

# Appraising the Effect of Performance Management Practice on Employees' Motivation: The Case of Federal Transport Authority Ethiopia

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**Abstract:** *The main objective of this research was to appraise the effect of performance management practice on employees' motivation. It was conducted in the Federal Transport Authority, Ethiopia a government-owned service provider sector, with a total of 629 permanent employees. The research design was descriptive with a mixed concurrent approach; Quantitative and qualitative data were collected as primary and related literature and documents as secondary sources. Closed-ended and open-ended questionnaires were distributed to a random sample of employees from different directors by lottery method; in the structural interview also the researcher uses a purposive sample for eight directors'. From the sample size of 244 respondents distributed questionnaires 231 were collected and processed for analysis using descriptive statistics with the help of SPSS V.25. Mean scores were used to assess the level of agreeableness of the respondents. The relationship between the independent and dependent variables was analyzed using correlation and regression methods. The major findings of the research indicated that the rewarding performance, acceptability and fairness, communication, clarity, and continuous feedback factors of the performance management practice; that means five of the six performance management factors have been perceived as poorly practiced. Whereas one factor is inclusiveness, the factor was considered to be neutral or could not decide by the employees. Finally, the researcher has recommended that the organization tries to improve the practice to make it effective in all its aspects. In addition, it was recommended that The civil service commission of the Federal Democratic Republic of Ethiopia should consider an external body of professionals to handle the task of properly implementing the performance management practices to solve the existing problems.*

**Keywords:** Performance management practice, employee Motivation.

## 1. Background of the Study

Performance management is a methodical procedure for enhancing organizational performance through the development of team members' and individuals' performance. Comprehending and managing performance within a set of predetermined planned goals, standards, and competency requirements is a way to achieve better results. There are procedures for establishing a common understanding of what needs to be accomplished as well as for leading and developing people in a way that increases the likelihood that it will be accomplished over the short and long terms. Making people's goals clear, encourages them to take the right actions. Line management is in charge of it and owns it (Armstrong, 2020).

According to what he found in his study, performance management is particularly concerned with aligning personal objectives with organizational objectives and ensuring that employees uphold corporate values. It enables expectations to be defined and accepted in terms of role responsibilities and accountabilities (expected to be completed), skills (expected to have), and behaviors (expected to be). The goal is to increase people's ability to live up to and surpass expectations as well as realize their full potential for both personal and organizational gain. When it comes to performance management, it's important to make sure that people have access to the support and direction they need to grow and develop.

Different authors view the relationship between performance management and motivation approaches differently. It can be considered that motivation is regarded as a concept that holds appeal for particular outcomes, the strength of effort, and determination. Understanding these elements is necessary to comprehend workforce motivation and behavior.

As explained by Armstrong (2009), motivation is the inner drive that directs a person's behavior towards goals. It can be defined as a process that energizes, directs, and sustains human behaviors. Motivation is concerned with the nature and direction of behavior as well as the elements that lead to self-assured behavior. Therefore, goal-directed behavior can be used to describe motivation.

Accordingly, the Federal Transport Authority has achieved many interesting activities according to the 2013–2022 evaluation of the past five years of strategic planning. However, in parallel to those achievements, some problems need the organization's effort to solve. From these, the researcher listed the following as indicators: one, there is no uniform structure in the organization from the Federal to the Woreda level. Second, the federal and regional sectors

did not have the same system for performing the work of the sector. Third, there is no manpower according to the structure. The fourth and major one is that the short and long training which was given by the Federal Transport Authority could not solve problems as predicted by the organization. Because of this and others that are not listed there, the actual performance of the federal transport authority has recorded some problems in some cases. For example, the Ethiopian Federal Transport Authority had a plan to achieve a performance management system practice of 100% each year. But the actual performance is weak according to the federal transport authority's 10-year strategic plan 2013–2022.

Having the above ideas as an introduction, the study focused on appraising the effect of performance management practices on employees' motivation. This was also quoted by the following statement:

A performance management system is a set of interconnected activities and processes that are treated holistically as combined and key components of an organized approach to managing performance through people and developing the skills and capabilities of its human capital, thus enhancing organizational capability and achieving sustained competitive advantage (Armstrong, 2009).

Performance management is one of the most important activities of human resource management, and it is important to an organization if it is properly assessed in its ability to handle employees successfully and efficiently on the job. It is observed that most organizations often don't properly use performance management to achieve their desired goals. As different researchers suggested, performance management is significant for an organization as it helps organizations safeguard employees who are working hard to contribute to achieving the organization's mission and objectives. Performance management sets opportunities for employee performance and motivates employees to work hard in ways that are expected by the organization.

According to Melat Yilma Mekonen (2014), performance management is a challenging practice at the Ethiopian Management Institute. This is said because she tried to state that no employees were participating in the performance management practice, there was no agreement on the standards with supervisors, there was a lack of individual development plans, and the rating of employees was based on things they were not informed about, and there was a high level of supervisor's bias in measuring employee performance.

A review of the performance management system at the Commercial Bank of Ethiopia was also conducted by Frehiwot Tesfaye (2017) to evaluate it and contrast it with Melat Yilma Mekonen's (2014) findings. According to Frehiwot Tesfaye (2017), managers fail to involve staff in the process of setting goals and refuse to take into account their concerns when establishing performance management standards. Also mentioned was the lack of timely feedback and two-way communication during the performance review.

The federal transport authority had a plan to fully implement the performance management system practices each year. As a result, far more accomplishments than the typical objectives have been made gradually. On the other hand, as stated in the evaluation section of the plan, there are also significant issues that require additional work to be resolved, according to the federal transport authority's 10-year strategic plan (2013–2022).

The report which is delivered every time does not have credibility; there are rent-seeking rumors in the sector by different servants and poor service delivery practices; the employee's performance rate is more exaggerated compared with the organization's result; there is weak monitoring and evaluation practice and no corrective actions made for those who have poor performance as well as no strong rewarding system for those who have high performance in the organization according to their objectives; there is no commitment of directors' creativity to do things which motivate their employees based on studies; and finally, there is no integration with other organizations to solve problems mutually. This research is to assess the effect of performance management practices on employees' motivation.

### **1.1. Objectives of the Study**

The general objective of this study is to examine the effect of performance management practice on employee motivation in Ethiopia with particular reference to the Federal Transport Authority.

#### **1.1.1. Specific Objectives**

- a) To ascertain the practice of Performance Management such as planning, acting, monitoring, and reviewing activities in the Federal Transport Authority.
- b) To examine the effect of performance management on employee motivation at the Federal Transport Authority.
- c) To suggest practical implementation mechanisms of performance management on employees' motivation in the Federal Transport Authority.

## 2. Review of Related Literature

Performance management is a system used by governmental, business, and non-governmental organizations to achieve the goals effectively. Because of this as a global many researchers have big attention from time to time about performance management. Accordingly, there are many theories written about performance management at different times; based on this idea I will discuss the following theories which are related to my topic as cited by (Ramataboe Leonia Tefelo, 2016).

### 2.1. Empirical Literature Review

Frehiwot Tesfaye, (2017) conducted research on the evaluation of the performance management system at the Addis Ababa headquarters of the Commercial Bank of Ethiopia. She has suggested that the company establish a space for the practice of setting goals and standards of performance measures based on mutual agreement between employees and supervisors, allowing employees to decide on the objectives they are expected to achieve and the metrics by which they will be evaluated. Setting goals and standards together will give everyone a clear direction, which will motivate them to work harder and stick with it until they achieve their objectives. However, the aforementioned alone could not be the answer to the proper application of performance management; employees must also make recommendations for the issues they encounter with the organization's overall implementation of vertical and horizontal communication, as well as how performance management affects employees motivation.

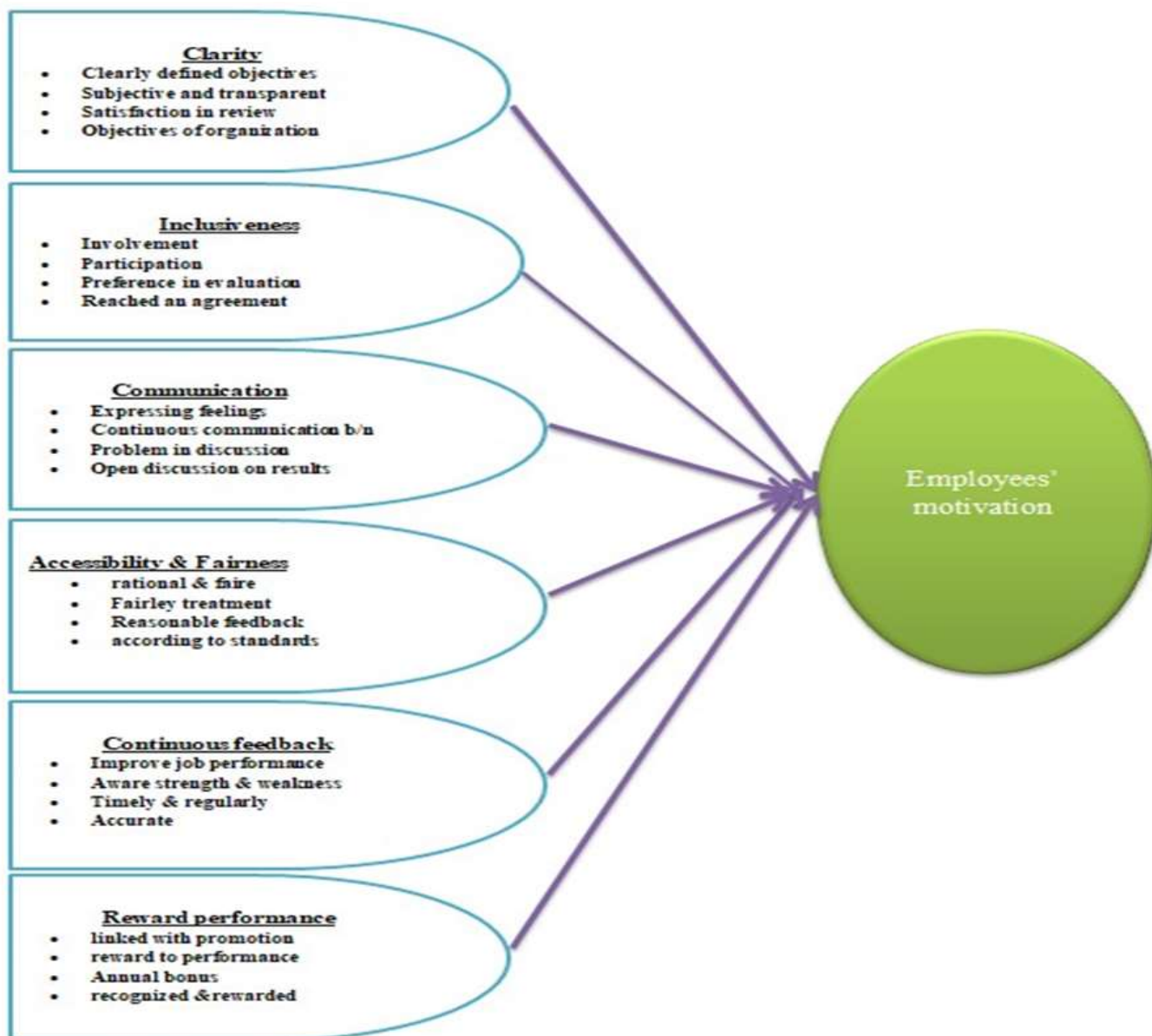
In the Ethiopian management institute, research was done on performance management practices and challenges, according to Melat Yilma Mekonnen (2014). It has been noted that the Ethiopian Management Institute has overlooked the significance of employee participation in the Performance Management System's performance planning process. Employees asserted that they were not involved in performance planning based on the data gathered through the analysis. One of the problems is the absence of an individual development plan, and respondents were also denied the chance to collaborate with their managers on setting performance standards during the planning stage. Because of this, employees are unaware of the goals and standards for performance reviews, as well as the significance of having an approved personal development strategy. The gap also demonstrates that there was a problem with awareness among supervisors, who must set a good example for their staff on all fronts. This research aims to appraise the effect of performance management on employee motivation with particular reference to the Federal Transport Authority and fill the gaps, such as the knowledge of employees about their objectives as well as the whole of their organization's objectives. At the time of reviewing the performance of employees, how the acceptability and fairness were made by their team leaders, the practice of rewarding and motivating the employees, and also the above researchers' research on training institutions and business institutions, the researcher wants to focus his research in the service delivery sector, which is not assessed by the above researchers.

### 2.2. Conceptual Framework

The framework explains the connections between employee motivation and the results of performance management procedures. According to Abdulrazik Jemal 2017, as cited in William (1986), performance management is a continuous process that moves through the four cycles of plan, act, monitor, and review. There is no chance behind this. Continuous improvement is the cornerstone of performance management. This cycle is where the performance management process, as briefly described in the literature review, moves through, with employees taking part in and/or being impacted by each cycle and process. Therefore, this cycle is followed by every performance management process. Furthermore, according to Abdulrazik Jemal 2017, cited in Samson T. (2015), these important performance management practices have a significant impact on employees' motivation. They include compensation, acknowledgment, working conditions, career development, leadership, interpersonal skills, and feedback procedures. This is restricted to only variables that affect motivation and practices related to performance management. Employee motivation is viewed as a dependent variable in this model, while the variables that affect the effectiveness of performance management practices are classified as independent variables. The researcher created the conceptual framework below using these two key ideas as a foundation.

**Independent Variables**

**Dependent Variables**



the current situation there was caused in the nation, many laws were introduced to streamline and reorganize the first transportation-related proclamation, Proclamation No. 11/34, is primarily concerned with vehicle registration. The second proclamation, No. 35/35, was issued by the Ministry of Communication and is referred to as the Land Transport Proclamation. The board was in charge of the transport component at the time. The road transport administration was established during the Derg regime by proclamation No. 256/60. It was reinstated as the Transport Authority by proclamation No. 468/97, and this has remained the case ever since.

The organization has a complex organizational structure with 629 employees, 1489 authorized structure positions, 1 general director, 3 deputy general directors, 3 advisors, 22 directors, 1 training institute, 2 offices, 1 project office, 81 team leaders, 6 terminal stations, and 26 control stations (25 local and 1 in Djibouti). By 2022, the ministry of transportation wants all people to have access to a modern road transportation service. Additionally, it aims to improve the capacity for road transport regulation and enforcement by coordinating and assisting stakeholders in the implementation of efficient, affordable, safe, and secure transport policies and strategies. Additionally, it integrates regionally to launch a modern road transport service system that responds to community needs and enables the sector to contribute to the development of the nation.

### 3.2. Research Design

The researcher used a descriptive research approach to quickly and accurately reflect on the current problems that are resolved in the public organization and to gather the information required to assess how performance management practices affect employees' motivations for the study's overall success and effectiveness.

According to Kothari (2004), descriptive research includes various types of fact-finding and assessment inquiries. Descriptive research is primarily concerned with describing the traits of a specific person or group of people to describe the current state of affairs. The descriptive research design was used to carry out this study as a result.

### 3.3. Target Population, Sample Size, Sampling Techniques

#### 3.3.1. Target Population

The population of this ongoing study included all Federal Transport Authority employees, all directors, or all members of the organization's management because these groups are required by their job descriptions to interact with people frequently. Given that it employs a workforce with a variety of skills, experience, and professions and is relatively larger than other organizations, the Federal Transport Authority was assumed to be the study's ultimate target. Additionally, because of their proximity to and familiarity with the researcher, the respondents were more easily accessible. The Federal Transport Authority's formal and official 10-year strategic plan, which E.C. created in 2013, stated that there are 629 people employed there altogether. Consequently, 629 people make up the study's population.

#### 3.3.2. Sample Size

One of the most challenging aspects of conducting surveys for social science researchers is determining an appropriate sample size that is representative of the population being studied. To ensure that results generalized from the sample returned to the population are within the bounds of random error, this is done (Adam, A. M., 2020). Everyone who works for the Federal Transport Authority is part of the target population. To give every member of the population an equal chance of participating in the study, a representative sample of employees was chosen using simple random sampling, which has proven to be more appropriate for this study. Simple random sampling is preferable because it enables the researcher to gather data for the benefit of the entire population while minimizing bias through the use of the probabilistic method. Depending on the type of data or study design, a variety of methods are used to analyze the sample size. But to calculate the sample size, the researcher used the Yemane formula. Yemane is preferred because it is appropriate for a straightforward random sample and lowers the margin of error. The Yemane method for sample size calculation uses population to determine sample size using this formula;  $n = \frac{N}{1 + N(e)^2}$  Where;

$n$  = denotes the sample size

$N$  =stands for the population under the study

$e$  = represents margin of error (it could be 0.10, 0.05 or 0.01)

The real sample size for this study is calculated as follows;  $629 / (1 + 629(0.05)^2) = 629 / (1 + 629(0.0025)) = 629 / (1 + 1.5725) = 629 / 2.5725 = 244$

#### 3.3.3. Sampling Techniques

Simple random sampling, as defined by Ogula (2005), is the method of selecting a subset of a population to participate in a study. It is the process of choosing several people for a study in a way that ensures the people chosen are representative of the larger group from which they were chosen.

Therefore, sampling is the process of choosing a portion of a population from among a random number of individuals, as mentioned in the theory above. Random sampling was chosen for this study to avoid bias, and probability was used for the questionnaire and non-probability for the interview.

There must be a finite number of elements in the population that can be listed or mapped. Each component must be distinct from the others and have no properties that overlap. This is known as mutual exclusion. The target population must meet the specified criteria, and the population must be homogeneous, meaning that each element must share the same types of characteristics.

Based on the aforementioned theories, the study randomly selected 244 employees and distributed questionnaires to a total of 22 directors using the lottery method. Eight directors who had relevant work related to the researcher's title at various levels of the organizational structure were then purposefully interviewed to gather reliable information.



### 3.4. Data Sources and Data Collection Method

The researcher used the following tools to gather the necessary information: Therefore, both open-ended and close-ended type questionnaires were used as data collection instruments for the primary and secondary data to obtain complete information from the study participants about the overall past and present practices of performance management on the motivation of employees in the area.

Questionnaires were created and given to the chosen sample of employees to collect first-hand information as primary data. Through the questionnaire, demographic information was also gathered. Additionally, using a specially created questionnaire, the key information regarding the problems with the performance management procedures and the employee's motivation is gathered. Structured interviews with the directors of the federal Transport Authority were another important source of data. The internet, research papers on performance management systems and employee motivation, books on the subject and related topics, and other published reference materials were used to collect the secondary data. Primary and secondary data sources were both used as sources of information by the researchers. The organization's sample frame list of employees serves as the primary source for information about the practice of performance management as it currently exists and the motivation of its workforce.

### 3.5. Method of Data Analysis

Both a quantitative and a qualitative approach were used to analyze and interpret the data. The quantitative approach emphasizes the importance of measuring objects' characteristics. Data analysis was done using frequency distribution, mean, and percentage after the collected data were entered into SPSS v.25. Additionally, Pearson correlation and regression were used along with inferential statistics to determine the level of correlation between the variables. According to the fundamental research questions, the data obtained from the interview was contextually examined.

Analysis of the results obtained from the respondents on a Likert scale of 1 to 5, was interpreted based on the key for the range of agreeableness table provided below.

**Table 1: Range of agreeableness**

Scale	Mean range	Response option
1	[1.00-1.80)	Strongly disagree
2	[1.80-2.60)	Disagree
3	[2.60-3.40)	Neutral
4	[3.4 - 4.20)	Agree
5	[4.20 -5.00)	Strongly agree

Source: based on Sekaran (2003) and Plano Clark and Creswell (2015)

### 3.6. Validity and Reliability

#### 3.6.1. Validity

To ensure the validity of the study, the researcher drew on dependable sources, such as recent books and articles by well-known authors in the fields of performance management and employee motivation as well as books on research methodology and other related topics. The validity of the research questionnaire is one of the key factors to ensure the validity of the study. The research is valid because the valid questionnaire gathers the data that the study unquestionably needs. The research questions and objectives were taken into account when creating the questionnaires for this study. The questionnaire was created using a combination of self-developed and adapted questions (Temsgen Bahre, 2018) for some of the questions and Temsgen Bahre for the majority of the others. Before they were distributed widely, several questionnaires were reviewed by officers and employees of the organization who were chosen at random to improve the instrument's accuracy.

#### 3.6.2. Reliability

The researcher used an internal consistency type of reliability to assess the reliability. Because each variable was measured using the research, internal consistency reliability was used. Although each variable was a unique kind of question, they were connected to measure the identified variable. The research utilized the internal consistency sub-categories.

A reliability test using Cronbach's Alpha is a measure of internal consistency, according to Robert S. (Y520 strategies for educational inquiry). The value ranges from 0 to 1 (never see 1) and depends on the scale's item

count and the strength of its intercorrelations. The reliability is higher when the items measure the same variables collectively, whereas it is lower when the items measure different variables, indicating lower reliability. The statement made by Lombard (2010) that coefficients of .90 or higher are almost always acceptable, that .80 or greater is acceptable in most circumstances, and that .70 may be appropriate in some exploratory studies for some cases, further strengthens this idea. The reliability test of the data for this study shows as seen in the below table.

**Table 2: Reliability Statistics**

Variable	No of Items	Cronbach's Alpha Result
Clarity	4	.873
Inclusiveness	4	.750
Communication	4	.771
Acceptability and Fairness	4	.877
Continuous Feedback	4	.817
Rewarding	4	.768
Motivation	5	.806

*Source: own survey data (2021)*

As it can be seen in the above table the figure from the analysis of Cronbach's alpha results in  $\alpha=0.949$  ranged on higher reliability. So we can conclude that the research question items were reliable and acceptable.

#### 4. Major Findings of the Study

**Table 3: Demographic Characteristics of the Respondents**

Respondents' characteristics	Categories	Frequency	Percent
Gender	Male	132	57.1
	Female	99	42.9
	Total	231	100.0
	20-29	24	10.4
	30-39	160	69.3
	40-49	41	17.7
	50 and above	6	2.6
	Total	231	100.0
Educational level	Certificate	4	1.7
	Diploma	11	4.8
	first degree	167	72.3
	MA/MSc	49	21.2
	Total	231	100
Work experience (in years)	Below 1 year	3	1.3
	1 to 3 years	30	13.0
	3 to 6 years	126	54.5
	6 to 9 years	42	18.2
	9 and above	30	13.0
	Total	231	100.0
Work position	Director	4	1.7
	Team Leader	19	8.2
	Expert	187	81.0

	<b>Support Staff</b>	21	9.1
	<b>Total</b>	<b>231</b>	<b>100.0</b>

*Source: Own survey data (2021)*

As can be seen in the table above, 57.1% of respondents were men and 42.9% were women. According to the respondents' age distribution, 69.3% of them were between the ages of 30 and 39, 17.7% were between the ages of 40 and 49, and 10.4% and 2.6%, respectively, were in the age groups of 20 and 29 and 41 to 50. This outcome suggests that the organization's workforce is dominated by young people. The majority of respondents (72.3%) have a BSC/BA degree as their highest level of education, while 1.7% have a certificate, 4.8% have a diploma, and the remaining 21.2% have an MSC/MA degree. 54.5% of the respondents have between three and six years of work experience with the Federal Transport Authority. The remaining 13%, 13%, and 1.3%, respectively, had been with the organization for 1 to 3 years, above 9 years, and less than 1 year. In comparison, more than half of Federal Transport Authority employees are considered inexperienced, having worked for the organization for 3 to 6 years. According to the respondent's job title, 81% of the employees are experts or key performers for the organization, 8.2% are team leaders, 9.1% are supportive staff, and the remaining 1.7% are directors.

The findings revealed that the majority of respondents were male, that the majority of them were over 30 years old, that their education status was mostly first-degree holders, and that many of them had 3-6 years of work experience in the organization and were considered experts. This information indicates that the majority of respondents had extensive experience and, as a result, can provide critical information about the practice and issues related to performance management and employee motivation.

#### 4.1. Summarized Analysis of the Independent Variable

Summarized mean and standard deviation scores of the independent variables of the study are presented as follows:

**Table 4: Summary of mean and standard deviations of the independent variables**

Total Variables	N	Mean	Std. Deviation
Clarity	231	2.56	0.898
Inclusiveness	231	2.60	0.766
Communication	231	2.55	0.946
Acceptance and Fairness	231	2.53	0.936
Continuous Feedback	231	2.57	0.908
Rewarding Performance	231	2.23	0.759

*Source: Own survey data (2021)*

The average score for clarity, as determined by the employee's perception of the practices' determining factors, is 2.53, according to the average (mean) score of the employee perception survey. This demonstrates that the respondents do not agree with the performance management practice's level of clarity. The inclusiveness factor has a mean score of 2.60. This indicates that the employees have a neutral attitude toward this factor. The communication factor has a mean of 2.55, indicating that it is disliked by the respondents. The acceptability and fairness factor has a mean of 2.53, indicating that respondents disagree with this aspect of the practice. The score for continuous feedback is 2.57. This demonstrates that respondents disagree with the effectiveness of the performance management practice in providing continuous feedback. The factor of rewarding performance has a score of 2.23, indicating that respondents disagree with it. Finally, the group mean for all of the practice's determinant factors is 2.51. This implies that respondents almost unanimously oppose the practice of performance management based on its function in the organization. There is also a significant issue with clarity.

#### 4.2. Analysis of the Dependent Variable (employees' motivation)

According to George and Jones (2012), motivation is defined as the psychological force that determines the direction of a person's behavior in an organization, a person's level of effort, and a person's level of persistence. Motivation is the desire within a person that causes that person to act. People typically act with one purpose in mind: to achieve a goal. Thus, motivation is a goal-directed drive that occurs on occasion in a canceled situation. Motivation is one of the most fundamental components of human behavior. As a result, table 4.9 below presents primary data collected from employees about their level of motivation using five questions.



**Table 5: Employee Motivation (Dependent Variable)**

Items	N	Mean	Std. Deviation
I am encouraged to improve my performance and develop my skills	231	2.47	1.274
I am willing to accept challenging responsibilities and contribute more	231	2.58	1.209
My job is beneficial to my career	231	2.60	1.246
The acknowledgment I get for my accomplishments has made me apply more effort.	231	2.45	1.200
The organization values my service	231	2.61	1.277
<b>Dependent variable total score as group</b>	231	2.54	0.932

*Source: Own survey data (2021)*

The mean values of the variables, as shown in table 9, range from 2.45 to 2.61. Now the researcher attempted the following analysis. Participants in the study were asked whether they are encouraged to improve their performance and develop their skills, and their response was given a total group mean score of 2.47, implying that the participants in the study disagree or are not encouraged to improve their performance and develop their skills by their team leaders or directors. Similarly, study participants were asked whether they are willing to accept challenging responsibilities and make more commitments; participants regard this question as the same as item number one of this variable; this means that their response, with a total group, mean score of 2.58, indicates that the study area's respondents are negative on the raised issue. Third, study participants were asked whether or not their job is beneficial to their career. As a result, their response to this question differs from the previous questions, with a total group mean score of 2.60, indicating that the participants' regard for this question is neutral, implying that they did not have clarity or did not want to say anything about it. Fourth, participants in the study were asked whether receiving recognition for their achievements motivated them to work harder. Therefore, the response of the participants to this question is similar to questions one and two of the variable, which indicates they disagree with the total group mean score of 2.45. Lastly, at the end of this dependent variable, participants were asked whether the organization or Federal Transport Authority is valued for their service or not. Accordingly, their response to this question is similar to the total group mean score of 2.61, which indicates whether they are not clear or they did not want to give their response to that question.

To summarize the dependent variable, respondents indicated that with a total group mean of 2.54. According to the organizational motivation practice, the respondents' responses to the three items from the total items indicated that the practice did not encourage them to improve their performance and develop their skills, nor did they have the willingness to accept challenging responsibilities to contribute more commitments. Furthermore, they were not recognized for their superior achievements, which compelled them to put in more effort for the organization. However, the response for the two variables is reversed, as their response to the job is beneficial to their career and the value of their organization to their service are 2.60 and 2.61, respectively. This implies that either respondent does not understand the organization's practice or the organization has no practice. Finally, the practice of motivation in the organization is poor, according to the respondents. Therefore, this conclusion, according to George and Jones's (2012) definition of motivation, is not feasible.

#### **4.3. The practice of Performance Management**

The following sub-topics were chosen for discussion: clarity, inclusiveness, communication, acceptance and fairness, continuous feedback, and rewarding performance factors. Based on this, the researcher came up with the following summarized findings:

- Most of the employee's perception towards the determinant factor performance management practice of clarity factor on the disagree scale. This indicates that the performance management practice did not clearly define the objectives that the employees need to achieve; employees believe that the performance management practice is more subjective and not transparent; In addition, they do not have satisfaction with the consistency of their team leader in conducting a performance review and they do not clearly understand the objectives of performance management practices of their organization.
- The majority number of the employee's perceptions of the inclusiveness factor is on the neutral scale. Here the mean is neutral but when we look at each item, the employees did not involve in the process of setting objectives and targets of their performance expectations and they prefer to be evaluated their performance by the system developed and designed with the help of employees of the organization, not by their team leaders.

In addition, most of the employees did not feel like part of the organization and did not reach agreements with their team leaders about the standards used to evaluate their work.

- In the communication factor, the same with clarity, the employee's perception is negative. In short, there is communication but the communication practice is not detailed and continuous. Because of this, employees did not get the chance to express their feelings when their performance is evaluated, not only this but also the results of the evaluation would not openly be discussed and discussed with them.
- Similarly, the greater number of employees' perception of acceptance and fairness factors is dissatisfactory. This also indicates the performance management practice is not rational and fair; there is no fair treatment in every way of the performance management practice, the feedback which the employees get from their team leader was not reasonable and employees did not evaluate according to the standards set.
- With the factor of continuous feedback, the majority of the employee's perceptions towards this variable are also negative the same as the above variable. The findings also show that employees did not receive feedback that helped them improve their performance and achieve their goals; similarly, the feedback they received did not help them become aware of their strengths and weaknesses, and the information provided by their team leader during their performance feedback was inaccurate. Furthermore, there was no clear understanding of the timely (two weeks) and regularity of performance feedback review, or as the interviewee stated, the review is done only twice a year.

The final sub-topic factor is rewarding performance, and the average (mean) score of employees' perception of this factor is very low. This demonstrates that the performance management practice results are not directly related to employees' promotional opportunities, and there is no recognition and reward practice in the organization. According to the interviewee Directors, the cause of this problem was a lack of consistency in reviewing practices among team leaders and Directors.

#### **4.4. Suggestions on the Implementations of Performance Management**

According to interviewee responses, employees, including directors, have little interest in learning about the organization's vision and mission. Another issue arose from the suggestion to the employee regarding the alignment of the strategic objective with the employees, and they responded that there is no problem in cascading the objectives from the organizational objectives to the directors and employees, but the problem is in reviewing the work or result.

Inline and Armstrong (2009) study the employees of the Federal Transport Authority and propose four performance management processes: planning, acting, monitoring, and reviewing. According to the Federal Transport Authority, virtually all of the above processes' performance management have issues, but all review is the most difficult. To summarize, the practice of performance management necessitates a concerted effort to overcome the challenges it faces.

According to Federal Transport Authority employees, the following suggestions were made for short-term solutions for Federal Transport Authority employees:

- There is work in the organization and the effort of the work is different from director to director as well from expert to expert. As they assumed, the government pays their monthly salary but the work done is usually not as per the organization's performance management aimed at.
- The performance management system and practice are more of paperwork and jargon; this also makes the employees busy instead to work on the main objectives of the organization. So, it needs some tangible improvement in the implementation practice.
- There must be accountability for those not responsible in the practice of the performance management system according to the given procedure and aim.

#### **4.5. Effect of Performance Management on Employees' Motivation**

Each of the performance management practice's determinant factors was examined independently for any effect on employee motivation. The only dependent factor in this subtopic is employee motivation. The researcher attempted to summarize the following findings:

- The average (mean) score for the employee's perception of the motivational factor is 2.54. The standardized beta value, as stated by the researcher in chapter four of this study, expresses the positive relationship between independent and dependent factors, except for the communication factor, which has a negative relationship. As the researcher discussed in Chapter 4, the value for five of the six independent factors implies that they make a statistically significant contribution to explaining the dependent factor, but inclusiveness is not one of them. The findings show that the majority of performance management prerequisites make a significant contribution to the predicting factor of employee motivation.

As a result, improving these factors will make the practice more effective while also increasing employee motivation.

## **5. Conclusion and Recommendation**

### **5.1. Conclusions**

According to the findings of this study, Federal Transport Authority employees view each of the performance management practice's determinant factors in roughly the same way. Most employees (71% of respondents) did not define performance management objectives, 64% believe that performance management practice is more subjective and has a transparency problem, and 72% were dissatisfied with the consistency of their team leaders in conducting performance reviews. 70% of respondents were also unaware of the Federal Transport Authority's objectives. As a result, the employees' understanding of this variable is hazy.

Similarly, employees have demonstrated a negative attitude toward the system's inclusiveness factor. They also believed that communication was not a continuous and deep action or a matter of procedure. Furthermore, employees believe that the acceptability and fairness, continuous feedback, and rewarding variables of the performance management practice are all subpar.

Based on the six determinant factors of the independent variables, it can be concluded that with a 2.51 average mean score, employees perceive the performance management practice to be negative.

Employee motivation was examined separately from performance management practices as the study's dependent variable. As a result, the study discovered that the employees' motivation level has a 2.51 average mean score, and the employees feel unmotivated in response to the five separate questions asked about their motivation.

According to the study's findings, the effectiveness of performance management practices has little impact on employees. According to the relationship model, the performance management system and motivation factors are positively related and significant.

Finally, employees from various demographic backgrounds have the same understanding of the existing problem with performance management practices and their level of motivation.

### **5.2. Recommendations**

#### **5.2.1. Recommendation for Further Action**

Based on the findings and conclusions of the study, the researcher made the following recommendations, which will be helpful for the organization.

- The Federal Transport Authority should work on the clarity of the objectives that employees need to achieve, help the performance management practice by avoiding subjectivity and making it transparent, satisfy the employees by having their team leaders review their performance, and finally have a clear understanding of their organization's objectives.
- The Federal Transport Authority should also provide inclusive engagement for the employees to participate in setting objectives and targets for their performance expectations and to reach an agreement with their team leaders about the standards that will be used to evaluate their work.
- Similarly, the Federal Transport Authority should give employees room to express their feelings when their performance evaluation and communication practices in the organization should be continuous as well as detailed as the manual performance management system indicates.
- In addition, the Federal Transport Authority should work with the employees to get reasonable feedback from their team leaders related to their performance and to be evaluated fairly according to the standards set without subjectivity and biases.
- Furthermore, feedback should be given to the employees regularly and timely. This means that, as specified in the manual, it would provide weekly, monthly, quarterly, and so on, and that the information provided by their team leaders during their performance feedback should be accurate.
- The employees themselves also should contribute their efforts to understanding the content of the performance management system manual and work accordingly to their role and should ask their team leaders to come up with the correct practice of performance management in the process of planning, acting, monitoring, and reviewing to improve in achieving individual and organizational goals.

The Federal Democratic Republic of Ethiopia's civil service commission should consider appointing an external body of professionals to handle the task of properly implementing performance management

practices to solve existing problems such as lack of clarity; inclusiveness of employees on performance review time; undesirable communication; lack of acceptability and fairness; and absence of continuous feedback, as well as problems faced by all governments.

### 5.2.2. Recommendations for Further Research

- This research can also be expanded by incorporating accountability that has close ties to effective performance management practices on employee motivation.
- Furthermore, this research can be deepened by enlarging regional branches.

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- Ramataboe Leonia Tefelo**, do hereby declare that this dissertation submitted by me to the University of the Free State for the Degree Masters in public Administration (M. Admin) is my ...
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