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Automotive Mechanics

Level V

Based on December, 2024 Curriculum Version I



Module Title: - Managing People Performance and Relationships

Module code: EIS AUM5 M06 0424

Nominal duration: 40 Hour

Prepared by: Ministry of Labor and Skill

December 2024

Addis Ababa, Ethiopia

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Acknowledgment

Ministry of Labor and Skills wish to extend thanks and appreciation to the many representatives of TVT instructors and respective industry experts who donated their time and expertise to the development of this Training Materials (TM).

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Acronym

KPI	key performance indicators
Lap-Test	Learning activity performance
PIP	Performance improvement plan
PPM	People Performance Management
RBV	Resource-Based View
TTLM	Teaching Training and Learning Materials
TQM	Total Quality Management
SWOT	Strengths, Weaknesses, Opportunities, and Threats.

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Introduction to module

The primary objective of this training module is to equip automotive professionals and technicians with the knowledge and skills required to develop, modify, and apply hydraulic system changes effectively. The module focuses on practical aspects, such as modifying hydraulic circuits for improved performance, troubleshooting common issues, and enhancing vehicle functionality with advanced hydraulic technologies.

In any organization, the ability to effectively manage people and their performance, while cultivating strong and positive relationships, is crucial to achieving long-term success. This module is designed to provide you with essential skills and knowledge to lead teams, enhance performance, and foster a positive working environment through effective relationship management.

Learning Objective of the Module

- By the end of this training module, participants will be able to:
- Develop effective people management skills – Learn how to assess and support team members in reaching their potential.
- Implement performance management strategies – Understand how to set clear expectations, monitor progress, and provide constructive feedback.
- Enhance relationship management – Gain tools to build positive, collaborative, and resilient working relationships within diverse teams.
- Strengthen leadership capabilities – Build leadership skills that inspire motivation, drive results, and address challenges in team dynamics.

Core Topics of the Module:

- People Management Fundamentals:
- Understand the diverse needs of individuals within teams.
- Learn to assess strengths, provide personalized support, and manage career development.
- Develop strategies for building trust and fostering inclusivity.

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Performance Management Best Practices:

- How to set SMART goals and establish clear performance standards.
- Techniques for regular feedback, coaching, and performance reviews.
- Addressing underperformance and recognizing top performers to motivate continued excellence.

Building and Managing Relationships:

- The importance of communication and active listening in relationship-building.
- Managing interpersonal dynamics and resolving conflicts in a constructive manner.
- Strengthening team collaboration through mutual respect and shared goals.

Motivation and Employee Engagement:

- Recognizing the factors that drive employee motivation.
- Creating an environment that supports both individual and team engagement.
- Utilizing recognition, rewards, and developmental opportunities to maintain high levels of motivation.

Conflict Resolution and Effective Communication:

- Identifying the root causes of conflict and strategies for resolving issues.
- Developing communication skills to address conflict professionally and productively.
- Encouraging a culture of feedback and openness to minimize misunderstandings.

This training module combines theoretical knowledge with practical application. Throughout the course, you will engage in real-life scenarios, case studies, and group discussions to deepen your understanding of the concepts. You will also be provided with tools and resources to implement what you learn in your own workplace.

In today's fast-paced and diverse work environments, managing people effectively is not just about overseeing tasks, but also about understanding people's strengths, motivations, and challenges. When people perform at their best and have healthy relationships with their colleagues, the entire organization thrives. This module will equip you with the skills needed to lead teams successfully, navigate complex interpersonal dynamics, and create a positive culture where both individuals and teams can excel.

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Module Instruction

For effective use this modules trainees are expected to follow the following module instruction:

1. Read the information written in each unit
2. Accomplish the Self-checks at the end of each unit
3. Perform Operation Sheets which were provided at the end of units
4. Do the “LAP test” given at the end of each unit and
5. Read the identified reference book for Examples and exercise

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Unit one: Overview of Hydraulics and the Application in Automotive Systems

This unit is developed to provide you the necessary information regarding the following content coverage and topics:

- Basic Management theory
- Definition of basic management terms:
- Principles of People's Performance Management
- Work relevant group and individuals
- Performance standards, Code of Conduct
- Risk Analysis

This unit will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:

- Understand basic Management theory
- Define of basic management terms
- Elaborate Principles of People's Performance Management
- Identify Work relevant group and individuals
- Apply Performance standards,
- Practice Code of Conduct
- Understand Risk Analysis techniques

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1.1 Introduction People Performance Management

1.1.1 Basic Management theory

Basic management theory encompasses various foundational concepts and frameworks that guide how organizations are structured and how managers lead, motivate, and organize resources to achieve organizational goals. Over the years, several management theories have been developed, each contributing to our understanding of how management practices and behaviors can be most effective. Here are some of the key basic management theories:

- Classical Management Theory

The classical management theory focuses on efficiency and productivity, often through a structured approach. It emphasizes hierarchy, clear roles, and tasks, and is particularly concerned with organizing work and managing people effectively.

Scientific Management (Frederick Taylor): This theory focuses on improving productivity through scientific analysis and systematic study of work. Taylor introduced concepts like time studies, task specialization, and incentive systems.

Administrative Management (Henri Fayol): Fayol developed principles of management such as division of labor, authority and responsibility, unity of command, and centralization vs. decentralization. Bureaucratic Management (Max Weber):

Weber's theory emphasizes a formal organizational structure with clear rules, roles, and authority. It advocates for a hierarchical structure where decisions are made based on established rules rather than personal preferences.

- Human Relations Theory

This theory emerged in response to the limitations of classical theories, which primarily focused on efficiency and neglected human factors in the workplace. Human relations theory emphasizes the importance of social factors, employee needs, and motivation.

Elton Mayo and the Hawthorne Studies: Mayo's research revealed that workers' productivity increased when they felt they were being observed and when their social needs were

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addressed. This led to the understanding that worker motivation, morale, and social relationships impact productivity.

Maslow's Hierarchy of Needs: Abraham Maslow proposed a theory that human needs are arranged in a hierarchy, with basic needs (like food and safety) at the bottom, and self-actualization (the desire for personal growth and fulfillment) at the top. Maslow's theory suggests that managers need to understand and address employees' needs at different levels to keep them motivated.

Douglas McGregor's Theory X and Theory Y: McGregor identified two contrasting views of employees. Theory X assumes employees are inherently lazy and need to be controlled, while Theory Y assumes employees are self-motivated and capable of self-direction. Managers should lean toward Theory Y for better motivation and engagement.

- **Behavioral Management Theory**

Behavioral management theory emphasizes understanding and influencing individual and group behavior in organizations to enhance performance. This theory moves beyond formal rules and structures, focusing on how people behave at work.

The Hawthorne Effect: As mentioned earlier, the Hawthorne studies revealed that workers' productivity increased due to attention from management and the sense of being valued, highlighting the importance of psychological and social factors in performance.

Contingency Theory: This theory suggests that there is no one-size-fits-all approach to management. Effective leadership and decision-making depend on various internal and external factors, such as the nature of the task, the environment, and the employees' characteristics.

Leadership Styles (Blake and Mouton's Managerial Grid): This framework identifies different leadership styles based on concern for people and concern for production. It shows that the most effective leaders balance both concerns to achieve high performance and employee satisfaction.

- **Modern Management Theories**

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These theories focus on more dynamic and contemporary aspects of management, including innovation, organizational culture, and adaptability to change. They often incorporate elements from previous theories while addressing the complexity of modern organizations.

Systems Theory: This theory views an organization as a system of interconnected parts, where each component affects the others. Managers must understand the whole system and how the different departments and individuals interact to achieve organizational goals.

Contingency Theory: This theory suggests that management practices should be adapted to the specific situation, such as the internal culture, external environment, or team dynamics. The most effective management style varies depending on these factors.

Total Quality Management (TQM): TQM emphasizes continuous improvement and customer satisfaction. It involves everyone in the organization working together to improve processes, reduce defects, and ensure high-quality products or services.

Lean Management: Focuses on eliminating waste and improving efficiency. Lean principles, often used in manufacturing, encourage managers to streamline processes, reduce inefficiencies, and improve value for customers.

Innovation and Change Management: As organizations face rapid changes, this theory emphasizes the importance of adaptability and the ability to manage innovation. Managers need to foster a culture of creativity, support risk-taking, and manage transitions effectively.

- Strategic Management Theory

Strategic management focuses on the long-term direction of an organization and how to compete effectively in the marketplace. It integrates various elements of management to ensure organizational success over time.

Porter's Five Forces: Michael Porter's framework is used to analyze the competitive forces in an industry such as the bargaining power of suppliers and customers, the threat of new entrants, and the threat of substitute products. This helps managers understand their competitive environment and make strategic decisions.

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SWOT Analysis: SWOT stands for Strengths, Weaknesses, Opportunities, and Threats. This framework helps organizations identify internal and external factors that can impact their success and develop strategies based on these insights.

Resource-Based View (RBV): This theory focuses on utilizing an organization's internal resources and capabilities to gain a competitive advantage. It suggests that firms can sustain long-term success if they effectively manage their valuable, rare, inimitable, and non-substitutable resources.

- Transactional and Transformational Leadership

These leadership theories are concerned with how leaders influence their followers and motivate them to achieve organizational goals.

Transactional Leadership: Leaders using this style focus on exchanges or transactions with employees. Rewards and punishments are used to motivate employees to meet specific goals and standards. It is often used for routine tasks and short-term objectives.

Transformational Leadership: This leadership style focuses on inspiring and motivating employees to exceed expectations and achieve higher levels of performance by appealing to their values and emotions. Transformational leaders focus on long-term goals, innovation, and developing their followers into leaders.

Basic management theories provide essential insights into how organizations are structured, how employees behave, and how management practices can be tailored to improve performance. From classical approaches that emphasize efficiency and hierarchy to modern theories that emphasize adaptability and human behavior, these theories continue to shape how managers lead and make decisions in today's dynamic business environment.

1.1.2 Definition of basic management terms:

Planning: is the process of setting organizational goals and determining the most effective means to achieve them. **Principle:** Effective planning involves setting clear objectives, creating a detailed action plan, and considering various contingencies.

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Organizing involves arranging resources, people, and tasks to achieve the organization's goals. Principle: An organized structure enhances efficiency and facilitates the delegation of responsibilities.

Leading, or leadership, refers to influencing and motivating individuals to work towards common goals. Principle: Effective leaders inspire and guide their teams while adapting their leadership style to the situation and the team's needs.

Controlling is the process of monitoring and regulating organizational activities to ensure they align with the established plans and objectives. Principle: Control mechanisms help in measuring performance, identifying deviations, and taking corrective actions.

Delegation is the transfer of authority and responsibility to subordinates. Principle: Delegating tasks and decision-making authority improves efficiency and allows managers to focus on strategic issues.

Communication involves the exchange of information and ideas among team members and stakeholders. Principle: Effective communication is vital for conveying goals, expectations, and feedback, promoting clarity and collaboration.

Decision-making is the process of selecting the best course of action from various alternatives. Principle: Decision-making should be based on information, analysis, and considering the consequences of each choice.

Time management is the practice of efficiently using available time to maximize productivity. Principle: Prioritizing tasks, setting deadlines, and avoiding time-wasting activities are essential for effective time management.

Problem solving is the ability to identify, analyze, and resolve issues or challenges. Principle: An effective problem-solving process involves defining the problem, generating solutions, evaluating options, and implementing the best solution.

Adaptability refers to the capacity to adjust to changing circumstances and market conditions. Principle: Organizations and managers must be flexible and open to change to remain competitive and responsive.

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Continuous improvement is the ongoing effort to enhance processes, products, and services.

Principle: Regularly reviewing and refining practices leads to increased efficiency and customer satisfaction.

1.1.3 Principles of People's Performance Management

Employee performance management is a continuous process of identifying, measuring, and developing the performance of employees to achieve organizational goals. Effective performance management aligns individual goals with organizational objectives, fosters growth, and ensures accountability. Here are some core principles:

- Clear Expectations and Goals
 - Set Clear Objectives: Employees should understand what is expected of them. Clear, measurable, and attainable goals (e.g., SMART goals—Specific, Measurable, Achievable, Relevant, Time-bound) ensure alignment between individual and organizational objectives.
 - Communicate Expectations: Regular and transparent communication about performance expectations ensures clarity and prevents misunderstandings.
- Ongoing Feedback and Communication
 - Continuous Feedback: Feedback should not be limited to annual performance reviews. Managers should provide regular, constructive feedback to guide employees, recognize achievements, and address areas for improvement.
 - Two-Way Communication: Encourage open dialogues where employees can share their thoughts, concerns, and suggestions, fostering a collaborative work environment.
- Employee Development and Growth
 - Training and Development: Provide opportunities for employees to acquire new skills and knowledge that help them grow professionally and improve performance.
 - Career Pathways: Encourage employees to set career goals and offer the support needed to help them reach their potential within the organization.

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- Recognition and Reward
 - Acknowledge Achievements: Recognizing and rewarding good performance boosts motivation, engagement, and morale. This can be done through both formal (bonuses, promotions) and informal (praise, recognition) means.
 - Tailored Rewards: Ensure that the rewards are aligned with what employees value, such as monetary bonuses, extra time off, or career development opportunities.
- Fairness and Consistency
 - Objective Criteria: Performance assessments should be based on objective, job-relevant criteria rather than subjective opinions. This reduces bias and ensures fairness.
 - Consistent Application: Performance management practices, like feedback and evaluations, should be consistently applied to all employees to ensure fairness and transparency.
- Regular Performance Reviews
 - Structured Evaluations: Regular performance reviews (quarterly, semi-annually, or annually) should assess progress, recognize accomplishments, and provide feedback on areas of improvement.
 - Self-Assessments: Involve employees in their own performance evaluations through self-assessments. This encourages reflection on their work and promotes personal responsibility.
- Focus on Outcomes and Behaviours
 - Result-Oriented: Assess performance based on the outcomes that contribute to organizational goals.
 - Behavioural Indicators: In addition to results, consider the behaviours employees demonstrate while achieving their goals. These include teamwork, communication, problem solving, and leadership.
- Address Underperformance

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- Identify Root Causes: When performance issues arise, managers should investigate underlying causes (e.g., lack of resources, unclear goals, personal challenges).
- Support and Improvement Plans: Offer constructive feedback and create improvement plans to help employees address performance gaps, along with regular check-ins and coaching.
- Employee Engagement and Motivation
 - Motivational Support: Recognize that motivated employees are likely to perform at a higher level. Use engagement strategies like job enrichment, autonomy, and professional development to keep employees motivated.
 - Involvement in Goal-Setting: Involve employees in setting their own goals, as this increases commitment and accountability to achieving those goals.
- Data-Driven Decisions
 - Use Metrics and Analytics: Collect and analyze performance data to identify trends, strengths, and areas for improvement. This allows for informed decision-making in areas like rewards, promotions, and training.
 - Regular Monitoring: Continuously monitor employee performance against the set benchmarks to track progress and adjust strategies as needed.

By integrating these principles, organizations can create a robust performance management system that promotes continuous improvement, supports employee engagement, and helps achieve business goals.

1.1.4 Work relevant group and individuals

In the context of workplace performance management, work-relevant groups and individuals refer to the key players and teams that influence or contribute to an organization's success. These groups and individuals can include employees at different levels, teams, and even external stakeholders, each playing a unique role in achieving the organization's objectives. Here is a breakdown of work-relevant groups and individuals:

- Individual Employees

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- Roles and Responsibilities: Every employee has specific duties and expectations. Their performance is evaluated based on how effectively they meet these responsibilities and contribute to the organization's goals.
- Performance Contributions: The performance of individuals is typically assessed based on personal goals, productivity, and adherence to organizational values. These employees can vary from entry-level workers to senior leaders.
- Skill Development: Individuals also engage in personal and professional growth through training, feedback, and development opportunities to enhance their work performance.
- Teams and Workgroups
 - Collaborative Units: A team is a group of individuals working together toward a common goal. Team performance often hinges on collaboration, communication, and joint problem-solving. Teams can be functional (e.g., marketing team, sales team) or cross-functional (e.g., project teams, innovation teams).
 - Team Dynamics: Effective teams typically demonstrate high levels of trust, accountability, and interdependence. Team performance can be measured based on the collective achievement of goals, productivity, and the quality of team interactions.
 - Team Leadership: Each team will have a leader responsible for guiding the group, setting objectives, managing conflicts, and ensuring alignment with organizational goals.
- Managers and Supervisors
 - Leadership Role: Managers and supervisors are critical for setting expectations, providing guidance, offering feedback, and ensuring that employees and teams stay aligned with organizational objectives.
 - Performance Management: They are directly involved in assessing employee and team performance, identifying areas for improvement, and facilitating professional development.

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- Motivational Support: Managers play a key role in boosting employee morale, engagement, and motivation, making them pivotal to the success of both individuals and teams.
- Human Resources (HR) Department
 - Recruitment and Selection: HR is responsible for hiring individuals who align with the organization's culture and needs. A strong recruitment process ensures that the right talent is in place to meet performance objectives.
 - Training and Development: HR designs and implements training programs that help employees improve their skills and capabilities.
 - Performance Reviews and Feedback Systems: HR often oversees the performance review process, ensuring that evaluations are conducted consistently and that employees have the necessary support to improve.
 - Employee Relations: HR also ensures that any conflicts or issues affecting team or individual performance are addressed fairly and promptly.
- Executive Leadership/Top Management
 - Setting the Vision: Senior leaders, such as CEOs, CFOs, and other executives, are responsible for setting the strategic direction of the company and ensuring that teams and individuals align their goals with the broader vision.
 - Organizational Culture: They are responsible for cultivating a strong company culture, which influences employee engagement and performance.
 - Performance Metrics and KPIs: Top management defines the key performance indicators (KPIs) that measure the success of the organization, departments, and individuals.
- Cross-Functional or Cross-Departmental Groups
 - Collaboration Across Departments: These groups bring together individuals from various departments (such as marketing, operations, finance, and HR) to solve complex problems or work on projects that require expertise from different areas.

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- Shared Responsibility: Performance is shared and jointly assessed by team members, often requiring diverse skill sets and perspectives. This type of collaboration can lead to innovation and enhanced decision-making.
- External Stakeholders (Clients, Customers, Partners)
 - Customer Feedback: Clients and customers are integral to understanding how well employees and teams are performing. Their feedback can be used as a metric for assessing service quality and customer satisfaction.
 - Supplier and Partner Relationships: Vendors, suppliers, and business partners also influence organizational performance, especially in collaborative ventures or when dependencies on external resources are critical.
 - Market Performance: External stakeholders, such as investors or regulators, may evaluate an organization's performance based on profitability, compliance, and strategic outcomes.
- Workplace Support Functions (e.g., IT, Legal, Admin)
 - Enabling Performance: Departments like IT, legal, and administration provide essential support that enables employees and teams to perform their tasks effectively.
 - Process Efficiency: These support functions ensure the smooth operation of day-to-day business, providing tools, legal guidance, and administrative support necessary for business continuity.

The performance of individuals and groups at work is influenced by the relationships between these groups, their roles, and how they collaborate to meet organizational goals. Managers, HR, and top leadership must align individual and team performance with company strategies, provide ongoing feedback and support, and ensure that the work environment fosters productivity, growth, and innovation.

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1.1.5 Performance standards, Code of Conduct

A. Performance Standards

Performance standards are specific, measurable criteria that employees are expected to meet in their roles. They serve as benchmarks for evaluating individual and organizational performance, helping to ensure that goals are achieved efficiently and effectively. These standards are crucial in guiding employee behaviour, ensuring consistency, and aligning individual contributions with the organization's objectives.

- Key Aspects of Performance Standards:
 - Specificity: Performance standards should be clear and well-defined to avoid ambiguity. They outline exactly what is expected of an employee in terms of tasks, quality, and timelines.
 - Measurability: Standards should be quantifiable so that progress and results can be tracked. This may include metrics such as sales targets, production quotas, customer satisfaction scores, or project completion rates.
 - Attainability: The standards should be challenging yet achievable, providing employees with realistic goals that can motivate them without causing frustration or burnout.
 - Relevance: The standards must align with the overall goals of the organization and be directly related to an employee's role and responsibilities.
 - Time-Bound: There should be a clear timeframe or deadline for achieving the standards, helping employees understand the urgency and importance of meeting these expectations.
- Examples of Performance Standards:
 - Sales: Achieve a sales target of \$500,000 in Q1.
 - Customer Service: Respond to customer inquiries within 24 hours and resolve 90% of issues on the first contact.
 - Productivity: Complete 100% of assigned tasks by the end of the workweek.
 - Quality: Maintain a defect rate of less than 2% in all products produced.

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- Teamwork: Contribute to at least two team initiatives per quarter.

B. Code of Conduct

A Code of Conduct is a set of ethical guidelines and rules that define the behaviors expected from employees within an organization. It provides a framework for how employees should interact with colleagues, customers, and other stakeholders, ensuring that the organization's values and ethical standards are upheld.

- Key Aspects of a Code of Conduct:
 - Ethical Behaviour: Employees are expected to adhere to high ethical standards, acting with integrity, honesty, and fairness. The code typically outlines prohibited behaviours such as dishonesty, conflicts of interest, and bribery.
 - Respect and Professionalism: Employees must treat colleagues, clients, and others with respect and dignity. The code addresses issues related to harassment, discrimination, and bullying, promoting a culture of inclusivity.
 - Compliance with Laws and Regulations: Employees must comply with all applicable local, state, and federal laws, as well as industry regulations. The code may address areas like workplace safety, environmental laws, or data privacy.
 - Confidentiality and Data Protection: Employees are expected to maintain confidentiality and safeguard the organization's sensitive information and intellectual property, as well as customer data.
 - Accountability and Responsibility: The code of conduct emphasizes the importance of accountability, encouraging employees to take responsibility for their actions and work towards the organization's goals.
 - Conflict of Interest: Employees should avoid situations where their personal interests conflict with those of the organization. The code may include guidelines on disclosing potential conflicts and seeking guidance from management.
- Examples of Code of Conduct Principles:
 - Honesty and Integrity: Employees should conduct themselves with the highest level of integrity, avoiding situations that could lead to fraud, dishonesty, or unethical behaviour.

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- Respect in the Workplace: All employees must treat others with courtesy and respect, and the organization has a zero-tolerance policy for harassment, bullying, or discrimination.
- Fair Treatment: Employees are expected to perform their duties fairly and impartially, without favouritism or bias.
- Confidentiality: Employees must not disclose confidential business information to unauthorized individuals both during and after employment.
- Social Media Use: Employees should use social media responsibly, ensuring their actions do not damage the reputation of the company or violate its policies.
- Enforcement of Performance Standards and Code of Conduct:
- Monitoring and Evaluation: Regular assessments, such as performance reviews, feedback sessions, and audits, help ensure employees adhere to performance standards and the code of conduct.
- Disciplinary Actions: Organizations typically outline consequences for violating performance standards or the code of conduct. These consequences can range from informal warnings to formal disciplinary actions such as suspension or termination.
- Training and Development: Providing employees with the tools, resources, and training to understand the expectations regarding performance and conduct ensures they have the knowledge to comply.

Both performance standards and a code of conduct are critical for ensuring organizational success, fostering a productive work environment, and maintaining a positive reputation. Performance standards help employees understand their specific goals and how their work contributes to organizational success, while the code of conduct establishes the ethical framework for behavior, creating a respectful and legally compliant workplace.

1.1.6 Risk Analysis

Risk analysis is the process of identifying, assessing, and managing risks that could potentially affect an organization's objectives, operations, or outcomes. It is a crucial part of

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the risk management process, which helps organizations anticipate potential problems and take proactive measures to minimize or avoid negative impacts. Risk analysis can be applied in various fields such as finance, healthcare, business operations, and project management.

A. Key Steps in Risk Analysis:

- 1 Risk Identification: The first step in risk analysis is to identify all possible risks that could affect the organization or project. These risks can be internal or external, and can relate to different aspects such as finance, technology, operations, legal, environmental, and human resources.
 - Techniques for identifying risks include:
 - Brainstorming: Gathering a group of stakeholders to discuss and identify potential risks.
 - SWOT Analysis: Analyzing the organization's strengths, weaknesses, opportunities, and threats to uncover risks.
 - Interviews/Surveys: Gathering input from key stakeholders, including employees, customers, and experts, to identify potential risks.
 - Historical Data: Reviewing past incidents or failures to identify recurring risks.
 - Industry Research: Studying risks experienced by similar organizations or in the same industry.
- 2 Risk Assessment (Risk Evaluation): Once risks are identified, the next step is to assess the likelihood and impact of each risk. This helps in prioritizing which risks need immediate attention and which are less likely to cause significant harm.
 - Risk Likelihood: How probable is it that the risk will occur? Likelihood can be categorized as:
 - Very low
 - Low
 - Moderate
 - High
 - Very high

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- Risk Impact: What would be the consequence if the risk occurs? Impact can be categorized based on the severity of outcomes such as:
 - Minor impact (e.g., small financial loss or inconvenience)
 - Moderate impact (e.g., operational disruption)
 - Major impact (e.g., significant financial loss, damage to reputation, legal consequences)
- Risk Matrix: A tool often used in risk assessment, where risks are plotted based on likelihood and impact. The matrix helps in categorizing risks into high, medium, or low priority.

3 Risk Prioritization: After assessing risks, the next step is to prioritize them based on their likelihood and potential impact. Risks that are likely to have a high impact and are highly probable are given top priority, while those that are unlikely or have minimal impact are deprioritized.

- High Priority: Immediate action or mitigation required (e.g., risks that could lead to project failure or legal issues).
- Medium Priority: Should be monitored and managed actively, but not as urgent as high-priority risks.
- Low Priority: Risks that require monitoring but do not need immediate action.

4 Risk Mitigation and Control: Once risks are prioritized, the next step is to determine how to manage or mitigate them. Strategies for dealing with risks include:

- Risk Avoidance: Changing plans or processes to avoid the risk altogether (e.g., selecting a less risky project approach).
- Risk Reduction (Mitigation): Implementing measures to reduce the likelihood or impact of the risk (e.g., improving security protocols or adopting safer practices).
- Risk Sharing: Spreading the risk across multiple parties, such as through insurance or outsourcing (e.g., using subcontractors to reduce operational risks).
- Risk Acceptance: Accepting the risk when the cost of mitigation is too high, or the risk is deemed minor (e.g., accepting small risks that are part of doing business).

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5 Risk Monitoring and Review: Risk analysis is an ongoing process. Once mitigation strategies are in place, it is important to regularly monitor the effectiveness of these measures and review risks to ensure new risks are identified promptly.

- Monitoring Techniques: Periodic risk assessments, project reviews, and ongoing reporting of risk-related issues.
- Review Process: Reassessing risks periodically to ensure mitigation strategies remain effective and up-to-date.

B. Types of Risks in Risk Analysis:

- Strategic Risks: Risks related to the overall direction and goals of the organization. Examples include competition, market shifts, or regulatory changes.
- Operational Risks: Risks associated with day-to-day business operations, such as equipment failure, supply chain disruptions, or human error.
- Financial Risks: Risks related to financial performance and stability, including credit risk, liquidity risk, and market risk.
- Compliance Risks: Risks arising from failure to comply with laws, regulations, and industry standards.
- Reputational Risks: Risks to the organization's public image or brand. Examples include negative media coverage, social media backlash, or customer dissatisfaction.
- Legal Risks: Risks of legal action, including lawsuits, intellectual property disputes, or contract violations.
- Environmental Risks: Risks related to the physical environment, such as natural disasters, climate change, or pollution.
- Technological Risks: Risks arising from technological changes or failures, such as cybersecurity threats, data breaches, or outdated systems.
- Human Risks: Risks associated with employee behavior, skill gaps, and labor strikes.

C. Risk Analysis Tools and Techniques:

- Risk Matrix (Heat Map): A visual representation of the likelihood and impact of risks, helping to prioritize them based on their severity.

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- Failure Mode and Effects Analysis (FMEA): A systematic method for evaluating potential failures in a process or system and their impact. It helps to identify risks early and prioritize corrective actions.
- Monte Carlo Simulation: A statistical technique used to model and analyze the probability of different outcomes in a process. It uses random sampling to simulate a range of possible results and is often used in financial risk analysis.
- Decision Tree Analysis: A visual tool used to map out different decision options, risks, and possible outcomes. It helps decision-makers choose the best course of action based on risk and reward.
- SWOT Analysis (Strengths, Weaknesses, Opportunities, Threats): A strategic planning tool that helps to identify internal and external factors that may affect the organization's success, including potential risks.

D. Benefits of Risk Analysis:

- Proactive Management: By identifying risks early, organizations can take preventive measures to avoid or minimize the impact of those risks.
- Informed Decision Making: Risk analysis helps management make informed decisions by providing a clear understanding of potential risks and their consequences.
- Resource Allocation: It helps organizations prioritize where to allocate resources, ensuring that the most critical risks are addressed first.
- Improved Strategy and Planning: Organizations can develop more robust strategies by factoring in potential risks and preparing for different scenarios.
- Compliance and Safety: Risk analysis ensures that the organization complies with regulations and maintains a safe working environment.

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Self-check-1

Instruction: Choose the best answer and circle the letter corresponds to best answer

- 1 What is the primary objective of performance management in organizations?
 - A. To increase employee workload
 - B. To align individual performance with organizational goals
 - C. To punish poor-performing employees
 - D. To conduct annual evaluations only
- 2 Which of the following is a key component of a performance management system?
 - A. Performance reviews every 5 years
 - B. Setting SMART goals for employees
 - C. Ignoring employee feedback
 - D. Avoiding clear performance expectations
- 3 What is the role of feedback in people performance management?
 - A. To demotivate employees
 - B. To provide guidance for improvement and recognize achievements
 - C. To focus solely on the negative aspects of performance
 - D. To only evaluate performance at the end of the year
- 4 Which of the following is true about continuous feedback in performance management?
 - A. It should only occur during annual reviews
 - B. It helps employees adjust performance in real-time
 - C. It focuses exclusively on employee weaknesses
 - D. It should be provided only by HR departments
- 5 What is a "Performance Improvement Plan" (PIP)?
 - A. A program for training top-performing employees
 - B. A process used when employees are underperforming and need improvement
 - C. A reward for employees who meet goals
 - D. A plan to reduce the workforce

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Unit Two. Development of open environment for performance assessment

This unit is developed to provide you the necessary information regarding the following content coverage and topics:

- Purpose of Training in People Performance Management:
- Developing and Maintaining Communication in People Performance Management
- Developing Effective Communication in Performance Management
- Maintaining Effective Communication in Performance Management
- Tools and Channels for Communication
- Best Practices for Maintaining Communication
- Methods of performance monitoring
- Conducting performance appraisal

This unit will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:

- Understand the Purpose of Training in People Performance Management:
- Develop Communication in People Performance Management
- Maintain Communication in People Performance Management
- Develop Effective Communication in Performance Management
- Maintain Effective Communication in Performance Management
- Identify Tools and Channels for Communication
- Demonstrate Best Practices for Maintaining Communication
- Identify Methods of performance monitoring
- Conduct performance appraisal

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2.1 Review processes of employees performance management

The review process in employees' performance management is a critical component of ensuring that employees are aligned with organizational goals and that their contributions are appropriately recognized and improved upon. The process allows managers to evaluate individual employee performance, identify areas for development, and provide feedback that encourages growth and enhances overall productivity. The performance review process involves multiple stages, from setting expectations to evaluating performance and planning for future development.

A. Setting Clear Expectations and Goals

Before the performance review can take place, clear expectations and performance goals must be set. This is typically done through Performance Appraisals, Goal Setting, and KPIs (Key Performance Indicators).

- Setting SMART Goals:
 - Specific: Clear and unambiguous.
 - Measurable: Quantifiable results.
 - Achievable: Realistic and attainable.
 - Relevant: Aligned with organizational objectives.
 - Time-Bound: With a clear deadline.
- KPIs and Performance Metrics: These are objective criteria, such as sales targets, customer satisfaction, production volumes, etc., that are used to track and measure an employee's performance against set expectations.
- Regular Check-ins: Performance expectations should be discussed with employees early on. Regular informal check-ins can help employees understand how they're progressing toward their goals.

B. Continuous Feedback and Monitoring

Performance management is an ongoing process, not just an annual event. Providing continuous feedback is critical for an effective review process.

- Real-Time Feedback:

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- Managers should give employees feedback regularly (e.g., weekly or monthly). This helps employees adjust their behavior or performance before issues become ingrained.
- Positive reinforcement for good performance helps maintain motivation.
- Coaching and Support:
 - In addition to feedback, managers should provide coaching to help employees improve in areas of weakness or enhance their skills.
 - Providing guidance and training opportunities fosters development and growth.

C. Self-Assessment

Many performance review processes include a self-assessment component, where employees evaluate their own performance based on predefined criteria.

- Purpose of Self-Assessment:
 - It encourages employees to reflect on their accomplishments and challenges.
 - Helps identify areas where employees feel they need additional support or resources.
 - Promotes open dialogue between employees and managers, as it gives employees a chance to express their thoughts on their performance and development.
- Benefits:
 - Self-assessment provides managers with insights into the employee's own perception of their performance, which can help in creating personalized development plans.
 - It encourages ownership and accountability for performance.

D. Performance Appraisal / Evaluation

The performance appraisal is the formal review process where employees' performance over a given period (typically a year or half-year) is assessed. Managers use performance data, employee feedback, and self-assessment to evaluate individual performance.

- Types of Appraisals:

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- 360-Degree Feedback: This method involves gathering feedback from multiple sources, including managers, peers, subordinates, and sometimes customers.
- Manager-Only Appraisal: In this approach, only the immediate supervisor evaluates the employee's performance.
- Rating Scales: Managers rate employees on specific competencies (e.g., communication skills, technical skills, leadership, etc.).
- Behaviorally Anchored Rating Scales (BARS): A more detailed and specific rating system based on defined behaviors for each performance level.
- Key Areas Evaluated:
 - Achievement of goals: How well the employee met the goals and KPIs set earlier.
 - Quality of work: Accuracy, attention to detail, and adherence to company standards.
 - Job knowledge and skills: How well the employee understands and applies their role-related knowledge.
 - Teamwork and collaboration: How well the employee works with others and contributes to the team.
 - Communication: How effectively the employee communicates with colleagues, management, and customers.
 - Behavior and attitude: How the employee approaches their work, including their professional attitude and behavior.

E. Providing Feedback

Feedback is a critical element of the review process. It provides employees with insights into their strengths and areas of improvement.

- Effective Feedback:
 - Should be constructive and aimed at helping the employee improve.
 - Be specific to provide actionable insights.

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- Should highlight both strengths (positive reinforcement) and areas for improvement.
- Delivered in a timely and respectful manner.
- Feedback Delivery:
 - Positive feedback should be given for accomplishments and strengths.
 - Constructive feedback should be given for areas requiring improvement, with clear suggestions for how the employee can develop in those areas.
- Two-Way Communication:
 - Encourage employees to ask questions and provide their own feedback.
 - This can foster trust and open dialogue, ensuring the employee feels heard.

F. Setting Development Plans and Future Goals

Performance reviews should be used to create development plans for employees. These plans focus on how employees can continue to improve their skills and grow within the organization.

- Development Plans:
 - Should include specific, measurable goals, such as learning new skills, completing additional training, or working on particular behaviors.
 - Managers and employees should work together to set these development goals, ensuring they are aligned with both the employee's career aspirations and the organization's needs.
- Career Pathing:
 - Performance reviews can be a great opportunity to discuss future career paths within the organization.
 - If employees are meeting or exceeding performance standards, they can be considered for promotions or other career advancement opportunities.

G. Documentation and Record Keeping

All aspects of the performance review process should be documented for future reference and to ensure fairness in evaluations.

- Documentation:

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- Keeps a record of performance over time, helping both managers and employees track progress.
- Helps ensure consistency in evaluations across employees and reduces the risk of bias.
- Serves as a reference for promotions, bonuses, or other rewards.
- Confidentiality: Performance reviews should be confidential and only accessible to those who need to know, such as HR personnel and the employee's direct supervisor.

H. Performance Review Outcome

The outcome of a performance review can vary depending on the results, but typically includes:

- Rewards and Recognition:
 - Bonuses, salary increases, or promotions based on good performance.
 - Public recognition for achievements, either within the team or the organization.
- Performance Improvement Plans (PIP):
 - If an employee's performance is below expectations, a Performance Improvement Plan (PIP) may be introduced. This outlines steps for improvement, resources for development, and a timeline for progress.
- Training and Development: Based on review outcomes, employees may be offered additional training or mentorship to help them reach their goals or improve specific performance aspects.

I. Follow-up and Monitoring Progress

The performance review process doesn't end once the meeting is over. It's crucial to follow up on the agreed-upon action items, goals, and development plans.

- Progress Monitoring: Regular check-ins and progress reviews ensure that employees are staying on track to meet their development goals.
- Ongoing Support: Managers should continue to offer support, coaching, and feedback to help employees achieve the objectives set during the performance review.

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The employee performance review process is a crucial part of performance management, fostering communication, development, and alignment between employees and organizational goals. By incorporating clear expectations, continuous feedback, formal evaluations, and development planning, organizations can motivate employees, recognize achievements, and address areas for improvement. The ultimate goal of the review process is to help employees grow, which in turn contributes to the success and sustainability of the organization.

1.2 Training in People Performance Management

Training is a crucial element in the **People Performance Management** (PPM) process. It not only helps employees improve their skills and capabilities but also ensures that they align with the organization's performance goals. Training in performance management focuses on equipping managers, leaders, and employees with the necessary tools to effectively assess, manage, and develop performance within the organization.

1.2.1 Purpose of Training in People Performance Management:

- Training in PPM has several key purposes:
 - ✓ Enhance Employee Skills: To ensure employees have the skills and knowledge needed to perform their tasks effectively.
 - ✓ Improve Managerial Skills: To develop managers' capabilities in assessing, coaching, and providing feedback to employees.
 - ✓ Align Performance with Organizational Goals: To ensure that employees' objectives and behaviors are aligned with the overall mission and goals of the organization.
 - ✓ Boost Engagement and Motivation: To encourage employee development, increase motivation, and improve retention by supporting career growth.
 - ✓ Foster Continuous Improvement: To cultivate a culture of continuous learning and improvement within the organization.
- Types of Training in Performance Management:

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A. Managerial Training: Managers and supervisors play a pivotal role in performance management. Providing them with the necessary skills is vital for ensuring effective performance appraisals and coaching.

- Performance Review Training: Teaching managers how to conduct fair, constructive, and unbiased performance reviews, including providing feedback and setting development goals.
- Coaching and Mentoring: Training managers in coaching techniques to guide and support employees in improving performance.
- Conflict Resolution: Teaching managers how to handle conflicts that may arise during performance evaluations or between team members.
- Goal Setting and SMART Goals: Helping managers understand how to create clear, measurable, and achievable performance goals for their teams.
- Feedback Skills: Training managers to give constructive feedback, ensuring it is timely, balanced, and actionable.

B. Employee Training: Employees should also be trained to understand the performance management process and how to take an active role in their development.

- Self-Assessment: Educating employees on how to assess their own performance, identify strengths, and areas for improvement.
- Receiving Feedback: Training employees on how to receive and apply feedback constructively.
- Career Development: Helping employees set personal and professional goals that align with organizational objectives.
- Time Management and Productivity: Providing training in skills that directly affect performance, such as time management, prioritization, and task organization.
- Adaptability and Growth Mindset: Encouraging employees to embrace change and approach their development with a growth mindset.

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C. Human Resources (HR) Training: HR professionals are responsible for ensuring that the performance management system is applied consistently across the organization. Their training includes:

- Designing Performance Systems: HR should be trained in designing and implementing effective performance management systems, including setting metrics, timelines, and expectations.
- Handling Performance Issues: Training HR professionals in addressing underperformance, using methods like Performance Improvement Plans (PIP).
- Legal and Ethical Considerations: Ensuring HR staff are aware of the legal implications of performance management processes, including anti-discrimination laws, fairness in evaluations, and documentation.
- Employee Engagement and Motivation: HR professionals should understand how to create a system that motivates employees and encourages continuous improvement.

D. Key Topics Covered in Performance Management Training:

- Understanding Performance Management Systems: Employees and managers need to understand how performance management systems work, including:
 - The purpose and goals of performance management.
 - How performance reviews and evaluations contribute to overall organizational success.
 - Tools and methods used in evaluating performance (e.g., KPIs, 360-degree feedback, self-assessments).
- Setting Expectations and SMART Goals: One of the most critical elements of performance management is the setting of clear and achievable goals. Training should cover:
 - How to create SMART goals (Specific, Measurable, Achievable, Relevant, Time-bound) that are aligned with organizational objectives.
 - How to break larger organizational goals down into individual goals that are realistic and attainable.

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- The importance of reviewing goals regularly to ensure continued alignment with business needs.
- Giving and Receiving Feedback: Training should include strategies for giving effective, constructive feedback:
 - Constructive Feedback: Focusing on providing feedback that helps employees improve without discouraging them.
 - Feedback Models: Using structured approaches like the SBI model (Situation-Behavior-Impact) to deliver feedback clearly and effectively.
 - Active Listening: Teaching employees to listen attentively to feedback and respond positively.
 - Managing Emotions: Handling emotional responses when receiving feedback, especially when it's critical.
- Performance Appraisal Techniques: Training in performance appraisals teaches how to evaluate employees fairly and consistently:
 - Objective vs. Subjective Assessment: Understanding the difference between quantitative assessments (e.g., KPIs) and qualitative assessments (e.g., behaviors, leadership qualities).
 - Rating Systems: Familiarizing managers with common rating scales (e.g., 1-5 scale) and how to use them effectively.
 - Conducting Effective Performance Reviews: Ensuring that appraisals are not just about evaluating past performance but also setting future goals and development plans.
- Identifying Training and Development Needs:
 - Training managers to recognize areas for employee development.
 - Identifying gaps in skills or knowledge that hinder performance and taking steps to address them through training programs.

E. Benefits of Training in People Performance Management:

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- Improved Performance: Both employees and managers are better equipped to meet performance expectations, resulting in increased productivity and effectiveness.
- Enhanced Communication: Effective feedback and communication skills lead to better relationships between managers and employees.
- Employee Engagement and Retention: Employees who receive regular feedback and feel supported in their development are more likely to stay engaged and remain with the company long-term.
- Consistency and Fairness: Properly trained managers and HR professionals ensure that performance management processes are applied fairly across the organization, reducing bias and increasing employee trust.
- Alignment with Organizational Goals: Training helps ensure that employees understand how their performance contributes to the organization's overall success and strategic objectives.
- Legal Compliance: Proper training ensures that managers are aware of the legal aspects of performance management, such as anti-discrimination laws, and avoids potential legal issues.

F. Best Practices for Effective Training in Performance Management:

- Tailored Training: Customize training to the needs of different roles (managers, HR, employees) and their specific responsibilities in the performance management process.
- Ongoing Learning: Training should not be a one-time event. Continuous learning and development opportunities, such as workshops, coaching, and e-learning, ensure skills are regularly updated.
- Interactive Methods: Use role-playing, case studies, and simulations to help employees and managers practice real-life performance management scenarios.
- Feedback and Evaluation: Evaluate the effectiveness of training programs and gather feedback from participants to improve future training efforts.

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- Leadership Involvement: Senior leaders should be involved in the training process to emphasize the importance of performance management and ensure its success across all levels of the organization.

Training in People Performance Management plays a crucial role in improving employee and organizational performance. By providing employees and managers with the necessary tools, skills, and knowledge, organizations can create an environment where performance is continually assessed, developed, and improved. This leads to higher productivity, stronger employee engagement, and overall organizational success.

1.3 Developing and Maintaining Communication in People Performance Management

Effective communication is a cornerstone of successful People Performance Management (PPM). Clear and continuous communication ensures that performance expectations are understood, feedback is delivered constructively, and employees feel supported in their growth and development. It helps align individual goals with organizational objectives, improves team collaboration, and fosters a positive work culture. Here is how to **develop** and **maintain** communication in PPM effectively.

1.3.1 Developing Effective Communication in Performance Management

Developing communication involves setting the foundation for open, transparent, and productive exchanges between managers, employees, and teams.

- A. Establishing Clear Expectations: Communication begins with clearly defining performance expectations, goals, and key performance indicators (KPIs). Employees need to know:
 - What is expected of them: Clear articulation of roles, responsibilities, and goals.
 - How their performance will be measured: Set clear KPIs, benchmarks, and metrics.
 - What success looks like: Establish clear criteria for achieving performance objectives.

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- SMART Goal Setting: Use the SMART (Specific, Measurable, Achievable, Relevant, Time-bound) framework to ensure that goals are clear, realistic, and measurable.

B. Training for Effective Communication Skills: Both managers and employees need to develop strong communication skills to make performance management effective:

- Active Listening: Encourage managers and employees to practice active listening, which ensures understanding and fosters mutual respect.
- Clarity and Precision: Teach employees and managers to be clear, concise, and focused when discussing goals, feedback, or performance issues.
- Non-Verbal Communication: Understand the importance of body language, facial expressions, and tone in conveying messages. Non-verbal cues can significantly impact the effectiveness of communication.

C. Regular Check-Ins and Feedback: Frequent communication helps to keep employees aligned with goals and performance expectations:

- One-on-One Meetings: Hold regular one-on-one meetings between managers and employees to discuss progress, challenges, and feedback.
- Constructive Feedback: Managers should provide feedback that is actionable and specific. Constructive feedback should be a two-way conversation where employees can share their thoughts and concerns.

D. Establishing Open Channels of Communication: Open and transparent communication channels between all levels of staff are vital for building trust:

- Encourage Transparency: Encourage open communication about performance challenges, goals, and developmental needs.
- Use Technology: Leverage tools like performance management software, project management platforms, and messaging systems for real-time updates and discussions.

E. Alignment with Organizational Goals Ensure that employees understand how their individual performance ties to the larger organizational strategy:

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- Link Performance to Organizational Objectives: Communicate how each individual's goals contribute to the broader success of the company.
- Create Ownership: When employees understand the "why" behind their tasks, they are more likely to take ownership of their roles and contribute more meaningfully.

1.3.2 Maintaining Effective Communication in Performance Management

Maintaining communication ensures that employees stay engaged, motivated, and aligned with their performance goals over time.

A. Consistent Feedback: Feedback should not be reserved for annual reviews but should be a continuous and regular process:

- Ongoing Conversations: Provide real-time feedback during the course of the employee's performance. Regular feedback allows employees to make adjustments before any issues escalate.
- Positive Reinforcement: Acknowledge and praise positive behaviors and results regularly to keep employees motivated.
- Constructive Criticism: When addressing areas for improvement, be sure to provide actionable steps for growth, and always focus on the future and how to improve.

B. Two-Way Communication

Performance management should be an ongoing conversation, not a one-sided evaluation.

Encourage employees to:

- Self-Reflect: Allow employees to self-assess and provide input on their performance, development needs, and any obstacles they are facing.
- Ask Questions: Employees should feel comfortable asking questions about their performance, expectations, or future goals.
- Solicit Feedback from Employees: Gather feedback from employees on the effectiveness of the performance management process. This will help you refine communication strategies and ensure that the process remains fair and constructive.

C. Transparency in Performance Reviews

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Performance reviews should be open and transparent to avoid confusion or misunderstandings. Transparency in communication fosters trust:

- Clear Evaluation Criteria: Share the criteria or metrics used to evaluate performance in advance so that employees know what they will be assessed on.
- Provide Evidence-Based Feedback: Avoid generalizations in feedback. Use examples and data to justify performance ratings or feedback to ensure clarity and fairness.
- Explain Decisions: If a performance review results in a raise, promotion, or performance improvement plan (PIP), explain the reasons behind those decisions and provide a clear action plan.

D. Addressing Issues Early

Communication is key when addressing performance issues. Be proactive in addressing challenges:

- Timely Conversations: If an issue arises, address it immediately rather than letting it fester. Addressing concerns early can prevent escalation.
- Use Empathy: Approach performance challenges with empathy, understanding, and support. Help employees recognize areas for improvement without demotivating them.
- Offer Support and Solutions: If an employee is struggling, work with them to find solutions or provide additional support (e.g., training, resources, mentorship).

E. Maintaining Consistency

Consistency in communication across all levels ensures that employees feel equally supported and engaged:

- Standardized Processes: Ensure performance management processes (e.g., reviews, goal setting, feedback) are consistent across the organization to avoid bias or confusion.
- Clear Documentation: Document all feedback, performance discussions, and action plans to ensure clarity, and consistency, and to track progress over time.

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1.3.3 Tools and Channels for Communication

Using the right tools and communication channels can enhance the effectiveness of people performance management.

A. Performance Management Software

Invest in performance management tools that streamline communication between managers and employees:

- Goal Tracking: Use software to track individual and team goals, milestones, and progress.
- Feedback and Evaluation: Use tools for giving and receiving feedback, conducting performance reviews, and tracking feedback history.
- Analytics: Use data from performance management systems to identify trends, such as performance improvement or areas that need additional attention.

B. Collaboration Platforms

Leverage team collaboration tools such as Slack, Microsoft Teams, or Trello to encourage communication:

- Real-time Collaboration: These tools facilitate instant communication and feedback, especially for remote teams.
- Task Assignment and Tracking: Managers can assign tasks, set deadlines, and provide performance feedback directly on tasks.

C. Surveys and Polls

Use surveys to gather feedback from employees about the performance management process:

- Employee Engagement Surveys: Regular surveys can help assess how employees feel about the feedback and performance management systems in place.
- Pulse Polls: Short, frequent surveys that gauge employee sentiment about performance goals, feedback, and development opportunities.

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1.3.4 Best Practices for Maintaining Communication

- Regular and Scheduled Check-ins: Ensure employees have regular opportunities for feedback through scheduled meetings (weekly, bi-weekly, or monthly).
- Follow-up on Action Items: After feedback is given, set follow-up meetings or check-ins to discuss progress and challenges.
- Encourage Peer-to-Peer Communication: Encourage team members to provide each other with feedback, which can create a more supportive team environment.
- Create a Safe Environment: Foster a culture where employees feel comfortable sharing their concerns and feedback without fear of retaliation.
- Promote Recognition: Regularly recognize employees' achievements, which can keep them motivated and engaged in the performance management process.

Developing and maintaining communication in people performance management is crucial for building trust, enhancing employee engagement, and aligning individual performance with organizational goals. By creating a transparent, supportive, and feedback-rich environment, organizations can ensure that employees stay motivated and committed to achieving both their personal and the company's objectives. Effective communication fosters continuous improvement, strengthens relationships, and helps employees feel valued, leading to higher productivity and success for the organization.

1.4 Methods of performance monitoring

Research tells us that clear objectives 'with effective measures' can improve staff performance by over 30%. It's difficult for managers to have 'effective measures' in place unless they monitor staff performance against the objectives. So how can managers monitor staff performance? Here are some ideas:

The starting point for managers is to identify a range of monitoring methods so they can then choose the method that's most effective (and easiest to apply!). For most managers the easiest part of monitoring staff performance is related to the quantifiable objectives. Here are some examples of monitoring staff performance against quantifiable objectives: Sales

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reports, Deadlines met, Error reports, Accuracy reports, Documents, Proposals, Plans, Budget forecasts and Widgets produced

These tend to be the monitoring methods many managers are comfortable with because they're about what the staff member does. It's not too difficult to see if the staff member is submitting accurate work or achieving a sales target and these are great monitoring methods for the quantity, quality and time elements of the job

Where difficulties arise is when these are the only monitoring methods a manager uses because most jobs aren't just about the 'what', they're also about 'how' the staff member does their job. Such as how the staff member:

- Works as a team member
- Works with customers
- Deals with problems
- Deals with change and so on

When managers only monitor the 'what' of the job they only monitor staff performance for part of the job (and sometimes a relatively small part). If managers only monitor staff performance for part of the job then, usually, that is the only part that the staff member will feel it's worth focusing on (no surprise there then!) What managers need to do is monitor staff performance against behavioral objectives.

Here are three ways to monitor behaviors':

Observation

Observation is about the manager taking a planned approach to watching their staff member 'in action'. The idea is that the manager plans to observe the specific behaviors' that they have described as performance objectives. For example, if the manager has agreed that one of the performance objectives for team work is 'contributing to team meetings' then those are the specific behaviors' they will plan to observe. It's about the manager: looking at the performance objectives they have agreed that relate to behavioral elements of the job and then planning how they will observe those behaviors' e.g. paying particular attention to the staff member's behavior in the next team meeting

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Report back : is about the staff member reporting back to the manager on their performance.

This is a really useful technique where the staff member is responsible for ‘evidencing ‘their performance against the objectives the manager has agreed with them

A good example would be if the manager had agreed a performance objective for ‘effective time management’ which included ‘takes action to manage interruptions. Then the staff member would simply report back to the manager with some examples of when they had taken action to manage interruptions

Feedback is about the manager getting feedback from people on the staff member’s performance. This could be from: Customers, Suppliers, Team member and Other departments

NB! It is important that managers only look for feedback:

1.5 Conducting performance appraisal

Meaning and concept of Performance review

PR is formal system of review and evaluation of individual or team task performance.

PR is the process of obtaining, analyzing and recording information about the relative worth of an employee.

The focus of the performance appraisal is measuring and improving the actual performance of the employee and the potential of the employee. Performance appraisal is a systematic way of reviewing and assessing the performance of an employee during a given period of time and planning for his future. It helps to analyze his achievements and evaluate his contribution towards the achievements of the overall organizational goals.

Benefits to Employers

- Helps to improve employee relations and productivity
- Serves as an effective retention tool
- Provides a paper trail for addressing performance or disciplinary problems
- Demonstrates organization’s commitment to employee success
- Provides valuable feedback for managers

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Performance systems and processes are developed, monitored and reviewed to assess progress in achieving profit and productivity plans and targets. This activity includes comparing expected results to actual results, investigating deviations from plans, evaluating individual performance, and examining progress being made toward meeting stated objectives.

- Both long-term and annual objectives are commonly used in this process.
- Criteria for evaluating strategies should be measurable and easily verifiable.
- Quantitative criteria commonly used to evaluate strategies are financial ratios, which strategists use to make three critical comparisons:
 - Comparing the firm's performance over different time periods
 - Comparing the firm's performance to competitors
 - Comparing the firm's performance to industry averages.

The list of key financial ratios you provided is related to the topic of "Financial Performance Evaluation and Strategy Analysis." These financial ratios are commonly used to assess a company's financial health, profitability, and overall performance. Analyzing these ratios helps in evaluating the effectiveness of the strategies a company has implemented and determining whether those strategies are contributing to its financial success.

- Each of the listed financial ratios serves as a specific metric for assessing different aspects of a company's financial performance, making them valuable tools in strategy evaluation. For example:
- Return on Investment (ROI) measures the profitability of an investment, which is directly related to the effectiveness of strategic decisions regarding capital allocation.
- Return on Equity (ROE) evaluates how effectively a company is generating profits from its shareholders' equity, reflecting the efficiency of financial strategy.
- Profit Margin indicates the profitability of a company's core business operations, which can be influenced by pricing and cost management strategies.
- Market Share reflects a company's competitiveness and its success in gaining a larger share of the market, which can be influenced by marketing and market expansion strategies.

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- Debt to Equity ratio assesses the financial leverage and risk associated with a company's capital structure, a crucial consideration when evaluating financial strategies.
- Earnings per Share (EPS) measures the profitability available to each common shareholder, reflecting a company's ability to generate earnings that benefit its owners.
- Sales Growth and Asset Growth reflect the impact of strategic decisions related to expansion and revenue generation.
- These financial ratios are a vital part of financial analysis and strategic planning, as they provide insights into how well a company's strategies are translating into financial success and whether adjustments to those strategies are necessary.

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Self-check -2

Instruction I: Answer the question stated below based on information sheet. If your progress is unsatisfactory discuss with your trainer and do this work again. Time given 15 min.

Direction: Discuss the following questions briefly

- 1 Why is monitoring essential in project management, and how does it improve project efficiency?
- 2 What are the key benefits of performance appraisals in the workplace, and how do they impact employee relations and productivity?
- 3 Explain the concept of return on investment (ROI) and its relevance in evaluating business strategies.
- 4 How does performance appraisal support talent management and employee development?
- 5 Discuss the significance of setting specific monitoring indicators in the evaluation process.

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Unit Three: Significant Issues for Feedback in Performance Management

This unit is developed to provide you the necessary information regarding the following content coverage and topics:

- Assisting team members and stakeholders
- Negotiate with team and stakeholders
- Giving informal feedback
- Identifying Poor performance
- providing On-the-job coaching

This unit will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:

- Assist team members and stakeholders
- Negotiate with team and stakeholders
- Give informal feedback
- Identify Poor performance
- provide On-the-job coaching

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Feedback is an essential part of People Performance Management (PPM). It helps employees understand their strengths and areas for improvement, align their goals with organizational expectations, and stay motivated. However, when giving feedback, it is crucial to address several key issues to ensure it is constructive, fair, and valuable. Here are the significant issues that should be considered when providing feedback:

Giving feedback is one of the most impactful elements of People Performance Management, but it requires careful consideration of several factors. Feedback must be clear, timely, actionable, and balanced, with an emphasis on development and growth. By addressing these significant issues, managers can ensure that their feedback is constructive, motivating, and conducive to both employee development and organizational success.

3.1.Assisting Team Members and Stakeholders

In People Performance Management (PPM), assisting team members and stakeholders is critical to ensuring alignment, promoting a positive work culture, and driving organizational success. Effective support fosters collaboration, enables personal and team growth, and addresses any challenges that may arise in the performance management process.

Here's a breakdown of how to assist team members and stakeholders in the performance management process:

1.5.1 Assisting Team Members

- Providing Clarity on Goals and Expectations
 - Set Clear Objectives:
 - Align with Organizational Goals:
 - SMART Goals:
- Offering Continuous Support and Guidance
 - Mentorship and Coaching:
 - Resource Allocation:
 - Encourage Open Communication:
- Providing Constructive Feedback

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- Regular Check-ins: Hold regular one-on-one meetings to provide feedback on performance, progress toward goals, and any challenges the team member may be facing.
- Actionable Feedback: Ensure that feedback is constructive, specific, and actionable. Instead of simply pointing out mistakes, offer solutions and guidance on how to improve.
- Positive Reinforcement: Recognize achievements and improvements to maintain motivation. Acknowledge when a team member exceeds expectations or takes initiative.
- Encouraging Development and Growth
 - Career Development Plans: Work with team members to create personalized development plans. Discuss their long-term career goals and how their current performance can help them achieve those aspirations.
 - Training Opportunities: Encourage team members to participate in training programs or courses that will improve their skills and help them reach their potential.
 - Stretch Assignments: Provide opportunities for team members to take on new challenges or lead projects to build their capabilities and confidence.
- Resolving Conflicts and Challenges
 - Address Issues Promptly: If there is a performance issue, address it immediately and directly with the team member, providing feedback and helping them resolve the issue.
 - Mediate Conflicts: If there are conflicts between team members, assist in facilitating a resolution by promoting open dialogue, understanding both sides, and finding a mutually agreeable solution.
 - Provide Emotional Support: Recognize that personal issues may affect performance. Offer empathy and flexibility where possible, while also focusing on performance improvement.

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1.5.2 Assisting Stakeholders

Stakeholders in People Performance Management can include senior leaders, HR departments, managers, and even external partners. Supporting them in the performance management process is essential for achieving organizational goals.

- Aligning with Organizational Strategy
 - Understand Stakeholder Goals: Understand the priorities and goals of stakeholders (e.g., HR, leadership, etc.) to ensure that performance management processes align with the organization's overall strategy.
 - Reporting on Performance: Regularly update stakeholders on the progress of performance management efforts, including employee performance, goal attainment, and any challenges faced. This ensures alignment and gives stakeholders insight into team or departmental success.
- Facilitating Communication Across Levels
 - Ensure Transparency: Communicate openly with stakeholders about team performance, development progress, and any issues that may require their attention or support.
 - Provide Insights: Provide stakeholders with meaningful insights and data on performance trends, team development, or areas requiring intervention. This can be achieved through reports, dashboards, or performance metrics.
 - Foster Collaboration: Encourage regular communication between teams and stakeholders to ensure that everyone is on the same page. This might include regular meetings to discuss team goals, progress, and challenges.
- Supporting Stakeholder Decision-Making
 - Data-Driven Decision-Making: Provide stakeholders with data that helps them make informed decisions. This could involve tracking performance metrics, conducting employee surveys, or analyzing feedback.

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- Provide Strategic Input: Offer suggestions for improving the performance management process or team performance based on observed trends, employee feedback, and performance reviews.
- Addressing Organizational Challenges
 - Support Organizational Change: If there are changes to performance management systems or organizational structure, assist stakeholders in navigating these changes and understanding how they will impact teams.
 - Resolve Resource Issues: If stakeholders need additional resources to support performance management, help identify potential solutions. This may include providing extra training, reallocating resources, or addressing logistical challenges.
- Coaching Stakeholders in Performance Management
 - Training for Managers: Assist stakeholders, particularly managers, in understanding how to effectively manage and assess team performance. This might include training in giving feedback, setting goals, and conducting performance reviews.
 - Leadership Development: Work with senior leaders to help them understand the importance of performance management in achieving strategic goals and building a high-performance culture.
- Aligning with HR Policies and Compliance
 - Ensure Compliance: Assist stakeholders in ensuring that performance management processes adhere to HR policies and legal requirements. This includes ensuring that feedback is documented, performance reviews are conducted on time, and any performance-related issues are addressed fairly.
 - Foster Fairness: Ensure that the performance management process is transparent, equitable, and free of bias, so that all employees are treated fairly, which is crucial for organizational integrity and stakeholder trust.

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1.5.3 Tools and Practices for Assisting Team Members and Stakeholders

- Performance Management Systems (PMS): Use performance management systems (PMS) or software to track employee performance, set goals, and gather feedback. These tools can be shared with both team members and stakeholders to provide real-time visibility into performance progress.
- Regular Surveys and Feedback Mechanisms
 - For Team Members: Conduct regular surveys to assess team satisfaction, feedback on leadership, and perceptions of performance management.
 - For Stakeholders: Use stakeholder surveys to assess the effectiveness of performance management processes, identify pain points, and gather suggestions for improvement.
- Coaching and Mentoring Programs: Establish coaching and mentoring programs to provide personalized guidance to team members and help stakeholders develop leadership and people management skills.
- Cross-Functional Collaboration: Encourage cross-functional collaboration between teams and stakeholders to identify performance challenges and solutions. This can involve setting up workshops or working groups focused on improving performance management processes.

Assisting team members and stakeholders in the performance management process requires a combination of clarity, guidance, support, and effective communication. Managers should provide ongoing support, clear expectations, and actionable feedback to help team members grow and improve. At the same time, engaging stakeholders in transparent communication, providing insights, and aligning performance efforts with organizational goals are crucial for overall success. By fostering collaboration, addressing challenges promptly, and leveraging the right tools, organizations can create a performance-driven culture that benefits everyone involved.

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Self-check -3

- 1 Which of the following is a key element of effective performance management?
 - A. Frequent disciplinary action
 - B. Clear and measurable goals
 - C. Limited feedback
 - D. Eliminating employee autonomy
- 2 Which of the following is the best approach to improve team relationships and performance?
 - A. Avoiding confrontation in team meetings
 - B. Encouraging competition between team members
 - C. Facilitating open and honest communication
 - D. Keeping performance feedback private
- 3 What is the main objective of setting performance standards?
 - A. To punish employees who do not meet targets
 - B. To define the expectations for employee performance
 - C. To create personal goals for employees
 - D. To evaluate how well a company is performing overall
- 4 What is the role of feedback in performance management?
 - A. To criticize employees' weaknesses
 - B. To guide employees toward improvement
 - C. To provide employees with bonus rewards
 - D. To motivate employees through fear
- 5 Which strategy is most effective for resolving conflicts between team members?
 - A. Avoiding any discussion of the conflict
 - B. Encouraging open dialogue and finding a mutual resolution
 - C. Assigning blame to one party
 - D. Firing the employees involved in the conflict

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Unit Four: Proactive Management to Resolve Issues in Performance Management

This unit is developed to provide you the necessary information regarding the following content coverage and topics:

- Performance improvement and development plans
- Reinforcing Excellence in performance
- Coaching and re-training performance
- Evaluating and revising feedback systems
- Evaluating and improving selection, induction and training systems
- Taking action to resolve any arising issues

This unit will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:

- Prepare Performance improvement and development plans
- Reinforce Excellence in performance
- Improve Coaching and re-training performance
- Evaluate feedback systems
- Revise feedback systems
- Evaluate selection, induction and training systems
- Improve selection, induction and training systems
- Take action to resolve any arising issues

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Proactive management is a critical approach in People Performance Management (PPM) that focuses on anticipating challenges and addressing them before they escalate into significant problems. Rather than waiting for issues to arise or for performance to drop, proactive managers take steps to monitor progress, identify potential concerns, and act early to resolve them. This not only minimizes the impact of issues but also fosters a positive work environment that drives employee engagement, motivation, and overall performance.

Here's a breakdown of how proactive management can be implemented to resolve issues effectively:

4.1 Anticipating Potential Issues

A. Regular Monitoring and Feedback

- **Continuous Check-ins:** Regular one-on-one meetings or team check-ins with employees can help identify early signs of performance issues. Frequent communication allows managers to assess whether employees are facing challenges that may affect their work.
- **Performance Metrics:** Use key performance indicators (KPIs) and data analytics to track employee performance against established goals. Regularly review these metrics to identify early deviations from expected performance levels.
- **360-Degree Feedback:** Gathering feedback from peers, subordinates, and managers can provide a more comprehensive understanding of an employee's performance. It helps to spot issues like interpersonal conflicts, communication problems, or skill gaps that might not be immediately visible.
 - Understanding Employee Needs and Challenges
- **Proactive Surveys:** Conduct employee surveys to gauge satisfaction, morale, and concerns before they turn into bigger issues. Questions could focus on workload, team dynamics, management support, and personal development needs.
- **Open Communication Channels:** Foster a culture of open communication where employees feel comfortable sharing concerns, workload difficulties, or personal

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challenges that could impact their performance. This can be done through informal chats, mentorship programs, or anonymous feedback tools.

3.2. Setting Clear Expectations

B. Clear Goal Setting

- SMART Goals: Ensure that employees understand their goals through the SMART criteria (Specific, Measurable, Achievable, Relevant, Time-bound). Clear expectations reduce confusion and help employees focus on what's important.
- Align with Organizational Objectives: Make sure that individual goals are aligned with the broader organizational objectives. When employees know how their work contributes to company success, they are more motivated to achieve those goals.

C. Defining Roles and Responsibilities

- Clear Job Descriptions: Ensure that each employee has a well-defined job description with clear responsibilities. Ambiguity about roles can lead to confusion, inefficiency, and frustration.
- Regular Updates: Roles and responsibilities may evolve, especially in dynamic work environments. Managers should regularly update job descriptions to reflect changes in responsibilities, helping employees understand what is expected of them.

1.1 Building Strong Relationships and Trust

A. Develop Employee-Manager Relationships

- Personalized Management Style: Take the time to understand each employee's strengths, challenges, and preferences. Tailoring your management approach to each individual fosters trust and openness.
- Empathy and Support: Show empathy towards employees' personal or work-related challenges. When employees feel supported by their managers, they are more likely to share potential issues early, allowing for quicker resolution.

B. Recognizing Achievements and Providing Motivation

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- Regular Recognition: Publicly or privately acknowledge employee achievements, both big and small. Recognition helps prevent demotivation and reinforces positive behaviors.
- Career Development Discussions: Engage employees in discussions about their career goals, ambitions, and the training or opportunities they need to achieve them. Proactively offering developmental opportunities can prevent stagnation or disengagement.

3.3.Identifying Skills Gaps and Development Needs

A. Training and Development

- Skills Gap Analysis: Conduct regular skills assessments to identify areas where employees may need further development. Addressing skill gaps proactively prevents performance issues from arising.
- Continuous Learning Opportunities: Offer training programs, workshops, and online resources that allow employees to continually develop their skills. Keep a close eye on industry trends to ensure the organization remains competitive and employees remain skilled.

B. Cross-Training and Job Rotation

- Cross-Training Programs: Develop cross-training programs to give employees a broader skill set. This helps them step into different roles when needed and reduces the risk of burnout or disengagement.
- Job Rotation: Allow employees to rotate through various roles within the organization. This gives them a broader perspective of the business and helps them develop new skills, preventing performance stagnation.

3.4.Addressing Issues Before They Escalate

A. Early Intervention for Performance Problems

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- Address Small Issues Quickly: When performance problems begin to emerge, address them early. For example, if an employee is missing deadlines, don't wait until the issue impacts the overall team or project. Have a conversation to identify the root cause and offer support.
- Offer Solutions, Not Just Criticism: Proactively offer actionable solutions when discussing performance issues. Instead of just pointing out problems, provide guidance on how the employee can improve. For instance, if someone is struggling with time management, suggest tools or techniques to improve efficiency.

B. Conflict Resolution

- Proactive Conflict Management: Address interpersonal conflicts within teams or between employees before they escalate. Encourage open communication, mediation, or team-building exercises to resolve issues.
- Conflict Prevention Strategies: Promote a culture of collaboration, respect, and inclusivity to reduce the likelihood of conflict. Ensure that employees are aware of how to resolve conflicts respectfully and that the manager is approachable for assistance.

3.5. Building a Culture of Accountability

A. Personal Responsibility

- Encourage Ownership: Foster an environment where employees take ownership of their work. When employees understand their roles and are held accountable for their outcomes, they are more likely to address issues proactively.
- Clear Consequences: While proactive management focuses on prevention, it's also important that there are clear consequences for not addressing issues. This ensures that employees understand the seriousness of performance problems and are encouraged to take initiative in resolving them.

B. Self-Assessment and Reflection

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- Encourage Self-Evaluation: Help employees become more self-aware by encouraging regular self-assessment and reflection. This can help them identify performance gaps and take responsibility for resolving issues.
- Regular Development Conversations: Instead of only addressing performance problems when they arise, hold regular performance development discussions. Use these conversations as an opportunity to reflect on past successes and challenges, ensuring that employees are always working toward improvement.

3.6.Utilizing Technology and Tools

A. Implement Performance Management Systems

- Use of Performance Tracking Tools: Leverage performance management software to track progress, set goals, and provide real-time feedback. These tools allow managers to proactively monitor performance and take action if trends suggest an issue.
- Feedback Platforms: Implement platforms where employees can receive continuous feedback and self-assessments. These tools can facilitate ongoing communication and early identification of concerns.

B. Data-Driven Decision Making

- Leverage Data for Insights: Use data from performance reviews, feedback, and surveys to identify patterns in team or individual performance. Proactively addressing recurring issues ensures that problems do not snowball.
- Predictive Analytics: Some organizations use predictive analytics to forecast performance issues, such as turnover risks, employee disengagement, or skill shortages. These insights allow managers to take corrective action before problems arise.

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3.7. Encouraging Collaboration and Support

A. Foster a Collaborative Team Environment

- **Team Support Systems:** Create a collaborative environment where team members can support each other in achieving goals. Encouraging peer-to-peer learning, sharing of knowledge, and group problem-solving can prevent issues from escalating.
- **Regular Team Meetings:** Hold regular team meetings to discuss challenges, successes, and potential issues. This ensures that problems are caught early and dealt with collectively.

B. Support From Senior Leadership

- **Leadership Involvement:** Proactively involve senior leadership in resolving complex performance issues. If there are recurring organizational challenges that impact employee performance, senior leadership should work with managers to implement long-term solutions.
- **Alignment with Organizational Vision:** Ensure that all team members understand the company's vision and strategic goals. This alignment can motivate employees to proactively resolve issues that may hinder progress toward these goals.

Proactive management is about anticipating and addressing potential issues before they become major problems. By regularly monitoring performance, setting clear goals, fostering open communication, and offering ongoing support and development opportunities, managers can resolve issues early, prevent performance decline, and ensure a positive and productive work environment. Proactive management not only helps in resolving current issues but also contributes to long-term growth, engagement, and success for both employees and the organization.

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LAP-TEST

Scenario-Based Questions

Scenario 1: You are managing a team, and you notice that one of your team members has not been performing well for the past few months. They are often late in submitting tasks, and the quality of their work has decreased. How would you approach the situation?

Scenario 2: You have been receiving feedback from your team that there is a lack of communication and collaboration between two of your team members, which is impacting the team's overall performance. How would you address this issue?

Scenario 3: You are leading a performance review meeting, and an employee becomes defensive when you point out areas where they need improvement. How would you handle this situation?

Reflection and Application

Reflection Question: Reflecting on your experiences, think of a time when you had to manage a conflict within a team. What steps did you take to resolve the issue, and what was the outcome?

Application Question: Imagine you are a manager overseeing a team with high potential, but some team members are struggling to meet deadlines due to a lack of clarity around expectations. How would you address this situation and ensure that your team improves its performance?

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