

**T.C.  
ISTANBUL AYDIN UNIVERSITY  
INSTITUTE OF SOCIAL SCIENCES**



**EFFECTS OF PERFORMANCE APPRAISAL SYSTEM ON THE JOB  
EFFECTIVENESS**

**THESIS**

**Shahla GAFAROVA**

**Department of Business Administration  
Business Administration Program**

**Thesis Advisor: Dr. Çiğdem ÖZARI**

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T.C.  
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## **DECLARATION**

I hereby declare that all information in this thesis document has been obtained and presented in accordance with academic rules and ethical conduct. I also declare that, as required by these rules and conduct, I have fully cited and referenced all material and results, which are not original to this thesis.

**Shahla GAFAROVA**

## **FOREWORD**

The success of this research project and completion of this thesis in MBA programme is owed to Allah Almighty and His eternal blessings.

I want to pay my regards and acknowledgement of the efforts and sincere guidance of my supervisor Dr. Çiğdem Özari for extending generous help. This research project and thesis report would not have been completed if her guidance would not be available.

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## **ABBREVIATIONS**

<b>PM</b>	: Performance Management
<b>PMP</b>	: Performance Management Processes
<b>PMS</b>	: Performance Management System
<b>PA</b>	: Performance Appraisal
<b>PAS</b>	: Performance Appraisal System
<b>PAP</b>	: Performance Appraisal Process
<b>PAM</b>	: Performance Appraisal Method
<b>HR</b>	: Human Resources
<b>HRM</b>	: Human Resources Management
<b>TUIK</b>	: Turkish Statistical Institute
<b>IT</b>	: Information Technology
<b>SMEs</b>	: Small and Medium-sized Enterprises
<b>TUBISAD</b>	: Türkiye Bilişim Sanayicileri Derneği
<b>ICT</b>	: Information and Communications Technology
<b>OECD</b>	: Organization for Economic Cooperation and Development
<b>MBO</b>	: Management by Objectives
<b>EE</b>	: Employees Engagement
<b>CMC</b>	: Name of the company: Customer Management Center
<b>ETIYA</b>	: Name of the company: Etiya
<b>IQ</b>	: Intelligence Quotient
<b>B/OSS</b>	: Business and Operations Support System
<b>CM</b>	: Center Management
<b>SPSS</b>	: Statistical Package for the Social Sciences
<b>IOT</b>	: The Internet Of Things

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## **EFFECTS OF PERFORMANCE APPRAISAL SYSTEM IN THE JOB EFFECTIVENESS**

### **ABSTRACT**

The basic objective of this research is to highlight the association between job satisfaction of employees and the organisational performance process in information and technology sector of Turkey. The review of literature showed that there is a lack of quantitative and empirical findings to reflect the requirement for change in IT sector of Turkey. This research is meant to find and present such data that help in understanding the linkage between the important drivers of success. This research also offered important insights to facilitate managers in efficient performance management of employees. Given the current significance of information technology sector and the relevance of human resources in SMEs, it is integral to measure the elements of employee management and satisfaction.

A focus on performance appraisal process is made in this research to examine the efficiency of the PM for Turkish IT industry. The other objectives are to investigate the effect of performance appraisal process on employees' job satisfaction and to assess the extent to which performance appraisal influences employees' job satisfaction in IT sector SMEs in Turkey. The current research is also important for the domain of human resource development as the study will offer an analysis of important parameters of the performance appraisal process and the concepts about employees' job satisfaction in the organisations. Apparently, there is no adequate research available that has examined these associations.

The research design was descriptive with the use of secondary data collected from relevant websites and company resources. The questions raised about challenges and opportunities to be faced by technology sector in managing employees' performance in Turkish Companies. The secondary data was retrieved from online academic research databases, web portals, and the internet sources on telecommunication industry. The two selected IT and telecom companies CMC and Etiya were used in the explanatory methodology based on secondary data only.

The findings of the research revealed that the technology sector of Turkey is progressing and the companies are using latest performance management systems to manage and appraise performance of employees. The selected companies CMC and Etiya are also showing high progress due to their talented and qualified staff since the IT sector is highly human resource based industry. Moreover, the findings from the analysis interpreted that the companies are using latest state-of-the-art performance appraisal systems based on 360 degree appraisal. However, the participation of employees in the decision making and performance management is not found satisfactory since top management make all decisions of teams and projects. Mostly top management is responsible for decisions related to performance management system. The criteria of performance appraisal analysed in the secondary data also found to be acceptable by the employees and generally all four criteria congruence, acceptability, specificity, and validity, were found satisfactory.

Limited access to companies' HR data and use of only two companies' comparative analysis was the basic limitation on this research. The results are also limited to the use of secondary data only. Future researches are recommended to use more companies and large sample size to increase the accuracy and generalizability of results. The research is a significant addition in the literature on performance management in IT sector of Turkey.

**Key Words:** *Performance Appraisal, Effectiveness, Performance Management System.*

## PERFORMANS DEĞERLENDİRME SİSTEMİNİN VERİMLİLİK ÜZERİNDE ETKİSİ

### ÖZET

Bu araştırmanın temel amacı, Türkiye’deki bilgi ve teknoloji sektöründe çalışanların mesleki tatminleri ile kurumsal performans süreci arasındaki ilişkiyi vurgulamaktır. Literatür taraması, Türkiye’deki Bilgi Teknolojileri sektöründe bir değişikliğe ihtiyaç duyulduğunu ortaya çıkarmıştır. Bu araştırma, başarının önemli dinamikleri arasındaki bağı anlamaya yardımcı olacak veriler bulmayı ve sunmayı amaçlamıştır. Bu araştırma ayrıca, yöneticilerin personel performansını etkin bir şekilde değerlendirebilmelerini sağlayacak fikirler önermektedir. Kobilerdeki bilgi teknolojileri sektörünün önemi ve insan kaynakları ile ilişkisi göz önünde bulundurulduğunda, personel yönetimi öğelerinin ve mesleki tatminin birlikte ölçülmesi gerekir.

Türkiye bilişim teknolojileri endüstrisi için, performans yönetiminin verimliliğini incelemek üzere bu çalışmada performans değerlendirme sürecine odaklanıldı. Türkiye’deki bilişim teknolojileri sektöründe performans değerlendirmesinin, çalışanların mesleki tatmini üzerindeki etkisini araştırmak ve performans değerlendirmesinin çalışanların mesleki tatminine ne derece etki ettiğini ölçmek bu çalışmanın diğer amaçlarıdır. Bu araştırma ayrıca performans değerlendirme sürecinin önemli parametrelerini ve kurumlardaki çalışanların mesleki tatminleri ile ilgili kavramlar üzerine bir analiz önerir. Açıkça görülüyor ki, bu ilişkileri inceleyen yeteri kadar araştırma bulunmamaktadır.

Araştırma tasarısı, şirket kaynakları ve ilgili web sitelerden alınan ikincil verilerin kullanımı ile tanımlayıcıdır. Türk şirketlerdeki Teknoloji sektörünün, personellerinin performans yönetiminde karşılaşılabilecekleri zorluklar ve fırsatlar hakkında sorular ortaya atıldı. İkincil veriler çevrimiçi akademik araştırma veri tabanları, portallar ve telekomünikasyon endüstrisi hakkındaki internet kaynaklarından elde edilmiştir. İki seçilmiş bilişim teknolojileri ve Telekom şirketleri olan CMC ve Etiya sadece ikincil verilere dayanan açıklayıcı metot ile kullanılmıştır. Araştırmanın bulguları, Türkiye’nin teknoloji sektörünün geliştiğini ve şirketlerin personellerinin performansını değerlendirme ve yönetme için güncel performans yönetim sistemleri kullandıklarını ortaya çıkarmıştır. Seçilen şirketler CMC ve Etiya, bilişim teknolojileri sektörünün çoğunlukla insan kaynakları temelli bir endüstri olması sebebiyle yetenekli ve kalifiyeli personelleri sayesinde yüksek ilerleme göstermektedir. Ayrıca, bulgular şirketlerin 360 derece değerlendirmesini temel alan en gelişmiş performans değerlendirme sistemlerini kullandıklarını ortaya çıkarmıştır. Ancak, üst yönetimin takımın ve projelerin tüm kararlarını kendilerinin almaları sebebiyle personelin karar verme ve performans yönetimine katılmaları yeterli bulunmamıştır. Performans değerlendirme ile ilgili kararlardan çoğunlukla üst yönetim sorumludur. İkincil verilerde analiz edilen performans değerlendirme kriterleri personel tarafından kabul edilebilir bulunmuştur, ve dört kriter; uygunluk, kabul edilebilirlik, belirginlik ve geçerlilik yeterli bulunmuştur.

Şirketlerin İnsan Kaynakları verilerine ulaşmanın sınırlı olması ve yalnızca iki şirketin karşılaştırmalı analizinin yapılması, bu araştırmanın sınırlılıklarıdır. İlerideki araştırmaların, sonuçların genelleştirilebilirliğinin ve doğruluğunun artırılması için daha çok sayıda şirket ve örneklem kullanmaları tavsiye edilir. Araştırma, Türkiye'deki Bilişim Teknolojileri sektöründe performans yönetimi açısından literatüre önemli bir katkıdır.

**Anahtar Kelimeler:** *Performans Değerlendirmesi, Verimlilik, Performans Değerlendirme Sistemi,*

## **1. INTRODUCTION**

With the passage of time, the significance of employee productivity has been increasing towards the overall organisational performance. Employees are considered to be amongst one of the most important assets of companies as their contributions are immense for the achievement of business objectives. Elnaga and Imran (2013) stated that human resources (HR) are highly expensive but are integral to manage as they directly influence the revenues and profit levels of organisations. According to the study of Aktar et al (2012), the perceived job performance is associated with multiple factors including work environment, organisational policies, interpersonal relationships, and training and development. There is a variety of methods to improve performance of employees. It is important to note that increasing competition in the business environments make employees performance a very crucial factor towards success or failure of companies. Boxall (2013) asserted that methods to measure performance of employees include absenteeism rate, satisfaction levels, and overall productivity. Essentially, employee productivity can be seen as a function that operates in the structure of accessible resources and standard limitations.

Due to the given rate of modifications in economic, social and political domains; it has become vital for businesses to stay responsive in the creation of global strategies at operational levels. Major functions of human resource management (HRM) include recruitment and selection, resource planning, designing of jobs, compensation systems, management of performance, and employee relations. Amongst all these functions, the most crucial one is performance evaluation and appraisal. The significance of performance appraisal (PA) evaluation is a way, which is more than the other processes as it depicts the achievements of various aspects of HR like training, placement, adaptation, recruitment, and other activities. Performance improvement is largely dependent on the creation of performance culture and performance management processes (PMP). Reid and Hubbell (2005)



added that corporate management must create a culture that facilitates employee engagement towards the business.

### **1.1 Turkish IT Sector**

World Bank provided an overview of Turkey in 2015 stating that the per capita income of the country is now beyond \$10,500. World Bank (2015) further added that Turkey has achieved its developmental goals with the help of projects based on specialised technical counselling services and loaning. In addition, World Bank (2015) also asserted that vital focus of Turkey has been public finances, management of environment, private industry growth, energy, education, climate change, municipal services, and health. Interestingly, the economy of Turkey has been boosting despite the various obvious challenges.

Turkey is essentially an emerging market and therefore, the current research intends to examine the significance of business towards the country's economic development. Turkish Statistical Institute (TUIK) claimed that around ninety-nine percent of the companies in country are SMEs, which employs around seventy-eight percent of the workforces (TUIK, 2015). Nonetheless, there are several weak elements within SMEs in Turkey and internationally. To start with, the biggest weakness is the lack of adequate access to resources, which results in weak credit guarantee systems. In addition, skills shortage is also a prominent weakness of SMEs. Skills shortage is mainly due to the absence of professional training centres, and schools and universities are not transferring the necessary knowledge for business to their graduates. Therefore, SMEs are not able to use contemporary managerial techniques in terms of finance, marketing, and HRM. Government institutions are often seen offering training programs and financial aid to SMEs for improving on the mentioned weaknesses.

TUIK (2014) further elaborated that around 61.4% of SMEs having a workforce of one to nineteen people operate with low technologies whereas about 30.2% of SMEs use medium-low technologies and only 8.2% of SMEs operate with medium-high technologies. In the meantime, innovative SMEs employing ten to forty nine people were 49.3% whereas SMEs employing fifty to two hundred and forty nine people accounted for 57.5%. Since the major objective of this investigation is to examine the impact of PA on engagement and satisfaction levels of employees in Turkish

companies, selection of medium sized businesses seems appropriate in terms of HRM practices and use of technology.

The Turkish information technology (IT) sector has been constantly changing over the past few years. A market report published by TUBISAD (2015) declared information and communication technologies (ICT) sector as the top growing industry in terms of both production and exports. A 12.1% growth in ICT industry was experienced in 2014 when the country's economy only grew by three percent. The IT sector is based on two major components including communication technologies (with subdivisions of hardware and electronic telecommunication) and information technologies (with subdivisions of software, hardware, and IT services). The performance of IT sector in Turkey has been sustainable and expanding into multinational domains and new products. According to Big 500 List (2017), the market size of Turkish IT sector is 69.4 billion Turkish Lira, whereas IT contributed about 20.4 billion Turkish Lira. Around eighty percent of IT services and software are produced in the country whereas only twenty percent hardware of information and communications technology sector is produced in Turkey.

Major opportunities exist in Turkey for IT sector. There is an increasing trend of investments in IT by enterprises to excel in both local and global markets. Several private industries like healthcare, financial, retail, education, banking, and telecommunication increasingly demand IT products and services. In contrast, government intends to bring structural modifications in the country. Presence of e-government was facilitated by the IT industry through modernisation and restructuring. TUBISAD (2014) reported that the IT industry offered around 100,400 jobs, which represent 1.5% of total industrial employment and 5.6% amongst OECD countries.

## **1.2 Purpose of the Study**

The significance of keeping employees satisfied is increasing. It has become easier for competitors to offer attractive salaries and packages to talented employees. Boyens (2007) argued that it is integral for businesses to manage both involuntary and voluntary turnovers. Boyens (2007) also stated that both the turnover types are harmful for companies. Voluntary turnover results in loss of resources, knowledge, time, performance, competencies, and relationships involved in training employees.

Employees who are left behind often become insecure and their performance is impacted given the constant disruption of services and overall organisational productivity.

The basic objective of this research is to highlight the association between job satisfaction of employees and the organisational PA process and employee engagement prevailing. Several researchers have reported challenges of PA process and have suggested alternate methods to the process; however, there is a lack of quantitative and empirical findings to reflect the requirement for change. This research is meant to find and present such data that help in understanding the linkage between the mentioned variables. This research will offer important insights to facilitate managers in efficient talent management. Given the current significance of IT sector and the relevance of HR in SMEs, it is integral to measure the elements of employee management and satisfaction. A focus on PA process is made in this research to examine the efficiency of the PM for Turkish IT industry.

### **1.3 Literature Review**

Multiple investigations have been made in the past about the importance of employee performance in different industries. HR are considered an important source of competitive advantage in today's modern business arena. It is due to the presence of skilled HR that organisations successfully modify available resources into products and services. As per Brown et al (2010), it is important for companies to focus over result oriented trainings to become successful in unstable markets. Syed and Jamal (2012) have made arguments about the significance of training for achieving desirable employees' performance. Organisations must provide training to employees for their respective areas in order to make them adapt to dynamic environments. A plethora of researchers has examined the outlook of training programs. Recently, training has become an integral factor that affects the performance of employees. Employee development is one of the most important outcome of training programs which result in improved performance overall.

In addition, the rapid advancements in technology have made employers aware of the importance of skills and knowledge of their HR towards sustainable success. Beardwell and Claydo (2015) depicted that investment in training programs are

increasing with the passage of time. According to Pambagio et al (2013), an important element to track and manage the performance of employees towards the achievement of organisational objectives is known as PA. Boxall (2013) claimed that modern day managers demand high morals and work targets to be achieved efficiently which is only possible with prompt supervision and management along with the presence fair and equal compensation packages and health and safety focus.

### **1.3.1 Job satisfaction**

A definition of job satisfaction revolves around claiming it as a psychological perception of people about work and the manner in which employees comprehend the presence of intrinsic and extrinsic elements of job performance. A positive feeling or attitude towards work depicts satisfaction from job and a negative feeling or attitude towards work illustrates dissatisfaction from job. Mosadeghard (2003) illustrated key elements of job satisfaction include nature of work, pay, supervision, appraisals, interpersonal relationships, and benefits. The HR strategies directly influence the satisfaction levels of employees. Simatwa (2011) considered job satisfaction as a function that depicts the level to which personal objectives of employees are achieved in the job situations. Kuria (2011) asserted that employees become satisfied from their jobs when they are provided with appropriate recognitions for their work, opportunities to participate in the decision making process, fringe benefits, incentive plans, social security, mutual trust, economic security, opportunities to innovate, important responsibilities and roles, good compensation packages, health and safety standards, communication systems, respect, timely appraisals, and profit sharing. Simatwa (2011) further declared a positive association with the job and work environment can be seen as satisfaction from job.

There would not be any exaggeration if it is claimed that organisational performance depends upon the satisfaction levels of employees. When employees experience satisfaction, they are seen producing high quality goods and services, which ultimately lead towards enhanced profits. Moreover, when employees are satisfied, they think out of the box and become creative and often suggest ideas, which bring positive change in the organisational performance. The telecommunication sector witnesses a challenge of improving employee satisfaction mainly because of the

elements like lack of appropriate interpersonal relationships, conflicts between manager and employees expectations, access to required talent, competition, and high costs of new hiring. There is an increased need for managers to strategically focus towards keeping the existing employees satisfied in order to enhance retention ratios and minimise the costs of employee turnover. Mitchell et al., (2001) believed that majority of the modern businesses face a big issue of voluntary turnover.

### **1.3.2 Process for performance appraisal**

There are different names given to the process of evaluating job performance like a management process, control tool, and a crucial factor in the allocation of HR. The initial systems made for appraisal were meant to determine whether the employee compensation packages were justified or not. According to Cardy and Dobbins (1994), few investigations reported that future pay was not the major focus of the evaluation process.

There is no doubt about the fact that process for evaluating job performance is highly crucial and vital aspect for managing individual and organisational productivity. The process of PM is required to make improvements in different scenarios like provision of feedback to the manager, improvement in one's own performance and management of the team of employees. Improvement efforts essentially emerge from the elements of assessment and feedback. Evaluation and feedback is integral for improving performances. Nonetheless, it is also important to note that the complete process of PM is way more than mere evaluation and feedback.

### **1.3.3 Employees' performance and performance appraisal**

Thwala et al. (2012) suggested that the success of performance evaluation systems revolves around the practices of evaluating performances and its association with the goals, objectives of businesses along with the competencies of employees to adapt to evaluation tools. Majority of the existing investigations consider PA as an integral tool for management growth and development of both, employees and organisations. On the other hand, Thwala et al (2012) reflected a positive association between PA and employees productivity. Apparently, systems of PA are meant to collect knowledge about the organisational employees and to create common objectives for employees and organisations to achieve in future. Beardell (2013) considered that

lack of an appropriate performance appraisal system (PAS) negatively influences the morale and motivation levels of employees. As per June (2004), an investigation conducted in Malaysian University depicts that employees often inflate their evaluation of own performance. Most of the employees consider that performance appraisal processes (PAP) are biased. Arguments made by Krishnaveni R and Sripirabaa B (2008) reflect that a lack of appropriate policies and systems for appraising performances makes it difficult to anticipate the final outcomes of the process. In addition, despite the fact that best practice PM systems are important for all sectors, PAS can bring negative results if not managed properly. The responses of employees help in making the PAS either successful or failure. There would not be any exaggeration if it is claimed that if the employees do not take the assessment processes well, their responses can be disastrous for the organisations. PAS often discourage the employees to an extent that they provide negative responses in situations, which make managers believe some employees, are better than others.

The basic essence of performance evaluation is to observe employees with the help of various management tools to improve their productivity and performance with the passage of time. According to June (2004), use of progress evaluation methods can make commitment and performance of employees more effective. A detailed and efficient management of performance evaluation can result in enhancing engagement and satisfaction of employees to the core. Performance assessment programs must result in making employees more engaged towards work. Swart et al (2015) concluded the programs for PM are to be created within companies and productivity of employees is enhanced when human capital management elements like training and development, promotions, and compensation packages are appropriately managed.

#### **1.4 Aim and Objectives of the Study**

The major aim of this research is to examine the impact of PAP on job satisfaction and employees performance in IT sector (SMEs in Turkey). Specifically, the research objectives are:

- To investigate the effect of PAP on employees job satisfaction.

- To investigate the extent to which PA influences employees' job satisfaction in IT sector SMEs in Turkey.
- To study the policies of PM in IT sector SMEs and their relationship of job satisfaction and employees engagement (EE).
- To recommend strategies to the policy makers of in IT sector SMEs in Turkey to increase the effectiveness of PAP and the overall PM system of the SMEs.

#### **1.4.1 Research questions of the study**

The study will be based on the following research questions:

- How has PAP influenced job satisfaction levels in IT sector SMEs in Turkey
- How has PAP influenced employee engagement in IT sector SMEs in Turkey

#### **1.5 Rationale and Significance of the Study**

The current research is convincing due to the prominent usage of PAs, its importance to employees, its contribution towards the talent management, and its relationship with the domain of HR development. The absence of empirical data to define the association between employee engagement and appraisal reactions supports the purpose of this study. Moreover, Saks & Gruman (2014) called for further research in the field of employee engagement and thus, this study becomes significant. Researchers like Volpone, et al (2012) asserted over the need to examine relationship between concepts about PA and the engagement of employees whereas Keeping and Levy (2000) recommended exploration of PA reactions construct. Therefore, the current study intends to investigate the crucial nature of PA process in managing performances in order to depict a positive linkage of the process with engagement levels of employees.

Furthermore, Kruse (2012) suggested that the process of PA is meant to decide employees' bonuses, salary, promotion, increments, and career development and therefore, the process is essentially important for workforce. The current research is also important for the domain of HR development as the study will offer quantitative data about the association between individual's reactions to the PAP and their concepts about engagement in the organisations. Apparently, there is no adequate

research available that has examined these associations. Gruman and Saks (2011) asserted that various qualitative researches have talked about weaknesses of the PAP and its negative impact on employee engagement.

### **1.6 Definitions of Important Variables**

**Employee Engagement:** Rich et al., (2010) defined employee engagement as a multi-faceted approach that reflects the investments made on employees' cognitive, physical, and emotional energy. Other terms used for employee engagement include worker engagement or job engagement.

**Perceived Accuracy:** Keeping and Levy (2000) defined perceived accuracy as the level to which individuals view the PAP as a right measure of their actual work.

**Perceived Utility:** Dusterhoff et al. (2014) and Keeping & Levy (2000) defined perceived utility as opinions of employees about the effectiveness of PA process.

**Performance Appraisal (PA):** Kondrasuk (2011) defined PA as a gathering of employees and their managers to monitor the previous performance and also to create future plans. Other terms used for PA include performance review and performance evaluation.

**Performance Appraisal Process (PAP):** Mathis and Jackson (2011) defined the PA process as the method to determine the level to which employees have performed their jobs in terms of the benchmarks communicated to them.

**Performance Appraisal Satisfaction:** Dusterhoff et al. (2012) defined PA satisfaction as the extent to which employees consider the process to be fair, accurate, and useful.

**PM:** Mathis & Jackson (2011) defined PM as a combination of activities like PA, recognition, support to work life balance, training, salary, and rewards, undertaken for improving performance and productivity of employees



## **1.7 Structure of the Study**

Chapter 1 gives a detailed outlook about the importance of PAP and the need for this study towards explaining the association between employee engagement and PA reactions.

Chapter 2 is about exploring the existing literature related to the themes of PAP, job satisfaction, employee engagement, and reactions to the process of PA.

Chapter 3 highlights the hypotheses and research methodology based on clarifications of research participants, methods to collect data, size of sample, data instruments, design of surveys, and data analysis methods.

Chapter 4 is about analysing the collected information through screening the demographics, and testing the assumptions, reliability of data, theoretical model analysis, and measurement model analysis.

Chapter 5 concludes the research and illustrate its limitations, implications, and aspects for further research.

## **2. LITERATURE REVIEW**

The definition of HRM believes it to be a procedure, a method, and a paradigm to manage people in an effective manner for the purpose of achieving business objectives and keeping all stakeholders satisfied to the core. The current chapter intends to examine the available literature related to the themes of PA. Although the management and measurement of job performance is different from institutional PM in various aspects, the existing literature has ignored the differences between two.

### **2.1 Theoretical Framework**

According to Krathwohl, (2009), theoretical framework is based on the theories and concepts derived from the relevant scholarly literature and presented in an orderly form. The theoretical framework for a particular study is used to limit the scope of the research in a particular theoretical perspective only, which is selected for collection and interpretation of data. The theoretical framework of this study interprets the relevant theories and frameworks of PM and employees job satisfaction. The strategies recommended in theories are important to device the conceptual framework of this study.

#### **2.1.1 Theory of goal setting**

Torrington (2009) highlighted that goal-setting theory anticipates that individuals often direct their efforts towards achieving their goals in order to improve their performance. High performances can be obtained with the help of motivating employees by giving them hard tasks to achieve (Locke and Latham, 2002). Successful achievement of goals depends on multiple conditions and circumstances. Latham (2006) identified these conditions as acceptance of objectives, engagement, and specification of objectives, objectives complexity, and feedback. The goal setting theory believes that the creation of objectives is highly important in the PMS. Dessler (2015) emphasised that objectives help on creating benchmark criterion to assess the performance of employees.

Goals are defined as future results, which people attempt to achieve. The process of goal setting is an integral inspirational tool for improving the performance of employees in an effective manner. According to the Webster's Dictionary, objectives can be seen as an outcome where all efforts are terminated or in simple words it is a result which people struggles to obtain over a certain period of time. A phenomenon called

$$\text{Confidence (C) + Goal (G) = Success (S)}$$

The above equation depicts that objectives are desirable tactics that facilitate the achievement of required outcomes.

Additionally, C+G=S also elaborates that it is important to plan the objectives. Webster's Dictionary defined the word confidence as a belief in oneself whereas success is defined as a favourable outcome or the achievement of wealth, popularity and goals. Webster's Dictionary has provided definition of important words in the acronym C+G=S that refers to success as a combination of confidence and goals (Wicker, 2008:2-5-7).



**Figure 2.1:** The Role of Success

Source: Wicker (2008)

### 2.1.2 Theory of reinforcement

Reinforcement theory sees the behaviour of individuals as a function of its implications. The basis of this theory is the law of effect, which states that behaviours having positive implications are generally repeated whereas behaviours

having negative implications are not repeated at large. Naff et al (2013) referred to the use of stimuli for the production of desired behaviours with several occurrences and schedules. As per this theory, the behaviours of human beings can be easily manipulated. Daniels (2014) added that it is important that people believe in their capabilities to alter their behaviour and must be confident that their modified behaviour will lead to rewards. Therefore, PMS need to be efficient enough to focus on changing employee behaviours in a positive direction to improve their performance.

### **2.1.3 Theory of expectancy**

Torrington (2009) defined expectancy theory as a cognitive process of keeping the employees motivated by linking rewards to their performance. In simple words, Dessler (2009) explained that people are inspired to improve their performances if they expect that their effort will lead towards certain rewards. Vroom (1964) identified that the expectancy theory suggests that motivation is dependent on the elements of instrumentality, expectancy, and valence. Torrington (2009) further stated that people are inspired to the level they believe their efforts can lead towards expected performance (expectancy), which will be given rewards (instrumentality), and the value of rewards is immense (valence) (Dusterhoff, et al 2014). Generally, the PMS said to be efficient when they have all three variables of effort, results, and rewards.

## **2.2 System for Managing Performance**

It has been argued that the process of managing performance facilitate organisations to examine and advance performance of employees, divisions, and overall business in terms of pre-established aim and objectives (Jong & Hartog, 2007). The relationship between strategies to manage performance and the level to which employees and divisions perform is significant to analyse for measuring organisational productivity. This association is also vital as the performance of employees is examined as per the expected outcomes and behaviours towards the organisational objectives. It is becoming increasing important for companies to create efficient systems for the management of employees' performance on a global level to maximise consistency and competitiveness (Daniels & Rosen, 2014).

Likewise, it is relevant for managers to ensure no burdensome PM methods are used. Assessment of productivity and compliance with the benchmarks are seen as major features of the management control systems in companies.

For organisations to become successful, it is integral to make sure all stages of PM are performed efficiently. For instance, conducting job analysis, and achieving expected outcomes are significant contributors towards the overall organisational performance. Job analysis is the first step to describe the job requirements for the existing and future candidates (Chattopadhyay & Ghosh, 2012). Job analysis is equally needed for both, internal and external recruitment practices to make sure right candidate is hired for the right position. When recruitment process is based on the outlook and vision provided by the senior managers, the chances of process being successful are increased. Dessler (2015) asserted that efficient recruitment processes also helps in examining the progress and value being added by the employees to the business. In addition, the stage of selection is also significant as it helps in recruiting the right person in accordance with the culture, requirements, and values of the business and job. The stage of induction can be seen as the initial impression of employees as per the standards of organisations. This is the stage where new hires are provided with an outlook of the business, are introduced to existing employees, and are clarified about their roles and expectations.

Next is the stage of training and development which can be recurring as per the needs of the employees (Chattopadhyay & Ghosh, 2012). Majority of the modern day businesses prefer hiring trained and highly skilled professionals so that the stage of training is eliminated. However, all organisations have different methods and techniques to perform the same job and therefore, new employees are provided with the necessary details during the initial days with the company. This particular stage is often revisited for the purpose of promotions and many employees seek for training as they intend to become expert of their fields. It is important for organizations to keep the training strategies up to date for maximum development of employees and meeting the industrial standards to the core. Planning for performance can be categorised as the most relevant stage of the PMS mainly because it emerges from the changing vision, updated organisational cultures, and altered behaviours and needs of the employees. Ironically, it has been observed that the influence of market forces on salary is way more than the actual merit of the employees (Soltani, 2003).

### **2.2.1 Rationale of managing performance**

Generally, there are three different reasons behind the process of performance management (PM), which are elaborated as below.

Strategic Need: Effective implementation of the strategies requires outcomes, behaviours, features and involvement of employees towards achieving the organisational aims through various strategies. In addition, organisations need to create efficient systems for measuring the feedback in order to manage the level to which employees can display positive behaviour, and become engaged in the organisational activities (Gruman, & Saks, 2011). Whenever there is a change in objectives and strategies, it becomes important for managers to alter the expected outcomes, knowledge, and attitude of employees as well. Basically, the entire system needs to be elastic enough to support any unplanned change in the strategic insight. There are 5 important features of well-established PMS that help the organisations to sustain their strategic intent. These characteristics are mentioned as below.

- Translucent articulation of the required work environment
- Supportive behaviour of managers
- Linkage of employees' productivity with organisational objectives
- Techniques to inspire constant effort
- Clear explanation of the expected results and the methods for achieving them

Developing Need: Another important purpose of the performance management system is to focus over developing the employees who are talented and engaged in their work. In the times when employees do not perform as per expectations, the system of PM can help them to do so. The feedback given to employees during their assessment facilitates them to rectify their mistakes in future. The process of PM illustrates the mistakes and their reasons as well. For instance, the entire process examines various hindrances including lack of talent or any motivational hitch that restricts employees to perform well. Managers are largely not comfortable while handling their own performance problems. Despite the importance of performance management process, it is important to make sure all performance related meetings do not impact the work relationships in a negative manner. The entire purpose of PM will become irrelevant if the managers offer high ratings to employees only with an aim to save their relationships with them while totally neglecting their actual performance.

Managerial Need: The basic use of PM information is to decide for increments, promotions, salary packages, retention strategies, rewards and recognition processes. Majority of the Australian firms are seen using PM information for training programs, potential promotions, and career development of employees. Interestingly, an increasing number of managers are seen to be reluctant towards the process of PA and as a result, they rate both performers and non-performers equally, which undermines the entire essence of the system.

The basic purpose of the system of managing performance is to create a linkage between the activities of employees and organisational objectives. The performance management systems (PMS) are also important to articulate vital information to employees and managers for creating better career developmental opportunities. Methods to evaluate and measure performance are key aspects of the PMS.

### **2.3 Criteria for Measuring Efficient PM**

There are different standards of performance management systems that are available to the modern companies. Although Gruman, and Saks, (2011) declare that there is a massive debate on the benefits of different standards, the most commonly used criterion including strategic correspondence, legitimacy, dependability, suitability, and specificity. All of the mentioned elements are defined as following.

#### **2.3.1 Strategic congruence**

It is basically the extent to which the PMS are capable of extracting job performance that matches the objectives, strategy and culture of companies. For instance, if any organisation encourages innovation, its PMS can examine the innovative approach of employees towards creating new products and services. Similarly, the criteria of strategic congruence highly support the idea of training and assisting employees in order to improve their contribution towards the organisational productivity. It is also important to note that the PMS must be flexible enough to deal with the dynamic changes of internal and external environment. A significant approach to develop strategic correspondence is known as balanced scorecard. Balanced scorecards help organisations to make a connection between long-term strategy and short-term tactics to ensure constant improvement in the business operations. Multiple domains of businesses like internal business processes, vision, finances, learning, and others are

examined in balanced scorecard approach. This method is also helpful in making the employees understand the objectives and goals of organisation. There is a need to link employee performance with strategy with the help of informing and educating, creation of objectives, and associating rewards with performance measurements.

### **2.3.2 Validity**

It is essentially the extent to which all-important aspects of performance are evaluated. This criterion is also referred to as content validity. In order to make sure that the performance measurement is accurate, the presence of content validity is mandatory. Until and unless all aspects of performance are not examined, PM can never be efficient. For example, it is vital for manufacturing companies to measure both quality and quantity produced by employees during performance measurement rather than only focusing on quantity and completely neglecting the aspect of quality. Harris et al (2009) argued that it is a major weakness of a PMS if it assesses irrelevant or inaccurate aspects of job performance. Managers are responsible to identify various methods to minimise the weaknesses in the PMS. The aspect of legitimacy is related to enhancing the commonalities between the job performed and measurement of job performance (June 2004). For example, machines in good conditions are meant to produce high quality and quantity products. Similarly, no matter how experienced the employees are, it is impossible for them to produce good quality and quantity products if the available machinery is not in a good condition. Therefore, measuring only the number of goods produced is not an accurate and valid method to measure the job performance in such situations.

### **2.3.3 Reliability**

This largely related to the stable nature of performance measurement elements. In regards to PM, it is vital to discuss the component of inter-rater reliability, which reflects to the stability of people evaluating job performance of employees. Performance measurement elements are known to have inter-rater reliability when two different managers provide similar rating to one employee's performance. In addition, the internal consistency dependability is also important to note. This is the type of dependability, which depicts the level to which different measures like quality and performance correlate with each other. According to investigations of Gupta and Kumar (2013) and Dessler (2015), several measurement elements



illustrate low dependability. However, it is significant for several measurement elements to have maximum internal consistent reliability. Furthermore, the measurement elements need to be dependable over a certain timeframe. All measures that provide contrasting ratings at different timeframes are known to fail at test-retest reliability. For example, PMS must evaluate the performance of employees over a longer period of time rather than only a single month.

#### **2.3.4 Acceptability**

This measure is about the level to which the performance measures are helpful, practical and sufficient for managing (Jung, 2014). There are situations when the performance measures are fruitful and reliable but they take extended amounts of time of managers and as a result they refuse to use these measures. Employees are also seen opposing such measurements of performance at large. This particular measure is also impacted by the level to which employees perceives the PMS as reasonable.

#### **2.3.5 Specificity**

It depicts the level to which the performance measures are capable of guiding employees to achieve the organisational objectives and goals. This particular element is suitable for both strategic and development aspects of PM. If any measuring element lacks the specificity, it becomes tricky for employees and organisations both to achieve the strategic goals and objectives. Moreover, all measurement elements of PMS must be able to highlight the problems with employees' performance in order to help employees become able to rectify the identified issues.

### **2.4 Functioning of Systems to PM**

The modern business enterprises operating in Turkey needs to realise the importance of PMS. One of the most important reasons due to which Turkish organisations need to have efficient PMS implemented is related to the fact that the entire process of PM helps managers to make sure that productivity and performance of both employees and organisations are improving. In addition, this process is also an important measure of the level to which businesses achieve their goals. There would not be any exaggeration if it is claimed that the process of PM facilitate the businesses to obtain

competitive advantage. The entire process of managing performance is based on five different components including definition of performance, supporting productivity, motivating people to perform, measurement of performance, and providing feedbacks on the actual job productivity. Generally, it is observed that using PMS help in the evaluation of employees in order to identify methods for improving their performance. Significant weaknesses of employees are also highlighted through the process of managing performance, which facilitates the creation of relevant training practices. In addition, this process is capable of examining whether the right people are hired for right jobs or not and if any discrepancy is noted, it becomes easier for organisations to get rid of wrong employees for the purpose of saving organisational finances and making efforts to hire new right people. In contrast, there are several drawbacks of the PMS as well. For instance, if the organisations adopt the approach of balanced scorecards but accurate information is not yielded, it is difficult for the appraisal aspect of PMS to provide the anticipated outcomes. Likewise, if few employees are provided with extended responsibilities beyond their capabilities, the expected outcomes can never be achieved out of the PMS. Moreover, another demerit of the PMS becomes prominent when the managers are witnessed providing similar ratings to all employees in order to favour people who have not been performing well but have good relationships with the managers.

## **2.5 Performance Appraisal**

According to Rubin (2011) and Mulvaney et al. (2012), the process of PA is seen as an important managerial tool to keep employees motivated to perform. This process is essentially related to multiple fields including psychology, management and administration. Rubin (2011, p. 2) further added that majority of the existing literature related to accountability and managing performance has undermined the contributions of appraisals. The tool of PA is defined as a regular and official assessment of employees' performance in order to make decisions regarding career progression. The method of PA is an official and organised tool to measure and evaluate the behaviours of employees related to jobs and the results for the purpose of identifying the level to which an employee has been performing on the job and the manner in which job performance can be improved. The process of PAs helps in identifying, measuring, and managing the HR in businesses.

It is important to note that there are certain areas which managers need to decide for examination while conducting a performance management process. There is no doubt about the fact that measurement is the backbone of the entire appraisal system as it checks and judges the overall performance of employees. According to Rondwaha (2007), PA also needs to be focused on future as managers are required to offer feedback and suggest methods to employees for improving their performance.

Bhattacharyya (2011) emphasised over the importance of PA by suggesting that it is integral in reinforcing key decisions related to employees like organisational development, transfer, compensation, promotion, development, reward, and HR planning.

Sahu (2007) explained that the PA is about examining contributions and capabilities of employees. All activities like planning and measurement of performance helps in making the organisational output efficient.

### **2.5.1 Contribution of appraisal towards PM**

The process of managing performance is ongoing and long term. Therefore, it can be easily articulated that the process itself is dynamic in nature despite the fact that actual evaluation tools are stagnant. PAs are important aspects of managing performance. In simple words, the performance management process is impossible to conduct without doing PAs. The entire system is meant to make organisations examine their position in comparison to other businesses.

Likewise, the contribution of PA systems is immense towards making the overall PMS efficient. Managers use the tools of appraisal systems in order to manage and improve the performance of employees. Managers also remain responsible to identify poor performers and take strict actions against them. At the same time, managers need to be aware of the fact that performance is a progressive phenomenon and there is a need to use appropriate training and competency development practices. Bhattacharyya (2011: 55) asserted that PAs also contribute towards the development of an encouraging relationship between managers and employees.

### **2.5.2 Purpose of performance appraisal**

There are different benefits of PASs for both, the employees and the businesses. For instance, the development aspect of PA is meant to emphasise on developing

employees with the help of training and competency building practices in order to improve the future productivity of employees. The aspect of performance feedback largely supports individual progression and development of employees. In addition, the strengths and limitations of employee are discussed in accordance with the appraisal feedback. All issues highlighted in the performance of employees can be eradicated by using training and development initiatives. High performance and future growth of employees is dependent on learning new skills and knowledge.

It has been observed that a developmental approach to appraisal needs managers to support positivity in the work environment. Few of the most important managerial and developmental components of the PMS include feedback, recording of HR decisions, HR decisions regarding retention and termination, transfers, HR planning, promotions, organisational development, assessment of HR systems, compensation management, recognition, identifying poor performers, compliance with laws, highlighting training needs, recruitment validity and others.



**Figure 2.2:** Purpose of Performance Appraisal

**Source:** (Cascio, 2002)

The first and foremost important purpose of PA is to offer lawful and official evidence for making employment related decisions. For instance, few decisions that are made in accordance with the appraisal process include promotions of talented employees, training, disciplining, justifying increments, reduction in workforce, identification of poor performers, and transfer decision. In simple words, a basic purpose of appraisal is to facilitate managers devise an efficient reward and punishment system.

Appraisals are also seen significant in the criterion of test validation. Test results are compared with appraisal results to examine the hypothesis to indicate job performance. Nonetheless, if there are weaknesses in the appraisal systems, it is difficult to obtain legitimate purpose of the process. Appraisals are used for providing feedback to employees that helps in their personal and professional growth.

Goals for training initiatives are created with the help of appraisals as it identifies the progressive needs of employees.

Business problems can be identified through appraisals as they focus on appropriate examination of performance achievements. The process highlights the requirements of training, capabilities, knowledge, and competencies in the recruitment process. In addition, appraisals help in identifying good and poor performers. Therefore, appraisal can be seen as the initial stage of a process rather than a last one.

Regardless of the weaknesses of appraisal systems, they are commonly used as a mean for measuring and rewarding performance. It is important for managers to resolve the weaknesses in the appraisal system rather than eliminating its usage. Therefore, managers need to come-up with modern appraisal tools and methods which can help in the achievement of organisational goals and are not susceptible to the various shortcomings related to the process

### **2.5.3 Significance of performance appraisal**

All the mentioned purposes of PA also elaborate its significance. The key substance of PA is that it helps in reinforcing relevant HR related decisions like training, compensation, HR planning, promotion, development, transfer, rewards, and organisational development. The levels to which organisations reap these benefits depend upon their own outlook and vision. For instance, ongoing employee development may be preferred by one business while other may use PA to make significant people-related decisions. According to Bhattacharyya (2011), the process of PA is also important because it facilitates in communicating and motivating the relationships between managers and employees, and it also helps in deciding the key performance indicators to improve the overall organisational productivity.

#### **2.5.4 Goals of performance appraisal**

Amongst all objectives of PA, the most important one is that it must make sure the optimum usage of available knowledge, skills and competencies. It is important to note that the phrases of PA and performance review are used as synonyms in the modern organisations. Arthur (2008) argued that the basic essence of PA is to keep the employees motivated in order to positively influence the productivity and organisational competitive advantage. Also, the activity of PA has an objective to enhance relationships between managers and employees.

All goals of PA emerge from its purpose and significance. It is evident that companies fulfilling the actual purpose of PA essentially achieve several goals. Generally, the goals of PAS are progressive, unique, inspiring, and remedial.

The remedial goals of PA are about improving the poor performance of employees with the help of several HRM programs. Although majority of the HR initiatives are considered disciplinary like transfer and training, multiple programs can be developmental in nature.

Progressive goals of PAS are about enabling individuals to develop in their current and potential jobs. These objectives are achieved when training needs are identified in a manner that results in improving the performance of employees. These goals often lead to career development in terms of promotions.

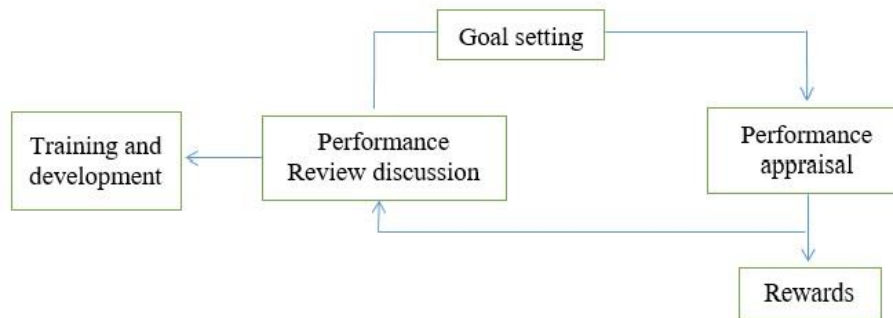
Unique goals help in the discovery of various methods to undertake new tasks and streamline the processes of existing work activities.

Inspiring goals are defined by Bhattacharyya (2011: 58) as rewarding, communicating, motivating, and managing interpersonal relationships as a result of PA.

#### **2.6 Initiatives of performance appraisal**

Boswell, Boudreau (2002) claimed that the role of PA in HRM practices is crucial. As mentioned by Aguinis (2009), the activity of PA is meant to contribute to the improvement in attitude, behaviours and productivity of employees. The process

helps in encouraging employees to bring positive changes in their behaviour. Stone (2005) also offered PA programs relevant for organisational needs. According to Stone (2005), it is needed that businesses must focus over establishing objectives, performance feedback, and performance improvement in the overall PAS. Essentially, the PA initiatives are meant to include objectives creation, PA, discussion on performance reviews, rewards, and training and development. The following figure represents a clear relationship between these elements;



**Figure 2.2:** Performance Appraisal Programs

**Source:** (Stone, 2005:304)

Creation of objectives is often seen as the initial stage in PAS. Afterwards, companies use several techniques and tools to examine performance of employees. It becomes easier for organisations to assess the employees' performance if comparisons are made with pre-established objectives and performance parameters. Managers use performance review discussions to give feedback to employees and help them identify the areas of improvement. Whenever needed, organisations create training initiatives to improve the performance of employees. Stone (2005: 305) further added that employees performing well can attain rewards in the appraisal process.

Drucker (1954) developed Management by Objectives (MBO) system for management that considers the importance of development objectives. The aspect of developing objectives can be seen as a separate tool, despite of the overall management system. Nonetheless, management systems are efficient when they focus over developing objectives and their achievement tactics. Cardy and Leonard (2011: 218) believed that the aspect of goal setting can be used for improving organisational results and employees' behaviours.

## **2.7 Methods of performance management**

By evaluating the overall performance and management of the performance, the concepts and notions of performance are studied. The performance evaluation is the process that classifies specific conclusions within a certain timeframe (Coens & Jenkins, 2002). Furthermore, the axiom, 'If you can't measure it, you can't manage it,' reinforces the rationale for the firms having a comprehensive and completed system of measuring performance like total quality performance or the Balanced Scorecard.

This method connects measures all over an organization for translating high-level goals and objectives into lower level actions. Then, measures are imposed on different workers for monitoring their performance regarding these activities (Platts & Sobotka, 2010). The criteria of performance should be unambiguous, achievable, clearly explained, and related to the work tasks commenced by workers. The criteria must not include such factors that are beyond the employee's control. The firms must train their supervisors for providing regular, constructive, and meaningful feedback. Organizations must provide their workers with proper training and the opportunities of development for overcoming weaknesses in work performance identified by the process of appraisal.

Before leaving the firm, individuals who experience dissatisfaction from their jobs explore various alternatives and evaluate all those job choices in terms of their estimated value (Mobley, 1977). The traditional method, therefore, views that intended separation is due to the low satisfaction of job and various opportunities in labour market that a person perceives as having more utility and comparative ease of switching the job (Kumari, 2012). For avoiding dissatisfaction of job, workers need adequate wages, comfortable job conditions, and job security (Jonathan, 2004). According to the perspectives of Kondrasuk (2011), productivity measures the performance surrounding both effectiveness and efficiency. Labour productivity refers to the output of employees per unit of time. It is the most widely used productivity measure. The growth rate of labour productivity is approximately equal to the difference between the growth rate of output and the growth rate of the number of hours worked in the economy (Gust & Marquez, 2004).

Effective and high performing firms have a culture of encouraging the involvement of employees. Thus, workers have more eagerness towards getting involved in



setting a goal, activities of problem solving, and decision-making process, which ultimately results in high performance of employees. Furthermore, continuing innovations in IT can have an impact on labour productivity because such innovations have the potential to change the competitive game for many firms (Kondrasuk, 2012). If the employees produce output by two elements, capital, and labour, then the progress in labour productivity is dependent on the development of 'multifactor productivity' and the rate of 'capital deepening' (Gust and Marquez, 2004). However, Kumari (2012) argued that there is a need for feedback of management for a reason of common sense. Employees expect positive feedback on doing good work. On the contrary, if the performers, who are not good, do not get any constructive feedback from management, they will think that the company accepts their current performance level and they might not make efforts for improving their performances. Firms can use Pay-for-performance or PA as a mechanism of rewarding employees for their worthy performance and motivate them to perform even better.

## **2.8 Engagement of Employees**

Engagement of employees is usually measured by the enthusiasm and dedication of employees towards their work and organisational achievements. Engagement also refers to the level of capability and readiness of employees to offer sustainable efforts to make the organisations successful.

Cook (2008) considered that engagement is categorised as the extent of commitment of employees towards the organisations. When employees are engaged, they are willing to go beyond their expected work in order to provide exceptional services to the consumers.



**Figure 2.3:** Model of Personal Engagement

**Source:** (Source: Losey, 2012)

It is important for organisations to realise the difference between being engaged and being a victim in order to develop an effective path towards engagement. The model illustrated in Figure 2.3 helps in the creation of personal engagement.

Development of trust is dependent on employees' interests. For instance, if anyone is interested in creating more trust, he or she needs to value others. In contrast, if people only focus on themselves (self-interest), interpersonal relationships tend to suffer at large and trust is compromised. Losey (2012) declared that self-interest makes people loose emphasis on the needs of others. It is extremely significant for employees to realise that the presence and strength of their interpersonal relationships within the work setting are capable of depicting their engagement levels. Another important thing referred by Losey, (2012) that employees need to be aware of is that they have a prominent influence on others in a work setting given the nature of their work relationships to the core.

Relationships are integral in a work environment as they have some potential implications. To start with, the first and foremost result of relationships is that they help employees to stay committed with the organisations. Secondly, the interpersonal relationships in a work setting facilitate employees to have improved productivity (Mohammed, & Jamil, 2011). As the number of relationships of any employee increased in an organisation, he or she tends to become more resourceful and useful.

Large number of relationships within the organisations makes employees focus over the interest of others rather than their own.

### **2.8.1 Issues and problems in EE**

Yack (1993) referred to Aristotle by saying that the prominent concerns and challenges were not shared. Therefore, he lacked reasoning to initiate the analysis of community. The contemporary social theorists prefer to have a dichotomy in between the two key types of social interaction. Jung (2014) provided an opinion that HR managers, line managers and employees, all are responsible to realise the significance of managing all types of information related to employees.

The modern day managers face two major problems of attracting talented employees and training them. The skill gap (difference between the capabilities needed to do the work and the actual capabilities possessed by potential candidates) can be seen as another important concern for HR managers. HR managers and organisations constantly strive for hiring talented employees who are reliable and responsible enough to resolve problems. In addition, organisations also look for social skills and behaviours of people while hiring. Generally, organisations tend to prefer recruiting employees are already trained enough, however, companies also offer specialised and job specific training to people who lack required skills. The prevalence of skills gap makes it difficult for HR managers to hire talented employees.

It is important to note that the existence of skills gap create several challenges for the businesses. As per Moynihan et al (2012), organisations willing to become competitive in a global scenario largely make investments in the training reforms. Moreover, modern business organisations also remain concerned for developing best possible training initiatives for its employees. However, it is a dilemma to decide whether creating training programs centrally is more efficient or designing different programs to the distinct needs of employees. Dessler (2015) claimed that HRM is capable of handling this challenge with an innovative approach towards creating strategic training initiatives, encouragement of self-development through self-study, e-learning, and required networking for training initiatives.

### **2.8.2 Training and development**

After the stages of recruitment, selection and induction of employees, the subsequent HRM function is to create and offer effective opportunities to employees for training and development. There is no doubt about the fact that employees are not fully capable of performing their jobs right after recruitment and the need for initial training always exist. The modern day fast paced environment of competition has made the businesses to consider training and development initiatives as an investment rather than expense. Since all organisations want their employees to have modern knowledge and best competencies, the focus over training becomes a must.

The process of learning is helpful for people to gain new information, competencies, and skills while the process of training is dependent on systematic and organised initiatives that encourage learning. According to Robin (2011), major emphasis of training is to facilitate employees to improve their performance.

Deb (2008) added that PA of employees help businesses to identify the problems and weaknesses of employees in terms of lack of required knowledge, behaviour, attitude and other aspects. Outcomes of PAP lead towards the formulation of efficient training initiatives. Obisi (2011) argued that it is easy to realise the level of investments organisations make in developing their employees for the purpose of achieving success and competitive advantage. Moreover, Jung (2014) stated about the needs for development to be highlighted when planning for performance in the start of the year instead of identifying them at the completion of performance period.

### **2.8.3 Rewards and penalties**

A compensation package of employees is a mixture of tangible returns like cash salary, cost of living, short term incentives, bonuses, and other benefits like work life balance, income protection, tuition reimbursement and multiple allowances. Nonetheless, there are various intangible returns (relational returns) which are also received by employees like employment security, learning opportunities, recognition, challenging work, and status (Spence & Keeping, 2011). An efficient reward system is based on techniques that distribute both tangible and intangible returns to employees.

Personal behaviours are also impacted by the appraisal systems. The use of appraisal systems results in decision making regarding rewards and punishments. For instance,

promotion is a reward but when it is accompanied by a salary increment, it becomes a dual reward for performance. The manner in which employees respond to the outcomes of appraisal process and its associated rewards and punishments, depends on the motivation level of employees (Thurston, & McNall, 2010).

When employees are intrinsically motivated, their ethics is depicted in their behaviours. Intrinsically motivated employees are not concerned about external rewards and punishments. PAs have two dimensional criterions. These criterions are meant to influence the welfare of employees as they are linked with the reward and punishment systems used by organisations. There is a conventional emphasis on goal creation in the performance evaluation process. If the performance of employees does not comply with the pre-established objectives, then the needs for development are identified. Higgins (2007) concluded that the typical emphasis on reward and punishment lead employees to consider the performance expectations more than their own career development.

PAs and management by objectives are generally prominent in organisations; however, Volpone, et al (2012) argued that they are largely dependent on the concept of rewards and punishments. These processes are meant to impose pressures on employees and impact their performance. It is important for managers to examine the psychological influence of these processes in order to extend the benefits of appraisal process to large groups, supervisors, and all individual employees. Vroom (1990: 214) argued that all the practices in PMS need to be highly ethical and must be capable of encouraging employees to take responsibilities.

## **2.9 Job Effectiveness and Satisfaction**

Daft and Marcic (2013) define job satisfaction as "a positive attitude toward one's job" and according to Schermerhorn et al. (2012), job satisfaction refers to "an attitude reflecting a person's feelings toward his or her job or job setting at a particular point in time". These two are the most commonly used definitions of the term 'job satisfaction' in literature. Thus, job satisfaction is a reaction of an individual to his or her job. Singh (2009) claims that it is a composite of an individual's expectations about the job and that the person gets. According to the research work of Abiyev et al. (2016), satisfied employees create a high level of quality of the service, productivity, and retention. The excellence in service achieved

by the unique orientation of service that is unlike competitors creates superior value, competitive advantage, profitability, customer satisfaction, and growth. In order to create and produce excellent services, the main ingredients include the following factors (Abiyev, 2016):

- Treat the customers in a way that creates their positive perceptions and opinions regarding the performance of the service.
- Employee empowerment
- A vision that communicates the vision of a service to the organization
- Service training and service rewards
- Prevention of service failures and recovery of failure dealing with the current problems of service
- Use service technology for delivering good service
- The expectation from the staff members to follow service practices, standards and behaviours

It is revealed that service orientation is positively related to job satisfaction, financial performance, and customer satisfaction. Furthermore, higher job satisfaction increases customer satisfaction and ultimately results in enhanced financial performance (Eren et al., 2013).

The job content, job involvement, and organizational commitment have a direct influence on job satisfaction. The climate of an organization, organizational commitment, quality of work life, and job involvement positively affects job satisfaction. The promotion policy of the firm, the co-workers' attitudes, the salary, the working conditions, the level of challenge, the interest, and the levels of mental and physical stress involved are linked to the job itself (Weibel, et al 2010). According to the research done in Bangladesh, the most important factors affecting the satisfaction of job were salary, fringe supervision, relation with a co-worker, and work efficiency. The study found higher job satisfaction at private banks as compared to public banks (Islam, 2014). External factors like equipment, finance, and technology play a vital role in the capacity of production and working life condition and therefore results in improved performance and job satisfaction. Cultural and socio-demographic aspects like emotional values, professional attitude towards employment, and tolerant outcomes affect the employees' job satisfaction.

### **2.9.1 Performance appraisal and job satisfaction**

The conventions of a HR like quality education, planning of career, evaluation of performance, market-oriented training, and empowerment of workers are some other significant parameters of the development of an organization. In addition, freedom of performance, team engagement, compensation, and teamwork can benefit employees in becoming more motivated and in increasing their competencies. Zheng & Lamond (2010) claims that the aspects influencing the low performance include inadequate structure of salary, lack of opportunities, promotions on the basis of seniority instead of actual performance of the employees, non-existent modules of compensation, lack of motivational strategies, weak schemes of giving incentives, delays in promotion, and punitive treatment.

According to the research work of Sattar et al. (2015), the three major criteria of HR to improve the performance quality include training, reward, and empowerment. For achieving the organizational objectives and goals, providing good work conditions with flexible hours of working, less load of work, a supportive top management, and an approach of teamwork can increase the level of job satisfaction. In addition, other significant factors that influence the satisfaction of job include wages, hours of work, and the structure of an organization, communication between management and employees, and autonomy given to workers.

According to Raziq and Maulabakhsh (2015), harsh and strict behaviour towards employees and not giving them respect, create dissatisfaction. Employment, co-workers relations, working conditions, evolution and learning, prosperity, health and safety, equal opportunities, and fulfilment of regulatory necessities etc. relate to the relationship of employment and are elements of an organizational culture. All these permit workers to maximally utilize their potential for achieving the targets of the company and differing in private and public organizations. The management of the firm should be familiar with individual characteristics, preferences, and attitudes affecting the culture of an organization.

The study of Belias and Koustelios, (2014) concluded that women give preference to a more friendly-family environment of working while men give preference to the more competitive working environment. The study found that hours of work, lack of adequate training, and development efforts of the workers and their frequent transfers contribute towards dissatisfaction (Cahal et al., 2013). Creating a win-win solution in

banks can also enhance the level of job satisfaction. A transparent standing policy for promotion of employees was found to create a competitive atmosphere and allows to being fair for staffs. Moreover, leave, insurance coverage, and other outlying benefits for the employees can increase their job satisfaction by increasing the security of job (Ahmed & Uddin, 2012). Leontaridi & Sloane (2001) found that the workers having low pay are more satisfied as compared to other staff members. The research work revealed that a threshold for income increases satisfaction level but after that, a threshold wage does not have an impact on job satisfaction.

The assessment of the performance of an individual worker must focus on evaluating the behaviour of employees and work performance and not an individual's personality (O' Donnell & O' Brien, 1999).

## **2.10 Performance Appraisal and employee engagement**

The system of PAS mainly focused at serving the interests of company and its employees. These PAS are used as the inventory of HR and their abilities. The main purpose if these systems is to measure the employees' performance against decided benchmarks. This section discussed the important elements and characteristics of PA systems.

### **2.10.1 Developing and planning PA**

Developing and planning is the first phase of the PMS. In this phase, business requires to set up their objectives and mission, and then explain the duty and responsibility of every individual. A mission of the company refers to the firm's identity, character, and its reason for presence. A mission can be divided into four interconnected fragments: strategy, purpose, values, and behaviour standards. Purpose refers to the reason behind the existence of the company. A strategy is about the business nature. Behaviour standards refer to the rules and norms of ' the manner we do things around here '; and values include moral principles and beliefs that lie behind the behaviour standards, believes that an organization normally formulates by a leading management team or a founding dynasty (Walker et al 2010). For maximizing the performance, companies emphasis on the organization's efforts on challenging, realistic, and explicit objectives and aims. A clear company's mission is the answer to a question that what industry should the firm be in, and for the



performance and behaviour of managers and employees, the mission must be the guideline. In the study of Grant (2008), motivation forces the outcomes of an employee like productivity, performance, and persistence. Moreover, the study found that motivated workers are more autonomy-oriented and self-driven as compared to the workers who have a low motivation (Grant, 2008), which proposes that those employees will be taking more accountability and responsibility when the company offers opportunities of development. On the contrary, employees who are highly motivated are more involved and engaged with their work (Vansteenkiste et al., 2007); and they might be involved more in their colleagues' work as compared to the workers having the low level of motivation. The firm sets PM targets for individuals related to both wider objectives of the company and the operating unit (Bevan and Thompson, 1991). Costello (2014) claims that PM connects the work of every individual worker or manager to the mission of the work division, and this way it supports overall business objectives of the company. Individual responsibilities or targets could be the instrument for enabling the performance of every worker within the firm to be associated with the company's mission statement and the mean of amending requirements of performance to encounter new challenges that may arise.

In the first phase, setting objectives and mission of the company is the most significant thing of planning and developing the performance (Tosti, & Addison, 2009). Objectives and mission could motivate the workers to act as per given directions; thus, motivated workers are highly involved and engaged with their employment. Furthermore, it is found that motivated workers are more autonomy-oriented and self-driven.

### **2.10.2 Managing and reviewing performance**

The second steps consist of many activities including observing and documenting accomplishments and efforts, providing feedbacks, coach and guide the staff regarding their performances. In this step, the firm enhances communication within the company to make employees not just aware of the business objectives and plan, but to contribute to their preparation. In addition, the explanation of communication of employees is in the briefly defined background of mediated communication, for example, the influence of specialized tactics of internal communication or internal newsletters. According to Cameron and McCollum (1993), employees inclined toward preferring direct interactive communication instead of mediated

communication in case of requiring more information regarding current issues of their businesses. Robertson (2005) claims that the base of an effective and operational climate of communication is areas including job, operational, strategic and personal issues. Furthermore, Hargie & Tourish (2009) stated that the top six matters were cited for 'information needed'. These include:

- How to deal with the problems I face in my work
- How my work contributes to the company
- How to reach the decisions that influence my work
- Things that go incorrect in my firm
- Opportunities for staff development
- My performance in my employment

Ainspan and Dell (2000) stated that favourable and encouraging employee communication increases the performance of an employee and their satisfaction with the job that ultimately result in the success of an organization.

On the contrary, in order to manage the performance, one of the important aspects is to provide the qualitative and quantitative standards to judge organizational and individual performance. Consequently, individual workers would be mindful of the criteria and standards that will inspire them and become major aims for them. The firms can consider performance reviews as learning events to encourage the workers to think regarding how they want to develop and in which manner (Pambagio et al 2013). Employees significantly get benefit from the feedback of their performances in terms of team and individual performance. Muchinsky (2012) propose that feedback is vital for the effectiveness of an organization and that an absence of feedback can lead to imprecise self-evaluations, anxiety, and a deviation of effort toward the activities that gather feedbacks. Furthermore, effective feedback of performance is likely to increase the engagement, job satisfaction, and motivation of employees (Aguinis, et al 2011).

Performance feedback is a significant factor of all the systems of PM. Performance feedback refers to the information regarding past behaviours of employees concerning the established employee behaviours standards and outcomes. Effective feedback of performance is behavioural in nature, specific, timely, and obtained by a credible and reliable source. The objectives of performance feedback include improving the team and individual performances, motivation, job satisfaction, and

employee engagement (Aguinis, 2009). Performance feedback has an impact on changing the work conduct of employees and increases job satisfaction (Islam&Rasad, 2006). On the contrary, it is vital to analyze the feedback and understand it completely to ignore the complications. Under some circumstances, feedback may improve performances. On the other hand, in some conditions, performance feedback may not affect employee performance or even prove harmful to performance (Kluger & DeNisi, 1996; Locke & Latham, 1990). This perspective indicates that several factors like characteristics of the source of feedback, and issues of timing received attitudinal results of feedback.

In development and learning, coaching is a significant tool. Coaching refers to develop knowledge and skills of a person to improve his or her performance towards a job, ultimately leading them to attain the objectives of an organization (Cunneen, 2006). In the same way, Apperbaum and Armstrong (2003) stated that the knowledge origins of coaching offer the staff of a company with a new professional viewpoint and outlook that leads to increased productivity in a long run. An attitude of a person towards any matter is empirically his or her vision that a person forms around that thing. The definition of skill is the ability of an employee to undertake the practical chores. When employees have complete knowledge regarding the required material, and the way of collecting and interpreting the material, they feel more confident and efficient in performing their tasks.

In the second phase, performance management includes communication, collecting employee performance and coaching. The first feature is communication that makes workers not just aware of the organizational plan and objectives but contributes to the employees' formulation. Feedbacks contribute to evaluating the required performance with the real performance of the workers. Employees and managers could understand their disadvantages and advantages of their employment. After the comprehension of the pros and cons of jobs, the coaching plays its part in improving and acknowledging the skills of workers and then impact the performance of employees.

### **2.10.3 Performance**

Rewarding performance occurs on the completion of a performance period. The major activities comprise of evaluating skills and accomplishments of employees and

discussing the evaluation with workers (Saks, & Gruman, 2014)). It assesses the effectiveness of the complete process and it contributes to the overall performance of an organization by permitting improvements and changes and delivers feedback to the firm and staff regarding their actual work performances. The effectiveness of any firm depends on the quality of its workforces. The organizations must select the right staff members and motivate them to work, and they must make training and promotion decisions of personnel. In this process, a crucial keystone is an effective system of performance evaluation, as it delivers the data required for many administrative decisions. In order to motivate staff members to use their capabilities towards achieving the goals of the firm, this system plays a main role (Stalinski, & Downey, 2012).

After the evaluation of feedback, organizations must offer the pay-for-performance. For increasing the passion of employees for their jobs, a financial appraisal is a beneficial tool. In this phase, managers must concentrate on developing their staff in order to improve their performances and employees' career development. Rewards are significant mechanisms for aligning the behaviour of employees with the organization's interests (Swart et al 2015). Pay-for-performance is a reward practice that connects employee's increase in pay to their performance, and can be used for directing, sustaining, and motivating the required behaviours like sharing of knowledge (Bartol and Srivastava, 2002), quality (Pambagio et al 2013), customer satisfaction (Syed and Jamal, 2012), and creativity (Munene et al 2009).

Pay-for-performance creates the behavioural measures that allocate the rewards and in this way, it aligns the behaviour of staff members with organizational objectives and values. Thus, in case of achieving performance goals, the worker receives a pay increase. This visible and simple link between performance and pay identifies a worker for a particular level of achievement, thus cultivates the favorable job attitudes like commitment and satisfaction (Heneman et al., 1988). Therefore, the effectiveness of pay-for-performance directly affects the required attitudes of work and increased levels of quality of service.

In the last step, rewarding work performance includes staff development, evaluation, and the activities of rewarding. The firms can use financial appraisal as a tool to enhance the passion of employees for their jobs. Rewarding motivates the positive feeling of employees, like commitment and satisfaction.

## **2.11 Challenges in Appraising Employee Performance**

PAs are often retrospective. A traditional appraisal typically happens once or twice a year. Between the period of establishing the firm's goals and reviewing them, there would be prolonged gaps of months, and goals that the firm sets in the start of the year are normally dragged out during the time of appraisal (Afriyie, 2009). Although PA offers the opportunities for staff and managers for having a one-on-one conversation, it is unluckily open to biased and unfair ratings (Khan, 2013). For example, few managers of the firm tend to be strict or generous in their evaluation of workers. Managers may also be stuck into the "recent performance effect" trap where managers normally merely recall the recent activities of workers at the award and appraisal time based on current unfavourable or favourable events instead of focusing on the worth of activities of staff in the entire span of a year (Jones and Wright, 2007). Top management tends to concentrate more on the employees' weaknesses rather than their strengths that create clashes between staff and managers and negative firms' environment as well. (Okeyo, Mathooko, and Sitati, 2010). Organizations do not understand that they must address the gaps of skill quickly as it will influence the bottom line (Afriyie, 2009). During the process of PA, some common issues that emerge include stereotyping, distributional errors, the appraisal conflicts, recency error, attribution error, contrast error, halo error, similarity error, proximity error, and bias.

All people have conflicts but managers particularly cannot afford to permit their biases to interfere with their assessment of juniors in the company (Kumbhar, 2011). It is quite easy to say, but quite hard to do. Biases make the process of evaluation subjective instead of objective, and undoubtedly offer the opportunity for a deficiency of consistency in the workers (Ali, Mahdi, and Malihe, 2012). Therefore, for overcoming the issue of bias, the evaluator must be objective and not let their personal feelings of disliking or liking the person influence their evaluation (Caruth and Humphreys, 2008).

If supervisors judge their employees as good workers, and the manager then assesses every area of their work performance as good, irrespective of any results or behaviours to the opposing, the supervisor is embarrassed by halo error (Ngo et al., 2008). One can avoid the halo error by remembering that workers are often good in

some areas while weaker in others. Managers must evaluate each employee objectively based on their real performance (Mamoria, 2005).

## **2.12 Summary**

To conclude the literature review, presently the process of managing the performance to ensure that workers focus on their job efforts for contributing towards achieving the company's mission is vital for any organization. On the other hand, the system of managing performance is clearly influencing the performance of workers. Furthermore, every stage within the system of PM also affects the performance of workers respectively. Organizational plan and goals could bring improvements in initiatives of employees and commitment towards a job. Performance review delivers the feedback of performances of employees that could reveal the matters during the production and benefits for staff members. Organizations require solving those matters. In a system of managing performance, training and communication can play a significant part to improve performance. The constant communication between employees and managers and among employees would provide benefit in terms of updating the individual and organizational objectives, solving and improving the deficiencies in the process of production to improve and guarantee the quality.

On the contrary, coaching emphasizes on development, empowerment, and qualifying worker through skills and knowledge to correct the issues and increase the opportunity of the success of the firm. These activities can improve performance in different ways. For example, such activities can positively influence the teamwork, effectiveness of communication, and performance of an employee. To enhance the performance, employee's self-development is also very important and it could integrate the opportunities and organizational support. In the final phase of the PMS, firms can use evaluation to assess the performance and to provide information about paying.

### **3. RESEARCH METHODOLOGY**

This chapter discusses the important steps of research methods followed in this mixed methods research. The important assumptions of business research are maintained and proper justification of each stage of research is provided in following sections. The main components of this chapter are research design, approaches, methods, data collection techniques, and data analysis description.

#### **3.1 Research Design**

Miles and Hubberman (2010) emphasised that a major focus of descriptive methodology is around positivist philosophy. The descriptive methodology has been explained by Saunders et al (2012) as capable of examining the relationship between different variables of research. The current research has made use of statistical techniques to answer the research questions. According to Saunders et al (2012), the researchers are less biased in quantitative research design as compared to qualitative, which essentially provides reliable results. However, it is important to note that relying solely on the quantitative data often does not fulfil the purpose of the research. Malhotra (2015) supported the use of interpretivism methodology in such instances. Perry, (2012 ) concluded that personal face to face interviews or any other type of qualitative data remains helpful in validating the results of quantitative data analysis.

The exploratory research design comprised ion interpretivism philosophy of research is also used in this research. The questions raised about PM strategy selection and the challenges and opportunities to be faced by telecommunication sector in managing employees' performance in Turkey need thorough and multidimensional analysis. Only quantitative analysis in descriptive research cannot fulfil the requirements of detailed and subjective findings in this research. The use of secondary data is the primary strategy that is retrieved from online academic research databases, web portals, and the internet sources on telecommunication industry. Therefore, the conceptual framework of the research based on finding the answers of research

questions searched from the selected secondary data about the selected companies in the technology sector of Turkey.

### **3.2 Research Philosophy**

Researchers like Elliott and Jordan (2010) and Saunders et al (2012) have talked about various theoretical models and processes for data collection. These models and processes have emerged from research paradigms or philosophies. Malhotra and Burks (2007) claimed that there are three traditions of research, including critical postmodernism, interpretive research, and positivism.

#### **3.2.1 Positivism**

The first model of the methodology of the research is positivism. This model is quite simple as it aims at examining the validity and rationality of the prevailing body of knowledge. According to Arnould et al (2002), this methodology utilizes the attitude by which the reality of the object can be understood. While positivism gives emphasis to impartiality and neutrality, subjective clarifications are for understanding the reality and defining the meaning in interpretative research.

#### **3.2.2 Interpretivism**

According to this methodology, subjective interpretation is the only way to understand reality. The followers of Interpretivism, study the phenomena and research with reference to the natural environment of work and then derive specific conclusions. Thus, there are several ways to interpret the reality but keep in mind the fact that those readings and interpretations must be the fragment of scientific knowledge.

A researcher must wisely choose the methodology bearing in mind the research problem and objective of the research etc. (Malhotra 2012). Specifically, in this study, the researcher is of the opinion that each methodology is significant and has its value if utilized widely. A research study can use both the components of positivist and interpretivist, but it requires a careful evaluation. The need for a positivist approach is to understand a group of individuals and their understanding regarding HR management system and the way people use the system in modern culture of the firms. Furthermore, there is a need for an objective analysis for investigating the way



several organizations operate for improving the practices of HR in the area of PM and impact on employee engagement and job satisfaction, while deficiency of objectivity in a study is associated with the technique of interpretivism. For developing a significant research instrument, examiners appreciate the Quantitative research methodology. Therefore, the following pragmatism philosophy is found relevant.

### **3.2.3 Pragmatism**

Pragmatism paradigm is widely used in all types of research, be it qualitative in nature or quantitative (Malhotra and Burks, 2015). Since the researcher used both primary and secondary data in this research, it has been important for the researchers to utilise interpretivism philosophy in order to ensure a systematic and straightforward examination of various research variables. The selected paradigm is helpful in examining all challenges and problems related to the research topic. Hammersley (2015) asserted that interpretivism supports the paradigm of pragmatism in order to create new perspectives and theories with the help of available investigations, data and qualitative features. Hence, the current research has been based on pragmatism philosophy while making the use of interpretivism and positivism methodologies.

### **3.3 Research Approaches**

Saunders et al (2012) suggested that research approaches help in collecting, categorising, and analysis the data. According to Schwab (2009), few of the widely used research approaches include deductive and inductive. As suggested by its name, the deductive approach is majorly used in quantitative studies. Deductive approach has a major weakness of not allowing the detailed examinations of complex issues. On the other hand, the inductive approach facilitates the collection of qualitative data and hypothesis testing and therefore, inductive approach has been used in this study. Malhotra (2005) and Bell (2010) concluded that inductive approach has drawbacks of lack of objectivity and quantifiable knowledge. As per Malhotra and Burks (2007), surveys often help the investigators to collect quantitative data from a larger sample while saving costs and time both. In addition, surveys also facilitate the investigation of various variables simultaneously while examining the relationships

between them and not allowing the researchers to become biased in the process. Surveys and deductive approaches remain the basic focus of positivist philosophies at large. The survey based on the information retrieved from the documents analysis available on online sources of the selected companies' websites and other relevant web pages.

### **3.3.1 Quantitative versus qualitative techniques**

Babbie (2004) states that generally there are two divisions of research methodology including qualitative and quantitative research. Quantitative research methodology concentrates on analysing the statistical data while Qualitative approach focuses on dealing with moods and feelings, examining the attitudes, motivation, and meanings of individuals.

Malhotra (2005) alleged that in the field of research, the qualitative study is something that seems like a minor approach as compared to a quantitative methodology, and there are few prospects that only random sampling, quantified data, official statistics, and experimental data can lead to generalized or valid social facts. Malhotra and Burk (2007) assumed that qualitative research methodology is probably to look into the in-depth feelings of people, unlike the quantitative research technique that uses ad-hoc events for explaining and measuring variables. The study uses a qualitative approach to collect secondary data for the reserach comprising of structured questions. The qualitative division of next chapter includes the secondary data based responses and their analyses.

### **3.4 Time horizon**

This research work used a cross-sectional study. Cross-sectional research is established by critically withdrawing the facts from the participants at a specific point in time. Saunders et al (2009) state that Cross-sectional research is a "snapshot". This research technique is the preference of numerous researchers because of the deficiency of time, as a longitudinal research requires a lot of time. Since longitudinal researches require more time and more physical and financial resources, cross-sectional research is more suitable.

### **3.5 Sources of Data**

Researcher utilised only secondary means of data collection, the details of which are provided as below.

#### **3.5.1 Secondary Sources**

The systemic mode of data collection was used in this research. In the first stage, secondary data about the PM and its characteristics and strategies was collected from the academic sources and internet sites. The theoretical framework formed from the secondary data from journal articles and online database about internationalization theories. The textual analysis techniques of content and document analysis are used for the collected secondary data from credible sources. On the other hands, the qualitative data assessment is done through thematic analysis. The inductive approaches of research mainly deal with the collection and analysis of qualitative data, therefore, detailed interpretation will lead to the designing of desired frameworks of PM in telecommunication sector.

Secondary data was collected through books, research papers, journal articles, and newspapers. The overall literature review made it evident that the existing Western studies are based on examining various models for PM. The research journey therefore started by structuring the literature to stake out the gaps and differences in the theoretical perspectives. The purpose and research question was thus developed in light of these explorations. To fulfil the purpose and answer the research question, a set of sub-questions were developed which also served to provide a suitable structure for the rest of the thesis a general structure for this thesis. After developing specific questions from the literature needed to put these into a suitable format for collecting required data. The research set for document analysis is presented and answered in the next chapter.

The themes of the research related to the three broad areas of PM, PA, and the job satisfaction of the employees of selected companies Etiya and CMC. There are structured answers designed to these questions on the basis of the literature review findings discussed in chapter two already. The sources to find the answers for this research were the websites of Etiya and CMC, PrimeApp website and case study of Etiya. Moreover, Glassdoor.com pages of Etiya and CMC to access employees comments, salary structure, and the benefits of the job at the mentioned companies.

The content available on websites of three companies and the employees' comments on the Glassdoor website are used to answer the structured questions in the next chapter.

### **3.6 Analysis of Data**

Similarly, the pre-identified themes emerged from the existing literature helped in the analysis of qualitative data. Thematic analysis is used for the analysis of qualitative data at large. All important details obtained from the websites analysis were arranged and interpreted for the achievement of valid and reliable outcomes. As per Saunders et al (2012), secondary data can be efficiently analysed through text analysis. The information was analysed on the basis of various categories emerged from the collected employees comments on Glassdoor and the information available on websites of Etiya and CMC for the identified themes. Both research were made according to the identified themes emerged from the literature review to make the analysis easier.

### **3.7 Reliability and Validity**

There is an essential classification of validity and reliability of the findings and data to an entire study, which decides that whether the study can create useful and valuable findings or not. Dawson (2002) claims that reliability refers to that the outcome of research must be internally steady and dependable which numerous observers judge at the same time or the same observer judges in a different time. Arnould et al (2002) described reliability as the one that if an observer conducts the same research again, he/she can look for the same results on the following time. According to (Schwab 2004), Validity relates to the actual outcomes of the investigation. Validity mentions the extent to which research exactly reveals or evaluates the elements that the observer actually tries to measure.

### **3.8 Ethical concerns**

This research work accomplished the modern practices of the research, ethical measures, and values essential in marketing research. Bryman and Bell (2007) claim,

there are specific principles to attain significant, achievable and ethical values in the social sciences. These principles are as follows:

- The research did not contain any personal queries or unkind statements.
- The researches made sure that participants were completely aware of all the analysis parts of the research.
- The research kept the confidentiality of the data of company employees and any other company source.
- The conclusion of the research kept clearness and Trustworthiness.

The study heavily inclined towards ethical issues so they were no trouble in this research work. The respondents' identities were also kept private for avoiding difficulty following up the research. Therefore, the complete period of research considered and properly measured the ethical matters. However, research ethics do not allowed researcher to mention the name of those candidates

### **3.9 Limitations**

The selection of the researcher to perform research on one sector of telecommunication only was the first limitation to consider PM impact on employees' engagement and job satisfaction in Turkey. However, limited access of the researcher to available literature and limitation to the scope of the research are also important. Moreover, use of only one sector limit the generalization of findings to other organizations and the collection of qualitative data add the research an element of subjectivity and flexibility. However, future researches can use mixed methods research with other qualitative and quantitative techniques as well to increase the accuracy of research findings.

## **4. DATA ANALYSIS**

This study follows both qualitative and approach and discusses behaviour with respect to the PAP, PMS, and job satisfaction of employees in target companies CMC and Etiya. Also, in this section explains the company's features and the PM strategies and the relationship to the PAP and employees job satisfaction.

In other words, this chapter discusses the details of these companies and evaluate the use of PMS as a tool in HR policies of business. This study determines the importance and application of various PMS strategies in these IT sector contemporary companies as compared to traditional methods of PM. Also, this study focuses on information on thematic research. To research has been done for the employees of the company CMC and Etiya.

In short this chapter considers the analysis of the PMS and PA techniques through research for companies CMC and Etiya and business - the services of these companies in the social media.

### **4.1 Case Study of CMC**

Customer Management Centre (CMC) is the prominent technology and outsourcing company in Turkey that has expertise in developing and managing business process. The functioning of CMC based on the end-to-end business approach in a centralised environment. The company has originated with a small call centre comprised on 90 employees under the visionary leadership of and entrepreneur. The company has started working for a main stream company in the consumer goods sector. The major function of CMC was to interact with the customers of client companies and to dl queries and complaints. CMC worked as bridge and brand ambassadors of large banks, MNCs and other leading companies in Turkey. In the years after new millennium, CMC has rapidly expanded to the global destinations as well.

According to CMC Website (2019), the important corporate values of the company are to create better experience of customers and increasing the business partners'

revenues with optimization of the business processes and operational costs. The period of 2000 till 2007 was the period of exponential growth of CMC due to the rapid expansion of outsourcing to call centres of large companies. However, the company ownership in 2007 was transferred to the Banish organization USS, a service based company. Now the network of ISS is operated in above seventy countries and CMC is one of the large subsidiaries of ISS in Turkey. The market share of CMC in the call centre business of Turkey is about 10% and continuously expansion with increasing company size. In 2015, CMC has made a strategic partnership with Mid Europa Partners (MEP). MEP is the biggest private equity fund in Europe and Middle East. Thus CMC has the support of stable financial partner as well.

The IT sector operations of CMC are based on the technology power, handling of Big Data, and services of capable and experienced staff to design business solutions to the other companies. The customer access points are concerned by CMC in all possible ways to increase the optimization on outsourced operations of companies. Moreover, the use of communication channels including telephone, e-mail, Fax, and other messaging applications provide CMC a leading edge in providing instant communication to customers. Some important technology based communication activities of the company included service of social media management the installation of turn-key call centre. Moreover, the other range of services transformations are from assistant services to the consultation of processes, cloud services management, and Big Data service support.

#### **4.1.1 The activities of CMC**

The operations of CMC spread over eight cities of Turkey including head office in Istanbul and coverage of total seat capacity of 4800 call agents in Turkey (CMC website, 2019). Thus, the company is industry leader with 10% market share in call centre sector with total capacity to accommodate about 5K employees for other companies. The net administrative workforce of 500-700 personnel to support IT and admin services in the company. The other area of specialty for the CMC is the support to women employment as most women employees are hired in the facility of Malatya. Moreover, the company also possessed the status of highest job opportunity provider in the districts of Urfa and Malatya. The client base of above 100 companies further strengthen the corporate profile of CMC (CMC, 2019). Throughout the

previous 3 years since 2016, CMC has been among the main 20 best-performing organizations on the rundown of all 'Informatics 500' organizations. The Company rank 57th among all 'Informatics 500' organizations (CMC, 2019).

#### **4.1.2 IT framework of CMC**

Making new age business forms is absurd with a restricted technology. That is the reason CMC pursue the ongoing improvements in data advances in all respects intently and the Company ceaselessly put resources into innovations. Company positioning among the main 20 organizations that have appeared best performance over the most recent 3 years as indicated by the 'Informatics 500' list. The best informatics organizations are resolved, and positioning first in part is the best demonstration of that CMC recognize openings for Client benefit and produce arrangements that will make added esteem Thanks to solid IT foundation, the Company can break down information and make expectations. The Company not just decrease y costs with advances, for example, distributed computing services, investigation programming, web based life and procedure computerization, the Company likewise give you an aggressive edge. The Company realize that inventiveness, speed and investment funds are critical to the customers (CMC, 2019).

The Company are the main player in the division that has the assets to build up its in-house programming as per customers' particular prerequisites. This gives CMC extraordinary adaptability and empowers us to deliver speedy, reasonable and innovative answers for you. For example, while the Company guarantee data security and business coherence with the CMC Planet programming, the Company can likewise deal with numerous tasks the Company embrace for customers' sake with the CMC Activity Designer programming in a speedy and adaptable way. On account of programming group, you won't require an integrator firm once you begin working with us; the Company will do everything that is fundamental for you.

Straightforwardness in business forms empowers CMC to give customers moment access to any data they need. Interfaces, where customer organizations can screen the performance of the client delegates progressively, web based revealing and online criticism components, are only a couple of precedents. The Company is the business chief in data security.



The Company realize that data is significant and the Company take the most abnormal amount safety efforts in the market to secure what you endowed to us in the ideal manner conceivable. The Company just utilize the most innovative innovations like Symantec and ArcSight for security applications, for example, a layered security structure and a divided system-engineering claim Data Center additionally gives services on Tier 3 security guidelines.

#### **4.1.3 Performance management system**

Both CMC workers and their profession ventures are essential to the Company. That is the reason the Company bolster their expert improvement and their way to individual fulfilment. The Company stick close by from the very first moment so as to enable them to open their actual potential and surpass their points of confinement. Everybody who joins the CMC family experiences 3-day an essential direction preparing and gets the chance to become acquainted with the company and the venture they will be engaged with. The direction preparing is trailed by competency preparing and specialized preparing for as long as about a month. With companions who are simply beginning, the Company lead interviews toward the finish of their second and the fifth months and distinguish zones for development. The Company imprison workers to exploit vocation venture in the most ideal manner conceivable. A portion of the PM activities are:

Advancement is everybody's own obligation. At CMC, everybody, by getting to web based preparing stage 'IQ Land", can get the preparation they wish at whatever point and wherever they like. Over at IQ Land, many preparing alternatives are accessible from initiative to time management, from stress management to viable correspondence methods. Everybody having equivalent preparing openings is essential to CMC.

The 'CMC Development Stations' the Company have set up in side interest regions give significant advantages to associates who have restricted access to PCs because of the idea of their activity. The IQ Land application the Company produced for gadgets with Android and IOS working systems convey preparing to everybody's pockets. In 2016, 95% of workers exploited these preparation programs.

CMC Development Library' is a fortune for the individuals who like to peruse. They can obtain any book they like and improve their insight in regions they are keen on.

Inside the initial 8 months following the take-off of this application, more than 1000 books were perused.

Other advancement openings The Company place significance to be determined between private life and work life. Also, the Company structure advancement programs in light of this. Activities, for example, the office improvement program, Team Leader Development Program, Project Manager Development Program and so forth empower individuals to spend significant time in their occupations, while the 'Instruction Break' application expects to add to the private existences of workers in themes, for example, wholesome training and sound living (CMC, 2019).

The youthful staff, who drive advancement and rouse CMC as for change, affect constant business development. The Company are just ready to accomplish business objectives as a company if every one of representatives accomplish their private issue objectives. The Company are touchy in deciding practical understanding; for example quantifiable targets. That way, the Company can gauge performance dispassionately and compensate achievement decently, on a month-to-month or yearly premise, contingent upon the activity position.

Get-togethers are significant as the Company trust that, getting together outside of work, imparting charming minutes to one another unite us, add to new fellowships and empower us to unwind outside of occupied work routine. For this reason, the Company sort out numerous occasions under the CMC Club name, which comprises of CMC representatives. The opportunity to watch the matches of three mammoths from box seats or the opportunity to go to the debut of a well-known Turkish film to meet renowned on-screen characters are only two models. What's more, shocks anticipate in CMC like treks, picnics, and free days in the pool in the summers and some more.

Moreover, uncommon worker limits are accessible for all CMC representatives, who can exploit numerous open doors that will bolster the spending plan, similar to a 50% markdown in kitchen apparatuses of real brands or up to 70% rebate in cafés, theatres and show tickets.

## **4.2 Company Description of Etiya**



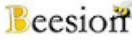



















Etiya is the main Independent Software Vendor giving far-reaching Customer Relationship Management (CRM), Catalog and Algorithm-Driven B/OSS, just as Customer and Social Media Analytics to Communications and Digital Service Providers. Established in 2004, Etiya is a quickly developing programming company with in excess of 700 representatives around the world. Worldwide base camp of Etiya is in Amsterdam and we have workplaces in Silicon Valley, Istanbul, Singapore, Ukraine, Dubai and Montreal. Etiya empowers specialist co-ops to convey a separated client experience. Full-stack Business and Operations Support System (B/OSS) portfolio can be conveyed on-cloud or on-premise. Its most recent advancement fuses self-governing learning, calculation based applications in B/OSS (Etiya, 2019).

Etiya, the biggest autonomous programming company in Turkey, furnishes items and arrangements that consent to universal foundation norms in the fields of Customer Relationship Management, Catalog and Algorithm-based Operation and Business Support Systems, and Customer and Social Media Data Analytics. The company has in excess of 600 representatives and workplaces in Amsterdam, Silicon Valley, Istanbul, Ukraine, Singapore and Dubai. Creating items with its totally household capital, Etiya has gotten various honours from free associations in Turkey and the world. The company plans to give its services a forward-looking vision by putting resources into best in class advances. What Were Etiya's Requirements? Dealing with its HR forms was a very refined issue for Etiya, which has in excess of 600 workers. In addition, it was important to expand the effectiveness and to encourage the management of its HR forms. Consequently, the HRM System created with PrimeApp looked to give an expert HRM apparatus (Prime App, 2019). The activities of Etiya are shown in Figure 4.1.

Certificates	Expertise
TM Forum Framework Business Process Framework (eTOM) Information Framework (SID) Application Framework (TAM) Integration Framework ISO 9001 ISO 27001	Catalog-Driven BSS/OSS Customer Relationship Management Customer Complaint Management Retention & Churn Management Product & Catalog Management Sales & Order Management Event-Driven Management Campaign Management Workforce Management
Partner Relationship Management	Products & Services
Lead Management Access Management Network Resce Management Social CRM – Social Media Management Rule Engine CPQ Big Data Analytics	Telaura Suite Somemto – Social Media Management Tool Big Data Analytics

**Figure 4.1:** Activities of Etiya, **Source:** (Etiya.Com, 2019)

The competitive position of Etiya in Turkish market is analysed on the profile given by Owler (2019) as follows:

			Chun Ling Woon CEO	70/100	417	\$0	\$4.4M
1			Omar Merchan President & CEO	68/100	60	--	<a href="#">Input</a>
2			CEO	--	20	--	\$4.4M
3			Janusz Filipiak President & CEO	78/100	5,500	--	\$275.3M
4			Amit Okhandiar President & CEO	86/100	50	--	\$4.9M
5			Hugo Cruz Founder & CEO	68/100	250	--	<a href="#">Input</a>
6			Chak Mamidipalli CEO	73/100	1,000	--	\$59.4M
7			CEO	--	<a href="#">Input</a>	--	<a href="#">Input</a>
8			CEO	--	121	--	\$26.9M
9			CEO	--	<a href="#">Input</a>	--	<a href="#">Input</a>
10			Jeremy Rabe President & CEO	55/100	4,711	--	\$1.3B

**Figure 4.2:** Competitive Position of Etiya, Source:

Source: (Owler.com, 2019)

#### 4.2.1 HR Management and Performance appraisal

With the 360° Personnel checking system, all close to home data of work force including subtleties, for example, the office or the pay of the worker, can be recovered from a solitary point. This empowered the amplification of correspondence inside the company.

Utilizing HRM System, Etiya can make new work and endorsement streams to design intracompany forms and deal with all leaves of nonattendance for its representatives effectively. This permits Etiya to see its workers' time away demands momentarily, and to monitor and report endorsement forms.

Attributable to approval and job task procedures, supervisors and representatives can achieve reports, standpoints and solicitations, for which they have consent to see, with a solitary snap. Utilizing the progressed and down to earth revealing system, the company can make different reports, for example, venture costs, checking of representatives' work hours, working performance, and so forth and perform estimations of these measurements. By methods for the layout planning guide, list of references or time away solicitation structures can be printed out effectively in Microsoft Word or PDF organizations, or email conveyance strategies can be done quickly by getting ready email formats.

In addition, Etiya may play out its activity application and competitor evaluations by means of the system so that employees can discover and evaluate co-workers effectively. The company may likewise search for contender for its open positions by recovering past data. HR Management dependent on expert groups and apparatuses, which is a need for corporate firms which have countless like Etiya, can be effectively accomplished with PrimeApps applications, which thus builds effectiveness via automatizing the procedures. Besides, manual activities and capacity are not required as all data is put away inside the system. HR procedure would thus be able to be executed considerably more quickly and helpfully (Prime App, 2018).

#### **4.3 Comparison of PMS in CMC and Etiya**

The exploration of important findings are important to understand the phenomenon of PA and PMS impact on company performance and its application in the selected organization. The comparison of the information available on websites of the two companies and on other independent sources, the research was developed to check the availability of various aspects of the PMS and PA in both companies. The information collected for both CMC and Etiya to investigate the important areas of concern and the components of PA in both companies. The application of various tools and rewards system practiced in the technology sector organizations was explored in this exercise. This section of the thesis examines the answers of the questions developed for the companies CMC and Etiya. There were 20 questions in the research that consist of three broad section of PM, PA, and job satisfaction of

employees in concerned organization. The answers to these questions were supported by the secondary sources of information. The questions and the searched answers are discussed below:

The following structured questions are formed on the basis of the literature themes of PM PA, and job satisfaction of employees discussed in chapter two already. The reserach address the occurrence, type, and efficiency of existing PMS in Etiya and CMC. The PAP used, its frequency, and effectiveness analysed in these questions. Moreover, the employees job satisfaction from the existing PMS, PA, and the decision-making in the companies are also enquired.

#### **4.3.1 Theme 1: Performance Management system**

1. Does the companies in technology and telecom sector have a formal PM system?
  - a) Yes
  - b) No
2. How long has the companies are using formal PMS?
  - a) Never use formal PMS
  - b) 1 year or below
  - c) 1 - 2 years
  - d) 2-5 years
  - e) 5 years and above
3. How important is PMS for the growth of technology and telecomm companies?
  - a) Least important
  - b) important to some extent
  - c) Quite more important
  - d) Extremely important
4. What are the reasons behind selection and usage of formal PMS?
  - a) Employees performance monitoring
  - b) Company HR policies requirement
  - c) To decide rewards and motivation
  - d) T establish good reputation in industry
  - e) To keep efficient and productive employees

5. Which PMS is operational in companies in technology sector?

- a) AssessTEAM
- b) Small Improvements
- c) Engagedly
- d) Zoho People
- e) Performance Pro
- f) Lattice
- g) Any other:\_\_\_\_\_

#### **4.3.2 Theme 2: Performance appraisal Methods (PAM)**

6. Why PAM are used in the selected organizations?

- a) To monitor employees performance
- b) One-to-one performance analysis
- c) Competition among employees for upgradation
- d) To justify rewards and termination
- e) To improve employees performance

7. What PAM are used for employees in selected companies?

- a) General in form of ongoing communication in management and employees
- b) 360-Degree PA.
- c) Technology based PA.
- d) Employee general Self-Assessment.
- e) Manager Appraisal for employees Performance.
- f) Review of Project performance
- g) Appraisal for Sales Performance

8. How often PA is conducted?

- a) Many times a year
- b) Quarterly
- c) Six month (Half yearly)
- d) Annually

9. What measures are important in PA?

- a) Achievement of assigned targets
- b) Attendance/ Punctuality



- c) Team work
- d) Leadership quality
- e) Coordination and communication
- f) All of the above
- g) Other \_\_\_\_\_

10. Modern methods of PA are more effective as compared to traditional methods:

- a) Strongly disagree
- b) Disagree
- c) Neutral
- d) Agree
- e) Strongly agree

12. Is employees are satisfied with the PAMs in the selected companies?

- a) Yes
- b) No
- c) Sometimes

13. Are the companies keeping employees suggestions/ complaints in consideration while deciding PA?

- a) Yes
- b) No
- c) Sometimes

14. PA is an unbiased process.

- a) Strongly disagree
- b) Disagree
- c) Neutral
- d) Agree
- e) Strongly Agree

### **4.3.3 Theme 3: Employees Job Satisfaction**

16. Is it difficult to satisfy employees for their job in telecom and technology sector in Turkish companies?

- a) Not difficult
- b) Not very difficult

- c) Quite difficult
  - d) Very difficult
15. Employees feel very positive and favourable about their job?
- a) Generally
  - b) Sometimes
  - c) Always
  - d) Cannot decide
16. Majority employees in technology/ telecom company will leave if they can find a better job?
- a) Yes, surely
  - b) Yes, may be
  - c) Cannot decide
  - d) Not possible
17. Generally satisfied with the kind of work they do on job in this company?
- a) Yes, surely
  - b) Yes, may be
  - c) Cannot decide
  - d) Not possible
18. Are employees free to take decisions on the performance of their job role?
- a) Sometimes
  - b) Always
  - c) Depends on the situation
  - d) Never

#### **4.4 Analysis of the Secondary Data**

This section of the chapter discussed the answers of the above shown structured questions. The answers collected from the company website, employees reviews on glassdoor.com, and the available research articles on the PMS in Turkish companies. Both organizations are compared and discussed in this section. The application of PMS and PASs and the job satisfaction of employees was the major issues raised in this research. The main findings of the comparisons showed that PMS is properly incorporated in both organizations as with the other leading organization in

technology and telecom sector and the regular PA added to this PMS. In view of the diversity of teams and their projects in Etiya (Etiya.com, 2019), and wider job portfolios of CMC employees in managing call centres (CMC, 2019), the answers to the above listed questions were challenging to find.

#### **4.4.1 Analysis of Theme 1: Performance Management system**

- Does the technology/ telecom company have formal PMS in Turkey?

CM has its in-house PMS managed through 360-degree appraisal system and managed through ERP system (CMC, 2019). In contrast, Etiya is using the PMS provided by PrimeApp.

- How long your company using formal PMS?

The management of Etiya is using PMS in a formal structure for 2-5 years duration (PrimeApp, 2018), whereas, CMC is a large organization and using PMS for 5 years and above period (CMC, 2019).

- How important is PMS for the growth of your company?

In view of information available on CMC (2019), the PMS is 'Quite more important since their core job is to administer larger set of employees of other organizations, whereas, Etiya information on Etiya (2019) and PrimeApp (2018) declared that PMS is 'extremely important' for their organization since it depends on the professional and technical skills of employees

- Which PMS is operational in your company?

The information available on CMC website (2019) shows that in the beginning , company used the customised versions of AssessTEAM and Lattice for some period, but now the company is using in-house PMS due to increase in the scale of operations and complexity of HR management.

Moreover, Etiya PMS system discussed in PrimeApp (2018) showed that for some time, Etiya used Performance Prop system, but later developed solutions for PrimeApp technologies. This system now customised to the need of the organization.

#### **4.4.2 Analysis of Theme 2: Performance appraisal Methods**

- Why PAMs used in your organization?

In view of the responses of the two managers, CMC manager added that their main motive of using PAMs is to monitor employees' performance and to justify rewards and termination decisions at the end of financial year. However, Etiya manager added that PAS in their company for One-to-one performance analysis in order to improve employees' performance and to raise healthy Competition among employees for upgradation.

- What PAM are used for employees in selected companies?

The CMC information collected from CMC.com verified that General ongoing communication in management and employees is always present in their company. Moreover, as a formal PAM, they are using 360-Degree PA, which is a Technology based PA that is supported by ERP present in their organization (CMC.com)

Moreover, Etiya information collected from PrimeApp (2018) and Etiya.com suggested that Managers are normally performed Appraisal for employees Performance in Etiya, but as formal PA system, 360-Degree PA is used in the organization. The appraisal not only done for sales staff but it is mandatory for all employees.

- How often performance appraisal is conducted?

In view of the comments in Glassdoor.com from both companies' employees, the annual PAS normally followed. Employees are not very satisfied with the rewards and bonuses received at Etiya because of PA, however, CMC employees expressed more positive comments (Glassdoor, 2019).

- What measures are important in performance appraisal?

As far as important measures of PA are concerned, CMC website informed that Achievement of assigned targets, Leadership quality, Coordination and communication, and Team work are important in criteria of PA (CMC, 2019)

However, the Etiya PMS system information available on PrimeApp (2018) asserted nearly similar measures that PA is decided on Achievement of assigned targets, Leadership quality, Coordination and communication in Team work, and Attendance/ Punctuality of employees are important.

- Modern PAM are more effective as compared to traditional methods:

The information available on CMC and Etiya website in PMS system description, both companies are using 360 degree appraisal method with completely computerised system of PMS. Therefore, modern PAM are found more effective in both companies as compared to traditional methods since technology and techniques are enhanced in both technology-based companies. Moreover, PrimeApp (2018) added that Etiya is a technology firm; therefore, the dependence on latest technology use in PMS is also very high.

- Is employees are satisfied with the performance appraisal methods in your company?

The reviews available on glassdoor.com (2019) showed that the employees are mostly in affirmative that their employees are satisfied with the PAMs in their companies. The selection from the comments of Etiya and CMC employees available on Glassdoor.com showed that employees feel normally satisfied with the PAS available in the two companies.

- Are you keeping employees suggestions/ complaints in consideration while deciding performance appraisal?

The comments on Glassdoor (2018a) listed above showed that teams have no say in decision making as to management decides and instruct all teams in Etiya. The comments are found affirmative for CMC management in Glassdoor (2019b) that sometimes they keep employees suggestions/ complaints in consideration while deciding PA, especially in the decisions that concern employees' benefits or HR policies.

- Performance appraisal is an unbiased process in my company.

The case study of Etiya available on PrimeApp (2018) strongly agree with the assumption that PA is totally unbiased process in Etiya, since this assessment is done randomly and annually in a year, and mostly based technological tools of appraisal with least human involvement to manipulate the results. High levels of unbiased PA is guaranteed to employees.

However, there was no information available about biasness of PA on CMC website, but few comments on Glassdoor (2019b) addressed that some exceptions are there in the company. Human errors and subjective appraisals generic qualities in many instances did not prove totally unbiased in CMC.

### 4.4.3 Analysis of Theme 3: Employees Job Satisfaction

- Employees feel very positive and favourable about their job?

On the basis of the employees' comments available on Glassdoor (2019a) for Etiya and Glassdoor (2019b) for CMC, it is perceived that CMC employees are in agreement with first option of 'generally' that employees are normally find motivated in this company. However, The Etiya employees' comments also mentioned satisfaction from working environment and people to work with. The following comparison of comments show that the overall Employees feeling very positive and favourable about their job. Therefore, researcher use the comments available on Glassdoor (2019) for both companies, and made following comparison opted for this option in absence of accurate knowledge of employees' perceptions.

**Table 4.1: Comparison of Employees Comments for Etiya and CMC**

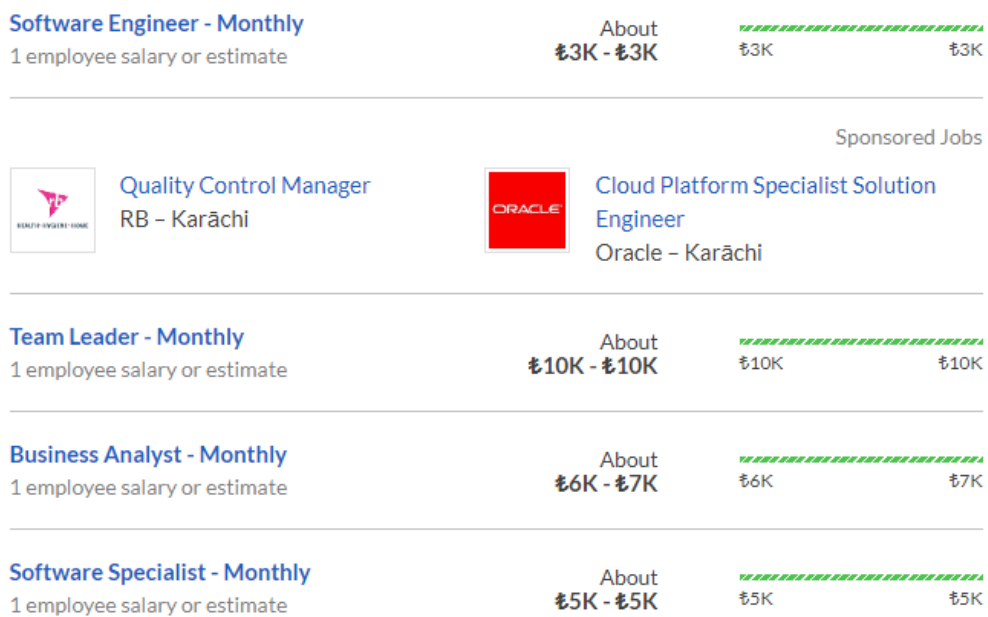
Components of Job satisfaction	Etiya		CMC	
	Pros	Cons	Pros	Cons
Working environment	Good teams, nice people, low politics	Crowded offices, small workspaces	Great place to work, nice people, good work-life balance	Government political culture, fixed rules
Salaries	On time, constantly paid	Low as compared to competitors	Paid well, above industry	No 401k pension system, no growth for contractual employees
Working hours	Flexible, long overtime	High disturbing circulation of work hours	Fixed shift based work	Long 60 plus hours work week
Rewards/bonuses	No positive view collected	Poor food choices, no regular bonuses No support of courses/certificates	Performance based bonuses on achieving targets	Short vacations,
Leadership	Management support	Top management take decisions, less performing mid management	Top management is helpful and good monitoring	All decisions made by top management
Equipment, devices support	Wide availability of shared systems	Obsolete computers	Food facilities, latest equipment	Need more workspace
Turnover	Hiring is open always	Very high	Periodic hiring, mostly fresh graduates	High

**Source:** Adapted from Glassdoor (2019a); Glassdoor (2019b)

- Majority employees in your company will leave if they can find a better job?

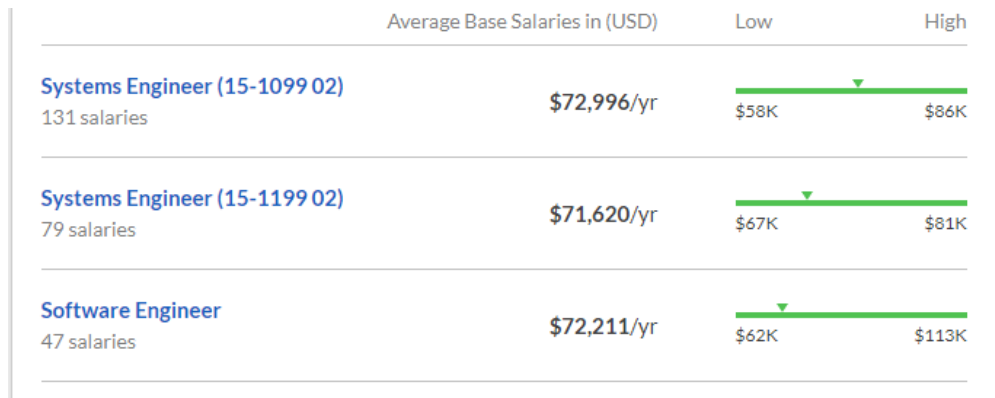
The industry if IT in Turkey is very competitive and the companies have high turnover of employees. New opportunities always welcome talented and qualified employees (. The CMC and Etiya employees comments available in previous question clearly answered in yes, May be majority employees in his company will leave if they can find a better job, since the employees can leave anytime of better opportunities are available. Etiya employees argued that the hiring process is on in the company for the full year since the turnover rate is very high in Etiya (Galssdoor 2019). Therefore, both managers said that companies are ready and continuously look for new talent to induct in the departments.

The comparison of the salaries scales of employees in both companies also prove the above assumption of high turnover,



**Figure 4.3:** Salary ranges for Etiya

**Source:** Glassdoor, 2019c



**Figure 4.4:** Salary ranges for CMC International

**Source:** Glassdoor, 2019d

- Employees are generally satisfied with the kind of work they do on job in this company?

The response of this question was also affirmative from CMC manager that ‘Yes, surely’, employees are generally satisfied with the kind of work they do on job in this company. Moreover, the Etiya manager exclaimed that ‘Yes, may be’, employees can be generally satisfied with the kind of work they do on job in Etiya. Therefore, more assessments and evaluations of employees’ perceptions are needed in Etiya.

- Are employees free to take decisions on the performance of their job role?

According to employee’s comments on Glassdoor (2019a) and Glassdoor (2019b) generally employees are free to take decisions on the performance of their job role but conditions are applied. The top management decide about the role of employees to play in decision making. The routine decisions give employees less liberty for making small level decisions in both organizations. On the other hand, Etiya employees also expressed that sometimes project teams are not free to take decisions on the performance of their job role, since team leaders and department heads are responsible for assigning the job roles.

#### **4.5 SWOT Analysis of Selected companies**

SWOT analysis is a structural planning method. This analysis used to give the strengths, weaknesses, opportunities an evaluation and threats involved in a project or in a business. In other words, it determines the purposes of business or project. About this method, a lot said and investigated. In this topic, we turn right to the



analysis of companies CMC and Etiya. Specifically discusses strengths and weaknesses, opportunities and threats of these companies cause of the use of social media and advertising. Through this analysis we learn factors which may affect their ability to introduce a new product through social media and advertising.

**Table 4.2: SWOT Analysis Comparison**

<b>SWOT Factors</b>	<b>CMC</b>	<b>Etiya</b>
<b>Strengths</b>	<ul style="list-style-type: none"> <li>▸ The company upgraded call centre and increased call centre agents to 4800.</li> <li>▸ A strong technical infrastructure and support to key clients</li> <li>▸ Strong overseas control on business operations</li> <li>▸ Good client relationships in IT outsourcing facilities</li> <li>▸ Understand the needs of client in multiple industries.</li> <li>▸ Top 20 in Informatics 500 companies since 2016.</li> </ul>	<ul style="list-style-type: none"> <li>▸ Diversified portfolio of IT services and products</li> <li>▸ Market capitalization of 4.4 million dollars</li> <li>▸ Software and services for Catalogue-Driven BSS/OSS</li> <li>▸ Pool of 600 expert software developers</li> </ul>
<b>Weaknesses</b>	<ul style="list-style-type: none"> <li>▸ Failing to respond due to large employees' base of call centre operators.</li> <li>▸ Cannot deal with customers directly while representing companies</li> <li>▸ The network of IT services is not strong in local market.</li> <li>▸ Customer complaints in call centres spoil the CMC image as well.</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of focus and specialization due to involvement in multiple areas</li> <li>• Still unable to capitalise the strengths of employees on a large global scale</li> <li>• Involvement in large number of projects raise clients and employees dissatisfaction issues</li> </ul>
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>▸ Rise in social media and internet integration in Turkish business expand business clientele.</li> <li>▸ Consumer from overseas location can be handled in local call centre facilities.</li> <li>▸ Increase in products portfolio to software and application development</li> <li>▸ Expansion in training and development in digital technologies for local industries,</li> </ul>	<ul style="list-style-type: none"> <li>▸ Increased computerization and enterprise solutions clientele in Turkish progressive economy</li> <li>▸ Expansion to other countries through cloud computing and Big Data solutions</li> <li>▸ Expands employees and company size to meet rising clients' demands</li> </ul>
<b>Threats</b>	<ul style="list-style-type: none"> <li>▸ Increase in competition in call centre industry</li> <li>▸ High employees turnover costs in IT sector in Turkey</li> <li>▸ Privacy and cybersecurity expenses increased for companies in IT sector</li> </ul>	<ul style="list-style-type: none"> <li>▸ Increase in competition in software and IT service industry</li> <li>▸ High employees turnover costs in IT sector in Turkey</li> <li>▸ Privacy and cybersecurity expenses increased for companies in IT sector</li> </ul>

In view of the above listed strengths and opportunities of CMC and Etiya, some important success factors discussed below:

Both companies are strong in their main area of expertise, i.e. CMC has a strong market presence in call centre services and social media services for local and overseas business. In contrast, Etiya has a large market share in software development and enterprise service applications. The companies has qualified and trained staff in the range of 600-700 employees. Moreover, the companies are striving to gain high market share in their respective business areas. Highly competent HR and standardized PMS found in both companies.

On the other hand, weaknesses of both organizations lie in their limited scope of working ad concentration on diverse areas. However, the companies managed good relationship with customers but limited to the specialised areas only. The companies failed to stay a head of competition and showing a proactive behaviour.

Opportunities of both companies lie is the aroid expansion of IT and social media networks in local Turkish industries. The cloud computing provides opportunities for remote working and providing software and social media integration services to global companies. The increase in technology felicitation opening up new venues for growth in internet based business for both companies. ‘

On the other hand, negative impacts of threats are found in the areas of strong competition and riding new start-ups in the IT software and social media services sectors. The theft of brand identity through copycat products and the complaints of customers in Technology base services can affect the businesses of CMC and Etiya.

#### **4.6 Findings from Rank Order Analysis**

The performance criteria discussed in literati review in chapter two is important parameter to compare the two companies’ criteria of PA. This comparison is done on the scale of 1 to 5, in which one stands for very bad and 5 stands for very good.

**Table 4.3:** Rating of performance criteria

<b>Criteria of Performance appraisal</b>	<b>Very good</b>	<b>Good</b>	<b>Normal</b>	<b>Bad</b>	<b>Very bad</b>
Congruence	5	4	3	2	1
Validity					
Reliability					
Acceptability					
Specificity					

#### **4.6.1 Criteria of Performance appraisal in Etiya and CMC**

The criteria of performance are divided in five factors with equal weightage of each factor. The equal importance of these factors is depicted in literature review already in chapter two.

According to the weightage given to these factors, the distribution can be depicted as:

**Table 4.4:** Measuring the criteria

<b>Notation</b>	<b>Variable</b>	<b>Importance Level</b>
C1	Congruence	0.2
C2	Validity	0.2
C3	Reliability	0.2
C4	Acceptability	0.2
C5	Specificity	0.2

The discussion in the previous sections about the employees' perceptions and the PMS available in both companies Etiya and CMC, the above listed five factors for both companies are analysed with help of ranking order analysis.

**Table 4.5:** Performance Appraisal Criteria Effectiveness

Notation	Variable	Importance Level	Etiya		CMC	
			Rank	Score	Rank	Score
C1	Congruence	0.2	4	.8	5	1
C2	Validity	0.2	4	.8	5	1
C3	Reliability	0.2	3	.6	3	.6
C4	Acceptability	0.2	4	.8	4	.8
C5	Specificity	0.2	4	.8	3	.6
Total Score				3.8		<b>4.0</b>

The score of CMC is slightly higher than that of the Etiya due to its more positive reviews and long term experience in the technology sector in Turkey. Moreover, the international brand reputation and the corporate standing of CMC is found more evident with a structured and well managed PMS system (CMC, 2019).

#### **Rank Order scale for Performance Management system**

Moreover, the features of PMS and the findings from the above comparison of the two companies are also analysed on the rank order scale with the outlined factors of PMS.

**Table 4.6:** Rand Order comparison of Etiya and CMC

Components of PMS	Importance Level	Etiya		CMC	
		Rank	Score	Rank	Score
360°Performance appraisal system	0.2	4	0,8	5	1
Size of the organization	0.2	4	0,8	5	1
Use of technology	0.2	5	1	5	1
Employees satisfaction	0.2	4	0,8	4	0,8
Salaries and increments	0.2	3	0,6	3	0,6
Benefits/ rewards	0.2	3	0,6	4	0,8
Working environment	0.2	5	1	5	1
Participation in decision making	0.2	3	0,6	3	0,6
Turnover/ Job retention	0.2	3	0,6	4	0,8
<b>Total Score</b>			<b>6,8</b>		<b>7,6</b>

The above analysis on the ranking scale shows that the score of CMC is higher than that of Etiya due to better performance in PAS, large size of the organization, and more benefits and rewards for employees as compared to Etiya. Moreover, CMC employees reported less turnover intention and periodic hiring process in the organization. Therefore, score of Etiya found less on the turnover and retention of employees as well due to round the year hiring and high turnover of employees.

In conclusion, the main motive behind these interviews of two companies is to compete and understand the role of PMS and PA in increasing the employees' satisfaction of IT companies in Turkey. However, the selection of only two companies has limited the generalizability of scope of this research,

In view of the responses of two managers expressed above, it is concluded that both companies have formally designed and customised PMS and they apply PAMs on regular basis. The basic selection of PMS depends on the need of companies to monitor the employees' performance and find the possible means to motivate these employees. In view of the technically advanced PASs found in both companies, the 360 degree performance evaluation from peers and managers and self-reviews were found prevailing in both companies. However, in view of the satisfaction of employees from the existing modes of PM, the CMC manager found more confident and certain about the satisfaction of employees' from these systems. In contrast, the general application of these processes to the job satisfaction of employees is not found in the case of Etiya employees. The manager argued that he could not decide about the satisfaction of employees from existing jobs and their job roles.

In short, there are certain number of opportunities and challenges in management of PMS and creating Job satisfaction in employees in IT sector due to high turnover and switching behaviour of employees. Nowadays, companies like CMC and Etiya are trying to sustain performing employees but also stay ready for losing more employees in competition. Hence, Etiya manager expressed that the company always hire and train new talent to overcome the gap of employees' turnover.

#### **4.7 Summary**

In conclusion, the findings of the research in above pages showed that the telecom and IT sector of Turkey is progressing and the companies are using latest technologies and employees management systems to manage and appraise performance of employees,. The selected companies are showing high progress due to their talented and qualified staff since the IT sector is highly HR based industry. Moreover, the findings from the research interpreted that the companies are using latest state-of-the-art PASs based on 360-degree appraisal. Moreover, the participation of employees in the decision-making and PM is also found satisfactory but the employees in Etiya are not empowered to the level of CMC employees. Mostly top management is responsible for decisions related to PMS.

Moreover, the access to the interval information of the PMS was not possible since the companies denied to share any financial details of the communication and any other bonus or perks details of their employees. However, the employees were found

generally satisfied with the analysis and appraisal of performance in the companies. Most responses of the two companies employees on the survey were found nearly similarly accept some dissimilarities as discussed above. The criteria of PA analysed in above pages also found to be acceptable by the employees and generally all four criteria congruence, acceptability, specificity, and validity, were found satisfactory. Wherever the reliability of criteria of PA did not get the high agreement proportion. These results are used to conclude the research in next chapter.

## **5. CONCLUSION**

This chapter concludes the research findings in view of the literature and primary data analysis. The recommendations are given in view of the conclusion of the research. Moreover, the chapter also contains limitations and future implications of this research.

### **5.1 Conclusion**

In conclusion, the findings of the research from the secondary and primary research showed that there is a significant association between job satisfaction of employees and the organisational PAs in IT companies of Turkey. The findings of scholarly researches in literature reviews reported challenges of PAs in many industries and suggested alternate methods to the process. However, this research was conducted as there is a lack of quantitative and empirical findings to reflect the requirement for change in IT and telecom sector of Turkey. This research found and presents such data that help in understanding the linkage between the PA and job satisfaction and the resultant increase in employees' engagement.

Moreover, the research also offered important insights to facilitate managers in efficient talent management through improvement in PMS. Given the current significance of IT sector and the relevance of HR in SMEs of Turkey, it is integral to measure the elements of employee management and satisfaction. A focus on performance process is made in this research to examine the efficiency of the PMS for Turkish IT companies. Amongst all relevant functions, the findings revealed that the most crucial element of motivation and encouragement is unbiased and professional performance evaluation and appraisal. Further, the implication of PA evaluation is much more than the other processes as it depicts the achievements of various aspects of HR like training, placement, adaptation, recruitment, and other activities.



In selected two companies from IT and telecom sector, CMC and Etiya managers asserted that Performance improvement is largely dependent on the creation of performance culture and PMP. Already it is established from literature that the performance of IT sector in Turkey has been sustainable and expanding into multinational domains and new products. CMC and Etiya progress is the evidence of the fact that around eighty percent of IT services and software produced in the country whereas only twenty percent hardware of information and communications technology sector is produced in Turkey.

The analysis of organization structure, activities, and progress of CMC and Etiya showed that major opportunities exist in Turkey for these companies and they are exposing to global operations as well. There is an increasing trend of investments in these companies by the investors to excel in both local and global markets. In contrast, CMC and Etiya are also benefited from the initiatives that government intends to bring structural modifications in the country. Presence of e-government was facilitated by the IT industry through modernisation and restructuring. In view of the responses of two companies expressed above, it is concluded that both companies have formally designed and customised PMS and they apply PAMs on regular basis. The basic selection of PMS depends on the need of companies to monitor the employees' performance and find the possible means to motivate these employees. In view of the technically advanced PASs found in both companies, the 360 degree performance evaluation from peers nod managers and self-reviews were found prevailing in both companies.

The research question raised in this study was how PAP has influenced job satisfaction levels in IT sector SMEs in Turkey. The findings from the research of CMC and Etiya concluded that the success of performance evaluation systems revolves around the practices of evaluating performances and its association with the goals, objectives of businesses along with the competencies of employees to adapt to evaluation tools. According to the collected informations, its clear to see positive association between PA and employees productivity. Apparently, systems of PA in both companies meant to collect knowledge about the organisational employees and to create common objectives for employees and organisations to achieve in future. However, the employees' responses argued that lack of an appropriate PAS negatively influences the morale and motivation levels of employees. However, in

view of the satisfaction of employees from the existing modes of PM, the CMC manager found more confident and certain about the satisfaction of employees' from these systems. In contrast, the general application of these processes to the job satisfaction of employees is not found in the case of Etiya employees. The manager argued that he could not decide about the satisfaction of employees from existing jobs and their job roles. On the other hand, weaknesses of both organizations lie in their limited scope of working and concentration on diverse areas. Moreover, company managed good relationship with customers, but limited to the specialised areas only. The companies are failed to stay ahead of competition and showing a proactive behaviour

In conclusion, the findings of the research in above pages showed that the telecom and IT sector of Turkey is progressing and the companies are using latest technologies and employees management systems to manage and appraise performance of employees,. The selected companies are showing high progress due to their talented and qualified staff since the IT sector is highly HR based industry. Moreover, the findings from the interviews interpreted that the companies are using latest state-of-the-art PASs that are based on 360-degree appraisal. Moreover, the participation of employees in the decision making and PM is also found satisfactory but the employees in Etiya are not empowered to the level of CMC employees. Mostly top management is responsible for decisions related to PMS.

Additionally, the access to the interval information of the PMS was not possible since the managers denied to share any financial details of the communication and any other bonus or benefits details of their employees. However, the employees were found generally satisfied with the analysis and appraisal of performance in the companies. Most responses of the two companies employees on the survey were found nearly similarly accept some dissimilarities as discussed above. In conclusion, the four criteria congruence, acceptability, validity, and specificity of performances appraisal is generally receive the opinion of good from employees of both CMC and Etiya. However, for the reliability criterion, the opinions stated bad are nearly same in both companies, hence, nearly equal number of employees are not considered PA as a reliable process in both companies. Hence, the companies need to increase the reliability of these measures of performance

## **5.2 Recommendations**

Based on above discussed research findings and conclusion. Following recommendations are given:

- The satisfaction of employees from the existing modes of PMS can be increased by increasing participation of employees in decision making system. The findings from the two companies showed a limited involvement of employees in decision related to PMS. Therefore, if empowerment of employees increased with more participation and their suggestions acceptance or even consideration, it will have a positive impact in the satisfaction of employees from PMS.
- The communication barriers of management and employees need to lower down so that management can understand the point of views and opinions of employees as well. Though both companies Etiya and CMS are using a comprehensive 360 degree PAP, but the Etiya manager was little known about the satisfaction of the employees from this appraisal process. Therefore, more input and opinions from the employees and experts involved in 360 degree appraisal should be collected so that viability of the system for the needs of the organization should be found.
- The reliability of the PA criteria was found low from the research. Therefore, the criteria reliability should be increased from more transparent and unbiased standards and measures of performance. The trust of the employees on the effectiveness and accuracy of the measurement and standards should be established. The reliability will be increased once employees trust the accuracy and applicability of the PA instruments.

## **5.3 Limitations of the Research**

Similar to other researches, this research also faced certain limitations of time and resources. The access to the vast literature on PA, PM, and job satisfaction was limited due to the limited scope of the research for IT sector in Turkey only. The results of this research cannot be generalised since only two companies from the Internet of Things (IOT) sector are used, therefore the results are case specific and cannot be applied to the whole IT sector. Moreover, the limitation to the access of the

financial and internal information about the employees pay and other performance based rewards limit the analyses of the research findings. The small sample size for the research only two managers are also limitations. Future research should consider more companies and a large sample to get more accurate and generalizable result.

#### **5.4 Implications For The Future Research**

The cross-sectional nature of the current study implies that the results can be changed if more organizations and large sample size will be considered in a longitudinal research. However, the present research findings are an important addition in the literature on the PM in IT and telecom sector of Turkey. In view of the scarce researches on this area in Turkey. The findings of the current research will assist academia in making frameworks of their future researches. The important consideration of PMS found in this research will help future researches to broaden the scope of the research to other areas as well.

Moreover, in future researches the involvement of more factors of the PMS and the holistic approach of PA that can change the EE and job satisfaction can be investigated. The policy makers of the IT sector HR policies in Turkey can also use the findings of this research to increase the employees' participation in decision making. The enhancement of reliability of the PA instruments prevailing in the industry is also important. The managers will use the research finding to remove communication barriers and can have better discussions with employee to increase the effectiveness of PMS in IT sector companies in Turkey.

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## **PERSONAL REFLECTION**

This research project was part of the professional endeavours to apply the learned concepts in the MBA program in real life research. The learnings from all my previously attempted course in the domain of marketing and management are utilised in this research project. The finding of the appropriate research topic was the initial challenge I faced. However, my personal interest in the performance appraisal and performance management mechanisms and the rapid growth of technology companies in Turkey have provided me an opportunity to study this area. With the guidelines of my esteemed supervisor, I have finalised the research topic in the area of analysis of the performance management systems and their impact in the job satisfaction of employees in the technology sector SMEs of Turkey. Two prominent companies CMC and Etiya were selected as a sample for this research.

Before the actual start of the project, I have to refresh the research methods and the research project writing guidelines from my marketing research courses. Additionally, the working on the analytical and conceptual skills were also required to be refreshed before the actual start. Similarly, the project started with a brief proposal to outline the aim, objectives, and tentative outcomes of the research. Followed the proposal, the initial plan of the project was to work on the introduction chapter that contains background, aim and objectives, purpose and rationale of the research. After getting approval of this introduction chapter. I have started reading and collecting academic literature. The detailed literature review took the maximum time in finalization.

The data collection and analysis was challenging since no primary data was intended to collect from the employees of selected companies. Hence, I have searched the company websites, academic article, newspaper articles, and market reports on the performance management system of the two companies Etiya and CMC. The absence of primary data from employees was compensated from accessing the employees' comments on the prominent review site Glassdoor.com. The actual reviews of the employees from both companies was collected and analysed in this chapter. Moreover, the company information and the facts available on websites

were also used in data analysis sections. Finally, the conclusions and recommendations are drawn on the findings of the research discussed in chapter four of this report.

The personal learning from this research project is commendable since the research project made more organized, patient, and deterministic. I have faced several challenges and difficulties in approval of the contents of the report and search of credible and authentic data. Moreover, the support and guidance of my supervisor helped me out at every stage. In future, this experience will help me to apply the learned concepts in more effective manner. The limitations of resources access and time were major issues faced during this project. In conclusion, this challenging but learning activity provided immense experiences in improving my analytical and conceptual skills. Therefore, more projects like this can be added in my professional endeavour in future.

# RESUME

**SHAHLA GAFAROVA**



## EMPLOYMENT HISTORY

**Handicap International**  
Financial Supervisor

**Freetown, Sierra Leone**  
5 May'18 – 10 Jul'18

**Handicap International**  
Support Services Manager – North Syria

**Amman, Jordan / Antakya, Turkey**  
26 Jul'16 – 30 Mar'18

*HI is an independent and impartial aid organisation working in situations of poverty and exclusion, conflict and disaster. HI works alongside people with disabilities and vulnerable populations, taking action and bearing witness in order to respond to their essential needs, improve their living conditions and promote respect for their dignity and fundamental rights.*

- Improvement and administrated of 4 departments: Financial/Logistics/ Human Resources and Admin. All tasks have already been done by my side link with Coordination level and still working on improvement
- Logistics:
  - Supporting of developing Internal Procurement procedures/SOP 2017
  - Implemented new Stock management system and trained the staff in Syria in 2017
  - Organized and participated regular market analysis for P&O equipments and Assistive devices in Turkey in 2017
- Finance:
  - Following monthly budgeting and forecasting
  - Collaboration with Coordination office for creating and monitoring of systematic Budgeting follow up
  - Monitoring the donor budget, updating internal BFU link with budget holders
  - Updating BFU/OFU/TAFF NAT on a monthly basis
- HR:
  - Created new HR management system for North Hub in 2016
  - Implemented new HR procedures/handbook for Turkey, improved and modified the TCE for Syria
  - Modified Salary Scale for Turkey and Syria in 2016/2017
  - Following of HR management tools salary scale, internal regulations, HR database, payroll on a monthly basis
- Administrative:
  - Following all administrative tasks for North Hub
  - Leading internal/external auditing
  - Monitoring the respect and transparency of disciplinary, appraisal and promotion procedures on the mission.
  - Providing regular reporting on activities to the Area Coordinator, Coordination office and HQ.
  - Organizing and monitoring of semi-annually performance appraisals
  - Supervising of a capacity building plan for the staff in Turkey and Syria

**Norwegian Refugee Council**  
Support Coordinator

**Ankara, Turkey.**  
January 2016 – June 2016

Project: Syrian Emergency Response based in Ankara, TURKEY.

- Setting up the new office in Ankara
- Supporting and training the Logistics, Finance, Human Resources and Administrative departments
- Monitoring emergency projects with AFAD in Ankara and Social Welfare in Altindag
- Managing the meetings with donors, AFAD, Municipalities and partners in different cities
- Following the process of Registration of Social Security and TAX
- Managing the tender process for opening the bank account and E-banking in Ankara
- Following the address registration of Ankara office in Association desk
- Following all registration process with Internal Ministry
- Presenting audit report for the years 2014/2015

**Norwegian Refugee Council**  
Finance Coordinator

**Gaziantep, Turkey.**  
December 2014 – January 2016

*The Norwegian Refugee Council (NRC) is a non-governmental, humanitarian organization with 60 years of experience in helping to create a safer and more dignified life for refugees and internally displaced people. NRC advocates for the rights of displaced populations and offers assistance within the shelter, education, emergency food security, legal assistance, and water, sanitation and hygiene sectors.*

Project: Syrian Emergency Response based in Gaziantep, TURKEY.

- Focal point of NRC finance software in Turkey
- Focal point of NRC Bank transaction in Turkey
- Process of invoices and vouchers, ensuring that backup is complete, accurate and fully approved, coding on all vouchers for valid account/cost center/donor combinations, vouchers are entered into bank and cash boxes, USD (United States Dollars) and TRY (Turkish Lira) and keep it updated on daily basis
- Provide finance verification for all cash and bank payments in line NRC policy and procedures up to 5,000 USD
- Recording monthly cash on hand and bank reconciliations and reviews accounting entries in Agresso software
- Closing month, clear all account codes and cash advance at the end of month in Agresso software
- Review of Payroll for Turkey and Syria
- Reporting monthly financial transactions to CPA.
- Provide regular analysis and reports
- Lead on preparation on Internal and External Audits
- Responsible for processing of financial assessment of partners.
- Ensure stored files listed physically and electronically and kept up to date
- Completed successfully: - Leading tender procedures for opening a bank account in Turkey,
  - Clearing 141,000.00 USD difference amount in accrual account for 2013, 2014 and 2015 years.
  - Presenting audit report for the period on 2014/2015

**International Blue Crescent Relief and Development Foundation**  
Finance and Administrative Officer

**Kilis, Turkey.**  
June 2013 – 30 November 2014

*IBC is an International Humanitarian and development foundation established in 1999. Helps people around world survive and thrive after conflict.*

- Project: Syrian Emergency Response based in Kilis, TURKEY. Donor: MALTESER INTERNATIONAL -Order of Malta Worldwide Relief



**KSM Construction Energy Tourism Industry and Trade LTD. Company** **Istanbul, Turkey.**  
Finance Controller February 2012 – May 2013

*KSM GROUP is an enterprise Company with the relevant affiliated factories under KARA SAZEH MATIN works in the construction industry and private investment. Established in 2000, about 28 projects were implemented and ongoing by KSM GROUP in Istanbul, Turkey.*

**FINCA Azerbaijan** **Baku, Azerbaijan.**  
Benefits Human Resources Administrator December 2008 – September 2011

*FINCA Azerbaijan is a Nationwide Microfinance Institution with 60 branches in Azerbaijan employing more than 1500 staff members. FINCA Azerbaijan is an affiliate of FINCA International*

**“NBC Bank” ASC** **Baku, Azerbaijan.**  
Trainee (University practice) February 2010 – April 2010

## EDUCATION

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Istanbul AYDIN University <b>Istanbul, Turkey.</b> Master’s degree, MBA - english 2011-2013	Western University Baku <b>Baku, Azerbaijan.</b> Bachelor’s degree, Finance & Credit 2005-2010
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## CONFERENCE AND SEMINAR

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- Field Admin & Support Services Training FASST 2016 in Lyon **Lyon, France.**  
**Seminar:** Updating new finance procedures and tools November 2016
- NRC Global Finance Seminar 2015 in Oslo **Oslo, Norway.**  
**Seminar:** Updating new finance procedures and tools September 2015
- Sani Konukoglu Hospital in Gaziantep. **Gaziantep, Turkey.**  
**Course:** Emergency & First Aid programme June 2015
- United Nations Department Safety and Security **Online.**  
**Certificate:** Advance Security in the field March 2015
- By Antares Foundation **Gaziantep, Turkey.**  
**Certificate:** Stress awareness and Stress management February 2015
- Catholic Relief Services, International Humanitarian Agency **Gaziantep, Turkey.**  
**Conference:** BUREAU of population, refugees and migration  
(BPRM) compliance training relevant documents February 2014
- Global Training & Consulting Company **Baku, Azerbaijan.**  
**Training:** School of Human Research November 2009 – February 2010

## SKILLS

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- **Languages:** Azerbaijani, English, Turkish, Russian
- **Computer skills:** Microsoft Office programs, HR Management, Timesheets, Helpdesk, Micro Energy- Financial program, International Donor Budgets, Agresso Norwegian Software program, Navision

## PERSONAL INFORMATION

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Citizenship – Azerbaijani  
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