St MARY's UNIVIRSITY

PERFORMANCE APPRISAL PRACTICES AND
CHALLENGES: A CASE OF SUPPORT FOR
SUSTAINABLE DEVELOPMENT, ETHIOPIA

BY:-ADDISALEM KEBEDE

ID:-SGS/0117/2007B

Research Paper Submitted to the School of Graduate Studies of st Mary's
University in Partial Fulfillment of the Requirements for the Degree of
Masters of Business Administration

June, 2017

ADDISABABA

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Advisor: TILAYE KASSAHUN (PHD)

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PERFORMANCE APPRISAL PRACTICES AND CHALLENGES: A CASE OF SUPPORT FOR SUSTAINABLE DEVELOPMENT, ETHIOPIA
Approval of Board of Examiners

Chair person, department   **Date**   **Signature**
Graduate committee

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Advisor   **Date**   **Signature**

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Internal examiner   **Date**   **Signature**

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External examiner   **Date**   **Signature**

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Declaration

I, ADDISALEM KEBEDE, declare that this project work entitled "**Performance Appraisal Practices and Challenges: A Case of Support for Sustainable Development, Ethiopia**" is my own original work. I have carried out it independently with the guidance and suggestions of the research advisor. And it has not been presented in any other University.

Addisalem Kebede

(*The Researcher)*

Signature_____

Date_____

Letter of Certification

This is to certify that Addisalem Kebede carried out her project on the topic entitled *"Performance Appraisal Practices and Challenges: A Case of Support for Sustainable Development, Ethiopia:* This work is original in nature and is suitable for submission for the award of Master of business administration.

Tilaye Kassahun (PHD)

(Advisor)

Signature_____

Date_____

Dedication

I dedicate this work the memory of my mother w/ro Workenesh Taye .

Acknowledgments

Acronyms

CBO   –   Community Based Organization

HR   –   Human Resource

HRM   –   Human Resource Management

HRP   –   Human Resource Practitioners

IAP   –   Individual Accountability Plan

MBO   _   Management by objective

NGO   –   Non Government Organizations

P & C   –   People & Culture

PAS   –   Performance Appraisal System

SSD   –   Support for sustainable development

PU   –   Program Unit

PMAS   –   Performance Management Appraisal System

SNNPR   -   Southern Nations and Nationalities Peoples Region

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Abstract

Challenges associated with performance management initially include defining and understanding the term itself. Performance management encompasses the entire process of improving and sustaining human performance throughout an organization. Collectively, the performance of individuals determines that of teams, departments and ultimately the entire enterprise. The purpose of the study was to examine the Performance appraisal practice and challenges of support for sustainable development Ethiopia Performance Appraisal System. A case study approach was used and 50 employees (management and non management) of support for sustainable development were sampled from which 94% responded. Data were analyzed using tables and charts .The study found that the major purpose of support for sustainable development performance appraisal system as identified by the employees is just for formality. As to the perceived reasons for the effective implementation of the system few employees state existence of one to one discussion, self appraisal, strict follow up, etc which are not strong factors. Even if employees were not briefed by the concerned department on the performance appraisal system of the organization, they are already aware of its existence and objective. Finally, major problems related with communication gaps, effective use of appraisal results, continuous feedback were also raised. Generally the outcome of the research confirmed that the performance appraisal system of support for sustainable development as not effective. Since it needs improvement, possible recommendations are outlined at the end of this report.

Keywords: *Performance Appraisal, Practices, Support for sustainable development, Ethiopia*

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Performance appraisal is a systematic and periodic process that assesses an individual employee's job performance and productivity in relation to certain pre-established criteria and organizational objectives (Davis 1995). Performance Assessment also performance appraisal, evaluation, measurement becomes a continual review of the job related task accomplishments or failures of the individuals within the organization. A major consideration in performance improvement involves the creation and use of performance measures or indicators; which are measurable characteristics of products, services, processes, and operations the company uses to track and improve performance.

Performance management remains one of the most relevant aspects of the human resource management in an organizational context. (Armstrong 2001) notes that issues of accuracy and fairness in performance management are one of the key research interests in the field of human resource management. The purpose of measuring performance is not to indicate only where things are not going according to plan but also to identify why things are going well so that steps can be taken to build on success. The goal of performance management is to assess and summarize the past performance, and develop future performance goals and expectations. It is a process of systematically evaluating performance and providing feedback on which performance adjustment can be made.

Performance management therefore, is an important human resource function, which provides management with a systematic basis for effectively recognizing and evaluating the present potential capabilities of human resource. Performance management should be a continuous function (stone 2002). The supervisor should continuously determine how effectively their subordinates are performing different tasks. Employees should be appraised at least once a year, as this will contribute to increased employee efficiency, productivity and morale.

Non-governmental organizations (NGOs) in Ethiopia were initially defined as traditional self-help systems. They existed in the country for centuries before they started to develop some sort of structure. In time developing further, some were registered as proper organizations and today they are better known as Community Based Organizations (CBOs). Some of these early self-help systems were the Debo which were systems providing mutual aid and reconciliation. Today the commonly known self-help systems are Ekub and Edir, which is a rotating saving, and credit system.

In 1960 both foreign and local NGOs were established when these self-help groups could no longer suffice to support the needy of the country. The first NGOs as we know them today, which were established in the country, were the Ethiopian Red Cross and Swedish Save the Children. Following this and the famine of 1973 and later of 1984, the number Of NGOs increased and these were mostly international. Later on with the change in government in 1990, a more conducive environment was established further encouraging the growth of NGOs in Ethiopia. This time as their numbers increased more local NGOs flourished. Today 90% of NGOs operating in the country are local. (FDRE Foreign affairs annual report 2008 E.C).

1.2 Background of the organization

Support for sustainable development (SSD) centered legally established in 2003 under Ethiopian law s vision is to see the rural, poor, farming and pastoral communities of Ethiopia self sustained and independent of other support today remains the core of what the organization does In the past 10 years, the organization has shown steady growth, both in terms of geographical coverage and in the number and quality of its human resources.

Currently, there are over 168 employees. With 141 clerical and 27 non clerical staff Combined with commendable work experience in implementing and managing integrated development projects. Various areas of specialty include construction, agricultural extension, community capacity building, and project resources management. Equally important are the support staff members at the head office and in the project areas. .(support for sustainable development 2016 annual report).

Currently, operates in eight districts of the Afar Region and one district of Oromia National Regional States. Has an established and well-functioning organizational system and procedures that facilitate the smooth implementation of its activities.

At field level, a qualified project coordinator facilitates the overall management and coordination of activities and liaises with the local administration, development partners, and beneficiary communities. Field teams are made up of 6 or 7 people with different skills and experiences in delivering irrigation-based development projects.

Support for Sustainable Development, apart from endeavoring to address the ever-growing and multifaceted problems of pastoral communities, is engaged in providing clean and safe potable water, combating longstanding harmful traditional practices, supporting local initiatives for the

provision and accessing of quality formal education, developing local government capacity, and empowering women in both pastoral and sedentary communities Since 2003, has enabled over 20,000 households or 300,000 people to benefit from completed small-scale irrigation projects. The beneficiaries are now able to produce food and cash crops at least twice a year and maintain household food security. Markets have expanded beyond local consumption and goods are transported to larger centers.(support for sustainable development 2016 annual report).

Support for sustainable development Employee Appraisal Guidance, which has the following purposes.

➢ Increase employee engagement and motivation by aligning personal career ambitions with organizational aims,

➢ Enable Plan to design and communicate key objectives for raising our standards of performance,

➢ Equip people managers to improve their own performance and support the growth of their direct reports.

In order to attain the objective of the organization, must take up the challenge of apprising, utilizing and developing skills and abilities of its employees. Employees' performance management will greatly contribute towards the attainment of the organization's goals. Thus, the employees' performance measurement will be in line with its goals.

1.3   Statement of the Problem

To make performance appraisal a viable management tool, from a broader perspective, organizations and researchers must invest time in training managers in performance management skills, in developing systems evaluations which take into account reliability, validity and managerial goals and designing systems to meet specific organizational conditions and expectations. In addition, research in these three areas will help to develop more acceptable and successful performance appraisal system (Devries 1983).

Most studies discusses performance appraisal that allows employees to develop their skills and to meet business goal. (Harper 1993) suggests a few other techniques like a you we technique, second hand compliment, advice request technique, one uses you to compliment and we to criticize (you are doing a great job, we have a problem). The second hand complement is communicating to the subordinate a compliment received from a third party. ('Mr X says That you have done an excellent job for him'). An advice request is asking the employee for suggestions and advice. Summarizing at the end helps clarify the decisions taken, fix the responsibilities and integrate the whole discussion. (smither1996) introduced a skill-based method of performance management that creates a work environment that allows employees to develop the skills they need to meet business goals. The skill based management measures skills and tracks and combine them into job descriptions, identify employee specific skill gaps and then provides resources to upgrade abilities.

The study is important in order for non-governmental organizations to achieve their objectives; it must have effective performance management system. Most non government organizations in Ethiopia have adopted performance contracts which the employees are expected to commit themselves. It is therefore, very important for an organization to have an effective performance

management system. It has been noted and confirmed by the informal discussions made with few SSD staff that employees working in the organization service in the same capacities for a longer period even after a performance appraisal have been done.

This leads to highly skilled employees leaving these organizations since the mode of acknowledging their good work and rewarding them accordingly is not considered. Effective performance appraisal system therefore, helps to retain qualified and competent staff. The research therefore, determined the effectiveness and the purpose of performance appraisal system in SSD. Most managers do perceive a performance appraisal system as an annual routine exercise. This has made employees attach no value to the performance appraisal systems, thus take it as an organizational routine activity. The study aimed at assessing the effectiveness of the Performance Appraisal System SSD benefiting international NGO's in Ethiopia, SSD being one of them. , there is an acute shortage of studies conducted with a specific objective of the effectiveness of performance appraisal system in Ngo's This study will be deemed to fill the gaps by effectiveness of performance appraisal system in NGOs like Support for Sustainable Development .

1.4 Objective of the Study

The main objective of the study was evaluating the performance appraisal practices and challenges of Support for Sustainable Development Ethiopia. It looks at employees' perception on the purpose of the performance management system of the organization.

The following were specific objectives of this study:

- To identify the main challenges of the performance appraisal system of Support for Sustainable Development

- To analyze the perceived reasons for effectiveness performance appraisal of the SSD.

- To identify the awareness of Support for Sustainable Development employee's on the performance appraisal System.

- To investigate the drawbacks in implementing the current performance appraisal system of the organization.

1.5. Research Questions

The following were the research questions addressed in the report based on the above objectives:

1. What are the challenges of performance appraisal system of SSD?

2. What problems are observed in the implementation of the current performance appraisal system?

3. What is the level of awareness of SSD employees on the existence of its performance appraisal system?

4. What are the perceived reasons for effectiveness performance appraisal of the SSD?

1.6 Significance of the Study.

The findings of the study were useful again for Human Resource Practitioners (HRP). It is believed that effectively designed and implemented performance appraisal system boosts employees' motivation and productivity. Moreover, the results of the study assume to:

- Point out the important purposes of effective performance appraisal system, which have a positive contribution to achievement of organizational goals.

- Identify the major factors contributing to the effectiveness of performance appraisal system.

- Provide the major drawbacks in the implementation of the current performance appraisal system with possible problem solving options.

- Provide inputs for the human resource department Support for Sustainable Development for further investigation on the problem area.

- Provide a standpoint for other researchers to make further study on the issue.

1.7 Definition of Terms

PAS – Performance Appraisal System

Performance appraisal therefore is an important human resources function, which provides management with a systematic basis for effectively recognizing and evaluating the present and potential capabilities of human resource. Performance appraisal should be a continuous function.

IAP – Individual Accountability Plan

This is an agreement reached by the appraise and the appraiser on objectives and accountabilities.

HRM – Human Resource Management

Human resource management can be defined as a managerial philosophy, policies, procedures and practices related to the effective management of people for the purpose of facilitating the achievement of the results within an organization.

Annual appraisal

The Annual Appraisal discussions enable a perspective to be obtained on past performance as a basis for making plans for the future.

Six Month Interim appraisal

An effective review of performance needs to take place at least half yearly, or when the employee changes role or supervisor/line-manager

Upward Feedback

Upward Feedback for supervisors/line-managers who manage two or more direct reports is to gather "upward feedback" from their direct reports on their leadership style and management practices.

One to One Coaching *The purpose of regular documented one to one coaching discussions between employee and* supervisor/line-manager is to discuss priorities, deadlines, progress against objectives ("what") and behaviors ("how"), the way you've approached or done a specific piece of work etc

1.8 Scope and Limitations of the Study

Despite the fact that attempts were made to catch up the necessary information through primary and secondary data sources, there were problems of not getting full/ detailed information on time due to lack of experienced personnel in the People & Culture department and several employees not being at the office due to field work. In addition, the author being an employee of the organization under study, biasness could be a threat in conducting this study. This study was delimited to the activities of Support for Sustainable Development, as a case study. This research is further limited to the extent of assessing the effectiveness of the Performance Appraisal System of Support for Sustainable Development. Only one particular branch in Ethiopia has been selected to investigate the 'Problem statement' so that the researcher can fully investigate the problem area. The result of this research can be generalized to other branches of the NGO in

Ethiopia but not to other countries of Support for Sustainable Development and other similar NGOs in Ethiopia with different contexts.

1.9 Organization of the paper

The study is comprised of five chapters. The first chapter presents introduction of the study whereby background of the study, problem statement, objectives of the study, research questions, significance of the study, definition of terms, limitations of the study are include. The second chapter is devoted to reviewing related literatures followed by the third chapter that discusses the methodology used to undertake the study. In chapter four and five, the data analysis & discussion of results and conclusions & recommendations are presented sequentially. Finally, references and copy of the questionnaires are annexed.

CHAPTER TWO

LITRATURE REVIEW

2.1. Theoretical review

2.1.1. Overview

Before designing a performance management system, there needs to be a clear definition of performance management. Performance management is a "continuous process of identifying, measuring, and developing the performance of individuals and teams and aligning performance with the strategic goals of the organization" (Aguinis, 2009, p. 3). Note that the key components of this definition are that this is a continuous process and that there is an alignment with strategic goals. If a manager fills out a form once a year because this is a requirement of the "HR cops," then this is certainly not a continuous process. Also, evaluating employee performance (that is, performance appraisal) without clear considerations of the extent to which an individual is contributing to unit and organizational performance and about how performance will improve in the future is also not consistent with this definition of performance management.

Performance management systems are often under - utilized and also misused. In fact, in many organizations, poorly implemented performance management systems can do more harm than good, as was demonstrated by a legal case in the construction industry (FMI Corporation, 2000). A female employee was promoted several times and succeeded until she started working under the supervision of a new manager. She stated in her lawsuit that, once she was promoted and reported to the new manager, that boss ignored her and did not give her the same support or opportunities for training that her male colleagues received. After eight months of receiving no

feedback from her manager, she was called into his office, where the manager told her that she was failing, resulting in a demotion and reduction in her annual salary. When she won her sex - discrimination lawsuit, a jury awarded her a million in emotional distress and economic damages.

As to the contribution from Earl M A Carter and Frank A McMahon (2005), most traditional people management systems have typically concentrated only on an annual review – the lead up to the annual review and the setting of objectives/results for the coming 12 months. These events have a place in the overall system of managing the performance of people. Armstrong (2001) notes that an issue of accuracy and fairness in performance appraisal is one of the key research interests in the field of human resource management. Performance appraisal may be used as a means of measuring performance. The purpose of measuring performance is not to indicate only where things are not going according to plan but also to identify why things are going well so that steps can be taken to build on success. The goal of performance appraisal is to assess and summarize past performance, and develop future work performance goals and expectations. It is a process of systematically evaluating performance and providing feedback on which performance adjustments can be made (Taylor 1995).

According to (Davis 1995), Performance Management is a joint process that involves both the supervisor and the employee, who identify common goal, which correlate to the higher goals of the institution. If employees are effectively apprised, then the organizations will experience increased productivity and improved quality of output. When people are treated with care, shown trust, listened to and encouraged to do better they reciprocate by being responsible and productive.

2.1.2 Performance Appraisal Techniques

As smither(1998) points out, different performance appraisal techniques can be classified as either past-oriented or future-oriented.

2.1.3 Past-Oriented Techniques

According to Moats, past-oriented techniques assess behavior that has already occurred. They focus on providing feedback to employees about their actions, feedback that is used to achieve greater success in the future. Moats present techniques under this form as discussed below:

Rating Scales and Checklists: According to Moats, some of the traditional forms of performance appraisals such as rating scales and checklists remain popular despite their inherent flaws. They entail an assessor providing a subjective assessment of an individual's performance based on a scale effectively ranging from good to bad or on a checklist of characteristics. Typically, basic criteria such as dependability, attitude, and attendance are listed.

The obvious advantage of these techniques is that they are inexpensive and easy to administer. Primary disadvantages include the fact that they are: highly susceptible to all forms of bias; often neglect key job-related information and include unnecessary data; provide limited opportunities for effective feedback; and fail to set standards for future success. Furthermore, subjective techniques such as rating scales are vulnerable to legal attack.

2.1.4 Behaviorally Anchored Rating Scales (BARS)

According to Moats a fairer approach to performance appraisal is behaviorally anchored rating scales (BARSs), which are designed to identify job-related activities and responsibilities and to describe the more effective and less effective behaviors that lead to success in specific jobs. The rater observes a worker and then records his or her behavior on a BARS. The system is similar to checklist methods in that statements are essentially checked off as true or false. Moats points out

however that, BARS differ in that they use combinations of job-related statements that allow the assessor to differentiate between behavior, performance, and results.

2.1.5 Forced-Choice Appraisals

Forced-choice appraisals consist of a list of paired (or larger groups of) statements. According to Moats the statements in each pair may both be negative or positive, or one could be positive and the other negative. The evaluator is forced to choose one statement from each pair that most closely describes the individual He contends that Forced-choice appraisals are typically easy to understand and inexpensive to administer, but they lack job relatedness and provide little opportunity for constructive feedback.

2.1.6 Critical Incident Evaluation Techniques

Critical incident evaluation techniques require the assessor to record statements that describe good and bad job-related behavior (critical incidents) exhibited by the employee. According to Moats, the statements are grouped by categories such as cooperation, timeliness, and attitude. An advantage of this system is that it can be used very successfully to give feedback to employees. Furthermore, it is less susceptible to some forms of bias. On the other hand, critical incident assessments are difficult because they require ongoing, close observation and because they do not lend themselves to standardization and are time consuming Taylor (2003).

Field Review Appraisal Techniques: Field review appraisal techniques entail the use of human resource professionals to assist managers in conducting appraisals. Moats says that the specialist asks the manager and sometime coworkers' questions about an employee's performance, records the answers, prepares an evaluation, and sends it to the manager to review and discuss with the employee. This type of system improves reliability and standardization because a personnel professional is doing the assessment. For the same reason, it is less susceptible to bias or to legal

problems. But field reviews are generally expensive and impractical for most firms, and are typically utilized only in special instances—to counteract charges of bias, for example Sulsky (1998).

2.1.7 Future-Oriented Techniques

In contrast, Moats says that future-oriented appraisal techniques emphasize future performance by assessing employees' potential for achievement and by setting targets for both short- and long-term performance. He discusses these forms of techniques as presented below:

2.1.8 Management by Objectives (MBO) Approach

In MBO, managers and employees work together to set goals with the intent of helping employees to achieve continuous improvement through an ongoing process of goal setting, feedback, and correction. As a result of their input, employees are much more likely to be motivated to accomplish the goals and to be responsive to criticism that arises from subsequent objective measurements of performance (Smither 1998)).

3. Performance Management Process

As noted earlier, performance management is a continuous process. However, when a system is first implemented, the process follows the following stages (Scott; & Einstin, 2001): pre - requisites, performance planning, performance execution, performance assessment, performance review, and performance renewal and reconstructing. Each of these stages is described next

Stage 1: Prerequisites

There are two important prerequisites that are needed before a performance management system is implemented: knowledge of the organization's mission and strategic goals and knowledge of the job in question. If there is a lack of clarity regarding where the organization wants to go, or

the relationship between the organization's mission and Strategies and each of its unit's mission and strategies is not clear, there will be a lack of clarity regarding what each employee needs to do and achieve to help the organization get there.

Stage 2: Performance Planning

The performance planning stage has the goal for employees to have a thorough knowledge of the performance management system. In fact, at the beginning of each performance cycle, the supervisor and the employee meet to discuss, and agree on, what needs to be done and how it should be done. This performance planning discussion includes a consideration of results, behaviors, and development plan.

Results refer to what needs to be done or the outcomes an employee must produce. A consideration of results needs to include the key accountabilities, or broad areas of a job for which the employee is responsible for producing results. A discussion of results also includes specific objectives that the employee will achieve as part of each accountability. Objectives are statements of important and measurable outcomes. Finally, discussing results also means discussing performance standards.

Stage 3: Performance Execution

Once the review cycle begins, the employee strives to produce the results and display the behaviors agreed on earlier as well as to work on development needs. The employee has primary responsibility and ownership of this process. Employee participation does not begin at the performance execution stage, however. As noted earlier, employees need to have active input in the development of the job descriptions, performance standards, and the creation of the rating

form. In addition, at later stages, employees are active participants in the evaluation process in that they provide a self - assessment and the Performance review interview is a two - way communication process. Although the employee has primary responsibilities for performance execution, the supervisor also needs to do his or her share of the work. Supervisors have primary responsibility over the following issues:

Stage 4: Performance Assessment

In the assessment phase, both the employee and the manager are responsible for evaluating the extent to which the desired behaviors have been displayed, and whether the desired results have been achieved. Although many sources can be used to collect performance information (for example, peers or subordinates), in most cases the direct supervisor provides the information. This also includes an evaluation of the extent to which the goals stated in the development plan have been achieved. This is the stage of the performance management process that has received the greatest attention from I/O psychology researchers (Aguinis & Pierce, 2008; Bennett, Lance, & Woehr, 2006).

It is important that both the employee and the manager take ownership of the assessment process. The manager fills out his or her appraisal form, and the employee should also fill out his or her form. The fact that both parties are involved in the assessment provides good information to be used in the review phase. When both the employee and the supervisor are active participants in the evaluation process, there is a greater likelihood that the information will be used productively in the future.

Specifically, the inclusion of self - ratings helps emphasize possible discrepancies between self - views and the views that important others (that is, supervisors) have. It is the discrepancy

between these two views that is most likely to trigger development efforts, particularly when feedback from the supervisor is more negative than are employee self - evaluations. The inclusion of self - appraisals is also beneficial regarding important additional factors. Self - appraisals can reduce an employee's defensiveness during an appraisal meeting and increase the employee's satisfaction with the performance management system, as well as enhance perceptions of accuracy and fairness and therefore acceptance of the system (Shore, Adams, & Tashchian, 1998)

Stage 5: Performance Review

The performance review stage involves the meeting between the employee and the manager to review their assessments. This meeting is usually called the appraisal meeting or discussion. The appraisal meeting is important because it provides a formal setting in which the employee receives feedback on his or her performance. In spite of its importance in performance management, the appraisal meeting is often regarded as the "Achilles' heel of the entire process" (Kikoski, 1999). This is because many managers are uncomfortable providing performance feedback, particularly when performance is deficient (Ghorpade & Chen, 1995). This high level of discomfort, which often translates into anxiety and the avoidance of the appraisal interview, can be mitigated through training those responsible for providing feedback. Providing feedback in an effective manner is extremely important because it leads not only to performance improvement but also to employee satisfaction with the system.

In general, Grossman and Parkinson (2002) offer the following six recommendations for conducting effective performance reviews:

- Identify what the employee has done well and poorly by citing specific positive and negative behaviors,

- Solicit feedback from your employee about these behaviors,

- Listen for reactions and explanations,

- Discuss the implications of changing, or not changing, the behaviors. Positive feedback is best, but an employee must be made aware of what will happen if any poor performance continues,

- Explain to the employee how skills used in past achievements can help him or her overcome any current performance problems,

- Agree on an action plan. Encourage the employee to invest in improving his or her performance,

- Set up a meeting to follow up and agree on the behaviors, actions, and attitudes to be evaluated.

Stage 6: Performance Renewal and Re-contracting

The final stage in the performance process is renewal and re-contracting. Essentially, this is identical to the performance planning component. The main difference is that the renewal and re-contracting stage uses the insights and information gained from the other phases.

The performance management process includes a cycle that starts with prerequisites and ends with performance renewal and re-contracting. The cycle is not over after the renewal and re-contracting stage. In fact, the process starts all over again: there needs to be a discussion of prerequisites, including the organization's mission and strategic goals and the job's KSAs. Because markets change, customers' preferences and needs change, and products change, there

is a need to continuously monitor the prerequisites so that performance planning, and all the subsequent stages, are consistent with the organization's strategic objectives.

Based on SSD Employee appraisal Guidance (2010) following are the major parts in the performance appraisal system.

3.1 Individual Accountability Plan

This is an agreement reached by the appraise and the appraiser on objectives and accountabilities. The purpose of the Individual Accountability Plan is to define the work to be done, results to be attained, performance standards to be achieved ("what") and how the appraise work fits into the wider organizational objectives. The objectives should ideally be derived from the global strategic priorities, accountabilities of the organizational unit/department/team, and requirements of the job role and personal development needs of the individual. The Individual Accountability Plan must be agreed and completed by 30 June.

Guidance on process

1. Objective setting – this activity can be part of the appraisal discussion or at a one to one coaching meeting following the annual appraisal.

2. Objective briefing – the appraiser must brief the appraisee on the coming year's department/team objectives and how they align to the global strategic priorities, future challenges and changes in key individual objectives. If the employee knows that what they are doing fits with the goals of the team, department and organization, they will know that what they do will contribute to achieving the organization's mission and strategic priorities. That link is called **a 'clear line of sight'** which is one of the guiding principles of the Employee Appraisal Policy.

3. Objective agreement – following the appraiser briefing, appraiser and appraisee will discuss and agree objectives. Objectives should ideally be derived from the:

➤ Global strategic priorities/accountabilities of the organizational unit/department/team (Results or contribution to be made to organization unit/department/team goals). This section may not be relevant to all job roles at Plan and can be left blank.

➤ Requirements of the job role (Cover all the important aspects of the job i.e. key results areas)

➤ Personal development needs of the individual (Developing technical and personal skills to result in improved performance)

4. Documentation – Following the discussion the appraise will complete the Individual Accountability Plan, which will be signed by both parties and each party will retain a copy. A copy must be sent to HR Partner/Manager to (i) retain a copy on employee file (ii) monitor quality and ensure consistency (iii) provide one to one coaching to address development areas and (iv) identify annual country/regional/IH training needs derived from personal development needs objectives.

3.2 Six Month Interim Appraisal

An effective review of performance needs to take place at least half yearly, or when the employee changes role or supervisor/line-manager. The purpose of the Six Month Interim Appraisal is to:

➤ Review progress against objectives,

➤ Identify steps necessary to succeed in achieving objectives in the future, if progress against objectives is not on track,

➤ Revise objectives in response to changing circumstances,

➤ Ensure upward and downward feedback – and act on it.

The Six Month Interim Appraisal discussion and paperwork must be completed by 30 November.

Guidance on process

1. **Preparation meeting** – to explain the appraisal process, agree date, time, venue and when documentation must be completed and returned.

2. **Self assessment** – in preparation for the meeting, the appraise will be asked to complete the Six Month Interim appraisal form i.e. provide their appraiser with a progress review of performance against objectives ('What') in preparation for the meeting.

3. **Progress appraisal meeting** – the structure of the meeting discussion should be appraisee's self review, appraiser feedback and agree changes to be made to Individual Accountability Plan (If applicable).

4. **Documentation** - Following the discussion, the appraiser will complete the six month interim appraisal form, which will be signed by both parties. Each party will retain a copy. The Individual Accountability Plan must be updated and signed by the appraise/appraiser to reflect any changes agreed during the meeting to ensure there are no misunderstandings in the future.

5. **Monitoring and reporting** - Supervisors/line-managers will be required to notify HR Partner/Managers that the Interim Appraisal Discussion has taken place and all the documentation completed by 30 November.

It is down to the discretion of the HR Partner/Manager and senior manager i.e. CD (CO), RD (RO) or CEO (IH) if a copy must be sent to HR Partner/Manager to (i) retain a copy on

employee file (ii) monitor quality and ensure consistency (iii) provide one to one coaching to address development areas.

3.3 Annual Appraisal

The Annual Appraisal discussions enable a perspective to be obtained on past performance as a basis for making plans for the future. The purpose of the Annual Appraisal discussion is to:

➢ Reflect on the appraise performance against objectives and how they have demonstrated the behaviors,

➢ Engage appraiser and appraise to take a positive look at how performance can become even better in the future, and how any problems in achieving objectives or meeting standards can be resolved,

➢ Confirm an overall performance rating,

➢ Revise the individual accountability plan for the next cycle,

➢ Identify any personal development needs to improve performance

The Annual Appraisal Discussions and paperwork must be completed by 31 May.

3.3.1 Guidance on process

1. **Preparation meeting** – to explain the appraisal process, agree date, time, venue and when documentation must be completed and returned.

2. **Self assessment (Mandatory)** – employees will be required to review the Individual Accountability Plan and complete the Self Assessment Form prior to the appraisal meeting

and send it to their appraisal manager. All employees with supervisor/line management responsibilities will be required to confirm that they have completed their directreports'appraisals. If not, they must give an explanation why and when the meetings will be completed.

The above process is an opportunity for the appraise to self-review and to use feedback from other people in the organization e.g. other managers, colleagues, direct reports, volunteers, partners and anyone else they may collaborate with.

The appraiser may be faced with a situation where by an appraise refuses to participate in the annual appraisal process i.e. does not want to complete the self assessment or attend the appraisal meeting discussion. The appraise has the right to not participate in the appraisal. The appraiser will still be required to write up their feedback, give an overall performance rating and advice HR Partner/Manager of the situation.

3. **The appraisal meeting –** the structure of the meeting discussion should be:

➤ appraise self review,

➤ Appraiser feedback (appraise will be assessed not just on what they deliver but also on how they've done the job). Where appropriate, Country Directors are encouraged to solicit relevant feedback from National Organization's when Country Management Team members are being rated,

➤ Appraiser will give the appraise an overall performance rating against what they have delivered and on how they have done the job using the Plan performance descriptions and performance rating grid,

- Agreement on the Individual Accountability Plan for the next review period. Due to time constraints in the meeting, there may be a need to have a follow up meeting to finalize discussions/documentation.

4. **Summary of overall performance** – Following the meeting the appraiser will complete the Summary of Overall Performance Form which is a summary of the appraisal discussion (achievements and development areas) and agreed overall performance rating. The form will be forwarded to The appraise to add their comments. This provides the appraise with an opportunity to comment on the appraiser feedback and overall performance rating.

The appraiser's manager will be asked for their endorsement. The purpose of this is for monitoring and quality control, not to re-appraise. This important process enables the appraiser's manager to stay informed of what's happening within their unit/department. It is not expected that the appraiser's manager reads all the documentation. The focus must be on the overall performance rating, appraiser and appraise overall summary comments. It is recognized that there may be situations where this process will be difficult to administer/implement due to large number of staff within the appraiser's manager unit/department/team. In this situation (i.e. delegating this task should be an exception rather than the norm) the appraiser's manager will be required (i) to discuss the issue with their line-manager and HR Partner/manager and (ii) as a minimum endorse appraisal forms that have an overall performance rating of Needs overall improvement (1) or Outstanding (5).There may be occasions when the appraiser's manager has concerns with the quality of the appraiser's feedback. When this situation arises, the appropriate action is for the appraiser's manager to set up a meeting to discuss their concerns with the appraiser and give them the opportunity to respond to the feedback. Following the discussion a

file note may be made in the appraise file but the appraiser feedback and overall performance rating in the appraisal form remains unchanged.

5. Documentation - All appraisal documentation must be completed and signed by the appraise, appraiser and appraiser's manager (appraiser's manager sign off can be done via an email message, which must be attached to the completed form). A paper copy must be sent to HR Partner/Manager by 31 May. The HR Partner/Manager role is to monitor to ensure consistency and provide one to one coaching. HR Partner/Manager must send a copy of all international staff appraisals to Talent Management and Inclusion Manager by 30 June.

4.1   Empirical reviews

Harper (1993) states that the outcome of performance appraisal could be a set of objectives to be achieved by individual employees. Such objectives may be concerned with immediate performance against current tasks and standards, but they might also be concerned with a variety of work and personal changes. He said that once employees are encouraged to pay attention to their progress at work then the organization must be able to respond to their medium and long term career aspirations, and the manager's role will resolve the inevitable tension that will result between individual goals and the Manager's interpretation of organization goals.

Clinton (1992) notes that formal performance appraisal programs sometimes yield disappointing results. The primary reasons includes, lack of top management information and support, unclear performance standards, rater bias, too many forms to complete, and use of the system for conflicting purposes. If the support of top management is lacking, the appraisal program will not be successful. To underscore the importance of this responsibility, top management should announce that effectiveness in appraising subordinates is a standard by which the appraisers themselves will be evaluated. Also if the appraisal program is used for salary review and at the

same time to motivate employees the administrative and development purpose will be in conflict. This might have little influence on the employees' future job performance.

The content of performance evaluation influences employee performance and satisfaction specifically, performance and employees satisfaction are increased when the evaluation is based on behavioral, result oriented criteria when career issues are discussed and when the employee has the opportunity to participate in evaluation Sulsky(1998).

As per PMAS: Guideline System and Reference Manual (2006) an effective performance appraisal system should possess the following major characteristics;

➢ Well-developed, result-oriented corporate and operational plans, driving the goals and objectives of the organization and individuals' activities towards their achievement,

➢ Discussed and agreed individual performance targets that are aligned to the organizational goals and objectives,

➢ S.M.A.R.T. Performance targets – specific, measurable, achievable, resourced and time-bound,

➢ Performance measures designed to track achievement of targets,

➢ Regular reviews, feedback on performance and adjustments where required,

➢ Training and development needs identified and addressed,

➢ Rewards and sanctions applied fairly and equitably.

On the same note, luck of effective performance appraisal system leads to an increased risk of litigation, there are several other detrimental outcomes of poorly implemented systems, including employee burnout and job dissatisfaction, damaged relationships, and increased turnover (Brown & Benson, 2005 ; Gabris & Ihrke, 2001). In addition, there is a large opportunity cost because

poorly implemented systems waste time and resources, including time and money. To avoid such drawbacks in performance appraisal processes and ensure its effective implementation, the PMAS: Guideline System and Reference Manual (2006) pointed out the following factors that the system should positively reinforce.

➤ **Effective Communication:** Employees at all levels should have a clear understanding of their roles, responsibilities and what is expected of them. Feedback on performance must be given on a continuous basis.

➤ **Objectivity**: Assessments should be made against agreed, clearly stated targets.

➤ **Transparency:** There should be no "surprises". Evaluations and decisions should be based on evidence drawn from well documented processes that can stand scrutiny.

➤ **Fairness:** Decisions and actions should be made and taken with due regard to changing circumstances and environment as they relate to the achievement of objectives.

➤ **Equitable Treatment:** All employees should be treated equally and must have equal and appropriate access to benefits, training and resources to achieve targets.

➤ **Mutual Respect and Trust:** Discussions about performance should be conducted with due regard to accepted principles of courtesy, respect and an understanding of each other's roles and responsibilities.

From time to time, performance challenges emerge during the review period. When these arise, it is important that root causes of the performance challenge be identified and appropriately addressed. A common error made by many managers and supervisors is that a performance challenge requires a formal training solution. It is therefore imperative that a thorough analysis be done to ensure the proper problem diagnosis, which will increase the likelihood of an

effective solution being found. Below are some useful questions to ask in order to analyze performance challenges and Suggestions on possible courses of action. Taylor (2003).

Whose performance is at issue?

According to Shelly (1999) A common approach to performance challenges is to make general statements to the team, without identifying any 'guilty parties.' While this might be a useful approach for handling some challenges, in the context of performance management, it is vital that the individual whom the challenge concerns be identified, in order to address individual performance challenges.

What is the exact nature of the challenge?

It is important that the manager/supervisor be able to describe fully the current performance against the predetermined standard or target. In order to do so, employee performance must be observed or verifiable performance information should be available.

Additional questions that may be asked are: What is the current level of performance? What is the desired performance?

Is it worth pursuing?

Pursuing an issue that has little or no impact on job performance is a waste of time, and not every challenge is worth to pursuing. Some additional questions to ask are: What would happen if I let it alone? Are our expectations reasonable? Is the performance discrepancy serious enough that it is worthwhile pursuing a solution?

Are the expectations clear?

If the performance challenge is worth pursuing, there is a need to analyze whether the performance standards and/or targets are clearly understood by the employee(s) in question. Some other questions that may be asked are: Do the employees know what is expected of them? Have they been told or is it assumed that everybody knows? Are written standards incomplete or unclear? Can the employees tell you what they are expected to do? Are there obvious obstacles to performance? Do employees find out how well they are doing? How do they find out?

Is the performance quality visible?

If the resources required for good performance are available to the employee, another issue that needs to be analyzed is whether the performance quality is visible to the employee. In other words, one should identify whether performance information is available to the employee to allow for some degree of self assessment.

Is the desired performance punishing?

If having determined that the performance quality is reasonably visible to the employee, it is important to assess whether good performance has a negative impact on the employee, Whether real or imagined. If the desired performance is seen as punishing, this becomes a barrier to good performance. If the answer to this question is yes, it is crucial that punishments be disassociated from desired performance. Some additional questions to ask are: What is the consequence of performing as desired? Is it punishing to perform as expected? (Example: "You did such a good job on that report, I'm going to let you do all of them from now on."), Does the person perceive desired performance as beingeared to penalties? Would the person's world become dimmer by doing it the expected way?

Is poor performance rewarding?

This is the companion question to the previous. It is important to analyze whether rewards exist – whether real or imagined – that support poor performance. Additional questions to be asked are: What is the result of doing it the present way instead of the correct way? What does the person get out of the present performance in the way of reward, prestige, status, comfort? What event supports (rewards) the present way of doing things? Is this person doing less so that there is less to worry about? Is this person doing less because it is less tiring or less painful?

Is there a genuine skill deficiency?

If having determined that there are adequate rewards or support for the desired performance, and that these rewards are being used effectively, and the performance challenge persists, it is then necessary to determine whether the employee has a genuine skill deficiency smither(1998). Some questions to ask in order to make this determination are: Could the employee perform at the desired level if really required to do so? Are the person's present skills adequate for the

desired performance? Ask the employee, "What might you learn that would make your job easier?" Could the employee perform at the desired level in the past? How often has the employee been allowed to practice the skills or use the knowledge? (Provide opportunities for practice if this is the case)

Could the task be simplified?

Simply because a skill deficiency is identified does not mean that formal training is the solution. A more cost effective approach would be to analyze whether the task which is presenting a performance challenge could be simplified, and be made more manageable for the employee. Coaching is also an option that should be explored.

Are there any other obstacles to performance?

If having attempted all of the above, and the performance challenge remains, an analysis should be done of whether any other obstacles to good performance exist. Additional questions that may be asked to ascertain this are: What prevents this employee from performing? Does the employee know when to do what is expected? Are there conflicting demands on the employee's time? Is there competition from secondary tasks? Are there restrictive policies that ought to be changed? Are there personal challenges that are inhibiting good performance?

Does the employee have the potential to change?

This question is not implying that the employee may not have the potential to improve. However it is important to determine whether the employee is the 'right fit' to the particular job or task. Some questions to ask here are: Could the employee learn the job (i.e. is the employee trainable?) Does this employee have the physical and mental potential to perform as desired? Is

this employee over-qualified for the job? Is this employee right for the job? If the employee has the potential to change, training should be pursued. However, it is critical that the best training solution be chosen, and that the training programme will in fact equip the employee with the skills/knowledge required for the desired performance. It is also essential that an action plan be drafted and implemented to ensure and measure the transfer of the training to the job, and to track subsequent performance improvement.

In addition, there are major challenges like too many performance indicators, not enough strategic information in the system, too much internal competition, too expensive and too bureaucratic, performance indicators too subjective and therefore unreliable, performance information too aggregated, too much financial information and too much historical information. A performance management system, to be effective, must operate and be supported by key management processes.

5.1 Non Government Organizations

5.1.2 History of NGO in Ethiopia

Non-governmental organizations (NGOs) in Ethiopia were initially defined as traditional self-help systems. They existed in the country for centuries before they started to develop some sort of structure. In time developing further, some were registered as proper organizations and today they are better known as Community Based Organizations (CBOs). Some of these early self-help systems were the Debo which were systems providing mutual aid and reconciliation. Today the

commonly known self-help systems are Ekub and Edir, which is a rotating saving, and credit system.

In 1960 both foreign and local NGOs were established when these self-help groups could no longer suffice to support the needy of the country. The first NGOs as we know them today, which were established in the country, were the Ethiopian Red Cross and Swedish Save the Children. Following this and the famine of 1973 and later of 1984, the number of NGOs increased and these were mostly international. Later on with the change in government in 1990, a more conducive environment was established further encouraging the growth of NGOs in Ethiopia. In 1998, it was reported that around 240 local and international NGOs were registered in Ethiopia. Currently, the number has risen above 350, from which 90% of NGOs operating in the country are local. .Considering this number, we can say that the NGO sector in the country as compared with Sudan, Eritrea, Djibouti and Somalia is large. However, when compared to other countries in Africa this is small. (FDRE Foreign affairs annual report 2008 E.C)

5.1.3 Support for Sustainable Development

Support for sustainable development centered legally established in 2003 under Ethiopian law SSDs vision is to see the rural, poor, farming and pastoral communities of Ethiopia self sustained and independent of other support today remains the core of what the organization does In the past 10 years, the organization has shown steady growth, both in terms of geographical coverage and in the number and quality of its human resources.

Currently, there are over 168 SSD employees. Combined with commendable work experience in implementing and managing integrated development projects. Various areas of specialty include

construction, agricultural extension, community capacity building, and project resources management. Equally important are the support staff members at the head office and in the project areas. Currently, SSD operates in eight districts of the Afar Region and one district of Oromia National Regional States. SSD has an established and well-functioning organizational system and procedures that facilitate the smooth implementation of its activities. At field level, a qualified project coordinator facilitates the overall management and coordination of activities and liaises with the local administration, development partners, and beneficiary communities. Field teams are made up of 6 or 7 people with different skills and experiences in delivering irrigation-based development projects.

Support for Sustainable Development, apart from endeavoring to address the ever-growing and multifaceted problems of pastoral communities, is engaged in providing clean and safe potable water, combating longstanding harmful traditional practices, supporting local initiatives for the provision and accessing of quality formal education, developing local government capacity, and empowering women in both pastoral and sedentary communities

Since 2003, SSD has enabled over 20,000 households or 300,000 people to benefit from completed small-scale irrigation projects. The beneficiaries are now able to produce food and cash crops at least twice a year and maintain household food security. Markets have expanded beyond local consumption and goods are transported to larger centers. (Support for sustainable development, 2016 .

5.1.4 Support for Sustainable Development Performance Appraisal System

Support for Sustainable Development has a global Plan Employee Appraisal Guidance, which has the following purposes.

➢ Increase employee engagement and motivation by aligning personal career ambitions with organizational aims,

➢ Enable Plan to design and communicate key objectives for raising our standards of performance,

➢ Equip people managers to improve their own performance and support the growth of their direct reports. The detailed procedure of the performance management system of SSD has already been covered in the previous section.

6.1 Conceptual Framework

The conceptual framework of the study is presented in below.

The conceptual framework of the study Figure 2.1

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┌─────────────────────────────────────────────┐
│                                             │
│     Support for sustainable development,    │
│                  Ethiopia                   │
│                                             │
└─────────────────────────────────────────────┘
          │                          │
          ▼                          ▼
┌──────────────────────┐   ┌──────────────────────┐
│ Performance Appraisal │   │ Challenges of Performance │
│                      │   │       Appraisal        │
│      Practices       │   │                        │
└──────────────────────┘   └──────────────────────┘
          │                          │
          ▼                          ▼
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Performance Appraisal Practices	Challenges of Performance Appraisal
➢ Performance appraisal (PA) ➢ Training and development ➢ Career Development (CD) ➢ Organizational development (OD) ➢ Compensation and reward	➢ Problems hindering effective implementation of performance appraisal system ➢ Factor contributing to effectiveness of performance appraisal system ➢ Lack enforcement and accountability ➢ Lack of proper merit system ➢ Lack of reward after performance appraisal

Source: (Fletcher G.R 1994)

Each of these individual components helps to achieve the desired effect on the employee. As elaborated by Fletcher (1994), the objectives of the appraisal scheme should be determined before the system is designed in detail. The objectives will to a large extent dictate the methods

and performance criteria for appraisal so they should be discussed with employees, managers and trade unions to obtain their views and commitment.

Performance appraisal follows a systematic process to ensure that results are achieved. Having established the process of carrying out the appraisal, there is the need to set the performance standard and communicate these standard set to employees. At scheduled intervals employee performance is measured and compared to the set standard. To achieve the desired impact on the performance of employees, results are analyzed and the necessary action taken to address weaknesses.

Weaknesses in any of the components affect the attainment of the desired results. For example, failure to set the right performance standards that are aligned to the organizational objectives will have a negative effect on the performance expected of the employee. Again, without taking the necessary action after measuring performance the same weaknesses will continue to exist.

RESERCH METHODOLOGY

3.1 Design of the study

A Case study research method was employed to evaluating the performance appraisal practices and challenges of Support for Sustainable Development Ethiopia.

3.2 Sampling technique

Even performance appraisal system is necessary for both manufacturing and service Companies, this study targeted on NGO companies that are Furthermore, the exact sample units of respondents were considered from company's management and employees. The researcher preferred convenience sampling to contact the employees within the organization. Therefore, these respondents were addressed as per their arrival or availability at the organization. Thus, to determine the sample size the researcher preferred to use a method developed by Carvalho (1984, as cited in Naresh, (2007)

Table 3.1 Sample Size Determination

Population size	Sample size		
	Low	Medium	High
51-90	5	13	20
91-150	8	20	32
151-280	13	32	50
281-500	20	50	80
501-1200	32	80	125
1201-3200	50	125	200
3201-10000	80	200	315
10001-35000	125	315	500
35001-150000	200	500	800

Source: Naresh ,(2007)

The total numbers of employees are 168 out of this About 12 employees are not educated. Therefore, from the remaining 156 employees were considered as a sample respondents as per the Malhora Naresh's sample determination Method, considering the heterogeneity of sample respondents on the basis of position within the organization, the researcher were used a sample size of 50 employers. As a sample unit by taking into consideration the time and its manageability. The questioner was made on selected day and time where by more employees comes in to the head office particularly Friday.

3.3 Data sources, gathering instruments and procedures

Both primary and secondary sources of data where was used for the study. The secondary data include information that are obtained mainly from different reports, bulletins, websites and literatures, which are relevant to the theme of the study, were gathered from various sources to complement the survey-based analysis. The primary sources of data were questionnaires distributed to employees of SSD staff.

In order to answer the basic questions raised, a 61 item questionnaire that has6 parts was used to prepared, Section A: Details of respondents, Section B: Purpose of the performance appraisal system, Section C: Factors for effective performance appraisal system, Section D: Level of awareness on the performance appraisal system, Section E: Problems in the current performance appraisal system, Section F: Appraiser's/Appraise Perspective on the performance appraisal system. The response rate of the research is 47/50= 94%.

There were two questions in Section B of appendix 1, that is question (1) and (2). Question (1) were measured using Likert data scale from eight to ten scales, which was in line with (Nelson and Ghods, 1998).Question (1) of section B on the purposes of performance appraisal system had nine options. Question (2) was an open ended request for respondents to provide answers openly.

To assess the factors for effective performance appraisal system, there were again two questions in Section C. In Question (1) respondents had ten options and were expected to select as many options as possible. Question (2) was an open ended question left for respondent's opinion. In order to measure the awareness level of respondents towards the performance appraisal system, four requests in section D represented three closed and one open ended questions.

To evaluate the problems in the current performance appraisal system of the organization appraises perspective on the performance appraisal system analyzed by linkers statement: Strongly agree, agree, disagree, and strongly disagree and not sure. This had weights 5, 4, 3, 2, 1. The highest scores represented the favorable attitude towards the performance appraisal system. The other two questions were open ended for general responses. Refer to section E and F Appendix 1.

3.4 Methods of data analysis

After data has been collected it was coded and fed to Ms-excel sheet so as to simplify further task .The collected data were analyzed and interpreted by using both qualitative and quantitative Techniques for Quantitative tools such as figures, tables, Percentages & frequency while qualitative tools such as descriptive narrations.

3.5   Reliability

Reliability and validity are important aspects to researchers that link abstract concepts to empirical determinants (Lucas, 1991). Several measures was employed to ensure that the results are free from material errors from the design of the questionnaire to interpretation of the results. Such measures include: pre-testing of the designed questionnaire and prior review of the questionnaire by the general manager. Apart from the general manager, two people were used for pilot testing the questionnaires. Such measures enabled to find out the time needed to complete a questionnaire, clarity of instructions, clarity of the questions, topic omissions, the layout of the questionnaire and other comments.

3.6   Validity

Validity deals with persons, settings and times to which findings can be generalized. This will address in this research during the planning stage. The use of expert advice to check this was sought (Cronbach, 1971). The following strategies were adopted sorting and pre testing of the questionnaires for the purpose of measuring theoretical meaningfulness of the concepts and consistency of language used to represent concepts (Nelson and Ghods, 1998). Subject matter experts reviewed questions (Nelson and Ghods, 1998). Also, asking respondents if questions were clear and measure the intent of the question. Following the validity checks and reliability, data were analyzed using tables and charts.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1   Introduction

This chapter of the report presents the results and findings of the research. It starts by describing the general profile and characteristic of the respondents by sex, job category and department in which respondents are working on. The chapter also summarizes the questionnaire responses using tables and charts.

4.2   Characteristics of respondents

This section analyzed the general profile of the respondents based on gender, Job category, department and work experience. This section is useful because it reflects on the general characteristics of the respondents, who were used to obtain the findings and derive the conclusion of the study.

Figure 4.1   Gender Distribution Profile
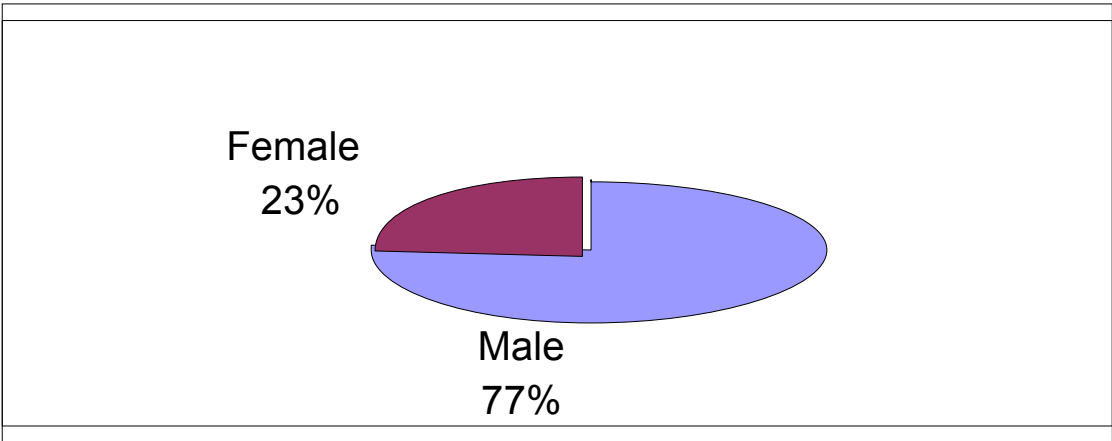
Source: Survey Data (2017)

Figure 4.1 shows the gender distribution. 36 respondents, which represent 77%, were male and 11 equivalents to 23% of the respondents were female. This pattern might be the same as the gender employment patterns.

Figure 4.2   Job Category Distributions

Manager
85.11%

Supervisor
6.38%
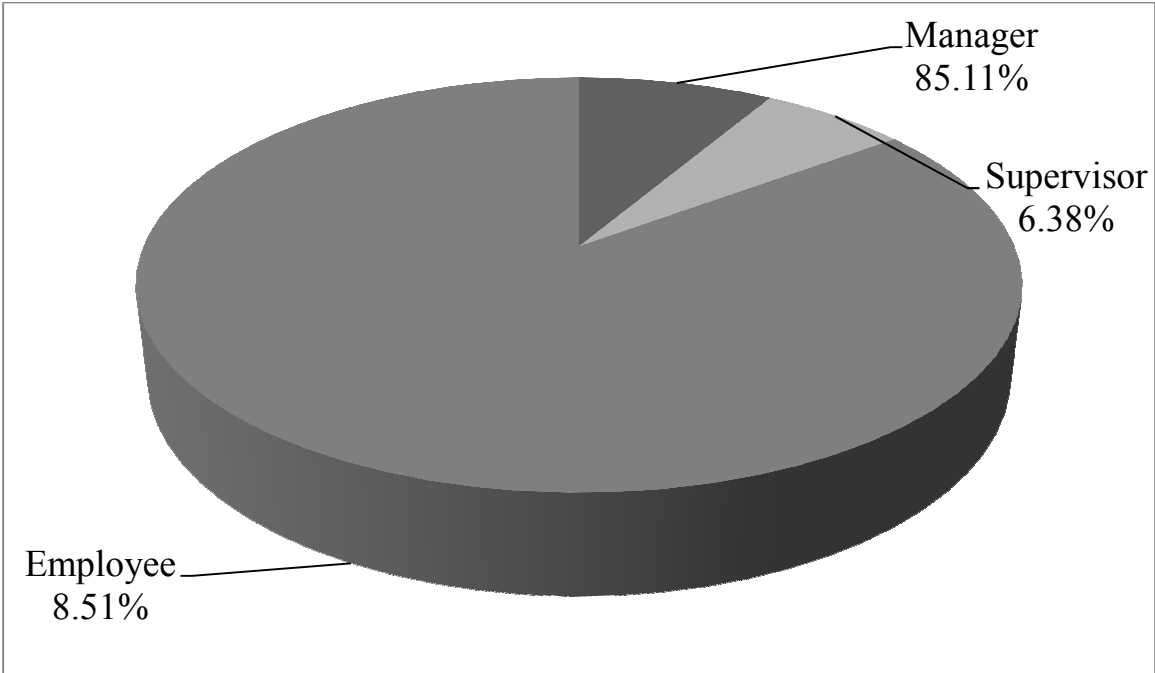
Employee
8.51%

Source: Survey Data (2017)

Job category was analyzed in three main categories i.e. Managers, Supervisors and others who neither belong to managerial nor supervisory level. The group has been dominated by 40 employees who are neither managerial level nor supervisory level; followed by 4 managerial level employees who constitute 8.51% of the respondents and finally the 3 (6.38%) supervisory level. In short 14.89% of the respondents are at managerial level and   85.11% are non managerial employees.

Figure 4.3 Respondent Department Distributions
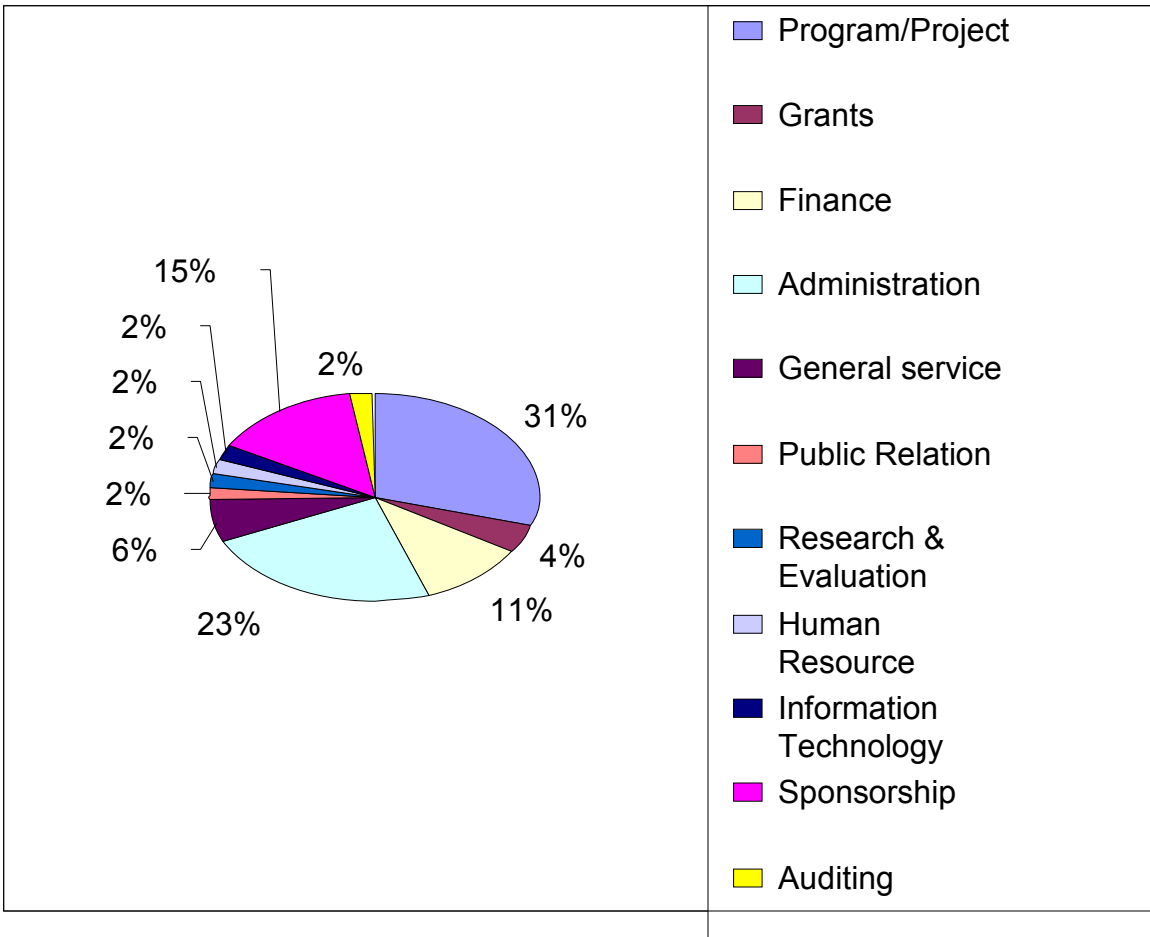
Source: Survey Data (2017)

Majority of the respondents (78.72%) are working in Program/Project, Finance, Administration and Sponsorship department. 29.79%, 10.64%, 23.40% and 14.89% are in Program/Project, Finance, Administration and Sponsorship department respectively. 21.28% of the remaining respondents work in Grants, General Service, Public Relation, Research & Evaluation, Human Resource, Information Technology and Auditing. The trend is more similar to the employment profile of the organization.

Figure 4.4   Year of Experience in SSD
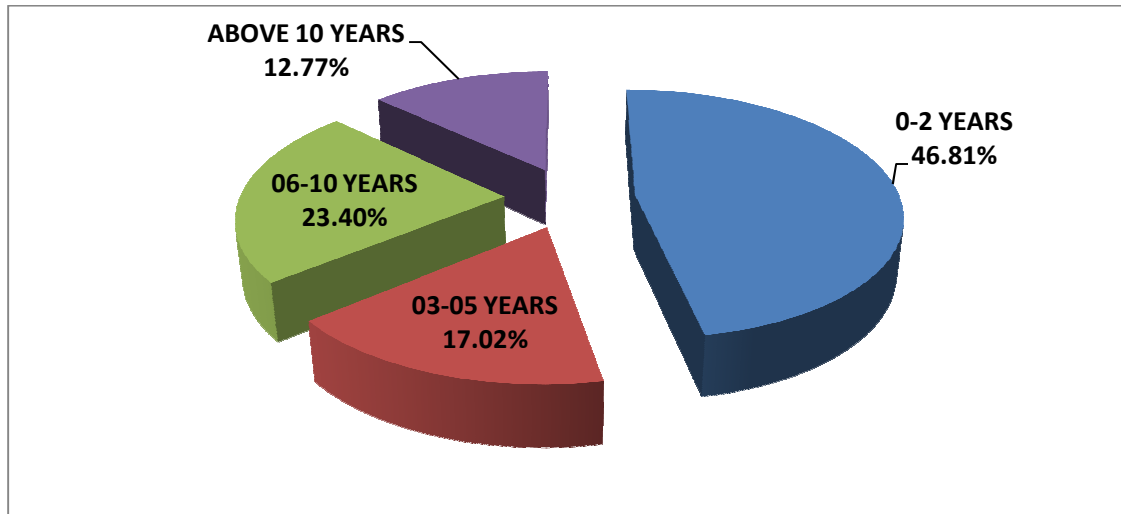
Source: Survey Data (2017)

From the overall respondents 46.81% worked between 0-2 years in SSD while the remaining

23.40%, 17.02% and 12.77% worked between 3-5 years, 6-10 years and above 10 years

respectively.

4.3   performance appraisal practices and challenges

In this study four variables were examined, that is purposes of PAS, factors for effective

performance appraisal system, level of awareness on the PAS of SSD, problems hindering

effective implementation of the PAS. It has also tried to get information from both perspectives

appraiser's and appraise.

4.3.1 Purpose of Performance appraisal system

There were two questions on Section B of Appendix 1 that is question (1) & (2). These questions were measured using Likert data scales from eight to ten scales, which is in line with Nelson and Dhods (1998). Question 1 of section B on the purposes of PAS has ten options. The results were analyzed and presented in the graph below.

Figure 4.5   Purposes of Performance Appraisal System
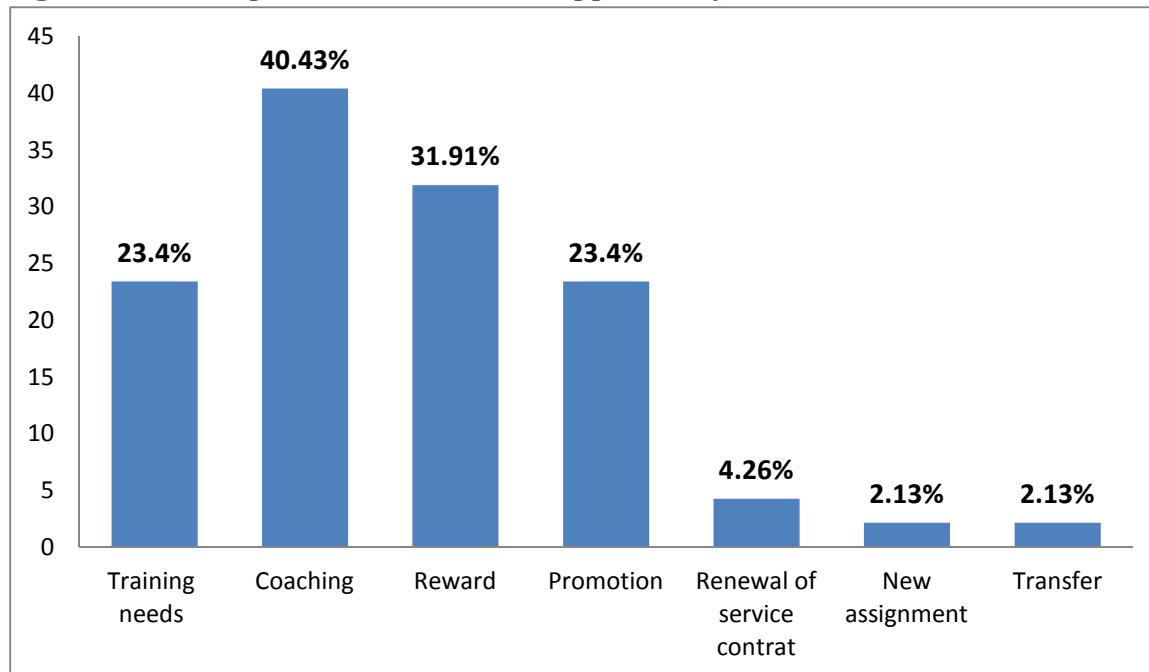
Source: Survey Data (2017)

The data was organized in terms of the list of the purpose of performance appraisal system and the respondents' views on individual purpose as presented in graph 1 above. The table was used to evaluate whether the employees understood the main purpose for performance appraisal. Majority of respondents seem to focus on coaching, reward, promotion and training need purposes of performance appraisal systems. As per the survey data coaching purpose was ranked first with 40.43%, Reward as second with percentage 31.91 while Training needs and promotion were ranked as third important purpose having same percentage of 23.40. This shows that more or less employees of SSD has general knowledge about the purposes any performance appraisal system should posses. This outcome is also supported by Cleveland & Murphy on their journal on multiple uses of performance appraisal.

Open-ended question (2) of section B examined respondents regarding the purposes of SSD PAS. The study on this question examined different purposes of SSD PAS as perceived by respondents. The following table presents summary of the findings.

Figure 4.6   Purposes of SSD Performance appraisal system
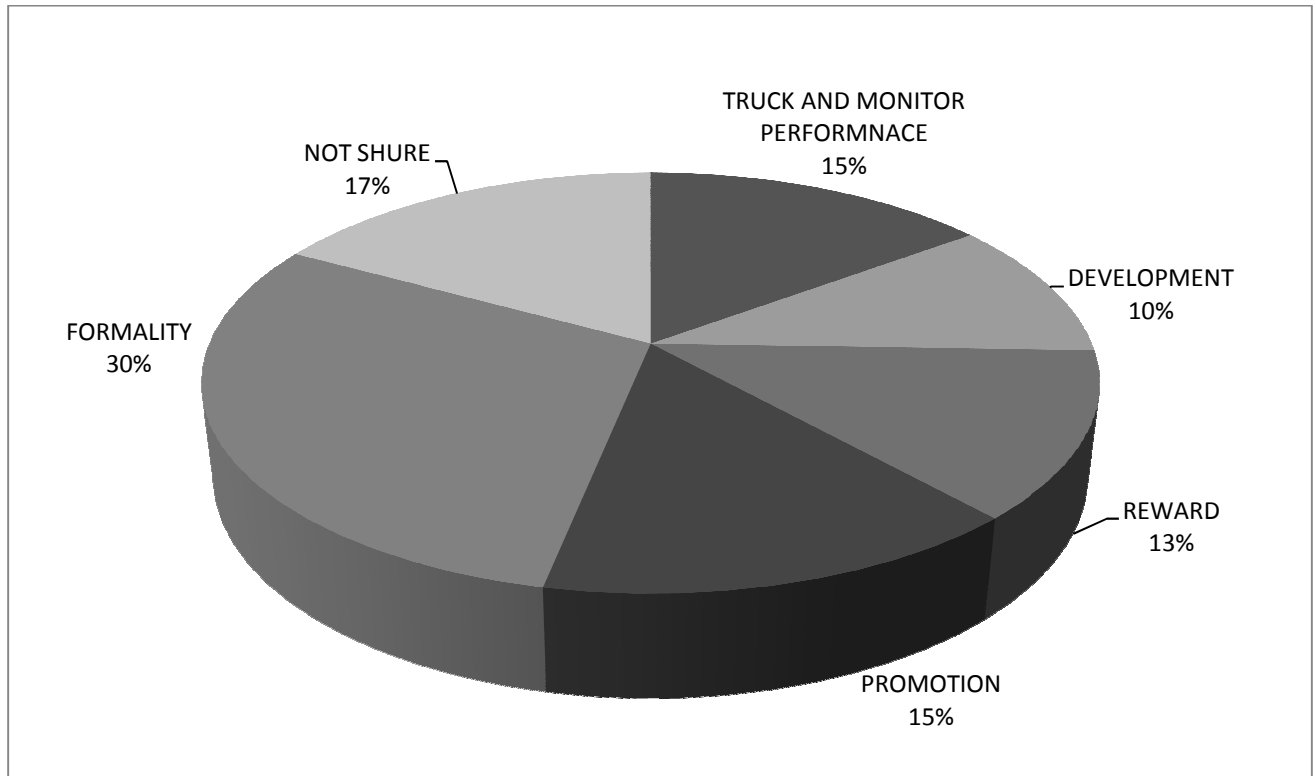
Source: Survey Data (2017)

The study revealed that 30% of the respondent agreed that the major purpose of SSD Performance appraisal system being formality and 17% were not sure of the purposes of the PAS of the organization. In addition 15% of the respondents think tracking performance and promotion as being the purposes of the PAS of SSD. The remaining 13% and 10% say the system serves the purpose related with reward and development respectively. This shows that the system is not serving the intended purpose.

4.3.2 Perceived reasons for effectiveness of PAS

In section C nine options were provided and respondents can answer by ticking as many options as possible. The results of the survey are analyzed and presented on the table 4.7 below:

Table 4.7   Perceived reasons for Effective PAS

Perceived reasons for Effective PAS	Percentage	Ranking
Clear organizational/employee objective	51.06	1st
Training of Appraisers	8.51	5th
Employee motivation	8.51	5th
Canceled of Biasness	19.15	3rd
Provision of Performance Management System Process/Procedure	23.40	2nd
Self Appraisal	14.89	4th
Provision of feedback by the system	6.38	6th
Employee performance measurement	6.38	6th
Employee strength and weakness	4.26	7th

Source: Survey Data (2017)

Most of the respondents (51.06%) agreed that having clear organizational/employee objective is one of the major challenges of effective PAS. In addition provision of performance management system process/procedure stands as second important factor to contribute for effective PAS with percentage of 23.40%. Respondents also agree that void of biasness and self appraisal play facilitative role in effective implementation of PAS with percentages 19.15 and 14.89 respectively. This shows that majority of the respondents have common understanding on the required challenge leading to PAS effectiveness In addition, in section C respondents were given

a chance to state factors contributing to effective implementation of SSD, PAS from their experience.

Figure 4.8   Factors contributing to effectiveness of SSD performance appraisal system
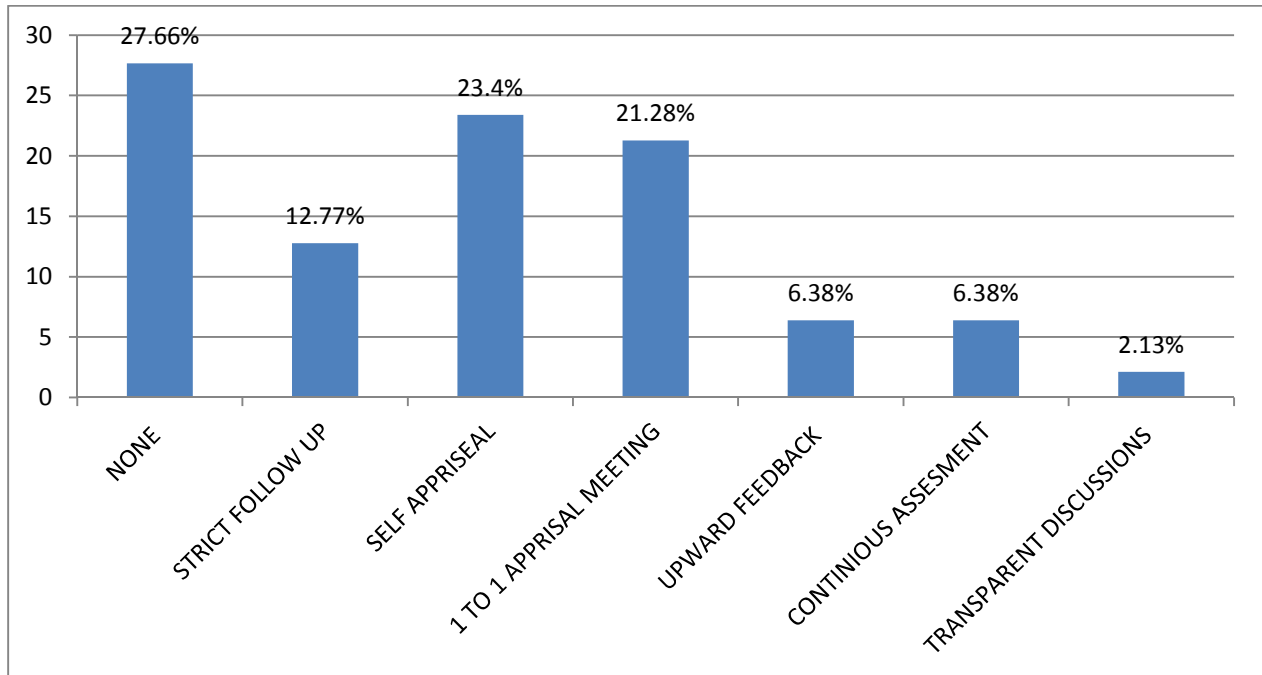
Based on the results above, it appears that 27.66% of responses state that there are no factors contributing for effectiveness of SSD PAS. 23.40% think it is facilitated by self appraisal, 21.28% say one to one appraisal meeting is one factor for effectiveness of the PAS of the organization. The remaining 12.77%, 6.30% and 2.13% responded that strict follow up, upward feedback, continuous assessment and transparent discussions contribute to the effectiveness of the system respectively. This result might be due to implementation problem.

4.3.3 Level of Awareness on the PAS

Figure 4.9Awareness about SSD Performance appraisal system
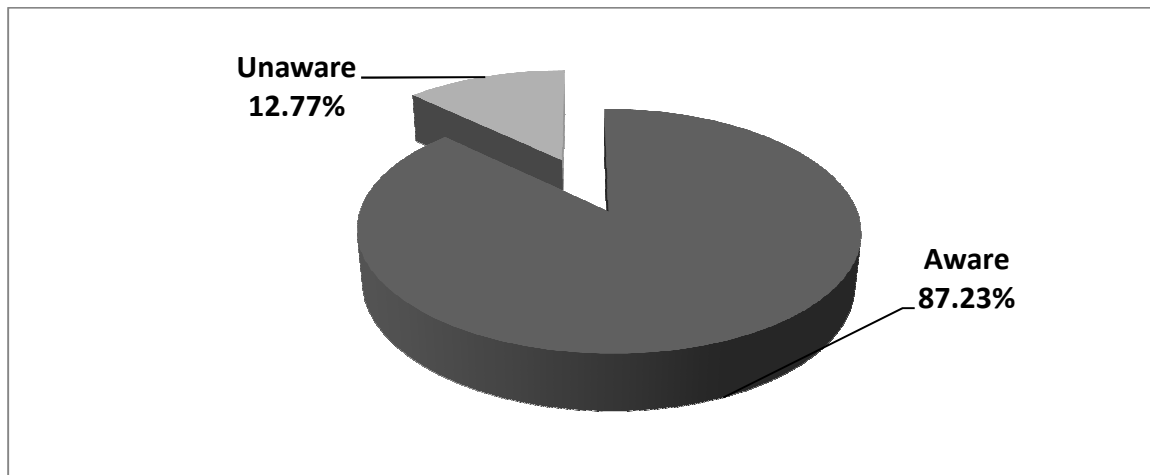
Source: Survey Data (2017)

Figure 4.10 Awareness about Objectives
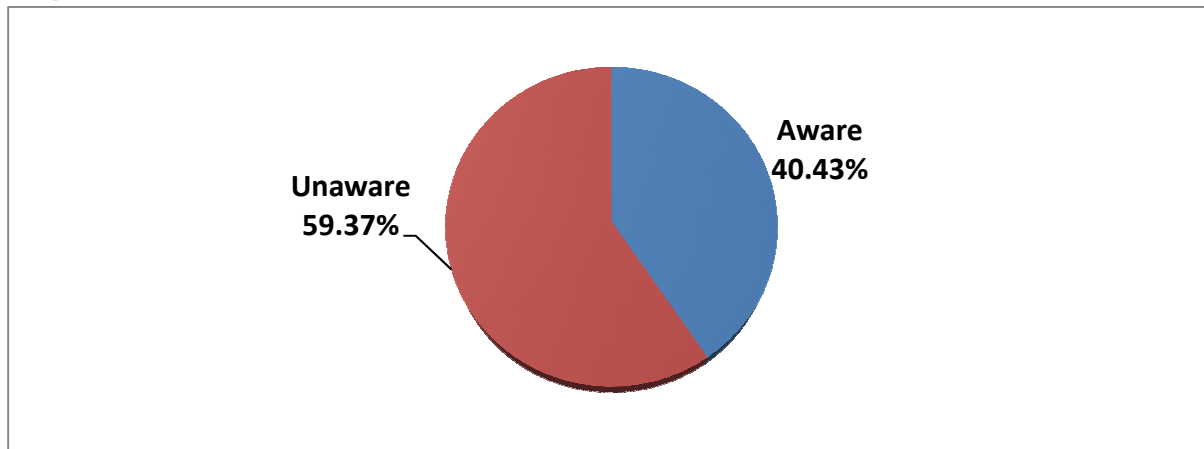
Source: Survey Data (2017)

The study found out that most of the respondents are aware of SSD's Performance appraisal system and also its objectives. The above charts show that 87.23% and 59.37% have aware both awareness and objective of Performance appraisal system respectively and also 12.77and 40.43%

of the respondent has not aware the Performance appraisal system and objective of Performance appraisal system respectively.

They identified the major objectives as communication (27.66%), tracking poor performance (25.53%), reward (14.89%), development (12.77%), promotion (10.64%) and motivation (8.51%) as per the below graph. This ensures existence of proper communication within the organization

Figure 4.11   Major Objectives of SSD
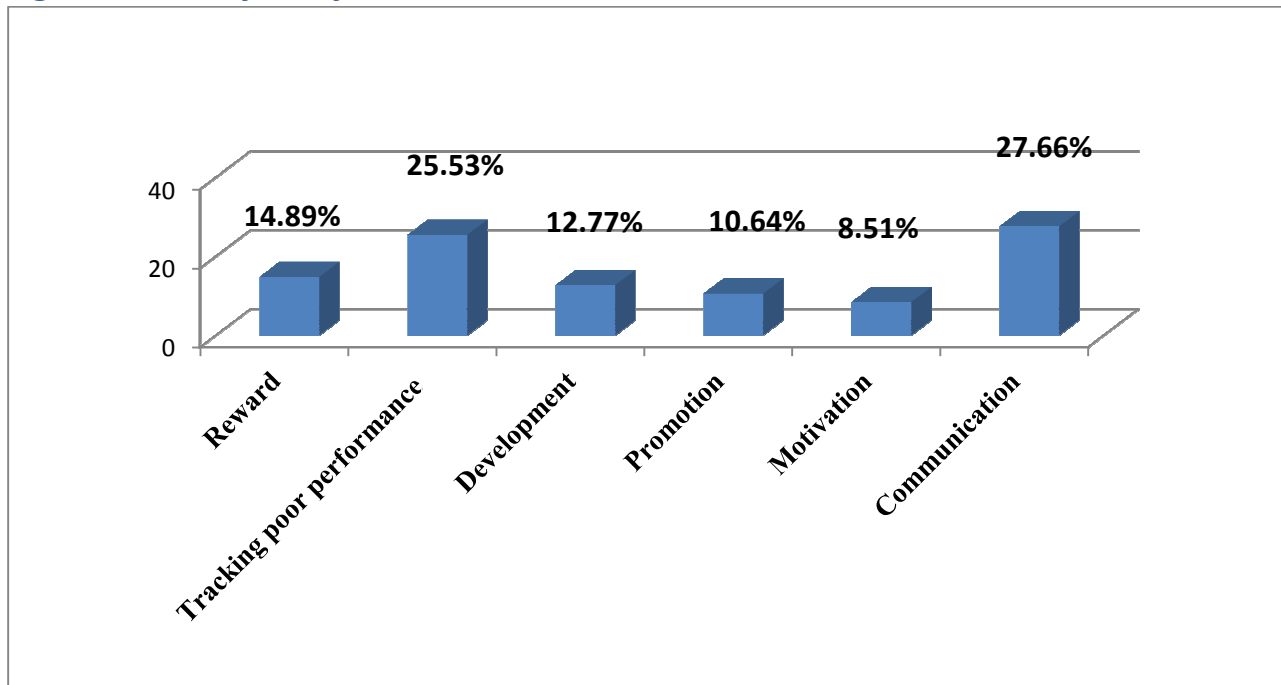
Source: Survey Data (2017)

Table: 4.12 – Briefing by People & Culture Department on PAS

Briefing by P & C	Frequency	Percentage
Briefed	7	14.89
Not Briefed	39	82.98
No Response	1	2.13
Total	**47**	**100.00**

Source: Survey Data (2017)

82.98% of respondents state that they didn't receive any briefing about the performance appraisal system of SSD while joining and/or during their employment period. From the total respondents only 14.89% were briefed while the remaining 2.13% didn't respond. The result shows failure of People & Culture Department to conduct briefing about the performance management system of the organization while employees join the organization as part of the induction package or during their employment period with the organization.

4.3.4 Problems in current PAS

Table 4.13 Individual Accountability Plan

Items	Strongly Agree	Agree	Disagree	Strongly Disagree	neutral	Total
Conducted Between April and June	12.77	4.26	34.04	29.78	19.15	100.00
Objectives are first set by the employee	36.17	27.66	10.64	6.38	19.15	100.00
Discussion is made between the supervisor and subordinate on the objectives	27.66	36.17	6.38	19.15	10.64	100.00
Clear objectives are set	12.77	4.26	29.79	38.30	14.89	100.00
Clear development needs are identified	14.89	0.00	42.55	31.91	10.64	100.00
Final document is sent to people & culture department	85.11	14.89	0	0	0	100.00

Source: Survey Data (2017)

As per the above table, the survey found out that the IAP may not be conducted between April and June as per the schedule. As to the objective setting most respondents agree that objectives are first set by the employee before discussions are made between the supervisor and subordinate on the objectives. Nevertheless, most respondents think that no clear objectives are set during the development of the IAP. In addition, no clear development needs are identified this should have been on of the major purposes during conducting the IAP. On the other hand, all respondents

agree that the final document signed by both the supervisor and subordinate is sent to People and

Culture Department for documentation.

Table 4.14 Six Month Interim Appraisal

Items	Strongly Agree	Agree	Disagree	Strongly Disagree	neutral	Total
Conducted between October – November	12.77	0.00	51.06	17.02	19.15	100.00
Employee assesses his/her performance First	19.15	55.32	0.00	4.26	21.28	100.00
Appraiser provides feedback based on the self-assessment	8.51	44.68	21.28	0.00	25.53	100.00
The appraiser and appraise meet to agree on the assessment	8.51	8.51	34.04	48.94	0	100.00
There is revision of the IAP after completion of the six month interim appraisal	8.51	38.30	53.19	0	0	100.00
Final document is sent to people & culture department	78.72	21.28	0	0	0	100.00

Source: Survey Data (2017)

As to the survey result in relation to conducting the six month interim appraisal, over 60% disagree that it is conducted between October and November. The same as the IAP, here also the employee assesses his/her performance first before the appraiser provides feedback based on the self assessment. More than 80% respondents do not agree that the appraiser and appraise meet to agree on the assessment while 53.19% oppose the existence of IAP revision after the completing of the six month interim appraisal. Here also all respondents agree that the final document is sent to People and culture Department for documentation.

Table 4.15 Annual Appraisals

Items	Strongly Agree	Agree	Disagree	Strongly Disagree	neutral	Total
Conducted Between March & May	8.51	17.02	36.17	14.89	23.40	100.00
Employee conducts self-assessment First	63.83	0.00	31.91	4.26	0.00	100.00
Transparent appraisal meeting takes place	12.77	17.02	19.15	48.94	2.13	100.00
The supervisor conducts performance rating	27.66	72.34	0	0	0	100.00
Training needs are identified clearly	10.64	17.02	38.30	29.79	4.26	100.00
Supervisor and subordinate reach agreement after open discussion	14.89	12.77	19.15	42.55	10.64	100.00
There is clear disagreements resolution procedure	12.77	0	0	87.23	0	100.00

Final Document is sent to people & culture department	91.49	8.51	0	0	0	100.00

Source: Survey Data (2017)

Almost half of the respondents state that the annual appraisal is not conducted between March and May while 63.83% agree that the employee conducts self assessment first before the appraisal meeting. About 70% of the respondents agree that there is no transparent appraisal meeting between the supervisor and subordinate. In addition no clear trainings are identified during the meeting. Even if over half of the respondents confirmed the non existence of open discussion between the supervisor and subordinate they also confirmed that there is no clear disagreement resolution procedure. As to the documentation, all respondents assured that the final annual appraisal document is sent to People & Culture department for filing.

Table 4.16 Upward Feedback

Items	Strongly Agree	Agree	Disagree	Strongly Disagree	neutral	No Response	Total
Supervisor Requests Subordinates to Fill his/her Upward Feedback	8.51	25.53	25.53	0	40.43	0	100.00
Subordinates Fill the Upward Feedback Seriously	0	0	0	95.74	0	4.26	100.00
Negative Upward Feedback Does Not Imply Any Negative Impact on	8.51	0	0	10.64	80.85	0	100.00

the Subordinate							

As per the above table more than 60% of the respondents don't agree that supervisors request subordinates to fill his/her upward feedback. In addition 95.74% possess strong disagreement that subordinates fill the upward feedback seriously while equivalent number of respondents states their worry in the negative consequences of upward feedback on subordinates.

Table 4.17   Effective Use of PA Results

Results of the Performance Appraisal are Used Effectively	Frequency	Percentage
Strongly Agree	6	12.77
Agree	0	0.00
Disagree	13	27.66
Strongly Disagree	23	48.94
Not Sure	5	10.64
Total	**47**	**100.00**

Table 4.18 Existence of Proper Planning & Transparent Discussion

There Exists Proper Planning and Transparent Discussion	Frequency	Percentage
Strongly Agree	5	10.64
Agree	0	0.00
Disagree	15	31.91
Strongly Disagree	22	46.81
Not Sure	5	10.64
Total	**47**	**100.00**

Source: Survey Data (2017)

As to ensuring the effective utilization of the results of the performance appraisal system of the organization, 48.94% strongly disagree in the effective utilization of the results while 27.66% disagree. Even if 10.64% of the respondents are not sure whether the results of the performance appraisal of support for sustainable development are used effectively or not, 12.77% strongly agree on its effective utilization. The study again found out that there is no proper planning and transparent discussion in the overall performance appraisal system of support for sustainable development.

Figure 4.19 Problems in the PAS of SSD
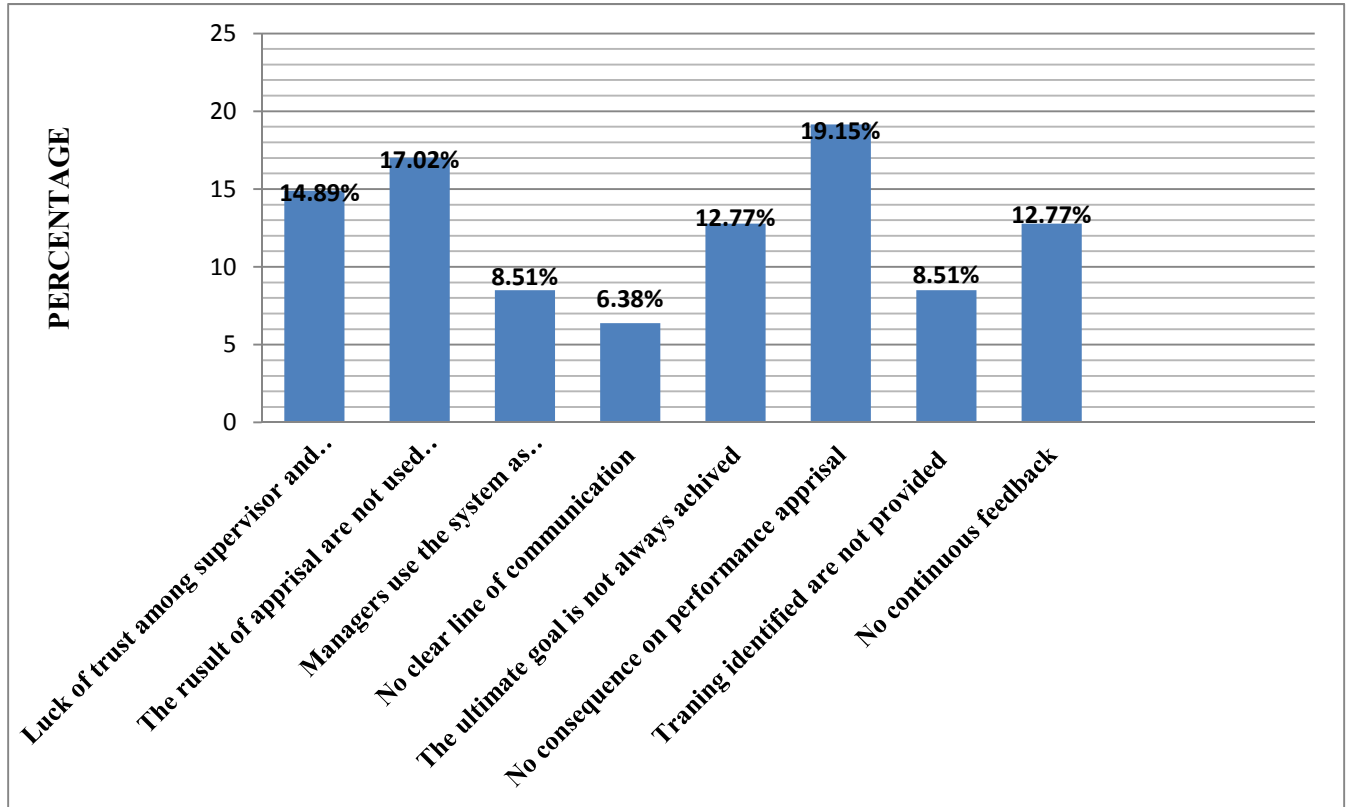
Source: Survey Data (2017)

The majority of respondents seem to be in conversation on problems of SSD PAS during implementation. 19.15% say the results of the performance appraisal has no consequence, 17.02% say the results of these appraisals are not used effectively, luck of trust among supervisor and employee was also stated by 14.89% of the respondents as drawback of the system. In equal percentage of 12.77 respondents state that the ultimate goal is not always achieved and there exists no continuous feedback. Again they raised manager's usage of the system as punishment tool and the non provision of trainings identified with the same percentage as 8.51. The remaining 6.3% agree that there is no clear line of communication which is again the major

problem for effective implementation of SSD PAS In order to overcome the above short comings, one question was added to the questionnaire requesting respondents to state some or few of their suggestions.

The major suggestion forwarded by majority of respondents is the need for an extensive training for all employees including managers and supervisors to have basic knowledge about performance appraisal systems. In addition 19.15% of the respondents suggest the importance of linking results of performance appraisal with reward/corrective action. On the other hand 17.02% of respondents suggest on the need to address training needs identified. The remaining respondents state the need to involve employees in the process, for people and culture department to get involved in controlling the proper functioning of the system, to train all managers to have common understanding and finally the need to redesign the system in consultation with employees of the organization.

Figure 4.20 Suggestions to Overcome Problems of PAS
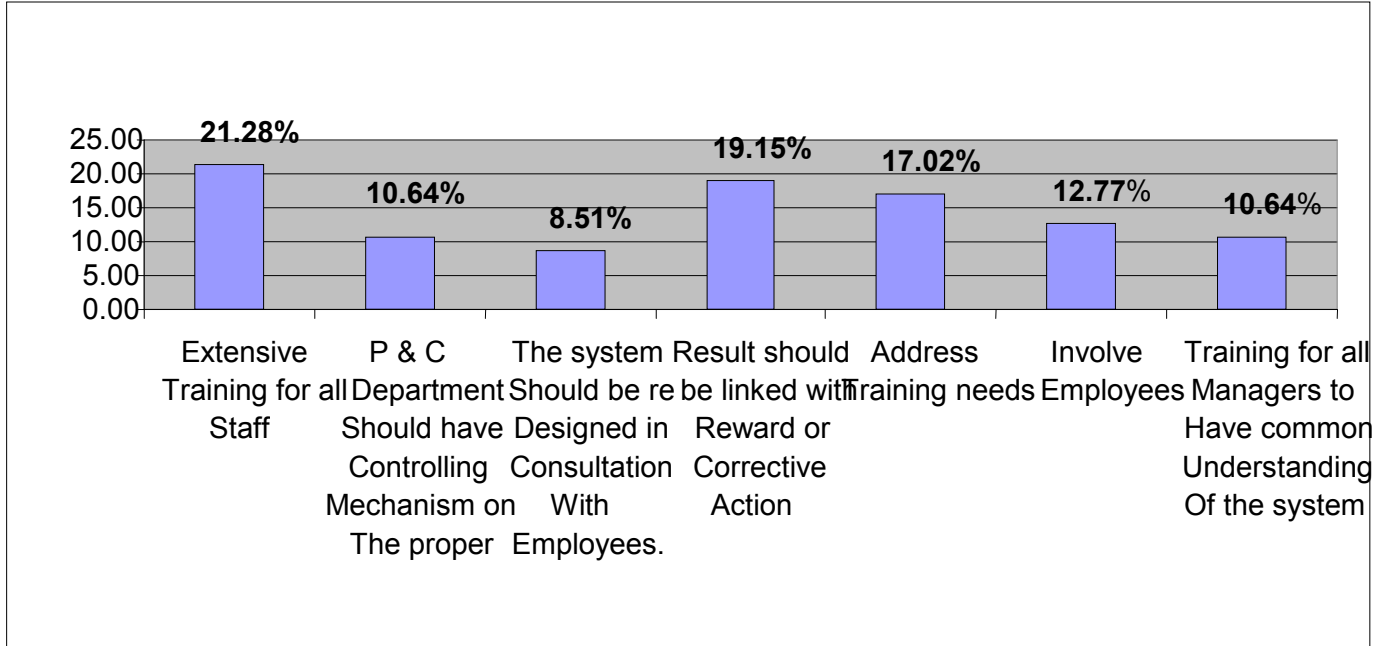
Source: Survey Data (2017)

4.3.5 Appraiser's Perspective on the Performance Appraisal System

Figure 4.21   Number of Employees Managed
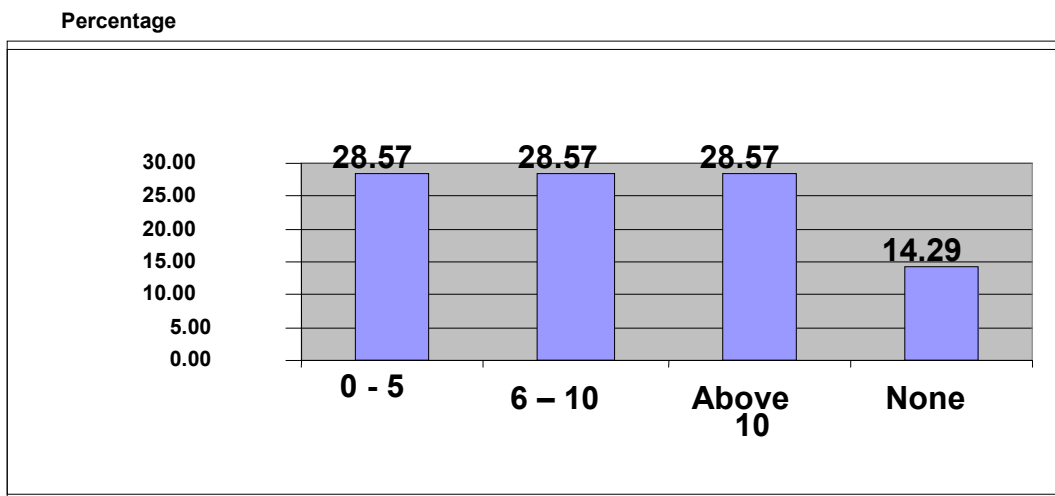
From the total of seven respondents of managers and supervisors 28.57% each manage 0-5, 6-10 and above 10 employees respectively while the remaining 14.29% don't have employees working under his/her supervision. The result shows that managers supervise reasonable number of employees in most cases.

Figure 4.22   Skill/Training Required
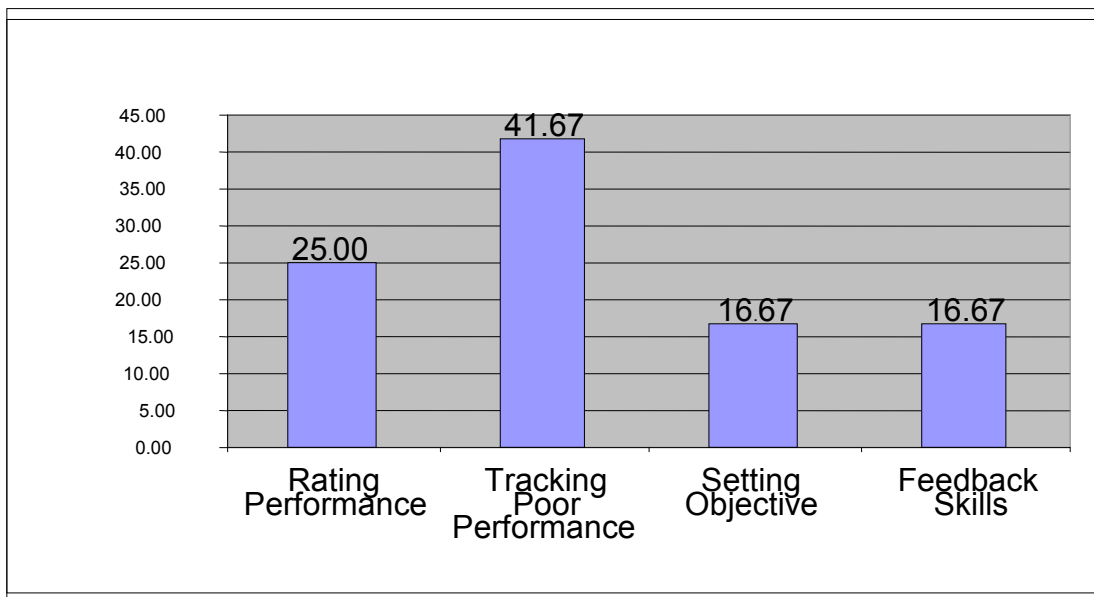
The study revealed that 41.67% of respondents need training on tracking poor performance while 25% wants to take skill building on rating performance. The remaining equal percentage of respondents 16.67% need to build their capacity in relation to setting objectives and providing feedback. This shows that the managers and supervisors are not adequately trained to conduct the performance appraisal for their subordinates.

Table 4.20 Appraiser's Perspective towards the PAS of

Items	Strongly Agree	Agree	Disagree	Strongly Disagree	neutral	No Response	Total
Rating Performance Against Objectives and Behaviors was Easy	0.00	28.57	71.43	0.00	0.00	0	100.00
It is important that the Supervisor's Manager Review the Annual Appraisal of Employees	57.14	42.86	0.00	0	0	0	100.00
As Appraiser's Manager, I Found Reviewing the Employees' Appraisal Document Working Under the Supervisor Reporting to Me Very Important	75.00	0	0	0	0	25.00	100.00
I Feel Very Comfortable in Receiving Upward Feedback	28.57	71.43	0.00	0	0	0	100.00
The Upward Feedback is Useful for Improving My Performance	71.43	28.57	0	0	0	0	100.00

I Provide Continuous and Timely Feedback to My Subordinates	0	100	0	0	0	0	100.00

Source: Survey Data (2017)

The study found out that 71.43% doesn't buy the idea on the easiness of rating performance against objectives and behaviors while the remaining 28.57% agree. All respondents in this survey agreed on the importance of supervisor's manager review of the annual appraisal of employees. On the other hand 75% of manager's agreed on the need to review the employees' appraisal document working under the supervisor reporting to them. Almost all of the managers and supervisors state that they are very comfortable in receiving upward feedback and confirm its usefulness in improving their performance. In additional note these managers and supervisors all confirmed that they provide continuous and timely feedback to their subordinates.

Figure 4.24   Rating of Performance appraisal system
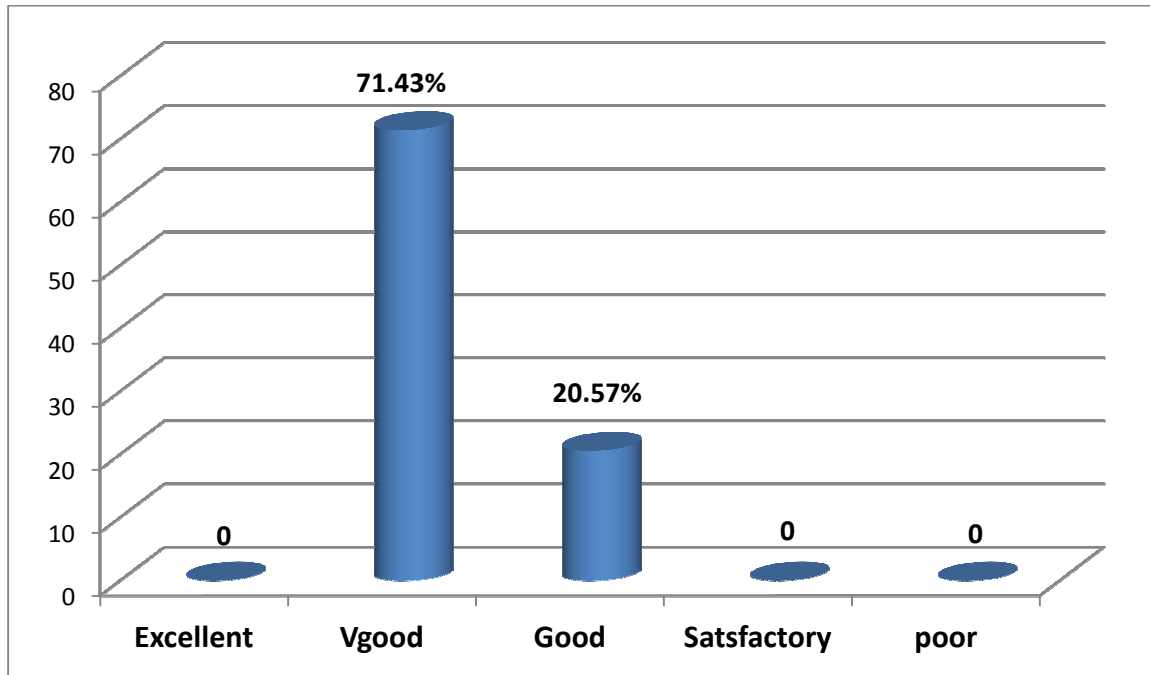
Source: Survey Data (2017)

With all the above specific responses 72.43% of the managers and supervisors rank the existing performance appraisal system of the organization as very good while the remaining 28.57% rate it as good.

4.3.6 Appraises Perspective on the Performance Appraisal System

Table 4.21 Appraises Perspective on the PAS of

Items	Strongly Agree	Agree	Disagree	Strongly Disagree	neut ral	No Response	Total
The Purpose of the PAS of is Clear	0.00	20.00	22.50	27.50	30.00	0	100.00
The PA Form is Easy to Understand	0.00	32.50	37.50	25.00	5.00	0	100.00
The Performance Appraisal Helped Me to Understand What is Expected	12.50	17.50	27.50	0.00	42.50	0	100.00

of Me							
I Had My IAP With My Supervisor	0	100.00	0	0	0	0	100.00
I had My Six-Month Appraisal With My Supervisor	0	85.00	15.00	0	0	0	100.00
I Had My Annual Appraisal With My Supervisor	20.00	60.00	20.00	0	0	0	100.00
Completing the IAP form is Easy	0.00	40.00	22.50	17.50	20.00	0	100.00
Completing the Six-Month Interim Appraisal is Easy	0.00	72.50	15.00	0.00	12.50	0	100.00
Completing the Annual Appraisal Form is Easy	5.00	10.00	0.00	67.50	17.50	0	100.00
Completing the Upward Feedback Form is Easy	0	0	82.50	0	17.50	0	100.00
The Performance-Rating Grid is Clear	0	0	0	92.50	7.50	0	100.00
I am Clear About How My Overall Performance Rating was Decided	0.00	10.00	40.00	22.50	27.50	0	100.00
I Have a Clear Understanding of the Performance Rating Descriptions	0.00	10.00	17.50	72.50	0.00	0	100.00
My Manager Have Asked Me to Participate in the Upward Feedback	0.00	10.00	52.50	37.50	0.00	0	100.00
Following my Annual Appraisal, I had Opportunity to Comment on the Appraisal Discussion and the Overall Performance Rating	25.00	20.00	32.50	22.50	0.00		100.00
I Have Been Receiving Continuous Feedback From my Supervisor	0.00	10.00	12.50	77.50		00	100.00
I Believe it is Valuable for my Supervisor's Manager to Read My Annual Appraisal Form	85.00	5.00	0.00	0.00	10.00	0	100.00
Giving Upward Feedback to My Supervisor was Easy	0.00	35.00	20.00	12.50	32.50	0	100.00
It was Easy to Use the Upward Feedback Form	25.00	22.50	15.00	0.00	37.50	0	100.00

I am Sure That My Upward Feedback is Confidential	0.00	7.50	10.00	72.50	10.00	0	100.00
I am Sure that There will Be No Repercussions From My Upward Feedback	0.00	22.50	17.50	0.00	60.00	0	100.00

Source: Survey Data (2017)

Exactly 50% of respondents say that the purpose of the PAS of is not clear while 30% are not even sure of the purpose, this shows implementation problem since only 20% of the respondents think it is clear. Over 60% of respondents state that the performance appraisal forms are not easy to understand. On the other hand 42% declared their dilemma about their knowledge about what is expected of them by using the PAS More than 50% of respondents confirmed that they have conducted their IAP, Six month interim appraisal and annual appraisal with their supervisor. Except filling the annual appraisal and the upward feedback Form majority of respondents say it was fairly easy to fill the other forms; IAP and six month interim appraisal. 92.5% of respondents state that the performance rating grid is not clear at all, 42.5% are not clear about how their overall performance rating was decided while 90% focused on the unclearness of the performance rating descriptions. Again 90% of the respondents were not asked to fill upward feedback for their supervisors. Moreover, 54% of the respondents didn't have the opportunity to comment on the appraisal discussion and the overall performance rating which really affects the ultimate goal of the PAS.

When considering responses related to feedback, 90% have not been receiving feedback which fails one of the major characteristics of performance appraisal being continuous. Almost all respondents agree the importance of supervisor's manager reviewing their performance appraisal form. In providing upward feedback 35% of the employees say it was easy, 32.5% say it was

difficult while the remaining are not sure. In relation to providing upward feedback over 80% of

the respondents are not sure about its confidentiality and 60% are not sure of the negative result

or consequence of providing upward feedback to their supervisor.

Figure 4.26   Rating for Employees PAS of SSD
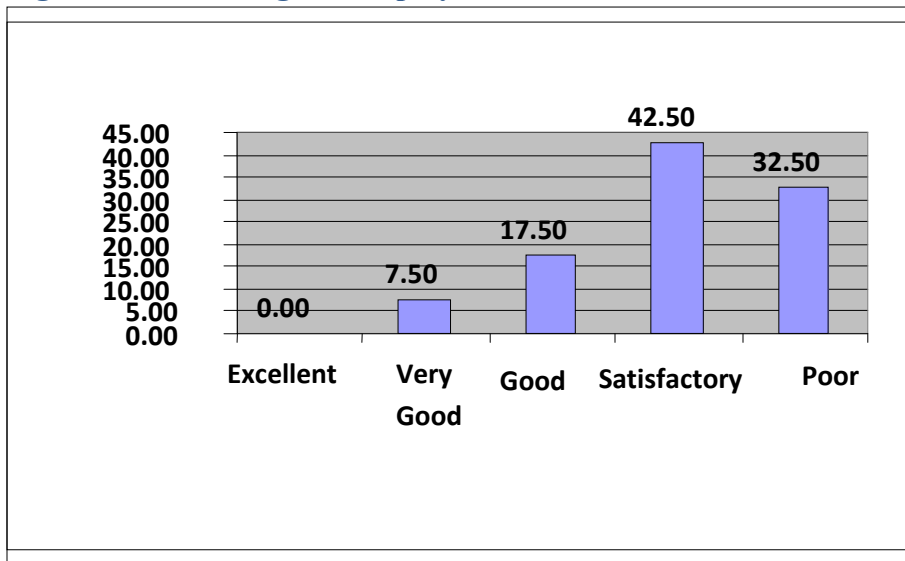
Source: Survey Data (2017)

Finally 42.5% respondents of employees rank the PAS of as satisfactory and 32.50% rate it as

poor while the remaining 17.50% and 7.50% rate it as good and very good respectively.

CHAPATER FIVE

FINDING SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of Major Findings

The need for appropriate appraisal system cannot be over emphasized in a complex organization like an NGO because modern management is today run on a result-based management approach. The main objective of this study was to evaluate the effectiveness of performance appraisal system in support for sustainable development.

When looking at the demographic detail of respondents 23% represent female respondents whereas 77% of the participants were male staffs. In job category 85.11% of the respondents were non management employees while the remaining were management employees. Majority of respondents remain to be in Program/Project, Administration, Finance and Sponsorship departments. As to the number of years worked in support for sustainable development 47% have stayed from 0 – 2 years, 23% worked from 6 – 10 years, 17% worked from 3 – 5 years and meanwhile the remaining13% worked above 10 years. Four research specific objectives and questions were tested and the finding summaries are presented as hereunder based on each research objective:

In determining the main purpose of any performance appraisal system the respondents identified coaching, reward, promotion, training need identification, renewal of service contract, new assignment and transfer in descending order. Then after respondents stated the major purposes of support for sustainable development Performance Appraisal System mostly to be for formality while most were not sure what the purpose is. On the other hand the remaining respondents

stated tracking performance, promotion, reward and development as major purposes. Regarding the factors contributing to the effectiveness of any performance appraisal system, respondents identified the following in order of importance from most important to least as clear organizational objective, provision of performance management Procedure, void of biasness, self appraisal, training of appraisers, employee motivation, provision of feedback, employee performance measurement and employee strength and weakness. When coming to the factors identified for effectiveness of support for sustainable development Performance Appraisal System, most say there were no concrete factors; the others stated self appraisal, one to one appraisal meeting, and strict follow up, upward feedback, continuous assessment and transparent discussion.

Most employees were aware of the performance appraisal system and its objectives which are currently used to appraise them even if over 80% of respondents were not briefed by the people and culture department on the PAS of the organization.

Then problems in implementing the current performance appraisal system of support for sustainable development were identified. In most cases the performance appraisal forms were not filled timely and understood by employees. Other problems identified were lack of trust among management and employees, lack of clear line of communication and no consequence on performance results.

The results of the appraisal were not used effectively. In addition, it was found that there exists no proper planning, transparent discussion and continuous feedback. To overcome the above listed problems respondents suggested that trainings should be given to management and non management employees, results should be linked with reward or corrective action, training needs

should be addressed, P & C department should ensure proper functioning of the system, the need to involve employees in the design and implementation of the system, etc.

Finally, the study assessed the two different perspectives of appraiser's and appraises about the current performance appraisal system of support for sustainable development. Appraiser's state that they need trainings on tracking poor performance, rating performance, setting clear objectives and providing feedback. In addition they confirmed that rating performance against objectives and behaviors was not easy. They also agree on the importance of supervisor's manager to review the annual appraisal of employees. Most supervisors' say they are comfortable in receiving upward feedback and confirm its importance in improving their performance. They also asserted that they provide continuous and timely feedback to their subordinates. As a last remark they rate the performance appraisal system as very good and good. When looking at the Appraises Perspective most said the purpose of the PAS of the organization is not clear and the forms are difficult to understand. Most are not sure that the performance appraisal contributed to their knowledge of job expectation. Majority of respondents assured that they had their IAP, Six month interim appraisal and annual appraisal with their supervisors. Even if completing the IAP form and six month interim appraisal is relatively easy, filling the annual appraisal and upward feedback Form remains to be difficult with the unclear performance rating grid.

These employees were not clear how the ratings of their performance were decided. Again respondents asserted that their supervisors didn't ask them to fill their upward feedback. In addition they said they didn't get continuous feedback from their supervisor. They do agree their supervisor's manager review their appraisal, however most respondents were not sure the

upward feedback will be confidential and will not have any consequence. Then after they rated the system as satisfactory and poor .

5.2   Conclusions

Based on the data presented in the previous chapter the following main conclusions are drawn... Four research specific objectives and questions were tested and the conclusions are presented as here under based on each research objective:

In determining the main purposes of the performance appraisal system of support for sustainable development formality was raised by majority of the respondents. This shows that the system is not being fully used for the purpose it was developed for. This in the short run might lead to employee dissatisfaction which will intern bring about employee turnover in the long term. The fact that employees are using the different forms just to satisfy the requirements of the organization will lead to ineffective performance management (the supervisor will be reluctant and the employee will not take the measure seriously).

The outcome of the study also revealed that there has not been any strong factor contributing to the effectiveness of the performance management of support for sustainable development. This might also disturb other systems linked to it. This could be seen as lack of due attention by the management and specifically by the P & C department on making the system more efficient or at least avoid factors affecting its proper implementation negatively.

The awareness of employees about the performance appraisal system and its objectives which are currently used to appraise them showed there exists an informal communication channel whereby employees get information since they didn't get proper briefing from the concerned department. This could be seen from two different viewpoints. One could be its benefit extracted

from the strong informal communication channel in the organization which ensures strong relationship between employees. On the other hand, this information channel could also be a threat to the management if it is used to mobilize employees against management.

Therefore, the management and also peoples and culture department should give due consideration to this type of channels and follow their day to day actions to avoid such problems and get relevant information about employees perspective.

Most problems identified in the performance appraisal system of were due to lack of proper communication and follow up at the different levels of the organization. People & Culture department being the leading section to facilitate the proper functioning of the system , it overlooked to notice the gaps and address them timely. As long as there exists no common understanding and proper linkage between performance and reward, it is very difficult to maintain employees' morale and motivation so as to retain them. This problem again is confirmed from secondary data source (exit interview) which shows about 15% of employees who left the organization is due to challenges related with the performance appraisal system. The fact that there exists proper documentation is a strong part of the performance management system of the organization.

The two different perspectives in this study outline two different results. The management asserted the effectiveness of the system while the other employees said the system is not effective. Here we can understand that the management is overwhelmed by the guideline written by higher officials (headquarters) and seem to overlook issues of contextualization and acceptance by employees. By refereeing this global document they said the system is effective. However, they didn't assess the implementation and related drawbacks.

On the other hand the employees are very much concerned with the defaults of the system which works well globally, since it invades their freedom to work as they like, raise their disagreements, comments, etc. These employees are not in agreement with the implementation procedures of the system which endangers the overall purpose the system is designed for. The effectiveness of performance appraisal system in the organization is only based on the rating/appraising process. Conclusively, it is difficult to say the performance appraisal system used in the organization is effective since it exists just as a matter of formalities. Plan cannot measure employees' performance hence making it difficult to achieve the intended human resource management objectives.

The encouraging outcome of the study is the strong documentation procedure followed by the organization since, in all cases the different forms are almost always sent to People and Culture Department for filing.

5.3   Recommendations

Based on Findings and discussions the following are recommended:

> It should be the tool used to evaluate employees' performance and decision support systems used for evaluating the performance of employees and their development. This will ensure that the right employees are retained for the right jobs.

> The system should be able to guide the organization in identifying employees training needs, their execution and evaluation on whether they achieve their intended objectives. The systems should be used to evaluate the employees which are ready for promotion and other motivational rewards.

> The system should also be used to evaluate the employees who should be coached and prepare them for deployment, transfers or new assignments.

> At the time of design the performance appraisal system in the organization, the management should consider all factors of an effective system so as to achieve the goals upon which they designed. The major factors should include among others: organizational objectives, training of the appraisers, employees performance measurement, self appraisal approach, Employees' performance review, the system as an employee's motivator, the system should be able to provide feedback to employees, the system should avoid biasness and the process and procedures for the systems should be ratable.

> In addition, management should work towards establishing proper communication channel among supervisors and subordinates to avoid miscommunication. Again to promote openness and transparency, top management should design a way for employees' participation. People and Culture department on the other hand should design

a mechanism to control effective utilization of the system by providing refresher trainings for all concerned, facilitating trainings as per the need assessment, preparing clear guideline on the problem resolution arising from performance appraisal discussions. Moreover, the below specific areas should be visited by the management in consultation with People & Culture department.

➢ Make sure the different parts of the performance appraisal forms are filled on schedule to ensure continuous process. Facilitate existence of open and transparent environment for appraisal meetings, Ensure outcome of the appraisal is linked with some sort of reward or corrective action, P & C department should work to contextualize the performance appraisal guideline with the existing environment in Ethiopia rather than using directly the global procedure. In addition, the department should translate procedural documents to local language so that lower level employees who cannot understand English could read and realize.

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SAINT MARY UNIVERSITY

SCHOOL OF GRADUAT STUDIES

MASTERS OF ART IN BUSINESS ADMINISTRATION

QUESTIONNAIRE

Dear Participants,

I am an MA student at saint marry University School of graduate studies and employee SSD,. I am collecting data for my senior project work on "performance appraisal practices and challenges of Support for Sustainable Development Ethiopia: The study is being conducted in partial fulfillment of my master's degree.

I am kindly requesting you to answer all questions in the questionnaire. The questionnaire will take about 20 minutes. Please respond based on your practical experience and we (I and the University) are assuring you that all answers will remain and treated in a confidential manner and will be used for the purpose of this study only.

Thank you in advance for your assistance and cooperation in my dissertation.

Yours Sincerely,

ADDISALEM KEBEDE

TEL: - 09-46-69-88-26

SECTION A: DETAILS OF THE RESPONDENT (for supervisor)

Please fill and tick (√) where appropriate

1. Sex   2. Job Category

Female	Male

Manager	
Supervisor	
Others	

2. Department in which you are working:

Program/	Finance	Auditing	Sponsorship	Grants	Information Technology	Human Resource	Research & Evaluation	General	Administrat	Public	Others

3. Please select the value that represents the number of completed years you have worked for SSD.

Years	
0 – 2	
3 – 5	
6 – 10	
Above 10	

SECTION B: PURPOSE OF THE PERFORMANCE APPRISAL SYSTEM

1. What do you consider to be the major purposes of an effective Performance Appraisal System? (general knowledge)
(You may tick (√) more than one purpose as the case may be, based on your work experience or leave it blank if you don't agree)

1. Renewal of service Contract	
2. Promotion	
3. Transfer	
4. Training needs	
5. New Assignment	
6. Coaching	
7. Reward	
8. Discipline	
9. Formality	
10. Other (please specify)	

2. State the major purposes of SSD Performance Appraisal System.

_____

_____

_____

_____

_____

SECTION C: PERCIVED REASONS FOR EFFECTIVENESS OF PRFORMANCE APPRISAL SYSTEM

1. What do you think are the major factors leading to an effective performance appraisal system? You may tick (√) more than once. (general knowledge)

1. Frequency of use	

2. Clear organizational/employee objective	
3. Training of Appraisers	
4. Accurate record keeping	
5. Employee's performance measurement	
6. Self appraisal	
7. Employee strength and weakness	
8. Employee motivation	
9. Provision of feedback by the system	
10. Void of biasness	
11. Provision of Performance Management System Process/Procedure	
12. Other (please specify)	

2. What factors contribute for the effectiveness of SSD Performance Management System?

_____

_____

_____

SECTION D: LEVEL OF AWARENESS ON THE PERFORMANCE APPRISAL SYSTEM

1. Are you aware of the current Performance Appraisal System of SSD?

Yes	No

2. Are you aware of the objective of the Performance Appraisal System of SSD?

Yes	No

3. If your answer is Yes   for the above question, state some of the major objectives.

_____

_____

_____

4. I was well briefed by the People & culture partner/manager on the performance appraisal process.

Yes	No

SECTION E: PROBLEMS IN THE CURRENT PERFORMANCE APPRISAL SYSTEM

Please comment on the current performance appraisal system of SSD by ticking (√) on the number that best represent your opinion. **(Tick (√) one box only)**

1=Strongly agree   2=Agree   3=Disagree   4= Strongly Disagree   5=Not Sure

1. Individual Accountability Plan
   (i) Conducted between April and June.

1	2	3	4	5

   (ii) Objectives are first set by the employee.

1	2	3	4	5

   (iii) Discussion is made between the supervisor and subordinate on the objectives.

1	2	3	4	5

(iv) Clear objectives are set.

1	2	3	4	5

(v) Clear development needs are identified.

1	2	3	4	5

(vi) Final document is sent to People & Culture Department.

1	2	3	4	5

2. Six Month Interim Appraisal
   (i) Conducted between October – November.

1	2	3	4	5

   (ii) Employee assesses his/her performance first.

1	2	3	4	5

   (iii) Appraiser provides feedback based on the self-assessment.

1	2	3	4	5

   (iv) The Appraiser and Appraise meet to agree on the assessment.

1	2	3	4	5

   (v) There is revision of the Individual Accountability Plan after completion of the Six Month Interim Appraisal.

1	2	3	4	5

   (vi) Final document is sent to People & Culture Department

1	2	3	4	5

3. Annual Appraisal
   (i) Conducted between March & May.

1	2	3	4	5

   (ii) Employee conducts self-assessment first.

1	2	3	4	5

   (iii) Transparent appraisal meeting takes place.

1	2	3	4	5

   (iv) The supervisor conducts performance rating.

1	2	3	4	5

   (v) Training needs are identified clearly.

1	2	3	4	5

   (vi) Supervisor and subordinate reach agreement after open discussion.

1	2	3	4	5

(vii)Final document is sent to People & Culture Department.

1	2	3	4	5

(vii) There is clear disagreements resolution procedure

1	2	3	4	5

4. Upward Feedback
    (i) Supervisor requests subordinates to fill his/her upward feedback.

1	2	3	4	5

(ii) Subordinates fill the upward feedback seriously.

1	2	3	4	5

(iii)Negative upward feedback does not imply any negative impact on the subordinate.

1	2	3	4	5

5. General

(i) The results of the performance appraisal are used effectively.

1	2	3	4	5

(ii) There exists proper planning and transparent discussion?

1	2	3	4	5

6. What major problems do you see in the existing Performance Appraisal System?

_____

_____

_____

_____

7. How do you think this would be corrected?

_____

_____

_____

_____

SECTION F: APPRISER'S PERSPECTIVE ON THE PERFORMANCE APPRISAL SYSTEM

1. State the number of employees you supervise. _____
2. In which area do you need initial or further skills training? You may tick (√) more than once.

Coaching Skills	
Feedback skills	
Preparing and conducting an appraisal meeting	
Rating Performance	
Setting Objectives	
Tackling Poor Performance	

State your agreement using the information below

1=Strongly agree   2=Agree   3=Disagree   4= Strongly Disagree   5=Not Sure

3. Rating performance against objectives and behaviors was easy.

1	2	3	4	5

4. It is important that the supervisor's manager review the annual appraisal of employees.

1	2	3	4	5

5. As appraiser's manager, I found reviewing the employees' appraisal document working under the supervisor reporting to me very important.

1	2	3	4	5

1	2	3	4	5

6. I feel very comfortable in receiving upward feedback.

7. The upward feedback is useful for improving my performance.

1	2	3	4	5

8. I provide continuous and timely feedback to my subordinates.

1	2	3	4	5

9. Please select rating for Plan employee appraisal based on your experience to date.

Excellent	Very Good	Good	Satisfactory	Poor

SAINT MARY UNIVERSITY

SCHOOL OF GRADUAT STUDIES

MASTERS OF ART IN BUSINESS ADMINISTRATION

QUESTIONNAIRE

<div align="right">**Appendix 2**</div>

SECTION A: DETAILS OF THE RESPONDENT (for staff)

Please fill and tick (√) where appropriate

1. Sex

Female	Male

2. Job Category

Manager	
Supervisor	
Others	

3.   Department in which you are working:

Program/	Finance	Auditing	Sponsorship	Grants	Information Technology	Human Resource	Research & Evaluation	General	Administrat	Public	Others

4. Please select the value that represents the number of completed years you have worked for SSD.

Years	

0 – 2	
3 – 5	
6 – 10	
Above 10	

SECTION B: PURPOSE OF THE PERFORMANCE APPRISAL SYSTEM

1. What do you consider to be the major purposes of an effective Performance Appraisal System? (general knowledge)
(You may tick (√) more than one purpose as the case may be, based on your work experience or leave it blank if you don't agree)

1. Renewal of service Contract	
2. Promotion	
3. Transfer	
4. Training needs	
5. New Assignment	
6. Coaching	
7. Reward	
8. Discipline	
9. Formality	
10. Other (please specify)	

2. State the major purposes of SSD Performance Appraisal System.

_____

_____

_____

_____

SECTION C: PERCIVED REASONS FOR EFFECTIVENESSOF PRFORMANCE APPRISAL SYSTEM

1. What do you think are the major factors leading to an effective performance appraisal system? You may tick (√) more than once. (general knowledge)

1. Frequency of use	
2. Clear organizational/employee objective	
3. Training of Appraisers	
4. Accurate record keeping	
5. Employee's performance measurement	
6. Self appraisal	
7. Employee strength and weakness	
8. Employee motivation	
9. Provision of feedback by the system	
10. Void of biasness	
11. Provision of Performance Management System Process/Procedure	
12. Other (please specify)	

2. What Perceived reasons for the effectiveness of SSD Performance Management System?

_____

_____

_____

_____

ECTION D: LEVEL OF AWARENESS ON THE PERFORMANCE APPRISAL SYSTEM

1. Are you aware of the current Performance Appraisal System of SSD?

Yes	No

2. Are you aware of the objective of the Performance Appraisal System of SSD?

Yes	No

3. If your answer is yes   for question 2 above, state some of the major objectives.

_____

_____

_____

_____

4. I was well briefed by the People & culture partner/manager on the performance appraisal process.

Yes	No

SECTION E: PROBLEMS IN THE CURRENT PERFORMANCE APPRISAL SYSTEM

Please comment on the current performance appraisal system of SSD by ticking (√) on the number that best represent your opinion. **(Tick (√) one box only)**

1=Strongly agree	2=Agree	3=Disagree	4= Strongly Disagree	5=Not Sure

1. Individual Accountability Plan
    (i) Conducted between April and June.

1	2	3	4	5

    (ii) Objectives are first set by the employee.

1	2	3	4	5

    (iii)Discussion is made between the supervisor and subordinate on the objectives.

1	2	3	4	5

    (iv)Clear objectives are set.

1	2	3	4	5

    (v) Clear development needs are identified.

1	2	3	4	5

    (vi)Final document is sent to People & Culture Department.

1	2	3	4	5

2. Six Month Interim Appraisal
    a.   Conducted between October – November.

1	2	3	4	5

1	2	3	4	5

b. Employee assesses his/her performance first.

1	2	3	4	5

c. Appraiser provides feedback based on the self-assessment.

d. The Appraiser and Appraise meet to agree on the assessment.

1	2	3	4	5

e. There is revision of the Individual Accountability Plan after completion of the Six Month Interim Appraisal.

1	2	3	4	5

f. Final document is sent to People & Culture Department

1	2	3	4	5

3. Annual Appraisal
   a. Conducted between March & May.

1	2	3	4	5

1	2	3	4	5

b. Employee conducts self-assessment first.

1	2	3	4	5

c. Transparent appraisal meeting takes place.

1	2	3	4	5

d. The supervisor conducts performance rating.

e. Training needs are identified clearly.

1	2	3	4	5

4.

a. Supervisor and subordinate reach agreement after open discussion.

1	2	3	4	5

b. Final document is sent to People & Culture Department.

1	2	3	4	5

c. There is clear disagreements resolution procedure

1	2	3	4	5

5. Upward Feedback

1	2	3	4	5

a. Supervisor requests subordinates to fill his/her upward feedback.

b. Subordinates fill the upward feedback seriously.

1	2	3	4	5

c. Negative upward feedback does not imply any negative impact on the subordinate

1	2	3	4	5

6. General

a. The results of the performance appraisal are used effectively.

1	2	3	4	5

b. There exists proper planning and transparent discussion?

1	2	3	4	5

7. What major problems do you see in the existing Performance Appraisal System?

_____

_____

_____

_____

8. How do you think this would be corrected?

_____

_____

_____

_____

SECTION F: APPRAISEE'S PERSPECTIVE ON THE PERFORMANCE APPRISAL SYSTEM

State your agreement using the below information

1=Strongly agree	2=Agree	3=Disagree	4= Strongly Disagree	5=Not Sure

1. I am clear about the purpose of the Performance Appraisal System, of SSD.

1	2	3	4	5

2. The Performance Appraisal form is easy to understand.

1	2	3	4	5

3. The Performance Appraisal helped me to understand what is expected of me.

1	2	3	4	5

4. I had my Individual Accountability Plan with my supervisor.

1	2	3	4	5

5. I had my Six-month appraisal with my supervisor.

1	2	3	4	5

6. I had my annual appraisal with my supervisor.

1	2	3	4	5

7. Completing the individual accountability plan form is easy.

1	2	3	4	5

8. Completing the Six-month interim appraisal is easy.

1	2	3	4	5

9. Completing the annual appraisal form is easy.

1	2	3	4	5

10. Completing the upward feedback form is easy.

1	2	3	4	5

11. The performance-rating grid is clear.

1	2	3	4	5

12. I am clear about how my overall performance rating was decided.

1	2	3	4	5

13. I have a clear understanding of the performance rating descriptions.

1	2	3	4	5

14. My managers have asked me to participate in the upward feedback.

1	2	3	4	5

15. Following my annual appraisal, I had opportunity to comment on the appraisal discussion and the overall performance rating.

1	2	3	4	5

16. I have been receiving continuous feedback from your supervisor.

1	2	3	4	5

17. I believe it is valuable for my supervisor's manager to read my annual appraisal form.

1	2	3	4	5

18. Giving upward feedback to my supervisor was easy.

1	2	3	4	5

19. It was easy to use the upward feedback form.

1	2	3	4	5

20. I am sure that my upward feedback is confidential.

1	2	3	4	5

21. I am sure that there will be no repercussions from my upward feedback.

1	2	3	4	5

22. Please select rating for plan employee appraisal based on your experience to date.

Excellent	Very Good	Good	Satisfactory	Poor