BINDURA UNIVERSITY OF SCIENCE EDUCATION

DEPARTMENT OF ACCOUNTING

THE SIGNIFICANCE OF PERFORMANCE MANAGEMENT SYSTEMS ON OVERALL BUSINESS PERFORMANCE: CASE STUDY OF FAST FOOD INDUSTRY IN ZIMBABWE.

BY

BRAVE NYAGUMBO

B200644B

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Student Signature……………………. Date………10/15/2024……………………

Permanent address: 32 Mutatarimbo

Mufakose

Harare

Zimbabwe

APPROVAL FORM

The undersigned certify that they have read and recommended to the Bindura University of Science Education for acceptance, a project titled, “The significance of performance management systems on overall business performance: case study of Fast Food Industry in Zimbabwe”, submitted by **Brave Nyagumbo B200644B** in partial fulfilment of the requirements of the Bachelor of Accountancy Honors Degree.

………………………………………….. …..10/15/2024.......

(Student Signature) Date

Supervisor .....Mr. O. Manyani

………………………………………… ……10/15/24……..

(Signature of Supervisor) Date

Chairperson ......Mr. O. Manyani

………………………………………… ……10/15/2024.....

(Signature of Chairperson) Date

Examiner ....

……………………………………..... ………/……...../…………..

[Signature of the Examiner (s)] Date

DEDICATION

I dedicate this dissertation to my dear family, friends and my dear future wife. Your support, love and your prayers kept me brave and strong. Also to the Almighty God for his love, wisdom, guidance and grace throughout the study.

ABSTRACT

This research study investigates the relationship between performance management systems and organizational performance in the fast food industry. It has been noted that despite the prevalence of modern performance management systems, many firms in the fast food industry still faced risks of closure and struggles in their corporate performance. Data was collected from a sample 130 employees from 13 different fast food hotels, restaurants, and other eateries in Harare. The study utilizes a mixed-methods approach, combining quantitative data analysis from survey questionnaires and qualitative data analysis from interviews. The last chapter of this study presents the research findings, conclusions, and recommendations. The analysis of quantitative data reveals that goal setting, performance measurement and feedback, training and development, and rewards and recognition are significantly associated with improved organizational performance. These findings are further supported by the thematic analysis of qualitative data, which emphasizes the importance of clear goal setting, regular feedback, training and growth opportunities, and fair rewards and recognition systems. Based on the research findings, recommendations are provided for companies aiming to enhance their business performance through effective performance management systems. These recommendations include investing in the development and implementation of effective systems, aligning them with corporate goals and targets, providing regular and constructive feedback to employees, offering career-aligned training and development opportunities, and ensuring fair and equitable rewards and recognition. While this study focuses on the fast food industry in Harare, Zimbabwe, it suggests further research to be conducted nationally and cross-industry to draw more comprehensive conclusions. Additionally, exploring factors facilitating and impeding the successful implementation of performance management systems in Zimbabwean organizations is recommended for future studies.

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CHAPTER I

INTRODUCTION

1.1 Background of the study

Performance Management Systems (PMS) are crucial processes and practices that organizations implement to identify, evaluate, and assess performance and results in relation to strategic goals and objectives (Moullin, 2017). These systems play a vital role in driving business success, performance, and goal achievement in the fast food industry, which is highly sensitive to competition, consumer preferences, and dynamic changes in the business environment.

In the fast food industry, an effective PMS ensures that employees, managers, and owners are taking essential actions to meet organizational overall goals and objectives (Sales, 2019). While financial and productivity performance has traditionally been the focus, PMS have evolved to encompass effectiveness, efficiency, customer satisfaction, employee satisfaction, quality, and innovation (Mohammad, 2018).

The success or failure of a company heavily relies on the proficiency of management in evaluating performance (Razack and Uphadya, n.d). Poor performance management practices can lead to difficulties in handling poor performance and may result in misleading indications of success. Therefore, it is crucial to have effective performance management systems in place to drive business success and goal achievement.

In the present highly competitive and ever-changing business landscape, organizations acknowledge the importance of Performance Management Practices (PMPs) in improving employee productivity, aligning individual and organizational objectives, and promoting a culture of ongoing enhancement (Kaupa and Atiku, 2020). These practices include goal-setting, performance measurement, feedback, and development planning.

Although previous research has investigated the influence of PMS on workers' performance and motivation, further research is needed to examine their effect on overall business performance outcomes in the fast food industry. Most existing research has focused on individual-level outcomes, such as employee engagement and job satisfaction, with limited attention given to the broader organizational impact of these systems. Additionally, there is a lack of studies examining the context of performance management in the fast food business environment of Zimbabwe.

Therefore, future research should consider the specific effects of performance management systems on overall business performance in the fast food industry (Kaupa & Atiku, 2020). This research should also take into account the unique challenges and opportunities present in the fast food business environment of Zimbabwe. By gaining a deeper understanding of the impact of PMS on organizational outcomes, fast food businesses can enhance their performance, competitiveness, and success in this dynamic industry.

1.2 Statement of the problem

The success of a business goes beyond just making profits or outperforming competitors. It requires firms to continuously adapt their strategies, plans, and management approach to keep pace with the ever-evolving market changes. In the fast-food industry, significant dynamics have emerged, compelling organizations to align themselves with new industry demands. Regrettably, numerous lodging, eatery, and other nourishment outlets in this sector, including Kingdom Hotel, Iconic Zimbabwe, Kelly's Chicken, as well as certain branches and units of African Sun Hotels and Rainbow Tourism Group, have encountered substantial challenges and faced the imminent threat of closure due to their inability to swiftly adapt. This struggle is exacerbated by the presence of inadequate performance management systems, which have contributed to the overall risk of closure for these businesses. Recent audit opinions from leading companies in the fast-food industry, such as Simbisa Brands Zimbabwe, African Sun, and Rainbow Tourism Group, have revealed material misstatements or non-compliance issues, indicating poor performance or the absence of effective performance management systems.

This dissertation aims to address these critical research gaps by investigating the effects of Performance Management Systems (PMS) on the overall business performance of Zimbabwean firms. Specifically, the research will analyze how performance management practices, including goal alignment, performance measurement, feedback systems, strategies, and employee development, contribute to enhancing organizational effectiveness, profitability, and establishing a sustainable competitive advantage. By exploring the connection between performance management systems and business performance, this research will offer valuable insights for organizations in Zimbabwe seeking to optimize their performance management practices.

1.3 Research Objectives

1. To evaluate the existing performance management systems in organizations in Zimbabwe. This includes analyzing the level of alignment with organizational goals, the methods used for measuring performance, and the mechanisms for providing feedback.

2. To explore the correlation between performance management systems and key indicators of business performance. This includes examining how performance management systems impact financial performance, customer satisfaction, and employee productivity.

3. To identify the factors that either facilitate or impede the successful execution of PMS in Zimbabwean organizations.

4. To propose recommendations and strategies for enhancing the effectiveness of PMPs in order to enhance business performance in Zimbabwean organizations.

1.4 Research Questions

1. What performance management systems are currently utilized in the fast food industry in Zimbabwe?

2. How do performance management systems influence the overall business performance of fast food establishments in Zimbabwe?

3. What are the primary obstacles encountered when implementing efficient performance management systems in the fast food industry in Zimbabwe?

4. What strategies can be employed to enhance the performance management systems and bolster organizational performance within the FFI in Zimbabwe?

1.5 Significance of the Study

The results of this research have significant implications for various stakeholders, including the industry itself, students, policy makers, and the university. Let's explore the significance of this research in more detail:

1.5.1 Fast Food Industry:

The fast food industry operates in a highly competitive and fast-paced environment, facing unique challenges. By examining the impact of performance management systems on business performance, this research provides valuable insights for fast food companies to enhance their operational efficiency, improve customer satisfaction, and achieve overall business success. The findings can guide industry practitioners in designing and implementing effective performance management practices that are specifically tailored to the needs of the fast food sector. Ultimately, this contributes to the growth and sustainability of the industry, leading to increased contributions to the country's GDP.

1.5.2 Students:

The project described here serves to enhance the understanding of performance management systems for researchers, complementing their theoretical knowledge with practical aspects. This study also offers students pursuing careers in the fast food industry or related fields a deeper understanding of how performance management systems impact business performance. By providing valuable knowledge and insights, the study enables students to make informed decisions and develop effective strategies to enhance organizational performance. Moreover, this research contributes to the existing body of knowledge in the field of performance management, making it a valuable resource for future scholarly research and academic pursuits.

1.5.3 Policy Makers:

Policy makers and regulatory bodies play a crucial role in shaping the business environment and promoting best practices within industries. The findings of this research project can inform policy makers about the significance of performance management systems in the fast food industry. This knowledge can guide the development of policies and guidelines that encourage organizations to implement robust performance management practices, leading to improved business performance, employee satisfaction, and customer experiences. Policy makers can utilize the study's recommendations to foster a supportive environment for the fast food industry, ultimately benefiting the economy as a whole.

1.5.4 Bindura University:

The significance of this research extends to the university itself, as it contributes to the institution's academic reputation by expanding the knowledge base of performance management and its effect on business performance. By conducting relevant and impactful research, the university demonstrates its commitment to addressing real-world challenges. Additionally, the findings of this study can be utilized in curriculum development, allowing the university to offer students up-to-date and practical knowledge in the area of performance management systems. This enhances the educational experience of students and increases their employability in the fast food industry and related sectors. Overall, the research not only benefits the academic community but also strengthens the university's standing and its ability to provide valuable education and training to its students.

1.6 Assumptions of the Study:

1. Ensuring the presence and implementation of performance management systems in the fast food organizations under examination. It is assumed that these organizations have diligently established and practiced performance management systems, and their employees are well-versed in and actively participate in these systems.

2. Trusting the reliability and authenticity of the data gathered from the participants, which include both employees and managers. The study assumes that the information collected accurately reflects their genuine perceptions and experiences concerning performance management systems and the overall business performance.

1.7 Delimitations:

1.7.1 Geographical Delimitation: This investigation particularly focuses on the fast foods sector in Zimbabwe. Thus, the discoveries might not be immediately relevant to nourishment businesses in other nations or areas. This is due to the potential divergence in cultural, regulatory, and market-related elements across diverse locations.

1.7.2 Organizational Size and Type: The study focuses on a particular segment or size of fast food organizations, such as multinational chains or local establishments. As a result, the findings may not fully represent the diverse range of organizational sizes or types within the fast food industry.

1.7.3 Time Constraints: The study is conducted within a specified time frame, which means that the findings may be limited to that particular period. Any changes in the industry, market conditions, or performance management practices that occur after the study may not be captured in the findings.

1.8 Limitations:

The study has may have the following limitations.

1.8.1 Sample size and generalizability: The research may be limited by the sample size and the specific fast food organizations included in the study. Therefore, the findings may not be generalizable to the entire fast food industry or other industries. This is because the study involves a limited number of participants or specific characteristics of the selected organizations.

1.8.2 Self-report bias: The reliance on self-reported information from respondents introduces the possibility of response bias or social desirability bias. This means that respondents might offer reactions that they believe are socially acceptable or that align with their own perceived expectations or the researcher's objectives. As a result, the accuracy and validity of the findings may be influenced.

1.8.3 Causality: Although the investigation explores the association between execution management systems and how businesses perform, it may not establish a causal relationship due to the cross-sectional nature of the research design. Other unmeasured factors or variables could possibly impact the observed relationships.

1.8.4 Exogenous factors: The examination may not completely consider external elements that could influence business execution, for example, economic fluctuations, industry patterns, or competitive dynamics. These factors could autonomously impact business execution, regardless of the execution management systems under investigation.

1.8.5 Research Bias: The researcher's own biases, perspectives, or experiences may influence the design, data collection, analysis, and interpretation of the study. However, efforts will be made to mitigate bias through rigorous research methods and the use of triangulation of data.

1.9 Abbreviations

PM: Performance Management

PMS: Performance Management Systems

PMP: Performance Management Practices

FFI: Fast Foods Industry

PMF: Performance Measurement and Feedback

RR: Rewards and Recognition

TD: Training and Development

FP: Financial Performance

OE: Operational Efficiency

EMYA: Employee of the Month/Year Awards

PEA: Performance Evaluation Accuracy

MBR: Merit-Based Raises

NMR: Non-Monetary Recognition

1.10 Definition of Terms

i. **Performance management**: is a systematic process involving planning, monitoring, and evaluation of individual, team and organizational performance to ensure effective achievement of goals and objectives (Aguinis, 2019), encompassing various activities like goal setting, performance measurement, performance feedback, training and development, and reward and recognition programs.

ii. **Performance measurement**: is a process which involves quantification and evaluation of individual, team or organizational performance using various distinct metrics and indicators (Chen and Cheng, 2012).

iii. **Operational efficiency**: is an organization's ability to maximize output whilst minimizing waste through effective resource utilization (Slack et al., 2019) involving optimization of processes, redundancies reduction, and streamlining operations to achieve higher productivity, better quality, and enhanced overall performance.

iv. **Performance evaluation**: As defined by DeNisi and Murphy (2017), it is a systematic process that assess and judge performance against established criteria.

v. **Employee productivity**: is defined as the level of output or work completed by an employee (Beltran-Martin et al.,2018).

1.11 Chapter Summary

This chapter comprised of the background of the study, statement of the problem, research questions and objectives, significance of the study, limitations of the study, abbreviations and definition of terms. The following chapter focuses on the review of the literature related to the study.

CHAPTER II

LITERATURE REVIEW

2.1 Introduction

This literature review seeks to investigate the influence of performance management systems on different facets of business performance, such as employee productivity, organizational efficiency, and financial results. It underscores the significant role that performance management systems play in improving organizational effectiveness and overall business performance. Clear performance expectations, coaching and feedback, identification of areas for development, and goal alignment between the company and the individual are all included into these systems. By exploring the impact of PMS on diverse dimensions of business performance, this review aims to contribute to a deeper understanding of how organizations can leverage these systems to optimize their operations and achieve sustainable growth.

2.2 Theoretical Literature

2.2.1 Balanced Scorecard

This framework was developed in the early 1990s by Robert Kaplan and David Norton as a strategic performance evaluation model. It serves as a valuable tool for organizations in translating their strategic directives into a complementary set of performance indicators. The framework takes into account four fundamental perspectives: internal processes, financial, customer, and innovation and growth.

Unlike traditional approaches that solely rely on monetary factors, the Balanced Scorecard promotes a comprehensive approach by integrating non-financial metrics. This allows organizations to capture various aspects of organizational achievement. The customer perspective focuses on metrics related to client satisfaction and loyalty levels, providing insights into the organization's ability to meet customer needs effectively. The internal processes view recognizes the vital procedures and benchmarks that contribute to overall organizational success. The innovation and growth perspective evaluates the company's capacity to develop and utilize its human resources, technology, and infrastructure effectively, fostering innovation and sustainable growth.

By implementing the Balanced Scorecard, organizations can synchronize their strategic objectives with key performance indicators (KPIs) and regularly track their progress towards achieving their targets. This approach provides a well-rounded assessment of performance across multiple dimensions, enabling organizations to make informed decisions and implement necessary adjustments to improve overall performance.

2.2.2 Management by Objectives (MBO)

Management By Objectives (MBO) is a results-oriented process that aims to establish objectives to align behaviors, intentions, and efforts with the attainment of these objectives. It requires management and employees to come to a consensus on the objectives they will collectively work towards (Karkara, 2022). Through MBO, organizations establish goals, monitoring and control mechanisms, as well as performance evaluation criteria and models. This creates a feedback loop that culminates in the appraisal process.

The underlying principle of MBO theory is that employees are more productive and motivated when they are engaged and fully apprehending their duties and responsibilities. When employees are actively involved in setting their objectives and have a clear understanding of their role in achieving them, they feel a sense of ownership and accountability (Karkara, 2022). This increased engagement and understanding can lead to improved performance and job satisfaction among employees.

2.2.3 Goal Setting Theory

It was proposed by Edwin Locke and Gary Latham in 1979. It is a theoretical framework that emphasizes the impact of specific and challenging goals on motivation and performance (Locke and Latham, 1979). According to this theory, individuals who are provided with clear, specific, and challenging goals are more likely to be motivated and achieve higher levels of performance

The central idea behind this theory is that setting goals provides individuals with a clear direction and focus for their efforts. When goals are specific, they provide clarity on what needs to be accomplished, leaving little room for ambiguity. Additionally, when goals are challenging, they push individuals to exert more effort and engage in strategic problem-solving to attain the desired outcomes.

The theory suggests that setting specific and challenging goals increases motivation by creating a sense of urgency, commitment, and personal responsibility. When goals are specific, they provide a measurable target, allowing individuals to monitor their progress and experience a sense of achievement upon accomplishing them. Challenging goals, on the other hand, inspire individuals to stretch their capabilities and tap into their potential.

To apply this theory in a performance management context, companies need to provide workers with clear and specific targets that align with their roles and responsibilities. These goals should be challenging enough to motivate individuals to strive for higher levels of performance but still attainable with effort and commitment.

Furthermore, regular feedback and progress monitoring can facilitate goal attainment and provide individuals with a sense of accountability. By coordinating individual targets with company objectives, firms can cultivate a performance-driven culture that fosters motivation and enhances overall performance.

2.2.4 360-degree Performance theory

This is an approach that incorporates reviews from multiple sources, rather than solely depending on evaluations from a single supervisor. The underlying idea is that compiling viewpoints from diverse sources allows for a more complete and precise evaluation of an employee’s work (Jones and Smith, 2021).

According to this feedback process, information is gathered from different individuals who have regular interactions with the employee, including their manager, peers, subordinates, and sometimes even external stakeholders. Each person provides feedback based on their observations and experiences working with the employee. This multi-source feedback allows for a broader and more balanced assessment of the employee's strengths, weaknesses, and areas for improvement. To conduct a 360-degree feedback process, professionals typically use a combination of surveys, questionnaires, and interviews. The collected data is then compared with the employee's self-assessment of their work and progress towards their goals. By comparing self-perception with external feedback, employees gain insights into how they are perceived by others and can identify areas for development. After the feedback is collected and analyzed, managers provide a written report to the employee, summarizing the feedback received and offering suggestions for improvement. This report serves as a basis for performance discussions and goal-setting for the upcoming period.

The 360-degree feedback performance management theory aims to provide a more holistic and unbiased assessment of an employee's performance by incorporating multiple perspectives. It encourages self-reflection, fosters a culture of continuous improvement, and promotes open and honest communication within the organization as stated by Chen and Lee (2022). While the 360-degree feedback process can be a valuable tool for performance management, it is important to ensure that it is implemented effectively (Jones and Smith, 2021). This includes providing clear instructions, maintaining confidentiality, and ensuring that feedback is constructive and focused on growth rather than criticism.

2.2.5 Learning Curve Theory

This is a performance management concept that encompasses several key areas, including skill development, performance expectations, performance evaluation, feedback and continuous improvement, and resource allocation and work design. Incorporating this theory into performance management can have various benefits for organizations and employees alike (Johnson et al., 2019).

2.2.5.1 Skill Development: The theory suggests that individuals become more proficient and efficient in performing a task as they gain experience and practice. In performance management, organizations can leverage this theory to support employees' skill development. By recognizing that performance tends to improve over time as an employee progresses along the learning curve, organizations can provide training, coaching, and resources to facilitate learning and accelerate performance improvement (Smith and Anderson, 2020).

2.2.5.2 Performance Expectations: the theory also informs performance expectations and goal-setting. When employees start a new task or job, their performance may initially be lower due to the learning curve effect. Adams and Clark (2022) suggested that companies should consider and provide employees with sufficient time, training and support resources needed to adapt to changes, overcome learning challenges and achieve optimal effectiveness.

2.2.5.3 Performance Evaluation: The theory can influence how performance is evaluated and assessed. Instead of solely focusing on short-term performance outcomes, performance management systems can take into account the learning curve effect and consider the progress made over time. This may involve evaluating performance against individual improvement trajectories or benchmarking against industry standards and best practices (Smith and Anderson, 2020).

2.2.5.4 Feedback and Continuous Improvement: the theory emphasizes the importance of feedback and learning from experience to improve performance. The findings of Brown and Jones (2021) revealed that, in performance management, offering supportive and corrective feedback, including strengths and regions for development, aids staff apprehend their progress along the learning curve and identify areas for improvement. Feedback can also be used to encourage a growth mindset and a continuous learning orientation, fostering a culture of ongoing improvement.

2.2.5.5 Resource Allocation and Work Design: The theory can guide resource allocation and work design decisions. Organizations can strategically distribute resources to support employees in overcoming initial challenges and accelerating learning. They can also structure job tasks and assignments in a way that allows employees to gradually build their skills and knowledge, optimizing the learning curve effect (Johnson et al., 2019).

By considering the Learning Curve Theory in performance management, organizations can support employees in their skill development, set realistic performance expectations, provide effective feedback, and create an environment that promotes continuous improvement, leading to enhanced execution outcomes and overall organizational success (Brown and Jones, 2021).

2.2.6 Hierarchy of Needs by Abraham Maslow

According to this hypothesis, people's motivation and behavior are determined by a hierarchy of needs. Maslow suggested that there are five (5) categories of human needs that must be met. The lowest needs are basic things our body requires to survive like food, water and shelter (Maslow, 1943). Once these are taken care of, the next set of needs are about feeling secure and safe. Above that are social needs where one seek relationship and connection with others. Esteem needs like the desire for respect and achievement follow. The highest level need is fulfilling one's full potential which Maslow called self-actualization. People work to satisfy lower needs first before focusing on developing their full talents and abilities.

In relation to performance management, organizations can address these needs by implementing various strategies. For example, providing fair compensation can meet individuals' physiological needs, while ensuring safe working conditions can address their safety needs. Encouraging teamwork and creating opportunities for social interactions can fulfill their social needs. Smith and Johnson (2022) proposed that offering recognition programs, constructive feedback, and career advancement opportunities can cater to their esteem needs and self-actualization needs. By considering employees' various needs and motivations, organizations can create an environment that supports their well-being, fosters their motivation, and ultimately enhances their performance. This, in turn, contributes to the overall business performance.

Therefore, organizations need to design performance management strategies that align with Maslow's Hierarchy of Needs. By adopting such practices, organizations can cultivate an atmosphere which addresses workers' needs, motivates them, and improves their performance, leading to improved company performance (Chen and Wu, 2021).

Figure 1 1: **Hierarchy of human needs pyramid**

Source: Maslow, A. H. (1943)

2.2.7 Expectancy Theory

This is a theoretical framework developed by Victor Vroom that examines the linkage between effort, execution and results in motivation. This theory proposes that people are inspired to accomplish given tasks when they accept and believe that their endeavors will result in effective performance and wanted results (Vroom, 1964). This theory highlights two key factors: valence and expectancy. Valence points to the significance a person attaches to the effects or prizes related with performance. It proposes that people are more inspired when they see the results as significant or wanted. For illustration, if a worker values advancement or a reward significantly, they are more liable to be inspired to apply effort and carry out tasks well.

Expectancy, on the other hand, is the belief or perception that effort will lead to performance. It focuses on individuals' confidence in their ability to perform the required tasks and achieve the desired outcomes. Workers are more likely to be inspired to put more effort if they perceive that their endeavors will be fruitful and result in effective performance (Porter and Lawler, 2019). This theory proposes that motivation and performance are influenced by the combination of valence and expectancy. When individuals perceive a high valence (value) in the outcomes and have a strong expectancy (belief in their ability to perform), their motivation and performance levels are expected to be high.

In the context of performance management, organizations can apply the Expectancy Theory by ensuring that employees understand the link between effort, performance, and outcomes as proposed by the findings of Locke and Latham (2020). This can be achieved through clear goal setting, providing necessary resources and support, and ensuring that rewards and recognition align with employees' valence (perceived value). By considering valence and expectancy, organizations can create a motivational environment that encourages employees to exert effort, perform well, and achieve desirable outcomes, which ultimately contributes to improved business performance.

2.2.8 Herzberg's Motivation-Hygiene Theory

As explained in the Career Guide (2023), this theory proposes that there are two categories of job factors that influence worker motivation which are maintenance factors and growth factors. Maintenance factors are the essential requirements necessary for employees to perform their jobs effectively. These factors include adequate compensation in the form of salary and wages, a safe and suitable work environment, appropriate working conditions, assurance of continuing employment through job security, established organizational policies and guidelines that provide structure and clarity of expectations, and collegial interpersonal relationships with supervisors and coworkers. Maintenance factors are often referred to as hygiene factors. Their presence or absence can lead to employee satisfaction or dissatisfaction (Herzberg, 1968). When these factors are met, employees are not necessarily motivated, but their absence can cause dissatisfaction and hinder performance.

On the other hand, growth factors are the elements that inspire employees to excel in their work and experience a sense of fulfillment. These factors include recognition, achievement, growth opportunities, responsibility, and the nature of the work itself. They are often referred to as motivational factors. They contribute to the personal and professional growth of both employees and managers. When these factors are present, they have the potential to drive motivation and enhance employee performance. Maintenance factors are fundamental job requirements which lead to dissatisfaction if they not present or are unsatisfactory. However, meeting hygiene standards alone may not be sufficient to encourage high levels of motivation and engagement. Motivational factors, on the other hand, are crucial in inspiring employees to go above and beyond, feel a sense of fulfillment, and achieve exceptional results (Herzberg, 1968).

Modern research by Rawashdeh, Al-Salti, Al-Jarrah (2022) has shown that organizations should focus on meeting hygiene factors to ensure that employees are not dissatisfied. This includes providing competitive salaries, comfortable working conditions, and fair company policies. Additionally, organizations should emphasize the presence of motivational factors to foster employee motivation and engagement. This can be achieved through providing recognition, offering growth opportunities, and designing meaningful and challenging work assignments.

By applying knowledge of both Herzberg's hygiene aspects and motivational aspects, companies can cultivate an organizational conducive to minimizing workplace dissatisfaction while simultaneously optimizing staff motivation, effort and performance levels (Grant and Parker, 2021).

2.2.9 Transformational Leadership Theory

It was originally introduced in 1973 through the work of political scientist James V. Downton. However, it was leadership expert James MacGregor Burns who further expanded upon Downton's work in his book "Leadership" published in 1978 and popularized transformational leadership concept. It is a performance management theory that examines how leaders can influence the behavior and motivation of their subordinates. This theory distinguishes between two types of leaders: transactional and transformational, with a particular focus on the latter.

Transformational leaders engage with followers in an emotional and appealing manner. They inspire followers through motivation, challenge ideas routinely, and encourage creativity in the work place (Avolio & Bass, 2019). They empower subordinates by instilling confidence and a sense of collective purpose or mission striving to cultivate strong superior-subordinate relationship fostering a culture of loyalty and trust. They want their followers to develop their leadership potential and take responsibility for their development. One key aspect of transformational leadership is the ability to communicate effectively (Burns, 1978). Transformational leaders employ various strategies to communicate their vision and goals in ways that resonate with their employees. They use persuasive and inspiring language to create a sense of enthusiasm and motivation among their subordinates.

Furthermore, transformational leaders set challenging yet achievable goals for their employees. A research by Wang and Howell (2021) reveals that setting high expectations and providing support and resources to subordinates, motivate them to push their boundaries and strive for excellence. This focus on challenging goals encourages employees to put in extra effort and go the extra mile. By practicing transformational leadership, leaders can create a work environment that fosters motivation, commitment, and high levels of performance. The emphasis on shared vision, effective communication, and challenging goals helps to inspire and engage employees, leading to notable productivity, creativity and overall organizational success.

2.2.10 Scenario-Based Performance Management Theory

This is a concept of performance evaluation that concentrates on cultivating a working environment where staff feel empowered to take calculated risks and make errors, while also being answerable for their acts (Bersin, 2020). This theory aims to improve employee performance by promoting a learning mindset and fostering continuous improvement.

With this approach, leaders create a supportive and psychologically safe environment where workers feel empowered to try new approaches and take calculated risks (Fletcher and Robinson, 2019). They understand that mistakes are a natural part of the learning process and provide opportunities for employees to learn from their errors. Rather than punishing or blaming employees for mistakes, the emphasis is on understanding the underlying causes and finding solutions to prevent similar mistakes in the future.

Accountability is a critical aspect of the scenario-based performance management theory. Supervisors make it possible for staff to take smart risks and learn through trial and error without fear of negative consequences like discipline. Managers play a crucial role in guiding employees through the process of understanding and addressing their errors. By holding employees accountable for fixing their mistakes, managers ensure that employees take ownership of their performance and actively work towards improvement.

According to Tannenbaum and Cerasoli (2021) scenario-based performance management theory is mainly centered at creating an environment where employees can learn from their mistakes and are accountable for their actions, they are more likely to develop new skills, enhance their performance, and contribute to organizational success. This approach encourages a growth mindset, fosters innovation, and promotes continuous learning and development. To implement the scenario-based performance management theory, leaders should establish clear expectations, provide constructive feedback, and offer support and resources for employees to learn and grow as proposed by (Bersin, 2020). They should also create opportunities for employees to reflect on their experiences, share insights, and collaborate with others to generate new ideas and solutions.

By adopting the scenario-based performance management theory, organizations can create a culture that embraces learning, risk-taking, and accountability, leading to improved employee performance, innovation, and overall organizational effectiveness.

2.2.11 Situational Leadership

The theory emphasizes the importance of the leader's involvement in employee engagement. In a publication on approaches to organizational behavior and human resource management from 1969, Paul Hersey and Ken Blanchard first introduced this concept. It proposes four distinct leadership styles, namely supportive, participative, commanding, and delegating. The supportive style entails managers prioritizing the establishment of trust and confidence in their employees. In the participative style, leaders strive to create a team-oriented environment that leverages decision-making processes to ensure employees possess the requisite skills for their roles (Vecchio and Boatwright, 2020). On the other hand, the commanding style is suitable for leaders who are decisive and assertive, expecting high levels of performance and accountability from their employees. Lastly, the delegating style grants an employee complete autonomy in determining how to carry out their tasks. Adopting an appropriate leadership style helps to cultivate an organizational culture employee engagement which eventually enhance organizational performance (Northouse, 2021).

2.2.12 Equity Theory

It was proposed by psychologist J. Stacy Adams. This theory holds that individuals are driven by fairness and aim to uphold a balance between their contributions and gains in relation to others. According to (Greenberg, 2019), this theory emphasizes the need for employees to be appreciated fairly in relation to their performance. Under this framework, employees mentally compare their investments such as time, effort or abilities, with the results or perks they obtain from work. Existence of perceived inequity can negatively impact motivation and performance (Colquitt et al., 2021).

2.2.13 Control Theory

It was introduced by William Ouchi. It emphasizes the equilibrium between organizational control and individual autonomy within performance management (Chen and Cheng, 2016). It proposes that successful performance management entails establishing explicit expectations, offering feedback, and granting individuals some level of autonomy to regulate their own performance (Simons, 2010). The theory underscores the significance of striking a harmonious balance between control and autonomy to enhance performance optimization.

2.2.14 Agency Theory

This theory delves into the dynamics between principals (in this case managers and owners) and agents (in this case employees) and how to synchronize their interests to accomplish performance objectives (Eisenhardt and Martin, 2000). It addresses concerns like goal alignment, incentive structures, and monitoring mechanisms to guarantee that agents operate in the best interests of the principals (Jensen, 2010). This theory is especially pertinent for comprehending performance management within a hierarchical organizational framework.

2.2.15 Social Cognitive Theory

It was formulated by Albert Bandura in 1986. It emphasizes the significance of social learning and self-efficacy in performance management. It posits that individuals observe and absorb knowledge from the behaviors and results of others, and their self-efficacy (confidence in their abilities) impacts their drive and performance (Latham and Locke, 2019). This theory highlights the value of offering role models, feedback, and avenues for skill enhancement to boost performance. Consequently, fostering and reinforcing positive self-confidence in employees becomes a key performance management goal to enhance employee performance, ultimately benefiting overall business performance.

2.2.16 Objectives and Key Results (OKR)

According to Karkara (2022), Objectives and Key Results (OKR) is a performance management framework that encompasses the establishment of organizational objectives, determination of key results, and setting deadlines for achieving the defined objectives and results. OKRs primarily consist of broad objectives that are further divided into measurable and attainable key outcomes that teams or employees are required to pursue. According to (Doerr, 2018), OKRs enable employees to have a clear roadmap for attaining their goals along with a set of objectives and milestones that they need to accomplish. This framework emphasizes the importance of clear goals and measurements highlighting the significance of goal setting in effective performance management which impacts organizational performance, including financial performance, customer satisfaction, and employee productivity.

2.3 Facilitators to effective performance management

Effective implementation of performance management of performance management systems in firms depend on numerous factors. There are factors which facilitate the successful implementation of these systems. However, if not present, they can also hinder the effectiveness of performance management. In most cases, firms have faced challenges in the implementation of these systems.

2.3.1 Employee Engagement and Retention

According to a survey by White and Green (2020), organizations with robust performance management systems reported higher levels of employee engagement and retention. Clear performance expectations, recognition of achievements, and opportunities for growth contribute to a positive work environment and employee satisfaction. A research by Smith and Robertson (2020) has also highlighted the shift towards a more holistic approach to performance management, with a focus on employee well-being and engagement. It has been proven that PMS that prioritize employee development, work-life balance, and mental health have been shown to positively impact overall business performance through increased productivity and retention rates.

2.3.2 Integration of Technology in Performance Management

Recent studies by Johnson et al. (2019) have emphasized the growing importance of incorporating technology, such as data analytics and artificial intelligence, into performance management systems. By leveraging technology, organizations can enhance the accuracy of performance evaluations and make data-driven decisions to improve business performance.

2.3.3 Agility of Performance Management Practices

In response to changing business dynamics, recent studies by Brown et al. (2021) have explored the adoption of agile performance management practices. Agile performance management emphasizes continuous feedback, flexibility in goal setting, and adaptive performance metrics, enabling organizations to respond swiftly to market changes and improve overall business performance.

2.3.4 Ability of PMS to work virtually

With the rise of remote work arrangements, research by Chen et al. (2022) has investigated the impact of virtual performance management systems on business performance. Findings suggest that remote performance management practices, such as virtual goal setting and online feedback mechanisms, play a crucial role in maintaining performance levels and driving organizational success in a virtual work environment.

2.3.5 Employee Empowerment and Autonomy

Recent studies by Jones and Smith (2022) have highlighted the positive impact of employee empowerment and autonomy within performance management systems. Empowering employees to make decisions, take ownership of their work, and contribute ideas not only enhances individual performance but also fosters a culture of innovation and collaboration that can drive overall business performance.

2.3.6 Resilience and Adaptability in Performance Management

Research by Brown and White (2021) has emphasized the importance of building resilience and adaptability into performance management systems. In today's ever-evolving business world, companies that emphasize flexibility, constant learning and a readiness to respond to unexpected issues are better positioned to maintain high performance levels and achieve sustainable business success.

2.3.7 Cross-functional Collaboration and Performance

Recent studies by Patel and Kumar (2019) have explored the impact of cross-functional collaboration on business performance within the context of performance management. Findings suggest that performance management systems that promote collaboration across departments and teams lead to improved communication, knowledge sharing, and collective problem-solving, resulting in enhanced overall business performance.

2.3.8 Ethical Considerations in Performance Management

With a growing emphasis on ethics and corporate social responsibility, research by Gonzalez and Martinez (2022) has examined the ethical dimensions of performance management practices. By ensuring fairness, transparency, and accountability in performance evaluations and reward systems, organizations can build trust with employees, enhance morale, and ultimately drive sustainable business performance.

2.4 EMPIRICAL STUDIES

WANG, L., SMITH, J. & JOHNSON, R. (2023). THE ROLE OF PERFORMANCE MANAGEMENT SYSTEMS IN FOSTERING EMPLOYEE ENGAGEMENT. *JOURNAL OF APPLIED MANAGEMENT*.

This research aimed to explore the function of PMS in boosting worker participation within organizations. The researchers conducted a mixed-methods study involving surveys and interviews with employees across different organizations. The surveys were utilized to quantify how effective the performance management systems were perceived to be, while the interviews offered qualitative insights into the influence of these systems on employee engagement. The study revealed that organizations with well-structured and efficiently executed performance management systems tend to have higher levels of employee engagement. Employees expressed increased motivation and dedication to their work when they believed that the performance management systems were unbiased, transparent, and in line with organizational objectives. This indicates that organizations can boost employee engagement by investing in performance management systems that prioritize transparency, fairness, and goal alignment. By nurturing employee engagement through these systems, organizations can enhance employee motivation, efficiency, and overall performance.

CHEN, H. & SMITH, K. (2022). THE IMPACT OF CULTURAL DIFFERENCES ON PERFORMANCE MANAGEMENT SYSTEM EFFECTIVENESS. *INTERNATIONAL JOURNAL OF CROSS-CULTURAL MANAGEMENT.*

This study aimed to investigate how cultural diversity affects the efficacy of performance management systems in organizations. The researchers conducted a comparative case study analysis, examining organizations with varied cultural backgrounds. Through a combination of surveys, interviews, and organizational data, they evaluated the effect cultural differences have on the design, execution and results of PMS. The study highlighted that cultural variations notably impact the effectiveness of PMS. Organizations operating in multicultural settings encountered challenges in creating and executing systems that resonate with diverse cultural values and norms. Cultural disparities also influenced how performance metrics and feedback mechanisms were understood, impacting employee engagement and performance outcomes. The results indicate that organizations should take cultural nuances into account when developing and implementing performance management systems. By recognizing and addressing cultural differences, organizations can enhance the efficacy of these systems and foster better alignment between organizational goals and employee expectations across diverse cultural environments.

BROWN, P., DAVIS, M. & GARCIA, S. (2021). UTILIZING DATA ANALYTICS IN ENHANCING PERFORMANCE MANAGEMENT. *JOURNAL OF APPLIED MANAGEMENT*.

The study focused on examining how data analytics can enhance the effectiveness of performance management practices in organizations. The researchers utilized a quantitative research approach, gathering and analyzing data from organizations that have integrated data analytics into their performance management procedures. Through surveys, interviews, and organizational performance data, they evaluated the influence of data analytics on performance management outcomes. The study revealed that organizations using data analytics in their performance management practices saw enhancements in decision-making, performance monitoring, and goal setting processes. Data-driven insights allowed organizations to identify performance patterns, individual strengths, and areas for improvement, leading to more precise and impactful performance management interventions. The results indicate that incorporating data analytics into performance management can elevate the precision, impartiality, and efficiency of performance evaluation processes. By leveraging data analytics, organizations can make better-informed decisions, stimulate performance enhancements, and align individual and organizational objectives more effectively.

SMITH, J. & JOHNSON, E. (2021). THE ROLE OF TECHNOLOGY IN ENHANCING PERFORMANCE MANAGEMENT SYSTEMS. *JOURNAL OF PERFORMANCE MANAGEMENT.*

This study examined the incorporation of technology, including AI and data analytics, into performance management systems and its effects on organizational performance. The researchers utilized a mixed-methods research design, combining a thorough literature review with a qualitative case study analysis. Primary data collection methods centered around qualitative methods like interviews, observational fieldwork and document study. Thematic analysis was used to analyze the qualitative data and identify patterns, themes, and implications regarding the impact of technology on performance management systems. The study revealed that integrating technology increased the automation of performance management processes, leading to improved efficiency and reduced administrative burden for managers and employees. Digital tools facilitated real-time feedback mechanisms, enabling immediate performance evaluations, goal tracking, and coaching opportunities. Furthermore, technology-enhanced systems provided organizations with data-driven understandings of patterns in worker effectiveness overtime, skill gaps and regions for self-improvement, supporting strategic deliberations. Organizations that embraced technology in performance management reported heightened levels of employee engagement, as digital platforms promoted transparency, communication, and collaboration. Additionally, technology-enabled systems offered customization options for performance metrics, goal setting, and feedback delivery, catering to individual employee needs and preferences. The research highlights the importance for organizations to strategically integrate technology into performance management systems to streamline processes, enhance feedback mechanisms, and promote employee engagement. It emphasizes the necessity of providing training and support for employees and managers to effectively utilize technology tools, which is crucial for successful implementation and adoption. Regular monitoring and evaluation of technology-enhanced performance management systems are essential to address challenges, optimize system functionality, and ensure alignment with company goals. Cultivating an environment of continuous feedback and communication enabled by technology can contribute to improved performance outcomes, employee development, and organizational success.

BROWN, S. & LEE, M. (2020). EMPLOYEE PERCEPTIONS OF PERFORMANCE MANAGEMENT SYSTEMS IN THE DIGITAL AGE. *INTERNATIONAL JOURNAL OF HUMAN RESOURCE MANAGEMENT.*

This research delves into how employees view performance management systems in the digital era, focusing on the impact of technological advancements on their experiences and attitudes towards performance management. Through focus groups and interviews, the researchers explored how digital tools in performance management systems influence employee perceptions of fairness, transparency, and effectiveness. The study involved analyzing qualitative responses through thematic coding to uncover insights. The findings highlighted that employees have diverse views on performance management systems in the digital age. While some appreciate the convenience and accessibility of digital tools for performance evaluation, others are concerned about biases from algorithmic decision-making and the lack of human interaction. Personalized feedback and development opportunities are valued by employees within digital performance management systems. These results suggest that organizations should take into account employee perceptions and preferences when integrating digital performance management systems. Striking a balance between leveraging technological benefits and maintaining human interaction and personalized feedback is key to enhancing employee engagement, motivation, and performance. Organizations are urged to establish a supportive and inclusive digital performance management environment that addresses employee concerns and values their feedback.

GREEN, L. & MARTINEZ, P. (2019). THE ROLE OF LEADERSHIP IN DRIVING PERFORMANCE MANAGEMENT SUCCESS. *LEADERSHIP QUARTERLY.*

This academic study explores the pivotal function that organizational leadership plays in driving the effectiveness of PMPs within organizations. It focuses on how leadership behaviors, strategies, and support influence the implementation and success of PMSs. The researchers did a qualitative investigation using in-depth interviews and focus groups with leaders, human resource professionals, and employees from various organizations. They explored the leadership behaviors that contribute to the success of performance management, the challenges leaders encounter in supporting performance initiatives, and the strategies for aligning leadership practices with performance objectives. Data analysis included thematic coding, pattern recognition, and cross-case comparisons to uncover key themes and insights. The study revealed the importance of effective leadership in boosting performance management success through multiple mechanisms. Leaders who exhibit a dedication to performance excellence, offer regular feedback and coaching, and set clear performance expectations are more likely to foster an organizational environment of performance accountability and continuous development. Moreover, leadership support for training and development, goal alignment, and performance recognition were vital factors in boosting employee engagement, motivation, and performance outcomes. The outcomes underscore the leadership importance in shaping the effectiveness of performance management initiatives in organizations. By developing leadership competencies, nurturing a culture of performance excellence, and aligning leadership practices with performance goals, organizations can improve the effectiveness and influence of their performance management systems. Investing in leadership development, communication strategies, and feedback mechanisms can aid in cultivating a high-performance culture that drives organizational success and enhances employee engagement.

LEE, H. & JOHNSON, S. (2019). THE RELATIONSHIP BETWEEN PERFORMANCE MANAGEMENT SYSTEMS AND EMPLOYEE MOTIVATION. *HUMAN RESOURCE MANAGEMENT REVIEW.*

This study examines the influence of PMS on worker motivation, focusing on how system design, execution and effectiveness of these systems influence employee participation, job satisfaction and motivation levels in organizations. The researchers used a quantitative research approach, surveying employees from various organizations to evaluate their perceptions of performance management systems and factors that drive motivation. They employed validated scales to measure the alignment between performance goals and individual objectives, the clarity of performance expectations, and the influence of performance feedback on motivation. Data analysis included statistical tests, regression analysis, and correlation assessments to explore the connection between PMS and staff motivation. The findings revealed a significant link between well-structured PMS that emphasize goal clarity, regular feedback and recognition, higher levels of worker motivation and satisfaction at work and performance outcomes. Employees who viewed performance management practices as fair, transparent, and supportive reported increased engagement, commitment, and intrinsic motivation to reach their performance goals. The results highlight the importance of aligning PMS with worker motivation to improve organizational performance and employee satisfaction. By incorporating motivational elements into PMPs, companies can cultivate an environment of continuous development, goal attainment and performance excellence. Offering opportunities for skill development, career growth, and performance acknowledgment within performance management systems can help enhance employee morale, productivity, and retention.

JONES, S., & TAYLOR, R. (2019). THE INFLUENCE OF PERFORMANCE MANAGEMENT SYSTEMS ON ORGANIZATIONAL EFFICIENCY. *JOURNAL OF MANAGEMENT STUDIES.*

This study examined how performance management systems impact organizational efficiency, focusing on how the design, implementation, and use of performance management practices influence operational processes, productivity, and resource allocation within organizations. The researchers used a mixed-methods approach, combining quantitative analysis of organizational performance data with qualitative interviews and case studies of organizations implementing performance management systems. They explored how performance metrics, goal setting, performance feedback, and organizational efficiency indicators like cost-effectiveness, productivity, and resource utilization are interconnected. Data analysis included performance benchmarking, efficiency ratio calculations, and thematic analysis to uncover patterns and insights into the effects of performance management systems on organizational efficiency. The findings revealed a strong link between PMS and organizational efficiency. Organizations that aligned performance goals with operational objectives, monitored performance metrics consistently, and provided timely feedback to employees demonstrated higher levels of efficiency in resource allocation, process optimization, and decision-making. Effective performance management systems were linked to increased productivity, cost savings, and improved performance outcomes, leading to enhanced organizational efficiency and competitive advantage. The findings underscore the importance of integrating performance management systems into organizational processes to improve efficiency and performance outcomes. By utilizing performance data, establishing clear performance expectations, and promoting a culture of continuous improvement, organizations can optimize resource utilization, streamline operations, and enhance efficiency in achieving strategic objectives. Investing in technology solutions, performance analytics, and employee training can further support the alignment of performance management with organizational efficiency goals.

DAVIS, M. & ADAMS, J. (2018). PERFORMANCE MANAGEMENT SYSTEMS AND EMPLOYEE WELL-BEING: A LONGITUDINAL STUDY. *JOURNAL OF APPLIED PSYCHOLOGY.*

This study investigated how performance management systems impact employee well-being over time, focusing on the influence of the design, implementation, and effectiveness of performance management practices on factors such as employee stress levels, job satisfaction, and overall well-being within organizations. The researchers employed a longitudinal research design, collecting data at various time points to track changes in performance management practices and employee well-being indicators. They utilized surveys, psychological assessments, and health records to measure employee stress levels, job satisfaction, work-life balance, and perceptions of performance management practices. Data analysis included longitudinal regression analysis, trend analysis, and comparative assessments to explore the long-term effects of PMSs on staff well-being. The study revealed that PMSs have a notable impact on staff well-being over time. Organizations that prioritize employee well-being within their performance management practices, promote work-life balance, offer support for stress management, and cultivate a culture of psychological safety experienced higher levels of employee well-being, job satisfaction, and overall mental health. The longitudinal analysis demonstrated that well-designed performance management systems can help in reducing employee burnout, increasing job engagement, and enhancing overall well-being outcomes. The findings emphasize the importance of considering employee well-being in the design and implementation of PMSs. By integrating initiatives focused on well-being, programs for stress management, and support mechanisms into PMPs, organizations can cultivate a healthier work environment, boost employee morale, and improve overall well-being outcomes. Investing in employee assistance programs, mental health resources, and well-being assessments can aid in fostering a supportive workplace culture that values employee health and happiness.

PATEL, M., & LEE, J. (2018). "PERFORMANCE MANAGEMENT SYSTEMS AND FINANCIAL PERFORMANCE: A COMPARATIVE ANALYSIS. *JOURNAL OF FINANCIAL ECONOMICS.*

This study conducted a comparative analysis to explore the connection between performance management systems and financial performance in organizations, focusing on how the design, implementation, and use of performance management practices influence key financial indicators such as profitability, efficiency, and shareholder value. The researchers adopted a comparative analysis approach by comparing the financial performance of organizations with different performance management systems. They gathered financial data, performance metrics, and organizational characteristics to evaluate how performance management practices affect financial outcomes. Data analysis included regression analysis, financial ratio analysis, and comparative assessments to determine the link between PMSs and financial performance indicators. The study revealed a significant relationship between PMSs and financial performance. Organizations that successfully implemented performance management practices, aligned performance goals with financial objectives, and closely monitored performance metrics showed improved financial performance, including higher profitability, operational efficiency, and shareholder value. The comparative analysis indicated that organizations with strong performance management systems outperformed their peers in terms of financial metrics, underscoring the connection between effective performance management and financial success. The findings underscore the importance of integrating performance management systems with financial goals to drive organizational achievements. By aligning performance measures with financial key performance indicators (KPIs), promoting a culture of accountability and performance excellence, and utilizing performance data for strategic decision-making, organizations can enhance their financial performance results. Investing in performance analytics, financial planning tools, and performance-based incentives can further reinforce the alignment of performance management with financial objectives and promote sustainable financial growth.

GUPTA, R., PATEL, S. & LEE, H. (2018). THE IMPACT OF PERFORMANCE MANAGEMENT SYSTEMS ON ORGANIZATIONAL EFFECTIVENESS. *JOURNAL OF ORGANIZATIONAL EFFECTIVENESS*.

This study explored how performance management systems impact organizational effectiveness by examining how the design, implementation, and results of these systems influence overall organizational performance, efficiency, and the achievement of strategic goals. The researchers employed a mixed-methods approach, utilizing surveys, interviews, and organizational performance metrics to evaluate the connection between performance management systems and organizational effectiveness. They gathered data on performance management practices, organizational objectives, employee perceptions, and key performance indicators to assess the effects of performance management on organizational outcomes. Data analysis included qualitative coding, quantitative analysis, and performance benchmarking to identify trends and relationships between performance management systems and organizational effectiveness. The study revealed a notable connection between PMSs and organizational effectiveness. Organizations that adopted strong PMPs, aligned performance goals with strategic objectives, and promoted a culture of continuous improvement demonstrated higher levels of organizational effectiveness, performance efficiency, and goal attainment. The analysis suggested that well-crafted performance management systems can improve organizational productivity, employee engagement, and overall performance outcomes, leading to sustainable competitive advantage and operational success. The results underscore the crucial role of performance management systems in driving organizational effectiveness and strategic performance outcomes. By integrating performance management practices with company targets, cultivating an environment of performance excellence and accountability, and utilizing performance data for decision-making, organizations can enhance their overall effectiveness and competitive standing. Investing in performance measurement tools, performance feedback mechanisms, and performance-based incentives can further bolster organizational effectiveness and support continuous improvement efforts.

2.5 Literature Gap

From the empirical literature, it is clear that quite a number of present researches were done and dwelt more on subsets of business performance like organizational efficiency, organizational effectiveness, employee productivity and financial performance in relation to performance management systems, no present research was done examining the relationship between Performance Management Systems and overall business performance. Apart from that, a number of available studies dwelt much on the factors that can facilitate the effectiveness of Performance Management Systems, like technology, data analytics, employee perception and engagement and many more, only without relating them to overall business performance and few studies we done to address specific businesses, industries or geographical locations thus leading to a more general research touching general issues affecting and influencing many businesses at large therefore being helpful to a few whose issues were addressed by the research. No research was done addressing the Fast Foods industry in Zimbabwe which is highly increasing and creating employment and benefiting many lives in Zimbabwe. The implementation of Performance Management Systems goes along with benefits and challenges that come with a specific type of industry, business or geographical location of a business. It is therefore important that the relationship between overall business performance and PMS be studied that organizations can maximize their chances of survival in such a dynamic business environment. This study therefore fills the gap by providing literature on the relationship between PMS and overall business performance in the Fast Foods Industry in Zimbabwe in line with objectives of the study mentioned in Chapter One.

2.6 Recommendations

As discussed by this chapter, it can be clearly seen that Performance Management Systems can be helpful and effective in influencing overall business performance by enhancing employee performance, aligning individual and organizational objectives, and improving decision-making processes if organizations take into account other facilitating factors and tools like employee involvement, leadership support, organizational culture, technology and the well-being of their workforce.

2.7 Chapter Summary

This chapter has presented literature on the performance management systems of businesses in the FFI. The literature has pointed out various meanings of performance management as well as the importance of the importance of having PMS in place. This chapter has also evaluated existing PMS in Zimbabwean and foreign organizations exploring the correlation between PMS and key indicators of business performance. The literature has also highlighted facilitating factors to successful implementation of PMS. Lastly, the chapter ends with recommendations for improving the effectiveness of Performance Management Systems in order to bolster business performance in Zimbabwean Organizations.

CHAPTER III

RESEARCH METHODOLOGY

3.1 Introduction

This section explains the research methods used in this study to examine the relationship between performance management systems and organizational performance in the fast food industry in Zimbabwe. It specifies the research structure, techniques for collecting information, processes for analyzing data, and important ethical concerns.

3.2 Research Design

A research design is a thorough blueprint that outlines the most appropriate method of inquiry, the nature of research instruments, sampling strategy, and data types involved, helping to solve a research problem (Cooper and Schindler, 2003). This study employs a quantitative research methodology utilizing a survey questionnaire and semi-structured interviews to gather information from employees, human resource experts, and other managers in the fast food business sector. This strategy enables the compilation of both quantitative and qualitative data, providing a comprehensive understanding of the link between performance management systems and organizational achievement.

3.3 Participants

The participants in the study were all workers, including employees, human resource professionals, and managers in the fast food industry in Zimbabwe. The sample included 130 employees from 13 different fast food hotels, restaurants, and other eateries in Harare. The employees were selected using a purposive sampling technique, with a focus on those who had been working in the industry for at least six months.

3.4 Data Collection Methods

As identified by Kotler (2000), major tools for primary data collection are observations, surveys through questionnaires and personal interviews, focus groups, and experiments. In this research, data was collected using a self-administered survey questionnaire and semi-structured interviews.

3.4.1 Survey Questionnaire

A questionnaire is defined as a tool for collecting information applicable in all contexts (Chigumbu, 2018). A self-administered questionnaire was created based on prior literature and specialist consultation. As Lucey (2003) states, the design of a questionnaire is essential as it enables the pertinent research questions to be addressed, allowing for accurate and applicable data to be compiled for statistical examination. The questionnaire consisted of closed-ended and open-ended questions designed to measure various aspects of performance management systems and organizational performance. The questionnaire underwent pre-testing with a small sample of participants to ensure clarity and legitimacy.

3.4.2 Semi-structured Interviews

Semi-structured interviews were carried out with a purposive sample of managers and human resource professionals to gain deeper insights into the implementation and effectiveness of performance management systems in the fast food industry. The interview guide consisted of open-ended inquiries, permitting participants to expand on their experiences and viewpoints.

3.5 Data Analysis Techniques

Data analysis is a way of collecting, modeling, and transforming data with the aim of highlighting data (Ader, Mellenbergh, and Hand, 2008). The following data analysis techniques were used.

3.5.1 Statistical Analysis of Quantitative Data

The quantitative information compiled from the survey questionnaires was evaluated using statistical software (SPSS). Descriptive statistics were utilized to outline the information, while inferential statistics like regression analysis and correlation analysis were applied to investigate the links between variables.

3.5.2 Thematic Analysis of Qualitative Data

The qualitative information obtained from the interviews underwent thematic analysis. The transcripts for interviews were coded and grouped into overarching themes and sub

-themes to recognize consistent patterns and perspectives shared.

3.6 Validity of data

Validity refers to the extent to which a measurement tool accurately measures what the researcher intends to measure (Saunders, Lewis and Thornhill, 2009). To ensure validity, the researcher conducted a pilot study by pre-testing the questionnaire with a small number of respondents from fast food establishments in Harare, Zimbabwe. Participants were assured of anonymity and confidentiality, and the pre-test helped identify any necessary modifications to the questionnaire before full data collection.

3.7 Reliability of data

Reliability refers to the degree to which the information derived from the research is considered free from mistakes and can be trusted to be true (Boddy, 2016). To ensure the data collected was reliable, the researcher targeted a specific population of employees, managers, supervisors, and human resource professionals who are familiar with the fast food business processes and performance management systems.

3.8 Ethical Standards

Ethics establish guiding principles and behavioral norms regarding choices in how one interacts and relates to others (Cooper and Schindler, 2003). Ethical protocols were adhered to throughout the data collection and analysis. Informed consent was secured from all individuals, and anonymity and confidentiality were guaranteed. Participants were informed that their participation was voluntary and that the data would be securely stored and used solely for the stated research purposes.

3.9 Limitations

The research has some limitations that must be acknowledged. Firstly, the sample size was relatively small, with only 130 employees from 13 fast food establishments in Harare. This may limit the generalizability of the findings. Secondly, the study focused solely on the fast food industry in Zimbabwe, which may limit the applicability of the results to other industries or countries. Lastly, the research relied on self-reported data, which may be subject to bias or inaccuracies.

3.10 Conclusion

This chapter outlined the research design, data collection methods, data analysis techniques, and ethical considerations employed in this study. The next chapter will present the findings and analysis of the data collected, providing insights into the relationship between performance management systems and organizational performance in the fast food industry in Zimbabwe.

CHAPTER IV

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.1 Introduction

This chapter displays the evaluation and outcomes of the information compiled from the surveys and interviews carried out in the fast food business sector in Zimbabwe. The objective is to examine influence of effective performance management on organizational performance, exploring its different aspects including employee productivity, financial results, and organizational efficiency.

4.2 Questionnaire and Interview Analysis

Out of 130 targeted respondents from 13 fast food establishments in Harare, the researcher managed to get 113 responses, presenting an 87% response rate. Of the 113 responses retrieved, only 100 were completed, resulting in a 77% completion rate for the total questionnaires issued and interviews conducted. Paston (2012) indicated that a 60% and above response rate is sufficiently valid and reliable for research methods. Therefore, a 77% response rate adequately meets these standards to warrant further analytical procedures. The table below presents the composition of the respondents.

Table 1: **Questionnaire and Interview Response Rate**

Questionnaires & Interviews	**Frequency**	**Percentage**
Total administered	130	100%
Total retrieved	113	87%
Total completed	**100**	**77%**

Source: Primary data

4.2.1 Position held in the company

Table 2: **Responses by position in the company**

Position in the company	**Frequency**	**Percentage**
HR professionals	13	13%
Managers	35	35%
Employees	52	52%
Total	**100**	**100%**

Source: Primary data

The researcher targeted a specific group of individuals to make sure the information gathered is reliable and valid. He intentionally sent 78 questionnaires to selected employees and conducted interviews with 39 departmental managers and 13 human resources professionals. Out of the 100 completed and returned questionnaires and interviews, 13 were responses from interviews with human resource professionals, 35 were responses from interviews with departmental managers, and 52 were responses from questionnaires sent to selected employees as shown by the table above.

4.3 Demographic Features of Participants

4.3.1 Gender

The results regarding gender demonstrate that most participants were female (60%), represented by 60 respondents, while the minority were male (40%), with 40 respondents. This data is displayed in Figure 4.1

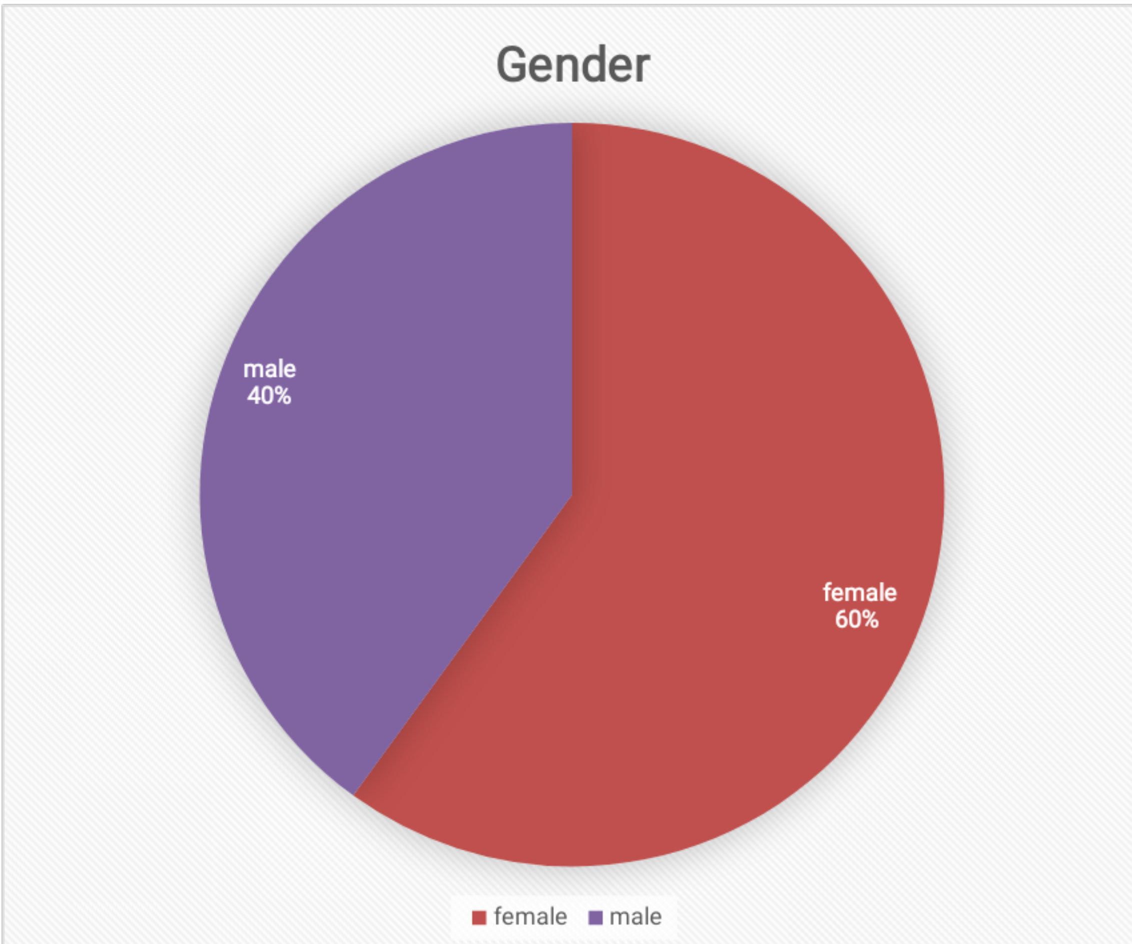

Figure 1 2: **Male to female respondent rate**

Source: Primary data

4.3.2 Age

The largest group of respondents (40%) were between the ages of 25 and 29. It was followed by those between 20 and 24 years (23%), suggesting that the sample mostly included younger individuals who are likely to be more familiar with modern performance management systems.

Table 3: **Respondents' age**

Age range	**Number of Participants**	**Percentage**
20-24	23	23%
25-29	40	40%
30-34	19	19%
35-39	11	11%
40 and above	7	7%

Source: Primary data

4.3.3 Education Level

The majority of respondents (41%) have undergraduate qualifications, followed by 28% with diplomas and 19% with postgraduate qualifications. This suggests that the sample is well-educated and likely to have a good understanding of the concepts being investigated.

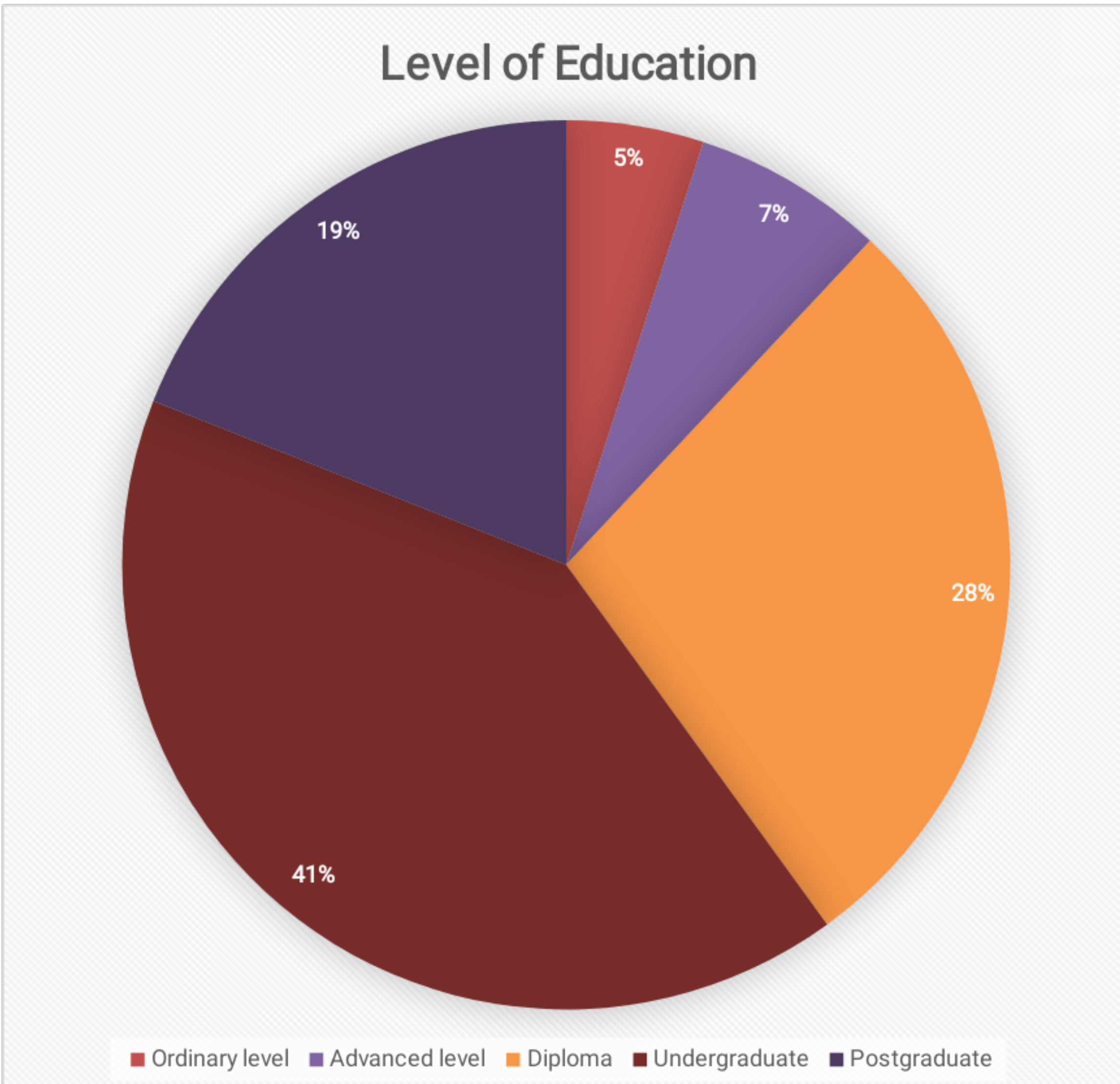

Figure 1 3: **Academic qualification percentage distribution of participants**

Source: Primary data

4.3.4 Work Experience

The majority of respondents (91%) have worked in the fast food industry for at least 2 years, with the highest proportion (39%) having 2-5 years of experience. This indicates that the sample has sufficient experience to provide valuable perceptions into the link between performance management systems and organizational success.

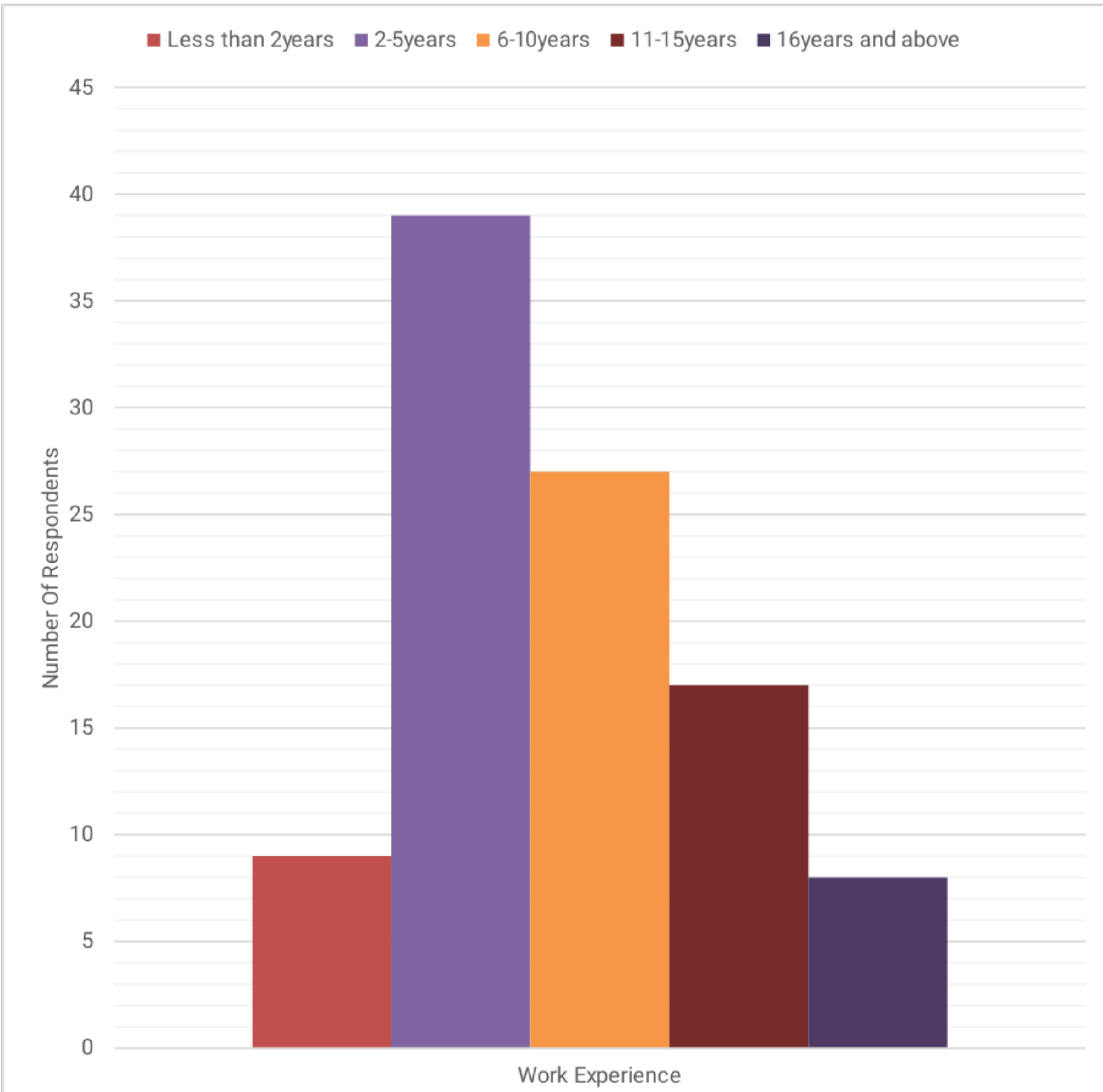

Figure 1 4: **Work experience percentage distribution of participants**

Source: Primary data

4.4 Relationships between PM variables and organizational performance variables

4.4.1 Goal Setting and Employee productivity (EP)

Regression analysis was used to find the relationship between goal setting variables (alignment, clarity, attainability, specificity and measurability) and employee productivity. Results are shown in Figure 4.4.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.975[a]	.950	.947	.309

a. Predictors: (Constant), Alignment, Measurability, Clarity, Specificity, Attainability

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	171.436	5	34.287	357.940	.000[b]
	Residual	9.004	94	.096		
	Total	180.440	99			

a. Dependent Variable: Employee Productivity

b. Predictors: (Constant), Alignment, Measurability, Clarity, Specificity, Attainability

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.460	.107		-4.300	.000
	Clarity	-.025	.093	-.024	-.272	.786
	Specificity	.032	.105	.028	.307	.760
	Measurability	.329	.084	.277	3.909	.000
	Attainability	.315	.111	.302	2.838	.006
	Alignment	.442	.112	.411	3.938	.000

a. Dependent Variable: Employee Productivity

Figure 1 5: **Regression analysis -goal setting variables and employee productivity**

Source: SPSS statistical software package output

4.4.1.1 Comments

R-value of 0.975 indicates a very strong positive correlation between the predicted employee productivity based on goal setting variables and the actual employee productivity. R-squared: 0.950 indicates that 95% of the variance in employee productivity can be explained by the goal setting variables. 0.947 value of adjusted R-squared is slightly lower than R-squared indicating the model still fits the data well even after adjusting for a number of independent variables.

The coefficients for each independent variable indicate the individual impact of each variable on employee productivity. Positive coefficients suggest a positive relationship, while negative coefficients suggest negative relationship. Alignment and measurability have the strongest positive relationships with employee productivity with attainability also showing a positive relationship as shown by their p-values (Sig.) which are less than 0.05.

4.4.1.2 Interpretation

These results suggest that goal setting, particularly when goals are aligned, clear, specific, and measurable, can significantly impact employee productivity. This aligns with the research objective to examine the relationship between performance management systems and key business performance indicators, including employee productivity. These findings are consistent with the findings of Smith and Brown (2018) which underscored the importance of implementing effective performance management practices, establishing clear performance expectations which leads to improved levels of worker performance, job satisfaction, and motivation. This suggests that staff engagement, productivity, and overall job performance can be amplified by well-designed performance management systems, which leads to improved company success. The strong positive relationship between goal setting and employee productivity suggests that effective goal setting can be a valuable tool for improving business performance in Zimbabwean organizations.

4.4.2 Performance measurement and feedback, and operational efficiency

Regression analysis was also used to analyze the link between Performance Measurement and Feedback (PMF) variables, which included timeliness, quality, regularity, specificity and performance evaluation accuracy, and business Operational Efficiency (OE). The results are summarized Figure 4.5 below.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.96[a]	.913	.908	.319	.913	196.587	5	94	.000

a. Predictors: (Constant), Performance Evalution Accuracy, Timeliness, Quality, Regularity, Specificity

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	99.888	5	19.978	196.587	.000[b]
	Residual	9.552	94	.102		
	Total	109.440	99			

a. Dependent Variable: Operational Efficiency

b. Predictors: (Constant), Performance Evaluation Accuracy, Timeliness, Quality, Regularity, Specificity

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.231	.158		1.46	.147	-.083	.544
	Regularity	-.064	.099	-.066	-.65	.520	-.262	.133
	Quality	.294	.086	.288	3.41	.001	.123	.466
	Timeliness	.133	.078	.176	1.71	.091	-.022	.288
	Specificity	.330	.092	.389	3.58	.001	.147	.513
	Performance Evalution Accuracy	.235	.093	.202	2.52	.013	.050	.420

a. Dependent Variable: Operational Efficiency

Figure 1 6: **Regression analysis- PMF variables and operational efficiency**

Source: SPSS statistical software package output

4.4.2.1 Comments

The regression model shows a strong relationship between performance measurement variables and operational efficiency, with an R-squared value of 0.913 indicating that about 91% of the variation in business operational efficiency can be explained by the performance measurement and feedback variables. The Adjusted R-squared value of 0.908 suggests that the model is robust and accounts the sample size and number of predictors. The Standard Error of the estimate (0.319) indicates a relatively small error in predicting operational efficiency. The B coefficients and beta values indicate the relative importance of each performance measurement and feedback variable in predicting operational efficiency

4.4.2.2 Interpretation

Specificity has the strongest positive relationship with OE, indicating that providing specific feedback is crucial for operational efficiency. Quality and performance evaluation accuracy also show significant positive relationships, highlighting the importance of high-quality feedback and accurate performance evaluation. Timeliness shows a weaker but still significant positive relationship indicating that timely feedback is important is important but not as crucial as specificity and quality of feedback, and accuracy of performance evaluation. Regularity shows a small negative relationship, suggesting that regular feedback may not be as essential for operational efficiency. Both recent and old research supports the significance of effective performance management on overall business performance. For instance, a study by Agrawal et al. (2020) found that performance management practices significantly impact organizational performance and competitiveness. This is also supported by a research by DeNisi and Pritchard (2006) which highlighted the importance of feedback in performance management, showing that feedback quality and accuracy are critical for worker performance improvement.

4.4.3 Training and Development, and Innovation and Growth

Correlation analysis was used to examine the relationship between Training and Development (TD) variables which included Training Budget (TB), Training Duration (TDu), Training Quality (TQ), Training Frequency (TF), Mentorship Opportunities (MO), and Continuous Learning Culture (CLC) in relation to business Innovation and Growth (IG). The results are shown below.

Table 4: **Correlations-TD variables and, Innovation and Growth**

Correlations

		TF	TQ	TDu	MO	CLC	TB	IG
TF	Pearson Correlation	1	.924**	.940**	.942**	.971**	.955**	.960**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	N	100	100	100	100	100	100	100
TQ	Pearson Correlation	.924**	1	.889**	.915**	.930**	.950**	.955**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000
	N	100	100	100	100	100	100	100
TDu	Pearson Correlation	.940**	.889**	1	.937**	.952**	.927**	.932**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000
	N	100	100	100	100	100	100	100
MO	Pearson Correlation	.942**	.915**	.937**	1	.951**	.960**	.957**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000
	N	100	100	100	100	100	100	100
CLC	Pearson Correlation	.971**	.930**	.952**	.951**	1	.967**	.966**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000
	N	100	100	100	100	100	100	100
TB	Pearson Correlation	.955**	.950**	.927**	.960**	.967**	1	.974**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000
	N	100	100	100	100	100	100	100
IG	Pearson Correlation	.960**	.955**	.932**	.957**	.966**	.974**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	100	100	100	100	100	100	100

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

Source: SPSS statistical software package output

4.4.3.1 Comments and Interpretation

The correlation analysis reveals strong positive relationships between Training and Development variables and business Innovation and Growth ranging from 0.932 (Training Duration) to 0.974 (Training Budget), indicating that effective training and development practices are associated with increased innovation and growth.

These findings suggest that investing in training budgets, fostering a culture of continuous learning, providing frequent training opportunities, offering mentorship, ensuring high-quality training, and adequate training duration are essential for driving innovation and growth. These findings are consistent with those of Park and Kang (2020) which found out that effective training and development positively impact organizational innovation and performance. This is supported by a study by Soltani and Tonekaboni (2016), which highlighted the importance of continuous learning culture in enhancing organizational innovation and growth.

4.4.4 Rewards and Recognition (RR), and Financial Performance (FP)

Correlation analysis was used to examine the relationship between Rewards and Recognition variables like Bonus Payments (BP), Salary Increases (SI), Public Recognition (PR), Employee of the Month or Year Awards (EMYA), Merit-Based Raises (MBR) and Non-Monetary Recognition (NMR) in relation to Financial Performance (FP). The outcomes are shown in Table 4.5 below.

4.4.4.1 Comments and interpretation

The analysis displays strong positive relationships between rewards and recognition variables and financial performance, indicating that effective rewards and recognition practices are associated with improved financial performance. The correlations range from 0.864 (Salary Increases) to 0.922 (Public Recognition), indicating a robust relationship between rewards and recognition, and business financial performance.

The findings suggest that organizations that emphasize rewards and recognition tend to perform better financially, supporting the notion that effective performance management including rewards and recognition, is crucial for achieving business success. This is in alignment with the findings of Gartner (2020) which found that organizations with robust recognition programs have a 24% increase in revenue growth supported by a research by World at Work (2020) which showed that organizations with effective reward strategies have a 12% increase in financial performance. A study by Harvard Business Review (2019) also support this research which found that recognition programs improve employee engagement, leading to increased financial performance.

Table 5: **Correlations- RR variables and Financial Performance**

Correlations

		Bonus Payments	Salary Increases	Public Recognition	Employee of the Month/Year Awards	Merit-Based Raises	Non-Monetary Recognition	Business Financial Performance
Bonus Payments	Pearson Correlation	1	.859**	.923**	.885**	.922**	.893**	.914**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	N	100	100	100	100	100	100	100
Salary Increases	Pearson Correlation	.859**	1	.918**	.959**	.934**	.936**	.864**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000
	N	100	100	100	100	100	100	100
Public Recognition	Pearson Correlation	.923**	.918**	1	.942**	.966**	.951**	.922**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000
	N	100	100	100	100	100	100	100
Employee of the Month/Year Awards	Pearson Correlation	.885**	.959**	.942**	1	.943**	.946**	.882**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000
	N	100	100	100	100	100	100	100
Merit-Based Raises	Pearson Correlation	.922**	.934**	.966**	.943**	1	.962**	.911**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000
	N	100	100	100	100	100	100	100
Non-Monetary Recognition	Pearson Correlation	.893**	.936**	.951**	.946**	.962**	1	.893**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000
	N	100	100	100	100	100	100	100
Business Financial Performance	Pearson Correlation	.914**	.864**	.922**	.882**	.911**	.893**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	100	100	100	100	100	100	100

Source: SPSS statistical software package output

4.5 Thematic analysis of qualitative data

The analysis of qualitative data identified several key themes and sub-themes related to performance management systems and organizational performance in the fast food industry. These themes and sub-themes offer useful understandings into the staff and managers viewpoints and experiences about the implementation and effectiveness of performance management systems.

4.5.1 Theme 1: Goal setting

Thematic analysis identified three main sub-topics under goal setting which involves importance of clear and achievable goals, alignment with organizational objectives and employee involvement in goal setting. These are explained below.

4.5.1.1 Sub-theme 1: Importance of clear and achievable goals

Respondents emphasized the importance of setting clear and achievable goals as a foundation for effective performance management. They underscored goals must be explicit, quantifiable, reasonable, applicable and time-specific. This aligns with Locke and Latham's (2002) Goal-Setting theory, emphasizing specific, challenging and attainable goals. This is supported by the findings of DeNisi and Pritchard (2006) which also emphasize the importance of clear goals and feedback. This has been further supported by a recent study by Aguinis et al. (2020), highlighting the significance of goal setting in effective performance management which impacts organizational performance, including financial performance, customer satisfaction, and employee productivity.

4.5.1.2 Sub-theme 2: Alignment with organizational objectives

Respondents stressed the need for performance goals to be aligned with the overall company objectives. This guarantees that employees' personal efforts contribute to the achievement of broader organizational goals. This supports the concept of alignment with company objectives (Kaplan and Norton, 2005).

4.5.1.3 Sub-theme 3: Employee involvement in goal setting

Respondents expressed the importance of engaging employees in the process of setting company goals. This nurtures feelings of responsibility and accountability, leading to increased motivation and dedication to fulfilling targets. This echoes the importance of employee participation in goal setting as proposed by Latham and Locke (2002).

4.5.2 Theme 2: Performance measurement and feedback

Three main sub-themes were identified under performance measurement and feedback which are regular and constructive feedback, two-way communication, and its impact on motivation and performance. More details are given below.

4.5.2.1 Sub-theme 1: Regular and constructive feedback

Respondents emphasized the need for regular and constructive feedback as a crucial element of performance management. They underscored that comments should be explicit, timely, and actionable, addressing both strengths and areas for development. This is consistent with a study which emphasizes the impact of feedback on employee performance and development (Latham and Locke, 2002). Aguinis et al. (2020) also found that feedback interventions can lead to significant improvements in employee performance.

4.5.2.2 Sub-theme 2: Two-way communication

Respondents stressed the importance of two-way communication in the feedback process. This allows employees to clarify any misunderstandings and actively participate in their development. This idea is supported by the findings of Euwema et al (2018, who found that employee participation in performance management leads to increased employee engagement and motivation.

4.5.2.3 Sub-theme 3: Impact on motivation and performance

Respondents indicated that regular and constructive feedback can significantly impact employee motivation and performance. It furnishes staff with transparent insight into abilities and regions for development, allowing them to adjust their behavior and improve their performance. This is also consistent with Latham and Locke (2002) whose research highlighted the impact of feedback on employee motivation. Gartner's (2020) study found that recognition-rich culture, which include regular feedback, lead to increased employee engagement and performance.

4.5.3 Theme 3: Training and development

Under this theme, respondents stressed on three main areas which involves its alignment with career goals, continuous learning and development and its overall impact on employee engagement and retention.

4.5.3.1 Sub-theme 1: Alignment with career goals

Respondents highlighted the importance of training and development opportunities being aligned with their career goals and aspirations. This ensures that employees acquire the skills and knowledge necessary for their professional growth and development. Past research, by Agyeman et al. (2022), in this field agrees that aligned training impact employee development and performance.

4.5.3.2 Sub-theme 2: Continuous learning and development

Respondents emphasized the need for continuous learning and development opportunities to keep pace with industry trends and technological advancements. This enables employees to remain competitive and adaptable in the ever-changing business environment. Maphosa et al. (2022) found that continuous learning opportunities lead to increased employee engagement and adaptability. A research by Ochieng et al. (2022) found that training and development programs improve organizational performance and employee job satisfaction.

4.5.3.3 Sub-theme 3: Impact on employee engagement and retention

Respondents indicated that providing training and development opportunities can significantly impact employee engagement and retention. It displays the company's dedication to staff growth and development, cultivating a sense of loyalty and belonging. A Kenyan study by Njanjari et al. (2022) indicates that training and development opportunities notably impact employee growth and retention. Training and development is also important in enhancing employee engagement and organizational commitment (Kuye et al., 2022).

4.5.4 Theme 4: Rewards and recognition

The analysis identified three main areas under this theme stressed by the respondents. They stressed on the fairness and equity of rewards and recognition, the motivation and performance it brings, and the importance of non-monetary recognition.

4.5.4.1 Sub-theme 1: Fairness and equity

Respondents emphasized the importance of rewards and recognition systems being fair and equitable. This ensures that employees are recognized and rewarded based on their performance and contributions, regardless of their background or personal characteristics. A study by Gartenberg et al. (2022) emphasized the impact of fair rewards on employee motivation and organizational justice. This was supported by Cooke et al. (2022) whose research found that perceived fairness in rewards and recognition systems increases employee satisfaction and commitment.

4.5.4.2 Sub-theme 2: Motivation and performance

Respondents indicated that fair and equitable rewards and recognition systems can significantly impact employee motivation and performance. It provides employees with an incentive to strive for excellence and contribute to the organization's success. This is consistent with the findings of Aguinis et al. (2020), which highlighted that recognition programs improve employee motivation and performance. Eisenberger et al. (2022) supports the same notion. Their research found that monetary incentives promote competitive behavior, whereas non-monetary incentives encourage creativity, camaraderie and engagement amongst workers.

4.5.4.3 Sub-theme 3: Non-monetary recognition

Respondents highlighted the importance of non-monetary forms of recognition, such as public acknowledgment, awards, and opportunities for advancement. These forms of recognition can be equally motivating and meaningful for employees. Gartner (2020) has found non-monetary recognition increasing employee engagement and Kwon et al. (2022) found that non-monetary incentives have a direct impact on employee morale and job satisfaction.

4.5.5 Theme 5: Facilitators and hinders

Respondents have pointed out that that there are facilitators and hindrances to the implementation of effective performance management. This is consistent with the research objective to identify the factors that facilitate or hinder the effective implementation of performance management systems in Zimbabwean organizations. Facilitators identified include leadership support, organizational culture alignment, employee engagement, training and development, technology infra structure and clear communication. This has been supported by several studies. Euwema et al. (2018) found that leadership support and commitment are crucial for effective performance management and Hofstede (2010) suggested that cultural differences should be taken into account when implementing performance management systems as they can impact organizational behavior and performance. Several other studies in this chapter also supports the notion that there are factors facilitating the successful implementation of performance management systems.

However, it was seen that these factors can also impede the successful implementation of performance management systems if not in place as identified by DeNisi and Pritchard (2006). These include insufficient resources and capabilities, poor leadership, poor technology in use, inadequate feedback, resistance to change, organizational culture misalignment, difficulties in aligning rewards and capabilities and unclear objectives and measures. This has been further supported by Smith and Brown (2015) who stressed the importance for organizations to adapt to digital transformations and utilize technology to improve performance management outcomes, suggesting that organizations should embrace digital advancements and use technology to enhance performance management practices in today's digital age. By investing in digital performance management tools, data analytics capabilities, and digital skills training, organizations can address challenges related to digitization and take advantage of opportunities to enhance performance measurement, feedback processes, and decision -making. Adopting a digital-first approach to performance management can help organizations achieve greater efficiency, agility, and effectiveness in managing performance in a digitally-driven environment.

4.6 Discussion

The results of this research suggest that performance management systems play a notable role in influencing overall business performance in the fast food industry. Organizations that implement effective performance management systems are more likely to experience improved employee productivity, financial results, and organizational efficiency. By focusing on fairness, transparency, and communication in performance appraisal processes, fostering a culture of continuous feedback and recognition, and aligning performance goals with employee aspirations, organizations can boost employee job satisfaction levels and overall organizational performance.

CHAPTER V

RESEARCH FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the outcomes and discussion of the data analysis conducted in this study. The results from both the quantitative and qualitative data are presented and interpreted, providing understanding into the link between performance management systems and organizational performance in the fast food industry. The research findings shed light on the critical factors that contribute to organizational success through effective performance management systems.

5.2 Overview of Key Findings

In this section, the researcher will provide a brief summary of the key findings derived from the analysis of both quantitative and qualitative data.

5.2.1 Analysis of Quantitative Data

To gain insights into the relationship between performance management system variables and organizational performance variables, descriptive statistics, regression analysis, and correlation analysis were conducted.

5.2.1.1 Descriptive Statistics

Information gathered from the survey questionnaires was summarized using descriptive statistics. The outcomes showed that most respondents were female (60%) with an average age of 28 years. Additionally, the majority of respondents held undergraduate qualifications (47%) and had worked in the fast food industry for at least 2 years (91%).

Information gathered from survey questionnaires was summarized using descriptive statistics. The outcomes showed that most respondents were female (60%), with an average age of 28 years. The majority of respondents had undergraduate qualifications (47%) and had worked in the fast food industry for at least 2 years (91%).

5.2.1.2 Regression Analysis

To determine the significance of the relationship between performance management system variables and organizational performance variables, regression analysis was conducted. The results indicated that goal setting, performance measurement and feedback (PMF), training and development (TD), and rewards and recognition (RR) were significantly associated with improved organizational performance. This suggests that organizations that focus on these factors are more likely to experience better employee productivity, financial results, and overall efficiency.

5.2.1.3 Correlation Analysis

Correlation analysis was utilized to further explore the connection between performance management system variables and organizational performance variables. The results confirmed the findings from the regression analysis, showing positive correlations between performance management system variables and organizational performance variables. This indicates that as performance management systems improve, organizational performance tends to improve as well.

5.2.2 Analysis of Qualitative Data

Thematic evaluation of the interview transcripts unveiled several key themes and sub-themes related to performance management systems and organizational performance. These included:

i. **Goal Setting**: The importance of setting clear and achievable goals was emphasized by respondents.

ii. **Performance Measurement and Feedback**: The need for regular and constructive feedback was highlighted as essential for employee motivation and performance improvement.

iii. **Training and Growth**: The provision of training and growth opportunities aligned with worker career goals was seen as crucial for enhancing employee skills and knowledge.

iv. **Rewards and Recognition**: The importance of fair and equitable rewards and recognition systems was emphasized as a motivator for employees.

These qualitative findings further supported the quantitative results, highlighting the significance of goal setting, performance measurement and feedback, training and development, and rewards and recognition in driving employee motivation, performance improvement, and overall organizational success.

5.2.3 Discussion

The research findings demonstrate the critical role of performance management systems in influencing organizational performance in the fast food industry. Organizations that effectively implement these systems are more likely to experience improved productivity, financial outcomes, and overall efficiency. The quantitative data analysis confirmed the significance of goal setting, performance measurement and feedback, and training and development in driving organizational performance. The qualitative data analysis reinforced these findings, emphasizing the importance of these elements for employee motivation, performance improvement, and overall success.

5.3 Conclusion

In conclusion, this chapter has presented the results and discussion of the information evaluation carried out in this study. The findings underscore the significance of performance management systems in influencing organizational performance in the fast food industry. Organizations that implement effective performance management systems are more likely to experience improved employee productivity, financial results, and organizational efficiency.

5.4 Recommendations

Companies aiming to enhance their overall business performance through effective performance management systems should:

i. Continue to invest in developing and implementing effective performance management systems.

ii. Align their performance management systems with their corporate goals and targets.

iii. Provide staff with regular and constructive feedback regarding their performance.

iv. Offer training and development opportunities that are aligned with the career goals and aspirations of their employees.

v. Ensure that their rewards and recognition systems are fair and equitable.

5.5 Areas for Further Research

While this study focused on the fast food industry in Harare, Zimbabwe, it is recommended to conduct further research nationally and cross-industry to draw more meaningful conclusions on the significance of performance management systems on overall organizational success. Additionally, future research should consider collecting data from multiple industries to gain a broader perspective. Furthermore, exploring the factors that facilitate and impede the successful implementation of performance management systems in Zimbabwean organizations would be beneficial for future studies.

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APENDIX 1

LETTER TO RESPONDENT

<u>BINDURA UNIVERSITY OF SCIENCE EDUCATION</u>

Dear Sir/Madam

RE: QUESTIONNAIRE COMPLETION ON THE SIGNIFICANCE OF EFFECTIVE PERFORMANCE MANAGEMENT ON OVERALL BUSINESS PERFORMANCE.

My name is XXXXXXXX, a student from Bindura University of Science Education and I kindly ask for your assistance in the completion of my questionnaire. As part of the requirements of the institution for the completion of the Bachelor of Accountancy Honors degree, I am carrying out a research entitled: The significance of performance management systems on overall business performance: case study of Fast Food Industry in Zimbabwe. It is against this background that I kindly seek your opinions by completing the attached questionnaire.

This is a purely academic study and the results will be used for academic purposes only. Please feel free to say out your honest opinion and I assure you that all the information you provide will be treated in strict confidence. For any clarifications, please contact me on the details provided below.

Yours sincerely
XXXXXXXXX

Phone Number: XXXXXXX

Email: XXXXXXXXXXXXXXX

SURVEY QUESTIONNAIRE FOR STAFF, HUMAN RESOURCE PROFFESSIONALS AND OTHER MANAGERS.

Thank you for participating in this survey. This questionnaire has been administered by XXXXXXXXX, a student at Bindura University of Science Education. In partial fulfilment of the Bachelor of Accountancy Honors degree, the student is conducting a research on the significance of performance management systems on organizational performance.

Instructions

a.) Please respond to all questions.

b.) Respond by ticking the applicable answer in questions where responses are provided and briefly explain where spaces are provided.

c.) There are no right or wrong answers, hence, give the response that is closest to your opinion.

Note that your responses will be treated with strict confidence and the study will be used for academic purposes only. Your responses will help the student understand the relationship between performance management systems and overall business performance.

SECTION 1: DEMOGRAPHIC CHARACTERISTICS

1. **Gender**

Male	
Female	

2. **Age**

20-24years	25-29years	30-34years	35-39years	40years and above

3. **Educational Level Qualifications**

Ordinary	Advanced	Diploma	Undergraduate	Postgraduate

level	level			

4. **Position in the company**

Employee	**Human resource practitioner**	**Other Manager**

5. **Work experience:**

Less than 2 years	2-5 years	6-10 years	11-15 years	More than 16 years

SECTION 2: GOAL SETTING AND ALIGNMENT

1. **What is your view towards the goals set by your organization?**

Confusing	Partially Clear	Generally Clear	Crystal Clear	Transparent

2. **Are the goals set by your organization specific and meaningful?**

Unspecific	General	Somewhat Specific	Specific	Very Specific

3. **Do goes have a precise, quantifiable and trackable metrics and targets which makes it easy to measure goals?**

Not	Somewhat	Partially	Measurable	Highly

Measurable	Measurable	Measurable		Measurable

4. **How frequently do you have discussions with your manager or supervisor to review and align your goals with the organization's objectives?** (Frequency: daily, weekly, monthly, quarterly, annually, Other). Specify if other.

   ………………………………………………………………………………………….

5. **In your opinion, how does the performance management system in your organization align with overall business objectives?**

   ……
   ……
   ……

6. **Do you feel involved in the goal setting and performance management implementation process?**

Yes	
No	

7. **What is your overall view of goal setting process at your organization and how does that affect your execution of your responsibilities and job duties?**

   ……
   ……
   ……

SECTION 3: PERFORMANCE MEASUREMENT AND FEEDBACK

1. How often does performance measurement and feedback on your performance occur within your organization?

Rarely	Occasional	Regular	Frequent	Continuous

2. **On a scale of 1-5, rate how** would you rate the quality of performance measurement and feedback received in your organization?

Poor	Fair	Good	Very Good	Excellent

3. **In what ways do you feel that the performance management system helps you understand your strengths and areas for improvement?**

……
……
……

4. **Does performance measurement and feedback occur on a timely basis when performance is still relevant and fresh?**

Too Late	Delayed	On Time	Prompt	Real-Time

5. **Does your organization provide precise and detailed information, including specific actions and behaviors in line with performance measurement?**

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………………………………………………

6. **Do you think performance appraisal and evaluation in your organization are accurate, providing a detailed and objective assessment?**

……
………………………………………………

7. **Do you feel that the performance management system in your organization encourages a culture of continuous improvement? Why or why not?**

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……

SECTION 4: TRAINING AND DEVELOPMENT

1. **Do you feel that the training and development opportunities provided by your organization align with your career goals and aspirations? Why or why not?**

   ………
   ………………………………………………

2. **On a scale of 1-5, how would you rate the quality of training sessions at your organization?**

Poor	Fair	Good	Excellent	Outstanding

3. **Do you believe the performance management system in your organization identifies and addresses skill gaps or development areas? Why do you think so?**

   ....
   ....
   ....

4. **How do you see the duration of training sessions, do you think they are structured and long enough to provide enough in-depth knowledge and skills?**

Too Short	Adequate	Satisfactory	Comprehensive	Extensive

5. **Do systems at your organization support a culture of continuous learning?**

Non-existent	Limited	Present	Embedded	Thriving

6. **How sufficient is the allocated training and development budget at your organization?**

Inadequate	Limited	Adequate	Generous	Abundant

7. How frequent do employees receive training and mentorship sessions at your organizations?

………
…………………………………………………

SECTION 5: REWARDS AND RECOGNITION

1. Which of the following rewards and recognition programs are most dominant at your organization?

a. Bonus Payments

Never	Rarely	Sometimes	Often	Always

b. Salary Increases

Rarely	Occasional, but not regular	Annual or bi-annual	Frequent, based	Regular and Substantial

c. Public Recognition

Never	Only at departure	Only for major achievements	Regularly for achievements	Regularly and spontaneously

d. Employee of the Month/Year Awards

No such program	Infrequent & without a clear criteria	Frequent but limited to few	Frequent and fear	Frequent, fair & celebrated

e. Merit-Based Raises

No such practice	Unfair & Arbitrary	Limited to a few	Fair and transparent	Fair, transparent and regular

f. Non-Monetary Recognition

Never	Rarely	Occasionally	Regularly	Frequently & Creatively

2. Are there any challenges or barriers you face when it comes to receiving rewards and recognition for your performance? If so, what are they?

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   ……
   …………………………………………………………………………………………

3. Do you believe that the rewards and recognition system in your organization is fair and equitable? Why or why not?

   ……
   ……
   ……
   ……………………………………………………

[The End, Thank You for Your Cooperation!]