

The Relationship between Performance Planning and Employee Performance at East African Community Secretariat in Arusha, Tanzania

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Abstract: Several studies link employee performance management planning to employee performance. Since the ultimate goal of performance management is to improve organizational performance, there is no doubt that it is associated with employee performance. This study therefore sought to establish the relationship between performance management planning and employee performance in EAC Secretariat. A cross-sectional study design was adopted, hinged on the quantitative and quantitative approaches. The study covered a simple random sample of 57 respondents comprising employees of East African Secretariat. Data were collected by means of a semi-structured survey questionnaire. Data analysis was done using descriptive and inferential statistical tools. The study revealed that performance management planning had a positive and statistically significant relationship with employee performance, with Pearson correlation values of 0.529**. The regression analysis affirmed the correlation results, showing that performance management planning caused variations in employee performance by 58.8%. On the basis of the findings, the study concludes that properly designed performance management plans are essential for employee performance. It is clear from the study findings that when employee are involved in performance planning especially in setting performance objectives and targets and are given clear information of performance expectations, their performance is higher. It is therefore recommended that management of EAC Secretariat puts in place mechanisms to ensure effective performance planning and have clearly documented performance plans for all employees.

Keywords: Performance management planning, objective and target setting, employee performance, organizational performance.

1. INTRODUCTION

Employee performance management planning is directly linked to employee performance. In the same breath, effective employee performance will have a positive effect on organizational performance. This implies that performance management planning plays a critical and significant role in influencing employee performance as supported by Bekele *et al.* (2014).

Performance management deals with the challenges organizations face in defining, planning and implementing employee performance programmes with the objective of improving organizational performance. Thus, performance management involves multiple levels of analysis and is clearly linked to strategic human resource management as well as performance appraisal (Hartog *et al.*, 2004). Performance management planning is also associated with creating a shared vision of the purpose and aims of the organization, helping each individual employee to understand and recognize their part in contributing to the goals and, in so doing, it helps manage and enhance employee and organizational performance (Fletcher and Williams, 1996).

Armstrong (2006) argues that employee performance is an essential aspect of human resource management in any organization. The evolution of performance management can be traced back to the period of World War I; from the works of Scott, though his contribution was not widely recognized, not until later in the century, when more businesses started considering more formal performance management and appraisal systems. As such, by mid 1950s, performance management systems had started gaining prominence. In the 1960s, there was greater focus on an individual's capability for the future, as opposed to a person's competence at the time of appraisal. Armstrong (2006) argues that performance management serves the purpose of getting better results from the entire organization, or teams and individuals within it, by understanding and managing performance within an agreed framework of planned goals, standards and competence requirements. A performance management planning system therefore refers to creation of a system that ensures proper identification of performance goals and objectives, monitoring and review of employee performance and instituting a system for rewarding and developing employee performance.

Therefore, performance management planning is about setting performance goals and expectations that individual employees can direct their efforts towards achieving organizational goals and objectives. This view is hinged on the idea that when employees are effectively involved in the process of planning, they are able to understand the organizational goals, what should be done, when and how it should be done.

The East African Community (EAC) Secretariat, just like many other organizations, is confronted with the need to ensure that employees therein produce value for their time in the organization, so as to meet the ever growing demands of serving the Community. This made it imperative for the human resources department to come up with various measures and strategies to develop rigorous performance management systems, in order to drive up employee performance levels, ensure their commitment to work, with a view to enhancing the overall performance of the Secretariat.

Research Purpose:

The purpose of the study was to determine the relationship between performance planning and employee performance in East African Community Secretariat in Arusha, Tanzania. Specifically the study sought to establish how participatory planning, clarification of objectives, target setting, and information sharing on expectations influence employee performance.

2. RESEARCH METHODS

This study adopted a cross-sectional design which facilitates the collection of data at a particular time across categories of respondents. Further, the design allowed collection of detailed data to understand fully how performance planning correlated with employee performance. It was equally anticipated that given the limited period within which the study had to be conducted, the cross-sectional design was the most suitable one. Data was collected from 57 respondents; employees of East African Community Secretariat using both questionnaires and interviews. Data analysis was done both qualitatively and quantitatively; for qualitative data, analysis took the form of thematic content analysis. Quantitative data was analyzed through descriptive and inferential statistics. Whereas descriptive statistics were used to determine variable status, inferential statistics namely correlation and regression were used to determine and explain variable relationships and make inferences on the study results.

3. RESULTS AND DISCUSSION

Response rate:

Out of the 57 target respondents, 50 respondents fully filled and returned the questionnaires translating into a response rate of 87.7%. According to Amin (2005), a response rate of 50% or more is considered sufficient. Against that background, the registered response rate of 87.7% was considered adequate for this study and representative of the views of staff in EAC Secretariat concerning performance management planning and employee performance.

The Relationship between Performance Management Planning and Employee Performance:

As presented in Table 1, nearly all respondents affirmed the statements on performance management planning, clearly indicating that there was a general consensus on the contribution of performance planning towards employee performance. Most significantly were the mean scores of 4.14 against the statement that performance planning has an influence on employee performance; mean score of 4.10 indicating that majority of the respondents had a clear understanding of the goals of the Secretariat; and mean score of 4.08 indicating that majority of the respondents participated in setting own performance goals.

Further, when respondents were asked whether performance planning is necessary to improve employee performance, 92% agreed while only 8% indicated otherwise. The finding clearly implies that employee considered performance planning as an essential ingredient to employee performance at the Secretariat.

Table 1: Descriptive statistics on Performance Management Planning and employee Performance:

Statements on performance planning	Min	Max	Mean	Std. Dev.
I participate in setting my performance goals	1	5	4.08	.975
HR at EAC Secretariat takes the initiative to clarify the purpose, values and strategy of the Secretariat to the staff	1	5	3.04	.978
Employees in EAC Secretariat know that they need to perform their job effectively	2	5	3.92	.862
EAC Secretariat makes efforts for establishing employee performance expectations	1	5	3.24	.879
The performance standards at EAC Secretariat are clear, understandable, measurable and achievable	1	5	3.00	.857
Supervisors at EAC secretariat regularly meet with their employees to discuss job duties and objectives	1	5	2.94	.922
At EAC Secretariat, work is usually planned out in advance	2	5	3.74	.751
EAC Secretariat has clear strategies for effective engagement of staff as part of performance planning	1	4	2.96	.763
There are efforts to set out behavioral and results expectations for performance	1	5	2.88	1.003
As an employee of EAC Secretariat, I have a clear understanding of the goals of the secretariat	1	5	4.10	.931
Performance management planning has an influence on employee performance	1	5	4.14	1.414
My work performance has been as a result of planning that takes place before I start working	1	5	3.68	1.220

However, while the quantitative results indicate that the respondents fully appreciate the role of performance management planning in enhancing employee performance, responses to the interview questions revealed that there were key gaps in terms of performance planning at the Secretariat. For instance, some respondents decried the fact that performance planning, for in some instances was simply a formality. To some, it was just a ritual performed towards the end of one's contract and therefore did not seem to add much meaning. A key informant was quoted thus;

"Sometimes we have performance plans in some departments but these are not followed through by top management. In fact the entire performance management system at EAC is not clear and has no direct relation to employee performance. Planning for performance is not effective since staff are not involved in the process but simply left to set their own goals without discussing with the supervisors".

From the key informant's view, it was highlighted that while the role of performance management planning cannot be underscored, the practice of the same in EAC Secretariat falls short of the ideal. For some of the respondents, the fact that performance planning did not translate into any promotion; in case of outstanding performance or reprimand in the event of poor performance, it was considered as a formality that was not exactly necessary. Moreover, there was also a concern from some respondents that the exercise had no support from top management, which made it even weaker and hard to enforce.

Correlation between Performance Management Planning and Employee Performance:

Correlation was conducted in order to establish the relationship between performance management planning and employee performance. As presented in Table 2, the study revealed that performance planning had a Pearson correlation coefficient (r) of 0.529. The significance (p) corresponding to the correlation was 0.000, significant at 0.01 level (99% confidence level). The result indicates that there was a positive and moderate correlation between performance planning and employee performance, implying that enhanced performance planning could have a positive bearing on employee performance, other factors being constant. The positive correlation also means that better performance planning would be associated with improved employee performance and the reverse is true.

Table 2: Correlation statistics for performance management planning and employee performance

		Employee Performance
Performance planning	Pearson Correlation	.529**
	Sig. (2-tailed)	.000
	N	50

** . Correlation is significant at the 0.01 level (2-tailed).

Regression analysis on Performance Management Planning and Employee Performance:

Since the Pearson correlation posted a positive and statistically significant result, the finding was further subjected to a regression analysis test, so as to establish the effect of performance planning on employee performance (Table 3).

Table 3: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.529 ^a	.280	.265	.42370

a. Predictors: (Constant), Planning

According to the study findings, R is .529, R² is .280; adjusted R² is .265 and error of the estimate is at .42370. The study therefore revealed that performance planning explained 26.5% variance in employee performance, as evidenced from the adjusted R Square. The rest of the variation could be attributable to other factors not considered in this study.

The findings were further subjected to test of analysis of variance (ANOVA test). Results in Table 4 show that the significance (Sig. = .000) of the Fishers ratio (F = 18.641) was smaller than the critical significance at .05. The result meant that performance planning is a significant predictor of employee performance in EAC Secretariat. From the correlation and regression results, it can be inferred that there is a significant and positive relationship between performance planning and employee performance at EAC Secretariat.

Table 4: ANOVA Test

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3.347	1	3.347	18.641	.000 ^a
	Residual	8.617	48	.180		
	Total	11.964	49			

a. Predictors: (Constant), Planning; b. Dependent Variable: performance

The findings in Table 5 suggest that performance management planning has a significant and positive effect on employee performance (t 4.318; Sig. = .000). The findings further imply that the independent variable – performance management planning is a good predictor of employee performance ($\beta = .529$; sig. = .000). The implication is that for each unit of effort invested in performance planning, there is possibility that employee performance increases by .529 units and vice versa. This indicates that enhancing performance planning significantly affects employee performance in EAC Secretariat. Therefore, the hypothesis which stated that ‘Performance management planning has no significant effect on employee performance’ was rejected.

Table 5: Regression coefficients

Model		Unstandardized coefficients		Standardized coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.413	.409		3.458	.001
	Planning	.502	.116	.529	4.318	.000

a. Dependent Variable: performance; a. Predictors: (Constant), Planning

It is noted that though there were efforts to make performance plans, the exercise was more of a ritual since the plans were never followed through and as such, there was no coordination between the plans made and the actual performance of the employees. For performance planning to be effective, the environment should also be supportive; otherwise, the plans will only remain on paper, with no tangible benefit in terms of performance. The practice at EAC Secretariat, as revealed from the findings, was having performance plans for compliance’s sake. Indeed, some respondents revealed that the idea of performance planning mostly comes up when an employee is applying for renewal of contract, which happens after five years. This is a clear demonstration that performance planning at EAC Secretariat is more of a formality and in this respect; it may bear no tangible results in terms of employee performance.

Employee Performance:

As shown in Table 6, with the exception of two items, all the items on employee performance showed mean responses above 3.0, implying that most respondents were in agreement with most of the opinion statements presented to them. Further, the results imply that the performance management planning system in place was very instrumental to high employee performance.

Table 6: Descriptive statistics on employee performance

Statements on employee performance	Min	Max	Mean	Std. Dev.
EAC employees endeavour to offer excellent service to both internal and external customers	2	5	4.14	.729
There is efficiency in delivery of services at EAC Secretariat	2	5	3.39	.862
The service delivery at EAC Secretariat meets the desirable quality	2	5	3.44	.823
There is speedy and timely delivery of services by EAC Secretariat employees	1	5	3.14	.881
Employees at EAC Secretariat are highly innovative in the execution of their duties	1	4	3.12	.781
EAC Secretariat employees always meet the set targets for their work	2	5	3.22	.797
EAC Secretariat employees execute their work schedules and activities in a timely manner	2	5	3.16	.874
EAC Secretariat staff are always conscious about timeliness of their output	1	5	3.51	.938
I always meet my work expectations	2	5	3.60	.903
I have been rewarded severally for achieving my targets	1	4	1.90	.839

4. CONCLUSIONS

It can be concluded from the study findings that for effective employee performance, performance planning is requisite so as to clarify goals and employee expectations. Besides, performance management planning helps to reveal to employees what they need to do and how they have to do it. However, it is important that designed plans are followed through, if they are to be linked to employee performance outcomes. Once performance management planning is perceived as a mere formality, there is no way it can bear fruits in terms of enhanced employee performance.

Notably also, performance management planning that has a positive bearing on employee performance, needs to be conducted in such a manner that all employees are fully involved in the exercise. This means that it should be an exercise involving both supervisors and supervisees. Setting performance goals which are not discussed with the supervisors can only be an exercise in futility as there cannot be a clear mechanism as to how performance standards will be enforced.

5. RECOMMENDATIONS

Based on the study findings, EAC Secretariat leadership needs to have in place mechanisms to ensure proper performance planning. In this case, the designed strategy should be one that brings together both supervisors and employees to jointly develop performance plans and set performance goals which should be shared and agreed upon by both supervisors and supervisees.

The Human Resources office of EAC Secretariat should come up with a clear strategy within which performance issues are addressed. This should involve proper orientation of employees on the need for performance planning. Besides, there should be a clear mechanism of documenting and following up on the developed performance plans at an agreed upon interval.

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