PERCEPTION OF EMPLOYEES ON UTILISATION OF PERFORMANCE MANAGEMENT SYSTEM IN TANZANIA: A CASE STUDY OF TANESCO-MWANZA REGIONAL OFFICE

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DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE MASTERS DEGREE OF HUMAN RESOURCE MANAGEMENT OF THE OPEN UNIVERSITY OF TANZANIA.

2015

CERTIFICATION

The undersigned certify that I have read and hereby recommend for acceptance by the Open University of Tanzania a Dissertation entitled: **Perception of Employees on Utilization of Performance Management System in Tanzania: a Case Study of TANESCO Mwanza Regional Branch**, in partial fulfillment of the requirements for the Master Degree of Human Resource Management of the Open University of Tanzania.

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Dr. Pius Chaya

Supervisor

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DECLARATION

I, **Otto Martin Mushi**, do hereby declare that this Dissertation is my own original work and that it has not been presented and will not be presented to any other university for a similar or any other degree award.

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Date

DEDICATION

This work is dedicated to my lovely Children Allan Otto, Asante Otto and Abigael Otto for their closely attention and support they have given me in my Studies.

ACKNOWLEDGEMENTS

ABSTRACT

This study aimed at examining the perception of employees on utilization of performance management system in Tanzania and TANESCO Mwanza in specific. In so doing, the study examined staff competencies on utilization of performance management system (PMS), identified availability of PMS facilities and examined adherence to PMS among staff and management. The study adopted a cross-sectional design which is descriptive in nature. A sample of 146 employees selected randomly was used. Data were collected by using interview method and focus group discussions. Thereafter, data were analyzed by using descriptive statistics in which frequencies and percentages were presented in form of figures and tables. Despite conducting regular feedback meetings, frequently reporting activities among employees as well as filling appraisal forms, there is a shortage of performance management facilities and lack of fairness in the performance evaluation of appraisal system. Also, there is lack of training opportunities for employees to enhance their competence. Moreover, employees are less competent in preparing individual work plans. The study is recommending TANESCO to provide regular trainings on PMS to employees so that they prepare good work plans and fill appraisal forms, making work facilities available and review evaluation of appraisal system to enhance fairness. This will enhance both employee and organizational performance.

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LIST OF ACRONYMS AND ABBREVIATIONS

BSC	Balanced Scorecard
CSRP	Civil Service Reform Programme
CSC	Client Service Charter
FDG	Focus Group Discussion
HR	Human Resource
OPRAS	Open Performance Review System
PIF	Performance Improvement Fund
PMS	Performance Management System
RBM	Result Based Management
SOP	Strategic and Operational Planning
TANESCO	Tanzania Electricity Supply Company Limited

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background Information

Faced with cutbacks in funding, escalating costs, global competition for limited resources, and a demand for higher-quality outcomes, organizations of all types have felt the pressure to operate more effectively. Organizational improvement in performance management system (PMS) is required (Potocki and Brocato, 1995).

Performance management is a continuous process of identifying, measuring and developing performance in organizations by linking each individual's performance and objectives to the organization's overall mission and goals. Performance management is ongoing. It involves a never-ending process of setting goals and objectives, observing performance, and giving and receiving ongoing coaching and feedback (DeNisi and Kluger, 2000).

Performance management requires that managers ensure that employees' activities and outputs are congruent with the organization's goals and, consequently, help the organization gain a competitive business advantage. Performance management therefore creates a direct link between employee performance and organizational goals, and makes the employees' contribution to the organization explicit Aguinis, (2011).

Over the last 20 years, as a result of the new public management reforms characterizing development in many Western democracies (Pollitt and Bouckaert, 1999), public sector organizations have become increasingly obliged by complex corporate governance legislation Barrett (2002) to publish extensive performance

statistics (Lynch and Day, 1996). This development reflects the trend towards requiring the public sector to be "made more accountable for achieving best value performance" (Collier *et al*., 2000). The UK has been no exception in this regard. Since the late 1990's many UK public sector organizations have been required to demonstrate more accountability in their delivery of national government-defined standards. The UK government recently produced detailed requirements specifying the need for public sector agencies to demonstrate not only that they have clear plans but also that they have a system in place to monitor performance against those plans (PM's Office of Public Sector Reform, 2002). Zimbabwe as well is trying its best to catch up with the rest of the world in the area of leading-edge performance management systems since the success of the Balanced Scorecard (BSC) has been noticed. The country has the advantage that it hosts many transnational companies which are already applying the latest performance management systems.

These companies can serve as an example for Zimbabwean organizations Nhemachena (2004). In South Africa, the term 'performance management' is relatively new in the field of management. However, there are many pressures on South African organizations, enticing them to investigate the concept of strategic performance management. Competition has increased dramatically over the past decade because of many multinational companies investing in South Africa. Motswiane (2004). In Ethiopia, there are some developments for the benefit of performance management. More and more Ethiopian enterprises are expressing a strong interest in the Balance Score Cards, their managers are starting to acknowledge the importance of regular formal and informal performance review meetings, communication about results is being improved by applying modern means of

communication like the internet, people are willing to train in the use of performance management, and government is fostering the improvement of performance. Tessema (2005). However, the overall lack of management skills and expertise often makes performance management not viable for developing countries to develop complex structures such as sophisticated performance management systems. They therefore concentrate more on introducing and copying tools and systems from the Western world which are not always the best suited to local circumstances. Also, the poor management practices, bureaucratic inefficiencies, and low productivity levels in many organizations of developing countries create considerable pressure for managers to adopt speedy, ready-to-implement strategies de Waal (2007).

In Tanzania, a number of reform initiatives in the public service were initiated for the purpose of accomplishing the government's goals and objectives. The Civil Service Reform Programme (CSRP) was launched in July 1991, it ran up to 1999. The major thrust of CSRP was "cost containment and the restructuring of Government". This was succeeded by the Public Service Reform Programme (PSRP) which is implemented in a series of overlapping but mutually supporting phases. The first phase spanning the year 2000 to June 2007 adapted the theme "Instituting Performance Management Systems". The Four mutually reinforcing performance management tools adopted in Tanzania include the Performance Improvement Fund (PIF), Strategic and Operational Planning (SOP), Open Performance Review System (OPRAS), and the Client Service charter (CSC). Institutional performance management system was specifically aimed at building an integrated system for creating a shared vision, understanding and agreement about the results to be achieved, and the operational framework for continuous performance improvement in

standards and quality of public service delivery in Tanzania. The second phase whose implementation commenced in July 2007 is expected to run until June 2012, and it flies under the banner of "Enhanced performance and Accountability". The third phase is envisioned to operate from July 2012 to June 2017; its thrust set to be "Quality Improvement Cycle". The implementation process of the PSRP is spearheaded by the President's Office-Public Service Management (PO-PSM) (Bana and Shitindi, 2009). Performance management is critical to small and large organizations-for-profit and not-for-profit, domestic and global, and to all industries. After all, the performance of an organization depends on the performance of its people, regardless of the organization's size, purpose or other characteristics. Therefore, the background of the performance management system motivated the study to assess the perception of TANESCO employees on utilization of Performance Management System.

1.2 Statement of the Problem

Employees' activities and outputs are congruent with the organization's goals, and consequently, help the organization gain a competitive business advantage. Performance appraisal is among the requirements of PMS. It systematically describes an employee strengths and weaknesses. Though the organization adopts PMS as a management tool, there have been shortcomings observed from employees in the implementation of their daily organization's activities. There have been complaints from customers about services provided by staff. Some employees demonstrate a state of low self-esteem while others have poor relations with their seniors. Moreover, there have been unjustified demands made by staff upon resources. Also, there have been several cases of employees related to preparation of work plans reporting activities

and filling appraisal forms. Basing on this research problem pertaining to utilization of performance system, the study has assessed perception of TANESCO employees on utilization of company's performance management system.

1.3 Objectives

1.3.1 General Objective

This study aimed to examine the perception of employees on utilization of Performance Management System PMS in Tanzania. The study will use TANESCO-Mwanza regional Office as a case study.

1.3.2 Specific Objectives

The specific objectives of the study include;

 i.   Examine staff competencies on utilization of PMS

 ii.   Identify availability of PMS facilities in the organization

 iii.   Examine adherence to PMS among staff and management

1.4 Research Questions

 i.   What are the staff competencies on utilization of PMS?

 ii.   Are the PMS facilities available in the organization?

 iii.   To what extent do staff and management adhere to PMS?

1.5 Justification of the Study

1.5.1 Staff

Outputs of the study will make aware of the employees on their extent of adherence to the utilization of performance management system in the organization. This will assist employees to improve their extent of utilization of PMS where possible.

1.5.2 Management

The study informs the management on the availability of PMS facilities to employees, and adherence to PMS among staff and management. The study also informs the management about staff competencies on utilization of PMS. Such information helps the management to improve its PMS.

1.5.3 Policy Makers

Study outputs inform policy makers on the status of utilization of performance management system in the organization. The information may help in organization policy formulation and amendments so as to improve the organizational performance in service provision to customers.

1.5.4 Other Researchers

For researchers, the study adds useful literature on employee perception in the utilization of performance management system in an organization.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Theoretical Literature Review

There have been a variety of service quality models in the literature. One of the most widely used models is the SERVQUAL, which was developed by Parasuraman, Zeithaml and Berry (1988). The model proposed that service quality is measured by five dimensions: reliability, assurance, tangibles, empathy, and responsiveness. Therefore, SERVQUAL model has been used to explain the perception of TANESCO employees on utilization of performance management system.

Reliability refers to an organization's ability to perform the promised service dependably and accurately; assurance refers to employees' knowledge and their ability to convey trust and confidence; tangibles refers to an organization's physical environment, such as facilities, equipment, and communication materials; empathy refers to employees' willingness to provide individualized attention to customers; and finally responsiveness refers to employees' willingness to help customers and to provide prompt services. Each dimension is measured with four to five items. The model is a useful management tool since it aims to identify the gaps between customers' expectations and customers' perceptions of the services. The measurement of perceptions vs. expectations has been a disputable issue in the literature. While it seems logical that identifying the gaps is the best way to define quality, identify possible problems, and predict loyalty, there have been some researchers (e.g., Cronin and Taylor, 1992; Teas, 1993), who questioned the gap model, suggesting that measuring perceptions alone might be a better indicator of service quality, than

measuring the differences between expectations and perceptions (Robledo, 2001; Zeithaml *et al*., 1996). From a methodological point of view, it is not always easy to adopt the gap approach, since in a real life setting it requires to collect data twice (before and after using the service) from the same customers, and compare their answers. However, from a management point of view, identifying the gaps in customers' evaluations is always a very useful task, since strategies can be designed in order to close these gaps. In the present study, we adopted the gap approach aiming to identify service quality gaps, and use these gaps in order to predict satisfaction, and behavioral intentions. Our decision is justified by the value of this approach for managerial implications.

Quality and customer service have been identified as critical strategic issues in the 1990's for both public and private sector organizations (Donnelly *et al*., 1995). Not much has changed in the current decade. In the private sector, customer satisfaction and loyalty are secured through high quality products and services. They provide value for money for the consumer and are seen as being essential for the long-term survival and success of the call centre (Donnelly *et al*., 1995). Public sector organizations are not immune to pressure to improve customer service on a continuous basis (Donnelly *et al*., 1995). Some of these pressures arise internally from a genuine desire to improve quality of services provided to communities, others are imposed through corporate initiatives like customer charters or through and increase in consumer activism (Donnelly *et al*., 1995). It is recognized that public sector organizations face more difficulties than those in the private sector in their efforts to improve customer service (Donnelly *et al*., 1995). A customer's satisfaction with individual service encounters, affects the customer's dis/satisfaction with the overall

service experience .Johnston (1994). TANESCO staff and management must as well be effectively and efficiently adopt the organization performance management system so as to deliver quality services to customers. The organization management system must be tangible, reliable, responsive, assured and empathy as suggested by SERVIQUAL model.

2.2 Empirical Literature Review

2.2.1 Staff Competencies on Utilization of Performance Management System

The term competency was probably first introduced to psychology literature in 1973 when David McClelland argued in his article 'Testing for competence rather than for intelligence' that traditional tests of academic aptitude and knowledge content in fact predicted neither job performance nor success in life. Thus, the quest for theory and tools that could reliably predict effectiveness in the workplace began .McClelland, (1973).

The word competency comes from a Latin word meaning "suitable" (Bueno and Tubbs, 2004). Boyatzis (1982) defines a competency as "an underlying characteristic of a person which results in effective and/or superior performance in a job" (p. 97). According to Boyatzis (1982) a job competency represents ability. An individual's set of competencies reflect their capability or what they can do. A job competency may be a motive, trait, skill, aspect of one's self-image or social role, or a body of knowledge that an individual uses, and the existence and possession of these characteristics may or may not be known to the individual. Similarly, (Mitrani *et al.* 1992) state that competencies could be motives, traits, self-concepts, attitudes or values, content knowledge, or cognitive or behavioral skills.

Human assets are one of the most important resources available to any organization and employee competence and commitment largely determine the objectives that an organization can set for itself and to its success in achieving them. Therefore, the demand for effective employees continuously increases in both public and private organizations. The 'Competency-based' approach to human resource management has become integral during the last thirty years, with 'Competency' encompassing the knowledge, skills, abilities, traits and behaviors that allow an individual to perform a task within a specific function or job Boyatzis, (1982).

A competency is "an underlying characteristic of a person which results in effective and/or superior performance on the job" Klemp, (1980:pg 21). It includes any attribute, knowledge, skill, ability or other quality that contributes to successful job performance. Put simply, competencies are the "how" side of job performance. According to (Draganidis and Mentzas 2006), competency is a combination of tacit and explicit knowledge, behaviour and skills that gives someone the potential for effectiveness in task performance. Organizations try to increase their capabilities by investing more in training and management development and (Ichniowski *et al.* 1996) state that HRM practices have a greater effect on organizational performance than on individual performance. Moreover, human resource development encourages competency development by forming opportunities within the organization for employees to develop their competencies for both their own benefit and the benefit of others (Rao, 2000a; Rodrigues and Chincholkar, 2005). For a competency framework to be useful as a human resource management tool, it must not only identify and define the competencies necessary for effective job performance but also provide behavioral examples that illustrate how employees successfully exhibit particular

competencies on the job. These examples are known as behavioral anchors. They must be based on specific, observable behaviors and day-to-day performance, not isolated incidents. Created this way, behavioral anchors articulate the specific actions that have the most direct impact on successful performance and are invaluable in gauging how effectively a competency is being demonstrated Berkeley (2011). Establishing a competency-based human resource management system helps a company hire people who have high potential to succeed, ensure that they receive the training and development necessary to realize that potential, and provide an appraisal system that gives the feedback and coaching employees need to perform well Berkeley, (2011).

Globalization, individualization, digitalization and increasing competition are changing the face of the industry as we know it. They aim at achieving an optimum performance in the long term by developing the skills and competencies of the employees on a continuous basis. Literature and best practices indicate that, to some extent, if employers treat their employees as valued contributors, they tend to remain in the organization. To this end, organizations train, offer competitive compensation plans and increase benefits to secure their employee loyalty (Tripathi and Agrawal, 2014).

By linking human resources processes to desired competencies, organizations can shape the capabilities of its workforce and achieve better results (Donzelli *et al*., 2006) and it may be possible for an organization to build ongoing snapshots of the overall knowledge capital and skills portfolio of its workforce. Further, organizations may be able to utilize this information to perform individual and organizational

analysis, reduce education costs, improve hiring practices, improve retention, improve human resources performance and developmental planning processes, and deploy its human capital more effectively (Gangani *et al*., 2006).

2.2.2 Availability of Performance Management System Facilities

Performance management facilities aim at providing quality environments, which are fit for the purpose for which they have been designed. For Alexander (1996), it "is a total quality approach to sustaining an operational environment and providing support services to meet the strategic needs of an organization".

Facility management is a constant balancing act between the competing pressures of time, cost and quality. However, with ever-decreasing budgets and competition in the market place, cost often becomes the prevalent factor. However, Wauters (2005) has identified that reducing facilities costs does not automatically increase bottom line profits and points out that unless savings are affected without impairing the organization's performance dependent on these facilities, the opposite may occur, i.e. profits will fall. Facility managers are thus expected to attain lower operational costs and risks through effective and efficient management of facilities, without compromising their performance. Lavy, (2010).

It is possible to achieve quality whilst positively affecting the balance sheet. A quality workplace can induce productivity gains in the workforce, improve workplace satisfaction and act as a catalyst in attracting and retaining talented members of staff, thereby increasing profits. In a time of increasing numbers of the workforce deserting the traditional office in favour of home working, the provision of quality working environments is becoming increasingly important.

2.2.3 Staff and Management Adherence to Performance Management System

The Performance Management and Appraisal System is an improved system of performance management and evaluation. It clearly defines how your work contributes to the achievement of the organization's goals and identifies what needs to be done to ensure each person is given the opportunity for personal growth and development in their work life. Properly implemented, this is a win-win system. The employees skills, talents and interest will be honed and guided for maximum performance and the organization will benefit from the combined performance of all staff (Government of Jamaica, 2007).

Proper management of the System is therefore critical to ensure that the expected benefits are realized. The Human Resource Management Division is a key guardian of the system as well as an important conduit for feedback that will inform changes to the System. According to the 2007 PMS guidelines of Government of Jamaica, when performance management system is properly adhered;

a) All staff members should have a clearer understanding of the objectives to be achieved by the organization in which you work, in a given year.

b) Every staff member should also have a clearer understanding of the specific outputs they are required to produce as a contribution to the achievement of those organizational objectives.

c) Every staff member should see greater effort being made to ensure that the resources and tools required to help them make that contribution as agreed, are provided in a timely manner.

d) Every staff member will have the opportunity to discuss regularly with their manager/supervisor, the challenges and successes they are experiencing as they do their work.

e) Every staff should have a better understanding of what specific outputs their fellow colleagues in their Division/Section are responsible for producing, allowing them to have more productive and effective work relations within a Division/Section.

f) Career planning and the development of job related knowledge will be facilitated during the performance monitoring and evaluation process, without staff members having to make a separate special request to discuss these issues.

g) Managers/Supervisors should find it easier to manage/supervise individuals with a more structured approach to assigning work and communicating changes throughout the year.

h) If the system is followed as set out in the Guidelines, there should be few performance related appeals at the end of the year.

Moreover, staff performance management policy of New South Wales Ombudsman of 2012 states that, individual staff members are responsible for fulfilling the requirements defined in their staff performance management work plan which outlines tasks, objectives and performance indicators. These are determined through discussion through the individual and heir superior. Each organization division may choose to develop performance agreement templates for identical positions, which can

be modified for individual staff where necessary. The superior is responsible for reviewing and monitoring the implementation of their staff's performance management criteria. Performance management gives direction to the employees through guidance from management Medlin,(2013). Managing organizations is about managing performance of people who work in organizations. The South Australian Government Guide to Performance for the State indicates that governments require a result driven public sector where staff know what is expected of them and how they will be supported. This approach recognizes that results are achieved through teams and there is need to have appropriate incentives in place.

In spite of the assumptions from employees that performance management does not improve performance, research found that RBM if well implemented can improve government performance Mahakani, (2012). He further found that most government employees do not clearly understand Results Based Management System. The problems could be lack of training and feedback from management. Planning, communication and feedback are critical elements for the success of RBM in organizations.

It is believed that performance management is two-fold; firstly; organizations need to evaluate the performance of managers in achieving strategic goals and secondly, evaluate how employees through guidance from management help in achieving both organizational and individual needs. Establishment of clear links between organizational development, the delivery of quality services and the development of employees at work is important (Malaysian Civil Service Guide, 2006). Buchner (2007) indicated that the process should improve service delivery but RBM carries

employee negative perception about the whole process. As indicated by Mandishona (2003), for this process to be effective, employees have to view the whole process as fair and beneficial; otherwise service delivery will continue to be compromised. The process could be failing because employees are failing to appreciate the system as there are no tangible benefits attached to it.

2.3 Literature Gap

In order for the organization to maintain its performance in service provision, regular assessment based on its performance management cannot be ignored. Basing on the situation in TANESCO, there have been complaints related to the performance of employees including staff and management. One side complains against the other side. Employees complain to be performing less effective because of improper management of human resources. On the other hand, human resource management complains employees for not effectively and efficiently fulfill their work obligations.

However, the scientific and professional literature specifically on implementation of performance management in developing countries and Tanzania in specific is scarce (Aziz *et al*., 2005). Little has been done (Bana and Shitindi, 2004; de Waal, 2007) to study performance management in Tanzania. Therefore, there is inadequate knowledge pertaining to perception of TANESCO employees on utilization of Performance Management System (PMS). Therefore, this motivated a researcher to carry out the study to examine the perception of TANESCO employees on utilization of PMS so as to bridge the knowledge gap.

2.4 Conceptual Framework

The conceptual framework in figure 1 explains that effective PMS requires availability of facilities to employees for the system to perform. Employees are required to be provided PMS facilities including materials, equipment, ICT facilities and stationeries. Such PMS facilities may assist the employee adhere to PMS. In order for Staff to adhere to PMS, he/she must prepare sound work plan, fill the appraisal form, prepare report for activities as well as attend feedback meetings. The management is supposed to arrange regular feedback meetings to discuss merits and shortcomings in relation to the activities implemented. Managers must ensure that there is a fair appraisal assessment, and trainings on utilization of PMS are regularly provided to employees so that they can easily adapt the system. Moreover, trainings and rewards provided to employees may contribute to improve knowledge and skills of employees so that they can effectively adapt   organization's PMS. Moreover, the performance of the organization in service provision to customers can be effective if PMS facilities are available to employees.
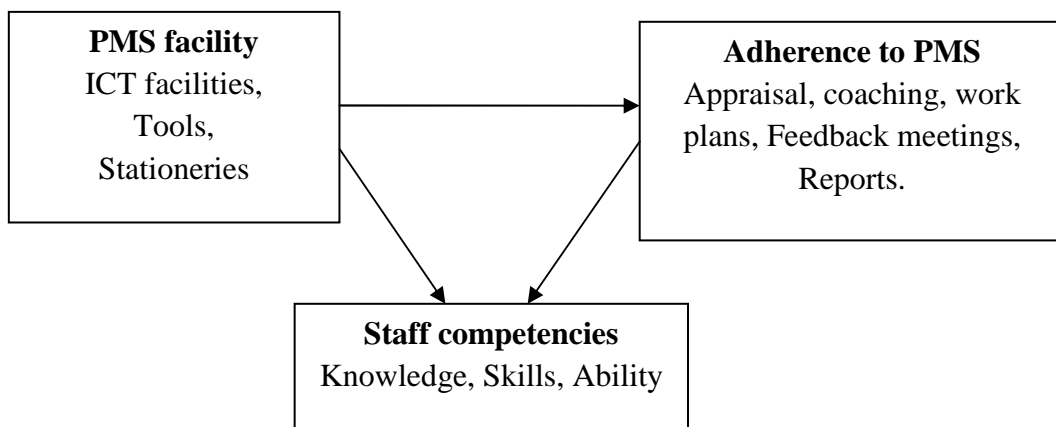
Figure 2.1: Conceptual Framework Showing Relationship between Research Variables

Source: Researcher, 2014

CHAPTER THREE

3.0 METHODOLOGY

3.1 Study Area

The study was conducted in TANESCO-Mwanza Regional Office, Tanzania. The area is selected due to its existing problem related to employee utilization of performance management system.

3.2 Population of the Study

The population of the study included 230 TANESCO employees who constitute 187males and 43 females working in Mwanza Regional Office.

3.3 Study Design

Based on the nature of research objectives, a cross-sectional study design is adopted. The study design which has been used allows data to be collected at one point in time and generates data for description and determination of relationships between variables while taking into consideration limited time and available resources (IDRC, 2003; Kothari, 2004).

3.4 Sampling Procedure and Sample Size

The study selected a sample of 146 employees from TANESCO-Mwanza Regional Office. However, 143 respondents were selected by simple random sampling while 3 respondents who are human resource officials were chosen purposively. Since the study population is known, the following formula will be used to obtain the sample size.

$$n = \frac{N}{1 + N e^{2}} = \frac{230}{1 + 230 (0.05)^{2}} = \frac{230}{1 + 230 \times 0.0025} = 146$$

Whereby;

n is sample size

N is total population

e is error at 95% Confidence Interval

3.5 Methods of Data Collection

The study collected primary data and secondary data as in table 1. The study used interview method and focus group discussions to gather information. The study used structured questionnaires and checklists as data collection tools to obtain relevant information.

Table 3.1: Methods of Data Collection and Data Collection Tools

Research Question	Type of data	Methods of data collection	Tools for data collection
What are staff competencies on utilization of PMS?	Qualitative	Interview, FGD	Structured questionnaire, checklist
Are the PMS facilities available in the organization?	Qualitative	Interview	Structured questionnaire
	Qualitative	FGD	Checklists
To what extent do staff and management adhere to PMS?	Qualitative	Interview,	Structured questionnaire
		FGD	Checklist

3.6 Data Processing, Analysis and Presentation

3.6.1. Process

Raw data have been sorted to similar concepts and then coded. Statistical Package for Social Science (SPSS) was used for coding the data.

3.6.2 Analysis

Descriptive analysis was used to generate frequencies and percentages. SPSS was used for descriptive analysis. Methods and outputs of data analysis appear in table 2.

Table 3.2: Methods and Outputs of Data Analysis

Research Question	Method of data analysis	Outputs
What are staff competencies on utilization of PMS?	Descriptive analysis	frequencies percentages
Are the PMS facilities available in the organization?	Descriptive analysis	frequencies percentages
To what extent do staff and management adhere to PMS?	Descriptive analysis	frequencies percentages

3.6.3 Presentation

After analysis, data were presented in form of tables and figures. Therefore, pie charts and bar graphs have been used as figures.

3.7 Validity and Reliability

Both, validity and reliability were highly be maintained by the study. In making sure that data collection tool is reliable as it generates correct data in a repeated time, pre-testing of the data collection tool was initially be done before official data collection. The findings from the pre-test helped to address shortcomings which might occur in the data collection tool before the official data collection exercise started. Moreover, validity was ensured for the data collection tool as the study used SERVIQUAL model to prepare tools. Also, researcher is thoroughly surveying literatures to ensure that what are studied is valid.

3.8 Ethical Considerations

The study was highly kept into consideration ethical issues. Confidentiality of the information collected from the respondents was highly maintained. Furthermore, the researcher provided an introductory letter from the university to clear the mistrust of the respondents against the researcher. Also the respondent had given a free decision to attempt the question.

CHAPTER FOUR

4.0 RESULTS AND DISCUSSION

4.1 Overview

In this chapter, results of the study based on objectives have been presented and discussed. A total of 146 respondents were participated in the survey. Out of that number, 140 responded the checklists. The chapter covered the findings concerning the availability of performance management system facilities to the TANESCO employees, adherence of the PMS and employee competence on utilization of PMS. In addition, descriptions of the background characteristics of the respondents have also been covered by this chapter.

4.2 Characteristics of Respondents

Background information of the respondents explained in this part include sex, marital status, age, education, professionalism and job experience. The background characteristics of the respondents have been detailed explained in sub-sections 4.2.1, 4.2.2, 4.2.3, 4.2.4 and 4.2.5.

4.2.1 Sex and Marital Status

Males constituted the majority (71.4%) of the employee participated in the survey (Table 3). The variation in number of respondents was due to coincidence happened during random sampling.

Table 4.1: Distribution of Respondents Based on Sex and Marital Status

Variable	Frequency	Percent
Sex:		
Male	100	71.4
Female	40	28.6
Total	**140**	**100**
Marital status:		
Not yet married	30	21.4
Married	109	77.9
Widow	1	0.7
Total	**140**	**100**

On the other hand, the survey found that, majority (77.9%) of respondents were married. Others constituted groups of employees who had not yet married, and widows (Table 3).

4.2.2 Age of Respondents

Most (37.1%) of the employees participated in the survey constituting the age group of 41-50 years, followed by those who had the age of 31 to 40 years (Figure 2). The group constituted fewer employees was that of 51 to 60 years of age.
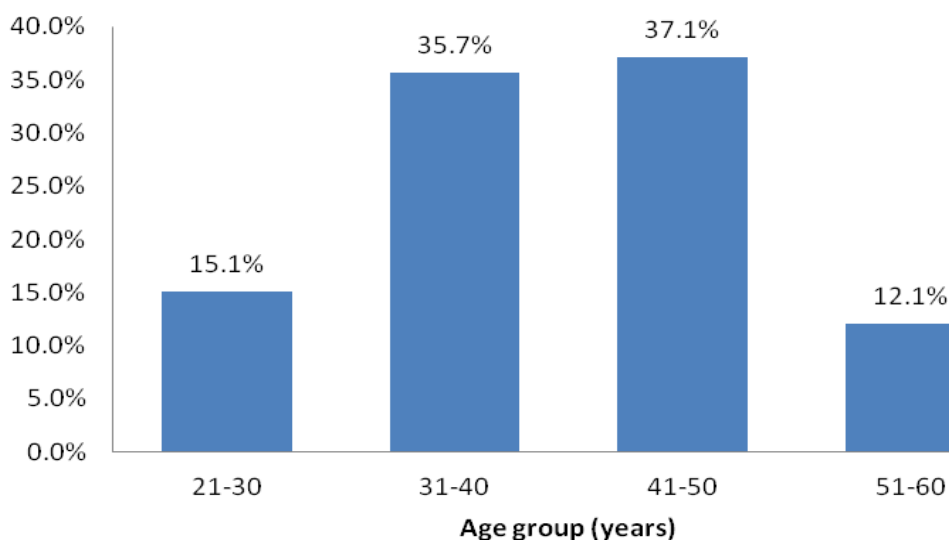
Figure 4.1: Distribution of Respondents Based on Age Groups (n=140)

However, the minimum and maximum age was 24 and 60 years. An average age of employees participated in the survey was 40.61 years, having a standard deviation of 9.41.

4.2.3 Education

Table 3.1: Distribution of Respondents According to their Education

Education	Frequency	Percent
No formal education	3	2.2
Primary education	17	12.1
Secondary education	49	35
Post-secondary education	71	50.7
Total	**140**	**100**

Basing on level of education, majority (50.7%) of employees participated in the survey attended post-secondary education in tertiary education institutions, followed (35%) by those who attended secondary education. Others had primary education and very few had never attended school (Table 4). Education is necessary for employees

in order to ensure effective and efficient utilization of performance management system of the organization.
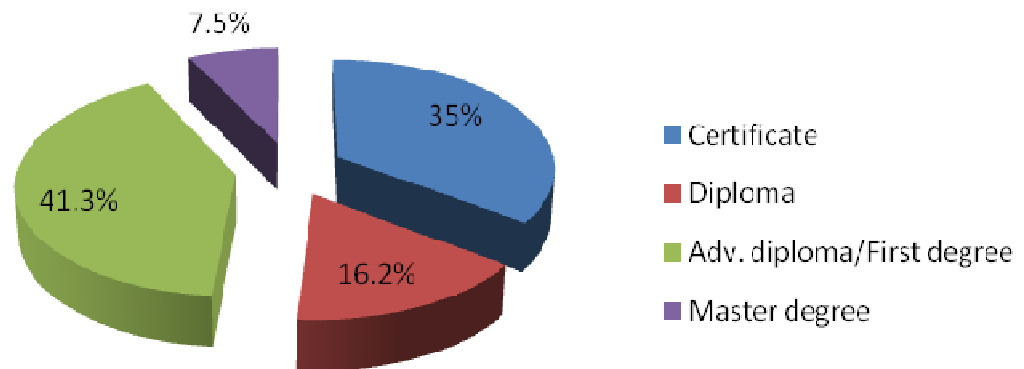
Figure 4.2: Distribution of Respondents Based on Professional Education (n=80)

On the other hand, results in figure 3 reveal show that only 80 employees out of 140 who participated in the survey possess a kind of professional certificate. Among those who have professional education, majority (41.3%) had advanced diploma or first degree, followed (35%) by those who had certificate level of education. Others had diploma and very few had master degree. Professional education is essential for employees because it contributes to adherence of the performance management system and hence, enhances job efficiency to attain higher performance.

4.2.4 Job Position of the Respondent
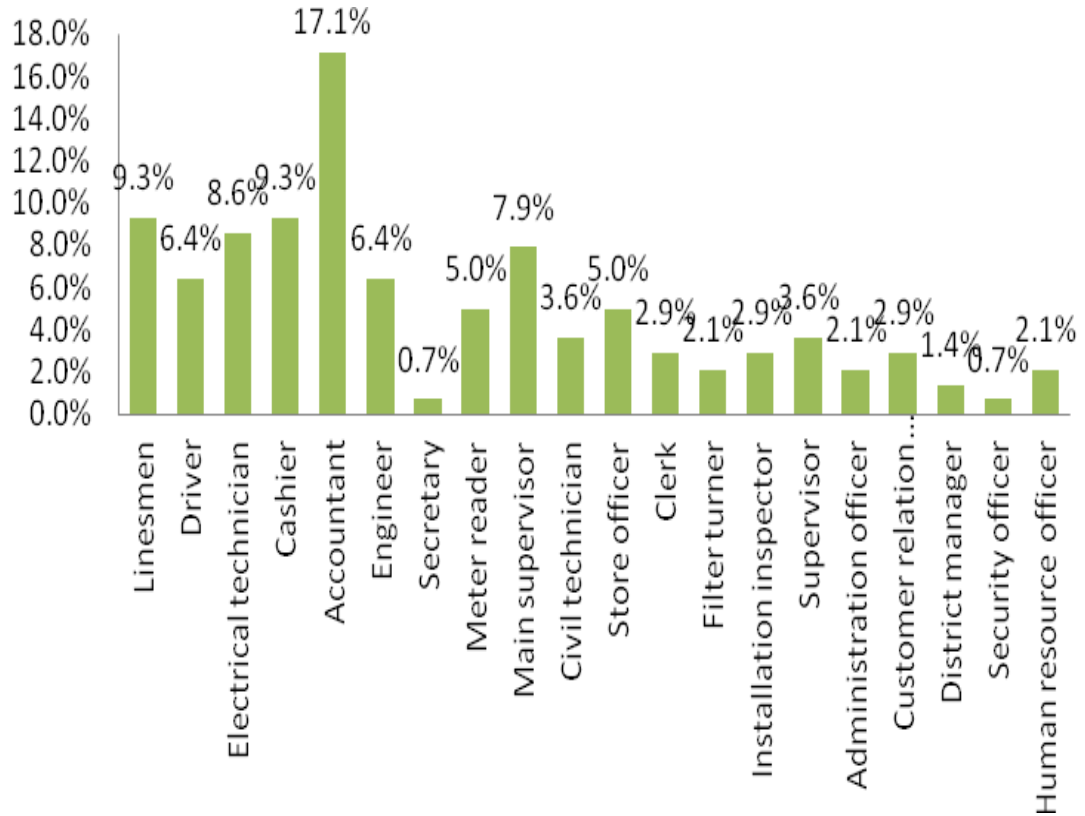
Figure 2.3: Distribution of Respondents based on their Job Positions (n=140)

Employees who participated in the survey were from different sections of TANESCO including accounting, customer relations, linesmen, drivers, cashiers, main supervisors and human resource (Figure 4). Except for human resource officials who were selected purposively, other employees were randomly selected. Therefore, the positions' variations in numbers are due to the randomization which occurred during sample selection.

4.2.5 Job experience of the Respondent
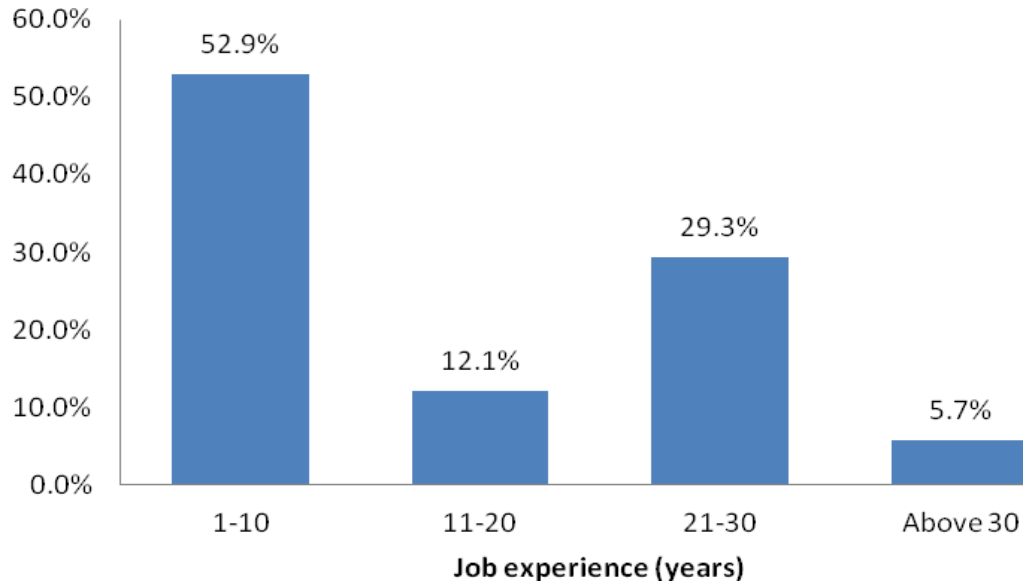
Figure 4.4: Distribution of Respondents based on Job Experience (n=140)

The survey found differences in job experience among the respondents. Most (52.9%) of respondents had 1 to 10 years of service, followed (29.3%) by those who had 21 to 30 years of service. Other (12.1%) had job experience of 11 to 20 years, and a small number (5.7%) of employees had above 30 years of service. However, the minimum and maximum year of service for employees was 1 and 36 years. The average job experience was 13.45 years, having a standard deviation of 10.77.

4.3 Staff Competencies on Utilization of Performance Management System

Competencies of staff have been explained by assessing three aspects including the employee's ability to prepare his or her work plan, employee familiarity with organization goals and objectives, and employee ability to adapt the organization action plan in his or her work plan. The assessment undertaken by the study is in line with the United Nations Industrial Development Organization (UNIDO, 2002)

definition of competency as a set of skills, related knowledge and attributes that allow an individual to perform a task or activity within a specific function or job. If an individual possesses these three elements of competency they can effectively perform duties as required by the specific job. However, staff competencies have been detailed explained in sub-sections 4.2.1, 4.2.2 and 4.2.3.

4.3.1 Ability to Prepare Work Plans

Table 4.2: Employees' Abilities in Preparing Work Plans

Indicator	Frequency	Percent
Less	7	5.1
Average	56	40.9
Very much	74	54
Total	**137**	**100**

Based on the ability to prepare work plans, most (54%) of employees agree that they are able to prepare their individual work plans. Many other (40.9%) employees also showed as they are moderately competent in preparing work plans. However, very few (5.1%) employees responded that they are less competent in preparing individual work plans. Based on these findings, TANESCO employees are able to prepare their individual work plans which can guide the implementation of their activities assigned by the company and efficient use of resources.

4.3.2 Familiarity with Organization Goals and Objectives
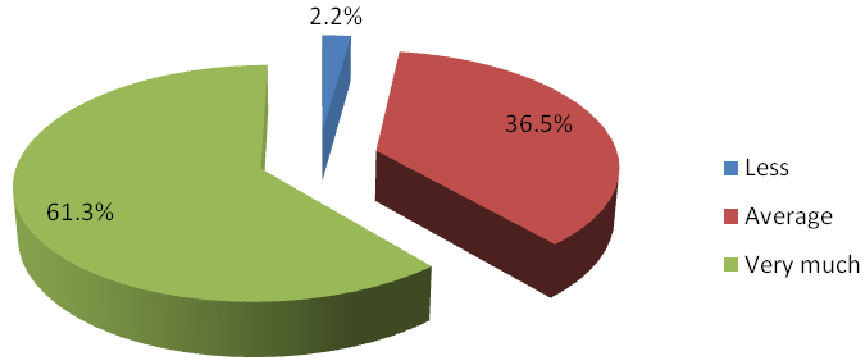
Figure 4.5: Employee Familiarities with Organization Goals and Objectives (n=137)

The survey found that most (61.3%) of employees are very much familiar with the organization goals and objectives. Other employees are moderately familiar with the organization goals and objectives. Only few employees found to be less familiar with the organization goals and objectives. Understanding the organization goals and objectives makes more possible for employees to prepare their individual work plans and filling appraisal forms accurately.

4.3.3 Employees' Ability to Adapt the Organizational Action Plan

The study assessed the abilities of TANESCO employees in adapting the organization plan in their individual work plans. The response has been shown in figure 4.6.
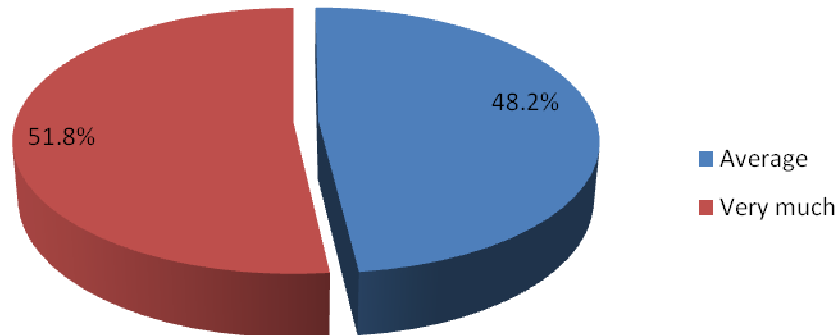
Figure 4.6: Employees Abilities to Adapt the Organizational Action Plan (n=137)

The findings in figure 7 show that some respondents demonstrated as they can effectively adapt the organization action plan in preparing their individual work plans. Other responded that they their abilities in adapting the organization action plans are moderate. In overall, the findings reveal that TANESCO employees understand to incorporate the organization action plan in their individual work plans.

4.4 Availability of Performance Management System Facilities

The study intended to assess if the facilities for performance management system are adequate and provided on time to TANESCO employees so that they can accomplish their assigned activities as planned. Based on the adequacy of PMS facilities, the findings in figure 8 show that, the majority (89%) of respondents demonstrated that facilities for PMS are not sufficient. They clarified that they lack distribution materials, motorcycles, motor vehicles and other tools which can help them to effectively accomplish what have been stipulated in their individual action plans.
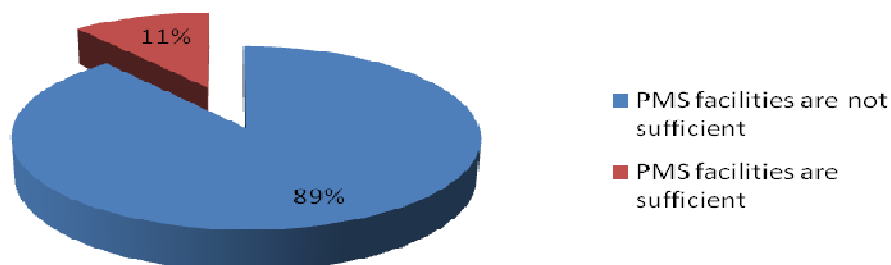
Figure 4.7: Employee Response on the Sufficiency of PMS Facilities (n=137)

On the other hand, majority (56.9%) of employees agreed that PMS facilities are provided on time (Table 6). But 43.1% realized that the facilities for PMS are not provided on time. Employees further clarified that delaying providing facilities required, results to ineffective implementation of performance management system. This makes employee to implement his or her responsibilities less effective and less efficiency, and this usually results to poor employee performance.

Table 4.3: Employees Opinions on if PMS Facilities are Provided by TANESCO on Time

Indicators	Frequency	Percent
If PMS facilities are provided on time	78	56.9
If PMS facilities are not provided on time	59	43.1
Total	**137**	**100**

4.5 Adherence to PMS among Staff and Management

Staff and management adherence to performance management system was assessed through focusing on arrangement of feedback meetings, reporting activities among employees, fairness of the appraisal system, preparation and submission of work plans among employees and filling the appraisal forms. (Stevers and Joyce 2000) confirm that organizations need to figure out strategies for identifying, encouraging, measuring, evaluating, improving and rewarding employees' performance at work. According to this respect, performance management and appraisal systems have come to play an indispensable role in helping organizations to reach their goals of productivity. Based on the results, these PMS aspects have been detailed explained in sub-sections 4.5.1, 4.5.2, 4.5.3 and 4.5.4.

4.5.1 Feedback Meetings

When assessing if the management used to arrange feedback meetings to discuss implementation of activities and address challenges which have been facing employees, the study found that majority (78.1%) of employees realized that the management used to conduct feedback meetings with employees (Figure 9). Other (21.9%) employees demonstrated differently as the management never arrange feedback meetings to discuss their job affairs and address challenges they face. Lawler (2003) supports that performance management effectiveness increases when there is ongoing feedback, behavior-based measures are used and preset goals and trained raters are employed.
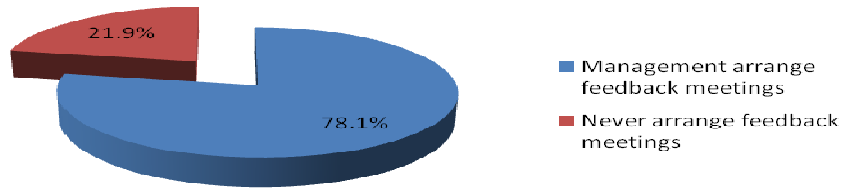
Figure 4.8: Response of Employees on Arrangements of Feedback Meetings

   (n=137)

Moreover, employees who realized that feedback meetings have been conducted demonstrated variations of frequencies in which feedback meeting are held (Figure 10). The results show that majority (40.9%) of respondents demonstrated average frequency interval of conducting feedback meetings. Many others (34.3%) demonstrated that the feedback meetings have been conducted frequently. About 17.5% of the respondents realized that feedback meetings are rarely conducted. Feedback meetings arranged by the management in appropriate time contribute to address the shortcomings which might be happened following employee implementation of activities.
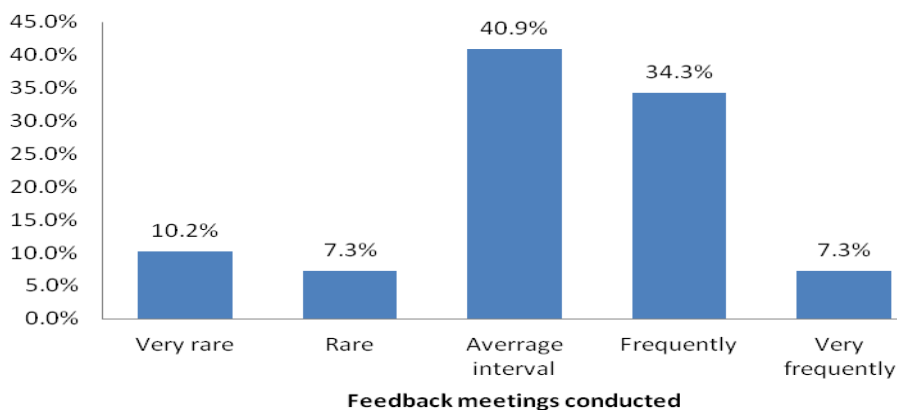
Figure 4.8: Frequency of Arrangement of Feedback Meetings (n=107)

In support of the study findings, Wexley (1986) and Cederblom (1982) assert that for the feedback process to work well, experienced practitioners have advocated that it must be a two-way communication process and a joint responsibility of managers and employees, not just the managers to allow conversations concerning their job matters. Pulakos (2004) adds that having effective, ongoing performance conversations between managers and employees is probably the single most important determinant of whether or not a performance management system will achieve its maximum benefits from a coaching and development perspective.

4.5.2 Reporting Activities

In reporting activities, employees demonstrated that they used to report the activities they implement. However, 6.6% of employees are rarely reported the activities they are doing (Figure 11). Reporting activities among the employees is a way of tracing the employee performance, according to the objectives and performance indicators outlined in his or her appraisal form. Reporting also makes possible for the management to address the shortcomings which hinder employee performance.

According to Lawler (2003), individual employees must build a performance culture in which reporting activities, developing skills and helping implement business strategies are among the aspects in attaining employee and organizational performance.
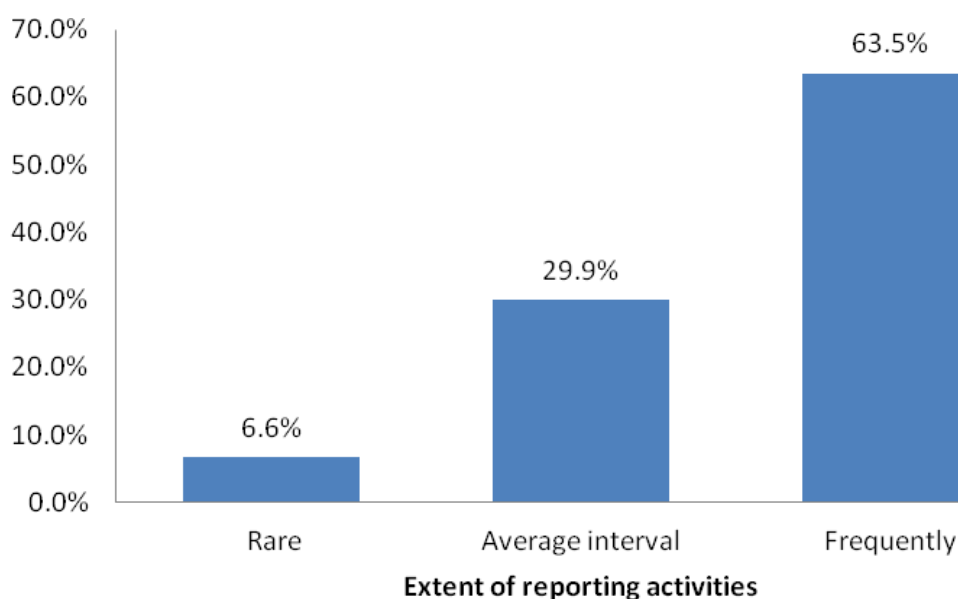
Figure 4.9: Response on Reporting the Implementation of Activities (n=137)

4.5.3 Fairness of the Evaluation Based on Appraisal System

Table 4.4: Response on fairness of the evaluation based on appraisal system (n=137)

Fairness of the appraisal system	Frequency	Percent
Strongly disagree	15	10.9
Disagree	37	27.1
Neutral	58	42.3
Agree	19	13.9
Strongly agree	8	5.8
Total	**137**	**100**

The study assessed on if the appraisal system is fair to the employees. The findings in table 7 show that majority of employees participated in the survey have realized that the evaluation of employee performance based on the appraisal system is neither fair nor unfair. Other than neutral response, many other (38%) employees demonstrated

that the evaluation of employee performance based on the appraisal system is unfair (Table 7). The study done by Matiza (2001) reported similar with this study that performance appraisal is viewed with mixed feelings in Zimbabwe, the majority of them negative. Mandishona (2003) indicates the survival of the organisation and good service delivery is dependent on how employees perceive the whole system. There should be a win-win situation between the employer and employees.

Therefore, fair evaluation of the employee performance based on the appraisal system encourages employees to effectively and efficiently perform their assigned activities. This will as well contribute to the overall performance of TANESCO. Pulakos (2004) noted that when a performance management system is used for decision-making, the appraisal information is used as a basis for pay increases, promotions, transfers, assignments, reductions in force or other administrative HR actions. Therefore, the appraisal information should be fairly evaluated to generate relevant information about employee performance for a fair decision-making concerning the employee.

4.5.4 Preparation and Adherence to Work Plans and Appraisal System

(a) Views given by Human Resource Officers

When interviewed, all 3 human resource officers responded that majority of employees prepare work plans. But the work plans have been submitted late after the deadline, and most of the time the plans are not followed by the employees. Failure to follow the work plans contributes to the management fail to track the progress of the employee performance. In order to identify if employees prepare work plans, 66.7% of human resources participated in the survey demonstrated that all TANESCO employees prepare their individual work plans to guide their implementation of

assigned activities. However, many employees are less competent in preparing work plans (Figure 4.10). In relation to the study findings, Pulakos (2004) suggesting that at the beginning of the performance management cycle, it is important to review with employees their performance expectations, including both the behaviors employees are expected to exhibit and the results they are expected to achieve during the upcoming rating cycle. Behaviours including their competencies are important because they reflect how an employee goes about getting the job done, such as how the individual can prepare plans, supports the team, communicates, mentor others and so forth.

On the other hand, 66.7% of human resource officers have realized that work plans which have been prepared by employees adopt the organizational goals and objectives (Figure 12). Implementation of employee individual work plans which are congruent to the organizational goals and objectives have contribution to the overall performance of the organization in delivering services.
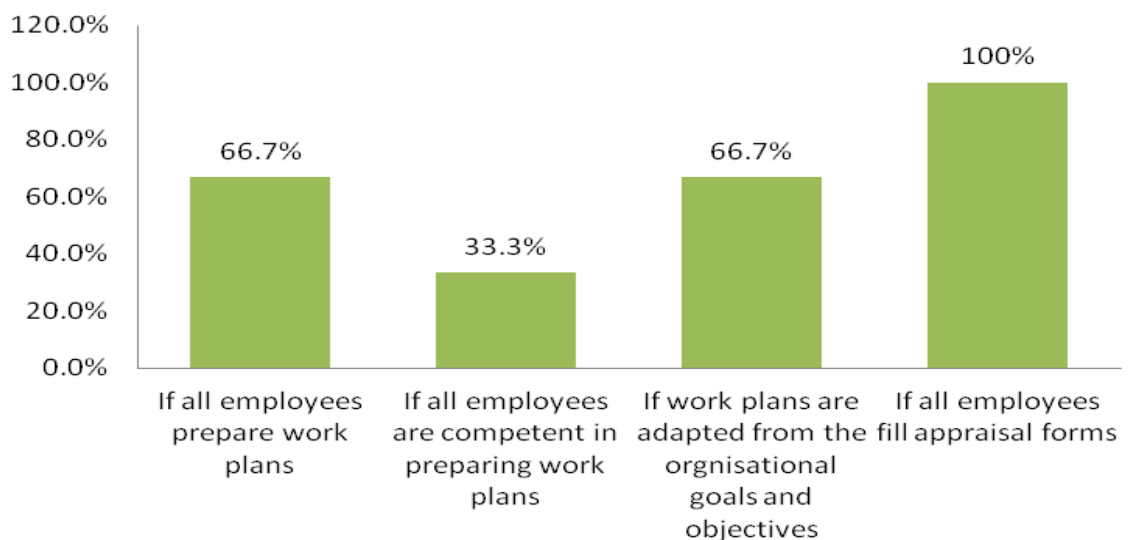
Figure 4.10: HRO Response on Employee Adherence to Appraisal and Work Plans (n=3)

In identifying on if employees fill the appraisal forms, the findings in figure 12 demonstrate that all employees fill appraisal forms when required to do so. Filling appraisal form is important to the management and employees since it makes possible to assess the accomplishment of tasks as per employee work plan. Also, appraisal forms make possible to evaluate the performance of individual employee and ultimately award him or her accordingly.

(b) Views given by Employees
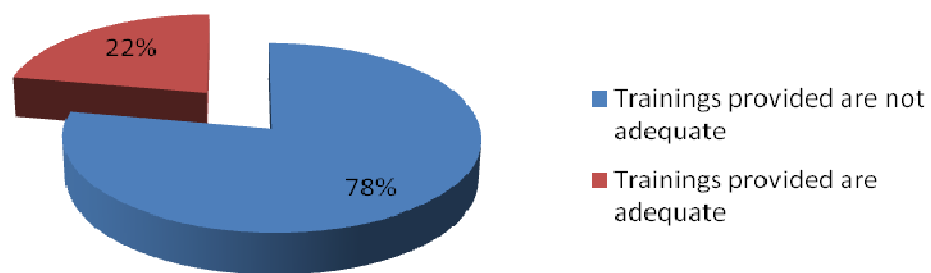
Figure 4.3: Adequacy of Trainings to Adhere Employee Work Plans (n=137)

When required to give their views on if the trainings provided to enhance their skill are sufficient, most (78%) of employees participated in the survey viewed that the trainings for capacity building organized by the management are not adequate. Trainings are provided to a few employees and they are provided in a long interval of time while challenges involving their skills are frequently happening. Regular provision of in-service training to employees is important since it helps them to address challenges resulted caused by inadequate skills to manage the implementation

of their activities. Similarly, Black and Lynch (1996) suggest that the training courses that are offered by organizations must be designed through considering the present and future needs of the employees and facilitate the learning of these skills. A good training or coaching course should improve the quantity and quality of organizations output; increase the chance of organizational success; decrease the organizational costs and expenses.

CHAPTER FIVE

5.0 CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

With no doubt, performance management system plays a great function in reaching organization performance including the performance of TANESCO. Employees are familiar with the organization goals and objectives and, therefore, have the ability to adapt organizational action plans. However, performance management facilities such as distribution materials, and other working tools including means of transport are inadequate to efficiently and effectively implement employee's work plans. In order to adhere to performance management system, the company management normally arranges and conducts feedback meetings with employees so as to address challenges which face employees and track achievements. On the other hand, employees adhere to the performance management system through preparation and submission of work plans, and filling the appraisal forms. However, most of employees work plans are submitted late after the deadline. Also, employees are less participating in trainings which aim at enhancing their capabilities to effectively and efficiently implement their assigned activities. Moreover, employees perceive the performance evaluation through the appraisal system as less fair to decide their work performance.

5.2 Recommendations

The recommendations of the study are directed to the organizational management, human resource management, individual employees and areas of further research. The recommendations are based on the results and conclusion as presented in the following in sub-sections 5.2.1, 5.2.2 and 5.2.3.

5.2.1 To Human Resource Managers

i. Human resources are advised to arrange a strategic plan for training employees. Regular trainings which will be provided to employees will help employees to effectively utilize the performance management system of the company.

ii. Company management are supposed to make sure that facilities required by employees in order to utilize the performance management system are available and in adequate quantities. This will enhance the utilization of performance management system among employees.

iii. Human resource department must build good supervisory relationship and allow a fair evaluation of employee performance based on the appraisal system. Good supervisory relationship and fair evaluation of the performance motivate employees to implement their tasks efficiently and effectively.

iv. A close follow up of the management to the employees is recommended so as employees can properly prepare work plans and submit plans on time. This will ensure employees start implementing their plans on time.

v. Human resource department and Regional Managements are supposed to arrange and conduct regular feedback meetings. This will allow addressing challenges which face employees and management on time.

5.2.2 To Employees

i. TANESCO employees are obliged to fulfill their responsibilities such as to be eager to attend trainings, perform their works and fill appraisal forms as directed by the human resource department.

ii. Employees are supposed to be ready to give feedback of their assigned work through attending meetings and face to face discussion with the management. This will enhance employee performance and the performance of the organization as a whole.

5.2.3 Areas for Further Research

The study is recommending the following area for further research:

- Demographic and motivational factors influencing level of adoption of performance management system for TANESCO employees. Such a study can guide the company management to improve the performance management system based on different influencing factors which govern employees.

- Behavioural factors contributing to the successful utilization of performance management system in TANESCO.

- Effectiveness of the performance appraisal system on employee performance in TANESCO.

- Management factors contributing to effective employee utilization of performance management system in TANESCO.

- Effective performance management system on increase of profitability in TANESCO.

- Employee satisfaction with performance appraisals and appraisers. A case of TANESCO performance management system.

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APPENDICES

Appendix 1: Background Information of Respondents

1. Sex of the respondent

a) Male   b) Female   ( )

2. Marital status of the respondent

a) Not yet married   b) Married

c) Widow   c) Divorced   ( )

3. What is your age?   ………………… years.

4. What is your household size? ………………………….

5. What is your level of education?

a) No formal education   b) Primary education

c) Secondary education   d) Post secondary education   ( )

6. If post secondary education, mention your highest level.

……………………………………………………………………………………

7. What is your position in the organization
………………………………………..

8. What is your work experience in the organization? …………………..years.

Appendix 2: Checklist for Focus Group Discussions (FGDs) with employees

1. To what extent does your organization provide trainings on performance management system (PMS)?

2. How trainings helped you to improve your skill on utilization of PMS to your job?

3. What is the availability of PMS facilities to ensure improvement of your performance?

4. Justify the usefulness of the appraisal system in evaluating employee work performance.

Appendix 3: Checklist for Interview with employees

1. Are the PMS facilities provided on time? Please justify.

2. Are the PMS facilities sufficient to accomplish the organization's activities you have assigned?

3. To what extent are you capable in preparing work plans?

4. Is work plan important for you in the implementation of day to day organization activities?

5. To what extent the evaluation of appraisal system is fair to you?

6. Does the management arrange feedback meeting to oversee the extent of implementation of employee activities?

7. How frequently does the management arrange feedback meeting with staff?

8. To what extent the feedback meetings have contribution in the improvement of your work performance?

9. How frequently do you report the implementation of your activities assigned by the organization?

10. To what extent you are familiar with organization's goals?

11. To what extent your work plan is congruent to the organization goals and objectives?

Appendix 4: Checklist for Key informant interview with Human Resource Official

1. Do all employees prepare work plans?

2. Do employees competent in preparing work plans?

3. Do the work plans congruent to organization goals and objectives?

4. Do all employees fill appraisal form?

5. Are the appraisal forms filled by employees on time?

6. To what extent the employees participate in the evaluation of their appraisal forms?

7. How does the management develop skills of staff in utilizing PMS?