



**ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES**

**ASSESSMENT OF PERFORMANCE MANAGEMENT PRACTICE ITS
EFFECTIVENESS ON MOTIVATION OF EMPLOYEES
IN THE CASE OF LION INTERNATIONAL BANK S.C**

**By
AMANUEL ZEWDU
(SGS/0072/2013B)**

**MAY, 2022
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**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF GRADUATE
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DEGREE OF MASTERS OF BUSINESS MANAGEMENT**

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DECLARATION

I, the undersigned, declare that this thesis is my original work, has not been presented for Degree in any other university and that all sources of materials used for the thesis have been duly acknowledged.

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ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a university advisor.

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ACRONYMS

HR: Human Resource

HRM: Human Resource Management

LIBSC: Lion International Bank Share Company

PM: Performance Management

PMS: Performance Management System

SPSS: Statistical package for social science

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ABSTRACT

This main objective of the study was to assess the performance management practices effectiveness on motivation of Employees In the case of Lion international bank S.C. The research is designed to apply descriptive statistics by using questionnaires. A sample of 152 participants was purposely selected and questionnaires were administered from which 80 of them returned the questionnaires. The key finding of the study shows that even if most respondents reported that they have the required knowledge about the bank's mission, vision and overall strategic objectives of the companies including their jobs, the bank has a disorganized and unstructured performance management practice as well as the measurement of performance of the employees gave focus on complying rules instead of on outcomes. Likewise, most of the employees show de-motivation by the performance evaluation system of the bank. Moreover, it is found that changes in the practice of performance management have effect on the motivation of employees and also the selected eight motivational factors have a positive relationship with the motivation of employee even if there is a varying degree of effect they have on the motivation. The study extended its recommendation on that the bank should conduct continuous assessment and evaluates its employees in a cyclic fashion by implementing performance management system. And performance evaluation process should have incorporated stakeholders (team mates and customers) and self-assessment, adding on these, the bank should exert more effort to improve employees' motivation by linking its reward system with the performance management process.

Key words: Performance management, motivation, bank

CHAPTER ONE

INTRODUCTION

The basic purpose of this study is to provide structure to organization by providing practical solutions and recommendations so that this research is done to highlight of effectiveness of performance management practice on the motivation employees and this chapter is a preliminary chapter of the study which introduces the overall study. This part consists of background of the study, statement of the problem, objectives of the study which include general objective and specific objective of the study, research questions, significance of the study, and scope of the study, Limitation of the study, definitions of terms and organization of the Study. Each of these sub topics are discussed in detail.

1.1. Background of the Study

Today, organizations are starting to give due attention to the performance of employees and its management in order to attain the desired result. Performance management, nowadays, plays a vital role for the successful achievement of organizations' objectives and goals. The term performance management was derived from the human resource management (HRM) approach as a strategic and integrated approach to the management and development of people (Foot and Hook, 2002).

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

The idea of performance management as an integrated process, means linking of the organization's objective with the teams and individual core competences as well as integration of different aspects of human resource management this aspect include organizational development, human resource development, reward and recognition to ensure excellence in the management and development of people and Performance management is a systematic process for improving organizational

performance by developing the performance of individuals and teams. It is a means of getting better results by understanding and managing performance within an agreed framework of planned goals, standards and competency requirements.

According to Armstrong M. (2009), motivation is the inner drive that directs a person's behavior towards goals. It can be defined as a process which energizes, directs and sustains human behaviors. Motivation is concerned with the strength and direction of behavior and the factors that influence people to behave in certain ways. Motivating other people is to make them move in the direction you want them to go to achieve a result, whereas, motivating yourself is about setting a direction independently and having a course of action that ensure you get there, so motivation can be described as goal-directed behavior. Motivation is important to an organization because it increases the performance level of employees, decreases employees turnover and absenteeism, and helps in accepting of organizational changes.

The relationship between performance management and motivation approaches viewed differently by different author. For example, Dessler (2005, p.311), citing in W. Edwards Deming, state that 'employee's performance is more a function of things like training, communication, tools, and supervision than of his or her own motivation.' But Foot and Hook (2002) described performance management as a process i.e. it is a result of series of actions of which seeks to find ways to get the best performance from all to motivate them to achieve the organization's objectives. Thus, based on Foot and Hook explanation, one of the major aims of performance management is motivating employees so that they are encouraged, recognized and willing to expend more effort on the achievement of their individual goals, as a result organization will achieve what they are planned and aspire for. It can be considered that motivation is regarded as a concept which embraces preferences for particular outcomes, strength of effort and persistence. These are the factors that need to be understood in order to explain workforce motivation and behavior. These are the factors that used to motivate employees to behave in organizationally desirable ways (Huczynski and Buchanan, 2007).

The study focused on performance management practice its effectiveness on motivation of employees. Performance management system is a set of interrelated activities and processes that are treated holistically as an integrated and key components of an organization approach to managing performance through people and developing the skills and capabilities of its human capital, thus

enhancing organizational capability and the achievement of sustained competitive advantage. Armstrong(2009),

According to Pulakos(2004), performance evaluation in performance management process, grants opportunity to employers to assess their employees` contribution so as to enforce the acceptable boundaries of performance, promote staff recognition and motivate individual to do their best. Therefore, it is important to assess the relationship between performances management of the organization with that of motivation of employees if it is believed that employee`s inspiration is the driving force that makes employees to struggle more on the successful achievement of organizational wide strategic plans. And management and employees should have understanding on the performance management and its system which will guarantee the organization`s future success because it will set goal congruence between organization and individual, provide the context for fairly and objective measurement and evaluation employee`s effort, feedback and reward employees based on the observed achievement. Hence, the performance management will build organization`s reputation in delivering it promised final output and giving the much need behavioral change of employees that is desired by the organizations.

Thus, this study was trying to assess the performance management practice its effectiveness on motivation of employees in Lion International Bank S.C.

1.2 Statement of the Problem

Performance management, in most organizations, is limited to appraisal which is usually conducted semi-annually or annually. Several literatures on the subject stress that performance appraisal is a central part of the performance management process in which an employee`s contribution to the organization, during a specific period is assessed (Ojokuku, 2013).

Performance appraisal can improve both motivation and performance; however, it faces different criticism from different researchers. For example, Ahmad (2013) argued that the main issue in the practice of performance appraisal activity is the fairness of the evaluation decision. Raters have problems evaluating the performance appraisal in a proper way. Performance of individual employees that is not measured accurately can lead to dissatisfaction with the process.

According to Ayentimi Desmond(2012) The research has revealed that Supervision and Control System, Coaching, Delegation and Performance Measurement are the main performance management practices applied in managing employee performance at the Company. The Company does not use

any method of performance appraisal system in managing employee performance. Furthermore, line managers and supervisors do not involve employees in setting targets or goals of the Company. The study also found that coaching is the only measure used in addressing performance gaps. There is no link between individual goals, team goals and organizational goals.

Employees' commitment and dedication are battered due to management's lack of support and acknowledgment of their contributions for the success of organization this is evident from the fact that some key professionals were left the bank. From the discussion made with staffs of the bank, the researcher found out that, frustration in the rewarding and promotional policies make them demotivated to exert more effort and to aspire for better future together with the bank. Employees disheartened by the existing performance appraisal practices because of the high tendency of the subjectivity of measurements the attitude of line managers toward them especially during evaluation periods, lack of fair, objective and continuous assessment of the employees' effort and lack of coordination in providing motivational factors (financial and non-financial). So this study will investigate the performance management practice its effectiveness on motivation of employees in Lion International Bank S.C.

Even though, the management of the Lion International Bank S.C recently implemented the practice of performance management system in broader and well-structured way of performance management system to improve the management of its human capital. The existing practices of performance management give more attention to performance appraisal which was implemented to evaluate employees semi-annually. In order to bridge the gaps observed in the existing traditional PMS and due to the prevalent stiff competition among banks and in order to maintain the objective of the bank as well as management practice to have motivated employees so as to achieve its business strategy. This study provides guidance to the employer of banking organizations. The focus area of the study was to assess the recent performance management of LION international bank.

1.3 Research Questions

1. What is the current practice of Performance Management system at Lion International Bank?
2. What is the purpose of performance evaluations system at Lion International Bank?
3. What is the attitude of the management and employees toward the existing performance management practice at Lion International Bank?
4. What is the contribution of the performance management practice in motivating employees at Lion In Bank?

1.4 Objective of the Study

1.4.1 General Objective

The general objective of this study is to investigate performance management practice its effectiveness on motivation of employees in Lion International Bank S.C.

1.4.2 Specific Objectives

1. To investigate the current practice of Performance Management system.
2. To identify the purpose of performance evaluations system at Lion International Bank?
3. To Asses attitude of management and employees toward the existing performance management practice.
4. To investigate the contribution of the performance management practice in motivating employees at Lion In Bank.

1.5 Significance of the Study

The study was used significant for both researcher and the organization under the study. For the researcher was related academic knowledge with the real world. And for the organization it was indicate the major problems to help and take some appropriate solution based on recommendation and the study consisted of the performance management practice which contributes to find motivated employees in an organization. The study supports LIB to find out the importance of performance

1.6. Scope of the study

The scope of the study was restricted primarily based on Geographical location which be targeted on the lion international bank S.C in head office. The research conceptually also limited to give more emphasis for the investigation of the relationship between performance management practice and motivation of employees to attain on wonderful result for the said questions about the statements of the problem and methodological scope is The questionnaires was distributed to the Lion International Bank S.C in head office of employees that are observed in Addis Ababa.

1.7 Limitation of the Study

This case study assesses the performance management practices effectiveness on motivation of employees. It has limitations in regards to restricting the determinants of performance management. Only permanent employees in head office were considered as a targeted population while excluding the other employees in branches.

As also indicated in the research method, this research is done in one particular organization as a consequence this study cannot be generalized. Both the context and the methodology used for this research may limit the ability of this study to be considered generalizable to a wider population.

1.8 Organization of the Study

The study paper comprises five chapters. The first chapter was focus on general idea on the background, objectives of the study, research questions, and statement of the problem, significance of the study, limitation of the study, and the organization of the paper. The second chapter deals with review of related literature and the theoretical framework of the subject matter to reinforce the study by discussing the relevant literature from different materials written by various scholars in the field of HRM and performance management. The third chapter devoted on the methodology to the research. The fourth chapter concentrated on the major empirical findings from assessment of the performance management practice and its effectiveness in motivating employees where in the data gathered are analyzed and interpreted by using tables. Finally, the fifth chapter finalizes the study by giving summarization of findings, conclusions and recommendations based on the research findings.

1.9 Definitions of terms

Human Resource Management: is defined as a strategic and coherent approach to management of an organization's employees which is the most valued assets(Armstrong, 2009).

Performance: - is the combination of terms such as ability, effort and opportunity that determine the individual's accomplishment of the given job (Bernardin , 2003)

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

Performance management practice:-is a process of managing performance which involves activities of planning, monitoring, analyzing and reviewing.(Armstrong,2009)

Performance Appraisal: - is that part of the performance assessment and management process in which an employee's contribution to the organization during a specified period of time is assessed (Fisher et al., 2006).

Motivation: - is characterized as a certain level of willingness on the part of the employee to increase effort, to the extent that this exertion also satisfies some need or desire (Beardwellet al.2004).

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Theoretical Literature

2.1.1 Performance and Performance Management

The term performance as explained by Bernardin (2003) is the combination of terms such as ability, effort and opportunity that determine the individual's accomplishment of the given job. He defined performance as (2003, p.143) 'the record of outcomes produced on specified job functions or activities during a specified time period.' The writer emphasizes that the definition of performance refers to a set of outcomes produced during a certain period of time, and does not refer to the traits, personal characteristics, or competencies of the performer. It was typically seen as the result of the interaction between individual ability and motivation (Torrington et al., 2005).

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

A number of scholars in the fields of human resource management and performance management provide different definitions of performance management. Armstrong (2009, p.186) defined performance management as 'a systematic process for improving organizational performance by developing the performance of individuals and teams.' Elaborating more on the point, he added that it is 'an approach to obtain desired outcomes by establishing shared understanding about goals and managing performance of employees in a way that optimizes the prospect of achieving the desired outcomes in the given period of time.' Similarly, in his book Strategic Human Resource a Guide to Action (2006), he articulated the term by stressing its strategic importance for organizational attainment of goals and objectives and can be integrated with other systems for delivering of sustainable success to the organization by improving the performance of the employee through the development of the capabilities of team and individual.

Fisher et al., (2006, p.421) defined performance management in relation with the alignment of employee's goals with that of the organization and performance evaluation system. Thus, they provide the definition as 'the integration of performance appraisal systems with broader human resource systems as a means of aligning employees' work behaviors with the organization's goals.' According to Briscoe and Claus (2008) definition, as cited by Fisher et al., (2006), performance management as a process comprises managing of employees by measuring the job-performance and using the information to ensure that performance meets the standard and improves over time. And as operational process, performance management is the system through which organizations set work goals, determine performance standards, assign and evaluate work, provide performance feedback, determine training and development needs and distribute rewards.

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

2.1.2 Purpose of Performance Management

The purpose of performance management (Fisher et al., 2006) is linking of organization's overall strategy to that of employee goals, their behaviors which use to achieve those goals and feedback of information about performance. And Stredwick (2005) argues that the purposes driving performance management divided into two, they are operational and cultural reasons. According to his description, the operational reason serves to lead and control, the performance management system sets out to communicate the link between an organization's mission and strategic direction and the required employee performance. It also acts as a measure of the effectiveness or efficiency of the workforce. The cultural reason of purpose of performance management is that, it serves to build open relationship between managers and employees and provides the opportunity for employees to have a voice in the process through individual performance plan. Another important purpose is it serves to produce a system that is regarded as fair and equitable.

2.1.3 The performance Management Process

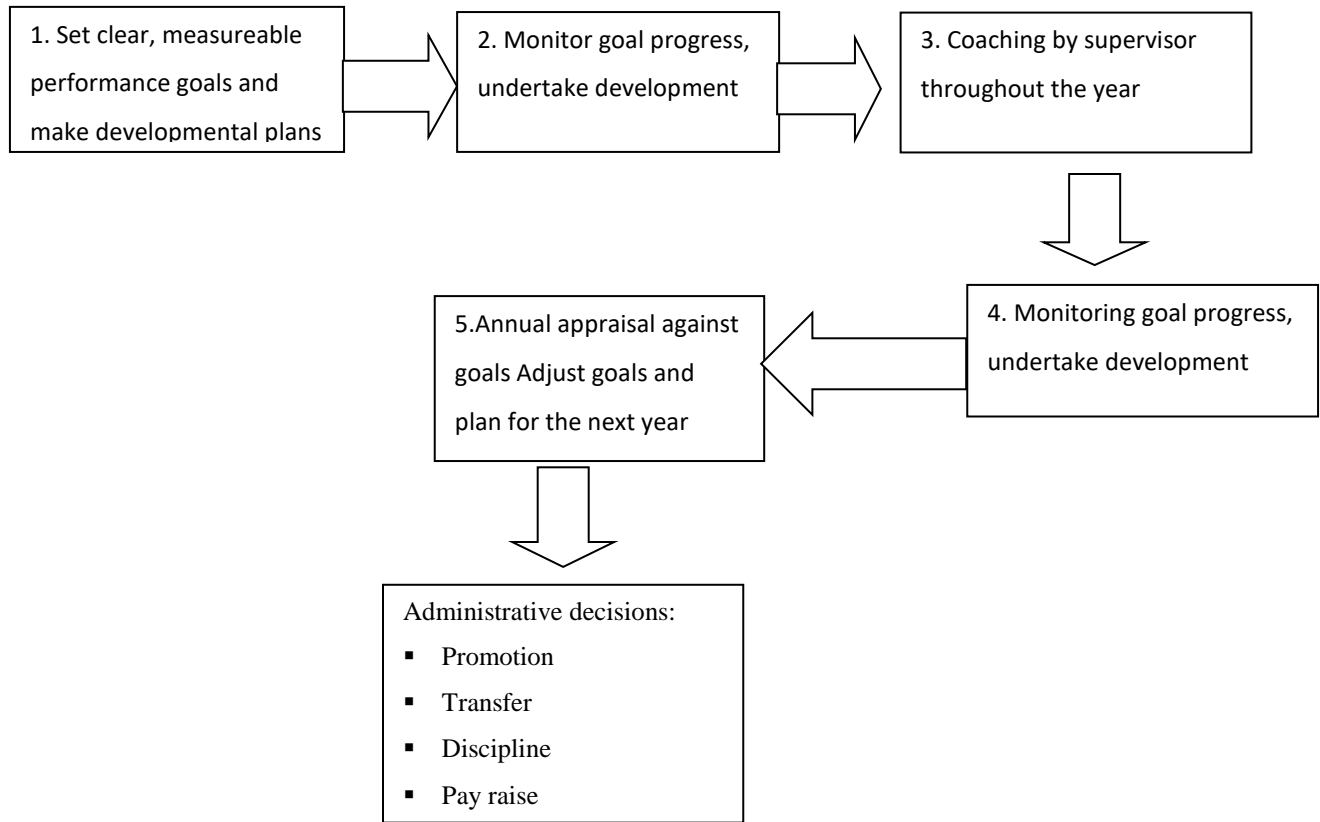


Figure. 1 Performance Management Cycle (Fisher et al., (2006, p.421))

Performance management is an ongoing process. Performance management does not take place just once a year. Performance management is a continuous process including several components. These components are closely related to each other, and the poor implementation of any of them has a negative impact on the performance management system as a whole. The components in the performance management process are the following stages.(Aguinis 2013,p, 38)

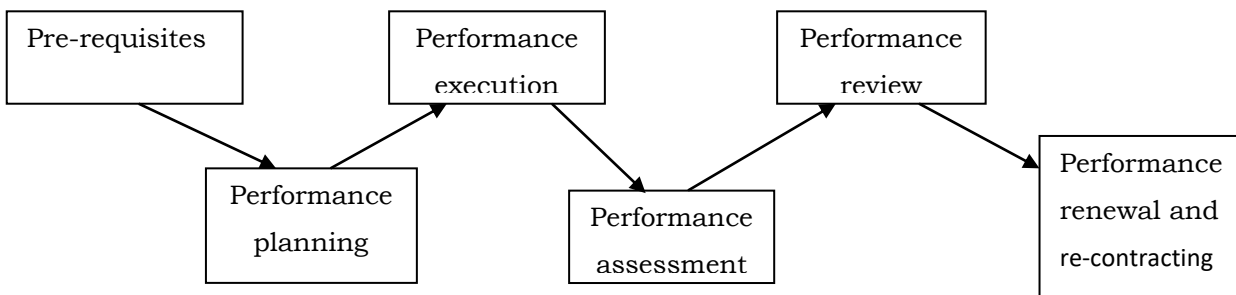


Figure .2 Flow of the Performance Management Process.

Stage 1: Pre-requisites - There are two important prerequisites that are needed before a performance management system is implemented: (a) Knowledge of the organization's mission and strategic goals and (b) Knowledge of the job in question.

Stage 2: Performance Planning - The performance planning stage has the goal for employees to have a thorough knowledge of the performance management system. In fact, at the beginning of each performance cycle, the supervisor and the employee meet to discuss, and agree on, what needs to be done and how it should be done. This performance planning discussion includes a consideration of results, behaviors, and development plan.

Stage 3: Performance Execution - Once the review cycle begins, the employee strives to produce the results and display the behaviors agreed on earlier as well as to work on development needs. The employee has primary responsibility and ownership of this process and supervisors also have primary responsibility over the issues of observation and documentation, feedback, resources, and reinforcement.

Stage 4: Performance Assessment - In the assessment phase, both the employee and the manager are responsible for evaluating the extent to which the desired behaviors have been displayed, and whether the desired results have been achieved. It is important that both the employee and the manager take ownership of the assessment process.

Stage 5: Performance Review - The performance review stage involves the meeting between the employee and the manager to review their assessments. This meeting is usually called the appraisal meeting or discussion. The appraisal meeting is important because it provides a formal setting in which the employee receives feedback on his or her performance.

Stage 6: Performance Renewal and Re-contracting- The final stage in the performance process this is identical to the performance planning component.

2.1.4 Performance Management System

Performance management is a process of managing performance which involves activities of planning, monitoring, analyzing and reviewing. (Armstrong 2009, p.58) defined a performance management system as 'a set of interrelated activities and processes that are treated holistically as an integrated and key component of an organization's approach to managing performance through people and developing the skills and capabilities of its human capital, thus enhancing organizational capability and the achievement of sustained competitive advantage.

2.1.5 Purposes of Performance Management System

Organizations install performance management system in human resource management practice to be benefited from the advantages obtained from it. Bratton and Gold (2007) categorized purposes of performance management system based on the judgments to be made as control and development purposes such that:

- The making of administrative decisions relating to pay, promotions and careers, and work responsibilities the control purpose.
- The improvement of performance through discussing development needs, identifying training opportunities and planning action the development purpose.

Performance management system is most frequently used for salary administration, performance feedback, and the identification of employee strengths and weaknesses. In general, however, performance management systems can serve the following six purposes: strategic, administrative, informational, developmental, organizational maintenance, and documentation purposes. (Aguinis 2013,p,17)

1. Strategic: It links the organization's goals with individual goals, thereby reinforcing behaviors consistent with the attainment of organizational goals.
2. Administrative: It is a source of valid and useful information for making decisions about employees, including salary adjustments, promotions, employee retention or termination, recognition of superior performance, identification of poor performers, layoffs, and merit increases.
3. Communication: It allows employees to be informed about how well they are doing, to receive information on specific areas that may need improvement, and to learn about the organization's and the supervisor's expectations and what aspects of work the supervisor believes are most important.
4. Developmental: It includes feedback, which allows managers to coach employees and help them improve performance on an on-going basis.
5. Organizational maintenance: It yields information about skills, abilities, promotional potential, and assignment histories of current employees to be used in workforce planning as well as assessing future training needs, evaluating performance achievements at the organizational level, and evaluating the effectiveness of human resource interventions (for example, whether employees perform at higher levels after participating in a training program).

6. Documentation: It yields data that can be used to assess the predictive accuracy of newly proposed selection instruments as well as important administrative decisions. This information can be especially useful in the case of litigation.

2.1.6 Performance Appraisal /Evaluation

Performance appraisal is that part of the performance assessment and management process in which an employee's contribution to the organization during a specified period of time is assessed. Performance feedback lets employee know how well they have performed in comparison with the standards of the organization (Fisher et al., 2006). Assessment and feedback can occur informally, as when a supervisor notices and comments on a good or poor performance incident. A more formal method is the structured annual performance review, in which a supervisor assesses each employee's performance using some official assessment procedure (2006).

Strategically, as Fisher et al., (2006, p. 424) explain that 'performance assessment and management is an important and critical part of HR system.' Organizations strive to do the following at all levels:

- Design jobs and work systems to accomplish organizational goals.
- Hire individuals with the abilities and desire to perform effectively.
- Train, motivate, and reward employees for performance and productivity.

For this reason organizations use this sequence to make sure that the strategic goals are imprinted in the mind of their employees.

The evaluation of performance is also the control mechanism that provides not only feedback to individuals but also an organizational assessment of how things are progressing. Without performance information, managers and employees can only guess as to whether they are working toward the right goals, in the correct way, and to the desired standard. Performance assessment plays an important role in organizational strategy, that of ensuring strategy consistent behavior, reinforcing the values and culture of the organization and provides the alignment of the assessment with the organizational culture.

2.1.7 Purpose of Performance Appraisal

- Assess and award a comparative grade for performance
- Analyze training and development needs
- Set performance objectives
- Assess salary rewards

- Approve individual performance related pay plans
 - Encourage and motivate team working
 - Motivate individual
 - Provide a channel for communication
 - Identify potential for career development
 - Link individual to assist Human resource planning
 - Gather information to assist Human resource planning
 - Listen and assess individual preferences for personal development
 - Select candidate for promotion
 - Comply with externally or internally imposed regulation(L.Nieto, 2006:144)
- ✓ The purposes of performance appraisal should be very carefully thought out, defined and published. They indicate of organizational philosophy and determine the natural and detail of schemes used in practice and of the way the psychological contact is acted out.
 - ✓ The purposes and detail of appraisal schemes should be carefully explained to all newly appointed employees during induction into reviews, following the discussion of their job description and person specifications. (Tryson and York, 2000:146)
 - ✓ One purpose of performance appraisal is to measure for rewarding or otherwise making administrative decision about employees, promotions or lay off might hinge on these ratings, making them difficult at times. Another lay off might hinge on these ratings, making them difficult at times. Another lay off might hinge on these ratings, making them difficult at times, another purpose in development of individual potential. In this case, the manager is featuring more as counselor than as a judge, and the atmosphere is Often different Emphasis is on identifying potential and planning Growth.(Mathis and Jackson, 1997:344).

2.1.8 The Performance Appraisal Process

- Many environmental factors like legislation labor and corporate culture may influence the appraisal process.
- As mentioned in a literature, the following steps are outlined (Mandy and et.al, 190:403)

1. Identification of Specific Goals

Identification of specific goals is the starting point for the performance appraisal process. An appraisal system may be unable to effectively serve all the purpose desired, so management should select those specific performance appraisal goals that it believes to be most important and can be realistically achieved.

2. Establishing Job Expectation

Establishing Job expectation is making job analysis so as to communicate employees what is expected from them, It is helpful when the supervisor review with them the major duties determined through job analysis and contained in the job description. In fact, communicating employees what is expected from them may be manager's most important employee relation task.

3. Examine work Performance

After communicating job expectation appraisers observes the actual performance of employees. The observation should be in light of the criterion instead of the personal feelings and attitudes, and it is advisable that the appraiser should be in a good position to observe work activities.

4. Evaluation performance

As mentioned earlier the evaluation of performance is carried against the established standards,. The appraisers should be free from bias, and should take utmost care to avoid unnecessary errors. In addition the evaluation must cover the appraisal period.

5. Discuss Appraisal with Employee

After making the evaluations, the rater communicates evaluation results to employees. The supervisor should have time to discuss on the performance feedback with each employers and give hear to employees' complaint. "The performance evaluation discussion with the subordinate serves to reestablish job requirements in the employees mind".

2.1.9 Motivation

Various researches have been conducted to search answers for employees' behavior toward their job and the way they do and perform well or poorly in the workplace. There are a number of factors that affect employees' behavior toward their job. One of the major factors is motivation, it is one of the factor that influence employee's behavior and performance. 'Motivation is not simply about working hard, it reflects the jobholder view of his/her own ability' (Robbins and Judge, 2013, p. 202). Motivation improves performance and assists to achieve the desired outcomes within the planned period of time. And also helps to impart the needed positive attitudes on the employee to improve their performance in order to assure organizations competitiveness. And also Robbins and Judge (2013) characterized motivation as the process that account for individual's intensity, direction, and persistence of effort toward attaining an organizational goal.

Beardwell et al., (2004) argues that understanding of motivation is important for multitude of reasons. Firstly, it enables organizations to 'humanize' work for employees so that work is inherently more satisfying, the assumption being that organizations have a moral obligation to make work as

satisfying and enjoyable as possible. Secondly, an appropriate understanding of motivation allows organizations to make the jobs more satisfying for employees with the company. The underlying assumption is clearly that if employees are happier at work then they will be more productive. Finally, such an understanding enables management to control the behavior of subordinated more effectively and therefore enables management to ‘pull the right strings’ in order to secure the ability to set the organizational goals and secure their achievement.

According to Beardwell et al., (2004), motivation is characterized as a certain level of willingness on the part of the employee to increase effort, to the extent that this exertion also satisfies some need or desire. At a basic level it can be seen that motivation is about ‘motives’ and ‘needs’. Where ‘motives’ are internal drives and can be physiological, social or based on self-esteem needs.

- An individual phenomenon - people are unique, and this means that motivation theories usually allow for uniqueness to be reflected in behavior;
- Intentional and results in behaviors that are the result of conscious choices;
- A multifaceted concept, which involves (a) factors that arouse people to action (b) choice of behavior and (c) choices about the persistence and intensity of behavior;
- Valid as a theory because it helps predict behavior by explaining what prompts the behavior of people, which means that it has very little concern with simply describing or categorizing behavior.

2.1.9.1 Content and Process Theories of Motivation

Beardwell et al., (2008) classified motivation theory as either content (needs) or a process approach to motivation. Content (needs) theory attempt to identify the factors that motivate people and they are based on the assumption that employees have needs which they seek to satisfy inside and outside of work. Content theories are concerned with the How. Alternatively, process theories interested in understanding the process of developing motives rather than trying to offer a static analysis of needs and they are concerned with the Why.

2.1.9.1.1 Content or Needs Theories of Motivation

Most well-known content or need theories provide an indication of the different needs that employees bring to the working environment. Huczynski A. and Buchanan D. (2007) defined content theories as ‘theories of motivations that focus on the goals to which we aspire.’ Beardwell, et al., (2008) gave highlighting that managers should consider how they can create a working environment in which employees have the opportunity to satisfy their important needs.

2.1.9.1.1.1 The Work of Frederick Taylor

Taylor believed that the use of money as a motivator linked to various objectives would offer the best motivation for performance. Workers would be motivated by obtaining the highest possible wages through working in the most efficient manner possible-thereby satisfying the employee and the employer. Taylor's approach to work and motivation has two underlying assumptions: firstly, that all people are rational, and secondly, that they are driven by the need for financial rewards and not interest in the actual work.

2.1.9.1.1.2. The Hawthorne studies

A major revision of 'needs' theory came from work undertaken in at Hawthorne works of the Western Electric Company. This work gave rise to a new school of management thinking (human relations), which suggested that employees have social needs which are as important as economic needs; these studies concluded that social relationships were significant in the satisfaction of the human for social contract. The key managerial tool for motivation became: the emotional, non-rational, and sentimental aspects of human behavior in organizations, the ties and loyalties that affected workers, the social relations that could not be encompassed by the organization chart but shaped behavior regardless (Wilson, 1999). The major contribution of this work in understanding employee motivation at work has been to focus attention on the design of jobs and tasks in an effort to make them attractive and interesting.

2.1.9.1.1.3. Hierarchy of Needs Theory

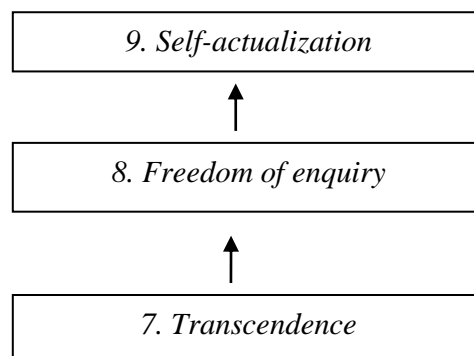
Abraham Maslow's theory consists of two key parts: the classification of needs and how these classifications are related to each other. The needs, he suggested, are classified in a hierarchy which is normally represented in the form of a pyramid with the more basic physiological needs lying at the base and each higher level consisting of a particular class of needs:

1. Physiological-Includes hunger, thirst, shelter, sex, and other bodily needs.
2. Safety - Security and protection from physical and emotional harm.
3. Belongingness- Affection, belongingness, acceptance, and friendship.
4. Esteem - Internal factors such as self-respect, autonomy, and achievement, and external factors such as status, recognition, and attention.
5. Self-actualization - Drive to become what we are capable of becoming; includes growth, achieving our potential, and self-fulfillment.

However, Huczynski and Buchanan (2007, p.242) claim that Abraham ‘Maslow’s content theory of motivation aims to resolve the confusion between derives (innate, biological determinants of behavior, activated by deprivation) and motives (socially acquired needs activated by desire for their fulfillment)’.

Hence, they argue that content theory should be represented using nine innate needs or motives. These are:

1. Biological needs, for sunlight, sexual expression, food, rest and oxygen, in other words needs basic to our individual and collective survival.
2. Safety needs, for security, comfort, tranquility, freedom from fear, and threat from the environment, for shelter, order, predictability and an organized world.
3. Affiliation needs, for attachment, belongingness, affection, love, relationships.
4. Esteem needs, for strength, confidence, achievement, self-esteem, independence, and for reputation, prestige, recognition, attention and appreciation-in other words, the need for a stable and high self-evaluation based on capability and the respect of others.
5. The need to know and to understand, to gain and to systematized knowledge, the need for curiosity, learning, philosophizing, experimenting and exploring.
6. Aesthetic needs, for order and beauty.
7. The need for transcendence, a spiritual need, for ‘cosmic identification’, or ‘to be at one with the universe’.
8. The need for freedom of enquiry and expression, an essential prerequisite for the satisfaction of the other needs.
9. Self-actualization needs, for the development of our full potential.



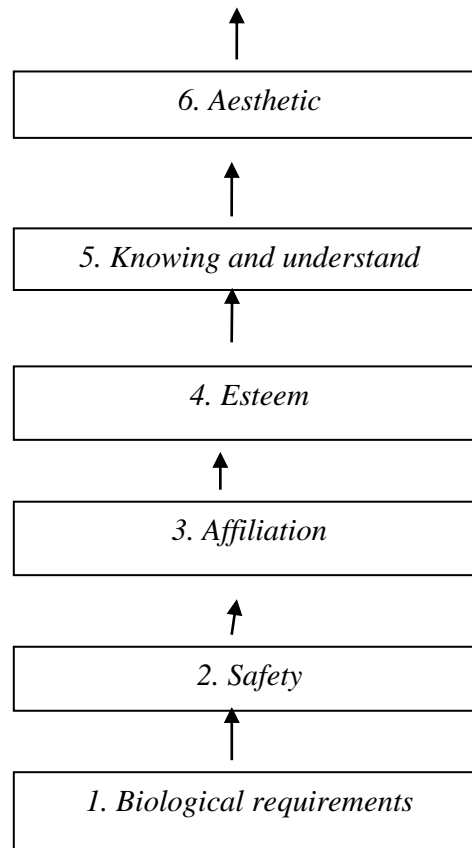


Figure. 3 Abraham Maslow's needs hierarchy

Although no need is ever fully gratified, a substantially satisfied need no longer motivates. Thus, as each becomes substantially satisfied, the next one becomes dominant. So if you want to motivate someone, according to Maslow, you need to understand what level of the hierarchy that person is currently on and focus on satisfying needs at or above that level (Robbins and Judge, 2013). Maslow's theory dramatically shifted the study of human motivation to one that is more holistic, humanistic, and positive (McShane and Von Glinow, 2008). The theory, especially in relation to performance management, has an appeal because its message is clear i.e. find out what motivates your employees at each of the levels and, more importantly still, at which level each employee is operation, and develop a reward strategy accordingly (2008, p. 136).

2.1.9.1.1.4. ERG Theory

Maslow's theory is influential, particularly in recognizing that behavior depends on a range of motives and continue to influence management practice in areas such as rewards policy, management style and job design. However, Huczynski and Buchanan (2007, p.244) point out that 'the vagueness which cannot readily predict behavior and its narrow social philosophy reflecting white American middle-class expose his theory to criticisms.' Clayton Alderfer argue that it is more realistic to

consider three basic categories of needs which he called Existence, Relatedness and Growth, so this is known as the ERG theory of motivation. ERG theory says that all three need categories can be present at any one time, in contrast with Maslow's 'progression hypothesis', that we can try to work our way up the hierarchy. Alderfer added a 'regression hypothesis', arguing that we drop to a lower category when attempts to satisfy higher needs are frustrated (Beardwell et al., 2008).

2.1.9.1.1.5. Two-Factor Theory

Fredrick Herzberg looked not at motivation directly but at the causes of job satisfaction and dissatisfaction in an attempt to more fully understand what motivates people at work. The two factors were:

1. Motivators - These were such things as 'a sense of achievement', 'an opportunity for personal growth', 'the sense of having done a job well', 'having responsibility', and 'achieving recognition for your work'.
2. Hygiene factors - These included such things as pay, physical working conditions, job security, company policy, and quality of supervision and interpersonal relations.

Motivators and hygiene factors are qualitatively different and have different effects. If the objective is to remove dissatisfaction, then the organization will need to improve the hygiene factors. However, improving them beyond the level at which dissatisfaction disappears will not result in an increase in satisfaction. The only way satisfaction can be increased further is by giving more of the motivators. The converse also applies in that giving more of the motivators may not, by itself, remove dissatisfaction. For Herzberg, therefore, the opposite of satisfaction is not dissatisfaction, it is merely no satisfaction and equally, the opposite of dissatisfaction is not necessarily satisfaction, simply no dissatisfaction. As Robbins and Judge (2013, p.206) explain, 'if we want to motivate people on their jobs, Herzberg suggested emphasizing factors associated with the work itself or with outcomes directly derived from it, such as promotional opportunities, personal growth opportunities, recognition, responsibility, and achievement. These are the characteristics people find intrinsically rewarding.'

2.1.9.1.1.6. McClelland's Theory of Needs

McClelland's theory of needs was developed by David McClelland and his associates. It looks at three needs:

- Need for achievement- is the drive to excel, to achieve in relationship to a set of standards.

- Need for power - is the need to make others behave in a way they would not have otherwise.
- Need for affiliation - is the desire for friendly and close interpersonal relationships.

Robbins and Judge (2013) predicted some relationships between achievements need and job performance. First, when jobs have a high degree of personal responsibility and feedback and an intermediate degree of risk, high achievers are strongly motivated. Second, a high need to achieve does not necessarily make someone a good manager, especially in large organizations. People with a high achievement need are interested in how well they do personally, and not in influencing others to do well. Third, needs for affiliation and power tend to be closely related to managerial success. The best managers are high in their need for power and low in their need for affiliation. In fact, a high power motive may be a requirement for managerial effectiveness.

2.1.9.2. Process Theories of Motivation

Huczynski and Buchanan (2007: p. 248) note that theories of motivation that focus on how we make choices with respect to desired goals are known as process theories. They give the individual a cognitive decision-making role in selecting goals and the means by which to pursue them. Beardwell, et al., (2008) clarifying that, these theories focus on how behavior changes occurs, or how an individual comes to acting a different way. Significant in understanding this set of theoretical constructs are the concepts of justice and fairness.

2.1.9.2.1. Expectancy Theory

Motivators, according to the content theorists, are those behaviors that are under the voluntary control of a person. Because behaviors are voluntary, expectancy theory suggests that employees look at the various alternatives and choose the alternative that they believe is most likely to lead to those rewards that desire most; simply that individuals are rational actors who follow a path of economic maximization. The fundamental concepts important to expectancy theory are that the anticipation (expectation) of what will occur influences the employee's choice of behavior.

Beardwell et al., (2004) referring to Vroom (1964) interpretation explains that motivation as a process in which employees select from a set of alternatives based upon the anticipated levels of satisfaction. He called the individual's perception of this relationship instrumentality. The first-level outcomes result from behavior associated with doing the job itself and include productivity, absenteeism, turnover, and the quality of productivity. The second-level outcomes are the events rewards or punishments that the first - level outcomes are likely to produce. And also expectancy can be effort-performance expectancy which is the employee's perception of how hard it will be to achieve a

particular behavior and the probability of achieving that behavior and performance-outcome. Expectancy theory assumes that every-behavior is associated with outcomes.

2.1.9.2.2. Goal-setting Theory

This approach to motivation is based on a simple premise; performance is caused by a person's intention to perform. Goal setting is the process of motivating employees and clarifying their role perceptions by establishing performance objectives. It potentially improves employee performance in two ways: (1) by stretching the intensity and persistence of effort and (2) by giving employees clearer role perceptions so that their effort is channeled toward behaviors that will improve work performance (Robbins and Judge, 2013). Goals are what a person is trying to accomplish or intends to do and, according to this theory, people will do what they are trying to do. What follows is clear, a person with higher goals will do better than a person with lower goals and if someone knows what they want to do, or is supposed to do, that person will perform better than someone whose goals or intentions are vague. These two basic ideas underlie the propositions of goal-setting theory which begins by stating that there is a general positive relationship between goal difficulty and performance. Challenging goals which generally result in improved performance compared to easy goals. Further, the theory proposes that knowledge of results (feedback) is essential if the full performance benefits of setting more difficult goals are to be achieved. Hence feedback offered in an appropriate manner can have a motivating effect on the employee. Goal-setting theories of motivation emphasize the importance of feedback in order to:

- Increase the employee's feeling of achievement;
- Increase the sense of personal responsibility for the work;
- Reduce uncertainty; and
- Refine performance.

2.2 Empirical studies

Odhiambo (2015) carried out a study on the effect of performance management practices on employee productivity, using Schindler Limited Ghana, as the study area. The study adopted descriptive survey design. It was found that when good performance is rewarded, there is a bigger chance that performance would improve further. It was concluded that employees want their performance to be monitored regularly to attract the expected reward. In a similar study, Som (2008) carried out a study on multiple respondents of 69 Indian organizations to evaluate the "impact of innovative human resource management practices on firm performance. It was found that innovative

recruitment and compensation practices have positive and significant relationship with firm performance. It was also found that performance management could only be effective with strong organizational policy in the areas of labour-management relations and effective performance appraisal process.

Zhang (2004), conducted a study titled *The Impact of Performance Management System on Employee performance and productivity in United Kingdom*, and found out that It is important for a company to plan, manage and reward the performance. In doing so, company's productivity would be developed and profit would be increased as well through supervising the whole process of performance management. The findings showed that continuous communication within organization and personnel development impact significantly and positively on employee productivity. However, the results show that performance management has a positive relationship with employee productivity.

Idemobi and Onyeizugbe (2011) carried out a study titled *performance management as an imperative for effective productivity in delta state of Nigeria public owned organizations*. Data were collected using questionnaires administered to respondents selected from five public organizations in Delta state. These data was analyzed using statistical summarization techniques and chi-square for empirical testing of the hypotheses that guided the study. Results showed that performance review techniques have significant effect on employees' performance and productivity. Based on the findings, the study concludes that the absence of performance management system will contribute to the high rate of business failures in the Delta state public sector. The study recommends that organizations in the Delta public sector should establish and adopt incentive systems that will motivate employees to work better after performance management review exercise.

The study carried out by Osabiya (2014) on the effectiveness of performance appraisal as a tool to measure employee productivity in organizations in Nigeria. The study revealed that employees are usually appraised by their immediate supervisors. As regards the frequency promotion in the organization, both the managers and officers asserted that there was a valid, laid down pattern for promotion and that this was at the management discretion. Often, managers allow biasing factors like rate, sex, tribe appearance and personal likeness or hatred to influence their rating. Unless the ratings are based on actual job performances, the evaluation will continue to be devoid of the objective that is often required in a fair performance appraisal system.

Ethiopian perspective review

The study made by Tessema(2005)on the applicability of PMS using BSC as its too reveals that more and more Ethiopian enterprises were expressing a strong interest in the BSC, their managers were starting to acknowledge importance of regular formal and informal performance review meetings, communication about results was being improved by applying modern means of communication like the internet , people were willing to train in the use of performance management, and government was fostering the improvement of performance.

The study conducted by Melat (2014), at the Ethiopian Management Institute, on performancemanagementpracticeindicatesthatorganizationalgoalwerenotfullyalignedwithindividualand departmental goal, participation of employee's in planning stage of PMS is not across allstaffsoftheorganization,lackofregularfeedback,andlackofuniformityingatheringinformationonemployee'sperformance are major problems in PMS implementation.

Similarly, the result of the study conducted by Dereje (2015) regarding the implantations of PMSinAddisAbabaCityAdministration,withtakingAddisKetemaSubcityWereda2,indicatesthat the performance management processes of the study *wereda* needs serious consideration toreapsomefruitsoutofit.Inshort,thestudyhasfoundoutthatthewholeprocessesofperformanceplanning,provisionofongoingcoachingandtechnicalsupportstotheimplementingagenciesandindividuals,recognition andreward,andensuringperformanceaccountability both at individual employee and organizational levels were not on the right track to bring about meaningful performance improvement. Dereje(2015) further added that the problem is associated with the need to shift to and institutionalization of effective modern performance management system and practice on the one hand, and inability to break away from traditional bureaucratic mentality and practices on the other.

2.3 Conceptual Framework

The organization's performance management system can serve as a source of motivation since it comprises a number of factors that affect motivation of employees. Thus, upon the many factors that affect both performance management of the organization and motivation of employees, the researcher wants to develop relations between factors that described in the figure below. Based on the discussion made by AnshulGarg (2013) about performance management system as a measure of employee motivation, the illustration depicted below to study the significant effect of the independent variables on the dependent variable i.e. performance management practice (pay, recognition, working

condition, career development, leadership, communication, performance evaluation, and feedback) on employee motivation.

The conceptual framework is developed by explain the relationship between independent variables, and dependent variable .It shows the relationship between performance management practices and employee motivation.

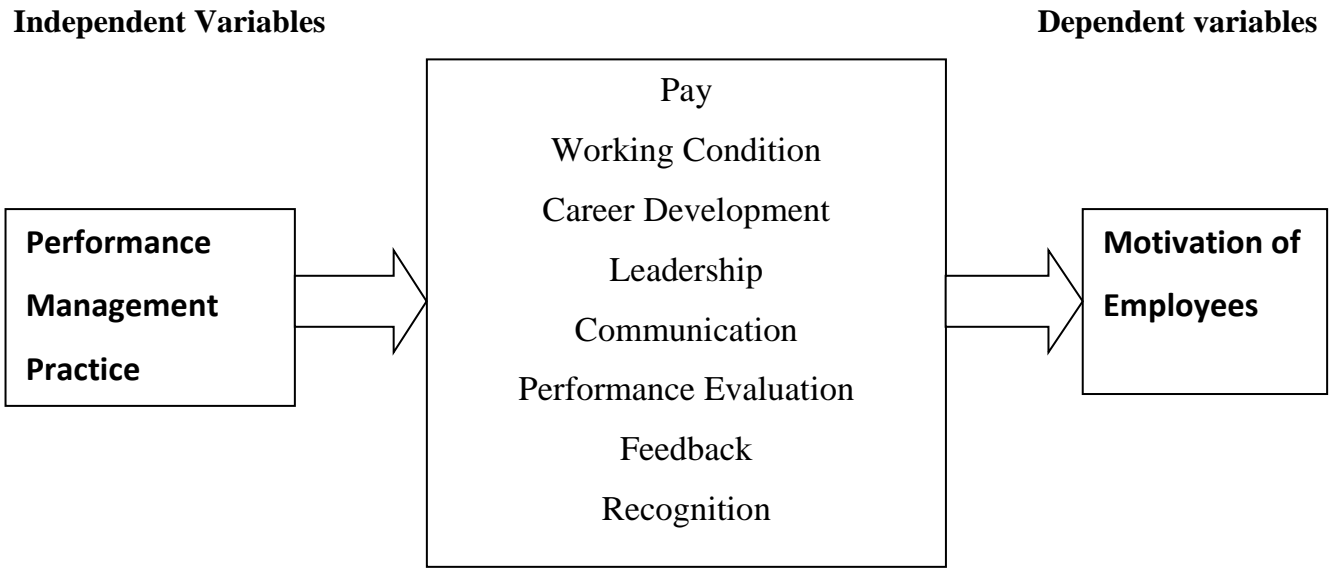


Figure. 4 Conceptual framework ((zhang, 2012)

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This chapter focuses on the methodology that was used for the study. It presents the research design, target population, sampling size determination, sampling technique, method of data collection, and method of data analysis. It also explains the various techniques and procedures that used in collect data as well as reasons for adopting this methodology.

3.1. Research Approach

There are two basic research approaches, quantitative and qualitative approach. This study used quantitative approaches for the reasons that quantitative data was used to describe the perception of the respondents (employees) statistically with mean, percentage and standard deviation. (Creswell, 2009).

3.2. Research Design

To reflect the existing situations that overcome in the company accurately and timely in an economic manner, the gathering of the necessary data to assess the performance management practice its effectiveness on motivation of employees, for the overall success and effectiveness of the study the researcher was used a descriptive research approach.

As stated by Kothari (2004) ‘assessment and fact-finding enquiries of different kinds are included in descriptive research. The major purpose of descriptive research is description of the state of affairs as it exists at present and concerned with describing the characteristics of a particular individual or of a group.’ so this study will be conduct used descriptive research design.

3.3 Target Population, Sample Size, Sampling Techniques

3.3.1 Target Population

Population is the total number of conceivable items, objects of a particular phenomenon (Asika 2004).The target population for this study was targeted to employees of lion International Bank S.C the population is huge the selection of the samples might be controlled to Head Office of the lion international bank S.C.

Lion International Bank S.C is one of private bank that contributing its share for the development of the country’s economy. The bank employed more than three thousand three hundred eighty employees, 250 branches One of the most challenging but rewarding job for such kind service render

company with wide diverse workforce is managing the performance to achieve its goals and objective. Thus, the bank established human resource department to meet objectives of organizations and give priority and emphasis to manage its human resource in an effective, efficient, economical manner.

3.3.2 Sampling Size

Sample size determination plays significant role that use primary data seeking from the use of questionnaire. The size of sample should neither be excessively large, nor too small but it should be optimum. An optimum sample is one which fulfills the requirements of efficiency, representativeness, reliability and flexibility (Kothari, 2004).

The participants of the study are employees of Lion International Bank S.C working in head office. There are around 3,380 employees; from this population 152 employees work in head office. Then 80 employees are selected from Human resource management department, information technology department, line management offices and tellers. Because those employees are directly responsible with employee performance management and employee motivation are selected for the context of performance management practice its effectiveness on motivation of employees and the employees were selected on the basis of a measure which works at least two years of service in the bank.

3.3.3 Sampling Techniques

The sampling that the researcher was used for the collection of data purposive sampling method this sampling method is in sample selection the research focus on the employee of the Lion international Bank S.C by using purposive sampling techniques of the inquiry purposively choose the universe to acquire the necessary information and a sample to be drawn from a target population based on the purpose of the study. Purposive sampling was adopted in this study because the population has common elements and because the population is large with larger diversity.

3.4 Source of data

The researcher was collected data used both primary and secondary source of data. Primary type of data was contains questionnaire whereas Secondary type of data also contains reference book, journal articles.

3.5 Methods of data collection

The researcher was used collect primary and secondary data. Primary data used on the performance management practice of the bank and employees' motivation using questionnaire. To obtain all

sources of data pertaining to the subject of the study, questionnaire was prepared and distribute for the respondents, Questionnaire was prepared by English language. Most questions are about The performance management practice its effectiveness on motivation of employees was investigated the use of structured questionnaire prepared primarily based on 5 point lickert scale rating from 1 (strongly disagree) to 5 (strongly agree). The questionnaires were structured to answer the inquiry questions based on a 5 point Liker scale questions which will close-ended to give the respondents limited and pre-determined responses to choose from Samson Tesfaye (2015).

3.5 Methods of Data analysis

For the data analysis and interpretation purpose the researcher was used descriptive data analysis method and analysis on comparative figures tables, and percentage was used to present the data. After then, the data obtained from questionnaire was coded, processed and analyzed using SPSS version 20. For the demographic characteristics and performance management practice parts, frequencies, arithmetic mean, standard deviation and percentage were computed to generate the required result. Based on the results from the analysis summarized, conclusion and some recommendations are made.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter deals with the results and analysis of data collected questionnaire and empirical analysis of descriptive statistics conducted by statistical program called Statistical Package for the Social Science (SPSS).

The data collected from employees of Lion international bank in head office based on questionnaires to employees. The total questionnaires distributed to employees are equal to 152 (One Hundred fifty five) that are the sample size, however; from that only 121 (i.e. 80%) employees returned questionnaires. Then the data was screened; the analysis made based on the data collected from 80 respondents only.

4.1. Demographic characteristics of the respondents

		Frequency	%	Valid %	Cumulative %
Gender	Male	53	66.3	66.3	66.3
	Female	27	33.8	33.8	100
	Total	80	100	100	
Age Group	<20	5	6.3	6.3	6.3
	20-29	50	62.5	62.5	68.8
	30-39	20	25.0	25.0	93.8
	40-49	5	6.3	6.3	100
	Total	80	100	100	
Educational Status	First Degree	50	62.5	62.5	62.5
	Second Degree	20	25.0	25.0	87.5
	Masters	10	12.5	12.5	100
	Others				
	Total	80	100	100	
Number of years serving for the bank	<2	20	25	25	25.0
	2-5	40	50	50	75.0
	5-10	10	12.5	12.5	87.5
	11-15	5	6.3	6.3	93.8

	>15	5	6.3	6.3	100
	Total	80	100	100	
Current position of employees	Clerical	35	43.8	43.8	43.8
	Non Clerical	25	31.8	31.8	75.0
	Middle Level Management	12	15.0	15.0	90
	Top Level Management	8	10.0	10.0	100
	Total	80	100		

Source: - From Survey Data

As shown in table 4.1, the number of male respondents are 53(66.3%) whereas 27(33.8%) of them were female. The data reveals that the majority of the respondents are composed of age group 20-29 years that accounted to 50(62.5%). And also fair share of respondents, i.e. 20(25%) are come from the age group that falls between 30-39 years. The data obtained on qualification of the participants reveal that 50(62.5%) of the participants holds first degree while the number of second degree holders is accounted for only 20(25%) of the total response and the remaining 10(12.5%) are holders of masters. Regarding the years of work experience of the respondents, it is found that 20(25%) have work experience less than two years, comparable to this number 40(50%) of them claim to have years of service between 2 and 5 years and 10(12.5%) of them also have service year that that fall in between 5 and 10 years. The respondents' current position in the bank as described in the above table, the composition of respondents is found to be 35(43.8%), 25(31.8%) and 12(15%) are found to be Clerical level position, Non-clerical, Middle level Management and Top level Management position holders, respectively.

4.2. Performance Management Practice of the Bank

4.2.1. Performance Pre-requisites

This section designed to have three questions (particulars) that intended to probe whether there exist clarity regarding the bank's mission and strategies and the status of clarity of what each employee needs to do and achieve to help the organization get there.

Table 4.2 Performance Pre-Requisites

Particular	Level of Agreement	Frequency	%	Mean	Std. Deviation
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1. I clearly know the bank's vision, mission and strategic goals	Disagree	5	6.3	4.3125	0.92221
	Neutral	10	12.5		
	Agree	20	25.0		
	Strongly Agree	45	56.3		
	Total	80	100		
2. My objectives support the bank's mission, strategic goals and objectives	Disagree	6	7.5	4.0500	0.93997
	Neutral	14	17.5		
	Agree	31	38.8		
	Strongly Agree	28	35.0		
	No Response	1	1.3		
	Total	80	100		
3. I am clear with my duties and job responsibilities.	Strongly disagree	3	3.8	3.9125	1.17132
	Disagree	9	11.3		
	Neutral	12	15.0		
	Agree	25	31.3		
	Strongly Agree	30	37.5		
	No Response	1	1.3		
	Total	80	100		
Total				4.09	

Source: - From Survey Data

As shown in Table 4.2, the bank's vision, mission and strategic goals are known by the majority of the respondents that 90.4% of the respondents confirmed that they know the bank's vision, mission and goals, out of which 56.3% are strongly agreed and it is also evident from the mean value $4.31 > 3$. From the total responded employees, 35% are strongly and 38.8% are modestly agreeing with that their objectives support the bank's mission, strategic goals and objectives, whereas 17.5% are in dilemma to agree or disagree with the statement. From this result, it can be said that most of employees' objective reinforces the bank's mission, objectives and goals. Adding to the above, a significant number, i.e. 55(68.8%), of respondents have strongly agreed that they possess a clear knowledge about their duties and job responsibilities.

It is found that the mean value of 4.09 which implies on average higher number of the participants of this study have a good knowledge about the bank's vision, mission and strategic goals and his/her duties and responsibilities.

4.2.2. Performance Planning

In this section, particulars designed to examine the nature of alignment of employees' objectives with the bank's overall objectives and their degree of participation in goal setting process as well as in the establishment of criteria and expectations for measuring employees' performance.

Table 4.3 Performance planning

Particular	Level of Agreement	Frequency	%	Mean	Std. Deviation
1. The bank's strategic goals are aligned with my personal objectives.	Strongly disagree	4	5.0	3.8000	1.19493
	Disagree	9	11.3		
	Neutral	20	25.0		
	Agree	32	40.0		
	Strongly Agree	12	15.0		
	No Response	3	3.8		
	Total	80	100		
2. I have supervisor who give me a chance to participate in setting job goals, objectives and measurement standards	Strongly disagree	5	6.3	3.6000	1.20757
	Disagree	9	11.3		
	Neutral	20	25.0		
	Agree	28	35.0		
	Strongly Agree	15	18.8		
	No Response	3	3.8		
	Total	86	100		
3. The standards that are used to evaluate my job are clearly explained to me by supervisors	Strongly disagree	8	10.0	3.2000	1.26691
	Disagree	17	21.3		
	Neutral	20	25.0		
	Agree	23	28.8		
	Strongly Agree	10	12.5		
	No Response	2	2.5		
	Total	80	100		

Total	3.53	
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Source: - From Survey Data

As per table 4.3, higher number, 44(55%), of the respondents agree with that bank's goals are aligned with their personal goal. Whereas, 13(15.3%) of the participant disagree believing in the non-existence of alignment between their personal objectives with the bank's. Adding to this, 20(25%) replied that they are not sure about the alignment of their objectives with the bank's. Even if the mean score (3.8>3) is slightly greater than the average, the relatively higher number of response categorized in either disagree or neutral which shows that these individuals lack thorough knowledge of the bank's objectives in order to make the decision.

The table also indicates that 43(53.8%) of the respondents are agree that they jointly set job goals and draw objectives and measurement standards together with their supervisors. However, 14(17.6%) have disagreed because they have not got the opportunity to participate in the discussion and the other 20(25%) responses are neither acknowledge their participation nor show their disagreement with the issue. Even if the mean score shows more than average (3.6), it can be seen that is there is gap in planning process so that supervisors are not keen to advocate the participation of employees in goal setting, objective and measurement standards.

Regarding supervisors' clarification of measurement standards that are used to evaluate job performance to employee, 37(46.3%) of them believe that measurement standards are clearly disclosed. However, neutral responses accounted to 20(25%) and 25(31.3%) of them oppose the idea of clarification of the established criteria and expectations for employee by supervisors.

The mean for performance planning is found to be 3.53. This result shows that participants who agrees on the existence of performance planning and incorporates those points that are cited in the questionnaire are not that much have difference to those who disagree and neutral.

4.2.3. Performance Assessment

The items included in this section administrated to get some notion whether supervisors and employees take the necessary steps to evaluate the extent to which employees' demonstration of the desired behaviors and whether the desired results have been achieved.

Table 4.4 Performance assessment

Particular	Level of Agreement	Frequency	%	Mean	Std.
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					Deviation
1. My performance has fairly measured based on the agreement I made with my superiors at the beginning of my assignment	Strongly disagree	4	5.0	3.4375	1.1456
	Disagree	14	17.5		
	Neutral	20	25.0		
	Agree	28	35.0		
	Strongly Agree	13	16.3		
	No Response	1	1.3		
	Total	80	100		
2. The evaluation process in the bank is fair, objective and reasonable.	Strongly disagree	2	2.5	3.2875	1.04571
	Disagree	19	23.8		
	Neutral	23	28.8		
	Agree	16	32.5		
	Strongly Agree	10	12.5		
	Total	80	100		
3. The evaluation is done on the basis of pre-established performance standards.	Strongly disagree	6	7.5	3.4875	1.19061
	Disagree	10	12.5		
	Neutral	20	25.0		
	Agree	28	35.0		
	Strongly Agree	15	18.8		
	No Response	1	1.3		
	Total	80	100		
4. Performance evaluation of the bank is transparent.	Strongly disagree	10	12.5	3.2250	1.32144
	Disagree	14	17.5		
	Neutral	20	25.0		
	Agree	22	27.5		
	Strongly Agree	12	15.01		
	No Response	2	2.5		
	Total	80	100		
5. Superiors, peers, and customers participate in evaluation process	Strongly disagree	17	21.3	2.8125	1.37881
	Disagree	15	18.8		
	Neutral	28	35.0		
	Agree	10	12.5		

	Strongly Agree	6	7.5	
	No Response	4	5.0	
	Total	80	100	
Total				3.25

Source: - From Survey Data

Analysis of the result of the survey reveals that 41(51.3%) of respondents of which 13 of them strongly agree that their performance has been measured fairly. Whereas 22.5% of the respondents accounted to a group that believe the bank does not implement fair performance measurement system which adds in their consent and inputs for the given assignments. Adding to the above, 25% of respondents are uncertain measurement of performance.

Table 4.4 also depicted that 45% of the respondents (12.5% strongly) accept that the evaluation process conducted by the bank is fair, objective and reasonable. But 28.8% of the participants remain indeterminate about this issue. By contrast 26.3% of respondents disagree that about the fairness, objectivity and reasonableness of the evaluation process.

As per of the above table, the number of respondents that show their agreement with the statement of the evaluation is done on the basis of pre-established performance standards are 53.8% of which 18.8% of respondents strongly back the statement. However, the other 20.0% express their disagreement for the given issue. And the remaining 25% remain undecided on the issue. Despite the fact that 34(42.5%) respondents are agreeing with that existence of a transparent performance evaluation process in the bank, 24(30%) are opposed this idea. And the remaining 20(25.0%) of the participants choose to be neutral. With regard to the multiple rater participation in the evaluation process, 16(20%) of the respondents agree with the inclusion of multiple rater in the evaluation process. However, 32(40.1%) of respondents out of which 35.0% strongly are disagree believing in that the evaluation process conducted only by their superior.

4.2.4. Performance Review

This section was prepared with the aim to find out how the performance review is conducted, the magnitude of employees' active involvement in appraisal discussion and the nature of feedback that employees receive on their performance.

Table 4.5 The performance review

Particular	Level of Agreement	Frequency	%	Mean	Std. Deviation
1. I assess my own performance before performance review discussions.	Strongly disagree	14	17.5	3.0125	1.33591
	Disagree	13	16.3		
	Neutral	23	30.0		
	Agree	19	22.5		
	Strongly Agree	9	11.3		
	No Response	2	2.5		
	Total	80	100		
2. Superiors provide me a continuous feedback and guidance throughout the year.	Strongly disagree	8	10.0	3.2375	1.2852
	Disagree	16	20.0		
	Neutral	20	25.0		
	Agree	24	30.0		
	Strongly Agree	9	11.3		
	No Response	3	3.8		
	Total	80	100		
3. There is a two way communications with my superiors during performance review discussion.	Strongly disagree	13	16.3	3.125	1.39052
	Disagree	14	17.5		
	Neutral	20	25.0		
	Agree	18	22.5		
	Strongly Agree	13	16.3		
	No Response	2	2.5		
	Total	80	100		
4. There is an appeal process if I don't agree how I am evaluated.	Strongly disagree	6	7.5	3.3500	1.28378
	Disagree	16	20.0		
	Neutral	20	25.0		
	Agree	24	30.0		
	Strongly Agree	10	12.5		
	No Response	4	5.0		
	Total	80	100		
Total				3.18	

Source: - From Survey Data

Participants were requested to show their agreement level whether own performance assessment has been conducted by the employee him/herself, as shown on table 4.5, 27(33.8%) respondents react with their disagreement reflecting that the bank has not introduce own assessment in its system. However, 28(35.1%) of the participants are in agreement with the raised issue and 47(25.3%) participants are not sure so that they remain neutral. The and guidance by supervisors show that 60(32.3%) of them responded by disagreeing and 23(28.8%) become undecided about the issue. However, 33(41.3%) of the respondents (11.3% strongly) agree with that superiors provide a continuous feedback and guidance.

Additionally 31(38.8%) are show their agreement about the establishment of two way channels during performance review sessions. As oppose with this, 27(33.8%)disagreed with that there exist two way communications during performance review discussions with their supervisors. Adding to this, 20(25%) are choose to be neutral. The last point raised in this section is that the existence of an appeal process if there is no agreement during employee evaluation process. As exhibited in the above table, 6(7.5%) of participants reacted in disagreement. Conversely, 34(42.5%) of respondents (of which 10 of them strongly) are certain on the existence of appeal process. The other 20(25%) are not made up of their mind and choose to be neutral.

For questions that are provided to assess the nature of performance review, a slightly higher number of respondents show their agreement on the existence of performance review discussion, provision of continuous feedback and guidance, the existence of two way communication and appeal process which is reflected by the result of the mean obtained for this part 3.18.

4.2.5. Purpose of Performance Evaluation Process

In this section designed in order to capture participants’ reactions on how the bank is using the existing performance evaluation system and what impact does it bring on the performance of each employee.

Table 4.6 Purpose and effects of Performance Evaluation Process

Particular	Level of Agreement	Frequency	%	Mean	Std. Deviation
1. The performance appraisal process communicates performance expectations of the bank in each	Strongly disagree	8	10.0		
	Disagree	14	17.5		

level.	Neutral	26	32.5	3.2000	1.23657
	Agree	20	25.0		
	Strongly Agree	10	12.5		
	No Response	2	2.5		
	Total	80	100		
2. The performance appraisal system applies similar format and technique to evaluate all jobs in similar grades and levels.	Strongly disagree	10	12.5	3.3625	1.37098
	Disagree	13	16.3		
	Neutral	16	20.0		
	Agree	21	26.3		
	Strongly Agree	19	23.8		
	No Response	1	1.3		
	Total	80	100		
3. The performance result I received has helped me to improve my performance.	Strongly disagree	5	6.3	3.3375	1.24213
	Disagree	17	21.3		
	Neutral	21	26.3		
	Agree	23	28.8		
	Strongly Agree	11	13.8		
	No Response	3	3.8		
	Total	80	100		
4. Performance results provides basis for pay decisions and promotion in the bank.	Strongly disagree	13	16.3	2.9500	1.34917
	Disagree	20	25.0		
	Neutral	18	22.5		
	Agree	18	22.5		
	Strongly Agree	9	11.3		
	No Response	2	2.5		
	Total	80	100		
5. I think the current performance appraisal system is a waste of time and used only for formalities.	Strongly disagree	9	11.3	3.2625	1.31922
	Disagree	20	25.0		

	Neutral	16	20.0		
	Agree	15	18.8		
	Strongly Agree	19	23.8		
	No Response	1	1.3		
	Total	80	100		
Total				3.22	

Source: - From Survey Data

As per table 4.6, 30(37.5%) of partakers in the survey demonstrate their positive response for the point that performance appraisal process of the bank communicates performance expectations in each level and 22(27.5%) offered their negative responses. The proportions of those respondents who are not decided are accounted to 32.5%. For the second item on the table, more than average number of respondent (50.1% of which 23.8% strongly) agreed to that similar format and techniques applied to evaluate all jobs in similar grades and levels. But 28.8% of the participants show their disagreement with the issue. And the other 20.0% wanted to refrain themselves from providing their decision.

Issue regarding to performance improvement obtained as a result of the provision of performance result responded in a positive way by 42.6% of participants. However, 27.6% responded negatively by standing on the idea that the performance result they received had not helped them to improve their performance. The remaining 26.3% are decided to be neutral on the issue.

As displayed on similar table above, higher numbers of respondents, 22.5% take neutral position and 41.3% participants prefer to disagree with the statement that performance results provides basis for pay decisions and promotion in the bank, the other 22.5% agree with the raised issue. Moreover, the numbers of participants who agree with the issue relating to the current nature of the performance appraisal system that it could be considered as waste of time and used only for formalities are accounted to themselves about whether to consider it as waste of time or not.

As the mean 3.22 reflect more than average respondents agree on the purpose of the performance evaluation process that exists in the bank. They believe that performance expectations are communicated by the appraisal process, similar format is applied for all jobs in similar grade and levels, and it helps them to improve their performance and provides the basis for decision and promotion.

Comparing this result with the result obtained by Hayalu Sileshi (2015) who conducted research on Ethiopian Insurance Corporation, both study showed that the contribution of the performance

evaluation process for employee motivation very low and employees are not motivated by this process. In addition, similar result was obtained in both studies regarding the performance evaluation format and technique to evaluate job grades and for all job grades similar evaluation instrument was used in both companies.

4.2.6. Attitude on the performance evaluation system

The impression and perception of employees on the performance evaluation system of the bank is the focus of interest in this section since it help to determine the magnitude of employees' satisfaction and their commitment toward the proper implementation of performance management.

Table 4.7 Attitude on the Performance Evaluation System

Particular	Level of Agreement	Frequency	%	Mean	Std. Deviation
1. In the performance appraisal form, job related contents are fairly included.	Strongly disagree	9	11.3	3.2625	1.31922
	Disagree	15	18.8		
	Neutral	19	23.8		
	Agree	22	27.5		
	Strongly Agree	13	16.3		
	No Response	2	2.5		
	Total	80	100		
2. I believe the performance evaluation report reveals my true performance.	Strongly disagree	13	16.3	3.0000	1.32168
	Disagree	16	20.0		
	Neutral	22	27.5		
	Agree	17	21.3		
	Strongly Agree	11	13.8		
	No Response	1	1.3		
	Total	80	100		
3. The bank performance evaluation system is reliable.	Strongly disagree	11	13.8	3.2000	1.40883
	Disagree	16	20.0		
	Neutral	19	23.8		
	Agree	17	21.3		
	Strongly Agree	14	17.5		
	No Response	3	3.8		

	Total	80	100		
4. The employee may not be entitled for additional pay even he/she gets the highest performance evaluation score.	Strongly disagree	9	11.3	3.2625	1.30959
	Disagree	13	16.3		
	Neutral	24	30.0		
	Agree	18	22.5		
	Strongly Agree	14	17.5		
	No Response	2	2.5		
	Total	80	100		
5. Performance is measured based on complying rules not outcomes of individuals.	Strongly disagree	8	10.0	3.3000	1.33502
	Disagree	16	20.0		
	Neutral	19	23.8		
	Agree	21	26.3		
	Strongly Agree	13	16.3		
	No Response	3	3.8		
	Total	80	100		
6. Performance evaluation of the bank is source of conflict between subordinates and supervisors.	Strongly disagree	14	17.5	2.9750	1.34046
	Disagree	15	18.8		
	Neutral	23	28.8		
	Agree	17	21.3		
	Strongly Agree	9	11.3		
	No Response	2	2.5		
	Total	80	100		
Total				3.16	

Source: - From Survey Data

As shown in table 4.7, 43.8% of participants of the survey agreed that job related contents are fairly included in the performance appraisal form. However, 30.1% of them disagree with the issue. About 23.8% of respondents are not sure whether the rational inclusion of job related content in appraisal form. On the issue whether they believe or not that the performance evaluation report reveals the true performance they have exerted while doing their job, 27.5% of the respondents are reserve

Themselves to be neutral and 36.3% responded by disagreeing with it. Yet, 34.8% of them agree with That the report reflects their true performance .From the mean (3.16<3) it can be seen that more than Half of the response rejects the claim that performance evaluation measures actual performance Employees.

The result obtained for the reliability of the bank's performance evaluation reveals that response Related to agree accounted to 38.8%.On the contrary, 33.8% of the participant disagreed by showing They distrustfulness toward the performance evaluation system. Counting to the above responses, 23.8% of them prefer to be neutral. Further, the survey results show that a significant number of Participants (27.6%) provide their negative responses by considering employees are not entitled for Additional pay when they score highest points in their evaluation. The others 30% of the respondents are not decided about the issue and remain to be neutral. The remaining 40% responses are those participants who considered that employees privileged with additional pay when they scored highest point in their performance evaluation.

The table also illustrates that out of total participants 42.6% agreed on that the measurement of individual performance in the bank is by complying rules instead of outcomes. Whereas, 30% of participants are reject the raised issue. And a good number of respondents, i.e.23.8% are in doubt about their position on the issue. Moreover, reactions obtained concerning performance evaluation end result, i.e. whether or not it is source of conflict, 32.6% of reactions supports the idea that performance evaluation of the bank is a source of conflict between employees and supervisors. While 36.3% disagree with the idea. The other 28.8% are indifferent about this issue.

The respondents' reaction on their perception of the performance evaluation system reveals mean of 3.16. From this result, it can be seen that slightly higher numbers of participants believe that the system includes job related contents, reliable and shows their true performance. They are disagreeing on that even if highest score is obtained, additional pay will not obtained and instead of considering outcomes of individual, it focused on complying rule.

4.3. Employees' Motivation

This is the third part of the questionnaire and to find out participants' reaction on the importance of variables that are part and parcel of performance management practice on motivation, hence motivational factors i.e. pay, recognition, working condition, leadership, career development,

performance evaluation, communication and feedback are provided for and based on their reactions the following analysis presented here under.

Table 4.8. **Employees' Motivation**

Particulars	Level of Agreement	Frequ ency	%	Mean	Std. Deviation
Pay	not very important for motivation	5	6.3	3.5125	1.222
I feel that the existing pay motivates me to perform.	not important for motivation	11	13.8		
	Neutral	22	27.5		
	high important for motivation	25	31.3		
	Very High important for motivation	14	17.5		
	No Response	3	3.8		
	Total	80	100		
The pay scale and benefit of the bank treats each employee in an equitable manner.	not very important for motivation	7	8.8	3.475	1.232
	not important for motivation	10	12.5		
	Neutral	20	25		
	high important for motivation	24	30		
	Very High important for motivation	19	23		
	Total	80	100	3.493	
Recognition	not very important for motivation	7	8.8	3.475	1.23222
The acknowledgment I get for my accomplishment has made me to exert more effort on my job.	not important for motivation	10	12.5		
	Neutral	20	25		
	high important for motivation	24	30		
	Very High important for motivation	19	23.8		
	Total	80	100		
Employee achievements are publicized throughout the bank.	not very important for motivation	10	12.5	3.2875	1.3139
	not important for motivation	13	16.3		
	Neutral	18	22.5		
	high important for motivation	22	27.5		
	Very High important for motivation	17	21.3		
	Total	80	100	3.38125	
Working condition	not very important for motivation	8	10	3.4625	1.30184
The safe and conducive working condition has encouraged me to produce high performance at work.	not important for motivation	12	15		
	Neutral	16	20		
	high important for motivation	23	28.8		
	Very High important for motivation	21	26.3		
	Total	80	100		
The bank provides the necessary equipment to adequately perform my duties.	not very important for motivation	8	10	3.4625	1.26324
	not important for motivation	10	12.5		
	Neutral	18	22.5		

	high important for motivation	25	31.3		
	Very High important for motivation	19	23.8		
	Total	80	100	3.4625	
Leadership	not very important for motivation	5	6.3		
My superiors are ready and capable in assisting me whenever I need support.	not important for motivation	17	21.3	3.3	1.175355
	Neutral	21	26.3		
	high important for motivation	23	28.8		
	Very High important for motivation	14	13.8		
	Total	80	100		
The bank's superiors are willing to invest on employee's development, motivation and job satisfaction based on performance review results.	not very important for motivation	5	6.3	3.3625	1.22468
	not important for motivation	11	13.8		
	Neutral	22	27.8		
	high important for motivation	25	31.3		
	Very High important for motivation	17	21.3		
	Total	80	100		
Both praise and appreciation are regularly given to me for the good work I have done.	not very important for motivation	9	11.3	3.2875	1.26485
	not important for motivation	13	16.3		
	Neutral	19	23.8		
	high important for motivation	24	30		
	Very High important for motivation	15	18.8		
	Total	80	100		
Career Development	not very important for motivation	8	10		
There are good promotion opportunities for employees within the bank.	not important for motivation	12	15	3.4625	1.3018
	Neutral	16	20		
	high important for motivation	23	28.8		
	Very High important for motivation	21	26.3		
	Total	80	100		
The advancement and growth opportunity within the bank motivates me to perform better.	not very important for motivation	11	13.8	3.1875	1.33211
	not important for motivation	15	18.8		
	Neutral	18	22.5		
	high important for motivation	20	25		
	Very High important for motivation	16	20		
	Total	80	100		
Performance Evaluation	not very important for motivation	19	23.8		
The performance evaluation process in the bank designed to motivate me to achieve my goals and improve my performance.	not important for motivation	20	25	2.725	1.328687
	Neutral	18	22.5		
	high important for motivation	10	12.5		
	Very High important for motivation	13	16.3		
	Total	80	100		
The current performance	not very important for motivation	20	25	2.75	1.4258

appraisal system used, adequately measures my true performance.	not important for motivation	19	23.8	2.7375	
	Neutral	16	20		
	high important for motivation	11	13.8		
	Very High important for motivation	14	17.5		
	Total	80	100		
Communication	not very important for motivation	5	6.3	3.3375	1.24213
My superiors are frequently and honestly communicate about issues affecting my job.	not important for motivation	17	21.3		
	Neutral	21	26.3		
	high important for motivation	23	28.8		
	Very High important for motivation	14	13.8		
Total	80	100	3.33		
Feedback	not very important for motivation	8	10	3.4625	1.26234
I receive adequate feedback from my supervisors.	not important for motivation	10	12.5		
	Neutral	18	22.5		
	high important for motivation	25	31.3		
	Very High important for motivation	19	23.8		
Total	80	100			
Feedback from my supervisors is clear and directed at improving my performance.	not very important for motivation	8	10	3.3375	1.24213
	not important for motivation	12	15		
	Neutral	21	26.3		
	high important for motivation	23	28.8		
	Very High important for motivation	16	20		
	Total	80	100	3.4	

Source: - From Survey Data

As shown on table 4.8, the mean values of the variables ranges from 2.7 up to 3.49. The arithmetic mean of pay variable 3.49, respectively show that the relative higher than the average participants motivated by the amount of payment they receive from the bank and they also consider it as one of important input to increase performance. The measures of the mean value of recognition is found to be 3.38, which show that the recognition provided from their superiors is slightly motivate them, in the same way, the participants' attitude toward the working condition is also the same, which employee are slightly motivated by it.

The other variable leadership, mean of 3.31 shows that the type of leadership exist in the bank slightly make them to be motivated and increase their performance and the career path that is found in this bank is also play an important role for their motivation as can be seen from the mean value of 3.32.

With respect of communication, mean 3.33, the presence of honest and direct communication create a positive effect on the motivation of the participants and also feedback, with mean 3.4 , indicated that employees are happy with the feedback they received from superiors. However, the performance evaluation of the bank is not designed to provide the necessary motivation to employees as it has a mean of 2.73.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

This chapter will present summary of the findings and conclusion in section 5.1 and 5.2, respectively. Afterwards, Limitation of the study, the possible important recommendation and suggestion for further research methods will be presented in section 5.3. and 5.4.

5.1 Summary

Based on the data analysis and interpretation provided in chapter four, summary of main findings are:

- According to employee's response on performance management pre-requisites, it is found that the mean value of 4.09. This implies that on average most of the participants of this study have a good knowledge about the bank's vision, mission and strategic goals and know their duties and responsibilities.
- 38.8% of participants believed that the measurement of individual performance in the bank is by complying rules instead by his/her outcomes.
- The mean analysis resulted in arithmetic means which falls slightly higher than central point of the scale, which indicates that a slightly greater from half of participants of this survey are showing their agreement that they are relatively motivated by the existence of these motivational factors in the bank.
- Most of employees of the bank are not motivated by the performance evaluation system, which has a mean of 2.73.
- The majority of the participants gave their response that fair and competitive pay, good working condition, recognition, acknowledgments, clear and transparent promotion practices which are non-discriminatory, different training programs, positive relation with supervisors, continuous feedback and fair evaluation are the factors that make them to be motivated.

5.2 Conclusion

From the findings and data analysis of the research, the following conclusions are drawn:

- The bank effectively performs its duty to familiarize its employees with its vision, mission and objectives, made an effort to create an understanding of the required duties and responsibilities of a particular job and to align its strategic goals with individual goals and objectives.
- Employee him/herself, peers and customers have not given a chance to participate in the evaluation process of individual employee to determine whether the employee exhibited the desired behaviors and the desired results have been achieved.
- The performance evaluation report does not reveal employee's true performance and it is heavily relay on complying rules instead of focusing on the outcome.
- The performance result obtained from the individual performance assessment does not linked to the bank's reward system so that the result does not provide basis for additional payment (reward) and promotion.
- Employees perceive the current performance appraisal system as a waste of time and it is conducted for fulfillment of formalities. It is not properly installed and integrated with other HR functions in order to properly measure and improve employees' performance.
- The bank adopts unsystematic performance management process. There is no clear structure that shows the existence of a coherent and uniform performance management core elements such as performance pre-requisite, performance planning, performance execution, performance assessment, performance review and performance renewal.
- The selected eight motivational factors (pay, recognition, working condition, leadership, career development, communication and feedback) have a positive impact on the motivation of employee. Even if they impose relatively small effect as compared with the initial assumption and participants acknowledged that they are relatively motivated by the existing factors. However, the performance evaluation of the bank is not considered as a source of motivation by employees.

5.3 Recommendation

The following recommendations are forwarded based on the findings and conclusions of this study. They are pointed out by assuming that they would be helpful and pave the way for better performance management practice which can play an important role in motivating employee and can serve a source of motivation.

- i. The bank should implement performance management system which enable the bank to perform continuous assessment and evaluation throughout the year and to focus not only on past performance but also on future improvement built on past as well as to develop the employee by making the manager as a mentor or a coach.
- ii. The human resource management of the bank should have reorganized to accommodate performance management system and develop guide line, manuals and procedures to expedite its implementation process.
- iii. Performance evaluation should not be done only by supervisors in order to minimize bias and subjectivity. Other stakeholders (team mates and customers) should have a voice in the appraisal of employees. In addition, the appraisal system should incorporate self-assessment.
- iv. The bank should design performance management standard guidelines to make easier for supervisors and employees to facilitated activities during goals formulation, proper execution, monitoring and evaluation employees' achievement.
- v. There should be a direct link between performance appraisal and the reward system, training and development of the bank. In order to improve the motivation of employees and to change the negative attitude toward the system, the bank should design a transparent and well equipped performance management system which provides answers for the existing gaps in the current HR activities.

Finally, the bank top management should demonstrate its determination to improve the motivational schemes which have a profound impact on its employees' commitment and attitudes toward their jobs so as to achieve the desired results. The bank can also use the performance management practice as source of motivation for employees and consider it as one of motivational factor that will help employees to accomplish the desired outcome and improves image of the human resource management of the bank. Moreover, it should give due attention for coordination of activities related with the performance management of the employees with other human resource management practices and move into action to install the performance management system in its structure.

5.4 Suggestions for further research

The study is limited only to head office of lion international bank. However it would have been more fruitful if it considers other banks. Thus the researcher suggests a comparative study to be made in further research. the researcher also propose further researches to be made to asses and fact associated with geographical variation of bank selection and considering between private and public banks in patronage situation.

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Appendix

ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES

Questionnaire for Employees of Lion International Bank S.C.

Dear Respondents

I am a postgraduate student at St. Mary's University. This questionnaire is prepared to collect data for my thesis project on the topic of the performance management practice its effectiveness on motivation of employees: In the case of Lion International Bank S.C."in partial fulfillment of the requirement for MBA General Management. The questionnaire has been designed in such a way to minimize time required for completion. I kindly request you to respond the given questions based on the experience you have while working in Lion International Bank S.C. Your responses are strictly confidential and will be used only for the academic purpose of this study.

Thank you in advance for your great assistance and cooperation!

Amanuel Zewdu

(Email: amanuelzewdu@gmail.com)

Part I: Profile of Participants

(Directions for filling the questionnaire: Please put a tick mark (√) or a cross mark (x) in the boxes corresponding to your response. Make your response confidential; please do not mention your name or any other identification.)

1. Sex: Male Female

2. Your age group in years: < 20 20-29 30-39 40-49 > 50

3. Educational status: 1st Degree 2nd Degree Masters Others

4. The number of years you have been serving in this Bank:

< 2 2-5 5-10 11-15 > 15

5. The position that currently you are working in Lion International Bank:

Clerical Non-clerical Middle Level Management Top Level Management

Part II. Performance Management

This questionnaire is prepared based on a five point Likert scale. Please indicate to what extents do you agree or disagree with the following statements. If the statement strongly matches with your response, choose **5(Strongly Agree)**, if you discreetly agree on the idea, choose **4(Agree)**, if you do not have any response on the point, choose **3 (Neutral)**, if you discreetly disagree with the statement, choose **2 (Disagree)** and if you completely differ with the statement, choose **1 (Strongly Disagree)**.

Part II. PERFORMANCE MANAGEMENT SYSTEM PRACTICES

Plese put (✓) for your respons on the space provided parallel to numerical symbols. Numerical symbols for the statements indicate that:if you strongly agree (5), agree (4), neutral(3), disagree(2) and strongly disagree(1).

NO	Particular	5	4	3	2	1
	Performance pre- requisites					
1	I clearly know the bank’s vision, mission and strategic goals					
2	My objectives support the bank’s mission strategic goals and objectives					
3	I am clear with my duties and job responsibilities					
	Performance planning					
1	The bank’s strategic goals are aligned with my personal objectives.					
2	I have supervisor who give me a chance to participate in setting job goals, objectives and measurement standards.					
3	The standards that are used to evaluate my job are clearly explained to me by supervisors.					
	Performance Assessment					
1	My Performance has fairly measured based on the agreement I made with my superiors at the beginning of my assignment.					
2	The evaluation process in the bank is fair, objective and reasonable.					
3	The evaluation is done on the basis of pre-established performance standards.					
4	Performance evaluation of the bank is transparent.					
5	Superiors, peers, and customers participate in evaluation process.					
	Performance Review					
1	I assess my own performance before performance review discussions.					
2	Superiors provide me a continuous feedback and guidance throughout the year					
3	There is a two way communications with my superiors during					

	performance review discussion.						
4	There is an Appeal Process if I don't agree how I am evaluated.						
	Purpose of performance evaluation system						
1	The performance appraisal process communicates performance expectations of the bank in each level.						
2	The performance appraisal system applies similar format and technique to evaluate all jobs in similar grades and levels.						
3	The performance result I received has helped me to improve my performance.						
4	Performance results provides basis for pay decisions and promotion in the bank.						
5	I think the current performance appraisal system is a waste of time and used only for formalities.						
	Attitude on the performance evaluation system						
1	In the performance appraisal form, job related contents are fairly included.						
2	I believe the performance evaluation report reveals my true performance.						
3	The bank performance evaluation system is reliable.						
4	The employee may not be entitled for additional pay even he/she gets the highest performance evaluation score.						
5	Performance is measured based on complying rules not outcomes of individuals.						
6	Performance evaluation of the bank is source of conflict between subordinates and supervisors.						

Part III

EMPLOYEES MOTIVATION

Please indicate the statement that represents factor which provide higher motivation or lower motivation. If the statement represents your feeling, choose **5 (very high importance for motivation)**, if the statement modestly much your idea, choose **4 (high importance for motivation)**, if you are not sure, select **3 (neutral)**, if the statement does not much your feeling, choose **2 (not important for motivation)** and if you are totally in disagreement with the statement, choose **1 (not very important for motivation)**.

No	Particulars	5	4	3	2	1
	Pay					
1	I feel that the existing pay motivates me to perform.					
2	The pay scale and benefit of the bank treats each employee in an equitable manner.					
Recognition						
1	The acknowledgment I get for my accomplishment has made me to exert more effort on my job.					
2	Employee achievements are publicized throughout the bank.					
Working condition						
1	The safe and conducive working condition has encouraged me to produce high performance at work.					
2	The bank provides the necessary equipment to adequately perform my duties.					
Leadership						
1	My superiors are ready and capable in assisting me whenever I need support.					
2	The bank's superiors are willing to invest on employee's development, motivation and job satisfaction based on performance review results.					
3	Both praise and appreciation are regularly given to me for the good work I have done.					
Career Development						
1	There are good promotion opportunities for employees within the bank.					
2	The advancement and growth opportunity within the bank motivates me to perform better.					
Performance Evaluation						
1	The performance evaluation process in the bank designed to motivate me to achieve my goals and improve my performance.					
2	The current performance appraisal system used, adequately measures my true performance.					

Communication					
1	My superiors are frequently and honestly communicate about issues affecting my job.				
Feedback					
1	I receive adequate feedback from my supervisors.				
2	Feedback from my supervisors is clear and directed at improving my performance.				

My deepest thank for giving your prompt response and contribution. (If you have any opinion, please do not pause to forward it by this No. 0911-75-57-37)