

**Performance Management And It's Impact On Employee Satisfaction. A Case Study Of Insurance Company
Of East Africa, Entebbe Branch**

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Abstract

Performance management is concerned with enhancing employee performance at work as well as providing them with satisfaction. This study was carried out to establish the employee performance management process used in Insurance Company of East Africa, Kampala Branch. In addition, it was aimed at determining the influence of employee performance management process on employee satisfaction. It employed a case study research design. Data analysis was conducted using descriptive statistics such as the mean, percentages and frequencies, the data was further subjected to Pearson's Correlation analysis to determine the influence of performance management process on employee satisfaction. The findings indicated that Insurance Company of East Africa, Kampala Branch has an employee performance management process which incorporates: performance and development agreement; managing employee performance throughout the year and conducting formal performance review, the study therefore agrees with Gareth et al (2000) who suggest that organizations adopt employee performance management as a competitive strategy. The study also established that 66% of employees in the branch were satisfied with the employee performance management process in place, the study further revealed that employee performance management process enhances employee satisfaction and vice versa. This concurs with Robson et al (2005) whose study suggested that organizations that implement "good practices", such as employee performance management, and who are achieving organizational results are likely to be closer to satisfying their staff, the organization, however, scored poorly in areas such as team work 44% and work environment where 34%. It is recommended that a similar study be replicated in the other branches or the organization as a whole consistency with these findings, given that it was limited to one branch.

Keywords: Performance, Management, Employee and Satisfaction

Background of the study

The key variables allowed for performance management, which was the independent variable, and employee performance, which was the dependent variable. Performance management includes; performance planning, monitoring and evaluation or review, regular performance evaluation and reward (Alex & Kazaara, 2023). (Ntirandekura et al., 2022) defines performance management as a strategic and integrated approach to increasing the effectiveness of organizations by improving the performance of the people who work in them and developing the capabilities of teams and individual contributors (Ramadhan et al., 2023).

This means that performance management is integrated by linking organizational, team, individual goals and by linking functional strategies in different parts of the organization and by linking different aspects of human resource management with employee management and development and finally by integrating individual needs with company needs. organization (Alex & Kazaara, 2023). Therefore, performance management is essentially about how organizations, teams, individuals do their work and produce results. Performance management therefore focuses on

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three key areas i.e. performance planning, performance monitoring and control plus performance reward and recognition.

Performance planning is a formal, structured process for identifying and communicating organizational and individual goals expected of an employee. The performance plan consists of the performance expected from the employee and the individual development plan (Musaibah et al., 2023). Performance plans are determined collaboratively between the supervisor and the employee working together. Together, they determine the performance expectations and development goals to be achieved during the monitored period. They discuss goals, intentions and expectations for the period under review (W. Paul & Kazaara, 2023). This process helps improve communication and discuss the employee's career development plan ([www.google.com/performance planning](http://www.google.com/performance%20planning)). In the public service, each sector identifies priority outputs to be delivered in the medium term (Winny et al., 2023). At the voting level, public institutions develop annual performance plans based on political goals and priorities outlined in the National Development Plan and Sectoral Plans. For each key output, performance indicators and indicators are identified, which are used to regularly evaluate the level of fulfillment of standards. Individual level planning is done at the beginning of each financial year (Racheal et al., 2023). Each individual must agree with their supervisor on what is to be achieved in a given financial year. The individual plan also lists key outputs, targets and performance indicators that are linked to the LG or MDA annual plan (Integrated Performance Management Framework for Uganda Public Service, July 2007).

Performance monitoring and control, or performance appraisal, is a method by which an employee's work performance is documented and evaluated. Individual performance appraisal is done through a performance appraisal system (Godfrey et al., 2023). Performance appraisal is part of career development and consists of regular evaluation of the performance of employees in organizations. The appraiser and appraisee agree on an individual performance plan that sets a course for acquiring the knowledge, skills, and competencies the employee needs to improve performance and achieve career goals. Supervisors or evaluators monitor individual performance to ensure that activities are proceeding as planned and provide timely feedback and take corrective action when necessary. (Integrated Performance Management Framework for Uganda Public Service, July 2007) (Kazaara & Kazaara, 2023). The Ministry of Local Government is mandated to lead, harmonize, mentor and advocate for all local governments in support of the overall vision of government to bring about socio-economic transformation of the country. However, over the years of striving to fulfill their mandate, the performance of local governments in general remains weak (Ministry of Local Government Policy Statement, June 2014) (Faith et al., 2023). This has a direct impact on the performance of the Ministry's staff, as they all have this task to perform. It was therefore imperative to investigate the relationship between performance management practices and employee performance in the Ministry of Local Government to bridge the gaps existing in local government (Frank et al., 2023).

Statement of the Problem

Performance management is used to ensure that the activities and results of employees are aligned with the organization's goals, and involves specifying those activities and results that will lead to the successful implementation of the strategy in the firm (Ramadhan et al., 2023). Previous research has been silent on the implementation of

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performance management systems and how the influence of organizational culture can affect organizational performance (K. Paul et al., 2023). (Musaibah et al., 2023) investigated the relationship between organizational culture and the performance evaluation process and their impact on the organizational citizenship behavior of academic staff. Performance management is important to an organization because it helps organizations ensure that employees work hard to contribute to the achievement of the organization's mission and goals. Performance management sets expectations for employee performance and motivates employees to work hard in the way the organization expects. In addition, performance management provides a complete and professional management process for organizations to evaluate the performance results of organizations and employees. Employee performance can be expected, evaluated and supported (Faridah et al., 2023). Improving employee performance is therefore a way to improve employee satisfaction.

Objectives of the study

1. To establish the employee performance management process used in Insurance Company of East Africa, Kampala Branch.
2. To determine the influence of employee performance management process on employee satisfaction in Insurance Company of East Africa, Kampala Branch.
3. To determine the relationship between performance and employee performance in Insurance Company of East Africa, Kampala Branch.

Methodology

This study adopted a correlation research design (L. A. Nafiu, 2012). A correlation research design refers to a quantitative research design involves two or more quantitative variables from a similar group of subjects and it tries to establish the relationship between the two variables as to whether they have anything in common (L. A. Nafiu et al., 2017). Theoretically, any 2 quantitative variables can be correlated (Amin, 2005). A correlation research design that was used in this study enabled the researcher to find out the relationship between the studies variables (L. Nafiu et al., 2013). In addition, the study used a triangulation approach that includes both qualitative and quantitative approaches. The study population consisted of 215 respondents (Rasheed et al., 2022). These were consisted of 10 administrative managers and 120 lower organization officials using Kampala branch and 85 customers. The administrators were chosen because they had the responsibility of overseeing the implementation of the electronic banking in the bank. The lower bank officials were chosen because they were aware of what took place in the bank about the study (Anwar et al., 2022). The customers were selected because they were expected to express their taste and experiences of using ICEA.

Table 1: Sample Size of Respondents and Sampling Technique

Category of Population	Population Size	Sample Size	Sampling Technique
Administrative staffs	10	5	Purposive sampling

organization officials	120	92	Simple Random sampling
Customers	85	75	Purposive sampling
Total	215	172	

Source: primary data ((2015)

In sampling, the study involved purposive and simple random sampling techniques. Purposive sampling was used to select the administrative staff and customers as they were key figures in relation to their knowledge of the matter that were studied (Sekaran, 2003). Simple random sampling allowed equal representation of other respondents to be part of the study as suggested by Mugenda and Mugenda (2003) and these included the bank lower officials. The study respondents were divided up into categories (Rasheed et al., 2022). A questionnaire is an instrument that was used in research that contains closed ended questions with choices that triggers that aim at collecting data from participants in the study (Amin, 2005). The questionnaire in this research undertaking was used to gather data among the organizational officials in ICEA (L. A. Nafiu et al., 2012). The researcher distributed the questionnaires among the sampled respondents and they were given time to fill them at their own convenience and later the researcher went back to collect the filled tools. Data analysis involved arranging, sorting and organizing data and later attach meaning to create a sensible meaning that reflects the findings (Olanrewaju et al., 2021). This study involved both quantitative and qualitative data and each was analyzed in its form as shown below: In analyzing quantitative data, the data was sorted as per its allocated codes and entered into a statistical package known as Statistical Package for Social Scientists (SPSS) to generate both descriptive and inferential statistics that create the mean, mode and median; the variance, standard deviation, frequencies and percentages (Nelson et al., 2022).

RESULTS

Career advancement

Career is a related series of jobs in an ascending order or status and responsibility. Advancement on the other hand refers to the degree of potential occupational upward mobility within an organ initiOJ1, Career advancement motivates employees to perform better in their roles besides filling employees with feelings of security resulting from the likelihood that his or her job opportunities will increase as their career progresses. (Winny et al., 2023) share the view that career advancement contributes to employee motivational and subsequent satisfaction 61% the resJRM1dents indicated that they were aware of the promotion opportunities in their company while 39% disagreed. With regard to provision of performance training which increased employees' skills and promotion opportunities, of the respondents displayed satisfaction (Winny et al., 2023). All the respondents were satisfied with the opportunity to progress within the company, another of the respondents agreed that they knew what was expected of them in their jobs. of the respondents were satisfied with the way promotions were handled in their company while 39% were not. The findings above reveal that the respondents were generally satisfied with the career development- The Percentage of the respondents who exhibited satisfaction was 73%.

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Communication procedures

Communication processes used organizations have a great effect how they function. Communication promotes a coordinated approach to issues and program in an organization. Many companies, according to scholars, have formal arrangements that encourage their employees to submit suggestions regarding efficiency, safety or welfare. 60% of the respondents were satisfied with the employee suggestion programme in place while 40% were not, regarding regular newsletters and notices meant to keep employees informed, 74% Of the respondents exhibited satisfaction. Of the respondents generally showed satisfaction with the grievance procedure available to them in resolving disputes between employees and management, the findings indicated that 58% of the respondents 'ever generally satisfied with the regular meetings organizer for performance updates.

Generally, the respondents were satisfied with the communication procedures that were put in place to enhance employee performance and satisfaction. The percentage of satisfied employees was 67%.

Management interventions

Management plays a pivotal role in the employee performance management practices. They avail the resources needed for good performance amongst other performance drivers. (Ntirandekura et al., 2022) assert that the purpose of management is to ensure that the resources (including human resources) are used in such a way that the employer obtains the greatest possible benefit and the employees also obtain both material and psychological rewards for their work,

The findings indicated that of the respondents were satisfied with how the senior leaders established clear direction (Or the company, 82% exhibited satisfaction with how the supervisors took personal interest in helping them to get ahead in their jobs. Concerning the relationship between management and employees, Of the respondents displayed satisfaction, 74% of the respondents were in agreement that management treated others with respect. Regarding provision of timely feedback for improving employee performance, indicated satisfaction. of the respondents indicated that they could trust their supervisors (T. Christopher, 2022).

Team work

A team is a special sort of group, all teams are groups, but groups do not necessarily behave as The defining characteristic of a team is that its members voluntarily co-ordinate their work in order to achieve group objectives; they are highly interdependent and are expected to help each other out.

Only 48% of the respondents indicated that the meetings they had with their Coworkers and supervisors helped them to perform their jobs. This is manifestation of dissatisfaction, With regard to people from whom they could seek help when they had work related problems, only 42% indicated satisfaction (F. Christopher et al., 2022), The percentage of those in agreement being below average, this was considered a display of dissatisfaction. The findings further indicated that only 42% of the respondents agreed that they had regular meetings amongst the various departments in the company, Based on the findings above, it is evident that the respondents were dissatisfied with the interventions that the company had put in place to enhance team work. The percentage of those who exhibited satisfaction was only 44%. The organization therefore scores poorly in team work,

Work environment

The environment in which people work has a tremendous effect on their level of pride and for the work they do. Thus, making employees comfortable at the place of work can make a difference in their productivity. Only 40% Of the respondents agreed that they were able to balance personal and professional responsibilities, the percentage in agreement being below averages it translates to dissatisfaction, regarding being frequent stressed in their jobs, only 18% disagreed, this implied that they were stressed, All the respondents indicated agreement that they were worried about losing their jobs. This meant that they felt insecure in their jobs. 79% intimated that they could leave work to attend to personal matters whenever need arose, this depicts flexible work arrangements.

The findings above indicate that the branch scores poorly in work environment as a parameter used to measure satisfaction except in allowing employees time to attend to personal matters whenever necessary. A paltry 34% of the respondents exhibited satisfaction with the work environment.

Job Satisfaction

All the respondents agreed that they were proud to be employees of the company. Regarding having personal feeling of satisfaction from their work, 79% of the respondents were in agreement, All the respondents were in agreement the their jobs were boring and monotonous; they were therefore dissatisfied. An equivalent percentage admitted to being apathetic at work (F. Christopher et al., 2022). Concerning having a genuine concern for safety in the company, of the respondents were in agreement,

From these findings, a majority of the respondents were satisfied with their jobs except on the monotony of their jobs. The percentage of those who exhibited satisfaction was 72%.

Recognition

Recognition of employees' efforts is one way of encouraging good performance given that it raises employee satisfaction and boosts their morale. It is one of the building blocks of an effective employee performance management process (2008; McNeese; 1997; Mullins, 2007), were generally satisfied that the company rewarded hard work, Regarding feedback about their good work, only 10% displayed satisfaction. 79% of the respondents agreed that that their promotional opportunities on their good work contrary to 21% who disagreed. With respect to adequate recognition for the work done, 79% displayed satisfaction while 21% objected. 61% of the respondents felt while they discussed problems or solutions hence they were dissatisfied in this aspect-

Although the respondents generally displayed satisfaction with recognition as an intervention geared towards creating employee satisfaction, they were specifically dissatisfied with the manner in which feedback concerning good performance was provided as well as how their opinions were handled while discussing problems or solutions. The percentage of the respondents who exhibited satisfaction was 60%,

Compensation

Good compensation and benefits normally contribute to employee satisfaction. An organization that gives its employees above industry benefits and compensation is quite often characterized by a higher rate of employee retention (Susan, 2010; Scheir; 1998; Lawler, 1981) 60% Of the respondents agreed that they were told clearly about their compensation

and benefits when they joined the company, All the employees affirmed that they were paid adequately for their responsibilities, 82% of the respondents felt that the benefits in their company were not as good as they were in similar companies. They therefore registered dissatisfaction to this extent. All the respondents agreed that they were given responsibilities commensurate with their qualifications. 63% of the respondents affirmed that they were given responsibilities commensurate with their experience. Based on these findings, the respondents were generally satisfied with the compensation and benefits offered by the organization, the percentage of the respondents who exhibited satisfaction was 68%.

Communication

Concerning management communication, only 34% of the respondents admitted to hearing important changes through rumors; this extent they were dissatisfied. 92% affirmed that their suggestions were sought regarding work-related issues. Another 90% of the respondents indicated that they felt free to express work-related issues.

It is thus clear that the respondents were generally satisfied with communication processes except management communication about important changes. of the respondents exhibited satisfaction with the communication processes, The overall findings of the study regarding employee satisfaction with the employee performance process point to the fact that a majority of the employees are satisfied. The average percentage of the employees who exhibited satisfaction with the employee performance management process was 66%, However, it is important to note that the organization scored poorly in work environment 34% and teamwork 44%. The respondents expressed greatest satisfaction with tools and other resources

Conclusion

The study has discussed the employee performance management process used in ICEA, Kampala Branch. It has also been demonstrated that the branch practices the Same with average of 77% agreeing against 23% who disagree These findings concur with Dessler (2008) who identified the building blocks of effective employee performance process as composed of reward recognition and compensation, Armstrong (2006) echoes the same findings. He views employee performance management process self-renewing cycle that incorporates: performance and development agreement; monitoring performance throughout the year and performance review.

It has also been established through the study that employee performance management process enhances employee satisfaction and vice versa. This occurs with Robson et al (2005) who conducted a study that suggested that organizations that implement "good practices" covering a range of managerial aspects (including employee performance management), and who are achieving organizational results are likely to be closer to satisfying their staff. Peters & Austin (1986) also support these findings. They assert that satisfied employees quite often display 'ownership' Of the organization in which they work. They argue that employees with a feeling of ownership with respect to either their organization or role are more likely to provide better levels of performance. The Study, however, established that the organization scores poorly in areas such as team work 43% and work environment 34%.

Recommendations

The findings of the study have generally that the employees are satisfied with the employee performance management process in place. However, the respondents exhibited little satisfaction with team interventions. It is my recommendation, therefore, that the management enhances team work by monitoring and strengthening the meetings between co-workers and supervisors besides arranging for regular meetings amongst the various departments in the organization to encourage team spirit, I also recommend that the management identifies accessible team leaders who can be consulted by team members whenever they have work related problems,

Owing-to the dissatisfaction expressed by the respondents about their work environment, I recommend that wellness programs are adapted by the organization to enable employees relieve themselves of work-related stress, the organization should alternatively review its management structures and policies to incorporate ones that limit stress at work, the management should also restructure jobs to remove exceptionally stressful elements.

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