and 22%(24) respondents said neutral As we observed from the mean score 4.13 line

mangers has the required skill to monitoring and giving feedback to employees but, somewhat there were gaps on some line mangers on monitoring and gives feedback regularly. According to the information obtained from BST team through interview regular changes on staff movement as the nature of the work that mean short contract it is challenging to have well trained line mangers.

As most authors agreed having the necessary skill and attitude to manage staff is the most common justification for an organization because employees fill confident to discuss with on their performance level and improvement alternatives with their line mangers for the future. Therefore, from the above data the researcher believes that there is no significant gap on line manager's skill and attitude in order to manage staff performance in the organization.

On item number three respondents asked about whether line mangers feedback helped staff to improve their performance, on this issue 81 (74.3%) of the respondents are agreed that line mangers provide necessary feedback to their employee for the improvement of their performance. whereas 28 (24.8%) respondents said neutral and the other 1 (0.8%) of were totally disagree on the issues. The mean score 3.83 indicates that majority of respondent are happy on their line manager support on their performance. But, still there were gaps of support a timely feedback from some line mangers.

As point out in the above table 4.3, larger number of respondents 90 (82.6%) agreed and 17 (15.6%) strongly agreed with the idea that staff has an opportunity to give their opinion (feedback) to their line manager freely. while 2 (1.8%) were undecided. The mean score 4.58 shows that respondent were positively agreed to express their feedback and disagreement regarding the performance decisions to their line manager. The purpose of having line mangers in an organization is to manage the work that should be done and to support the employee in every aspect for the smooth accomplishment of their activities.

Respondents were also asked whether they have positive attitude for feedback as it is important for individual performance improvement. Large number of respondents which is 91 (83.5%) and 12 (11%) agreed and strongly agreed respectively whereas 4 (3.7%) respondents were neutral

and 2 (1.8%) of respondent disagree. The mean score 4.39 show that majority of respondents agreed on the idea that they have positive attitude on receiving feedback for performance improvement. This analysis shows that the level of employee understanding on the importance of accepting feedback for upcoming challenging tasks. This shows that one of intervention areas that should be further improved.

4.3.4 Performance Assessment

Table 9 Performance Assessment

			1=Strongly disagree	2=Disagree	3=Neutral	4=Agree	5=Strongly agree	M	S.D
1	My performance is measured based on agreement of results and behaviors reached with my line manager	N	-	4	7	89	9	3.9450	.54151
		%	-	3.7	6.4	81.7	8.3		
2	The criteria for evaluation are based on the objectives and successes criteria agreed on setting up at the beginning of the year between myself and LM.	N	1	43	18	36	11	3.9450	.54151
		%	0.9	39.4	16.5	33	10.1		
3	Different sources are used to collect my performance information through peers, subordinate and customers/360 feedback.	N	1	10	3	80	15	4.2661	4.01304
		%	.9	9.2	2.8	73.4	13.7		
4	My LM evaluates me in comparison with other individuals rather than against the standards of my respective objectives.	N	4	47	24	32	2	3.0092	2.32337
		%	3.7	43.1	22	29.4	1.8		
5	Department for International development office performance assessment model is a simple model to use.	N	17	58	10	21	3	2.4037	1.05514
		%	15.6	53.2	9.2	19.3	2.8		
6	My line manager follows inappropriate generalization of performance from one aspect of performance to all areas of my performance.	N	7	17	13	53	19	3.5505	1.14250
		%	6.4	15.6	11.9	48.6	17.4		
7	I evaluate myself by using self-assessment section in the system.	N	19	11	10	64	5	3.2294	1.23703
		%	17.4	10.1	9.2	58.7	4.6		
8	The performance assessment model doesn't have a space for improvement it only passes and fail options.	N	20	9	42	28	10	3.0642	1.52919
		%	18.3	8.3	38.5	25.7	9.2		

The information above indicates the frequency distribution of respondent's reply regarding the issues of performance assessments. The first item asked the respondents if their performance is measured based on agreement of results and behaviors reached with their line manager and 89% (n=98) of them agreed, 6.4% (n=7) neither agreed nor disagreed and 3.7% (N=4) of them disagreed the results shows that there is very strong communication and understanding on both sides on the issue.

On the second Item above table asked whether the criteria for evaluation is based on the objectives and successes criteria agreed on setting up at the beginning of the year between employee and super visor and 43%. (n=47) of them responded positively 40.3% (n=44) of disagree and 16.5% (n=18) were neutral. The result shows that people are not on the same understanding of the performance evaluation criteria and assessment not only focus on agreed success criteria there would an additional evaluation setup in the office.

On item three whether different sources were used to collect staff performance information through peers, subordinate and customers/360 feedback 87.1% (n=95) were agreed, 10.1% (n=11) disagreed and 2.8% (n=3) the result showed that many sources are used to collect performance information such as peers, subordinates and customers. In the interview session the business support manager said that mainly peer feedback used as a major source of performance information.

Item number four asked for whether line managers evaluates individual in comparison with others rather than against the standards of individuals respective objectives, based on the respond 46.8% (n=51) responded negatively, 31.2% (n=34) responded positively and 22% (n=24) were responded natural from the above information the majority of the staff evaluated based on their objectives. However, 31.2 % of the staff still fill that their evaluation not based on their individual objectives and successes criteria.

Majority of the respondents 75(68.8%) respond negatively with the item of organizations performance assessment model is a simple model to use whereas 10(9.2%) are neutral and 21 plus 3 (22.1%) answer agreement. This tells that the new model has some difficulty particularly on the time span which the quarterly discussion between staff and line mangers happening time

gap is very short and affects staff performance. The discussion happening ever quarter with the aim of checking quarterly performance against objectives. However, the time span to implement the objective which was discussed in the previous quarter is very short as a result on the evaluation discussion performance and capacity issue arise with line mangers this is one of the main questions from the staff regarding performance evaluation discussion and result. So, the result shows that his is one of intervention areas.

4.3.5 Aspirations and Talent Assessment

Table 10 Performance Assessment

	Items		1=Strongly disagree	2=Disagree	3=Neutral	4=Agree	5=Strongly agree	M	S.D
1	My Line manager openly discusses my career aspirations by reflecting my interest, strengths & potential for development.	N	18	5	51	27	8	3.0183	1.12202
		%	16.5	4.6	46.8	24.8	7.3		
2	My Line Manager helps me to shape my shorter-term objectives and development with an eye on my longer-term goals & needs.	N	16	23	34	35	1	2.8349	1.06731
		%	14.7	21.1	31.2	32.1	.9		
3	Talent Assessment process clear & more important for the employee for potential career options and promotion.	N	1	30	52	26	-	3.1651	1.53667
		%	.9	27.8	47.7	23.6	-		

Following the above table 10, respondents were asked the clarity of talent assessment and their line manager opens on career aspirations discussion and reflecting individual interest, strengths & potential for development 27(24.8%) of the total respondents agreed with the statement. whereas, 51(48.8% of the respondents became neutral and 23(21.1%) of respondent negatively responded. The mean score 3.01 shows that majority of the respondent do not find the usefulness of talent management as the outcome is not clear. This shows that one of the areas supposed to be further improved.

On the table 4.5 question number two respondents were asked whether line mangers help them to shape their shorter-term objectives and development with an eye on their longer-term goals and

needs 33% (36) of the respondents agreed with the statement whereas 31.2% (34) respondents neutral and 35.8% or respondent were responded negatively. The mean score 2.83 indicated that respondents were tending to be neutral, but respondents were alienated in to three group almost in equal percentage. This shows that there is something unclear or misunderstanding of the point, so this is one of the intervention points which need to be improved.

On the talent assessment clarity respondent were asked whether it is more important to the staff potential career options and promotion 47.7% (52) of the respondents became neutral, 23.6% (26) respondents agreed also 28.7% (31) respondents negatively responded. Mainly the purpose of talent assessment is to provide necessary information to the organization in order to identify and manage workforce and succession risks also it gives the employee a steer on their potential career options. Following the result talent assessment process in the organization has an issue on clarity and overall value of its importance.

4.3.6 Analysis of the dependent variable

Table 11 Performance Award and Motivation

Items	N	Mean	STD Deviation
Department for international development performance awards Nomination approach is motivational.	109	3.0183	0.69
DFID Performance award made a significant positive contribution to staff development in DFID.	109	3.4220	0.67
In year performance award is to recognize individual contribution and team who have delivered exceptional performance.	109	3.7339	0.65
My line manager gives me a chance to participate in performance planning & agreeing on results.	109	3.4954	0.70
My line manger helped me to improve my performance.	109	4.55	0.79
Motivation Group Score	109	3.64	0.70

Source: Own Survey, 2020

The above data shows that, the employees' mean level of motivation ranges between 3 and 4.5 which is positive. The mean score value of 3.64, for the questions asked on motivation implies that the employees except award nomination approach generally agree to the other motivation variables. The standard deviation value of 0.70 is also an indicator of the closeness of the responses to the mean score. Employees have indicated that they are encouraged to improve their performance and got support from their line manger. Employees also responded positively that the company values their contribution

4.4 Association between the Independent and Dependent Variables

A correlation examination method has been implemented to analyze the relationship between the independent variables of the performance management system and the dependent variable - motivation. According to a correlation coefficient of +1 indicate that the items are positively and strongly related, whereas a correlation coefficient of 0 indicates that the two variables are not related, Evans (1996). The below table shows that the correlation between the independent and dependent variables requisite

Table 12 Correlation of independent variables and the dependent variable

<i>Correlations</i>			
		<i>Motivation</i>	<i>Perfo. Prconditions</i>
Motivation	Pearson Correlation	1	.536**
	Sig. (2-tailed)		.000
	N	109	109
		<i>Motivation</i>	<i>Performance Planning</i>
Motivation	Pearson Correlation	1	.311**
	Sig. (2-tailed)		.001
	N	109	109
		<i>Motivation</i>	<i>P. Implementation</i>
Motivation	Pearson Correlation	1	.328**
	Sig. (2-tailed)		.001
	N	109	109
		<i>Motivation</i>	<i>Per. Assessment</i>
Motivation	Pearson Correlation	1	-.392**
	Sig. (2-tailed)		.000

	N	109	109
		<i>Motivation</i>	<i>Aspirations and Talent</i>
	Pearson Correlation	1	-.467**
	Sig. (2-tailed)		.000
	N	109	109
**. Correlation is significant at the 0.01 level (2-tailed).			
*. Correlation is significant at the 0.05 level (2-tailed).			

Source: Evans (1996).

As per the above correlation table all independent variables are scored week but have positive relationship with the dependent variable when analyzed. The prerequisite factor of the performance management system has a Pearson's correlation coefficient ($r = 0.536$, $N=109$, $p < .000$) with motivation. As per the relationship table 12, this coefficient is considered weak and has a positive relationship with the dependent variable motivation and a significance value of 0.005 this implies that the relationship model was significant. The relationship between the performance planning variable and motivation has a correlation coefficient of ($r = 0.311$, $N=109$, $p < .000$) which implies that there is weak and positive relationship between the two variables and has significant value. The correlation coefficient of ($r=0.328$, $N=109$, $p < .001$) for the performance implementation factor of the performance management system indicates that there is a weak and positive relationship between independent variable and motivation. The relationship between the performance assessment variable and motivation has a coefficient of ($r = -0.392$, $N=109$, $p < .000$) which is again considered to be a negative relationship. The relationship between aspirations and talent assessment variable and motivation has a coefficient of ($r=-0.467$, $N=109$, $p < .000$) which considered negative relationship between the independent variable and dependent variable. In general all except aspiration and talent assessment variable has scored significance value of less than 0.05, which implies that the relationship model was significant.

4.5 Effect of Performance Management System on Motivation

The below regression analysis was conducted in order to understand the effect of the independent variables of the model on the dependent variable. Based on Kothari (2004), the objective of this analysis is to make a prediction about the dependent variable based on its covariance with all the

concerned independent variables. Therefore, the relationship between the independent variables of the performance management system and the dependent variable motivation hypothesis testing was performed and the results are presented and discussed below.

Table 13 Regression analysis of independent variables against motivation

Model		Coefficients ^a				t	Sig.
		Unstandardized Coefficients		Standardized Coefficients			
		B	Std. Error	Beta			
1	(Constant)	-.022	.442			-.050	.960
	Prerequisite	.188	.050	.339		3.767	.000
	Perplanning	.117	.066	.161		1.776	.079
	Perimplementation	.089	.050	.171		1.773	.079
	Perassessment	.024	.069	.032		.339	.735
	Aspiration & Talent	.032	.038	.072		.831	.408

a. Dependent Variable: Motivation

Dependent Variable: Motivation

H1 There is significant and positive relationship between pre-requisite factor and employees’ motivation.

The above regression results shows that performance pre-requisite level of the performance management system has a significant effect on level of employees’ motivation with a beta value of $\beta_1 = 0.188$ (sig = 0.000 which is less than $\alpha = 0.05$). Therefore, the researcher accepts this hypothesis and it is accepted that for each unit increase in the rewarding performance variable of the performance management system, there is 0.188 unit improvement in level of employees’ motivation

H2 There is a significant and positive relationship between performance planning factor and employees’ motivation

The regression result presented in the above table has also indicated that performance planning of the performance management system has a positive and significant effect on level of employees’ motivation with a beta value of $\beta_1 = 0.117$ (sig = 0.000 which is greter than $\alpha =$

0.05). Therefore, the researcher accepts this hypothesis and it is accepted that for each unit increase in performance planning factor of the performance management system, there is 0.117 unit improvement in level of employees' motivation.

H3 There is significant and positive relationship between performance implementation factor of performance management system and employees' motivation.

The regression result indicated in the above table also show that performance implementation factor of the performance management system has a positive and significant effect on level of employees' motivation with a beta value of $\beta_1 = 0.089$ (sig = 0.079 which is greater than $\alpha = 0.05$). Therefore, the researcher accepts this hypothesis and it is accepted that for each unit increase in performance planning factor of the performance management system, there is 0.089 unit improvement in level of employees' motivation.

H4 There is significant and positive relationship between performance assessment factor of performance management system and employees' motivation.

The above regression result has indicated that performance assessment factor of the performance management system has no significant effect on level of employees' motivation with a beta value of $\beta_1 = 0.024$ (sig = 0.735 which is greater than $\alpha = 0.05$). Therefore, the researcher rejects this hypothesis and considers this variable as irrelevant in affecting the dependent variable.

H5 There is significant and positive relationship between aspiration and talent management factor of performance management system and employees' motivation

The regression test result indicated that aspiration and talent management factor of the performance management system has no significant effect on level of employees' motivation with a beta value of $\beta_1 = 0.032$ (sig = 0.408 which is greater than $\alpha = 0.05$). Therefore, the researcher rejects this hypothesis and considers this variable as irrelevant in affecting the dependent variable.

As to the concern of final hypotesis the results is presented in tables 14 and Table 15 to test overall regression model of the performance management systems on staff motivation.

Table 14 Regression Model Summary of the relationship

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.482 ^a	.232	.195	.38415

- a. Predictors: (Constant), Performance performance pr-requist, P. Planning, P.Implementation, P. Assesment, Aspiration & Talent Assesment
- b. Source: Own survey,202

From table 14, indicated that the adjusted R² is 0.195 and this implies that 19.5% of variation in performance pre requests, performance planning, Implementation,assessment and aspiration and talent assessment. The remaining percentage variation is explained by factors that are not explained in the model ex. good waages, job security, appreciation or recognition loyalty...

Table 15 ANOVA test of the relationship

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.599	5	.920	6.232	.000 ^b
	Residual	15.200	103	.148		
	Total	19.798	108			

- a. Dependent Variable: Motivation
- b. Source: Own survey,2020

Table 15 The ANOVA Table shows that the overall regression model is significant p=0.00, this implies that the model describe the effect of performance management system on employee motivation in the organization. Further, the model is statistically significant

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.106	.298		-.358	.721
	OverallPMS	.268	.091	.274	2.943	.004

a. Dependent Variable: Motivation

H6: There is significant and positive relationship between the performance management system and employees' motivation

Table 16, the existing performance management system that includes all variables has ($\beta_1 = 0.268$, (p-value = .004 which is below $\alpha=0.05$). Hence, the researcher accepts the hypothesis and it is accepted that for each unit increase in the effectiveness of the performance management system, there is 0.274 unit improvement in the employees' motivation

4.6 Major findings of the study

According to the data analysis presented in the previous chapter, there were positive and negative findings concerning performance management system and its effect on staff motivation in the organization.

The analysis of the finding indicates that 78% of employees have enough awareness of the organization's mission, vision, and strategic objective.

Majority of the staffs have clear understanding of how the organization performance management system works for organizational success and maximize individual contribution.

The other important things found out from this analysis were line managers do not have required skill, attitude and capacity to performance assessment in the organization.

The other main finding from the analysis was the organization performance assessment model which is conducted in quarterly bases doesn't seem convenient & motivational to the staff as a result 47.7% staff responded neutral and 28.7% staff responded negatively.

One of the performance management system variable aspiration and talent assessment process in the organization lacks clear objectives and outcome as a result staff responded negatively and neutral. There is also frequency varies across teams and people rarely feel thrilled by their talent conversations. The toolkit inconsistently applied, and the system lacks strong talent assessment measurement and criteria in which employee can be treated equally.

The results of the regression analysis show that performance pre-requisite, performance planning ,performance implementation of the organization have positive effect on motivation but assessment and talent assessment has negative effect on the staff motivation so this are the negative finding of the study.

CHAPTER FIVE

5 CONCLUSIONS AND RECOMMENDATIONS

Following chapter summary of the main findings of the research questions, conclusions and recommendations are forwarded based on the results obtained which are being analyzed on chapter four of this study.

5.1 Conclusion

The analysis of the study has shown that employees of the organization observation on each of the determinant factors of performance management system are somehow different. Organization performance management system requires clarity to be effective. Employees of the organization have shown a positive response which is 61.4% towards the independent variables of the system which is performance prerequisite, performance planning and implementation. However, Performance assessment and aspiration and talent assessment variables of the performance management system responded negatively.

In general, it can be concluded that employees believe that the performance management system to be positive when measured based on the five determinant factors of the system.

Dependent variable of performance management system employees' motivation was analyzed with regard to the PMS the study has found out that the motivation level of the employees to be positive as 58.9% of the employees feel that they are motivated in response to the five separate questions asked in relation to their motivation.

The analysis of the study has shown in the above table that employees are dissatisfied by the performance assessment process and talent assessment variables of the performance management system. The variable does not seem that the process has been properly tailored when it was rolled out. on the Pearson correlation relationship model eventhough it is too weak but it has shown that the performance management system and motivation variables are positively related.

Particularly the study has indicated that the aspiration and talent assessment variable on motivation was found out to be insignificant. This indicates that the performance management system implementation incompleteness. Apart from its significant relationship with the dependent variable, performance assessment and talent assessment variables do not have any influence on the motivation of the employees. Therefore, these factors are important to make the system effective with a positive improvement in the level of employees' motivation.

5.2 Recommendation

Based on the conclusions derived from the analysis the following recommendations are forwarded

1. Following the research result one of performance management system variable, performance assessment process in the organization responded negatively and based on correlation coefficients result performance assessment process has very week correlation with motivation which implies that the system affects staff motivation.

Therefore, DFID management is recommended that organization PMS needs to be reviewed to strengthen the performance assessment practice by making the process easy, manageable and transparent for all as a result staff motivation will increase.

2. It is also advantegious for the organization if it strengthen the line mangers skill & capacity to the appropriate level in order to perform performance assessment process effectively and to make sure the performance assessment process is free from bias.
3. It is advisable for the organization to ensure staff have clarity on the talent assessment process, purpose and benefit which people should get. So by doing this staff can find talent management and assessment process become practical, realistic and motivtor.

5.3 Limitation of the study

The research limited to only in one organization, department for international development office staff in Addis Ababa since it is complex to undertake the research on the organization staff globally because of time & lack of budget constraint. The research also focused on performance planning, execution, assessment, review, aspiration & talent management there may be other components of PMS which formulate the study limited to some elements of the whole performance management system.

As a result of different inadequacies which are beyond the researcher ability like data collection and analysis required considerable amount of finance and time, it may have expelled important information from individuals which have been strengthen the sample so that it is good to mention.

5.4 Future Research Information

As mentioned above this assessment limited only on single organization, department for international organization Ethiopia office, further study can be carried out in other country offices in depth using different models and using supplementary data collection technique for better result.

Different researcher may have different ways of dealing the same problem regarding performance management system so that the topic is open for further research for who interested in. This assessment has been conducted in Addis Ababa if it assessed in a dynamic and complex or developed business environment the outcome may be different so doing the research in different situation can easily observes the variation of the result.

As a final point this study assessed the opinion of staff working in non-government organization (NGO) towards performance management system applied but if the same study conducted in other organization it could be government or private company to find out how the result would be much or differ

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3. Education level

- A) Diploma B) Degree C) Masters D) PHD

4. Years of service in Department for International Development.

- A) Below 3 years B) 3 to 6 years C) 6 to 10 years D) More 10 years

5. To which category does your position falls?

- A) Managerial B) Professionals C) Other support staff Senior

SECTION 2: Opinion Survey of the Respondents

1. *Performance management system pri -requisite.*

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

<i>SN</i>	<i>List of Questions</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
6	I have a clear understanding of department for international development mission, vision and strategic goals.					
7	I understand how my Individual objectives support the overall organizations strategic goals and objectives.					
8	I clearly understand organization PMS to secure the team as well as organization success and motivates staff.					

2. *Performance Planning & Expectations*

9	The process and objectives of performance management system are described clearly to me on my induction.					
10	My department goals are SMART (Specific, Measurable, Attainable, Realistic and Time bounded) and Challenging.					
11	Goal setting is carried out with the discussion between the employee and the Line Manager.					
12	My Line manager gives me a chance to participate in performance planning (agreeing on results and behaviors).					

13	Effective working relationship between line manager & individual staff is at the heart of organization performance management system.					
14	DFID performance plan indicates success criteria (how the individual and the manager will know that the desired results have been met.					
15	While setting a goal, my line Manager clearly tells me the expectation he/she has from my performance.					
16	My supervisor and I reached to an agreement about my development plan to enhance my performance					
17	Line Managers have the required skill and attitude during performance planning & objective setting.					

3. *Performance Implementation*

<p>Note: 1= Strongly Disagree, 2= Disagree,3=Neutral, 4= Agree 5= Strongly Agree</p>						
18	My line manager provides me positive & developmental feedback about my performance progress.					
19	My line manager has the skills and attitude required for managing performance throughout the year by monitoring performance against the objective & success criteria.					
20	My LM feedback helped me to improve my performance.					
21	I can give my opinion(feedback) to my line manager freely					
22	I have positive attitude for feedback. It is important for my performance improvement.					
	4. <i>Performance Assessment</i>					
23	My performance is measured based on agreement of results and behaviors reached with my line manager					
24	The criteria for evaluation are based on the objectives and					

	successes criteria agreed on setting up at the beginning of the year between myself and LM.					
25	Different sources are used to collect my performance information through peers, subordinate and customers/360 feedback/.					
26	My LM evaluates me in comparison with other individuals rather than against the standards of my respective objectives.					
27	Department for International development office performance assessment model is a simple model to use.					
28	My line manager follows inappropriate generalization of performance from one aspect of performance to all areas of my performance.					
29	I evaluate myself by using self-assessment section in the system.					
30	The performance assessment model doesn't have a space for improvement it only passes and fail options which is not encouraging for improvement					

5. Aspirations & Talent Assessment

31	My Line manager openly discusses my career aspirations by reflecting my interest, strengths & potential for development.					
32	My Line Manager helps me to shape my shorter-term objectives and development with an eye on my longer-term goals & needs.					
33	Talent Assessment more important for the employee for potential career options and promotion.					

6. Performance Awards & Motivation

34	Department for international development performance awards nomination approach is motivational.					
35	Department for international development Performance award made a significant positive contribution to DFID success					
36	I get rewarded (Bones\Benefits) for accomplishing my development plan objectives					
37	In year performance award is to encourage and recognize individuals and team who have delivered exceptional performance.					

38	Staff performance & talent award nomination depend on line managers negotiation power not on the actual performance or talent assessment result					
39	Department for international development in year performance award value doesn't seem uniform for staff who demonstrate exceptional performance ad behavior.					

8. To what extent the performance management system helps you to enhance your motivation towards your areas of responsibilities?

9. Do you think DFIDE performance management system helps in terms of realizing your potential and enhancing your engagement level.-

10. DFIDE Performance management system created more opportunities for you to go up the ladder. Opinion?

11. DFIDE Performance management systems inspire you to stretch and manage your talent. Opinion?

12. To what extent does a performance management system enhance your work performance in the institution?

13. In your opinion do you think the existing Performance Management System is effective in terms of staff motivation?

Appendix 2

JIMMA UNIVERSITY **Department of MBA in Business Management**

Interview Questions

Researcher Name: Bantyalu Yeshegeta

The researcher is currently conducting research thesis for the purpose of fulfilling requirements of Master of Business Management Degree in Business Administration in Jimma University. The following questions will ask about Performance Management System on staff motivation at Department for International Development and you are selected because of your role and closeness to the topic. Your responses will be kept confidential and used for academic purpose only.

Thank you for your time for the interview!!

1. Do you think the new performance management system drives Performance improvement of the organization as well as staff motivation?
2. The new performance system focuses less on the assessment of past performance and more focus on development of future performance. What is the motivational aspect of this approach?
3. Do you think the quarterly performance check-in approach convenient to the staff? Because the time gap for each quarterly discussion seem to be very short for the implementation of discussed and agreed tasks in the previous quarter.
4. How do you see the new performance management system in terms of staff motivation and engagement?
5. Do you think the new performance management system talent assessment and performance award nomination approach is realistic?

Again, thank you for your time for the interview!!