

**Impact of Performance Management System on Employee
Motivation – An Etisalat by e& Case Study**



By

Azain Tariq

(Registration No: 00000364618)

Department of Management & Sciences

NUST Business School

National University of Sciences & Technology (NUST)

Islamabad, Pakistan

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Azain Tariq

(Registration No: 00000364618)

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Supervisor: Dr. Zeeshan Mirza

NUST Business School

National University of Sciences & Technology (NUST)

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Signature of Supervisor with stamp: Dr. Zeeshan Mirza

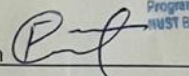


Dr. M. Zeeshan Mirza
HoD Research / Assistant Professor
NUST Business School (NBS)
Sector H-12, Islamabad

Date: _____

DR. M FAWAD KHAN
Assistant Professor
Program Head (EMBA)
NUST Business School, H-12, Islamabad

Programme Head Signature with stamp: Dr. Muhammad Fawad Khan



Date: _____

Signature of HoD with stamp: Dr. Asfia Obaid

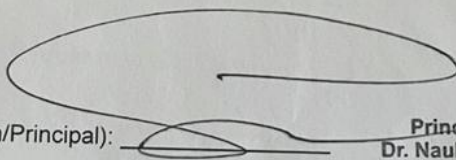


11/7/24

DR ASFIA OBAID
Professor
HoD Management & HR
NUST Business School, (NBS)

Countersign by

Signature (Dean/Principal): _____



Principal & Dean
Dr. Naukhez Sarwar
NUST Business School

Date: 12/07/24

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ABSTRACT

Keywords: performance management system, Etisalat, assessment, workforce, case study

The project covers the leading telecommunication company in the UAE (Etisalat) performance management system's impact on employee motivation and job satisfaction. The viability of a performance management system, including viewpoints, for example, objective setting, director driven representative evaluations, self-assessment, and conversations among management and workforce have been under expanded investigation. Case study questions the need for such frameworks in the working environment, and the effect on representative inspiration and work execution. Performance management system of Etisalat holds colossal potential to drive employee motivation and efficiency, they are not without their difficulties and misguided judgments. This study aims to find insights into the performance management system currently in place at Etisalat by e&; in order to dig deeper on the success model that is present.

CHAPTER 1: INTRODUCTION

A performance management system is fundamental in shaping employee motivation and driving organizational success by providing a comprehensive and continuous approach to managing and improving employee performance. At its core, a PMS sets clear expectations and goals that align individual roles with broader organizational objectives, ensuring that employees understand how their work contributes to the company's mission. This alignment fosters a sense of purpose and direction, making employees feel integral to the organization's success.

One of the key elements of a PMS is the provision of regular, constructive feedback. Continuous feedback mechanisms, as opposed to annual reviews alone, keep employees informed about their performance, allowing for real-time adjustments and improvements. This ongoing dialogue between managers and employees helps to address issues promptly, recognize achievements, and support development needs, which enhances employees' sense of competence and confidence in their roles. Furthermore, when feedback is specific, actionable, and supportive, it motivates employees by reinforcing positive behaviors and guiding them in areas that require improvement.

Performance appraisals are another critical component, offering a formal review of an employee's work over a period. These appraisals should be based on objective criteria and

documented achievements, reducing biases and perceptions of unfairness. When employees perceive the evaluation process as transparent and equitable, their trust in the system increases, which in turn boosts morale and motivation. This trust is crucial for maintaining a positive work environment where employees feel valued and fairly treated.

Recognition and rewards embedded within a PMS are powerful motivators. A well-structured system recognizes not only high performers but also those who show significant improvement or innovation. Recognition can take many forms, from public acknowledgment and monetary rewards to career advancement opportunities. These rewards provide tangible proof of the organization's appreciation and encourage continued excellence and loyalty. When employees know that their efforts will be recognized and rewarded, their intrinsic motivation is significantly heightened.

Moreover, a PMS supports professional development by identifying skill gaps and providing opportunities for training and growth. This aspect of performance management shows employees that the organization is invested in their future, fostering a culture of continuous learning and development. Employees who see clear paths for career advancement are more likely to be engaged and committed to their roles.

In addition to these motivational benefits, a robust PMS contributes to better organizational outcomes. It enables more effective workforce planning, improves communication and

collaboration, and drives higher productivity. By setting clear performance standards and expectations, organizations can ensure that all employees are working towards common goals, which enhances overall efficiency and effectiveness.

CHAPTER 2: HISTORY OF ETISALAT

The history of e& (formerly known as Etisalat Group) is a story of remarkable growth, innovation, and transformation. Founded in 1976 as the UAE's first telecommunications service provider, Etisalat began its journey as a joint-stock company, initially serving the domestic market. Over the decades, the company has grown into one of the world's leading telecom operators and a driving force behind the UAE's digital transformation.

2.1 Early Years and Domestic Growth (1976-1990s)

Etisalat was established with a mandate to provide telecommunications services across the UAE. In its early years, the company focused on building a robust national infrastructure, connecting remote areas and urban centers with reliable telecommunication networks. The introduction of mobile services in the late 1980s marked a significant milestone, setting the stage for Etisalat's future growth. By the 1990s, Etisalat had become synonymous with telecommunications in the UAE, providing both fixed-line and mobile services to an increasingly connected population.

2.2 Regional and Global Expansion (2000s)

In the early 2000s, Etisalat embarked on a strategic expansion beyond the UAE, acquiring stakes in telecommunications companies across the Middle East, Africa, and Asia. This period was marked by significant investments in emerging markets, aiming to capitalize on the growing demand for mobile and internet services. Key acquisitions included:

- **Maroc Telecom (Morocco):** In 2005, Etisalat acquired a significant stake in Maroc Telecom, marking its entry into the North African market.
- **Pakistan Telecommunications Company Limited (PTCL):** In 2006, Etisalat purchased a controlling stake in PTCL, expanding its footprint into South Asia.
- **Mobily (Saudi Arabia):** Etisalat acquired a major share in Mobily, enhancing its presence in one of the largest markets in the Gulf Cooperation Council (GCC).

These acquisitions were complemented by investments in technological advancements, including the deployment of 3G and 4G networks, which positioned Etisalat as a leader in mobile broadband services.

2.3 Rebranding and Diversification (2010s-2020s)

The 2010s saw Etisalat focus on innovation and digital transformation. Recognizing the shifting landscape of the telecommunications industry, the company invested heavily in new technologies and digital services. This included:

- **Smart City Solutions:** Etisalat played a key role in the UAE's smart city initiatives, providing the infrastructure for projects like Smart Dubai and Masdar City.
- **Cloud Services and IoT:** The company expanded its offerings to include cloud computing and Internet of Things (IoT) solutions, catering to both enterprise and consumer markets.
- **5G Deployment:** Etisalat was at the forefront of 5G technology, being one of the first operators in the region to launch commercial 5G services, which revolutionized connectivity and enabled new applications like autonomous vehicles and smart manufacturing.

In 2022, Etisalat rebranded to e&, reflecting its evolution into a global technology and investment conglomerate. The new brand symbolizes the company's broader ambitions, focusing on areas such as fintech, media, and cybersecurity, alongside its core telecommunications business.

CHAPTER 3: ETISALAT BY E&: LEADING DIGITAL INNOVATION IN UAE

"Etisalat by e&" continues to represent the telecommunications operations of the group within the UAE. The brand remains at the forefront of digital innovation, driving the UAE's ambition to become a global technology hub. Key initiatives include:

- **Digital Transformation:** Etisalat by e& has been instrumental in the UAE's digital transformation, providing high-speed internet and advanced mobile services that support the country's digital economy.
- **Smart Government:** The company supports various government initiatives aimed at enhancing public services through digital solutions, such as e-Government services that offer citizens seamless access to government resources.
- **Education and Healthcare:** Etisalat by e& has introduced numerous digital solutions in education and healthcare, including e-learning platforms and telemedicine services, which have become especially crucial during the COVID-19 pandemic.

3.1 Current Focus and Future Outlook

Today, e& operates in over 16 countries, serving more than 154 million subscribers. The

company's strategy focuses on leveraging its telecommunications expertise to drive growth in adjacent sectors. This includes:

- **Fintech:** Expanding into financial technology, e& aims to offer digital payment solutions and other financial services to its broad customer base.
- **Media:** Investing in content creation and distribution, e& seeks to enhance its digital entertainment offerings.
- **Cybersecurity:** Recognizing the importance of data security in the digital age, e& is investing in advanced cybersecurity solutions to protect its network and customers.

CHAPTER 4: SALIENT FEATURES OF ETISALAT BY E& PMS

The Performance Management System (PMS) at Etisalat features several salient aspects designed to ensure thorough, fair, and continuous evaluation and development of its employees. Below is a detailed explanation of each feature listed in the image:

4.1 Quarterly Evaluation

Quarterly evaluations are a critical component of Etisalat's PMS, ensuring that employee performance is assessed and reviewed regularly throughout the year. This frequent evaluation process allows for timely feedback, quick identification of performance issues, and immediate recognition of achievements. By breaking down the annual performance review into quarterly segments, Etisalat can provide more focused and relevant feedback, helping employees stay aligned with their goals and the company's objectives. This ongoing assessment encourages continuous improvement and keeps employees motivated and engaged.

4.2 Informal Catch-ups

Informal catch-ups complement the formal evaluation process by providing a platform for regular, less structured interactions between employees and their supervisors. These sessions are essential for maintaining open lines of communication, addressing concerns in real-time, and fostering a supportive work environment. Informal catch-ups allow managers to provide immediate feedback and guidance, discuss career aspirations, and build stronger relationships with their team members. This informal approach helps to create a culture of trust and transparency within the organization.

4.3 Dual Appraisal Mechanism

The dual appraisal mechanism at Etisalat involves incorporating multiple perspectives into the performance evaluation process. This typically includes self-assessments, peer reviews, and managerial evaluations. By using a 360-degree feedback approach, Etisalat ensures a more comprehensive and balanced view of an employee's performance. This method helps identify strengths and areas for improvement from different viewpoints, promoting a more accurate and fair assessment. It also encourages a culture of accountability and continuous feedback among colleagues.

4.4 Successor Planning

Successor planning is a strategic feature of Etisalat's PMS aimed at identifying and developing future leaders within the organization. By systematically evaluating employees' potential and readiness for higher roles, Etisalat ensures a steady pipeline of qualified candidates for key positions. This planning involves assessing employees' skills, experience, and career aspirations, and providing targeted development opportunities to prepare them for leadership roles. Effective successor planning helps the organization maintain continuity, reduce risks associated with leadership transitions, and retain top talent.

4.5 Yearly Dialogue

Yearly dialogue refers to the formal annual performance review meeting between employees and their supervisors. This comprehensive review session is an opportunity to reflect on the past year's performance, discuss achievements, and set goals for the coming year. The yearly dialogue is a crucial element in ensuring that employees understand their performance expectations and receive constructive feedback. It also provides a platform for discussing career development plans, training needs, and potential career progression within the organization.

4.6 Top Talent Retention

Etisalat's PMS places a strong emphasis on identifying and retaining top talent. This involves recognizing high performers, providing them with growth opportunities, and offering competitive rewards and benefits. Retaining top talent is crucial for maintaining the organization's competitive edge and ensuring long-term success. Etisalat uses various strategies, such as career development programs, mentorship, and leadership training, to keep top performers engaged and motivated.

4.7 Reward & Recognition

Reward and recognition are vital components of Etisalat's PMS, designed to motivate employees and reinforce desirable behaviors. The system includes both monetary and non-monetary rewards, such as bonuses, promotions, public acknowledgment, and awards. By recognizing and rewarding employees' contributions and achievements, Etisalat fosters a culture of excellence and appreciation. This not only boosts employee morale and motivation but also encourages others to strive for high performance.

4.8 Data Analytics

Data analytics plays a significant role in enhancing the effectiveness of Etisalat's PMS. By leveraging advanced analytics, the company can gain deeper insights into employee performance, identify trends, and make data-driven decisions. Analytics help in predicting future performance, identifying potential talent, and assessing the impact of various performance management initiatives. The use of data analytics ensures that the PMS is objective, transparent, and aligned with the organization's strategic goals.

CHAPTER 5: LITERATURE REVIEW

A literature review is an important part of project in any field because it helps to establish the context and background for a study. It allows the research to become familiar with the existing knowledge on a topic and to identify gaps in the project that the study aims to fill. Conducting a literature review also helps to refine the project question and to develop the project design and methodology.

In addition, a literature review is useful for providing a historical perspective on a topic and for identifying trends and patterns in the project. It can also help to identify key research and project groups in the field, as well as any controversies or debates.

A literature review is also important for other research who want to understand the current state of knowledge on a particular topic. It can provide a starting point for further project and can help to inform the design of new studies.

Overall, a literature review is an essential component of project because it helps to establish the foundation for a study and to provide context and background for the project being conducted.

5.1 Awan, S. H., Habib, N., Shoaib Akhtar, C., & Naveed, S. (2020). Effectiveness of Performance Management System for Employee Performance Through Engagement. *Sage Open*

The literature has conceptualized PMSE in many ways. Lawler (2003) found certain design factors responsible for PMSE, for example, ongoing feedback, use of behavior-based measures, preset goals, trained raters, and equitable rewards. However, his study considered and used items pertaining to performance appraisal effectiveness (PAE) in terms of its relationship with different rewards practices, although he used the terms PMS and PMSE quite frequently. Moreover, his study was more of an exploratory nature, where he collected information from HR managers of only 55 Fortune 500 companies and analyzed data using simple mean scores. Hence, the findings of his study lack generalizability for other companies, which are not using similar performance appraisal practices.

Dewettinck and van Dijk (2013) have studied PMSE for its clarity of goals and expectations and the extent to which these were linked with their individual objectives of performance, development, and career enhancement. Their study also indicated strong linkages between PMSE and goal setting, control, and expectancy theories. They added the items of “employees’ work engagement” to determine PMSE including employees’ self-esteem, comfort, and most importantly employees’ realization of the fact that their performance adds value and contributes positively to the overall organizational

performance. They included perception of fairness as a mediator in the study but did not consider it as a part of an effective PMS.

However, Sharma et al. (2016) adopted a slightly different approach to use these factors to ascertain PMSE. They defined PMSE as a combined effect of performance management system accuracy (PMSA) and performance management system perceived fairness (PMSF). They conceptualized PMSA as a set of effective goal setting, feedback and control, measurement and review, and reward system. PMSF was the extent to which all these practices were perceived just and equitable by the employees (Becker & Gerhart, 1996; Marr et al., 2004; Stokes, 2000). They also established the link between PMSE and theories of goal setting and equity. The current study uses the same premise by taking PMSA and PMSF as important dimensions of PMSE.

Although contemporary project and practice have started taking Performance Appraisal as a part of the overall PMS (Armstrong & Baron, 2004), there is a scarcity of literature on substantiating the factors leading to PMSE (Biron et al., 2011). Some projecters have analyzed the determinants of PMSE (Biron et al., 2011; Schleicher et al., 2019), while others have studied its effectiveness in highly developed and advanced countries, which leaves a space for extension in other developing economies. Some projecters (Becker & Gerhart, 1996; Marr et al., 2004; Stokes, 2000) have specifically indicated that different firms adopt different PM strategies on the basis of several internal and external factors. Broadbent and Laughlin (2009) add that the concept of PMSE is also dependent on the

context that varies on the basis of history, purpose, technology, people, and environment of the organization. It is, thus, equally important to understand that the organizational structures, culture, and performance of organizations in developing countries are different from the developed world, and therefore, may have varied effects on PMSE (Audenaert et al., 2019; Brinkerhoff & Brinkerhoff, 2015). This article, therefore, is an attempt to fill this gap.

Teeroovengadam et al. (2019) investigate PMSE from three types of organizational purposes—strategic, development, and administrative. Similarly, in another study, Lappalainen et al. (2019) indicate that PMSE serves two main functions—judgmental and developmental. The first one is evaluative and helps make administrative decisions about employees, whereas the developmental part is related to its potential for high performance (McAfee & Champagne, 1993) leading to higher organizational outcomes (Kagaari et al., 2010). Project suggests that employee performance can be managed by effectively controlling its determinants and therefore should be explored from this perspective (Almatrooshi et al., 2016; Kang & Choi, 2019).

Zhong et al. (2016) have also found that individual-level performance is beneficial for organizational performance. The interplay between individual and organizational control has recently shifted from technical to social mechanisms, where technicality of control and command is concerned with a structural and bureaucratic trend to cultural, and behavioral aspects leading to organizational outcomes (Smith & Bititci, 2017). The literature shows

that past project has adopted a limited approach toward understanding PMSE, and mostly validated its quantifiable outcomes. Therefore, the link between individual-level employee emotions, attitudes, behaviors, and PMSE remains unexplored (Korff et al., 2017). Work engagement as one of the behavioral aspects is a possible consequence of PMSE (Alarcon & Edwards, 2011; Bakker et al., 2012; Gruman & Saks, 2011). The reliance of contemporary organizations on PMS for improving the organizational results (Buchner, 2007) can only be achieved if they focus more on proximal outcomes like employee performance through work engagement. Mone and London (2010) also suggest that an effective PMS can help in the creation and sustenance of a high level of employee work engagement (EE) leading to better performance.

Work engagement (WE) is an effective antecedent of employee performance (Abraham, 2012; Macey & Schneider, 2008a). de Vries et al. (2016) define work engagement as “active investment of energy in domains of interest.” Smith and Bititci (2017) conduct an exploratory action project involving pilot and control groups from two departments of a U.K. bank to find out the interaction between performance management, work engagement, and performance. They find that effective performance management enhances employees work engagement in those who find themselves comfortable at work and more inclined toward better performance. They also include engagement as a mediator between PMSE and performance; however, they do not adopt the empirical methodology, which they have proposed for future project. Although their study is more relevant to the current project, still they left gaps in finding the empirical relationship. They also suggested replicating

their project framework in the developing economies by adopting more robust project methods like survey techniques to enhance the generalizability.

Some projecters have also indicated a gap in the previous literature on employee-related outcomes of PMSE like work engagement, employee performance, and so on (Biron et al., 2011; Cawley et al., 1998; Sharma et al., 2016). A study conducted by Cheese and Cantrell (2005) conclude that organizations having a higher level of engagement among employees who develop a better culture of motivation, commitment, and work (Harter et al., 2002). Similarly, Saratun (2016) establishes a relationship between PMS and work engagement leading to corporate sustainability, but do not consider the intervening role of work engagement leading to employee performance as an intermediary outcome of the relationship. It is important because enhanced employee performance is the proven ingredient of organizational outcomes (Cravens & Oliver, 2006). Effective goal setting, control and feedback, measurement, alignment with objectives, performance-based rewards, and positive perception of fairness have been declared as the important elements of PMSE (Sharma et al., 2016). All these elements individually and collectively have the potential to enhance employees' engagement and involvement at work (Medlin & Green, 2009; Mone et al., 2011; Saks, 2006; Schaufeli & Salanova, 2007; Scott & McMullen, 2010). Consequently, employees put more effort toward the achievement of their individual and collective organizational goals. Hence, their performance enhances both the qualitative (contextual performance [CP]) and quantitative (task performance [TP]; Anitha, 2014).

5.2 Jane Broadbent, Richard Laughlin, Performance management systems: A conceptual model, Management Accounting Project, Volume 20, Issue 4, 2009, Pages 283-295

Core Components of the Conceptual Model

Broadbent and Laughlin propose a detailed conceptual model that encompasses several core components essential for the successful design and implementation of PMS.

1. Contextual Factors:

- **External Influences:** Regulatory requirements, market conditions, and technological advancements are external factors that influence the design and functioning of PMS.
- **Internal Factors:** Organizational culture, structure, and internal processes significantly impact how PMS are adopted and utilized.

2. Design of PMS:

- **Goal Setting:** Establishing clear, achievable, and measurable goals that align with the organization's strategic objectives. Effective goal setting is fundamental to guiding employee efforts and assessing performance.
- **Performance Metrics:** Developing appropriate metrics and indicators to measure performance accurately. These metrics should balance quantitative data (e.g., sales figures) and qualitative assessments (e.g., customer satisfaction).

3. Implementation Processes:

- **Communication:** Clear and consistent communication about the PMS, its purpose, and its benefits is crucial for gaining employee buy-in and reducing resistance.
- **Training and Development:** Providing training to employees and managers on how to use the PMS effectively. Continuous development opportunities help in keeping skills relevant and aligned with performance expectations.

4. Feedback Mechanisms:

- **Regular Reviews:** Implementing regular performance reviews and feedback sessions. Continuous feedback helps in identifying areas for improvement and recognizing achievements.
- **Constructive Feedback:** Ensuring that feedback is constructive and aimed at development rather than punitive. Constructive feedback fosters a positive performance culture and encourages employee growth.

5. Reward and Recognition Systems:

- **Incentives:** Designing reward systems that appropriately recognize and incentivize high performance. Rewards can be monetary (e.g., bonuses) or non-monetary (e.g., public recognition).
- **Fairness and Equity:** Ensuring that the reward and recognition systems are perceived as fair and equitable. Perceptions of fairness are critical for maintaining employee motivation and trust in the PMS.

Theoretical Foundations

- **Institutional Theory:** The model draws on institutional theory to explain how organizational norms and values influence the adoption and effectiveness of PMS.
- **Contingency Theory:** It incorporates contingency theory to emphasize that there is no one-size-fits-all approach. PMS must be tailored to fit the specific context and needs of each organization.
- **Organizational Behavior:** Insights from organizational behavior help in understanding how PMS impact employee attitudes, behaviors, and overall organizational climate.

Implications and Applications

- **For Practitioners:** The model provides a comprehensive framework for practitioners to design, implement, and refine PMS in their organizations. By considering contextual factors and focusing on continuous improvement, organizations can enhance the effectiveness of their PMS.
- **For Projecters:** The conceptual model offers a basis for further empirical project to test and validate the proposed components and their interactions. It encourages a multidisciplinary approach to studying PMS.

5.3 Biron, M., Farndale, E., & Paauwe, J. (2011). Performance management effectiveness: lessons from world-leading firms

While interest in performance management has increased considerably in recent years, project has revealed inconsistent results about its effectiveness. Inconsistencies may be related to insufficient understanding of the factors likely to enhance the effectiveness of performance management systems. The current study seeks to address this issue by investigating performance management systems in 16 world-leading firms. We use signalling theory [e.g. Spence (1973), *Quarterly Journal of Economics*, 87, 355–374; Murray (1991), *Journal of Marketing*, 55, 10–25] to propose that to the extent that firms promote certain facilitating practices, employees infer that management is concerned with performance management issues, and this may have a trickle-down effect with regard to the effectiveness of the firm's performance management system. Our framework proposes four performance management system facilitators, which include (1) taking a broad view of performance management that includes both strategic and tactical elements; (2) involving senior managers in the process; (3) clearly communicating performance expectations and (4) formally training performance raters.

Key Findings

1. Alignment with Organizational Goals:

- Effective performance management systems are closely aligned with the strategic goals of the organization.
- These systems ensure that individual objectives support the broader business objectives.

2. Employee Involvement:

- Successful firms involve employees in the goal-setting process.
 - This involvement increases engagement and ownership of their performance outcomes.
- 3. Continuous Feedback and Development:**
- Leading companies emphasize continuous feedback rather than just annual appraisals.
 - They focus on developmental feedback, aiming to help employees grow and improve.
- 4. Use of Technology:**
- Technology plays a crucial role in enhancing the efficiency and effectiveness of PMS.
 - Advanced tools and platforms are used to track performance metrics, provide feedback, and facilitate communication.
- 5. Comprehensive Training Programs:**
- Training for both managers and employees on the use of PMS is critical.
 - Effective training ensures that everyone understands the system and how to utilize it for maximum benefit.
- 6. Culture of Accountability and Recognition:**
- Creating a culture where accountability is encouraged and achievements are recognized.
 - Regular recognition of high performers boosts morale and motivates employees to maintain high standards.

Lessons for Other Firms

- 1. Customization and Flexibility:**
- Tailor the PMS to fit the unique needs and context of the organization.
 - Flexibility in the system allows it to evolve with changing business dynamics.
- 2. Top Management Support:**
- Strong support and commitment from top management are essential for the successful implementation of PMS.
 - Leadership plays a pivotal role in promoting and sustaining the system.

3. Balanced Approach:

- Balance between quantitative and qualitative measures of performance.
- Include both objective metrics and subjective assessments to provide a holistic view of performance.

4. Employee-Centric Design:

- Design the PMS with a focus on employee development and well-being.
- Systems that prioritize employee growth tend to be more effective and sustainable.

The lessons drawn from these companies highlight the importance of aligning PMS with organizational goals, involving employees, leveraging technology, and fostering a culture of accountability and recognition. By adopting these practices, other organizations can enhance the effectiveness of their performance management systems and drive better organizational outcomes.

5.4 Taylor, P. J., & Pierce, J. L. (1999). Effects of Introducing a Performance Management System on Employees' Subsequent Attitudes and Effort. Public Personnel Management, 28(3), 423-452

The article "Effects of Introducing a Performance Management System on Employees' Subsequent Attitudes and Effort" by Peter J. Taylor and Jon L. Pierce, published in *Public Personnel Management* in 1999, explores the impact of implementing a performance management system (PMS) on employees' attitudes and effort in the public sector.

Context:

- The study is set within the public sector, which has distinct characteristics compared to the private sector, including different motivational factors and job security perceptions.
- Public sector organizations often face challenges in implementing performance management systems due to bureaucratic structures and resistance to change.

Objectives:

- To investigate the effects of introducing a PMS on employees' attitudes toward their job and organization.
- To assess changes in employees' effort and work behavior following the implementation of the PMS.
- To understand the factors that influence the success of PMS in enhancing employee performance in the public sector.

Methodology

- **Sample:** The study involved employees from a public sector organization where a new PMS was being introduced.

- **Data Collection:** Data was collected through surveys administered before and after the implementation of the PMS.
- **Measures:** The surveys measured various aspects, including job satisfaction, organizational commitment, perceived fairness of the PMS, and self-reported work effort.

Key Findings

1. Attitudinal Changes:

- **Job Satisfaction:** There was a noticeable improvement in job satisfaction among employees after the introduction of the PMS. Employees felt that the PMS provided clearer expectations and more structured feedback.
- **Organizational Commitment:** The implementation of the PMS led to an increase in organizational commitment. Employees felt more aligned with the organization's goals and values, contributing to a stronger sense of belonging and loyalty.

2. Perceived Fairness:

- **Distributive Justice:** Employees perceived the PMS as fairer in terms of distributing rewards and recognitions based on performance. This perception was crucial for the acceptance and effectiveness of the system.
- **Procedural Justice:** The transparency and consistency of the PMS procedures contributed to higher perceived fairness. Employees valued clear guidelines and equitable treatment in performance evaluations.

3. Effort and Work Behavior:

- **Increased Effort:** There was an increase in self-reported effort among employees, indicating that the PMS motivated them to work harder and strive for better performance.
- **Goal Setting and Feedback:** The PMS's focus on goal setting and continuous feedback helped employees understand their performance

targets better and how to achieve them, leading to enhanced effort and productivity.

4. Challenges and Resistance:

- **Initial Resistance:** The introduction of the PMS faced initial resistance from employees, mainly due to fear of increased scrutiny and changes in established routines.
- **Overcoming Resistance:** Effective communication, training, and involvement of employees in the PMS design and implementation process were key factors in overcoming resistance and ensuring successful adoption.

Implications

For Public Sector Organizations:

- **Design and Implementation:** Careful design and transparent implementation of PMS are critical to gaining employee acceptance and maximizing the positive effects on attitudes and effort.
- **Training and Communication:** Providing adequate training and maintaining open communication channels can help mitigate resistance and enhance the perceived fairness of the system.
- **Continuous Improvement:** Regularly reviewing and updating the PMS based on employee feedback and organizational needs ensures its relevance and effectiveness over time.

General Insights:

- The study underscores the importance of perceived fairness and transparency in the success of performance management systems.
- It highlights the potential for PMS to improve employee attitudes and effort, even in traditionally challenging environments like the public sector.

Conclusion for the Paper

The article by Taylor and Pierce provides valuable insights into the positive impact of performance management systems on employees' attitudes and effort in the public sector. By focusing on fairness, transparency, and continuous feedback, organizations can enhance job satisfaction, organizational commitment, and work effort, leading to overall improved performance and effectiveness.

CHAPTER 6: SUMMARY OF RESEARCH WORK

The project aims to investigate the significance of Etisalat's performance management system and its potential impact on enhancing employee motivation and job satisfaction. Specifically, it seeks to measure the efficacy of the performance management system in improving employee performance within the organization. Additionally, the project assesses whether a well-structured performance evaluation procedure can lead to enhanced employee efficiency and motivation. Furthermore, it examines the role of training initiatives in contributing to employee job satisfaction and proficiency. By exploring these objectives, the study aims to provide comprehensive insights into how performance management systems, structured evaluation processes, and targeted training programs can collectively foster a motivated, proficient, and satisfied workforce, ultimately driving organizational success.

6.1 Elaborating on the Project Objectives

The business project objectives are centered around understanding and optimizing the elements that contribute to a productive and satisfied workforce at Etisalat, a leading telecommunications company.

Significance of a performance management system:

- **Investigation Focus:** The study explores the critical role of Etisalat's performance management system in aligning individual employee goals with the company's strategic objectives.
- **Impact on Motivation and Job Satisfaction:** By examining how the performance management system influences employee motivation and satisfaction, the project aims to uncover the key factors that make these systems effective in promoting a positive work environment.

Responses

- **Measurement of Effectiveness:** The study evaluates the responses generated by the performance management system and how these responses contribute to enhancing employee performance.
- **Feedback and Improvement:** It looks at the mechanisms through which feedback is provided and utilized to drive performance improvements, ensuring that employees understand their performance levels and areas for growth.

Structured Performance Action:

- **Procedure Assessment:** The project assesses the procedures involved in performance evaluations, focusing on their structure, fairness, and transparency.
- **Impact on Efficiency and Motivation:** By evaluating the effectiveness of these structured evaluations, the study seeks to determine their impact on employee efficiency and motivation, identifying best practices for conducting evaluations that support employee development and organizational goals.

6.2 Project Question

The project delves deeply into understanding the comprehensive impact of Etisalat's performance management system on employee motivation and job satisfaction. It aims to ascertain the degree to which this system influences employees' enthusiasm and

commitment to their roles, as well as their overall contentment with their jobs. By examining the direct effects of the performance management system, the study investigates how components such as regular feedback, clear performance expectations, and recognition contribute to heightened employee motivation. It seeks to uncover the mechanisms by which performance management fosters an environment where employees feel driven to excel and engage more deeply with their work.

In parallel, the project examines the impact of the performance management system on job satisfaction. It explores whether structured performance evaluations and developmental opportunities within the system lead to increased job satisfaction. The study considers how elements like fair performance appraisals, opportunities for skill development, and recognition of achievements contribute to a more rewarding and fulfilling work experience for employees.

Furthermore, the project focuses on how the performance management system influences overall employee performance. It analyzes the correlation between systematic performance assessments and enhanced productivity, investigating how regular monitoring and evaluation of performance can lead to improvements in work output and efficiency. The study also looks at the role of goal setting within the performance management framework. It evaluates how setting clear, achievable goals impacts employee motivation and performance by providing direction, fostering a sense of purpose, and setting benchmarks for success.

Additionally, the project examines the influence of coaching activities, feedback mechanisms, and continuous communication on both employee performance and job satisfaction. It considers how ongoing support through coaching helps employees develop their skills, address performance issues, and achieve their career goals. The study explores the role of pursuing feedback in creating a culture of continuous improvement, where employees are encouraged to seek and act on constructive feedback. Continuous communication is also evaluated for its impact on keeping employees informed, engaged, and aligned with organizational objectives, thereby enhancing their performance and satisfaction.

Overall, this project aims to provide a comprehensive understanding of the multifaceted effects of performance management systems. By analyzing how these systems influence motivation, job satisfaction, and performance, the study offers valuable insights into how organizations like Etisalat can leverage performance management to create a more motivated, satisfied, and productive workforce.

Succinctly, this can be narrowed down to a single question:

To what level does the performance management system effect employee motivation and job satisfaction?

6.3 Project Methodology

In this research project, the initial step involved the creation of a sample pool. This critical phase required identifying and selecting a representative group of participants from the employee base. The sample pool was constructed using various sampling methods such as random sampling, stratified sampling, or purposive sampling. The goal was to ensure that the sample accurately reflected the demographics and characteristics of the broader employee base, thus enhancing the generalizability of the findings.

Following the creation of the sample pool, the research moved on to the design of the questions. This phase was crucial as the quality of the questions directly impacted the reliability and validity of the data collected. The questions were carefully crafted to align with the research objectives, ensuring they were clear, concise, and free from bias.

Once the questions were finalized, the data collection process commenced. This involved administering the surveys. The collection process was meticulously planned and executed to ensure high response rates and to minimize any potential biases. Techniques such as follow-up reminders and providing incentives were used to encourage participation and ensure a diverse and comprehensive dataset.

After the data was collected, it underwent a rigorous evaluation process. This step involved checking the data for completeness, accuracy, and consistency. Any missing or anomalous data points were identified and addressed, either through follow-up with respondents or

through statistical techniques such as imputation. Ensuring the integrity of the data was paramount before proceeding to the analysis stage.

Finally, the results of the analysis were synthesized and presented in a clear and coherent manner. This involved not only reporting the statistical findings but also providing context and interpretation of the results. Graphs, tables, and charts were often used to visually represent the data, making it easier to comprehend and communicate the key findings. The results section also included a discussion of the implications of the findings, their relevance to the existing body of knowledge, and recommendations for future research. This comprehensive approach ensured that the research contributed valuable insights and had practical implications for the field.

CHAPTER 7: RESULTS

- **Quarterly Catchups (67 respondents):**

- The majority of respondents (67%) indicated that their organizations conduct performance catchups on a quarterly basis. This approach aligns with modern performance management practices that favor more frequent, ongoing feedback rather than annual reviews. Quarterly catchups allow managers and employees to discuss progress, address challenges, and adjust goals regularly, fostering continuous improvement and alignment with organizational objectives.

- **Monthly Catchups (15 respondents):**

- Monthly catchups, chosen by 15 respondents, represent the second most common frequency. This approach is often seen in fast-paced or dynamic environments where goals and priorities may shift rapidly. Monthly reviews enable organizations to remain agile, ensuring that employees receive timely feedback and that any issues are addressed promptly. This frequency also supports more granular tracking of performance metrics and can be particularly beneficial in sales-driven or project-based roles.

- **Bi-Annual Catchups (13 respondents):**

- A smaller portion of respondents (13%) reported that their organizations hold bi-annual performance reviews. While this is less frequent than quarterly or monthly reviews, bi-annual catchups still provide a structured opportunity for in-depth discussions on performance. This frequency might be suitable for organizations with stable operations where drastic changes are infrequent, allowing sufficient time between reviews to assess longer-term performance trends.

- **Yearly Catchups (5 respondents):**

- The least common frequency, with only 5 respondents, is the annual performance review. Traditionally, yearly reviews have been the standard in many organizations, but they are increasingly viewed as insufficient for maintaining employee engagement and managing performance effectively. The low adoption of annual reviews among respondents suggests a shift towards more frequent and dynamic performance management practices.

Perception of Performance Review Frequency within the Performance Management System

1. **"Just Right" (61 respondents):**
 - A significant majority of respondents (61%) feel that the frequency of performance reviews is appropriate. This indicates that most employees are satisfied with the current schedule of performance catchups, suggesting that it strikes a balance between providing regular feedback and not overwhelming employees or managers with too many reviews. This positive response may reflect the growing adoption of more frequent, yet manageable, review cycles, such as quarterly or monthly catchups, which align well with employees' expectations.

2. **"Too Infrequent" (24 respondents):**
 - A notable portion of respondents (24%) believe that the frequency of performance reviews is too infrequent. This perspective suggests that some employees feel the need for more regular feedback and opportunities to discuss their progress and goals. This group may be in environments where annual or bi-annual reviews are still the norm, leading to a sense of disconnect or delay in addressing performance issues and career development. Organizations should consider this feedback when evaluating their review schedules, as more frequent interactions could enhance employee engagement and performance.

3. **"Too Frequent" (15 respondents):**
 - A smaller group (15 respondents) feels that performance reviews occur too frequently. This view might arise in high-frequency review environments, such as monthly or even weekly catchups, where employees might feel pressured or overwhelmed by constant evaluation. While frequent reviews can be beneficial, they may also lead to review fatigue if not managed properly, indicating a need for organizations to strike the right balance that supports both performance management and employee well-being.

Perception of the Impact of Performance Management Systems on Job Descriptions

1. **Significant Impact (54 respondents):**

- A majority of respondents (54%) believe that the performance management system has a significant impact on their job descriptions. This suggests that for these employees, the performance management system plays a crucial role in shaping their roles, responsibilities, and expectations. A significant impact may indicate that the system is well-integrated into the organizational culture and that performance reviews are actively used to refine job roles, set clear expectations, and align individual contributions with organizational goals.

2. **Neutral Impact (27 respondents):**

- A smaller group (27 respondents) feels neutral about the impact of the performance management system on their job descriptions. These respondents may perceive the system as a routine process that neither strongly influences nor disregards their job roles. This neutrality might suggest that while the system exists, its direct influence on day-to-day job functions or the evolution of job descriptions is not strongly felt by these employees. It could also indicate a gap in communication or understanding of how performance management ties into their specific roles.

3. **Minimal Impact (19 respondents):**

- The smallest group (19 respondents) perceives the impact of the performance management system on their job descriptions as minimal. This group likely feels that the system does not significantly affect their roles or job expectations. Minimal impact could reflect a disconnect between performance reviews and actual job duties, suggesting that the system may not be effectively utilized to influence or evolve job descriptions. Alternatively, it might indicate that these employees have stable roles with little need for adjustment, thus experiencing less impact from performance reviews.

Impact of Line Manager Feedback on Employee Motivation

Survey Findings

- **Yes (72%):** A substantial majority of respondents, representing 72%, affirm that feedback from their Line Manager positively impacts their motivation. This segment, highlighted in orange, underscores the significant influence that managerial feedback has on an employee's drive and enthusiasm in the workplace. The high percentage suggests that constructive and regular feedback is perceived as a critical factor in maintaining or boosting employee morale.
- **No (12%):** A smaller group, accounting for 12% of the respondents, indicated that feedback from their Line Manager does not impact their motivation. This segment is depicted in light blue. While this is a minority, it is still notable and could suggest that, for some employees, other factors outside of managerial feedback might play a more pivotal role in their motivation.
- **Not Sure (16%):** The remaining 16% of respondents, represented by the purple segment, are uncertain about the impact of managerial feedback on their motivation. This group reflects a level of ambivalence, which could be due to inconsistent feedback practices or unclear expectations from their Line Manager.

Analysis and Implications

The data clearly suggests that the majority of employees view feedback from their Line Manager as a crucial component of their motivation. This highlights the importance for organizations to ensure that Line Managers are equipped with the skills necessary to provide effective, timely, and constructive feedback. Such practices could be instrumental in sustaining high levels of employee motivation and, by extension, improving overall organizational performance.

For the minority who do not feel motivated by their manager's feedback, or are uncertain, further investigation could be beneficial. Understanding the reasons behind these perceptions could help in developing tailored strategies to address these gaps, ensuring that feedback processes are inclusive and effective for all employees.

Analysis of the Performance Management System's Impact on Professional Development and Growth

Survey Findings

- **No Impact (8%):** A small portion of the respondents, 8%, believe that the performance management system has no impact on their professional development. This segment represents employees who may feel disconnected from the system, possibly due to inadequate feedback, lack of relevant opportunities, or insufficient alignment between the system and their career goals.
- **Little Impact (19%):** About 19% of respondents perceive the system as having little impact on their development. This suggests that while some elements of the performance management system might be beneficial, they are not sufficiently robust or consistent to make a significant difference in the professional growth of these employees.
- **Moderate Impact (47%):** The largest segment, representing 47% of the respondents, indicates that the system has a moderate impact on their professional development and growth. This suggests that while the system is generally effective, there is room for improvement to maximize its potential in supporting employees' career trajectories.
- **High Impact (26%):** Lastly, 26% of respondents believe the system has a high impact on their professional development. These employees likely experience substantial benefits from the performance management processes, including clear developmental goals, regular feedback, and relevant opportunities for advancement.

Analysis and Implications

The data suggests a mixed response regarding the effectiveness of the performance management system in facilitating professional growth. While nearly half of the respondents acknowledge a moderate impact, there is a significant proportion of employees who feel the system either has little to no impact on their professional development.

The fact that only 26% of respondents experience a high impact from the system indicates that there are opportunities to enhance the performance management process. To improve its effectiveness, organizations might consider the following actions:

- **Tailoring Development Plans:** Ensuring that performance management is closely aligned with individual career goals and aspirations, providing personalized development plans.
- **Strengthening Feedback Mechanisms:** Implementing regular, constructive feedback sessions that not only assess performance but also identify and support growth opportunities.
- **Increasing Access to Opportunities:** Offering more training, mentorship, and project opportunities that directly contribute to career development.

Evaluation of the Performance Management System's Role in Encouraging Collaboration and Teamwork

Survey Findings

- **Not at All (23%):** Approximately 23% of respondents believe that the performance management system does not encourage collaboration and teamwork at all. This segment, represented in orange, suggests that a notable minority of employees feel that the current system fails to promote a collaborative environment, which may hinder effective teamwork within the organization.
- **Moderately (41%):** The largest portion of respondents, 41%, perceive the performance management system as moderately encouraging collaboration and teamwork. Depicted in light blue, this group reflects a middle-ground perspective, indicating that while the system has some positive impact on teamwork, there is considerable room for improvement to make it more effective.
- **Very Much (36%):** Lastly, 36% of respondents, shown in purple, feel that the performance management system very much encourages collaboration and teamwork. This segment represents those employees who likely experience and appreciate the system's positive reinforcement of collaborative efforts and team dynamics.

Analysis and Implications

The data reveals a mixed response from employees regarding how well the performance management system supports collaboration and teamwork. While a significant portion of employees (36%) believes the system is effective in this regard, a larger group feels its impact is only moderate (41%), and a considerable 23% see no impact at all.

These findings suggest that while the system is somewhat successful in promoting teamwork, it could benefit from targeted enhancements to maximize its effectiveness. Potential actions could include:

- **Incorporating Team-Based Objectives:** Performance management systems could be adjusted to include team-based goals and assessments, which would inherently promote collaboration and shared success.
- **Promoting Cross-Functional Collaboration:** Encouraging and rewarding collaboration across different departments or functions might help employees see the value of teamwork and collaboration in achieving broader organizational goals.
- **Feedback on Team Contributions:** Ensuring that feedback not only focuses on individual performance but also on contributions to team efforts could reinforce the importance of collaboration.

The Role of Performance Review Feedback in Overcoming Challenges and Skill Improvement

Survey Findings

- **Yes (73%):** The majority of respondents, 73%, indicated that they could recall a time when feedback from a performance review played a significant role in overcoming a challenge or enhancing their skills. This sizable portion reflects the effectiveness of performance review feedback in contributing positively to employee development.
- **No (25%):** A smaller group, 25%, responded that they could not recall any such instance where feedback from a performance review was beneficial in this way. This indicates that for a quarter of the respondents, the feedback provided during performance reviews might not have been actionable, relevant, or impactful enough to address challenges or promote skill development.

- **Not Sure (2%):** A minimal 2% of respondents were uncertain about whether feedback from a performance review had ever helped them in overcoming challenges or improving skills. This small segment could represent individuals who may not have had significant experiences with feedback, or whose feedback experiences were not memorable.

The Frequency of Informal Catch-Ups by Line Managers on Challenges

Survey Findings

- **Yes (55%):** A majority of respondents, 55%, report that their line managers do have informal catch-ups with them regarding challenges they are facing. This orange segment indicates that over half of the employees benefit from regular, informal interactions with their managers, which likely contributes to a more supportive and communicative work environment.
- **Sometimes (26%):** About 26% of respondents, represented by the light blue segment, indicate that their line managers only sometimes have these informal catch-ups. This group suggests that while these discussions do happen, they may not be frequent or consistent enough to provide continuous support.
- **No (19%):** A smaller portion, 19%, of respondents, shown in purple, state that their line managers do not engage in informal catch-ups regarding challenges. This segment highlights a potential area of concern, where a lack of informal communication could lead to unresolved issues or a lack of support for employees.

Analysis and Implications

The data suggests that while the majority of employees have regular informal catch-ups with their line managers, a significant portion does not experience these interactions consistently or at all. Regular informal catch-ups can be crucial for identifying and addressing challenges before they escalate and for maintaining open lines of communication between employees and managers.

The presence of 26% who only sometimes experience these catch-ups and 19% who do not at all suggests that there is room for improvement in fostering more consistent and regular communication. Organizations might consider implementing the following strategies:

- **Encouraging Regular Check-ins:** Establishing a routine for informal catch-ups can help ensure that these interactions become a regular part of the managerial process. This could be encouraged through organizational policies or manager training programs.
- **Manager Training:** Providing managers with training on the importance of regular informal catch-ups and how to conduct them effectively can help improve consistency and quality of these interactions.
- **Feedback Loops:** Creating feedback mechanisms where employees can express whether they feel supported and whether they are receiving sufficient opportunities to discuss challenges can help monitor and enhance this aspect of managerial support.

Impact of Tenure on Perception of the Performance Management System

Survey Findings

- **Less than 1 year (11%):** A small segment, 11%, of respondents anticipate that having less than one year of tenure will influence their perception of the performance management system. This group, represented in orange, may consist of newer employees who are still familiarizing themselves with the system and may have a more flexible or evolving perception as they gain more experience within the organization.
- **1-3 years (28%):** About 28% of respondents, shown in light blue, expect that being with the organization for 1-3 years will impact their perception. This group likely includes employees who have had some experience with the performance management system and are starting to form more concrete opinions based on their initial experiences.
- **3-5 years (42%):** The largest group, 42%, represented in purple, consists of employees who anticipate that their perception of the performance management system will be shaped by 3-5 years of tenure. These employees likely have substantial experience with the system, providing them with a more informed perspective on its effectiveness and impact on their professional growth.

- **More than 5 years (19%):** Finally, 19% of respondents, indicated in brown, believe that having more than five years of tenure will influence their perception. This group may include long-term employees who have seen the system evolve over time and have a deep understanding of its strengths and weaknesses.

Analysis and Implications

The data suggests that employees with different lengths of tenure within the organization anticipate varying impacts on their perception of the performance management system. The largest segment, employees with 3-5 years of tenure, is likely to have the most significant and informed perceptions, given their substantial experience with the system.

The smaller segments representing employees with less than 1 year or more than 5 years of tenure may indicate that these groups either have limited experience with the system or have seen it undergo multiple changes, leading to either evolving or more established perceptions.

These findings highlight the importance of understanding how tenure influences employee views on performance management. Organizations might consider the following strategies:

- **Tailoring Communication:** Communicating the goals and processes of the performance management system differently to employees based on their tenure could help address specific concerns and enhance their understanding and engagement with the system.
- **Monitoring Perceptions Over Time:** Regularly assessing how employees' perceptions of the performance management system evolve with tenure can provide insights into areas where the system may need to be adjusted or improved.

CHAPTER 8: CONCLUSION AND FUTURE RECOMMENDATIONS

In culmination, the comprehensive deployment of the Performance Management System (PMS) within Etisalat has been a transformative force, redefining various facets of the organization's operational landscape. The research findings corroborate the multifaceted benefits derived from the PMS implementation, affirming its pivotal role in fostering a culture of excellence and continuous improvement.

One of the standout outcomes of the PMS is its tangible impact on enhancing employee performance. By establishing clear performance metrics, providing regular feedback, and aligning individual goals with organizational objectives, the PMS empowers employees to strive for excellence in their roles. This heightened performance not only bolsters productivity and efficiency but also cultivates a sense of ownership and accountability among the workforce.

Furthermore, the PMS has emerged as a catalyst for bolstering employee engagement within Etisalat. Through mechanisms such as regular performance appraisals, goal setting, and developmental feedback, the system fosters meaningful interactions between managers and employees, fostering a sense of purpose and satisfaction in their work. This heightened

engagement translates into higher levels of employee motivation, commitment, and loyalty, which are crucial drivers of organizational success.

Moreover, the strategic deployment of the PMS has positioned Etisalat as a dominant player in the market. By leveraging performance data to identify strengths, weaknesses, and opportunities, the organization can make informed decisions and formulate targeted strategies to gain a competitive edge. This proactive approach to performance management enables Etisalat to adapt swiftly to market dynamics, capitalize on emerging trends, and stay ahead of the curve in an ever-evolving industry landscape.

The impact of the PMS extends beyond operational efficiency to address critical human resource challenges such as employee churn. By fostering a culture of recognition, development, and growth, the PMS enhances job satisfaction and employee retention, mitigating the risks associated with turnover and talent attrition. This stability not only preserves institutional knowledge and expertise but also reduces recruitment and training costs, contributing to long-term organizational sustainability.

Furthermore, the PMS serves as a cornerstone for talent development within Etisalat, providing employees with structured pathways for skill enhancement and career progression. Through targeted training, coaching, and performance feedback, the system

nurtures a culture of continuous learning and development, empowering employees to realize their full potential and contribute meaningfully to organizational success.

Finally, the adaptive capabilities of the PMS enable Etisalat to navigate through uncertainty and change with resilience and agility. By leveraging performance data to identify emerging trends, anticipate customer needs, and align resources accordingly, the organization can pivot swiftly in response to market disruptions, regulatory changes, and technological advancements. This adaptability not only ensures survival in a competitive landscape but also fosters a culture of innovation and forward-thinking leadership.

In essence, the deployment of the PMS at Etisalat represents a strategic imperative, driving organizational excellence, fostering employee engagement, and positioning the company for sustained success in a dynamic marketplace. As the research findings attest, the PMS serves as a linchpin for achieving enhanced performance, improved engagement, market domination, reduced employee churn, talent development, and organizational adaptability, underscoring its significance as a catalyst for organizational transformation and growth.

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