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**ATTITUDE OF EMPLOYEES TOWARDS PERFORMANCE
APPRAISAL SYSTEM : THE CASE OF DASHEN BANK S.C**

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CHAPTER ONE

INTRODUCTION

1.1. Background of the study

According to **Laurie J Mullins**, Performance appraisal if properly practiced is a key management tool that serves as an input to the various administrative and development, Compensation, promotion, etc. Despite its valuable purposes it seems that this HR function is not given the attention it deserves.

The performance appraisal system of the bank is not meeting its intended objectives due to problem related to the appraisal instrument and/or the appraisers.

The appraisal format, currently in use addresses different aspects of employee performance with traits being the dominant ones. Thus the format bears different criteria with different degrees of employee performance with respect to each criterion there by giving raters the chance to choose according. The current practice in the bank is appraising employee twice a year (beginning of January and July), immediate supervisors being in charge of the duty. It is found out that problem related to measurement rater bias, and lack of appropriate rater training are seen characterize the bank's appraisal system moreover, it is also revealed that subordinate-boss interaction with regard to performance appraisal and post assessment interviews is poor.

The objective of performance appraisal system is to measure employees' contribution towards the attainment of the organizational goal(s) within a period to time.

1.2 Historical Background of Dashen Bank

Dashen Bank is a privately owned company established in 1995 as a share company in accordance with the commercial code of Ethiopia 1960 and the licensing and supervision of Banking Business proclamation No 84/1994 of Ethiopia to undertake commercial banking activities. The Bank obtained its license from the National Bank of Ethiopia on 20 September 1995 and started normal business activities on the first of January 1996. Dashen came in to existence with an authorized and subscribed capital of Birr 50 million. The first foundation members were 11-business man and professionals that agreed to combine their financial resources and expertise.

When the bank started its operation in January 1996, it has only 10 Area Banks, which has started their operations at the same time. Now it has reached 55 area banks and 5 foreign exchange bureaus. The area bank and networking is designed to facilitate the business interactions of their clients. Accordingly, 29 of the Area Banks are here in Addis Ababa and the remaining 26-area banks are situated in up country major towns. With regard to Area Bank expansion, the Bank has a continuous plan to enhance the number of Area Banks time to time.

With regard to human resource development, the bank has started its operations with 230 employees (clerical and non-clerical). Currently, the number of staffs is over 2200. Recently, the total capital and reserves of Dashen Bank is about Birr 544 million. The aggregate customer base of the Bank also increased over the previous year and stood at 664000 at the end of the fiscal year 2009. (Annual report of Dashen bank, 2009)

1.3. Statement of the Problem

Dashen Bank currently makes use of the rating scales method of appraisal. Employee performance is rated against a predefined set of criteria. Each criterion is considered to have equal weigh and is marked out of 10 points. An employee's performance may fall in one of five grading levels, ranging

from poor to excellent; however, since measuring is not a simple task, therefore, the study will come up with the following questions:

- What are employee's attitude towards the content and measurement of performance appraisal?
- Is the existing performance appraisal system creating workable atmosphere for raters to discharge their responsibility?
- What is expected from rater to make performance effective and efficient?

1.4. Objectives of the Study

1.4.1 General objective

The general objective of the study is to assess the employees' attitude towards performance appraisal and identify if any conflict of idea between employees' attitude and the existing performance appraisal system so as to recommend the possible solutions to the problems.

1.4.2. Specific objectives

The study has the following specific objectives:

- To demonstrate the purpose of performance appraisal.
- To identify areas of activities those are highly affected by employee's attitude.
- To improve the confidence of employees in what they are doing.
- To recommend some alternatives based on the findings of this study

1.5. Significance of the study

Basically the study is significantly required in assessing the causes of employees' attitude towards (related to) appraisal system for the management of the company and for identifying possible solutions of the problem. The study also help for planning and implementation actions aiming at reducing problems related with performance appraisal to come up with the real cause of the problem and make some possible

recommendations that can solve the problem along with the researcher's partial fulfillment of the course seminar.

1.6. scope/delimitation of the study/

The study is delimited to target the issue in one bank namely, Dashen Bank because the researcher is employee of this organization and easily access to the information. Meanwhile, the finding of the research would be more fruitful if it were conducted widely by including other similar firms. But, most information of the other competitive company is held the secret as the result assessing their information might be difficult for researcher.

1.7. Research design and methodology

1.7.1. Research design

The research design has been signed to descriptive which describes the relation between attitude of employee performance appraisal in the case of Dashen bank.

1.7.2. Population and sampling technique

❖ Population

The target population of this study was all Dashen Bank employees and managerial staffs. Among a total of 55 branches of Dashen Bank having with a total of 2281 employees, 29 of them are situated in Addis Ababa.

❖ Defining sample unit

Because of time and resource constraints only six branches was selected found in A.A and head office by random sampling technique for the study namely main, Lagar, Saris, Bole, Meskel-flower, Kera, payment card and Human resource department. For employees stratified sampling technique.

❖ Sample size

Eighty employees were selected randomly as follows and were included in the study.

| Position | No of staff | % | Sample size |
|-----------------|--------------------|-------------|--------------------|
| Management | 491 | 21 | 20 |
| Clerical | 1065 | 47 | 30 |
| Non clerical | <u>725</u> | <u>32</u> | <u>30</u> |
| Total | <u>2281</u> | <u>100%</u> | <u>80</u> |

❖ Sampling technique / procedure of sampling

Both Random sampling and stratified sampling technique were employed to collect the necessary data from the sample size. Because of time and resource constraints only six branches were selected found in Addis Ababa and head office by random sampling technique and in order to classify the position of the employee or the statuses.

1.7.3. Types of data used

Both primary and secondary data sources are the main sources of data. Personal interview was used to collect data from primary data sources for certain matters for which there was no written document and questionnaires were prepared and distributed. Additionally, policy manuals, news letters, senior essays, internet and research results were used as a back up means of collecting second hand information.

1.7.4. Methods of data collection

Prepared questionnaire for some of individuals among staffs and interview using checklists for the human resource and logistic department were used in order to collect the required data during this study.

1.7.5. Data Analysis

After the required data for the study have been collected from respondents, it will be carefully analyzed. In light of this, the collected data will be organized through editing, tabulating, and counting. The results were

described using frequencies and percentages so that the raw data were transformed in to meaningful information.

1.8. Organization of the study

The paper is organized in to four chapters. Chapter one deals with introduction including statement of the problem, objective of the study, delimitation, research design and methodology, method of data collection and data analysis. Chapter two is about literature review. Chapter three is about data presentation, analysis and interpretation. Chapter four is about summery of finding, conclusion, and recommendation.

Chapter Two

Review of the Related Literatures

2.1 Definition of Performance Appraisal

As defined by **Laurie J Mullins**, (1996, 4th edition p 639) Performance appraisal is a formal system that evaluates the quality of a worker's performance.

As **Laurie J Mullins**, describes one way in which to review the performance and potential of staff is through a system of performance appraisal. It is important that members of the organization know exactly what is expected of them, and the yardsticks by which their performance and results will be measured. A formalized and systematic appraisal scheme will enable a regular assessment of the individual's performance, highlight potential, and identify training and development needs. The appraisal scheme can also from the basis of a review of financial rewards and planned career progression.

Performance appraisal is therefore a crucial activity of the personnel system can provide the basis for key managerial decisions such as those relatively to allocation of duties and development needs and terminations. (Laurie J Mullins, 1996, 4th edition 639)

2.2 Purpose

According to Laurie J Mullins, 1996, 4th edition 641 the purpose and nature of the appraisal system should be made clear. A successful system establish a regular dialogue and lead to an improvement in manager-staff relationships. Wetzel sees performance appraisal as a power-sharing exercise. To succeed, it must be a co-operative, constructive Endeavour with input by both staff and the manager. The system should focus on the strengths and accomplishments of staff, rather than their faults and

failures, and it should lead to a plan for the future development and progress of the individual. (Laurie J Mullins, 1996,4th edition; 641)

2.3 Fundamentals of an Appraisal System

As stated by Dashen Bank Administration & Procedure Manual to develop a successful performance appraisal system, two criteria need to be met:

- Acceptability to appraisers and worker.
- Relevance and applicability to every day work practice.

A systematic approach to performance appraisal can help ensure that these two important criteria are met. (Dashen Bank Administration & Procedure Manual,)

2.4. Conducting Performance Appraisals

The following five-step approach for conducting a systematic performance appraisal is recommended based on best practice.

1. Identify key performance criteria
2. Develop appraisal measures
3. Collect performance information from different sources.
4. Conduct an appraisal interview
5. Evaluate the appraisal process

Step 1: Identify Key Performance Criteria

Perhaps one of the most challenging aspects of setting up a performance appraisal is deciding *what to* assess. In essence, four key dimensions of performance should be considered in a performance appraisal.

| Key dimensions of Performance | |
|--------------------------------------|---|
| Competencies | Knowledge, skills, and abilities relevant to performance |
| Behaviors | Specific actions conducted and/or tasks performance |
| Results/ outcomes | Out puts, quantifiable results, measurable outcomes and achievement, objective attained |
| Organizational citizenship behaviors | Actions that are over and above usual job responsibilities |

To ensure that the performance criteria are relevant to work practice and acceptable to appraisers and workers: Base the performance criteria on up-to-date job description and develop criteria in consultation with appraisers and workers.

Step 2: Develop Appraisal Measures

Robins, (2005) once clear and specific performance criteria have been developed, the next step is to decide how to assess workers' performance. It is recommended that a structured and systematic approach is taken to assess the performance. Problems that arise when an unstructured "blank sheet" approach is used include:

- Increased chance of appraiser errors (i.e., reduced accuracy)
- Knowledge, skills and abilities most critical to job performance may be overlooked (i.e., feedback may have limited impact on performance effectiveness).
- Reduced consistency between appraisers (i.e., evaluations may reflect differences between appraisers rather than actual differences in a worker's performance).
- Perceptions of "subjectivity" in evaluations, which may in turn, reduce workers' satisfaction with, and acceptance of, appraisals.

Step 3: Collect performance information from Different Sources

Once the appraisal measures are developed, the next step involves collection of accurate performance information. A common trap is to begin noting observations of workers just before conducting appraisals. This is likely to give an inaccurate picture of a worker's performance. Ideally, workers' performance should be observed in a systematic way over (e.g., in a diary). This method ensures the accuracy of information about their performances.

More suitable approach may be to keep critical incident reports that note specific examples of both excellent and unsatisfactory performances. Supervisors can also encourage workers to keep track of their own

performance records such as emails or letters that commend them on their achievements.

Traditionally, it has been the sole responsibility of managers/ supervisors to assess performance. However, other organizational members can be a valuable source of information as they are likely to have exposure to different aspects of a worker's performance. This approach is known as 360 – degree feedback. For instance, coworkers can provide valuable information on teamwork skills, and subordinates can provide useful information on leadership style.

If time and resources are limited, it is recommended that supervisor appraisal process is likely to enhance workers' commitment to, and satisfaction with, the appraisal process. It also provides workers with an opportunity to identify barriers and facilitators to effective performance in their environment.

According to Noe, (2000) some different sources of performance appraisal information considered here are:

- i. Manager/supervisor appraisals
- ii. Self appraisals
- iii. Client appraisals.

i. Manager/supervisor appraisals

Managers/supervisors play a central role in the appraisal process, and should always be included as one of the main appraisers. In essence, managers and supervisors have two roles in performance appraisal: "Judge": assessing performance and "Coach": providing constructive feedback and identifying areas for improvement. Performing both roles simultaneously can be difficult. Workers may be reluctant to admit areas for improvement if performance assessment is linked with desired outcomes such as pay, promotion or opportunities to work in desired

areas. One solution is to separate the judge and coach roles by conducting separate appraisal meetings.

ii. Self appraisals

The process of evaluating one's own performance can help to increase workers' commitment to the appraisal process, perceptions of appraisal fairness, and satisfaction with the appraisal process. Self appraisal can also be useful for identifying areas for development. Not surprisingly, self appraisal are usually biased towards leniency strategies to increase the accuracy of self appraisals include.

- Using clear definition of performance criteria linked to specific, observable behaviors.
- Informing workers that their ratings will be checked and compared to other sources of appraisal (i.e., for accuracy).
- Ensuring workers receive regular feedback on their performance.
- It is recommended that self appraisals are used for professional development purposes, rather than for making administrative decisions (i.e., pay increases, promotion).

iii. Client appraisals

Clients may also offer a different perspective on a worker's performance, particularly for jobs that require a high degree of interaction with people. For example, client appraisals can be a valuable source of feedback regarding the quality of service provision (e.g., the quality of interaction, degree of empathy, level of support, degree of professionalism). (A. Noe, 2000, P. 278-279)

Step 4: Conduct an Appraisal interview

The next step in a performance appraisal is to conduct the appraisal interview. As stated by Dashen Bank training material, (2007) the appraisal interview is the formal face- to -face meeting between the job holder and his manager at which the information on the appraisal. The tow central

purposes of the appraisal interview are to reflect on past performance to identify major achievements, areas that require further development and barriers/facilitators to effective performance and also to identify goals and strategies for future work practice. Supervisors and managers can use a range of strategies to ensure that the appraisal interview is positive, constructive and of greatest benefit for workers' effectiveness. The appraisal process is a mutual activity of problem-solving. It's not about blaming. It's about looking forward not backward.

Step 5: Evaluate the Appraisal Process

And also Dashen Bank training material, (2007) as with any organizational system, the performance appraisal process should undergo regular review and improvement. For example, the process of performance appraisal could be evaluated by conducting focus groups or surveys with workers to gauge their satisfaction with the appraisal process (and suggestions for improvements). It may also be useful to monitor the types of issues raised by supervisors and workers over time. A successful performance appraisal process should demonstrate a change in both the ratings of workers' performance (i.e., ideally performance ratings should improve, or at least remain at a satisfactorily stable level over time) and the work environment (i.e., evidence that significant barriers to work practice are being addressed by the work environment (i.e., evidence that significant barriers to work practice are being addressed by the organization). (Dashen Bank Training Material, : 107).

Providing Good Feedback

Giving feedback can be difficult. It is a skill that needs to be developed with proper training. The following are some helpful hints for providing good feedback:

1. Create a positive context for feedback

Develop the feedback system in consultation with workers (i.e., negotiate issues such as frequency of feedback, format (e.g., face-to-face, written) and

focus (e.g., process and/or outcomes of performance)). Feedback needs to be timely-it should be given as close as possible to the occurrence of the behavior in question to have maximum impact (Dashen Bank Training Material, 112).

2. Use constructive and positive language

Avoid sweeping statements-words such as “always” or “never” can make people angry and defensive (e.g., “you always avoid difficult cases” or “you never deliver on time”). Avoid destructive criticism-it can breed resentment, intensify conflict, and may have a negative impact on workers’ confidence and motivation (Dashen Bank Training Material,:112)

2.5 What Does Best Practice in Performance Appraisal Look Like?

In essence, best practice in performance appraisals basing on accurate and current job involves:

- Ensuring that appraisers have adequate knowledge and direct experience of the worker’s performance.
- Providing ratings via aggregated anonymous feedback when multiple sources of information are used.
- Incorporating performance appraisals into a formal goal setting system.
- Offering adequate support and assistance to workers such as professional development opportunities in order to improve their performance
- Conducting appraisals on a regular basis (at least two times a year) rather than annually (Dashen Bank Training Material,: 109)

2.6 Using performance appraisal to address staff development challenges

Regular performance appraisals provide a useful opportunity to conduct a “check-up” on various workforce development issues that may impact on workers’ effectiveness and wellbeing.

a) Recognize, reward and supports effective performance

Ensuring workers receive adequate rewards and recognition is a key workforce development issue in HRM. Performance appraisals provide a good opportunity to formally recognize workers’ achievements and contributions to the organization, and to ensure a clear link is maintained between performance and rewards. The appraisal interview can also be used as a vehicle to demonstrate supervisory and organizational support for workers by discussing barriers and supports to effective performance, and strategies to address problems or difficulties.

b) Develop and reward effective teamwork

The appraisal interview is also a useful vehicle for recognizing and rewarding workers; contributions to various teams in the organization, especially if appraisal information is gained from team members. An appraisal of the team as a whole can also be a useful strategy to recognize and reward team performance, and to identify strategies to improve team functioning.

c) Monitor and supports workers’ wellbeing

Performance appraisal interviews are a good opportunity to discuss workers; health and wellbeing in the workplace, particularly in regard to factors that contribute to feelings of stress and experiences that promote satisfaction with their work. (Kleiman, 2003, 325-326)

2.7. Two Types of Methods for Appraising Employee Performance

Methods for appraising employees' performance can be classified into three main groups: result oriented, behavior-oriented, and comparative methods. A discussion of the first two follows:

2.7.1 Result-oriented Methods

The main feature of these methods, as it is understood from the word "result" is that they focus on the system output rather than on the system process. In other words, the job outcome is the primary criterion for effective performance. There are four variants of result-oriented approaches. However, the most common variant is management by objectives (MBO).

- **Management by Objective** defined as follows: "A dynamic system that seeks to integrate the company's need to clarify and achieve its profit and growth with the manager's need to contribute and develop him. It is a demanding and rewarding style of managing business". (Robbins, 2005, 363).

The definition suggests that management by objectives is directed towards harmonizing individual manager goals with those of the organization. Therefore, it seeks to create a sense of common purpose and common direction amongst the management of an organization in the fulfillment of business goals.

Management by objectives provides managers with a rich picture on how well they are performing their jobs. In fact, one of the greatest advantages claimed for MBO is that it provides a basis for evaluating employees' performance according to predetermined objectives and standards.

MBO appraisal system is colored by the following advantages:

- A high degree of employee involvement, in planning, objectives setting and establishing standards. The results of this involvement are the high levels of motivation, commitment and performance.

- Objectives are identified clearly and precisely; therefore, the absence or at least lack of ambiguity and confusion.
- Avoidance of vague generalist criteria such as “initiative” and “co-operation”; therefore, employees know precisely the level of expectation. (Robbins, 2005, : 362 -363).

2.7.2 Behavior-oriented Methods

With result-oriented methods, job outcomes are used as criteria for assessing the employee's performance. In contrast, behavior-oriented methods consider behaviors or processes as prime criteria for assessing performance. This group encompasses the following techniques: narrative approach, graphic rating scales, critical incident, and behaviorally-anchored rating scales. Each of these will be explored in turn.

The Narrative Approach

In this approach, also known as an essay, the appraiser describes the employee's performance using his or her own words. This description usually includes the employee's strengths, weaknesses and potential as well as recommendations for improvement.

Trait of Graphic Rating Scales

This is one of the oldest and very common, perhaps the most popular way to appraise performance. Such scales consist of two parts:

- A variety of dimensions that are thought to be indicators of high-performance outcomes in a specific job, and that the employee is accordingly expected to exhibit. Examples of these dimensions are initiative, reliability, co-operation, creativity and so forth;
- A scale, which allows the appraiser to assign the employee's scores on each dimension. (Decenzo,1999, : 320)

The Critical Incident Technique

This technique is an attempt to move away from trait rating scales. The technique asks the manager to keep a written record for highly favorable

and unfavorable actions in an employee's performance, which may affect positively or negatively the department's effectiveness.

This technique is praised for its focusing on the employee's behavior rather than on traits. Moreover, recording critical incidents provides a rich set of examples from which the employee can be given a valuable feedback about which of his or her behavior is desirable and which one calls for improvement. In addition, the manager, through his/her daily record, will have a large amount of information to use in appraising performance.

Therefore, it is argued that this type of appraisal will be more objectivity in comparison with trait rating methods. However, this technique is criticized for some drawbacks. First, there is no constant definition for critical incident among managers. Next, this technique is time consuming. Furthermore, employees may become threatened by the manager's black book. (Noe, 2000, 288)

Behaviorally Anchored Rating Scales

The use of behaviorally anchored rating scales (BARS) is an attempt to provide measurement scales that are directly related to the job being appraised. A sample group of managers/supervisors are asked to identify, independently, several key behavioral aspects of the job in question. The responses are then collated and returned to the same or a different group to agree examples of good, average or poor performance and to allocate a scale point for each example. Those examples which are consistently rated at the same point on the scale can then act as 'anchors' and provide behavioral examples for each for each point on the scale.

Appraisers can then use the behaviorally anchored rating scales (BARS) as guidance against which to assess the expected behavior of each person being rated. The number of categories in the rating scale will vary according to the particular nature of the job, but usually number between 5 and 9. There may also be a varying number of behavioral examples for each point on the scale.

The disadvantages with behaviorally anchored rating scales (bars) are that they can be time-consuming and costly to construct and require careful and detailed training in their correct use. They are also more likely to be appropriate only in larger organizations (Mullins, 1996)

2.8 Raters Problems

Performance appraisals require the rater to objectively reach a conclusion about performance. The use of ratings assumes that the rater is reasonably objective and accurate. However, in reality, raters' memories are quite fallible, and raters subscribe to their own sets of likes, dislikes, and expectations about people, which may or may not be valid.

Raters have their own rose-colored glasses with which they "objectively" view their subordinates. These biases produce rating errors, or deviations between the "true" rating an employee deserves and the actual rating assigned. Rating errors reduce the reliability, validity, and utility of performance appraisal systems. Biases in performance ratings manifest themselves in many forms. Some of the most common types of rater biases are: (Decenzo,1999, : 310)

- **Halo effect.** Halo errors occur when the rater perceives one factor as having paramount importance and gives a good rating to an employee based on this one factor. The rater fails to discriminate between the employee's strong points and weak points; and the halo is carried over from one dimension to the other. (Decenzo,1999, : 310)
- **Horns effect.** This is the exact opposite of the halo effect, whereby the appraiser gives an unfavorable rating to overall job performance essentially because the appraise has performed poorly in one particular aspect of the job which the appraiser considers all-important. (Decenzo,1999, : 310)

CHAPTER THREE

3. Data Presentation, Analysis and Interpretations

Data analysis interpretation and presentation is dealt in this section. by using the data collected from both primary & secondary sources. The researcher uses questionnaires (Refer annex) and interview for gathering of primary data, and annual reports of dashen bank training manuals are used for the secondary data collection. Target groups of the research are branch & department managers, clerical and non clerical staffs. The researcher distributes 80 questionnaires to these target groups, out of which only 72 are returned. The questioners are open ended and discussion types, distributed to 4 branches found in Addis Ababa and 2 departments from Head Office selected by using Random sampling. The analysis was made using tables in the form of frequencies and percentages.

3.1 Characteristics of Respondents

In order to give full information about the respondent status, educational background, age, and work experience, i have analyzed in the table 1 to 6 below. However, no citation or reference with regard to the questions that follow has been made. i.e. no direct relation with the analysis.

Table1. Number of respondents of Dashen Bank who returned the questionnaires, April 2010

| <i>RESPONDENT POSITION</i> | <i>NO. OF RESPONDENTS</i> | <i>PERCENTAGE</i> |
|-----------------------------------|----------------------------------|--------------------------|
| MANAGEMENT | 20 | 27.78% |
| CLERICAL | 30 | 41.67% |
| NON-CLERICAL | 22 | 30.55% |
| TOTAL | 72 | 100.00% |

The above table shows from the total target groups that the questioner are distributed high number of clerical staffs are returning the questioner and the lowest percentage is taken by the management members.

Table 2. Gender distribution of respondents of Dashen bank, April 2010

| <i>SEX</i> | <i>NO. OF RESPONDENT</i> | <i>PERCENTAGE</i> |
|------------|--------------------------|-------------------|
| Male | 45 | 62.5 % |
| Female | 27 | 37.5 % |
| TOTAL | 72 | 100% |

(Table 2) shows from the total respondents the male groups take the majority position. Gender distributions of respondents were 45(62.5%) male and 27(37.5%) female.

Table 3. Age distribution of respondents of Dashen bank, April 2010

| <i>AGE in years</i> | <i>NO. OF RESPONDENT</i> | <i>PERCENTAGE</i> |
|---------------------|--------------------------|-------------------|
| 20-30 | 31 | 43.06 % |
| 31-40 | 14 | 19.44% |
| 41-60 | 20 | 27.78% |
| >60 | 7 | 9.72% |
| TOTAL | 72 | 100% |

(Table 3) Shows the age distribution in Dashen bank. The majority of the respondents are young that is from 20 – 30 a small number of respondents are more than 40 therefore these indicates that most of them are young to understand and give positive and contractive ideas that is useful to these research.

Table 4. Educational level of respondents of Dashen bank, April 2010

| <i>EDUCATIONAL LEVEL</i> | <i>NO. OF RESPONDET</i> | <i>PERCENTAGE</i> |
|--------------------------|-------------------------|-------------------|
| Below diploma | 18 | 25% |
| Diploma | 27 | 39% |
| Degree | 23 | 34% |
| Above first degree | 4 | 2% |
| TOTAL | 72 | 100% |

(Table 4) Indicates the Educational level of the respondents that in corporate in these study. Most of them have diploma and above diploma qualification which is helpful to gate a constructive ideas to these research and to the bank growth.

Table 5. Years of service of respondents of Dashen bank, April 2010

| <i>YEARS OF SERVICE</i> | <i>NO. OF RESPONDENT</i> | <i>PERCENTAGE</i> |
|-------------------------|--------------------------|-------------------|
| 2-4 | 25 | 34.72% |
| 5-7 | 21 | 29.17% |
| 8-10 | 14 | 19.44 % |
| 9-12 | 12 | 16.67% |
| TOTAL | 72 | 100% |

(Table 5) From this table it is observed that from the total respondents most of them have more than two years of stay in the bank so these make them to say some thing about the company. Therefore, the researcher can conclude from the data collected from them due to their experience.

Table 6. Job category of respondents of Dashen Bank, April 2010

| <i>JOB CATEGORY</i> | <i>NO. OF RESPONDENT</i> | <i>PERCENTAGE</i> |
|---------------------|--------------------------|-------------------|
| Manager | 3 | 4.17 % |
| Assistant Manager | 4 | 5.56% |
| Section Head | 8 | 11.11% |
| Accountants | 5 | 6.94% |
| Auditor | 1 | 1.39% |
| Cashier | 3 | 4.17% |
| Supervisor | 1 | 1.39% |
| Counter Clerk | 9 | 12.5% |
| Teller | 5 | 6.94% |
| Loan Clerk | 3 | 4.17% |
| IB Clerk | 5 | 6.94% |
| Secretary | 3 | 4.17% |
| Cleaner | 5 | 6.94% |
| Guard | 5 | 6.94% |
| Cash Aid | 6 | 8.33% |
| Messenger | 6 | 8.33% |
| TOTAL | 72 | 100% |

The above table shows that different employees with different job title are included in the study. This has the advantage of securing various opinions from different job categories (Table 6).

3.2 Questionnaires for Employees of Dashen Bank

Table 7. Existence of employee performance appraisal system in Dashen bank, April 2010

| <i>TYPE OF RESPONSE</i> | <i>NO. OF REPDONDENT</i> | | | | <i>PERCENTAGE</i> | | |
|--------------------------------|---------------------------------|----------|------------------|-------|--------------------------|----------|------------------|
| | Manageme nt | Clerical | Non- Clerical | Total | Manageme nt | Clerical | Non- Clerical |
| YES | 20 | 30 | 22 | 72 | 100% | 100% | 100% |
| NO | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 20 | 30 | 22 | 72 | 100% | 100% | 100% |

All 72 respondents agree on the existence of employee performance appraisal system in the bank. Therefore all employees were aware of employee performance appraisal system (Table 7).

Table 8. Purpose for the use of performance appraisal result of Dashen bank, April 2010

| <i>TYPE OF RESPONSE</i> | <i>FREQUENCY</i> | | | | <i>PERCENTAGE</i> | | |
|------------------------------------|-------------------------|----------|------------------|-------|--------------------------|------------|------------------|
| | Managem ent | Clerical | Non- clerical | Total | Managem ent | Clerical | Non- Clerical |
| For promotion | 8 | 5 | 4 | 17 | 40% | 16.67 % | 18.18% |
| For demotion | 3 | 3 | 5 | 11 | 15% | 10 % | 22.73% |
| For training and development | 9 | 0 | 0 | 9 | 45% | 0 | 0 |
| For nothing | 0 | 22 | 13 | 35 | 0 | 73.33 % | 59.09% |
| TOTAL | 20 | 30 | 22 | 72 | 100% | 100% | 100% |

Further analysis of table 8 Indicates that 8(40%) of management respondents answered the performance appraisal results all used for promotion, 3(15%) of the respondents answered that it used for demotion and 9(45%) of respondents for training and development. This shows majority of the management 8 & 3(40% & 15%) responded the bank use appraisal results for administrative decisions.

Clerical staff responds indicate that 5(16.67%) of respondents answered performance appraisal result used for promotion purpose, 3(10%) of the respondents for demotion and 22(73.33%) of the respondents for nothing. This shows most of the respondents, 22(73.33%), perceived the performance appraisal system used as a paperwork that adds rather the work load of the appraiser and nothing can be gained (Table 8).

Non-Clerical staff responds indicate that 4(18.18%) of the respondent agreed the performance appraisal result for promotion and 5(22.73%) of the respondents were for demotion but majority of the respondents 13(59.09%) agreed as it had no purpose for punishment, promotion as well as improving performance and development. This indicates that totally performance appraisal results are perceived purposeless among these section of respondents (Table 8).

Table 9. Comfortable with the contents and measurements of performance appraisal system of Dashen Bank, April 2010

| <i>TYPE OF RESPONSE</i> | <i>NO. OF RESPONDENT</i> | | | | <i>PERCENTAGE</i> | | |
|--------------------------------|---------------------------------|----------|------------------|-------|--------------------------|----------|------------------|
| | Managem ent | Clerical | Non- Clerical | Total | Managem ent | Clerical | Non- Clerical |
| YES | 13 | 10 | 8 | 31 | 65% | 33.33 % | 36.36% |
| NO | 7 | 20 | 14 | 41 | 35 % | 66.67 % | 63.64% |
| TOTAL | 20 | 30 | 22 | 72 | 100% | 100% | 100% |

Table 9 indicates that majority of management respondents are comfortable with the content and measurement of the performance system. On the other

hand the majority of the clerical and non clerical staff perceived system is not important and built negative attitude towards performance appraisal. From these we can understand easily that there is lack of confidence on performance appraisal with in the employees.

Table 10. Needs for improving or changing the existing Performance Appraisal system of Dashen bank, April 2010

| <i>TYEP OF RESPONSE</i> | <i>NO. OF RESPONDENT</i> | | <i>PERSENTGE</i> | |
|--------------------------------|---------------------------------|----------|-------------------------|----------|
| | Management | Clerical | Management | Clerical |
| YES | 5 | 19 | 25% | 63.33% |
| NO | 15 | 11 | 75% | 36.67% |
| TOTAL | 20 | 30 | 100% | 100% |

Table 10 indicates that most of the management staffs are saying there if no need to improve the existing system but some of them agrees with the need for the change on the other hand majority of clerical staffs agree with the need for improving or changing the existing system. According to the responses obtained majority of the respondents had the need for improving or changing the existing system and this indicate that the appraisal instrument was burdened with non-performance criteria and consequently bias introduced in the appraisal system. Therefore there is a need to appraise the bad attitude of the existing system.

Table 11. Linkage of the performance appraisal with promotion or reward of Dashen Bank, April 2010

| <i>TYEP OF RESPONSE</i> | <i>NO. OF RESPONDENT</i> | | <i>PERSENTAGE</i> | |
|--------------------------------|---------------------------------|----------|--------------------------|----------|
| | Management | Clerical | Management | Clerical |
| YES | 12 | 8 | 60% | 26.67% |
| NO | 8 | 14 | 40% | 46.66% |
| SOME TIMES | 0 | 8 | 0 | 26.67% |
| TOTAL | 20 | 30 | 100% | 100% |

As revealed on Table 11, the majority of management respondent agreed on existence of linkage between the performance and promotion or reward. Most of them considered that there is such practice in Dashen Bank. This indicates that there is a proper recognition of employees' efforts; therefore, it is encouraging to have good attitude towards performance appraisal system.

Clerical staff responses agreed with the linkage among the performance and promotion or reward and some of them partially disagree. Most of them said that there were no totally any linkage among the performance appraisal and promotion or reward and this indicate that the existing performance appraisal program had no motivational effect rather it discourages initiative, do not develop sense of responsibility, and do not stimulate efforts to perform better.

Table 12. Linkage of performance appraisal system with Dashen Bank's objectives, April 2010

| TYPE OF RESPONSE | NO. OF RESPONDENT | | | PERSENTAGE | | |
|-------------------------|--------------------------|----------|--------------|-------------------|----------|--------------|
| | Management | Clerical | Non-clerical | Management | Clerical | Non-clerical |
| YES | 14 | 9 | 13 | 70% | 30% | 43.33% |
| NO | 6 | 21 | 17 | 30% | 70% | 56.67% |
| TOTAL | 20 | 30 | 30 | 100% | 100% | 100% |

As shown in Table 12, most of the respondents from management agreed that performance appraisal method used by the bank have linkage with the bank's objective and some of the respondents disagreed on the idea that performance appraisal method used by the bank have linkage with the bank's objective, and they believe that the performance appraisal system of the bank meets its intended objectives.

On the other hand some of clerical staff responds agreed that performance appraisal method use by the bank have linkage with the bank objective and most of the respondents disagreed that performance appraisal method used by the bank have linkage with the bank objective. This indicates that clerical

staffs believe the bank does not meet the desired objective and most of non-clerical staffs also believe the bank does not meet the desired objective. Based on the above presentation, therefore, it is difficult to say employees have commitment or loyalty to the Bank.

Table 13. Problem encountered in appraising employees performance of Dashen bank, April 2010

| <i>TYPE OF RESPONSE</i> | <i>FREQUNCEY</i> | <i>PERCENTAGE</i> |
|---|-------------------------|--------------------------|
| Lack of common understanding on purpose of performance appraisal. | 8 | 40.00% |
| Failure to link measures to the objective. | 0 | 0 |
| Lack of documenting performance behaviors in diary. | 4 | 20.00% |
| Lack of use of multiple evaluators. | 6 | 30.00% |
| Absence of linkage b/n some evaluation criteria and employee job. | 2 | 10.00% |
| TOTAL | 20 | 100% |

Management response shows that most of respondents were rater faced the problem in appraising employees performance with related lack of common understanding on purpose of performance appraisal and some of respondents had the problem related with lack of documenting performance behaviors in diary and some of the respondents also had problem in relation with lack of use of multiple evaluators and the other respondent had problem related with the absence of linkage between some evaluation criteria and employee job. This shows that free discussion instill sense of importance in the rate and strengthen work relationships between subordinate and supervisor.

**Table 14. Employees' participation in development of appraisal
criteria of Dashen Bank, April 2010**

| <i>TYPE OF RESPONSE</i> | <i>NO. OF REPENDENT</i> | | | <i>PERCENTAGE</i> | | |
|------------------------------------|--------------------------------|----------|------------------|--------------------------|----------|------------------|
| | Managem ent | Clerical | Non- Clerical | Managem ent | Clerical | Non- Clerical |
| YES | 12 | 6 | 0 | 60% | 20% | 0 |
| NO | 8 | 24 | 22 | 40% | 80% | 100% |
| SOMETIMES | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 20 | 30 | 22 | 100% | 100% | 100% |

Table 14 shows that the majority of the respondents agreed to participate in the development of appraisal criteria and measures and some of the respondents disagree to participate in the development of appraisal criteria and measures. This indicates that most of the Dashen Bank management participates in the development of appraisal criteria and measures and they have good perception towards appraisal criteria and measures.

On the other hand clerical staff response shows that they were involved in the development of appraisal criteria and measures but some of respondents were not. This shows that most of the respondents perceived that an appraisal system is unfair.

In addition on the non-Clerical respondents said they did not participate in the development of appraisal criteria and measurement at all and this indicates that it will discourage employees' positive attitude towards the system especially non clerical staffs.

Table 15. Appraisal based on job description of Dashen bank, April 2010

| <i>TYPE OF RESPONSE</i> | <i>NO. OF RESPONDENT</i> | | | <i>PERCENTAGE</i> | | |
|--------------------------------|---------------------------------|----------|--------------|--------------------------|----------|--------------|
| | Management | Clerical | Non-Clerical | Management | Clerical | Non-Clerical |
| YES | 10 | 4 | 7 | 50% | 13.33% | 31.82% |
| NO | 6 | 16 | 15 | 30% | 53.34% | 68.18% |
| SOMETIMES | 4 | 10 | 0 | 20% | 33.33% | 0 |
| TOTAL | 20 | 30 | 22 | 100% | 100% | 100% |

Table 15 Shows that most of the respondents agree on performance appraisal is based on job description and some of the respondent disagree on performance appraisal is based on job description. According to the responses obtained the Management agreed clearly and explicitly link between performance appraisal and a job description will ensure the relevance of the appraisal.

Furthermore the clerical staffs do not think the performance appraisal is based on job description that will not ensure the relevance of the appraisal.

As it can be seen from the response of Non-Clerical staffs some of the respondents agree performance appraisal is based on job description but majority of the respondents saying is not. This shows that the appraisal process does not focused on the key competencies, behaviors and outcome associated with particular position.

Table 16. Action taken on below the standard performers of Dashen Bank, April 2010

| <i>TYPE OF RESPONSE</i> | FREQUENCY | | | PERCENTAGE | | |
|---|------------------|-----------|------------------|-------------------|-------------|------------------|
| | Managem ent | Clerical | Non- Clerical | Managem ent | Clerical | Non- Clerical |
| Punishment | 5 | 17 | 12 | 25% | 56.66% | 54.55% |
| Conduct post assessment interview with your rate. | 6 | 8 | 10 | 30% | 26.67% | 45.45% |
| Prepare training and development to improve performance | 9 | 5 | 0 | 45% | 16.67% | 0 |
| TOTAL | 20 | 30 | 22 | 100% | 100% | 100% |

Table 16 shows that most of the management respondents answered punishment action should be taken if employees' performance found below the expected standard, the other respondents preferred post assessment interview to be conducted with their rate, and some of the respondent replied training and development should be prepared to improve performance. Majority of management staff respondents prefer actions to prepare training and development to improve performance and this will bring positive impact to workers willing to stay with the organization in the longer-term.

On the other hand clerical staff shows that majority of them preferred punishment, the rest of the respondents preferred post assessment interview with their rate and the others preferred training and development to improve performance. Most of the clerical staffs preferred 'punishment' as an action and this shows that the Bank used performance appraisal for administrative decision.

But non-Clerical staff response showed that the best action to be taken should be post assessment interview with rate and majority of the

respondents preferred punishment and this indicates that performance appraisal used for administration tool.

Table 17. Level of supervisors' knowledge to run employees performance appraisal of Dashen bank, April 2010

| <i>TYPE OF RESPONSE</i> | <i>NO. OF RESPONDENT</i> | <i>PERCENTAGE</i> |
|-------------------------|--------------------------|-------------------|
| YES | 7 | 23.33% |
| NO | 17 | 56.67% |
| TO SOME EXTENT | 6 | 20% |
| TOTAL | 30 | 100% |

As we can see from table 17 clerical staff responses shows that supervisor had adequate knowledge to run employees' performance, some of the respondents said supervisor had no adequate knowledge to run employees performance. Since majority of the respondents agree supervisors had no adequate knowledge citing that there is no frequent performance appraisal assessment, and feed back mechanism in the cause of the appraisal period. There is an indication that training for supervisors should be arranged on the subject matter of employees' performance appraisal.

Table 18. Appraisers' use of systematic approach to assess performance of Dashen bank, April 2010

| <i>TYPE OF RESPOSE</i> | <i>NO. OF RESPONDENT</i> | <i>PERCENTAGE</i> |
|------------------------|--------------------------|-------------------|
| YES | 8 | 26.67% |
| NO | 18 | 60% |
| SOMETIMES | 4 | 13.33% |
| TOTAL | 30 | 100% |

Table 18 shows that most of the respondents said that appraiser use systematic approach to assess performance, and some of the respondents said appraiser does not use systematic approach to assess performance and majority of respondent replied appraiser does not use systematic approach

to assess performance and this indicates that feedback may have limited impact on performance effectiveness.

Table 19. Enough time and adequate information to run performance evaluation of respondents of Dashen bank, April 2010

| <i>TYPE OF RESPONSE</i> | <i>NO. OF RESPONDENT</i> | <i>PERCENTAGE</i> |
|-------------------------|--------------------------|-------------------|
| YES | 9 | 40.91% |
| NO | 13 | 59.09% |
| TOTAL | 22 | 100% |

Table 19 shows that some of the respondent stated appraiser has taken enough time and adequate information to run performance evaluation and most of respondent, stated appraiser has not taken enough time and adequate information to run performance evaluation. This indicates that appraiser do not play the main role that performance appraisal makes positive attitude to employee and create unacceptable of performance appraisal evaluation.

Table 20. Discussion between appraiser and appraise of Dashen bank, April 2010

| <i>TYEP OF RESPONSE</i> | <i>NO. OF RESPONDENT</i> | <i>PERCENTAGE</i> |
|-------------------------|--------------------------|-------------------|
| YES | 11 | 50% |
| NO | 4 | 18.18% |
| SOMETIMES | 7 | 31.82% |
| TOTAL | 22 | 100% |

According to the Non-Clerical staffs responds most of them agreed that there is a discussion program between appraiser and appraise and some of the respondents disagree. This provides that appropriate post assessment interview would be of help in minimizing perception of biases subordinates create in their supervisors.

Table 21. Appraiser discussion based on performance result of respondents of Dashen bank, April 2010

| <i>TYPE OF RESPONSE</i> | <i>NO. OF RESPONDENT</i> | <i>PERCENTAGE</i> |
|-------------------------|--------------------------|-------------------|
| PROPERLY | 4 | 18.18% |
| RANDOMLY | 11 | 50% |
| NO DISCUSSION | 7 | 31.82% |
| TOTAL | 22 | 100% |

Table 21 shows that some of the respondents said there were proper appraiser discussions based on performance result, and most of the respondents had discussion randomly. Above average of the respondents had appraiser discussion randomly based on performance result and this indicate that the random discussion may open the door for unnecessary debate that leads to one party's formation of bad attitude to the other.

3.3 OPEN ENDED QUESTION

For those open ended questionnaires, it is tried to categorize in to one group and discussed as follows. The respondents were asked to reflect their opinion about the purpose of using performance appraisal result and they all agreed that Dashen Bank performance appraisal result can be used for the purpose of administrative decision. The response indicates that performance result can not be used for expectancy model of motivation and respondent note that designing an appropriate performance management policy where in goals are set for the advantage of each and every employee and it can be used for the purpose of administration and development decision.

The next question asked to them was about the way of improving quality of rating. The responses to this question were different. Someone maintained that documenting performance behaviors in diary encourage the evaluator to focus on performance-related behaviors rather than traits and on other side someone note to use multiple evaluators like customers, subordinate,

self appraisals etc. It is understood that as the number of evaluators increases, the probability of attaining more accurate information increases. Few respondents note to give emphasis on behaviors rather traits as many traits often considered being related to good performance, in fact it had little or no performance relationship.

On the other hand comments given by respondents about the criteria in the existing system are vague. They simply express in terms of various degrees of achievement on a performance criterion without the criterion being sufficiently defined to allow uniformity of meaning among all raters. Though difficult to totally eliminate elements of subjectivity, the criteria in the existing system should be sufficiently defined so that rater has common understanding on the purposes. According to the comment that the existing system needs improvement, it contributes employee build good attitude towards specific criteria. Another comment mentioned by the respondents was that introduce distinct criteria for clerical non-supervisory and supervisory. This shows that employees are not evaluated in terms of how well they discharge their responsibilities specified on the job description but on the basis of a set of criteria uniform to all.

3.4 INTERVIEW OUTCOMES.

To support the data from different sources, comprehensive interview also conducted with human resource and logistic department and other staffs at different level.

These participants were asked some question related to employees attitude towards performance appraisal. The first question was for what purpose the performance appraisal result can be used. Response from the human resource and logistic department indicates that the Bank makes use of consecutive period appraisal result for administrative decision thus appraisal result along with relevant work experience and educational qualification are used.

Next the respondents asked about their perception towards performance appraisal system. According to responses from non-supervisory during interview, the perception that an appraisal system is fair and has been linked with a range of desirable outcomes including increased acceptance of performance evaluation, satisfaction with the appraisal process, motivation to improve performance, trust in supervisor, commitment towards the organization and intentions to remain in the organization. However, according to these, the perception of the respondent do not fulfill the desirable outcomes and this indicate that respondent perceive performance appraisal has problems like lack of rater ability to evaluate performance, rater bias in evaluating performance, unimportant, subjectivity embodied in the appraisal instrument.

CHAPTER FOUR

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

4.1 SUMMARY OF FINDINGS

4.1.1. PURPOSES OF PERFORMANCE APPRAISAL

Information from the human resource and logistic department (HRLD) indicate that the Bank makes use of consecutive period appraisal results for administrative decisions. Thus appraisal result along with relevant work experience and educational qualification are used. However, about 73.08% of the non-supervisory (non-clerical and clerical) and 25% of the supervisory respondents did not believe that the performance appraisal system of the Bank is meeting its intended objective. The following might have accounted for this perception:

- Lack of clear (timely) connection between performance and reward
- Expectancy model of motivation
- Subjectivity embodied in the appraisal instrument as a result of the loose connection between performance criteria and employee actual job.

4.1.2. EMPLOYEES' PERCEPTION OF THE APPRAISAL SYSTEM

Most of the non-supervisor respondents 75.86 % perceived the performance appraisal system as a mere paper work that adds the work load on managers while about 47.37% of the supervisory respondents perceived the system as either a developmental or administrative tool or a combination of these. These differences in perception between non-supervisor (CLERICAL AND NON-CLERICAL) and supervisor might be attributed to differences in the roles of the two parties play in the appraisal process. As appraisers, supervisors are most likely to convince themselves about the real significance of the performance system, where as subordinates as appraises

on the other side perceived as if the system is unimportant, building negative attitudes towards it.

4.1.3 IDENTIFIED PROBLEMS IN THE PERFORMANCE SYSTEM

In various perspectives, one or combinations of the following problems are found to characterize the performance appraisal system:

1. Lack of rater ability (training) to evaluate performance
2. Absence of employee participation in setting evaluation criteria
3. Rater bias in evaluating performance.
4. Absence of linkage between some evaluation criteria and employee job.

The second and third problems were cited as major ones by the non-supervisory (clerical and non-clerical) and supervisory respondents respectively.

4.2. CONCLUSIONS

From the findings and the data collected from different level of staffs the researcher concludes the following.

As we all know human resource is the main and the best resource that a company can have and be successful towards its journey to achieve its goals. Therefore, to do these a company has to set best and reliable measurement criteria that go with the objective and make the staffs effective. If the company fails to do it loses its resources and its success.

As we can find from the data collected the existing appraisal system in the bank does not give the needed attention it desires towards the attitudes of employees.

The criteria on the appraisals are not job related to evaluate the employee they are simply rate personality.

The supervisors use it as a treat when they have a problem with the staffs which may or may not reflect job performance.

Also there is no guideline and procedures outlined in the personnel administration manual regarding performance appraisal. The purposes of the appraisal are not clearly set.

The supervisors are biased by the works done within the weeks of appraisal this is because they do not have a diary to record the continuous performance of the employee that covers the whole six months evaluation period. This makes the employee demotivated if he makes some mistake in that specific week he loses everything.

Further more, it will be so difficult to a supervisor to supervise each and every thing of more than five staffs.

Above all the criteria are more of subjective in their nature, so evaluates with these criteria different persons can say different things about one thing and about the same person this is because the nature of the system.

The employees have wrong attitude to wards the appraisal criteria. Because most of the time, there is high gap between what they expect to get and what actually they get, Even if there is discussion after appraisal. But the employees could not clearly see the advantage of the discussion after evaluation is done. This is because the discussion made will not change the result they get.

Non-performance measures like seniority and educational qualification take the priority in guiding personnel decisions.

Finally ,even if the system has all the above weaknesses it has also a strength in connection with the appraisal having the system by it self is the best thing and show what the company is in need from the staffs every six months, and the existence of the discussion after the appraisal by it self is good.

Makes the employee to follow the company rules in some points that are not subjective in their nature.

Some times they use it for selecting for promoting staffs to higher positions. The other strength the bank has to wards the evaluation is that different supervisors discuss their idea to wards the staffs and they gather information and the immediate supervisor make the final by using the information he gats from them.

4.3. RECOMMENDATIONS

Based on the findings of this study, the following recommendations are forwarded:

- ✚ The need for properly designed appraisal system well aligned with the organization strategic plans and objectives is crucial.
- ✚ If the performance appraisal system is required to be effective; it should be used as an instrument of motivation rather than punishment
- ✚ Although performance appraisal can never be fully objective, the following recommendations are believed to improve the identified weaknesses:
 - The link between performance appraisal and rewards should be explicit.
 - The performance evaluation system should be well aligned with other Human Resource function (reward system, and training and development).
 - Designing an appropriate performance management policy wherein goals are set for each and every employee is an advantage. However, this may be costly, time consuming and difficult to manage.
- ✚ Team- based evaluation whereby objectives are set for the teams and individual's defined role in the teams may be considered from practical point of view, if time and cost justify.

- ✚ Supervisors should be encouraged to engage in day-to-day coaching of subordinates' performance rather than adopting a sort of wait – and-see style of management. The more frequent and the closer feedback to action, the more effective appraisal will be in addressing performance problems timely.
- ✚ Given cost-benefit analysis, management of the Bank must consider evaluation by other parties apart from the existing practice by immediate supervisors.
- ✚ Manager/supervisors should be encouraged to collect as much information as possible on the performance of their rates from different concerned parties rather than trying to unilaterally appraise their sufficient knowledge.
- ✚ Supervisors/managers should develop the habit of maintaining records on rate's performance in diary and should encourage their subordinates to do so thereby fostering healthy communication during the post-appraisal discussion.
- ✚ Employees/subordinates should be well oriented on the purposes of performance appraisal before the onset of the periodic appraisal so that they build positive perceptions of the system.
- ✚ Evaluation should not be biased by previous good rating given to their subordinates. Performance should be assessed as function of time. Somebody who was best performer last year may end up the worst this year.
- ✚ Appropriate training that aim at increasing raters' knowledge of the subject matter of performance appraisal and how to effectively conduct it should be given due attention .
- ✚ The practice of providing performance feedback and handling the post assessment interview should be given equal attention with that of carrying out the appraisal task itself. Feedback and interview should aim at promoting conducive working environment.

ANNEXES

**ST. MARY'S UNIVERSITY COLLEGE
DEPARTMENT OF MANAGEMENT FACULTY OF BUSINESS**

(To be filled by Dashen Bank Employee)

This questionnaire is designed to collect data to conduct a research on the topic
“Employee Attitude towards Performance Appraisal”

Your response for this questionnaire will have an important benefit for my study.

- ✚ Put tick mark in the box provided (√)
- ✚ For open end questions, you are kindly requested to answer on the space provided.

Thank you in Advance

Part I . Background of respondents

1. Sex Male Female
2. Age
 20 – 30 31-40 41-60 >60
3. Years of service in Dashen Bank.
 2-4 5 – 7 8 – 10 9-12

Part II.

4. Level of Education
 Below Diploma Diploma Degree above Degree
5. Job category
 Counter Clerk Loan Clerk Secretary
 Teller IB Clerk
6. Dose you organization have employee performance system?
 Yes No
7. Are your comfortable with the content and measurement of performance appraisal system
 Yes No
8. If No, is there a need for improving or changing the existing system?
 Yes No
9. Do you think that your supervisor has adequate knowledge to run employees performance appraisal?
 Yes No To some extent

10. Is there any linkage among the performance appraisal and promotion or reward?

Yes No Some times

11. How can the quality of rating improved? (you can put more than one tick mark)

By conducting training and awareness to tater and rate

By improving content of the appraisal system.

Both by conduct training and improving the system

12. Do you participate in development of appraisal criteria and measures?

Yes No

13. Do you believe appraiser use systematic approach to assessing performance

Yes No some times

14. Do you think the performance appraisal is based on job description?

Yes No some times

15. What action is taken if employee's performance is below the expected standard?

(you can put more than one tick mark)

Punishment

Conduct post assessment interview with your rater

Prepare training & development to improve performance

Other _____

16. Any other comments regarding employee's performance appraisal system?

17. What are your suggestions to improve the attitude of employees towards performance appraisal?

**ST. MARY'S UNIVERSITY COLLEGE
DEPARTMENT OF MANAGEMENT FACULTY OF BUSINESS**

(To be filled by Dashen Bank Management)

This questionnaire is designed to collect data to conduct a research on the topic
“Employee Attitude towards Performance Appraisal”

Your response for this questionnaire will have an important benefit in my study.

✚ Put tick mark in the box provided

✚ For open end questions, you are kindly requested to answer on the space
provided.

Your response for this questionnaire will have an important benefit in my study.

Thank you in Advance

1. Sex Male Female

2. Age 20 – 30 31-40 41-60 >60

3. Years of service in Dashen Bank.

2-4 5 – 7 8 – 10 9-12

4. Level of Education

Diploma Degree above Degree

5. Dose your organization have employee performance system?

Yes No

6. Are your comfortable with the content and measurement of performance appraisal system

Yes No

7. If No is there a needs of improving or changing the existing system?

Yes No

8. Do you think the performance appraisal method used by the bank have a linkage with the bank objective?

Yes No To some extent

9. Is there any linkage among the performance appraisal and promotion or reward?

Yes No Some times

10. How the quality of rating can be improved? (you can put more than on tick more)

By conducting training and awareness to rater and rate

By improving content of the appraisal system.

Both by conduct training and improving the system

11. What problem have you encountered in appraising employees performance?

- Lack of common understanding on the purpose of performance appraisal.
- Failure to link measures to the objectives
- Lack of documenting performance behaviors in dairy.
- Lack of use of multiple evaluators.
- Absence of linkage between some evaluaton criteria and employee job.

12. Do you believe appraiser use systematic approach to assessing performance

- Yes No some times

13. Do you think the performance appraisal is based on job description?

- Yes No some times

14. What action is taken if employee's performance is below the expected standard?

(You can put more than on tick more)

- Punishment
- Conduct post assessment interview with your rater
- Prepare training & development to improve performance

Other _____

15. Any other comments regarding employee's performance appraisal system?

16. What are your suggests to improve the attitude of employees towards performance appraisal?
