



ST.MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES

**PRACTICES OF ADMINISTRATIVE STAFF
PERFORMANCE APPRAISAL SYSTEMS AT ST. MARY'S
UNIVERSITY HEAD QUARTER BETWEEN 2012 TO 2016**

BY:

HANA MAMO

ADDIS ABABA, ETHIOPIA

JUNE 2016

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**A THESIS SUBMITTED IN PARTIAL FULLFILLMENT
OF THE REQUIREMENTS FOR THE MASTER OF
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HUMAN RESOURCE MANAGEMENT)**

ADDIS ABABA, ETHIOPIA

JUNE 2016

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SCHOOL OF GRADUATE STUDIES
FACULTY OF BUSINESS

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LIST OF ACRONYMS

- **SMU:** Saint Mary's University
- **HRM:** Human Resource Management
- **HR:** Human Resource
- **PA:** Performance Appraisal
- **PAS:** Performance Appraisal System
- **SGS:** School of Graduate Studies
- **CODL:** College of Open and Distance Learning
- **TC:** Testing Center
- **SPSS:** Statistical Package for Social Science

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ABSTRACT

Human Resource is a significant arena in the existence of any organization. Organizations cannot survive without their employees. Therefore, employees are obligated to fulfill various types of tasks which they are hired for. Performance appraisal is one of the most important tools in human resource management. Evaluating and documenting employee's performance is necessary for human resource development, employees and organization. This can strengthen the overall organizational performance to this effect no matter how large or small the organizations it must use a performance appraisal system. This study assesses practice of administration staff performance appraisal system at St. Mary's University. The study uses descriptive research type and it also uses stratified random sampling technique to take a sample from the total population of 347 exist in the Administrative staff. Data was obtained by questioners from 74 respondents in the University. The data obtained through questionnaire were presented and analyzed using simple descriptive analysis such as frequency and percentage. An interview was also conducted with human resource managers of the university. The finding of the study indicated that respondents believe the performance appraisal process lacks good implementation, thus expressing their dissatisfaction on the appraisal system. Respondents' agreed that the purpose of performance appraisal in motivating or developing employees was hardly in effect, at St. Mary's University. Respondents are in agreement with the content of the system and feedback process of the performance appraisal system. The findings and the recommendations of this study would help the management to get a valuable lesson so that possible insight would be gained and remedies would be given.

Keyterms: *performance, performance appraisal.*

CHAPTER ONE: INTRODUCTION

This chapter is an introductory part of the study. It presents the background of the study, statement of the problem, research questions, objectives of the study, significance of the study, scope of the study and organization of the study.

1.1 Background of the Study

Human resources are among the fundamental resources available to any organization. Performance Appraisal (PA) is part of human resources management which is a formal system of periodic review and evaluation of an employee's job performance. SMU has developed its own performance management system for managing and measuring performance of its employees.

The organizations success or failure is highly determined by effective and efficient utilization of human, material, financial and information resources. Among these, the human resource is the most important and crucial element of all resources for the survival of an organization or business firms. A proper practice of performance appraisal (PA) of an organization is crucial to enhance organizational performance and achieve organizational objective.

Performance Appraisal (PA) benefits both Employees and Employers. Employers benefit from PA because it helps to understand the weaknesses and strengths of their employees. Understanding the employee's weaknesses helps to make basic reinforcement through training and development and improve his/her performance. It also helps to make remuneration and promotion readily available for those who performed well. PA is not only important to identify employee's problem, but it is also important to identify the strongest employees from the weak employees and help organization effectively and efficiently utilize the human resource after building the capacity of weaker employees. Moreover, Employees benefit from performance appraisal by getting feedback about their performance of certain period in time and improve themselves on their poor performance or to be motivated for their good performance.

An organization's performance management system helps it to meet its short and long term goals and objectives by helping management and employees do their jobs more

efficiently and effectively, and performance appraisal is one part of this system (Bacal, 1999).

The ultimate objective of performance appraisal is identifying, measuring, and managing human performance in an organization and to give feedback to employees who may improve their performance on job and ensure organizations' or business firms success. Additionally, information obtained during the appraisal process can be used as a basis for personnel management like merit increment, termination, carrier planning and promotion, layoff, succession planning, transfer, bonus criteria for selection procedure and validation by using different appraisal methods.

This study focuses on performance appraisal practices on administrative employees of SMU. SMU is a large private higher educational institution that is operating throughout Ethiopia in different programs at all levels of education. Currently, the university has educational program which include:

1. Regular Program – Undergraduate and Postgraduate programs
2. Open and Distance Learning –Undergraduate and postgraduate programs

The purpose of performance appraisal is not only to provide input to employees but also for the manager to gain input about their standing. Understanding the current practice and problems helps to analyze the performance of employees in the institution.

The study focuses on gaps of the practice of the performance appraisal system. This research attempt to overview the practices of administrative staff performance appraisal at SMU and suggests the accepted practices that enhance better performance appraisal practices.

1.2 Statement of the Problem

Proper PA is one of the most important activities of human resource manager of any organization in order to handle employees successfully and make them effective and efficient on their job. Organizations who conduct performance appraisal periodically often perform performance monitoring in order to grasp or collect the necessary information about employees' performance, achievement of performance objectives, customers' satisfaction and so on.

An effective performance management should establish performance agreement with employees from which objectives and competency standards emerges, ensure the ways that performance can be measured are robust, fair and understood. Setting effective ways of giving feedback and ensuring there exists the outcome of performance measurement with pay, personal training or development are delivered fairly and equitably.(Stredwick,2005)

Managers or supervisor uses the result obtained from the performance appraisal for deciding whether to reward the employee or not. But if the appraisal form is designed improperly or the rater is biased employees that should have got a proper development will not be promoted it's difficult to retain best employees without a properly designed and a biased free appraisal methods.

In SMU most of the raters do not rate the employee according to their actual performance. But the raters simply give equal or similar points to the employees and the average point given to the majority is not less than 4.5 out of five. In addition the result that is obtained from the performance appraisal process is not properly delivered with proper remuneration and promotion readily available for those who performed well and there is no training and development program for those who perform below the set standards. Moreover, most of the raters evaluate the performance of employees on the basis of recent behaviors. Since, there is no continuously stored data on the performance of the employees for the evaluation period. (HR statistical data)

This entirely affects employees' motivation and impedes innovation and competition. In addition, there are few attempts made to conduct study in the practice over the administrative division, filling this gap the paper goes far in identifying further problems and tries to emulate ways of overcoming those problems through studying the existing practices. With this intent the present study tries to answer the following basic research questions:

1. What is the purpose of performance appraisal in SMU?
2. Is there a policy and procedures and guideline for employee and management performance appraisal?

3. How is performance appraisal carried out in the university?
4. How is the appropriateness of the feedbacks given after evaluation?
5. Is the university management faire using appraisal results for employee reward system and institutional improvement?
6. Are employees and the management equally agreed on fair and effectiveness of using performance results as intended by the institution?
7. How valuable is the training and development program given for Low performer?

1.3 Objectives of the Study

1.3.1 General Objective

The general objective of this research is to assess, identify and analyze the practices and problems of performance appraisal of permanent administrative employees in St. Mary's University, and to give recommendations based on the principles and concepts in the literature review, and the empirical findings of the study.

1.3.2. Specific Objectives

Below listed are specific objectives which emanate from the general objective.

1. To assess the purpose of performance appraisal in SMU.
2. To assess the existence of policy and procedures and guideline for employee and management performance appraisal?
3. To investigate how performance appraisal is practiced in the university.
4. To examine the appropriateness of the feedback given after evaluation.
5. To assess if the university management is faire using appraisal results for employee reward system and institutional improvement.
6. To assess if the employees and the management equally agreed on fair and effectiveness of using performance results as intended by the institution.
7. To examine the effectiveness of the training and development program given to capacitate the low Performers.

1.4 Significance of the Study

1. Provides useful information on performance appraisal of St. Mary's University. This information can be used for HR managers, the owner and other decision makers on how to improve the current performance appraisal system.
2. Serves as one case in the development and understanding of performance appraisal contents in similar institutions.
3. The study also helps researchers in provision of information as secondary data for future use in the academic arena.

1.5 Scope of the Study

This study focuses to assess the practice of administrative staff; the university's undergraduate, post-graduate and college of open and distance learning staffs located in Addis Ababa. This is so due to time and financial constraints. Regarding the study variables the student researcher used purpose, consistency, fairness and un-biasedness of evaluators, and feedback of the performance appraisal. This study employed a descriptive research design for the reason that a descriptive research can give a clear picture of situations hence can describe the events of performance appraisal in the study organization.

1.6 Limitation of the Study

Due to the respondents' view of performance appraisal, collected data may be subjective therefore this may lessen the quality of the study.

1.7 Operational Definitions of key Terms

Here are the operational definitions of key terms as they are used in this research work.

Performance: The act of performing; of doing something successfully, and using knowledge as distinguished from merely possessing it. A performance comprises an event in which generally one group of people (the performer or performers) behaves in a particular way for another group of people (Armstrong, 2009).

Performance Appraisal: are the systematic assessments of an employee in terms of the performance aptitude and other qualities which are necessary for successfully carrying out the job (Armstrong, 2009).

Performance Appraisal Method: are the techniques through which employee performance is appraised (Armstrong, 2009).

Human Resource (HR): people in working environment gifted with the right ability, skills and attitudes (Bratton and Gold, 2007).

Human Resource Management (HRM): body of knowledge that encompass staffing, rewarding, employee development, employee maintenance, and employee relations (Bratton and Gold, 2007).

1.8. Organization of the Study

The paper has been organized into five chapters. The first one deals with the background of the study, statement of the problem, significance, Scope, limitation, operational definitions of terms. The second chapter deals with review of the related literature. The third chapter focuses on the presentation of research design and methodology. The fourth chapter deals with analyses of data obtained through questionnaire and interview from employees and HR manager .Finally, conclusion and recommendations are presented in the fifth chapter.

CHAPTER TWO: REVIEW OF RELATED LITERATURE

This chapter tries to deal with review of literature on performance appraisal. Attempts will be made to briefly begin with over view of performance appraisal followed by the general concepts of performance appraisal such as purpose, methods, importance, and other related information's are presented in very precise manner.

2.1 Meaning and Definition of PA

Before defining performance appraisal one has to know what Performance management is. According to Armstrong (2009), Performance management is a systematic process for improving organizational performance by developing the performance of individuals and teams. It is a means of getting better results by understanding and managing performance within an agreed framework of planned goals, standards and competency requirements.

Grote (2002) describes performance appraisal as a formal management tool that helps evaluate the performance quality of an employee and it is the important aspect in the organization to evaluate the employee's performance. It helps in understanding the employees work culture, involvement, and satisfaction. It helps the organization in deciding employees' promotion, transfer, incentives and pay increase.

According to Karol (1996) performance appraisal includes a communication event planned between a manager and an employee specifically for the purpose of assessing that employee's past job performance and discussing areas for future improvement.

Performance Appraisals is the assessment of individual's performance in a systematic way. It is a developmental tool used for all round development of the employee and the organization.

Performance appraisals are perhaps the best way to not only let your employee know how she's doing, but also to get feedback about how your organization is doing, whether your employees are committed to your goals, and what you can do to improve morale. Performance appraisals that are mutually beneficial to both the employee and the organization require an effective strategy and starts with preparation.

Performance management is concerned with: aligning individual objectives to organizational objectives and encouraging individuals to uphold corporate core values; enabling expectations

to be defined and agreed in terms of role responsibilities and accountabilities (expected to do), skills (expected to have) and behaviors (expected to be); providing opportunities for individuals to identify their own goals and develop their skills and competencies. (Armstrong, 2009)

And also Yong (1996) defines performance appraisal as “an evaluation and grading exercise undertaken by an organization on all its employees either periodically or annually, on the outcomes of performance based on the job content, job requirement and personal behavior in the position”.

Performance reviews help supervisors feel more honest in their relationships with their subordinates and feel better about themselves in their supervisory roles. Subordinates are assured clear understanding of what's expected from them, their own personal strengths and areas for development and a solid sense of their relationship with their supervisor.

Performance Feedback:- giving Feedback to an employee generally aims at improving performance effectiveness through stimulating behavioral change. This is the manner in which employees receive Feedback on their job performance is a major factor in determining the success of the performance appraisal system (Charris, 1988)

2.2 Purpose of Performance Appraisal

According to Fletcher (2004) Performance Appraisal can be done with the following purposes or objectives:

- ❖ To maintain records in order to determine compensation packages, wage structure, salaries raises, etc.
- ❖ To identify the strengths and weaknesses of employees to place right men on right job.
- ❖ To maintain and assess the potential present in a person for further growth and development.
- ❖ To provide a feedback to employees regarding their performance and related status.
- ❖ It serves as a basis for influencing working habits of the employees.
- ❖ To review and retain the promotional and other training programmers.

Khan (2007) also states that the fundamental objective of performance appraisal is to facilitate management in carrying out administrative decisions relating to promotions, firings, layoffs and pay increases. To carry out the performance appraisal, management then has to make choices in relation to retention, future assignments and training and developmental needs (Hillman et al, 1990).

"Performance appraisal is a systematic periodic and impartial rating of employee's excellence in matters pertaining to his present job and to his potentialities for a better job." (Flippo,1983)

Performance appraisal is mainly used for three purposes.

1. as a basis of reward allocation such as salary increments, promotion and other rewards etc.
2. Performance appraisal will point out the weaknesses of employees and will spot the areas where development efforts are needed. Performance appraisal is a tool for identification of deficiencies.
3. It can be used for the selection and development programmers. It will differentiate satisfactory performers from unsatisfactory ones.

It is sometimes assumed that performance appraisal is the same thing as performance management. But there are significant differences. Performance appraisal can be defined as the formal and periodical assessment and rating or ranking of individuals by their managers or immediate supervisors at, usually, an annual review meeting. Whereas performance management is a continuous, broader, more comprehensive and natural process of management that clarifies mutual expectations, emphasizes the support role of managers who are expected (Grubb,2007).

2.3 Benefits of Performance Appraisal

According to Armstrong (2000), a PA function is a continuous and evolutionary process in which performance improves over time. It provides the basis for regular and frequent dialogues between managers and individuals about performance and development needs based on feedback and self-assessment. It is mainly concerned with individual performance but it can also be applied to teams.

PA has two roles in organizations. One role is to measure performance for rewarding or otherwise making administrative decisions about employees. Promotions or layoffs might hinge on these ratings making them difficult at times. Another role is development of individual potential.

According to Gomez-Mejia (2001), Organizations usually conduct appraisals for administrative and/or developmental purposes. Performance appraisals are used administratively whenever they are the basis for a decision about the employees work conditions including promotions, termination and rewards. Development uses of appraisal which are geared toward improving employees performance strengthening their job skills, including counseling employees on effective work behaviors and sending them for training. The major functions of PA are to give employees feedback on performance, to identify the employees developmental needs to make promotion and reward decisions, to make demotion and termination decisions and to develop information about the organizations selection and placement decisions,

Armstrong (2009) stated employee's feedback and development as functions as a continuous and evolutionary process in which performance improves overtime. It provides the basis for regular and frequent dialogues between managers and individuals about performance and development needs based on feedback and self-assessment. It is mainly concerned with individual performance but it can also be applied to teams. The emphasis is on development, although performance management is an important part of the reward system through the provision of feedback and recognition and the identification of opportunities for growth. It may be associated with performance- or contribution-related pay but its developmental aspects are much more important.

According to Fisher(1995),an effective performance appraisal system will bring benefits to the staff member being appraised, the manager completing the appraisal and the organization as a whole.

For the Organization, benefits include:

Improved Performance due to effective communication, increased sense of cohesiveness and better management-staff relationships, training and development needs identified more

clearly, a culture of kaizen – continuous improvement, competitive advantage in the market place and employee satisfaction as a sense that employees are valued is spread

For the staff being appraised, the benefits include:

Enhanced relationships with line managers, increased job satisfaction, a better understanding of expectations and greater knowledge of strengths and weaknesses

For the Manager carrying out the appraisal, the benefits include:

Better relationship with employees – trust, stronger knowledge of what is going on in the organization, better knowledge of employees – knowing their individual strengths and weaknesses and facilitate management in decisions including pay rises, promotions, redundancies etc

2.4 Performance Appraisal System

Archer, (2010) indicated that performance appraisal system usually include measures both behaviors (what an employee does) and results (the outcomes of an employee's behavior). In order to realize the purpose of performance appraisal, organizations should carefully design appraisal system and implement accordingly.

The main purpose of a performance appraisal system is to align employee and departmental goals to organizational goals and objectives and ensure that employees' performance is consistent with those goals. However, little attention has been paid to the goals that are likely to be pursued by rates in performance appraisal (Fisher, 1995). Goals affect performance for several reasons. Primarily, the setting of goals has a direct effect on what people think and do, it activates behaviour. Goals focus activity in one particular direction rather than other. At the same time, goals regulate energy expenditure, since people typically put forth effort in proportion to the difficulty of the goal, given that the goal is accepted. Goals that are specific lead to higher productivity levels than a generalized goal, such as "do your best". Hence, hard goals lead to higher employee performance than easy goals (Ferris ,1990).

There exist an obvious relationship among individual, unit and organizational performance. Not only does the performance of each person and unit contribute to an organization's overall performance, but there must be direct links from organizational level objectives to unit, department, or work-group objectives and to criteria against which individuals are to be evaluated. The knowledge and values lay out for employees to aspire toward have to correspond to what their organizations need in order to be successful and this must be done when setting performance goals. When employees are aware of and accepts the organizational goals, this helps to boosts the individual performance which in turns results in improved and higher organizational performance. In order to have such end results, it must be ensured that the raters, who will help in setting the rates 'goals in sync with that of the organizations' goal, are properly trained.

This ties in to the fact that raters must be trained in order to get accurate results from performance appraisal. As a means of attaining desired results of performance, supervisors need to communicate organizational goals to individual and link them to performance in order to energize employees. The goals must not only be communicated to employees, but they must be also be accepted by employees. This will help in increasing individuals' persistence as well as transfer effort into commitment and motivation.

According to Armstrong, (2000) employees who have accepted organizational goals would strive toward achieving them, hence their performance would improve. By ensuring that employees are aware of organizational goals and also by letting them feel that they contribute to the overall success of the organization, the performance appraisal/review becomes much easier, causes far less anxiety, and goes much faster when there are clear performance goals. In fact, the better the performance goals, the clearer they are and the more measurable they are the less managers and employees have to venture into the realm of vague opinions about performance during the appraisal process which is the case of recency bias.

In addition to the fact that performance goals allow employees' to monitor their efforts and the results throughout the year we get an appraisal process that is much more effective and yields no surprises for the employee. It also gives positive results as it free the rater from the tendency of setting standards that are based on their own implicit standards. In order for

Performance goals to result in better performance they must be derived from the goals and priorities of the individual, work unit and the organization. This is because goal setting alone does not work if individual goals are not linked to corporate goals so they can become shared and become “ours” (Nash, 1984). If management does not ensure that goals are set in the like manner, it could result with having hostile or indifferent employees who see performance standards and goals as pressure and punishment

2.5 Designing an Appraisal System

For conducting appraisal there must be a designed appraisal system. However, as Armstrong said that there is no one right way to conduct an appraisal, such that it is appropriate for all circumstance. Each organization must examine its own unique human resource feature, task characteristics, work culture and internal climate and figure out the precise system that will be functional as well as acceptable in its own context Armstrong, (2000). On the other hand the process of designing an appraisal system should involve managers, employees, HR professionals, and both internal & external customer in making decision about measurement content, measurement process defining the rater and administrative characteristics (Henderson, 1984)

Measurement content of appraisal system can be either person oriented (Focusing on the person who performed the behaviour) or work oriented (Focusing on the record of outcome that the person active on the job). Effective PA focuses on the recorded of outcomes and in particular, outcome directly linked to an organization mission & objectives. (Henderson, 1984) Even if there is no one right way to conduct appraisal in all organization both employee, managers and customers must participate for the designing of appraisal system depending on characteristics of the organization and the work itself. So it helps to assess the PAS depending on the establish criteria.

2.6. Appraisal Ineffectiveness

One of the major causes of ineffective performance appraisal is the dislike that both the appraiser and appraisee have towards the process. Performance Appraisal is one of the most emotionally charged procedures in management .Many managers and supervisors are unwilling to make accurate evaluations of subordinates because they do not want them to be

hurt. Where the consequence of a low evaluation is termination, no pay increase, an unpleasant work assignment, or no promotion, managers are reluctant to be precise (Kearney, 1978). Watling (1995) highlights the importance of giving appraisals based on facts, not just feelings and suggests the best way to do this is by measuring performance by surveys, on the job observation, peer group feedback and results against targets. This is important to consider in establishing what an effective performance appraisal is.

The appraisal will not be accurate if the manager carrying out the appraisal is having difficulty in giving feedback honestly and truthfully. Because of the emotional variability involved in such processes, accuracy is something which will seldom be achieved. One manager surveyed by Sims (1987) felt that accurately describing an employee's performance is really not as important as generating ratings that keep things going. Some other reasons for managements manipulation of the feedback in an appraisal setting is that they have to work with these people and do not want to create tension or hostility, also the element of there being a physical document from the appraisal recorded permanently on the employees record meant that the appraiser may soften the language used.

Unfair procedures used in performance appraisals create job dissatisfaction. A Performance appraisal system should be fair and must provide accurate and reliable data (Karimi, 2011). Therefore it is important that performance Appraisal systems are fair to staff so that the organization can reap the benefits. So many Performance appraisal systems are solely used as a procedure to determine whether a promotion or raise will be given or as a way of communicating to staff what their role is. But instead of being used as a form of judgment, performance appraisal should be used for the benefit of both the employee and the organization. Continuous assessment could possibly be used as a retention tool and as a system of determining what skills the organization has and what ones it is lacking.

2.7. Effective Performance Appraisal

Effective performance appraisals are commonly associated with clear goals that are attached to specific performance criteria and are well-accepted by both appraiser and appraisee (Mustapha & Daud, p.158). All effective performance appraisals include elements such as linking appraisal to rewards, the supervisor and employee working together to identify goals,

performance goals clearly defined, feedback given to the appraiser on their effectiveness (Rankin & Kleiner, 1988). For performance appraisal to be effective and useful, it is vital that those taking part, the appraiser and the appraisee, are both benefiting from it and find the procedure a productive tool, as without this, it would be impossible for the system to work.

Employees' thoughts of performance appraisal systems could be as important to the continuing success of the system as reliability and validity (Dipboye and Pontbriand, 1981). Rankin & Kleiner (1988, p.14) believed that effective performance appraisals have six key factors. These six factors are:

1. Performance goals must be specifically and clearly defined.
2. Attention must be paid to identifying, in specific and measurable terms, what constitutes the varying levels of performance.
3. Performance appraisal programmers should tie personal rewards to organizational performance.
4. The supervisor and employee should jointly identify ways to improve the employee's performance, and establish a development plan to help the employee achieve their goals.
5. The appraiser should be given feedback regarding his/her effectiveness in the performance appraisal process.
6. The performance appraisal system, regardless of the methodology employed, must comply with legal requirements (notably, Equal Employment Opportunities guidelines).

Ensuring that the performance appraisal ties in with organizational goals is pivotal to the effectiveness of the appraisal. If the goals of the performance appraisal process are in contrast with the organizational goals, the resulting performance appraisal system could, in fact, be of harm to effective organizational functioning (Barrett, 1967). Having both the manager carrying out the appraisal and the employee setting goals mutually is crucial for the effectiveness of the performance appraisal. This can ensure that the employee will work harder to reach these goals as they participated in setting them initially

According to Deborah F.B and Brain H. Kleiner (1997) organizations need to have a systematic framework to ensure that performance appraisal is “fair” and “consistent”. In

their study of “designing effective performance appraisal system”, they conclude that that designing an effective appraisal system requires a strong commitment from top management. The system should provide a link between employee performance and organizational goals through individualized objectives and performance criteria. They further argued that the system should help to create a motivated and committed workforce. (ibid)

2.8. Policy and Practices of Performance Appraisal System at SMU

SMU has a performance evaluation policy, which was developed in 2014 (SMU Administrative Council, 2014d). The policy has the objective of increasing employees' work performance by identifying their skill gap. The university evaluates employees' performance twice a year at the end of December and June. In order to evaluate employees' performance the university uses graphic rating scale technique. The literature said this system as the most popular performance appraisal method used by most organization (Dessler, 2002). Accordingly, the evaluator rates the employee from 1- 5 on each factors using an incremental scale, which are rated on a five-point scale. The format adopted by SMU for employees' appraisal constitutes ten factors (criteria) for non-supervisory employees and twelve factors for employees who have a supervision role (see Annex 3 for SMU's appraisal factors). Dessler (2002) listed down six general factors for graphic rating techniques such as quality, productivity, job knowledge, reliability, availability and independence. SMU's factor lists to apprise employees captures all the six factors suggested by Dessler, and can be contended that the appraisal factors are comprehensive. All employees are appraised by their immediate supervisor. The policy states that employees who get below 2.5 cannot get annual increment. In addition to this, for supervisory managers the additional criteria include leadership ability, performance with respect to plan and the ability to lead work division (team). Therefore, the criteria tries to assess employees' performance in a uniform manner. The criteria established were standard for all job positions.

2.9. Performance Appraisal Process and Methods

2.9.1. Performance Appraisal Process

The performance appraisal is the evaluation process, in which the information is gathered, recorded, measured and analyzed relating to the performance of the employees. A set of

activities are arranged in a logical sequence to perform the task of evaluation it includes the steps. Werther and Davis,(1996) elaborates the Six PA process that any organizations need to follow. The first step is Establish Performance Standards, the second step is Communicate Performance Expectation to Employee, the third step is Measure Actual Performance, the fourth step is Compare Actual Performance with Standards, the Fifth step is Discuss the Appraisal with the Employee and the sixth step is Initiate Corrective Actions. These steps are explained below:

2.9.1.1 Establish Performance Standards:

The appraisal process begins with the establishment of performance standards. The managers must determine what outputs, accomplishments and skills will be evaluated. These standards should have evolved out of job analysis and job descriptions. Management identifies and prioritizes the goals of the organization. For accomplishment of the goals the jobs are to be performed. Now, what level of performance is expected from the employees is to be discussed.

The performance standards should be specific, measurable, attainable, relevant and time-based. The performance standards should be decided regarding the quality of work, quantity of output, with reference to the time taken, manners of work performed, method of doing the tasks, behaviour and costs involved in performing the jobs. These will give a clear idea to the supervisors and performers regarding what are expected from them on job.

2.9.1.2 Communicate Performance Expectations to Employees:

Once the performance standards are established, this need to be communicated to the respective employees so that they come to know what is expected of them. Past experience indicates that not communicating standards to the employees compounds the appraisal problem.

Here, it must be noted that mere transference of information (relating to performance standards, for example) from the manager to the employees is not communication It becomes communication only when the transference of information has taken place and has been received and understood by the employees'. The feedback from the employees on the standards communicated to them must be obtained. If required, the standards may be modified

or revised in the light of feedback obtained from the employees. It is important to note that communication is a two-way street.

2.9.1.3 Measure Actual Performance:

This is the third step involved in the appraisal process. In this stage, the actual performance of the employee is measured on the basis of information available from various sources such as personal observation, statistical reports, oral reports, and written reports.

Needless to mention, the evaluator's feelings should not influence the performance measurement of the employee. Measurement must be objective based on facts and findings. This is because what we measure is more critical and important to the evaluation process than how we measure. The performance can be measured in quality, quantity, time, cost, difficulties faced, competencies expressed during work and initiatives taken for problem solution. Only the trained person can perform this task effectively. Otherwise the objective of the performance appraisal may be defeated.

2.9.1.4 Compare Actual Performance with Standards:

In this stage, the actual performance is compared with the predetermined standards. Such a comparison may reveal the deviation between standard performance and actual performance and will enable the evaluator to proceed to the fifth step in the process, i.e., the discussion of the appraisal with the concerned employees. In first step the performance standards have been decided and in second stage the actual performance is measured. Now in this step the actual performance is compared with the prefixed standards. The attempt in this step is to locate variations between standard performance and actual performance so that one can proceed to the next step in the process.

2.9.1.5 Discuss the Appraisal with the Employee:

The fifth step in the appraisal process is to communicate to and discuss with the employees the results of the appraisal. This is, in fact, one of the most challenging tasks the manager's face to present an accurate appraisal to the employees and then make them accept the appraisal in a constructive manner.

A discussion on appraisal enables employees to know their strengths and weaknesses. This has, in turn, impact on their future performance. Yes, the impact may be positive or negative depending upon how the appraisal is presented and discussed with the employees. Employees get feedback from the appraiser regarding the performance they have given their positive and negative points. Simultaneously they get the counseling, coaching and suggestions for better working.

2.9.1.6 Initiate Corrective Action:

The final step in the appraisal process is the initiation of corrective action when it is necessary. The areas needing improvement are identified and then, the measures to correct or improve the performance are identified and initiated.

2.9.2 Methods of Performance Appraisal

There are a number of methods that are used to evaluate employee's performance. It may be evaluated on the basis of his traits and attributes as well as on the basis of his work or results and objectives achieved by him. Thus his performance may be measured in terms of standards of his traits and general behaviour on the job or in terms of results and goals.

According to Dessler,(2003) Some of the common techniques are given below. The appraisal methods can be classified as follows:

- Individual appraisal, group appraisal and other methods
- Traditional and modern methods

(a) Individual Appraisal Methods

Some of the methods which are widely used to evaluate an individual employee against the standard are as under:

- (i) Rating scale:** This is the oldest and most popular method of evaluating individual's Performance. In this technique the appraiser judges the employee's performance along a scale from low to high. The appraiser rates employee's work and traits such as output, dependability, loyalty, initiative, cooperation, attendance and the like as poor, average, good, very good, excellent etc. Rating is the subjective opinion of the appraiser about the individual work or particular trait. This is noted on the appraisal

form against each criterion or trait. The ratings may be assigned numerical values or scores, so that an average can be calculated and a comparison be made.

- (ii) **Checklist method:** The appraisal form in this technique is a checklist of statements or words which describes employee's performance or behaviour. The rater reads the same and rates the employee against that statement. It is in the form of yes-no response.
- (iii) **Forced choice method:** In this case the appraisal form contains different sentences, each of them contains a pair of positive or negative statement relating to various classes of characteristics, such as learning ability, co-operation, leadership, dependability, loyalty, attendance, work performance etc. In each item, the appraiser or rater has to choose that statement out of the two, which fits the employee most.
- (iv) **Critical incident method:** In this technique, the rater records an extreme or extraordinary behavior displayed by the employee when he works on the job. This will assist him to appraise his performance. The incidents that take place may indicate positive or good behavior of the employee or his negative or bad behavior.
- (v) **Field review method:** In this method a specialist of the personnel department goes into the field and helps the supervisor in rating the employee. The work of the employees is observed actually in the field. The observer sees the nature of job, environment in which the job is performed, the climatic conditions, difficulties faced, working conditions, methods used for working, facilities available to the workers, risks involved in the jobs. The specialist prepares an evaluation based on the observation and information provided by the immediate supervisor about the performance of the employee. It is forwarded to the supervisor for review, modification or for discussion with the employee. The only difference is that a skilled specialist fills up the appraisal form. (Dessler.2003)
- (vi) **Performance test and observation method:** The purpose is to test the knowledge and skills of an employee. He is evaluated either by giving him a paper-pencil test or he is required to demonstrate his skill in a practical situation.
- (vii) **Annual confidential reports (ACR):** These reports relate to the performance of employees and they are kept quite confidential. They are prepared by superiors on

the basis of their judgements, observations and intuitions. The subordinate is not permitted to see his report on performance. The whole process is conducted without disclosing any information out of it to any concerned person. The employee does not get any feedback about his performance, shortfalls and strengths. They are kept in dark. The scope for self development is very less in this. Generally it is being used in government organization. (Dessler.2003)

(viii) Graphic Rating Scale: A performance appraisal that rates the degree to which the employee has achieved various characteristics. The graphic rating scale is the most common type of appraisal used and various characteristics such as job knowledge or punctuality are rated by the degree of achievement. The rate usually receives a score of 1 to 5, with 5 representing excellent performance and some forms allow for additional comments.

(b) Group Appraisal Methods

There are a number of methods that are used to appraise the performance of groups of employees. Generally, these methods are used to rank various employees in a group or groups in accordance of their merits and hence they are, useful for deciding merit, promotion, pay increments, rewards etc.

(i) Factors and points method: In this method the factors affecting the performance of employees are identified. The factors may be performance standard achieved, behaviour, competencies, leadership quality, initiatives to solve the problems. There may other less important factors may or may not be considered. Every factor is given points or marks as per their relating importance. (Dessler.2003)

(ii) Ranking method: It is very simple and easy method of judging the work of employees in a group. Ranks are assigned in order of their performances. In fact the workers on the basis of their performance can be ranked like first, second, third, fourth and so on.

(iii) Paired comparison method: This is a slight variation of ranking method. In this method, performance of each employee is compared with the performance of each of the others and the rater has to select the better out of each pair, taking only one pair at

a time. How many times an employee is better pair wise is computed and one who is considered the best is ranked 1.

(iv) Forced distributions: In this method, the employees are rated and classified into categories such as best 10%, next 20%, middle 90%, next 20% and lowest 10% of employees. They are placed in their respective groups or they are categories as outstanding, above average, average or satisfactory, below average and poor respectively in view of the given percentages. The problem with method is that if the employee falls in one category more than specified percentage, they cannot be rated in that category. They will be shown lower or upper category.

(c) Other Methods Including MBO System

There are some methods which are future-oriented. They evaluate employee potential for future performance. They also aim at setting future performance objectives. The two important techniques that may have a bearing on future performance goals are self-appraisal, management by objectives approach, BARS, 360 degree appraisal method etc.

(i) Self-appraisal: A large number of enterprises use self-appraisal technique for further improvement of performance. Under this method, the employee has to evaluate himself against predetermined standard. Such self-evaluation assists the employee to understand his strengths and weaknesses. He can know the areas where he is lacking and hence requires improvement. Thus self-appraisal leads to self-improvement and self-development and is helpful to personal goals or objectives for future performance.

(ii) Appraisal by results or management by objectives (MBO) approach:

In MBO approach, the performance of a subordinate occupier of a managerial position is assessed or evaluated on the basis of end results achieved or accomplished by him rather than on the basis of traits. The effectiveness or success of management is reflected in the accomplishment or achievement of objectives or end results set by the organization. Thus the basis of appraisal by results is rooted in the concept "management by objectives".

(iii) 360° Performance appraisal: The appraisal is done by any person with whom employee is in touch for performance of his job, Performance can be evaluated on any day and from any angle of his work. Thus the appraisal can be done on all working days in a year, from all angles and by all parties who are connected with the employees.

(iv) Behaviourally anchored rating scales (BARS): In this method, there is a combination of techniques used in the weighted check list rating and critical incident method. Under BARS, effective and ineffective behaviours are described more objectively. This method takes services of a person who is quite familiar with a particular job to identify major components. He ranks the components and validates specific behaviour for each component of the job.

(d) Traditional and Modern Methods

The traditional methods are almost similar to individual and group appraisal methods.

2.10 Rating Errors in Performance Appraisals

Performance appraisals are subject to a wide variety of inaccuracies and biases referred to as 'rating errors'. These errors can seriously affect assessment results. Some of the most common rating errors are: -

Leniency or severity: - Leniency or severity on the part of the rater makes the assessment subjective. Subjective assessment defeats the very purpose of performance appraisal. Ratings are lenient for the following reasons:

- a) The rater may feel that anyone under his or her jurisdiction who is rated unfavorably will reflect poorly on his or her own worthiness.
- b) He/She may feel that a derogatory rating will be revealed to the ratee to detriment the relations between the rater and the ratee.
- c) He/She may rate leniently in order to win promotions for the subordinates and therefore, indirectly increase his/her hold over him.

Central tendency: - This occurs when employees are incorrectly rated near the average or middle of the scale. The attitude of the rater is to play safe. This safe playing attitude

stems from certain doubts and anxieties, which the raters have been assessing the rates.(Saiyadain,1999)

Halo error: - A halo error takes place when one aspect of an individual's performance influences the evaluation of the entire performance of the individual. The halo error occurs when an employee who works late constantly might be rated high on productivity and quality of output as well as on motivation. Similarly, an attractive or popular personality might be given a high overall rating. Rating employees separately on each of the performance measures and encouraging raters to guard against the halo effect are the two ways to reduce the halo effect. (Saiyadain, 1999)

Rater effect: -This includes favoritism, stereotyping, and hostility. Extensively high or low score are given only to certain individuals or groups based on the rater's attitude towards them and not on actual outcomes or behaviors; sex, age, race and friendship biases are examples of this type of error. (Saiyadain, 1999)

Spillover effect: -This refers to allowing past performance appraisal rating to unjustifiably influence current ratings. Past ratings, good or bad, result in similar rating for current period although the demonstrated behavior does not deserve the rating, good or bad.

2.11. Empirical Review

According to Lardy and Robbins (1994), PA as a process of enhancing human performance has attracted the attention of both academics and practitioners. PA can be perceived, described and implemented in different ways in organizations.

It has been known that appraisal errors can harm perceptions of pay system fairness by confusing the relationship between true performance differences (Miceli and et al.,1991). Huber, (1983), Kane and et al. (1995) also found that appraisal errors can undermine the potential beneficial of merit appraisals on employee evaluation.

Wiersma and Latham (1986), Tziner and Kopelman (2002) revealed that if ratees are dissatisfied with appraisal system, the effectiveness of the overall appraisal and feedback process is diminished. Hence, for effectiveness and accuracy of an appraisal system, being free of biases and errors is essential.

2.12. The Conceptual Framework

The conceptual framework is developed from the reviewed literatures about performance appraisal to support the objectives and research question of this study. As said earlier performance appraisal is a formal periodic review and evaluation of employees' job performance and the strength and weakness of an organization's performance appraisal system is assessed by its purpose, consistency, fairness, un-biasedness of the evaluators and its feedback after the appraisal is done.

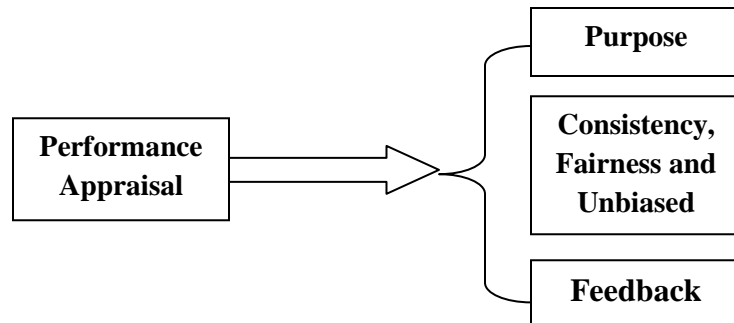


Fig.1. Conceptual Framework developed from the Literature

CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

In this chapter the overall research design and methodology is explained. Hence, the type of research design, population, sample size and sampling techniques, data source, data analysis techniques and data gathering tools are presented in detail.

3.1 Research Design

According to Y.K Singh (2006), research design is essentially a statement of the object of the inquiry and the strategies for collecting the evidences, analyzing the evidences and reporting the findings.

The research design adopted for the study is descriptive research .Descriptive research is selected due to its ability to properly document and describe the existing nature of performance appraisal practice.

Kothari (1985) stated descriptive research focuses on explaining the characteristics of a particular individual, group or a situation. Saunders et.al (2007) also say the object of descriptive research is ‘to portray an accurate profile of persons, events or situations’. Thus, the objective and nature of this research relevantly fall under descriptive research design.

The research pursued both qualitative and quantitative research methods. This is also relevant that the research involved measurement of quantities where the responses of employees obtained through questionnaire was analyzed and interpreted quantitatively. Hence, the data secured through questionnaire are summated, tabulated and converted to percentage for interpretation.

3.2 Sample Size and Sampling Techniques

In most cases it is impracticable for a researcher to collect data from the entire population that it is necessary to take sample through appropriate sampling techniques. A good sampling design is achieved by representative sample, which also results in small sampling error, viable in the context of available fund and result of sample study can be applied to the total population(Kothari:1985). Keeping this principle in mind, the researcher has designed the following sampling techniques.

3.2.1 Population

The total populations of the study are employees of administrative staff of SMU who works in different parts of Ethiopia. There are 344 employees who work in SMU at different position throughout Ethiopia.

3.2.2. Sampling

The researcher selected St. Mary's University for data source. Since the study focuses on the practice of performance appraisal. It focuses on both primary and secondary data. Since it is impossible to get data from all employees the researcher selected sample from the total population using the following simplified formula suggested by Nasiurma (2000).

$$n = \frac{NC^2}{c^2 + (N-1) e^2}$$

Where, **n** is the sample size, **N** is the population; **C** (0.5) is the Coefficient of variation **e** (**0.05**) is the level of precision. Accordingly, the sample size for a total population of 347 is 78 where they were selected using stratified random sampling.

3.2.3 Sampling Techniques

Stratified sampling method was primarily used to draw respondents from the sample size. In a population constituted by heterogeneous group stratified sampling method is relevant to obtain representative sample (Kothari, 1985). First of all the researcher purposively stratified the population into four strata as elaborated below. Then, using method of proportional allocation, size of the total sample (78) was kept proportional to each size of the strata. The sample size for each stratum can be calculated using the following simple formula;

$$N_i = n(S)/N,$$

Where, N_i = size of sample from each strata
 S = total number of population in each strata
 n = total sample size, N =total population

Strata	Population in each strata (S)	Sample of each stratum
Regular	125	28
SGS	13	3
TC	12	3
CODL	197	44
Total	347	78

Table 1: Number of population and sample taken from each strata

Finally, the sample size for each strata is selected using simple random techniques

3.3. Source of Data

The source of data for this research work is employees of SMU. Both primary and secondary data were used where the primary data was secured using questionnaire and structured interview. The primary data were gathered from employees through questionnaire and questionnaire was distributed randomly to give equal chances to all staffs. To augment the data obtained through questionnaire a semi-structured interview with the HR manager of the university was conducted. Secondary data was also obtained from HR manuals and policies of SMU.

3.3. Data Gathering Tools

To achieve the objective of this research, data was collected from documents such as performance appraisal policy and the Human Resource Statistical data of SMU. Interview and questionnaire was also used to get primary data about performance appraisal activities and other factors in the process. Both open ended and closed questionnaire were employed.

The questionnaire checklists are adopted from the review of literature. Questionnaires are prepared and then distributed to the Supervisor/ raters and non- supervisory employees of SMU. Accordingly, out of 78 questionnaires which were distributed 48 were distributed

to for the Supervisor/ raters and the remaining 30 were distributed to non- supervisory to secure their feelings about the practices of PA in administrative staff. From a total of 78 questionnaires distributed 74(94.9%) responses were collected and the remaining 4(5.1%) were not collected due to different reasons. From this it can be said that adequate number of questionnaires were returned which enabled the researcher assess the PA practice in SMU.

An interview will also be conducted with HR heads. This is also important to get qualitative data regarding the practice of performance Appraisal and verify data secured using questionnaire.

3.4 Data Analysis Techniques

Data gathered from employees through questionnaire were organized, tabulated and put in frequency and percent using SPSS. The qualitative data obtained through interview was also interpreted in combination with the data secured by questionnaire.

3.5 Ethical Consideration

This research work strictly adheres to the ethical principles with respect to the data used in the work. First, revisiting the literature all the ideas and concepts taken from other scholars are acknowledged. Secondly, the data obtained through questionnaire from employees also remain confidential as stated on the questionnaire. Moreover, the information secured through an interview with the HR staff was only used for the purpose of the research and the recording or the written notes will not pass to the third party at any circumstances.

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION

This chapter deals with data presentation, analysis and interpretation. Accordingly, demographic characteristics of the respondents and data obtained on the practices of administrative staff performance appraisal was presented and interpreted. The analysis of data is processed in line with the basic research questions and objectives of the study. The data obtained from questionnaire and interview was treated in combination. Responses for the measures on the questionnaire are summarized and presented using the SPSS software version 20.

4.1 Demographic Characteristics of the Respondents

It is pivotal to show the demographic characteristics of the respondents to show the position of the institution in the current social and legal framework. Mathis and Jackson (2006) suggest that demographic shifts are affecting HR operation that organizations need to adapt to the changing trend with respect to demographic issues like age, gender, education, etc. Thus, demographic diversity of respondents at SMU was revealed under here.

Table 2. Respondents Demography

No.	Item	Responses	Frequency	Percent (%)
1	Gender	Male	45	60.8
		Female	29	39.2
		Total	74	100.0
2	Age	18-25	1	1.4
		26-33	25	33.8
		34-41	33	44.6
		42-49	3	4.1
		Above 50	12	16.2
		Total	74	100.0
3	Work Experience	2-5 Year	10	13.5
		6-10 Year	42	56.8
		Above 10 Year	22	29.7
		Total	74	100.0
4	Qualification	Diploma	6	8.1
		Degree	47	63.5
		Masters	21	28.4
		Total	74	100.0
5	Work place	Mexico	26	35.1
		CODL	42	56.8
		SGS	3	4.1
		Testing Center	3	4.1
		Total	74	100.0

Source: Survey 2016

Table Two shows 60.8% (45) of the respondents were male while 39.2% (29) of them were female. From this we can deduce that out of the total work force in the organization the majority (60.8%) were male and the rest were female .The table also depicts 1.4% (1) of respondents belong to the age category of 18-25 , 33.8% (25) of the respondents aged between 26-33 years and 4.1% (3) of the respondents aged between 42-49 years. Respondents who aged more than 50 constitute only 16.2%.The majority of the respondents (44.6%) were between the age of 34 and 41. The majority of the respondents

were constituted by young age employees which indicates the demographic shift at SMU inclined to the young age.

The table elaborates 13.5 % (10) of respondents served at SMU from 2 up to 5 years; 56.8% (42) of them worked at SMU from 6 up to 10 years. However, only 29.7 % (22) of the respondents worked at SMU for more than 10 years. Thus, this may indicate that the university is in short of the experienced work-force who worked longer. This in return shows that the PA system is not effective in maintaining employees for the long period.

The table also shows the educational level of the respondent where 28.4% are MA holders, 63.5% are first degree holders and 8.1 % are diploma holders. As to the total percent of employees' level of education the majority 63.5% of employees were BA holders.

4.2 How performance appraisal carried out in SMU.

PA is one of the most important activities of human resource managers of any organization in order to handle employees successfully and make them effective and efficient on their job. Organizations who conduct performance appraisal periodically often perform performance monitoring in order to grasp or collect the necessary information about employees' performance, achievement of performance objectives, customers' satisfaction and so on.

4.2.1 Nature of Current Performance appraisal Systems

According to Archer, (2010) indicated that performance appraisal system usually include measures both behaviors (what an employee does) and results (the outcomes of an employee's behavior). In order to realize the purpose of performance appraisal, organizations should carefully design appraisal system and implement accordingly

Regarding to the nature of current performance appraisal system the collected data is presented, analyzed and interpreted as follows

Table 3. Responses for the Nature of Current Performance appraisal Systems

No.	Item	Responses	Frequency	Percent (%)
1	Does your organization operate formal performance appraisal system	Yes	74	100.0
		No	0	0
		Total	74	100.0
2	If yes who conduct the performance appraisal	Immediate Supervisor	74	100
		Total	74	100.0
		Total	74	100.0
3	Please indicate which of the following methods of performance appraisal form a part of your system	Written Essay Method	5	6.8
		Graphical Rating Scales	44	59.5
		Ranking Method	17	23.0
		360 degree appraisal	1	1.4
		Self appraisal	5	6.8
		Critical Incident Assessment	2	2.7
		Total	74	100.0
4	Do you believe the current performance appraisal system improve performance	Yes	18	24.3
		No	56	75.7
		Total	74	100.0

Source: Survey 2016

As demonstrated on Table 3, responses to item 1 showed, the whole respondents believe that there is formal performance appraisal system in SMU. Knowledge of the existence of performance appraisal is essential not only for employees, but also important for the organizations and supervisors.

The awareness about the existence of PA is essential for employees in order to help them understand what is expected of them and what they are expecting out of their performance. On the other hand, organizations will be benefited from such knowledge of the employees about the existence of PA and make effort in the job they are hired for and maximize their contributions. It also helps managers/supervisors in order to align the

employees with the organizational goal; it will enable them to put a sense of order into the accomplishment of their responsibilities.

Regarding the second item the whole respondents agreed that their appraisers are their immediate Supervisor. This implies the PA system is more efficient since the immediate supervisors can evaluate their immediate subordinates objectively based on the recorded information or on continuous follow up. In addition to this the institution should be use self appraisal to increase the chances of openness, transparency, and trust that exists between the employees and their supervisors.

Table 3 also shows responses to item 3 that the majority of the respondents agreed the method of performance appraisal in the organization is graphical rating scales. This implies using graphical rating scale limits the chance for the employees to be evaluated by the different concerned parties that is 360 degree appraisal method.

On the same table responses to item 4 depicted that the majority of the respondents agreed that the current performance appraisal system is not to improve performance. The current performance appraisal system is not improving performance of employee by decreasing the performance of the institution. It also affects the institutions objective.

The institutions should use for the improvement of performance of their employees performance by developing policy, that guides and create opportunities, for couching, training and development programs, which can improve the performance of employees in institutions.

Interview result also showed the performance of employees in SMU was conducted by employees' immediate supervisor which is done bi annually, at the end of December and June. In addition, the interviewee expressed the institution uses graphic rating scale method appraise the employees. Regarding the process appraisers were given format to appraise employees. The format for employees' appraisal contains ten standards (criteria) for non- supervisory employees and twelve standards for supervisors.

Those standards (criteria) demonstrate characteristics like: **cooperation on job** (efforts shown to help co-worker, willingness to perform repetitive jobs without getting bored,

readiness to take responsibility of job), **Ability of using working hours**(punctuality and efficient use of time for work), **Knowledge of the job** the standards (criteria) for performance appraisal also include characteristics of employees with regard to their **tendency on job, Relationship with supervisor and peers, participation in planning and organizing, Capacity of creativity, concern for organizational recourses, concern for customer satisfaction and Personality during office hours..** In addition to this supervisory include characteristics like the ability of leadership on his work division with respective plan and supervising that work division. The commitment at SMU is to ensure all employees receive the tools, skills, & authority they need to be successful in their jobs.

From the above information it is observed that the format for employees' appraisal content is not stated based on job description rather it is generic. Hence; the content should be formulated based on job description so that it will be very helpful in evaluating employees' performance. At the same time the form should be different for the rater and the ratee (see the appendix for more information).

4.2.2 Perceptions of performance raters (HR professionals, units heads, etc) on the practice of Performance appraisal

For a clear understanding of the analysis part of the study the following five Likert scale measures became precisely three as 'strongly agree' and 'agree' are considered as agreement, 'strongly disagree' and 'disagree' are considered as disagreement, and undecided remain as it is.

Appraisal plays an important role in Human resource management and it must be implemented through knowing its concept and meaning in detail. According to Goyal (2002), PA is the evaluation of ability of individual employee against predetermined standards usually set in the job description. This provides transparency and objectivity to the performance appraisal practice. Regarding how performance appraisal is carried out in the SMU the collected data is presented, analyzed and interpreted as follows.

Table 4: Perceptions of performance raters (HR professionals, units heads, etc) on the practice of Performance appraisal

No	Statement	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree		Total	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
4.1	The information generated from performance reviews is unproductive and of no value	2	2.7	5	6.8	7	9.5	30	40.5	4	5.4	48	64.9
4.2	Performance appraisal is generally only of use to the personnel department, not individual line managers	3	4.1	7	9.5	10	13.5	24	32.4	4	5.4	48	64.9
4.3	I am not comfortable with conducting performance reviews	5	6.8	9	12.2	7	9.5	24	32.4	3	4.1	48	64.9

Source: Survey 2016

As it can be observed from table 4 responses to item 4.1 showed 9.5% of the respondents agreed that the information generated from performance reviews is unproductive and of no value and 45.9% of them disagreed and the remaining respondents are undecided about the same idea. This implies managers or supervisor uses the result that is obtained from the performance appraisal for deciding whether to reward the employee or not. But according to interview the reward system is not practically applicable in the organization .The appraisal result is only used for annual salary increment.

On table 4 responses to item 4.2 showed 13.6% of the respondents agree that Performance appraisal is generally only of use to the personnel department, not individual line managers and 37.8% of respondents disagreed and 13.5% of respondents were undecided about the same issue. This implies that PA is not only important for personnel department but also important for line managers that they can understand the weaknesses and strengths of their employees. PA is not only important to identify employee’s problem, but it is also important to identify the strongest employees from the weak employees and help organization effectively and efficiently utilize the human resource after building the capacity of weaker employees (Fisher,1995)

Responses to item 4.3 showed 19% of the respondents agree that they are not comfortable with conducting performance reviews and 36.5% of them disagreed and 9.5% of them were indifferent on this item. This shows majority of the respondent disagree about the idea. This implies that even if the institution performance appraisal system does not serve its purpose based on their evaluation procedure. The organization should conduct the performance review in order to identify, measure, and manage employees performance in an organization and to give feedback to employees who may improve their performance on job and ensure organization's success. Organizations that conduct performance appraisal periodically often perform performance monitoring in order to grasp or collect the necessary information about employees' performance, achievement of performance objectives, customers' satisfaction and so on.

4.2.3 Perceptions of Employees on the practice of Performance appraisal

Proper PA is one of the most important activities of human resource manager of any organization in order to handle employees successfully and make them effective and efficient on their job

According to Karol (1996) performance appraisal includes a communication event planned between a manager and an employee specifically for the purpose of assessing that employee's past job performance and discussing areas for future improvement. Regarding to the Perceptions of Employees on the practice of performance appraisal the collected data is presented, analyzed and interpreted as follows

Table 5: Perceptions of Employees on the practice of Performance appraisal

No.	Statement	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree		Total	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
5.1	I fully understand my organization's goals & objectives	33	44.6	31	41.9	2	2.7	7	9.5	1	1.4	74	100.0
5.2	Performance appraisals followed in the organization helps to assess the training and development needs of employees	11	14.9	19	25.7	7	9.5	36	48.6	1	1.4	74	100.0

5.3	The performance appraisal standards (form) were designed through the involvement of employees.	4	5.4	12	16.2	21	28.4	26	35.1	11	14.9	74	100.0
5.4	The criteria provided under performance appraisal are aligned with the objective and goal of the organization.	4	5.4	43	58.1	4	5.4	23	31.1	0	0	74	100.0
5.5	The raters who monitor and evaluate employees have adequate knowledge and potential to appraise performance	9	12.2	24	32.4	3	4.1	37	50.0	1	1.4	74	100.0
5.6	The performance appraisal process makes sure that my performance expectation measure what I really contribute for the organization.	8	10.8	25	33.8	3	4.1	35	47.3	3	4.1	74	100
5.7	My rater frequently lets me know how I am doing	6	8.1	35	47.3	15	20.3	15	20.3	15	20.3	74	100.0
5.8	Performance appraisal is a two-way process, with both manager & employee expressing their views	18	24.3	36	48.6	8	10.8	8	10.8	4	5.4	74	100.0
5.9	Performance appraisal is only use to personnel people	5	6.8	22	29.7	9	12.2	28	37.8	10	13.5	74	100.0
5.10	The system of performance appraisal used here works well and does not need to change	3	4.1	4	5.4	17	23.0	34	45.9	16	21.6	74	100.0
5.11	Performance appraisal has no value for individuals, only for organization	3	4.1	16	21.6	11	14.9	32	43.2	12	16.2	74	100.0

Source: Survey 2016

Employees who have accepted organizational goals would strive toward achieving them; hence their performance would be improved. By ensuring that employees are aware of organizational goals and also by letting them feel that they contribute to the overall success of the organization, the performance appraisal/review becomes much easier, causes far less anxiety, and goes much faster when there are clear performance goals.

According to responses to item 5.1, 86.5% of the respondents agreed that they fully understand their organization's goals and objectives. 10.9% of them disagreed and the rest remain undecided about the issue. This shows the majority of the respondents fully understand the organizational goals and objective which is advantageous to the organization to boost the individual performance which in turn results in improved and higher organizational performance.

Responses to item 5.2 illustrate 40.6% of the respondents agreed that the Performance appraisals followed in the university help to assess the training and development needs of employees, 50% of them disagreed, and 9.5% of them were undecided about the issue. Thus, it can be deduced that the majority of the respondents disagree that the PA system helps to assess the training and development needs of employees. This shows that there is a gap in giving training for underperformers but it is important to give training for the under-performer so that employees increase their performances. In the institution performance evaluation procedure guideline states that training should be given for under-performer but that is not practical.

Responses to item 5.3 also illustrated 21.6% of the respondents agreed that the performance appraisal standards (criteria) were designed through the involvement of employees and 50% of them disagreed and 28.4% of them are indifferent to this idea. Thus, it can be generalized that the majority of the respondents feel that there was no participation of employees in the design of the PA process. This can imply the absence of participation in PA practices causes employee job dissatisfaction and poor performance.

On the other hand, responses to item 5.4 depicted that 63.5% of the respondents agree that the criteria provided under performance appraisal are aligned with the objective and goal of the organization, and 31.1% of them disagreed and 5.4% of them were indifferent.

to this idea. It can be generalized that more than half of the respondents agreed that the criteria provided under PA are aligned with the objective and goal of the organization. Thus the PA system of SMU is effective in this regard. According to Armstrong (2009) The main purpose of a PA system is to align employee and departmental goals to organizational goals and objectives and also ensure that employees' performance is consistent with those goals

On the same table, responses to item 5.5 depicted 44.6. % of the respondents agreed that the raters who monitor and evaluate employees have adequate knowledge and potential to appraise performance, and 51.4% of them disagreed and 4.1% of them are indifferent to the idea. This showed that there is a gap in the raters adequate knowledge and potential to appraise performance. According to Armstrong (2004), qualification of the person who is dealing with employee's performance is decisive. This can be possible if the management of the organizations give attention and provide training to those employees who are dealing with the performance of employees. A performance appraisal rated with unqualified person can impair information generated through it negatively to both organization and employees in addition to this the performance rating harms the organizations performance and employee's morale.

On the other hand responses showed to item 5.6, 44.6.% of the respondents agree that the performance appraisal process makes sure that their performance measurement shows what they really contributed for the organization ,and 51.4% of them disagreed and 4.1% of them were indifferent. Thus, we can conclude the performance measurement do not contribute to ward the future improvement which implies that employees have no confidence and knowledge on the performance appraisal procedure the supervisors follow.

According to responses to item 5.7, 55.4% of the respondents agreed that the raters frequently lets them know how they are doing, and 40.6% of them disagreed and the rest remain undecided about the issue. From the information above it can be generalized that raters make a continuous follow up on employee's performance which also insures the relationship between employees and immediate supervisors. Guiding and telling what employees are doing is essential; however, this has to have positive perception among employees. The quality of appraisal process is dependent on the nature of the day to day

supervisor- subordinate relationship, in effect providing feedback and coaching on an ongoing basis. This will create trust between the two and avoid negative perception arises from subordinates.

In addition, responses to item 5.8 elaborates 72.9% of the respondents agree that performance appraisal is a two-way process, with both manager and employee are expressing their views and 16.2% of respondents disagreed and 10.8% of them were indifferent about the same idea. As we can see from the above information majority of respondents agreed that the PA process of SMU is a two-way process that it involves both employees and manager to express their views.

Responses to item 5.9 also illustrate 36.5 % of the respondents agreed that performance appraisal is only useful to personnel people and 51.3 % of them disagreed and 12.2% of them are indifferent to the idea. We can generalize that majority of the respondents disagree that the use of PA in SMU is only for personnel department. But PA should also be used by individual to identify their weakness and strength and by the organization to know the achievement of the goal.

On the same table, responses to item 5.10 depicted 9.5 % of the respondents agreed that the system of performance appraisal used here works well and does not need to change , 67.5% of them disagreed and 23% of them are indifferent to the idea. Thus, it can be generalized that the majority of the respondent disagree that PA works well .This implies that the current PA system has a gap and clear the gap based on the performance evaluation procedure that prepared by the institution (SMU) and it achieved all the purposes and objectives those are included in the PA procedure guideline of the institution.

Responses to item 5.11 illustrate 25.7% of the respondents agree that Performance appraisal has no value for individuals, only for organization and 59.4% of them disagreed and 14.9% of respondents were indifferent. From the above information majority of the respondent showed that PA has value for both individuals and organization. From this we can generalize that the value of PA is not only for individual but also for the organization to identify the strongest employees from the weak employees and help

organization effectively and efficiently to utilize the human resource after building the capacity of weaker employees.

4.3 The purpose of performance Appraisal at SMU

PA should have a meaningful purpose for its mere existence in any organization. It should also support the organization in its human resource enhancement. It is only when employees understand what the PA system is trying to achieve in an organization that the system itself brings positive impact on the organization. These PA objectives vary from organization to organization. According to Flippo(1983). Performance appraisal will point out the weaknesses of employees and will spot the areas where development efforts are needed and it also a tool for identification of deficiencies.

4.3.1 Purpose of Performance appraisal according to performance raters (HR professionals, units heads, etc)

Regarding purpose of Performance appraisal in SMU the collected data is presented, analyzed and interpreted as follows.

Table 6: purpose of Performance appraisal according to performance raters (HR professionals, units heads, etc)

No	Statement	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree		Total	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
6.1	Performance appraisal helps me to motivate my team	8	10.8	1	1.4	3	4.1	9	12.2	27	36.5	48	64.9
6.2	Performance appraisal helps me decide what to pay members of my teams	2	2.7	18	24.3	11	14.9	15	20.3	2	2.7	48	64.9
6.3	Performance appraisal helps me to develop the skills & capabilities of my team	4	5.4	29	39.2	3	4.1	12	16.2	-	-	48	64.9
6.4	Performance appraisal helps my team to perform better	5	6.8	34	45.9	1	1.4	8	10.8	-	-	48	64.9
6.5	Performance appraisal helps me to communicate to my team what is expected of them	8	10.8	28	37.8	5	6.8	7	9.5	-	-	48	64.9

Source: Survey 2016

According to responses to item 6.1, 12.2% of the respondents agreed that the performance appraisal helps them to motivate their team and 48.7% of them disagreed and the rest remain undecided. From the above information we can conclude that majority of the respondents showed that the PA does not motivate their team. This implies that the institution does not apply the objective of PA. According to Fletcher (2004), one of the objectives of performance appraisal is to motivate employees through reward and development when their performance rating is above the average standard. This implies that motivation increase the performance of the employee.

Responses to item 6.2 also showed 27%, of the respondents agree that the Performance appraisal helps me decide what to pay members of my teams and 23% of respondents disagreed and 14.9% of them were neutral about the same idea. From this it can be deduced relatively large number of respondents use PA to determine pay .But, interview result showed PA is used only for salary increment where almost all employees get their salary increased. Hence no pay schedule is set as per the PA result.

Performance appraisal is used not only for employee feedback purposes, but also for pay and promotion determination purposes. If PA is to be effective it has to be connected with the benefits it bears, such as pay increment and promotion. Payment is a kind of material reward involving pay in cash or in kind, whereas promotion is the move from a lower level to a higher level position comes with cash increment. This helps the organization as well as the incumbent employee in bringing about effectiveness and efficiency, which in turn increases productivity or service quality.

Responses to item 6.3 also illustrate 44.6 % of the respondents agreed that the Performance appraisal helps them to develop the skills and capabilities of their team and 16.2%, of them disagreed and 4.1%, are neutral to the idea. We can conclude that this gives the organization a competitive advantage having qualified and skilled employees.

Responses to item 6.4 also showed 52.7% of the respondents agree that performance appraisal helps their team to perform better and 10.8%, of them disagreed and 1.4% of them were indifferent about this issue. From the information above it can be generalized that

the PA is not only used to develop skills and capabilities but also increase the performance of employees.

On the same table, responses to item 6.5 depict 48.6. % of the respondents agreed that the performance appraisal helps them to communicate to their team about what is expected of them and 9.5% of them disagreed and 6.8% of them are indifferent to the idea. The PA practice of SMU is effective that it helps the employee to communicate about what is expected from them

4.3.2 Purpose of Performance appraisal according to Employees

PA should have a meaningful purpose for its mere existence in any organization and should support the organization in its human resource enhancement

Regarding purpose of Performance appraisal in SMU the collected data is presented, analyzed and interpreted as follows

Table 7: purpose of Performance appraisal according to Employees

No	Statement	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree		Total	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
7.1	The Performance appraisal system identifies performance deficiencies and performance gap.	6	8.1	47	63.5	9	12.2	10	13.5	2	2.7	74	100
7.2	Performance appraisal does not help to develop careers, only improve work performance	10	13.5	19	25.7	12	16.2	31	41.9	2	2.7	74	100
7.3	Performance appraisal helps me to improving performance	11	14.9	4	5.4	7	9.5	8	10.8	44	59.5	74	100
7.4	Performance appraisal helps me to develop my skill & potential	8	10.8	32	43.2	17	23.0	13	17.6	4	5.4	74	100
7.5	Performance appraisal helps me to do my job better	9	12.2	36	48.6	7	9.5	20	27.0	2	2.7	74	100
7.6	The Performance appraisal system helps to identify the strength and weakness of the employee	16	21.6	30	40.5	4	5.4	19	25.7	5	6.8	74	100

7.7	The most important thing about my job is the pay	4	5.4	6	8.1	12	16.2	40	54.1	12	16.2	74	100
7.8	Hard work is not necessarily recognized or rewarded	13	17.6	20	27.0	4	5.4	22	29.7	15	20.3	74	100

Source: Survey 2016

According to Grubb (2007) the major purpose of PA is developmental purpose and this could be achieved in due process of identifying the performance deficiencies and performance gap of employees throughout the system of PA. Apparently, responses to item 7.1 showed 71.6% of the respondents agreed that the performance appraisal system identifies performance deficiencies as well as gaps, 16 % of them disagreed and 12.2%, of them are indifferent to the idea. In addition, responses to item 7.2 showed 39.2% of the respondents agree that Performance appraisal does not help to develop careers but only improve work performance and 44.6% of them disagree and 16.2% of them were indifferent. This shows that the developmental purposes of PA were not given enough emphasis while implementing the PA activities. Even though, effective performance management was supposed to improve employee loyalty, moral & productivity.

Responses to item 7.3 also illustrate 20.3 % of the respondents agreed that Performance appraisal helps me to improve performance and 70.3 % of them disagreed and 9.5%, are undecided about the idea. As we can see from the responses more than half of the respondent disagreed about the PA improve performance. Because the result of PA is not properly done as per the institution performance evaluation procedures related to reward and recognition. Due to this the employee does not satisfied and motivate.

Respondents to item 7.4 discloses 54% of the respondents agree that Performance appraisal helps them to develop their skill and potential, and 23% of them disagreed and 23% of them remained indifferent. From the above information we can generalize that majority of the respondent agreed that PA helps them to develop their skills and potentials. It is advantageous to the organization to achieve the desired goal.

On the same table, responses to item 7.5 depicted 60.8 % of the respondents agree that the performance appraisal helps them to do their job better and 29.7% of them disagreed

and 9.5%, of them are indifferent about the idea. This can imply the PA practice helps to do their job better by identifying their strength and weaknesses of the employee. This is good for the organization to know the employee potential.

Table 7 again shows responses to item 7.6, 62.1% of the respondents agree that, the performance appraisal system helps to identify the strength and weakness of the employee and 32.5% of them disagreed and 5.4% of them indifferent. We can conclude that PA is useful not only to align employees with the goal of organization but also used for the development of the capacity of the employees in order to make them more productive. According to Gomez Mejia(2001), development uses of appraisal are aimed toward improving employees' performance and strengthening their job skills. We can generalize that the PA system of the SMU effectively identify the strength and weaknesses of the employee due to this the employee achieve the organizational goal.

Responses to item7.7 also illustrate 13.5 % of the respondents agree that the most important thing about their job is the pay and 70.3 % of them disagreed and 16.2% of them are undecided about the idea. As we can see from the above information more than half of the respondent disagreed about the issue. Even if pay is important it is not most important from other purposes.

On the same table, responses to item 7.8 showed 44.6% of the respondents agree that hard work is not necessarily recognized or rewarded and 50% of them disagreed and 5.4% of them were indifferent about the same idea. Among the other purposes it could be used PA output can be used as salary adjustment (monetary), promotion & recognition for well done work (non-monetary) or demotion keeping this in mind the institution PA practice is not recognize well don employees. This implies that decrease the performance of the employee.

4.4 Perception of employees on the Feedback of Performance appraisal

Giving Feedback to an employee generally aims at improving performance effectiveness through stimulating behavioral change. This is the manner in which employees receive Feedback on their job performance is a major factor in determining the success of the performance appraisal system charris, (1988)

Regarding Perception of employees on the Feedback of Performance appraisal in SMU the collected data is presented, analyzed and interpreted as follows

Table 8: Perception of employees on the Feedback of Performance appraisal

No	Statement	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree		Total	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
8.1	I receive a lot of feedback on my performance	5	6.8	28	37.8	9	12.2	26	35.1	6	8.1	74	100.0
8.2	I get useful feedback from my performance appraisal review	5	6.8	34	45.9	6	8.1	25	33.8	4	5.4	74	100.0
8.3	Appraisers give you feedback on the result of evaluation on time and discussed on the matter.	5	6.8	25	33.8	9	12.2	32	43.2	3	4.1	74	100.0

Source: Survey 2016

According to responses to item 8.1 illustrate 44.6% of the respondents agreed that they receive a lot of feedback on their performance and 43.2 % of them disagreed and the rest remain undecided about the idea. Feedbacks have to be given to employees once the evaluation is done and it's natural in every appraisal system to let rates know their results on their performance and giving feedback to an employee generally aims at improving performance effectiveness through stimulating behavioral change. We can generalize that majority of the employee received feedback on their performance. This is good practice for the SMU and for the employee used to know the gap of their performance to improve for the future.

On the other hand, responses to item 8.2 depicted that 52.7% of the respondents agree that they get useful feedback from their performance appraisal review and 39.2% of them disagreed and 8.1%, of them were indifferent about the same idea. Employees getting useful feedback about their performance of certain period in time and improve themselves on their poor performance or to be motivated for their good performance. As we can see from the above information majority of respondents agree that they get useful feedback from their PA results. This implies that the employee satisfied by the feedback

process of the institution and improve their performance according to the feedback they have.

Responses to item 8.3 also illustrate 40.6 % of the respondents agreed that appraisers give them feedback on the result of evaluation on time and discussed on the matter and 47.3 % of them disagreed and 12.2% of them are indifferent to the above idea. Employees receive feedback on their job performance is a major factor in determining the success of the performance appraisal system. Interview result also showed the employees are given the right to see their performance rating and sign if they agree. But if they are not agreed discuss the issue with his/her appraiser. This shows that majority of the respondent disagree about the idea. That is not all appraiser did this things. A discussion on appraisal enables employees to know their strengths and weaknesses

4.5 Perception of employees and performance raters (HR professionals, units heads, etc) to ward Consistence, Fairness and unbiased

The fairness of the performance evaluation by raters is a function of the ability of the raters to evaluate his/her subordinates based on the criteria set in the organization in its personnel policy manual with regard to performance evaluation. Regarding Perception of employees to ward Consistence, Fairness and unbiased in SMU the collected data is presented, analyzed and interpreted as follows

Table 9: Perception of employees to ward Consistence, Fairness and unbiased

No	Statement	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree		Total	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
9.1	Assessments of my performance are consistent, fair and unbiased	8	10.8	35	47.3	14	18.9	13	17.6	4	5.4	74	100.0
9.2	My Supervisor gives equivalent performance results of all my colleagues in order to avoid offense and rivalries.	8	10.8	26	35.1	14	18.9	19	25.7	7	9.5	74	100.0

Source: Survey 2016

According to responses to item 9.1 showed 43.3% of the respondents agreed that assessments of their performance being consistent, fair and unbiased and 51.3 % of them

disagreed and the rest remain undecided about the same issue. From this we can conclude that employees disagree about the idea. Unfair and biased procedures used in performance appraisal create job dissatisfaction and it decreases the moral of the employees.

On the same table responses to item 9.2 showed 45.9% of the respondents agree that their Supervisor gives equivalent performance results of all their colleagues in order to avoid offence and rivalries, and 36.2% of them disagreed and 18.9% of them were indifferent about the idea. It can be inferred that most of the raters do give equal rating to all employees irrespective of their level of performance.

Managers/supervisor usually gives equal rating to their subordinates to get rid of complaints that are likely to arise because of rating disparities. This practice will however diminish the moral of hard working and outstanding employees and consequently hamper the overall performance of the whole organization. Such Feelings like avoiding offence have positive outcome for employees while avoiding competition among colleagues have negative consequence to the organization and employees. These types of biases have negative implication in the organization and employees. According to Karimi et al, (2011) a Performance appraisal system should be fair and must provide accurate and reliable data Therefore it is important that performance Appraisal systems are fair to staff so that the organization can reap the benefits.

Table 10: Perception of performance raters (HR professionals, units heads, etc) to ward Consistence, Fairness and unbiased

No.	Statement	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree		Total	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
10.1	I am satisfied that I give consistent & fair ratings to members of my team	2	2.7	31	41.9	3	4.1	10	13.5	2	2.7	48	64.9
10.2	The current performance appraisal system works well & does not need to change	1	1.4	6	8.1	9	12.2	23	31.1	9	12.2	48	64.9

Source: Survey 2016

As it can be observed from table 10 responses to item 4.1 showed 44.6 % of the respondents are satisfied after giving consistent and fair rating to their team members and 16.2% of them disagreed and 4.1% of respondents are indifferent on the same idea. A Performance appraisal system should be fair and must provide accurate and reliable data (Karimi, 2011). Therefore it is important that performance appraisal systems are fair to staff so that the organization can reap the benefits. This shows majority of the respondent satisfied after giving consistent and fair rating to their team members. This implies that the performance appraisal process is fair and consistent.

On the same table, responses to item 10.2 depicted 9.5% of the respondents agreed that the current performance appraisal system works well and does not need to change and 43.5% of them disagreed and 12.2% are indifferent to the idea. This shows majority of the respondent disagree about the idea. It implies that the current performance appraisal system does not give its purpose and does not motivate employees' interms of reward and promotion. In this regard the researcher concluded that the current performance appraisal system at SMU does not work well and it should be changed because the performance appraisal system do not fulfilled the objective of Performance evaluation procedure guideline in the institution.

Response from the HR manager of the university showed that there is a written guideline as to how evaluate employees. This written guideline includes objective and time of evaluation, duty and responsibility of appraisers.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

This chapter focuses on the major findings of the study and conclusions deduced from data analysis and discussions. On top of that, recommendations are provided based on the findings and conclusions drawn from the study.

5.1 Summary of findings

Based on the deliberations data interpretation and major findings of the study, the following are summary of findings.

- 5.1.1** All employees have the knowledge about the existence of formal PA in the institution.
- 5.1.2** The institution conducts performance appraisal twice a year using graphic rating scale as a method.
- 5.1.3** In the institution, immediate supervisor is responsible for conducting performance evaluation.
- 5.1.4** Majority of the respondents believe that PA in the institution is a two-way communication, and this way, check and balance is maintained.
- 5.1.5** Both appraiser & appraise disagree that PA has no value for individuals, but only for organizations. They agreed that PA has value not only the organization but also for individuals.
- 5.1.6** It was identified that employees don't have the opportunity to participate in designing performance evaluation form.
- 5.1.7** Both appraiser & appraise agreed that the use of PA is not only for personnel but also for individual employees and organizations.
- 5.1.8** Both appraiser & appraise are not satisfied with the existing PA system of the institution. The reason for their dissatisfaction is that the appraisal system does not state its purpose clearly and it lacks formal way of identifying good and poor performers.
- 5.1.9** Moreover there was no any formal training which shows their deficiencies and gaps, given to the employees as per their performance results, Thus, It appears to indicate that the developmental purpose of the PA is not being implemented.
- 5.1.10** The raters who monitor and evaluate employee's performance have adequate knowledge and potential. On the contrary, the respondents disagreed that the

raters do not identify the actual performance gap, and suggest feedback to the rater's. This seems to show that even though they are good enough for appraising performance; proper feedback consideration has not been given at all.

5.1.11 Both appraiser and appraisee pointed out that the current performance appraisal system does not motivate employees.

5.1.12 The information generated through PA is not enough to the organization in providing incentives and job promotion to those employees whose performance is at the level of the standards and above and makes payment and promotion, training and development program.

5.2. Conclusion

PA has many potential benefits to the organization as well as to the employees, as it is helpful to identify performance gaps and deficiencies of employees and also minimizes that gap. PA should have a meaningful purpose for its mere existence in any organization and should support the organization in its human resource enhancement. Individual performance is the foundation of organization performance. Improving individual performance is critical for the success of every organization and performance evaluation is a common practice in the life of an organization. Failure to have a proper employee performance appraisal system leads to the failure of the organization itself.

PA should be the main area of concern and should be done carefully because it addresses both the interest of the institution and the individual employees. The aim of PA is to evaluate the job performance of employees so as to improve their performance and consequently the organizational performance. In order to do so, PA system should use well trained appraiser & participation of employees in one way or the other. The PA practice of the institution does not fully motivate employees of the institution and does not give recommendations for well done work.

With regard to the purpose of the PA system of the institution, it was perceived that the PA result which should be used in providing training and development for employees who need improvement showed that even though SMU manual for PA clearly states the need for training & development for underperformers the practical aspect is nonexistent.

Again outstanding achievers who should be rewarded accordingly were not recognized or the theoretical aspect was not implemented in a consistent manner as per the procedure.

5.3. Recommendations

Based on the findings of the study presented above the following recommendations are forwarded.

1. Raters' potential and capacities that monitor and evaluate employee's performance should also be improved and built through several HR skills; a training suggested in order to have up to date and adequate knowledge on appraising employee and to avoid biasness and unfair judgments that might lead to employee's dissatisfaction and also reduced work quality. Perhaps, the vague understanding of employee on identifying the performance deficiencies and gaps and letting them discover their strength and weakness has to be cleared through the most suitable way of awareness creation.
2. Raters or evaluators are expected to give feedback after completion of the evaluation process to the ratee's and forward possible suggestions to their performance in which the PA results may be helpful both ways. Therefore, a lot has to be done to utilize employees PA results to be useful for developmental as well as administrative purposes (promotion, salary increment or other non monetary recognition) of the institution. To be precise it should be revised purpose wise.
3. Raters' knowledge should be checked with regard to both the rating process and overall knowledge of the PA procedures and the university environment. The human resource department needs to arrange a workshop for middle and low level managers in enhancing their capacity and knowledge in the different aspect of the PA system starting from the goal setting aspect up to feed back stages of the PA.
4. The institution should devise a way to reward its employees who perform well in their PA results and promote the same per their skill and attitude towards the growth of the institution. They can be of a great succession plan of the institution. Therefore, the institution should start using the PA for effective decision making. No matter how perfect a performance appraisal system is, it will not have any

benefit for the employees or the organization if the practical aspect is missing, as observed in the study even though the university states that achievers should be awarded and under performers should get the training assistance. These purposes are not being implemented consistently as per the policy and procedures. Thus, the study recommends the attention of the top management on those issues and work out to improve performance evaluation systems. Practically exhausts these important purposes of the performance appraisal system and put them in effect as it may help improve the performance of the human resource in particular and the institution in general.

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APPENDIX A: QUESTIONNAIRE

**St. Mary's University
School of Graduate Studies
MBA program**

Questionnaire to be filled by the Employees of St. Mary's University

Dear Respondents: -

I am conducting MBA thesis on the Practices of Administrative Staff Performance Appraisal at St. Mary University. Hence, this Questionnaire is designed to gather primary data that help me to achieve the objective of the study. Thus, the Researcher politely requests you to take your time and complete the Questionnaire carefully. Please be aware that your responses are of great significance for proper analysis of the research. All the information obtained from this Questionnaire will be kept confidential and will only be used for academic purposes.

The researcher would appreciate your cooperative in advance.

General Instructions

- ❖ It is not necessary to write your name.
- ❖ Don't hesitate to ask questions for clarification.

Section – A : General Profile of Respondents

1. Gender:

1. Male 2. Female

2. Age:

1. 18-25 2. 26-33 3. 34-41 4. 42-49 5. Above 50

3. Qualification

1. Diploma 2. Degree 3. Masters 4. PHD

4. Work Experience

1. Less than 1 year 2. 2-5 years 3. 6-10 years 4. Above 10 years

5. Work place/campus

1. Mexico 2. CODL 3. SGS 4. Testing center

Section – C : Perceptions of performance raters (HR professionals, units heads, etc) about Performance Reviews only : (If employee evaluations is not part of your duty please skip this part)

Please indicate the extent to which you agree or disagree with the following statements regarding performance appraisal.

Sr. No	Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	Performance appraisal helps me to motivate my team					
2	Performance appraisal helps me decide what to pay members of my teams					
3	Performance appraisal helps me to develop the skills & capabilities of my team					
4	Performance appraisal helps my team to perform better					
5	Performance appraisal helps me to communicate to my team what is expected of them					
6	I am not comfortable with conducting performance reviews					
7	Performance appraisal is generally only of use to the personnel department, not individual line managers					
8	The time I spend on performance reviews could be used more productively elsewhere					
9	The current performance appraisal system works well & does not need to change					
10	I am satisfied that I give consistent & fair ratings to members of my team					

Section – D : Perception of Employees/ Individuals :

Please indicate the extent to which you agree or disagree with the following statements.

Sr. No	Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	The criteria provided under performance appraisal are aligned with the objective and goal of the organization					
2	I receive a lot of feedback on my performance					
3	The most important thing about my job is the pay					
4	Hard work is not necessarily recognized or rewarded					
5	I fully understand my organization's goals & objectives					
6	The Performance appraisal system helps to identify the strength and weakness of the employee.					
7	Performance appraisals followed in the organization helps to assess the training and development needs of employees.					
8	Performance appraisal helps me to do my job better					
9	Performance appraisal helps me to develop my skill & potential					
10	I get useful feedback from my performance appraisal review					
11	My rater frequently lets me know how I am doing.					
12	Performance appraisal helps me to improving performance					
13	Assessments of my performance are consistent, fair & unbiased					
14	The system of performance appraisal used here works well and does not need to change					
15	Performance appraisal does not help to develop careers, only improve work performance					
15	Performance appraisal is only use to personnel people					
17	Appraisers give you feedback on the result of evaluation on time and discussed on the matter.					
18	Performance appraisal has no value for individuals, only for organization					

		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
19	The Performance appraisal system identifies performance deficiencies and performance gap.					
20	My Supervisor gives equivalent performance results of all my colleagues in order to avoid offense & rivalries.					
21	The raters who monitor and evaluate employees have adequate knowledge and potential to appraise performance					
22	The performance appraisal standards (form) were designed through the involvement of employees.					
23	The performance appraisal process makes sure that my performance expectation measure what I really contribute for the organization.					
24	Performance appraisal is a two-way process, with both manager & employee expressing their views					

If you have any suggestions/comments on the appraisal practices of the institution please specify

THANK YOU !!!!!!!

APPENDIX B: Interview

1. Is there a formal performance appraisal in your institution?
2. How often is the institution conducting performance appraisal in a year?
3. Who rates performance of employees?
4. Do you think raters have the required knowledge and training to rate performance of employee?
5. What are the method and technique used in the performance appraisal system of your institution?
6. Is there a written policy regarding performance appraisal system of the institution?
7. What is the mechanism of reword about the PA?

DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Dr Worku Mekonnen. All sources of material used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institutions for the purpose of earning any degree.

Name

Signature

