



**ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES**

**ASSESSMENT OF EMPLOYEE PERFORMANCE
APPRAISAL PRACTICE IN THE CASE OF VOLUNTARY
SERVICE OVERSEAS-ETHIOPIA (VSO)**

BY:

**TIKELE HAILU DESTA
(ID NO. SGS/0024/2010B)**

**AUGUST, 2020
ADDIS ABABA, ETHIOPIA**

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ADVISOR:

SOLOMON MARKOS (PhD)

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APPROVED BY BOARD OF EXAMINERS

Dean, Graduate Studies

Signature & Date

Advisor

Signature & Date

External Examiner

Signature & Date

Internal Examiner

Signature & Date

DECLARATION

I, Tikele Hailu Desta, undersigned, declare that this thesis is my original work, prepared under the guidance of Dr. Solomon Markos. All sources of materials 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 institution for the purpose of earning any degree.

Tikele Hailu

Name

Signature

St. Mary's University, Addis Ababa

August, 2020

ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a university advisor.

Advisor Name

Signature

St. Mary's University, Addis Ababa

August, 2020

DEDICATION

This study is dedicated to the memory of my wonderful deeply missed mother, Efenesh Wondafrash (Elfye) who always believed in my ability to be successful in the academic arena. You are gone suddenly but your belief in me has made this journey possible. Her selflessness will always be remembered.

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ACRONYMS

CO	Country Office
HRM	Human resource management
VSO-E	Voluntary Service Overseas-Ethiopia
PA	Performance Appraisal
PAS	Performance Appraisal System
SPSS	Statistical Package for Social Sciences
CSA	Charities and Societies Agency
INGO	International non-governmental organizations

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ABSTRACT

The student research examined practice of employees' performance appraisal in Voluntary Service Overseas Ethiopia Office. Descriptive research method was employed to that end. Because of small number of employees, census survey was carried out, and data was collected through questionnaire with response rate of 93.94%. Validity and reliability of questionnaire was checked, and subsequently data analysis was performed by using IBM SPSS version 21. The study findings indicate that the current performance appraisal system (PAS) is aligned with vision, mission and goals of VSO. However, involvement of employees in decision making regarding the performance appraisal process is found to be limited. Overall, the permanent employees of VSO-E participate in the process of setting objectives and targets of their own future performance. The PAS at VSO-E provides an opportunity for employees to communicate with the supervisors to facilitate job performance. Moreover, information generated through performance evaluation is used to diagnose both organizational and individual problems. There exist significant proportion of employees who have the perception that appraisers at VSO-E have not been successful at continuously letting employees know how they are doing and helping them to understand what need to be done to improve performance. Generally, employees have positive attitude to the fairness of performance appraisal system put in place at VSO, but are not confident its practical implementation on the country level at VSO-E. At VSO-E, interpersonal relationships influence the evaluation and decisions in the performance appraisal process. Hence, VSO-E shall work towards building enabling environment for appraisers for them to undertake appraisal based on professional performance only. Significant proportion of employees also reported appraisal done based on gender, religion and the like (stereotyping). Challenging a performance rating that employees think is biased & inaccurate is difficult, and there is also no confirmation that their performance rating could be changed if they can show that it is incorrect or unfair. Generally, the outcome of the research confirmed that the performance appraisal practice of VSO-E has shortcomings that need to be improved. Possible recommendations are outlined at the end of this report.

Key words: *Performance Appraisal, Performance Appraisal System, Feedback on Performance Appraisal, Human Resource Management*

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Employees have long been recognized as vital assets & value creators, and hence become crucial of all resources for the productivity of an organization.

As a result, to enhance productivity, organizations shall possess performance management systems, d as a systematic process for improving organizational performance by developing the performance of individuals and teams so as to get better results from a whole organization, or teams and individuals within it, by understanding and managing performance within an agreed framework of planned goals, standards and competence requirements (Armstrong, 2006).

Macky and Johnson (2000) stressed that the importance of performance management system is on continuous improvement of organizational performance, and this is achieved by improved individual employee performance. As a result, improving employee performance by using performance management system is a way to improve organizational performance (Ying 2012).

Performance appraisal is the part of the performance management process that identifies, measures, and evaluates the individual employee's performance, and then discusses that performance with the employee (Aguinis, 2009).

According to Ying (2012), performance appraisal helps organizations by ensuring employees are working hard to contribute to achieving the organization's mission and objectives. It also allows employees to provide positive feedback as well as identifying areas for improvement and motivates them to work hard & contribute more in ways that is expected by the organization.

As cited in Kim (2014), Longenecker and Nykodym (1996) summarized the key benefits of using performance appraisal as: 1. Providing managers with a useful communication tool for employee goal setting and performance planning; 2. Increasing employee motivation and productivity; 3. Facilitating discussions concerning employee growth and development; 4.

Providing a solid basis for wage and salary administration; and 5. Providing data for a host of human resource decisions.

Based on Rajeshwari & Supriya (2018), Armstrong (2006) and Clinton & Laurence (2000), performance appraisals should be aligned with organizational goals, vision, mission & values, employees shall participate on goal-setting, there should exist continuous improvement and open communication with appraisers, appraisers should have good knowledge of performance appraisal system, the PA system should be fair and responsive, appraisers should be fair & shall give feedback to appraisee, and the PA should be linked to other HRM decisions.

Performance appraisals are of paramount importance for Non-Governmental Organizations (NGOs). Because, NGOs serve a multitude of stakeholders, including donors, governments, volunteers and the beneficiaries of the services being provided, whose goals and needs may be heterogeneous (Speckbacher, 2003). And strive for satisfaction of all these stakeholders cannot be materialized without persistent effort & significant performance of employees.

Apparently, it is clear that NGOs are value-based organizations. They increase on and are branded through their value-based culture which is translated in to their mission. Their very existence and legitimacy can be threatened if they lose sight of these values (Ancy, 2015).

At the same time, however, NGOs are subjected to external influences. Following governments' embrace of neoliberal policies under which public welfare services were contracted out to the nonprofit sector, NGOs pursuing a social mission were forced to professionalize their workforce and adopt businesslike practices. Hence, NGOs face two main imperatives, namely the need for efficiency & professionalization and the need to stay true to their mission & values (Ancy, 2015).

Consequently, in order to manage these imperatives, it becomes a must for NGOs to put increased highlights on performance appraisal practices to not only improve employee performance but also apply as a motivating tool (Ayesha, 2012).

Voluntary Service Overseas (VSO) is an international development charity that works through professional volunteers who share their skills and experience with people across Africa and Asia. VSO promotes volunteering to fight global poverty and disadvantage. VSO

is a company limited by guarantee, registered in England and Wales. VSO is also registered as a charity in England & Wales, and as a Scottish cross-border charity (VSO annual report, 2018/2019).

VSO states that its performance as an organization is defined by programme results, impact, ability to influence and the capacity it can generate to do this. It further states that a significant part of how VSO generates capacity is by having the right people with the right skills, knowledge and behaviors to be high performing now and in the future.

In light of paragraphs above, performance appraisal practice of NGOs in general and VSO in particular should be assessed thoroughly. And the focus of current study is review of same in the context of Voluntary Service Overseas Ethiopia office (VSO-E).

1.2 Background of the Organization

According to its report 2018/2019 G.C., VSO has over the last 60 years has worked in over 90 countries and supported over 50,000,000 people. In 2018/2019 alone, VSO supported over 1,000,000 people; including over 550,000 through education, over 175,000 through health programs, over 115,000 through livelihood programs and over 17,000 through resilience, inclusion & social accountability programs.

VSO focuses on those who are traditionally left out in society-people who are poor, disabled, ill, female and young. Under VSO, these people are not passive recipients of aid but are closely involved in every aspect of its program design & delivery, and hence are critical to ensuring long-lasting change. Because the change is led by the poorest and most marginalized, the results benefit the people who need it most. All of this brings a step closer to meeting the Sustainable Development Goals (SDGs), a set of 17 global goals designed to ensure the health and wellbeing of all.

VSO - Ethiopia is registered by Charities and Societies Agency (CSA). VSO Ethiopia has been operating in Ethiopia since 1995. Since then, it has expanded the scope and reach of its country programs. VSO's mission is to bring people together to fight poverty, specifically focusing on Education, Health and Livelihoods programs.

VSO Ethiopia works in partnership supporting and bringing together diverse partners

(government departments, community-based organizations, NGOs and the private sector) who are strategically placed to advance proper policies and programs. VSO Ethiopia currently has 33 staff members and implements different programs in Ethiopia with an annual budget of 1.5 million pounds. VSO-Ethiopia Country Office (CO) is based in Addis Ababa.

1.3 Statement of the Problem

VSO states that its organizational strategy, known as People First, includes VSO's vision, mission, values and its approach to alleviating poverty.

Subsequently, its global operational plan sets out overall direction for 3-5 years, including strategic directions and development themes and team (country, function, project) plans and results – country office and functional teams work together to design and implement locally relevant core (and innovative) programmes and projects; functional teams and project teams design and deliver their plans, in line with the wider organizational strategy. Lastly, individual employees plan for, monitor and review their own contribution to VSO's mission, within the frameworks set by teams/ functions, and based on feedback from stakeholders.

Hence, individual performances at VSO take into account a number of inter-related and/or serial processes. To mention a few: they have access to view organizational and their team's objectives, performance indicators and progress against these (reviewed quarterly and updated on the IT system); they review their own objectives and received feedback, on an ongoing basis; they report to various managers with different objectives, which they can log on the IT system; and gather & provide feedback, and have development conversations, framed by VSO values and related behaviors.

One can see that VSO has a good global performance appraisal system. As far as the student researcher's knowledge goes, based on experience as a previous employee, unfortunately, its practice at VSO-E office has not been studied and not properly managed.

The current study therefore tries to fill this gap and challenges caused by analyzing practice of performance appraisal at VSO-E using indicators of effective appraisal aspects: alignment with organizational goals, vision, mission & values, participation of employees

on goal-setting & awareness to same, continuous improvement and open communication with appraisers, appraisers' good knowledge of performance appraisal system, presence of fair PA system and appraisers, responsiveness of PA system, feedback to appraise, and linkage of PA to other HRM decisions. Furthermore, challenges faced during PA practice will also be studied.

1.4 Basic Research Questions

This study is primarily aimed to assess the employee performance appraisal practice in VSO-E and will try to answer the following basic research questions.

The research proposes to answer the following key questions.

1. Is the Performance Appraisal at VSO-E aligned with organizational goals, vision, mission & values of VSO?
2. Can we say participation of employees on goal-setting & awareness of Performance Appraisal is present?
3. Does the Performance Appraisal System at VSO-E allow continuous improvement and open communication with appraisers?
4. Do appraisers' at VSO-E have good knowledge of Performance Appraisal System, give feedback and exhibit fairness?
5. Can we say fair and responsive Performance Appraisal System is present at VSO-E?
6. Is there linkage of Performance Appraisal to other Human Resource Management decisions at VSO-E?

1.5 Objective of the Study

The study has the following general and specific objectives.

1.5.1. General Objective

The general objective of the study was to assess the practice of employee performance appraisal of VSO-E.

1.5.2. Specific objectives

1. To examine if there exists alignment of Performance Appraisal with organizational goals, vision, mission & values of VSO?

2. To assess if participation of employees on goal-setting & awareness of Performance Appraisal is present
3. To check whether or not the Performance Appraisal System at VSO-E allows continuous improvement and open communication with appraisers
4. To evaluate if appraisers' at VSO-E have good knowledge of Performance Appraisal System, give feedback and exhibit fairness.
5. To investigate the presence of fair and responsive Performance Appraisal System at VSO
6. To check if Performance Appraisal is linked to other HRM decisions at VSO-E

1.6 Significance of the Study

Performance appraisal need to be effective, if not it is a waste of time and money. What makes it effective is its potential to improve employees' performance.

The results of the study may assist the management body of VSO-E to identify areas of improvement on PA with the ultimate goal of enhancing the employee and organization performance.

The policy makers could use the results of the study as an input in assessing the existing performance appraisal process at VSO-E.

The result of the current research can also make a contribution to previous literatures in this topic, and can stimulate new areas for further research through the findings and subsequent recommendation.

1.7 Scope of the study

The research is conducted on permanent staffs of VSO-E only. Hence, contract employees are not included since their contract may be terminated in as short as three months, their level of task is limited and their function is usually short lived. Hence, they are not desirable enough for the purpose of the current study. In addition, international volunteers are also not considered as their performance appraisal is directly managed by VSO international office.

1.8 Limitation of the Study

This study is limited to assessing the performance appraisal practice of VSO-E.

VSO operates with three districts and one in Addis Ababa district. However, it was a difficult task to cover all districts in this study due to geographical location and the current COVID-19 pandemic. In addition, because of the availability and accessibility of information in Addis Ababa Office the research is therefore, limited to branches of VSO in Addis Ababa.

CHAPTER TWO

LITERATURE REVIEW

2.1 What is Performance Appraisal?

According to Armstrong (2009) there are different views of what performance is. It may be regarded as simply the record of outcomes achieved. On an individual basis, it can be a record of the person's accomplishments.

On the other hand, performance appraisal is a formal management system that provides for the evaluation of the quality of an individual's performance in an organization. It happens constantly in both public and private organizations. The appraisal is usually arranged by the employee's immediate supervisor. The procedure typically requires the supervisor to fill out a standardized assessment form that evaluates the individual on several different dimensions and then the result shall be discussed with the employee Grote (2002). At the point when it is appropriately done, performance appraisal provides feedback to employees that will improve their performance and organizations also benefit by ensuring that employees' strength and ability contribute to organizational success.

2.2 Purposes of Performance Appraisal

Handling employee performance is an essential part of the work that all supervisors rating performs throughout the year. Performance appraisals are important for staff motivation, attitude and behavior development, communicating and aligning individual and organizational aims, and raising positive relationships between management and staff.

The main reason for appraising performance is to enable employees to use their effort and ability so that organizations attain their goals and consequently their own goals. A performance appraisal can bring an important benefit and improve the success of each employee, each department, and, ultimately, the entire organization. Therefore, if it is done properly, the following are the main uses of performance appraisal:

- Motivate employees to perform better
- Identify training and development needs
- Help employees understand how they can develop and grow

- Increase employees morale
- Improve the respect for managers
- Foster good communication between employee and organization
- As a feedback to human resources
- Rewarding for good performance/Compensation adjustments.

Moreover, as indicated by Charlie (2011), performance appraisal programs are important for the employees, supervisors, as well as for companies, brief explanation of these benefits are discussed as follow.

a) Benefits for Employees

Employees are beneficiary in performance appraisal program with many dimensions. Some of these are; It help to create clear understanding of his/her role and what is expected from her/him in the organization, helps to know his/her strength and weakness and to improve them, it is a means to get opportunities for further career development. On the other hand, Saiyadain (2004, 203) has asserts that employees are beneficiaries of performance appraisal through personal development, satisfaction and involvement of the individuals, and the perception of fair and just compensation.

b) Benefits for Supervisors

As employees are beneficiary in the performance appraisal program, supervisors also do have many benefit packages. For example, supervisors will get time to interact with the employees and understand their difficulties, helps to judge employees' confidence level and spot their difficulties, it helps to identify level of human resource and the gap and the supervisor gets to know of the training and development needs of an employee (Charlie, 2011).

c) Benefits for the Organization

The performance appraisal is an important part of the human resources department's contribution of the organization. Effective appraisal may not only exclude behavior and work-quality problems, it may motivate an employee to contribute more in the organization. Through performance appraisal processes organization will get the chance to identify candidates with high potentials, helps to know the expectation of their employees from the organization, help organizations to improve the overall workforce efficiency, skills

and productivity and to build good relationships with each employee, and help to achieve organizational plan and etc (Charlie, 2011).

2.3 Performance planning

Performance planning is a discussion. It is the first step of an effective performance management process.

“Some managers object that performance planning takes too much time; these managers are wrong because that period is the most valuable time the manager spends in people-management activities during the entire year. A minute devoted to planning prevent hours spent on correcting and responding to an painful reaction during a performance appraisal discussion i.e., is that what you wanted me to do? Why didn’t you tell me?” (Grote 2002).

One of the primary reasons that performance appraisal discussions are so uncomfortable is that they are conducted in a vacuum. If the supervisor and the individual doesn’t have a good discussion about requirements and expectations, if they haven’t talked about goals, if they haven’t had a meaningful dialogue about core competencies, then it will be impossible for the manager to honestly and ethically assess how well the individual has done in meeting those undiscussed objectives (Grote2002).

Dick Grote (2002) in his book named The Performance Appraisal Question and Answer Book clearly defines Performance planning as the bedrock of an effective performance management system. The performance-planning discussion gives the manager the chance to talk about her/his expectations and what she/he sees as genuinely important in the individual’s job. It gives the individual a clear operating charter so that he can go about doing his job with the full confidence that he is working on the highest priority responsibilities and working as per the organization expects.

Performance planning typically involves a meeting between an appraiser and an appraise. The below listed are major activities that the agendas should include for this meeting:

- Coming to agreement on the individuals key job responsibilities
- Developing a common understanding of the goals and objectives that need to be achieved

- Identifying the most important competencies that the individual must display in doing the job
- Creating an appropriate individual development plan (Dick Grote 2002).

Understanding of what is expected of employee is essential. If there is no such understanding the manager is likely to assess performance on the basis of what she/he expects of the employee, which may be very different from what the employee understood to be the job duties and responsibilities. To avoid this problem, there are two requirements that must be met. The employee must understand both what is expected and how well the job is expected to be performed. These two requirements are called Significant Job Segments and Standards of Performance. Significant job segments are obtained from job descriptions that cover the duties and responsibilities of jobs. Standards of performance are an important and often neglected element in performance appraisal.

While significant job segments describe what needs to be done, standards of performance describe how well it must be done. Two of them together clarify what's expected of the employee. This clarification is necessary to guide the behavior of the employee as well as to provide a basis for appraisal (Donald L. Kirkpatrick 2006).

2.4 The Performance Appraisal process

The underlying aim of performance evaluation is to ensure workers perform their jobs successfully. The performance appraisal process contains steps that should be followed for a meaningful outcome. According to (S.S. Khanka 2008) in order to realize the purpose of performance appraisal organizations should carefully plan appraisal systems and follow six steps as shown below:

1. Establish Performance Standard

Setting up of the standards that will be used to as the base to compare the actual performance of the employees is the first step in the process of performance appraisal (Baird, Lloyd. S 1990). The supervisors must determine what outputs, accomplishments and skills will be evaluated, moreover to be understood and measured the performance standards should also be clear.

2. Communicate Standards to Employees

The second phase, after the performance standard set, is the responsibility of the management to communicate the standards to all the employees. The employees should be informed and the standards should be clearly explained to the employees (Weather and Davis 1996). They may also discuss clearly the employee's development needs and goals in this meeting. The feedback from the employees must be obtained on the standards communicated to them earlier. If required, the standards can 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.

3. Measure Actual Performance

Measuring the actual performance is the third phase and once employees have been hired, performance and progress should be monitored in a systematic way. This is the responsibility of the immediate supervisor to observe the work performance of subordinates and evaluate it against the established job performance standards and requirement. Then over the course of the year the supervisor and the individual regularly talk about performance, and how well the individual has performed in each area covered in the established job performance standards and requirement, writes narrative reports of the performance.

4. Compare Performance with Standard

After evaluating and measuring employee's job performance it is required to compare it with the set standard in order to identify whether there is a deviation or not. The fourth step in the PA process, when they compare performance appraisal with the standard either performance match standards or doesn't match.

5. Discuss Appraisal with Employees

This discussions focus is on communication and listening, where the student research believe that this is very important stage in the process. Supervisors discuss with subordinates and come to agreement with the individual on the most important abilities, key position responsibilities, and goals. Discuss and come to agreement on the individual's development plan.

The results, the problems and the possible solutions are discussed with the aim of problem solving and reaching agreement. Feedback should be given with a good and positive attitude as this can have an effect on the employees' future performance. Performance appraisal feedback by supervisors should be in such way helpful to correct faults done by the

employees and help them to motivate for better performance but not to discourage. Performance feedback task should be handled very carefully as it may lead to emotional burst if it is not handled properly. Sometimes employees should be ready before giving them feedback as it may be received positively or negatively depending upon the nature and attitude of employees.

6. Initiate Corrective Action

The final step of the performance appraisal is the initiation of corrective action when it is necessary. The areas requiring improvement are recognized and then, the measures to correct or improve the performance are identified and initiated. Moreover, it is important for the manager to ensure that they find out opportunities that would help in improving personal growth and development of employees in regards to the career.

Performance appraisal process should not necessarily be used as an approach of harassing weak employees but should instead be used in ensuring that their weaknesses are transformed to become their strengths. In due course, it helps the organization to attain better results and at the same time raising employees' profile.

2.5 Effective Performance Appraisal Practice

From reviewing the literature, the researcher understands that there is no one single best method of Performance Appraisal, and there are certain common elements throughout all effective methods. 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). Effective performance appraisals consist of elements such as to identify goals supervisor and employee working together, joining appraisal to rewards, clearly defined performance goals, feedback given to the appraiser on their effectiveness and compliance with legal requirements (Rankin & Kleiner, 1988).

A well-designed performance appraisal system supports an integrated human resource strategy which enables the attainment of organizational and business goal. Performance appraisal programmers should tie personal rewards to organizational performance. 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.

Besides an effective appraisal process begins with a performance-planning meeting where the manager and the individual discuss the upcoming year, set goals, review the competencies that the organization expects people to demonstrate, and identify the key job elements. They may also discuss the subordinate's development needs and goals in this hour-long meeting. Over the course of the year the manager and the subordinate regularly discuss about performance. They adjust objectives as priorities change and as goals are met. Performance problems will be solved by the manager, if any arise and creates the conditions that encourage. After the performance appraisal template has been developed, reviewed, and approved, the employee and the manager meet for the final phase process, which is performance review. Together they discuss on the evaluation of the individual's performance and come to an understanding of what was achieved over the year and how those achievements were evaluated. At the end of this meeting, they set a time to get together again to plan for the upcoming year, and the process begins again. Grote (2002)

According to Deborah F.B and Brain H. Kleiner (1997) to ensure that performance appraisal is "fair" and "consistent", organizations need to have a systematic framework. In their study of "designing effective performance appraisal system", they conclude that designing an effective appraisal system requires a strong commitment from top management. The system should deliver a link between employee performance and organizational goals through individualized objectives and performance criteria. They further discussed that the system should help to create a motivated and dedicated employees.

Nelson and et.al (1997: 390) discusses that an effective Performance appraisal system has five main characteristics.

- **Validity:** Comes from capturing multiple dimensions of person job performance.
- **Reliability:** comes from capturing evaluation from multiple sources and at different times over the course of the evaluation period.
- **Responsiveness:** allows the person to be evaluated some input into the final outcome.
- **Flexibility:** it opens to modification based on new information
- **Equitableness:** results in fair evaluations against established performance criteria, regardless of individual differences.

Moreover, to be effective Rankin & Kleiner (1988, p.14) believed that effective performance appraisals have six key factors which are listed as follow.

- Performance goals must be specifically and clearly defined.
- Attention must be paid to identifying, in specific and measurable terms, what constitutes the varying levels of performance.
- Performance appraisal programs should bond personal rewards to organizational performance.
- 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.
- The appraiser should be given feedback regarding his/her effectiveness in the performance appraisal process.
- 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 essential to the effectiveness of the appraisal. If the goals of the performance appraisal process are in difference with the goals of organization, the resulting performance appraisal system could be of harm to effective organizational operation (Barrett, 1967).

As Paul mentioned that "Performance appraisals are important to employees and organizations; a lot is invested in the process. However, the quality and integrity of appraisals are compromised by persisting problems. These problems can be addressed effectively and reasonably through training and development. By focusing on developing skills through learning, organizations can improve employee commitment to the appraisal process and the value of appraisal outcomes to the organization". Paul (2012)

2.6 Criteria for a Successful performance appraisal

There are a number of common characteristics of successful performance assessment systems. According to Wayne (2007), for performance appraisal to be effective the following criteria need to be fulfilled.

1. Clear Objectives- good performance appraisal should be built around clear objectives. These objectives should cover all levels and areas of the organization and reflect the needs of each. The appraisal system should be clear in its purpose.

2. Relevance- implies a direct link between performance standards and organization goals and could also mean to say clear link between job analysis and appraisal form. It also implies that periodic maintenance and updating of job analysis, performance standards and appraisal systems.
3. Sensitivity- implies that a performance appraisal system is capable of distinguishing effective from ineffective performers.
4. Practicality-Implies that appraisal instruments are easy for managers and employees to understand and use.
5. Reliability-refers to consistency of judgement.

Similarly, the absence of an efficient performance assessment scheme leads to enhanced litigation danger, and there are several other harmful results of poorly implemented systems, including stress on employees and work discontent, damaged relationships and enhanced turnover. (Brown & Benson, 2005; Gabris & Ihrke, 2001).

Moreover, there is a huge cost of chance because poorly implemented systems are wasting time and resources, including time and money. To prevent such problems in performance appraisal processes and ensure its effective implementation, the PMAS: Guideline System and Reference Manual (2006) pointed out the following factors that the system should positively reinforce. (Brown & Benson, 2005; Gabris & Ihrke, 2001).

- Effective Communication: Employees at all levels should have a clear understanding of their roles, responsibilities and what is expected of them. Feedback on performance must be given on a continuous basis.
- Objectivity: Assessments should be made against agreed, clearly stated targets.
- Transparency: There should be no “surprises”. Evaluations and decisions should be based on evidence drawn from well documented processes that can stand scrutiny.
- Fairness: Decisions and actions should be made and taken with due regard to changing circumstances and environment as they relate to the achievement of objectives.
- Equitable Treatment: All employees should be treated equally and must have equal and appropriate access to benefits, training and resources to achieve targets.
- Mutual Respect and Trust: Discussions about performance should be conducted with due regard to accepted principles of courtesy, respect and an understanding of each other’s roles and responsibilities.

Organizations should be able to create mutual confidence between the distinct levels of the organizational structure by ensuring the correct implementation of the above criteria.

2.7 Factors influencing the effectiveness of performance appraisal

As per Michael Beer (1987) there are three main factors influencing performance appraisal outcomes. The first one is, the appraisal system can be considered to minimize the negative dynamics causing problems of performance appraisal. The supervisor often has only minimal control over these matters. Often the supervisor has only minimal control over these issues. The second one, the ongoing relationship between manager and subordinate will have a major influence on the appraisal process and outcome. Third, the interview process, quality of communication between manager and subordinate, can help to minimize problems of performance appraisal.

The appraisal system: In order to solve the problem of defensiveness of rates that resulted as a result of conflict in the goals of performance appraisal, raters should conduct two performance appraisal. One focused on evaluation and the other coaching and development. Further solution is choosing appropriate performance data. For example, using behavioral rating scales and behavior related appraisal techniques may solve this problem. (Michael Beer, 1987)

Supervisor-subordinate relations: The quality of the appraisal process is dependent on the nature of the day-to-day manager subordinate relationship. In an effective relationship, the supervisor is providing feedback and coaching on an ongoing basis. Thus, the appraisal interview is simply a review of the issues that have already been discussed. On the other hand, if a relationship of mutual trust and supportiveness exists, subordinates are more suitable to be open in discussing performance problems and less defensive in response to negative feedback. There are no easy techniques for changing a manager subordinate relationship.

The appraisal interview: The best methods for conducting a performance appraisal interview depend on the mix of objectives pursued and the characteristics of the subordinate. Employees are different in their experience, age, sensitivity about the negative feedback, attitude towards the manager, and desire for the influence and control over their destiny. According to Michael Beer (1987: 185) there are three types of appraisal interviews. The

differences are important in determining the skills required by the supervisor and the outcomes for employee motivations and supervisor-subordinate relationships. The three methods are termed as: tell-and-sell, tell-and-listen, and problem solving.

Employees' perception about the performance appraisal in their organizations:

According to Armstrong (2009:125), Perception is the intuitive understanding, recognition and interpretation of things and events. Behavior will be influenced by the perceptions of individuals about the situation they are in. The term psychological climate has been created to describe how perceptions give the situation psychological significance and meaning.

Therefore, the awareness of employee about their performance appraisal depends upon their understanding of themselves.

Perception about the Performance Appraisal System Fairness and Objectiveness:

Performance appraisal should be objective oriented and fair, if it is for aligning employees to organizational goals and employees' growth. According to Susan, (1995:110), performance evaluation system is fair if:

1. It provides adequate notice
2. fair hearing which requires a formal review of meeting in which an employee is informed of a tentative assessment of his/her performance and employees are permitted to challenge the assessment; and
3. Judgment based on evidence that requires the organization to apply performance standards consistently across employees.

2.8 The Challenges of Performance Appraisal

There are several challenges which arise in the practice of performance appraisal activities. Using ratings and other methods in PA assumes that the human observer is fairly objective and precise, but memories of raters are quite imperfect and raters subscribe to their own set of individuals expectations, expectations that may or may not be applicable. According to Rusli, A., & Sopian, B. (2013) the challenges of performance appraisal are listed as follow:

1. In the practice of performance appraisal activity, the main issue is the fairness of the evaluation decision. Raters have problems evaluating the performance appraisal in a

right way. Performance of employees that not measured correctly can lead to disappointment with the system.

2. One of the factors that contribute to employee's dissatisfaction is that raters are not knowledgeable and do not have the required skills. This will affect the process of evaluation as unfairness and unreliability could occur. Although there is, a formal evaluation procedure and a set of standards to be followed, but employees seem not trust the tools of evaluation.
3. There is an issue of subjectivity in the performance evaluation in the public and private sector. Although to be as objective as possible, however, during the implementation of performance appraisal, the evaluation becomes subjective. The subjectivity of the evaluation disappoints employees on supporting the measurement of performance evaluation. Therefore, the objective of the performance appraisal is not achieved.
4. The quota system practiced in certain organization also creates dissatisfaction among employees. Only a small portion of the employees will get salary increment either vertically or diagonally. Therefore, although the employees may perform well, they might not get a reward because it depends on the quota system. This will lead to a decrease in work performance, self-esteem and loyalty to the organization.
5. The appraisal decision currently is confronted with a great deal of criticisms and comments from the employees and their unions. There are several issues that put forward such as the raters' capacity, fairness, accuracy of the system, discrimination and other parts.
6. Performance appraisal should outfit the organization's culture. Research findings strongly suggest that multinational company's manager should wisely design the appropriate system for foreign operation as per the different cultural factors of the country.

2.9 Empirical Review

Several empirical studies are conducted on Performance Appraisal and its parts. Performance appraisal sounds easy, but research tells us that it is widely used in performance feedback and identifies the strengths and weaknesses of individual staff (Ruddin, 2005).

A research has broadly analyzed the impact of the social context of performance appraisals on employee reactions to these appraisals (Pichler, 2012). For example, employees' satisfaction with the performance appraisal process as a whole, the performance appraisal feedback, or employees' evaluations of the perceived quality, and fairness of the performance appraisal system (Greenberg, 1986; Sommer & Kulkarni, 2012; Gupta & Kumar, 2013).

Besides, involvement of employees in the performance appraisal process is positively linked to satisfaction with the performance appraisal scheme, perceived fairness and acceptance of such practice (Cawley et al., 1998).

Furthermore, (Lorna and James, 2014) found that clarity of performance expectations affected the job performance to a great extent. Mechanism of feedback and open-door policy influenced work to a large extent. Integrity and reliability affected job performance to a great extent. In addition, distributive fairness affected job performance to a moderate extent. The study discovered that appraisal inspires staff by clarifying objectives and setting clear future objectives with provision for training and development needs to establish the performance objective.

Contemporary research studies have also linked performance appraisal to performance of employees as Resella, 2011; RosemondBoohene, 2011; Liza Daoanis, 2012; Warokka, Gallato&Moorthy, 2012) found that performance appraisal practices have an important and positive impact on employee performance.

S. Machingambi, C. Maphosa, A. Ndofirepi, E. Mutekwe and N. Wadesango (2013) conducted an empirical study on Perceived Challenges of Implementing the Performance Management System in Zimbabwe high schools. The study found that lack of training on performance management (PM), school heads abuse the system, failure to provide staff development programs by school management, the absence of meaningful reward and

resource scarcity were the major obstacles affecting performance management system implementation.

Ghana is one of the nations which applied Results-Oriented Performance Management System in Africa. A study by Oudro (2003: xi) indicates that in Ghana every ministry, department or agency has developed mission statements, objectives, outputs and activities and developed a budget system to translate the strategic plans into practice.

Regarding Ethiopian perspective empirical review, the study conducted by Melat (2014), at the Ethiopian Management Institute, on performance management practice indicates that organizational goal were not fully aligned with individual and departmental goal, participation of employee's in planning stage of PMS is not across all staffs of the organization, lack of regular feedback, and absence of uniformity in gathering information on employee's performance are main problems in implementation of PMS.

As per study of Tessema (2005) on the applicability of PMS, reveals that more and more Ethiopian enterprises were expressing a strong interest in the PMS, their managers were starting to acknowledge importance of regular formal and informal performance review meetings, communication about results was being improved by applying modern means of communication like the internet, people were willing to train in the use of performance management, and government was fostering the improvement of performance.

In the same way, the result of the study conducted by Dereje (2015) concerning the implantations of PMS in Addis Ababa City Administration, with taking Addis Ketema Sub City Wereda 2, indicates that the performance management processes of the study wereda needs serious consideration to reap some fruits out of it. The research discovered that the entire process of performance planning, delivery of ongoing coaching and technical supports to the implementing agencies and individuals, recognition and reward, and ensuring performance responsibility both at individual employee and organizational levels were not on the right track to bring about meaningful performance improvement.

As per Tesfaye Debela and Atakilt Hagos (2012) of empirical evidences in public sector performance management study; considering the experiences of other countries in implementing result based performance management in the civil service helps to understand the distance that the Ethiopian Civil Service requires to move to convert itself from

extremely bureaucratic type of control to result form of control. They look at this from the view of African countries' experience.

As to developing countries, it was the pressure of international financial institutions to restructure their civil service organizations. During the 1980s, African countries were suffering from the growing burden of external debts, fast population growth, continuous drought and extended internal conflicts (ECA, 2003: 2). In the mid-1980s, the Structural Adjustment Program was introduced with the aim of reducing the state's role in production and service activities. Since the 1980s, various significant programs have been launched by international organizations including their partners.

Generally, the major challenges of performance appraisal improvement in Africa are insufficient institutional capacity, insufficient human resource capacity, declining public service ethics, declining social values, declining civil service morale and limited access to ICTs. In addition to these challenges, in developing countries government organizations suffer from multiple responsibilities as a result of conflict of political, managerial, public and financial accountabilities; and conflicting expectations from the public and the political bosses (ECA, 2003: 33).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter will present details of the research design and methodology. First, research design will be discussed in section 3.2, followed by type & source of data and the collection method in section 3.3. Section 3.4 describes the data collection instrument for the current study.

The next two sections, sections 3.5 and 3. 6 elaborate on the data collection procedure and target population respectively.

The technique employed to check whether or not the findings are really about what they appear to be about, validity is explored in section 3.7. In addition to that, the technique which signifies the extent to which the data collection techniques or analysis procedures will yield consistent findings, reliability is also be discussed in the same section.

The current study has employed descriptive data analysis techniques, and specific statistical methods used is elaborated in section 3.8.

3.2 Research Design

The function of a research design is to ensure that the evidence obtained enables one to effectively address the research problem. Hence, in this section, the overall strategy discussed in the context of different aspects of nature of researches.

The research describes the existing situation under study. Hence, both qualitative and quantitative methods were incorporated. Hence mixed research design was applied. Because, biases inherent in any single method could neutralize/cancel the biases of other methods (Creswell, 2009).

3.3 Data Type, Source and Collection Method

Both secondary and primary data have been used. The primary data collection method employed was structured questionnaire. The questionnaire was distributed to employees of VSO-E.

The performance appraisal aspects were measured using Likert scale with five response categories: Strongly Disagree, Disagree, Neutral, Agree & Strongly Agree. Satisfaction indicator was also measured using Likert scale with five response categories.

Secondary data was collected from journals, the company's website, annual reports, company profile documents, etc.

3.4 Data Collection Instrument

Two instruments is employed for data collection: questionnaire and structured interview. Questionnaire (See Appendix A) is used as the main data-gathering instrument with regard to collecting information from employees of VSO-E.

Likert scales is utilized on the questionnaire. Moreover, apart from the biographic data section, all items in the questionnaire used these same scales. Five point is employed as shown below.

1. Strongly disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly agree

The particular value of this format is unambiguous ordinarily of response categories (Babbie, 2010). Although the declarative statement changes for each item, the response categories remain to be the Likert scales.

Structured Interview was the second type of data collection instrument used. Structured interview is a kind of interview where the researcher asks a predetermined set of questions, using the same wording and order of questions as specified in the interview schedule, which consists of written list of questions (open ended or closed ended) prepared for use by an

interviewer in a person-to-person interaction. The advantage of this method is that it provides uniform information, which assures the comparability of data (Kumar, 2011).

3.5 Data Collection Procedure

The first and foremost task that was undertaken is data collection of the pilot study. After validity & reliability of the questionnaire were measured and minor adjustments were done (if required), the final questionnaire was duplicated. The questionnaire was prepared in English for collecting data from employees.

3.6 Target Population

Since the population size of permanent employees at VSO-E was 33 when this research conducted, it was decided to consider all of them for the current study. Hence, census survey statistical methodology has been employed. There were 5 departments in the organization.

3.7 Validity and Reliability

Validity means the degree to which a test or measuring instrument measures what it intends to measure.

Content validity is a subjective measure of how appropriate the items seem to a set of reviewers who have some knowledge of the subject matter. The assessment of content validity typically involves an organized review of the questionnaire's contents to ensure that it includes everything it should and does not include anything it shouldn't.

According to Amin (2005) content and construct validity is determined by expert judgment. Hence, validity of the questionnaire was affirmed by presenting it to two professional people.

Reliability means internal consistency. Stability addresses to what extent the scores would be the same if the same instrument were given to the same people, under the same circumstances, but at a different time. Cronbach's alpha method was employed to check the reliability of the questionnaire.

To measure the internal consistency of the instruments, the questionnaire was distributed for two professionals related with the subject. The minimum acceptable value for Cronbach's Alpha is 0.70. The following Table 3.2 Presents the consistency of measures based on the statistics tool.

The instruments have ten sections and for each of the sections Cronbach's Alpha is measured. There is a total of 50 items Likert scale instruments. A Cronbach's alpha result of each section is above 0.7, which shows the internal consistency is acceptable.

Table 3.1 Reliability test

Case processing summary

Cases	N %	N	Percentage
	Valid	31	100.0
	Excluded	0	.0
	Total	31	100.0

Source: primary data, 2019

Table 3.2 Cronbach's alpha of all factors

No.	Item name	N of Items	Cronbach's Alpha
1.	Alignment with Organizational goals, vision and mission and values	2	0.81
2.	Participation on goal-setting and Awareness	6	0.94
3.	Continuous Improvement and Open Communication with Appraisers\	9	0.91
4.	Appraisers Knowledge of performance appraisal system	5	0.90
5.	Fairness of PAS	5	0.94
6.	Fairness of appraisers	5	0.89
7.	Feedback on PAS	5	0.89
8.	Responsiveness of PAS	3	0.86
9.	Linkage of PAS to other HRM decisions	5	0.92
10.	Challenges of performance appraisal	5	0.81

Source: primary data, 2019

3.8 Method of Data Analysis

Descriptive statistical data analysis methods have been used to analyze and present the data collected from the respondents. To undertake the analysis, IBM Statistical Package for the Social Sciences (SPSS) version 21 was be used.

The descriptive statistical results will be presented by tables, frequency distributions and percentages to analyze the data. This will be achieved through summary statistics, which includes the mean values and percentages which will be computed for each study variable.

3.9 Ethical Considerations

As this study required the participation of human respondents, certain ethical issues must be addressed. The consideration of these ethical issues is necessary for the purpose of ensuring the privacy as well as the safety of the participants.

Among the important ethical issues that were considered in the research process include consent and confidentiality. In order to secure the consent of the selected participants, the researcher communicated all important details of the study, as well as its aim and purpose. By explaining these important details, the respondents were made to understand the importance of their role in the completion of the research.

The respondents were also advised that they could withdraw from the study even during the process. With this, the participants were not forced to participate in the research. The confidentiality of the participants was ensured by not disclosing their names or personal information in the research. Only relevant details that help in answering the research questions were included.

CHAPTER FOUR

ANALYSIS AND INTERPRETATION

In this chapter the results of the study are presented. This study concentrates on the assessment of performance appraisal in VSO Ethiopia Country Office.

The validity of questionnaire was explored by two independent professionals on the subject matter. And amendments on the questionnaire were made based on the assessment & feedback made by the two professionals.

The reliability of the questionnaire items was analyzed by using Cronbach's alpha statistics. It came out to be 0.868, which signifies good internal consistency.

Subsequently, the data analysis was undertaken by using IBM SPSS version 21, and results are summarized in the following section.

The questionnaire was distributed to all 33 permanent employees at VSO-E. And 31 of them returned back the filled questionnaire. Hence, the response rate is 93.94%.

4.1 Background of Respondents

4.1.1 Background of Employees Data

The collected data exhibited different characteristics of respondents at VSO-E. As can be seen from table 4.1 below, in terms of gender distribution, there exists equivalence between the percentage of male and female employees (54.8% and 45.2% respectively). The same scenario was also observed while looking the data from job positions aspect: female employees accounted for 44.4% managerial positions and their male counterpart accounted for 55.6%.

Table 4.1. Job Position, Education level and Gender of the Respondents

Gender of Employees			Education level of Employees		Total
			First Degree	Masters Degree	
Male	Job Position of Employees	Managerial	1	4	5
		Non-Managerial	3	9	12
	Total		4	13	17
Female	Job Position of Employees	Managerial	1	3	4
		Non-Managerial	8	2	10
	Total		9	5	14
Total	Job Position of Employees	Managerial	2	7	9
		Non-Managerial	11	11	22
	Total		13	18	31

Source: primary data, 2019

If one looks from education level point of view, it can be seen that the sampled male and female employees have dissimilarity. Only about one-fourth of male employees (23.5%) were found to be first degree graduates whereas majority of female employees (64.3%) were found to be first degree graduates. Overall, about 60.0% of respondents have master's degree education level.

Among respondents, only two people (one male and one female) were found having managerial positions with first degree education level. All other managerial level employees were found having master's degree education level.

Table 4.2. Education level, Job Position, and Job experience of the Respondents

Job experience at VSO-E			Job Position		Total
			Managerial	Non Managerial	
5 years and below	Education level of Employees	First Degree	0	2	2
		Masters Degree	2	4	6
	Total		2	6	8
6-10 years, inclusive	Education level of Employees	First Degree	1	8	9
		Masters Degree	3	2	5
	Total		4	10	14
more than 10 years	Education level of Employees	First Degree	1	1	2
		Masters Degree	2	5	7
	Total		3	6	9
Total	Education level of Employees	First Degree	2	11	13
		Masters Degree	7	11	18
	Total		9	22	31

Source: primary data, 2019

Almost two-thirds of respondents (74.2%) have been working at VSO-E for more than 5 years. And majority of them possess master’s degree education level. That is the reason why more than 60% them are having non-managerial positions.

Hence, having considered about 95% of employees as a sample, it can be deduced that VSO-E is equipped with well experienced and highly educated professionals.

As can be seen from table 4.3 below, more than 90.0% of respondents are working within program or operation departments of VSO-E (Close to half of them (48.4%) in program department, followed by 32.3% in operations department).

Table 4.3. Department of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Program Department	15	48.4	48.4	48.4
	Finance	3	9.7	9.7	58.1
	HR	2	6.5	6.5	64.5
	Operation	10	32.3	32.3	96.8
	Business Pursuit	1	3.2	3.2	100.0
	Total	31	100.0	100.0	

Source: primary data, 2019

Close to three-fourth of first degree holders (72.2%) are working in operations department, and more than two-thirds of second degree holders (69.2%) are working in the program department.

4.2 Research Findings and Discussion

4.2.1 Alignment with Organizational goals, vision, mission, and values.

There were two questions included in this part to evaluate VSO-E Performance Appraisal alignment with organizational goals, vision, mission, and values, which is summarized as below.

Table 4.4 Employee responses on Alignment with Organizational goals, vision and mission and values

No	Statement	Measurement	SDA	DA	N	A	SA	Mean	SD
1	The standards for appraising employees' performance are aligned to the VSO's goals	Freq	-	-	5	23	3	3.94	0.51
		%	-	-	16.1	74.2	9.7		
2	The standards for appraising employees' performance take into account VSO's values	Freq	-	-	9	16	6	3.90	0.70
		%	-	-	29.0	51.6	19.4		

Source: primary data, 2019

Index: SDA= Strongly Disagree, DA=Disagree, N=Neutral, A =Agree SA=Strongly Agree, SD = Standard Deviation

Many researchers stated that the standards for appraising employees' performance shall be aligned to the organization goals, and shall take into account the organization's values.

In the case of VSO-E, no respondents strongly disagreed or disagreed these two assertions. More than 80.0% of them reported that the standards set for appraising VSO-E's employees are aligned to VSO's goals.

Mean result, which is below 3.4, indicates that it is a disagreement level that further shows areas of improvement. Therefore, the above table 4.4. with 3.94 mean result shows that respondents more agreed that the standards set for appraising VSO's employees are aligned to the organization goals. Moreover, 3.90 of the mean result shows that respondents agree with the standards for appraising employees' performance take into account VSO's values. About 71.0% of them claimed that these standards take into account VSO's values.

On the other hand, almost 30.0% of respondents have become neutral on the proposition that the VSO-E's performance appraisal standard takes into account VSO international's values. About 15% of them have also become undecided on their attitude of whether or not the performance appraisal of VSO-E is aligned to VSO international's goals.

In this regard, the lower percentage of strong agreement and rather higher percentage of neutral stand is something to consider with.

4.2.2 Participation on goal-setting and Awareness

Table 4.5. Employee responses on Participation on goal setting and Awareness

No	Statement	Measurement	SDA	DA	N	A	SA	Mean	SD
1	The performance appraisal process begins with setting of performance expectations or standards	freq	-	-	12	14	5	3.77	0.72
		%	-	-	38.7	45.2	16.1		
2	Employees are involved in decisions making regarding the PAS process	freq	9	12	6	4	-	2.16	1.00
		%	29.0	38.7	19.4	12.9	-		
3	I am aware of the purpose and objectives of the performance Appraisal system at VSO	freq	-	5	-	19	7	3.90	0.94
		%	-	16.1	-	61.3	22.6		
4	I personally involved in the process of setting objectives and targets of my future Performance.	freq	-	6	7	15	3	3.48	0.93
		%	-	19.4	22.6	48.4	9.7		
5	There is a clear performance appraisal system and criteria are known by Employees.	freq	-	-	5	19	7	4.06	0.63
		%	-	-	16.1	61.3	22.6		
6	My supervisor clearly explains to me the standards that will be used to evaluate me	freq	-	4	7	13	7	3.74	0.96
		%	-	12.9	22.6	41.9	22.6		

Source: primary data, 2019

Index: SDA= Strongly Disagree, DA=Disagree, N=Neutral, A =Agree SA=Strongly Agree, SD = Standard Deviation

Table 4.5 shows that no respondent highly disagreed or disagreed the proposition that the performance appraisal process begins with setting of performance expectations or standards. This means 3.77 of the mean result shows that VSO's performance appraisal process begins with setting of performance expectations or standards. 3.90 mean result indicates that they are well aware of the purpose and objectives of the performance Appraisal system at VSO-E. Which means more than 80.0% of respondents also stated that they are aware of the purpose and objectives of the performance Appraisal System.

However, 2.16 mean result, which is about two-thirds of them (67.7%) highly disagreed or disagreed on involvement of employees in decision making regarding the performance appraisal process. This should be attributed to the making of performance appraisal standards at the VSO international office level. 4.06 of the mean result, which are the very majority of respondents (83.9%), opined positively that there is a clear performance appraisal system and criteria are known by Employees. 3.74 of the mean result shows that supervisor clearly explains the standards that will be used to evaluate the employee and no respondents strongly disagree.

Even if respondents have been overwhelmingly found being aware of purpose and objective of performance appraisal process at VSO-E, and believe that there exists clear performance appraisal system where criteria are known by employees, there also seems to present dissimilarity in employees' perception of performance appraisal practice on an individual level.

For instance, majority of respondents positively claimed that they were personally involved in the process of setting objectives and targets of their own future performance. Similar percentage of employees also positively claimed that their supervisor clearly explains the standards that will be used to evaluate them. Nevertheless, around one-fifth of respondents were uncertain in their perception on both of the above propositions.

It can be safely realized that routine practical application of the performance appraisal criteria has created mixed feelings even if there exists a positive attitude towards clarity of objectives & standards on a general level.

4.2.3 Continuous Improvement and Open Communication with Appraisers

As shown in Table 4.6, the mean result is 3.90, which means the overwhelming majority of respondents claimed positively that the PAS provides an opportunity to communicate with the supervisors to facilitate their job performance.

From practical implementation aspect of the performance appraisal system at VSO-E, about 16.0% respondents opined negatively on the proposition that there is a two-way communication with both managers and employees for expressing their views. Mean result

of 2.26 shows that the majority employees find it difficult to discuss work issues with their managers.

Most of the respondents with a mean result of 3.97 agreed or strongly agreed that information generated through performance evaluation is used to counsel and coach subordinates so that they will improve their performance and develop their respective potential.

Table 4.6. Employee responses on Continuous Improvement and Open Communication with Appraisers

No	Statement	Measurement	SDA	DA	N	A	SA	Mean	SD
1	The PAS provide an opportunity to communicate with the supervisors to facilitate my job performance.	freq	-	5	-	19	7	3.90	0.94
		%	-	16.1	-	61.3	22.6		
2	There is a two way communication with both managers and employees for expressing their views	freq	-	5	-	21	5	3.84	0.89
		%	-	16.1	-	67.7	16.1		
3	I find difficult to discuss work issues with my managers	freq	11	11	4	5	-	2.26	1.4
		%	35.5	35.5	12.9	16.1	-		
4	The PAS provide a scope for well communication the overall business and plans to the employees.	freq	-	-	19	12	-	3.39	0.49
		%	-	-	61.3	38.7	-		
5	My rater frequently lets me know how I am doing	freq	-	7	-	11	13	3.97	1.16
		%	-	22.6	-	35.5			
6	The appraiser continuously helps me to understand what need to be done to improve my performance.	freq	-	5	-	24	2	3.74	0.81
		%	-	16.1	-	77.4	-		
7	Information generated through performance evaluation is used to counsel and coach subordinates so that they will improve their performance and develop their respective potential.	freq	-	-	4	24	3	3.97	0.48
		%	-	-	12.9	77.4	-		
8	Information generated through performance evaluation in is designed to strengthen the relationship between supervisors and subordinates	freq	-	-	-	24	7	4.23	0.42
		%	-	-	-	77.4	22.6		
9	Information generated through performance evaluation in is used to diagnose both organizational and individual problems based on performance Results.	freq	-	-	7	19	5	3.94	0.62
		%	-	-	22.6	61.3	16.1		

Source: primary data, 2019

Index: SDA= Strongly Disagree, DA=Disagree, N=Neutral, A =Agree SA=Strongly Agree, SD = Standard Deviation

Similar proportion of respondents disagreed the proposition that the appraiser continuously helps them to understand what need to be done to improve performance. Even a higher

percentage of them (22. 6%) reported that their rater does not frequently let them know how they are doing.

Moreover, 4.23 mean result shows that all respondents either agreed or strongly agreed to the proposition that information generated through performance evaluation in is designed to strengthen the relationship between supervisors and subordinates. And almost two-thirds of them stated or highly stated that the information generated through performance evaluation in is used to diagnose both organizational and individual problems based on performance Results.

4.2.4 Appraisers Knowledge of performance appraisal system

To assess the appraiser’s knowledge of performance appraisal system, five questions were given to respondents and the findings are summarized below.

Table 4.7. Employee responses on Appraisers Knowledge of performance appraisal system

No	Statement	Measu rement	SDA	DA	N	A	SA	Mean	SD
1	The PAS is regularly carried out by the responsible appraiser	freq	-	5	-	10	16	4.19	1.08
		%	-	16.1	-	32.3	51.6		
2	The appraiser has good knowledge and understanding about the PAS to appraise me.	freq	-	7	-	24	-	3.55	0.85
		%	-	22.6	-	77.4	-		
3	The appraiser recognizes the requirements and difficulties of my work	freq	-	9	-	18	4	3.55	1.06
		%	-	29.0	-	58.1	12.9		
4	My rater usually keeps a file on what I have done during the appraisal period to evaluate my performance	freq	-	13	11	7	-	2.81	0.79
		%	-	41.9	35.5	22.6	-		
5	My supervisor accurately evaluates my performance to the extent that I will be rewarded penalized for doing so.	freq	-	9	16	4	2	2.97	0.84
		%	-	29.0	51.6	12.9	6.5		

Source: primary data, 2019

Index: SDA= Strongly Disagree, DA=Disagree, N=Neutral, A =Agree SA=Strongly Agree, SD = Standard Deviation

Contrary to what has been discussed earlier, the respondents exhibited disagreements to all of the propositions included on this aspect of performance appraisal system.

As is detailed in table 4.7, about 16% of respondents do not state that the PAS is regularly carried out by the responsible appraiser. More than 20% of them state that the appraiser does not have good knowledge and understanding about the PAS to appraise them. Moreover, about 30.0% respondents claimed that the appraiser does not recognize the requirements and difficulties of their work, and do not accurately evaluate their performance to the extent that they will be rewarded for doing what they must or penalized for failing to do so.

As per the mean result of 4.19, it shall be mentioned here that the very majority of respondents assert that the PAS is regularly carried out by the responsible appraiser. About three-fourth of them also claimed that the appraiser has good knowledge and understanding about the PAS, and the appraiser recognizes the requirements and difficulties of their work.

Consequently, it can be argued here that about one-fourth of respondents on average do not take in these propositions regarding appraisers' knowledge of the PAS. Hence, VSO-E needs to examine into the practical grievances present while performing performance appraisal of its employees.

Relatively 2.81 mean result shows that a small percentage of respondents asserted that their rater usually keeps a file on what they have done during the appraisal period to evaluate their performance. This might be attributed to lack of common understanding between appraiser and appraise on whether or not the former is using this scheme for appraisal purpose. On the other hand, it may be attributed to lack of such practice at VSO-E. As this aspect has been reported by many scholars to have profound effect on acceptance & satisfaction of employees on PAS, VSO-E needs to look into the matter with greater detail.

4.2.5 Fairness of PAS

Table 4.8. Employee responses on *Fairness of PAS*

No	Statement	Measurement	SDA	DA	N	A	SA	Mean	SD
1	I trust the PAS in my organization is rational and fair.	freq	-	1	3	20	7	4.06	0.68
		%	-	3.2	9.7	64.5	22.6		
2	I get fair and transparent feedback from my supervisor.	freq	-	5	11	15	-	4.10	0.91
		%	-	16.1	35.5	48.4	-		
3	I have been evaluated fairly according to the setting standards without subjectivity and bias	freq	-	9	4	18	-	3.84	0.78
		%	-	29.0	12.9	58.1	-		

No	Statement	Measurement	SDA	DA	N	A	SA	Mean	SD
4	The Existing Performance appraisal system is participatory and satisfactory	freq	-	3	9	19	-	3.55	0.68
		%	-	9.7	29.0	61.3	-		
5	My performance appraisal is based on the quality and quantity of my work ,not my personality and position	freq	-	3	10	18	-	3.48	0.68
		%	-	9.7	32.3	58.1	-		

Source: primary data, 2019

Index: SDA= Strongly Disagree, DA=Disagree, N=Neutral, A =Agree SA=Strongly Agree, SD = Standard Deviation

As can be seen from table 4.8, the mean result of 4.06 shows the overwhelming majority of respondents positively asserted rationality and fairness of the performance appraisal system at VSO. Majority of them (61.3%) have also said that the existing performance appraisal system is participatory and satisfactory.

That said, it shall be repeated here about relatively larger percentage of respondents who are uncertain on attributes of this aspect. For instance, about 30.0% of them became neutral on the assertion that the existing performance appraisal system is participatory and satisfactory. Equivalent percentage of respondents also stood neutral on the proposition that their performance appraisal is based on the quality and quantity of their work, not their personality and position. Even a higher percentage of respondents (35.5%) remained neutral on the proposition they get fair and transparent feedback from their supervisor.

Close to one-third of respondents asserted that they have not been evaluated fairly according to the setting standards without subjectivity and bias. And mean result of 4.10 shows that they didn't get fair and transparent feedback from their supervisor.

As a result, it can be argued here that majority of the employees at VSO-E have positive attitude to the fairness of performance appraisal system put in place at VSO. But, higher percentages of them are also uncertain or negative about its practical implementation on the country level at VSO.

4.2.6 Fairness of appraisers

As per the mean result of 2.42 shows the raters most of the time is influenced by specific dimension of performance. Almost 40.0% respondents either agreed or strongly agreed on

the statement that interpersonal relationships influence the evaluation and decisions in the performance appraisal process. It can hence be argued VSO-E shall work towards building enabling environment for appraisers for them to undertake appraisal based on professional performance only.

Table 4.9. Employee responses on Fairness of appraisers

No	Statement	Measurement	SDA	DA	N	A	SA	Mean	SD
1	I observe that the rater most of the time is influenced by specific dimension of performance (halo/horns).	freq	1	21	4	5	-	2.42	0.81
		%	3.2	67.7	12.9	16.1	-		
2	The evaluator made an assessment based on the employee's first impression which may be positive or negative (First Impression or Primacy Effect)	freq	1	25	-	5	-	2.29	0.78
		%	3.2	80.6	-	16.1	-		
3	The rater gives high or low rating time after time to peoples based on certain characteristics such as gender, religion and the like (Stereotyping)	freq	6	16	7	2	-	2.16	0.82
		%	19.4	51.6	22.6	6.5	-		
4	Current performance of the employee is evaluated based on the past performance by assuming good performer in the past are still good and the bad employee in the past are still bad performer (Spill over effect)	freq	1	25	-	5	-	2.29	0.78
		%	3.2	80.6	-	16.1	-		
5	Interpersonal relationships influence the evaluation and the decisions in the performance appraisal process	freq	-	19	-	9	3	2.87	1.15
		%	-	61.3	-	29.0	9.7		

Source: primary data, 2019

Index: SDA= Strongly Disagree, DA=Disagree, N=Neutral, A =Agree SA=Strongly Agree, SD = Standard Deviation

A minimum of 70.0% respondents stated that appraisers at VSO-E are not influenced by specific dimensions like halo & horns, first impression/primacy effect, stereotyping and spill-over effect.

It can be argued here that, apart from influence of interpersonal relationships, appraisers at VSO-E have been successful on avoiding these non-professional attributes. More than 20.0% respondents became uncertain on the presence of high or low rating based on gender, religion and the like (stereotyping). It can hence be argued that VSO-E shall gear towards cancelation of stereotyping by enabling appraisers to instruct merit-based appraisal only.

4.2.7 Feedback on PAS

Table 4.10 below summarizes responses of respondents from the aspect of feedback on performance appraisal system.

Table 4.10. Employee responses on Feedback on PAS

No	Statement	Measurement	SDA	DA	N	A	SA	Mean	SD
1	I receive regular and timely performance feedback beside the annual performance review.	freq	-	9	5	17	-	3.58	1.09
		%	-	29.0	16.1	54.8	-		
2	Information generated through performance appraisal is used to give feedback to subordinates so that they know where they stand	freq	-	5	-	23	3	3.55	0.89
		%	-	16.1	-	74.2	9.7		
3	The information provided by my supervisor during my performance feedback is accurate.	freq	-	9	4	18	-	3.29	0.90
		%	-	29.0	12.9	58.1	-		
4	The performance feedback I receive helps me to improve my job performance and to attain my goals.	freq	-	5	-	12	14	4.13	1.05
		%	-	16.1	-	38.7	45.2		
5	The feedback I get helps me to gain insight about my weakness and strength.	freq	-	9	5	8	9	3.55	1.21
		%	-	29.0	16.1	25.8	29.0		

Source: primary data, 2019

Index: SDA= Strongly Disagree, DA=Disagree, N=Neutral, A =Agree SA=Strongly Agree, SD = Standard Deviation

The overwhelming majority of respondents (83.9%) asserted that information generated through performance appraisal is used to give feedback to subordinates so that they know where they stand, and equal percentage of respondents claimed that the performance feedback helps them to improve job performance & attain goals.

On the other hand, about 30.0% of respondents stated that they don't receive regular & timely performance feedback. And with mean result 3.29 shows that they also said that information provided by their supervisor during performance feedback is not accurate.

As was discussed previously, it can be deduced that employees of VSO-E have positive attitude towards performance feedback, but there exists practical implementation gap at VSO-E.

4.2.8 Responsiveness of PAS

The performance appraisal system shall be as responsive as possible. Employees need to get the chance to reflect & challenge on their appraisal ratings and the findings on this subject is summarized below.

Table 4.11. Employee responses on Responsiveness of PAS

No	Statement	Measurement	SDA	DA	N	A	SA	Mean	SD
1	I have ways to appeal to a performance rating that I think is biased and inaccurate	freq	-	17	5	5	4	2.87	1.12
		%	-	54.8	16.1	16.1	12.9		
2	I can challenge a performance rating if I think is biased or inaccurate.	freq	-	9	14	-	8	3.23	1.14
		%	-	29.0	35.5	16.1	19.4		
3	My performance ratings can be changed if I can show that it is incorrect or unfair	freq	-	12	15	-	4	2.87	0.96
		%	-	38.7	48.4	-	12.9		

Source: primary data, 2019

Index: SDA= Strongly Disagree, DA=Disagree, N=Neutral, A =Agree SA=Strongly Agree, SD = Standard Deviation

Unfortunately, employees of VSO-E do not seem to have the chance of exercising this aspect of performance appraisal with mean result of 2.87. As can be seen from table 4.11, majority of respondents either disagreed or became neutral on all the propositions. This implies that employees cannot be sure that they can appeal and challenge to a performance rating that they think is biased & inaccurate. Moreover, 2.87 mean result shows that there is also no confirmation that their performance rating could be changed if they can show that it is incorrect or unfair.

Consequently, it can be concluded that VSO-E lacks tangible responsiveness on its performance appraisal system.

4.2.9 Linkage of PAS to other HRM decisions

Table 4.12. Employee responses on Linkage of PAS to other HRM decisions

No	Statement	Measurement	SDA	DA	N	A	SA	Mean	SD
1	Performance appraisal is linked with salary increment	Freq	15	7	5	4	-	1.94	1.09
		%	48.4	22.6	16.1	12.9	-		
2	Performance appraisal has no any contribution to employees' promotion.	Freq	9	4	7	7	4	2.77	1.43
		%	29.0	12.9	22.6	22.6	12.9		

No	Statement	Measurement	SDA	DA	N	A	SA	Mean	SD
3	The performance appraisal result serves as the basis of Employees contract termination	Freq	-	13	9	5	4	3.00	1.06
		%	-	41.9	29.0	22.6	12.9		
4	Achievements of goals are not necessarily recognized for promotion.	Freq	-	12	8	7	4	3.10	1.08
		%	-	38.7	25.8	22.6	12.9		
5	Information generated through PA is used to motivate subordinates through recognition and support.	Freq	6	17	4	4	-	2.19	0.91
		%	19.4	54.8	12.9	12.9	-		

Source: primary data, 2019

Index: SDA= Strongly Disagree, DA=Disagree, N=Neutral, A =Agree SA=Strongly Agree, SD = Standard Deviation

For performance appraisal to have a strong base, it has been repeatedly stressed by many scholars that its results shall be linked to other HRM decisions.

Unfortunately, the situation doesn't seem so at VSO-E. For example, more than two-thirds of respondents asserted that performance appraisal is not linked with salary increment. As per the mean result 2.19 shows that the information generated through PA is not used to motivate subordinates through recognition and support.

In addition to that, more than 40.0% respondents have also stated that the performance appraisal results do not serve as the basis of employees' contract termination. Coupled with the high percentage of people with neutral stand, these figures signify no strong relationship of performance appraisal with other HRM decisions at VSO-E.

4.2.10 Challenges of PAS

From table 4.13, shows that 2.32 of the mean result indicate the majority of respondents asserted that raters at VSO-E don't give high performance to elicit positive reactions from subordinates. Of course, one-fifth of them remained neutral, and same percentage of respondents positively opined on the matter.

Table 4.13. Employee responses on Challenges of PAS

No	Statement	Measurement	SDA	DA	N	A	SA	Mean	SD
1	Giving high performance to elicit positive reactions from subordinates	Freq	8	11	6	6	-	2.32	1.08
		%	25.8	35.5	19.4	19.4	-		
2	Not updated as per the dynamics of the organization and its environment	Freq	-	5	-	19	7	3.90	0.94
		%	-	16.1	-	61.3	22.6		
3	Lack of consistency in applying the system	Freq	-	5	6	17	3	3.58	0.89
		%	-	16.1	19.4	54.8	9.7		
4	Not taking the system seriously	Freq	-	-	4	20	7	4.10	0.0
		%	-	-	12.8	64.5	22.6		
5	Disregarding the PA result in making other HRM decisions	Freq	-	6	6	12	7	3.65	1.05
		%	-	19.4	19.4	38.7	22.6		

Source: primary data, 2019

Index: SDA= Strongly Disagree, DA=Disagree, N=Neutral, A =Agree SA=Strongly Agree, SD = Standard Deviation

The PAS has been claimed not updated as per the dynamics of the organizations and its environment by more than three-fourths of respondents. Equivalent percentages of respondents have also reported existence of not taking the system seriously.

Close to two-thirds of respondents have positively opined on lack of consistency in applying the system, and similar percentage of same reported disregarding of the PA result in making other HRM decisions.

Moreover, as stated on table 4.12, not more than one-fifth of respondents claimed negatively on any of the propositions except the first one. Hence, it can be argued that such types of challenges are present at VSO-E.

4.2.11 Descriptive Summary by Averages

The average response of employees for each aspect of performance appraisal system at VSO-E has been summarized in table 4.14.

The largest average value was given to alignment of performance appraisal to organizational goals, vision, mission and values. This implies that respondents more or less agree (3.92≈4) on the alignment of performance appraisal system with basic pillars of VSO: goals, vision, mission and values.

The minimum average values (2.38 and 2.57) were observed on responsiveness of PAS and its linkage to other HRM decisions respectively. It can be inferred here that employees of VSO-E do believe that the performance appraisal system is not responsive and is not linked to other HRM decisions of the organization.

Table 4.14. Descriptive Statistics

Item	N	Range	Mean	SD
Organizational goals, vision and mission and values	31	2.00	3.92	0.56
Participation on goal setting and awareness	31	1.67	3.52	0.55
Continuous Improvement and Open Communication with Appraisers	31	1.22	3.67	0.38
Appraisers Knowledge of performance appraisal system	31	2.20	3.41	0.74
Fairness of PAS	31	1.43	3.52	0.36
Fairness of appraisers	31	2.60	3.17	0.93
Feedback on PAS	31	2.60	3.62	0.75
Responsiveness of PAS	31	2.33	2.38	0.79
Linkage of PAS to other HRM decisions	31	2.40	2.57	0.74
Valid N (listwise)	31			

Source: primary data, 2019

One can also figure out presence of largest range and standard deviation on fairness of appraiser's aspect. This implies high dissimilarity among view of employees of VSO-E in connection with appraisers' fairness towards appraise.

It should also be mentioned here that the overall average of employees' view of performance appraisal system at VSO-E stood at 3.31. Hence, the averages of employees' view on fairness of appraiser, responsiveness of PAS, and linkage of PAS to other HRM decisions have been found to be lower than the overall average.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter presents summary, conclusion and recommendation based on the information in the preceding chapters.

Section 5.2 focuses on major summaries of the study, followed by conclusions in section 5.3. Lastly, recommendations are stated in section 5.4.

5.2 Summary

The aim of the research was to assess employee's performance appraisal practice in VSO, based on the questionnaires distributed to VSO employees and, the interview sessions carried out. The major findings presented in chapter four are summarized as shown below:

Many researchers stated that the standards for appraising employees' performance shall be aligned to the organization goals, and shall take into account the organization's values. In the case of VSO-E, the majority of employees reported that the standards set for appraising VSO-E's employees are aligned to VSO's goals.

No sample respondent highly disagreed the proposition that the performance appraisal process begins with setting of performance expectations or standards. The majority respondents also stated that they are aware of the purpose and objectives of the performance Appraisal system and that there is a clear performance appraisal system and criteria are known by Employees.

In connection with continuous improvement & open communication with appraisers aspect of performance appraisal system, the majority of respondents claimed positively that the PAS provides an opportunity to communicate with the supervisors to facilitate their job performance.

With regard to appraiser's knowledge of performance appraisal system, about 15% of respondents do not state that the PAS is regularly carried out by the responsible appraiser.

There exist significant proportion of employees who have the perception that appraisers at VSO have not been successful at continuously letting employees know how they are doing and helping them to understand what need to be done to improve performance. Generally, employees have positive attitude to the fairness of performance appraisal system put in place at VSO, but are not confident its practical implementation on the country level at VSO-E.

Concerning feedback on PAS, the overwhelming majority of respondents stated that information generated through performance appraisal is used to give feedback to subordinates so that they know where they stand, and equal percentage of respondents claimed that the performance feedback helps them to improve job performance & attain goals. On the other hand, few of respondents stated that they do not receive regular & timely performance feedback, therefore it can be deduced that employees of VSO-E have positive attitude towards performance feedback, but there exists practical implementation gap at VSO-E.

The performance appraisal system shall be as responsive as possible. Unfortunately, employees of VSO do not seem to have the chance of exercising this aspect of performance appraisal. Besides, there is also no confirmation that employee's performance rating may be changed if it proves to be inaccurate or biased.

VSO employees believe that there is no strong relationship of performance appraisal with other HRM decisions. In addition, respondents have claimed that information generated through PA is not used to motivate subordinates through recognition and support.

Generally, the outcome of the research confirmed that the performance appraisal practice of VSO-E has shortcomings that need to be improved. Possible recommendations are outlined at the end of this page.

5.3 Conclusion

In light of the research findings, the following paragraphs stipulate conclusions on appraisal practice and challenges at VSO-E.

VSO-E has been successfully aligning its PAS with vision, mission and goals of VSO. This is instrumental as same has been labeled by many researchers as the corner stone of effective performance appraisal systems. However, involvement of employees in decision making regarding the performance appraisal process is limited. It is a firm belief of the student researcher that this should be attributed to the making of performance appraisal standards at the VSO international office level.

Overall, the permanent employees of VSO-E participate in the process of setting objectives and targets of their own future performance. And their supervisors clearly explain the standards that will be used to evaluate them.

The PAS at VSO-E provides an opportunity for employees to communicate with the supervisors to facilitate job performance. In connection with this, information generated through performance evaluation is used to counsel and coach subordinates so that they will improve their performance and develop their respective potential. Moreover, information generated through performance evaluation is used to diagnose both organizational and individual problems.

There exist significant proportion of employees who have the perception that appraisers at VSO-E have not been successful at continuously letting employees know how they are doing and helping them to understand what need to be done to improve performance. According to these employees, the PAS is not regularly carried out by the responsible appraiser, and the appraiser does not have good knowledge and understanding about the PAS to appraise them. Moreover, the appraiser does not recognize the requirements and difficulties of their work, and do not accurately evaluate their performance to the extent that they will be rewarded for doing what they must or penalized for failing to do so.

Even if there exists positive perception to a large scale, indecisiveness also exists on the assertion that the existing performance appraisal system is participatory and satisfactory, and on whether or not performance appraisal is based on the quality and quantity of work, not their personality and position. Generally, employees have positive attitude to the fairness of performance appraisal system put in place at VSO, but are not confident its practical implementation on the country level at VSO-E.

At VSO-E, interpersonal relationships influence the evaluation and decisions in the performance appraisal process. Hence, VSO-E shall work towards building enabling environment for appraisers for them to undertake appraisal based on professional performance only. Significant proportion of employees also reported appraisal done based on gender, religion and the like (stereotyping). Accordingly, VSO-E shall gear towards abolishment of stereotyping by enabling appraisers to inculcate merit-based appraisal only.

VSO-E lacks tangible responsiveness on its performance appraisal system. Challenging a performance rating that employees think is biased & inaccurate is difficult, and there is also no confirmation that their performance rating could be changed if they can show that it is incorrect or unfair.

One of the serious gaps at VSO-E is the fact that no strong relationship of performance appraisal with other HRM decisions exists at VSO-E. For instance, it is not related to salary increment, does not serve to motivate subordinates through recognition and support.

5.4 Recommendations

Performance appraisal should be a positive experience and contribute to the overall wellbeing of an organization. If it has done properly, performance appraisal is a very effective tool to improve performance, productivity and for developing employees. It helps individuals to do better and raises motivation.

Performance evaluation should be implemented in all organizations and promoted as a key management activity. According to the major findings that have been discussed so far, the following points are recommended by the researcher as follow:

- VSO shall further work and consider to align a standard for appraising employees' performance to VSO goals, vision and mission. Involve employees in decision making regarding the performance appraisal process.
- Once VSO sets higher-level organizational goals, it can cascade the goals to the specific units and departments. Senior Management Team shall discuss on the goal with middle level managers to develop goals and objectives, which will support the overall goals and objectives of the organization, and then respective units shall develop strategic requirements that are tied directly to each of the organizational

goals. Finally, it is good to arrange an open meeting to discuss and see if all are on the same page.

- Have a continuous learning platform for appraisers - continuous learning and acquiring new skills for appraisers is very important, no matter how long they have been an appraiser, getting new knowledge is important not only for the organization but also for their own benefit. Therefore, VSO shall provide a continuous refresher training for appraisers to have enough knowledge and understanding about the performance appraisal of their subordinates. The appraisers shall be adequately trained to successfully carry out the processes of appraisals without personal bias.
- Since employees have positive attitude to the fairness of performance appraisal system put in place, but not confident of practical implementation on the country level at VSO-E, it is recommended that the senior manager team to arrange experience sharing with other countries VSO Office which implement practically. In addition, increase a consistent communication, and have close attention while discussing to employees is also important, as the expectations between an employee and the employer matters.
- AS VSO lacks tangible responsiveness on its performance appraisal system, it is recommended that it shall work hard in this matter, like by encouraging employees to appeal to a performance unfair rating. In case of any unfair ratings, have a strong system on corrective action.
- There shall be a linkage of PAS to other HRM decisions as it is found to be lower than the overall average. VSO shall provide commitments of time and resources from the organization by encouraging employees to progress their skills in areas of interest to the employee. It is recommended that VSO's performance appraisal shall strongly work on linking the PAS with salary increment, motivation, recognition as well as for employee's contract termination. This will make employees to be dedicated to their work and have positive behavior that will increase the organization's effectiveness.
- Arrange a refresher training for all employees including the supervisors on how to easily manage the online Performance Appraisal template, as the supervisors also not using the online system.

In general, the over-all view of management shall provide a continuous refresher training for appraisers to have enough knowledge and understanding about the performance appraisal of their subordinates. It will also benefit both the organization and the employee. Try to maximize and have a strong feedback system to employees, have a regular feedback on the

employee's progress, where this will develop and help a smooth relationship between the managers and the subordinates, and will also help to achieve organizational goals.

Encourage employees to appraise themselves and then build on their own perceptions.

Then attach performance appraisal result with staff development or administrative measures.

VSO shall provide commitments of time and resources on how they will encourage employees to progress their skills in areas of interest to the employee. Finally, this enables VSO to improvement of employee performance and for very important aspect of managing the organization and ensuring achieving results.

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Appendix A – Questionnaire

St. Mary's University

School of Post Graduate Study

Questionnaire for the study of assessment of employee performance appraisal practice in the case of Voluntary Service Overseas-Ethiopia (VSO)

Research Questionnaire

My name is Tikele Hailu, I am a Master's of Business Administration (MBA) student at St. Mary's University. The purpose of this questionnaire is to collect data in order for the study of assessment of employee performance appraisal practice in the case of Voluntary Service Overseas-Ethiopia (VSO). Kindly cooperate in filling the questionnaire as your genuine, complete, and timely responses are crucial for the success of my study. Besides, I would like to assure that the data collected using this questionnaire is purely for academic requirement and your responses will be held confidentially and anonymously. Hence, the researcher kindly requests you to respond each item carefully.

Note:

- No need of writing your name
- Please fill the answer by putting (✓) mark
- Kindly provide your response attentively and return the completed questionnaire as soon as possible
- PAS means performance appraisal system

Thank you for participating in this questionnaire!

Section I: Background Information

1. Gender
1. Male 2. Female
2. Age (in year) _____
3. Educational Qualification
1. Diploma or equivalent 3. Masters
2. Degree 4. Doctorate and above
4. Which department are you working in?
1. Program Department 4. Operation
2. Finance 5. Business Pursuit
3. HR
5. What is your position?
1. Managerial 2. Non-managerial
6. How long do you work for VSO-E?
1. 2-4 years 4. 8-10years
2. 4-6 years 5. >10 years
3. 6-8 years

SECTION II.

1. Please indicate the extent of your agreement for the statements indicated below.

Indicate the extent to which you agree with the following statements by using a scale of 1 to 5 where 1: strongly disagree, 2: disagree, 3: neutral, 4: agree, 5: strongly agree. Please tick (√) in the box that best reflects your answer where:

S.No	Aspects of PAS	Strongly disagree	disagree	neutral	agree	strongly agree
		1	2	3	4	5
	Alignment with Organizational goals, vision and mission and values					
1.	The standards for appraising employees' performance are aligned to the VSO's goals					
2.	The standards for appraising employees' performance take into account VSO's values					
	Participation on goal-setting and Awareness	1	2	3	4	5
1.	The performance appraisal process begins with setting of performance expectations or standards					
2.	Employees are involved in decisions making regarding the PAS process.					
3.	I am aware of the purpose and objectives of the performance Appraisal system at VSO-E					
4.	I personally involved in the process of setting objectives and targets of my future Performance.					
5.	There is a clear performance appraisal system and criteria are known by Employees.					
6.	My supervisor clearly explains to me the standards that will be used to evaluate me					
	Continuous Improvement and Open Communication with Appraisers\	1	2	3	4	5
1.	The PAS provide an opportunity to communicate with the supervisors to facilitate my job performance.					
2.	There is a two way communication with both managers and employees for expressing their views					
3.	I find difficult to discuss work issues with my managers					
4.	The PAS provide a scope for well communication the overall business and plans to the employees.					
5.	My rater frequently lets me know how I am doing					
6.	The appraiser continuously helps me to understand what need to be done to improve my performance.					
7.	Information generated through performance evaluation is used to counsel and coach subordinates so that they will improve their performance and develop their respective potential.					
8.	Information generated through performance evaluation in is designed to strengthen the relationship between supervisors and subordinates					
9.	Information generated through performance evaluation in is used to diagnose both organizational and individual problems based on performance Results.					

Appraisers Knowledge of performance appraisal system		1	2	3	4	5
1.	The PAS is regularly carried out by the responsible appraiser					
2.	The appraiser has good knowledge and understanding about the PAS to appraise me.					
3.	The appraiser recognizes the requirements and difficulties of my work					
4.	My rater usually keeps a file on what I have done during the appraisal period to evaluate my performance					
5.	My supervisor accurately evaluates my performance to the extent that I will be rewarded for doing what I must or penalized for failing to do so					
Fairness of PAS		1	2	3	4	5
1.	I trust the PAS in my organization is rational and fair.					
2.	I get fair and transparent feedback from my supervisor.					
3.	I have been evaluated fairly according to the setting standards without subjectivity and bias					
4.	The Existing Performance appraisal system is participatory and satisfactory					
5.	My performance appraisal is based on the quality and quantity of my work ,not my personality and position					
Fairness of appraisers		1	2	3	4	5
1.	I observe that the rater most of the time is influenced by specific dimension of performance (halo/horns).					
2.	The evaluator made an assessment based on the employee's first impression which may be positive or negative (First Impression or Primacy Effect)					
3.	The rater gives high or low rating time after time to peoples based on certain characteristics such as gender, religion and the like (Stereotyping)					
4.	Current performance of the employee is evaluated based on the past performance by assuming good performer in the past are still good and the bad employee in the past are still bad performer (Spill over effect)					
5.	Interpersonal relationships influence the evaluation and the decisions in the performance appraisal process					
Feedback on PAS		1	2	3	4	5
1.	I receive regular and timely performance feedback beside the annual performance review.					
2.	Information generated through performance evaluation is used to give feedback to subordinates so that they know where they stand					
3.	The information provided by my supervisor during my performance feedback is accurate.					
4.	The performance feedback I receive helps me to improve my job performance and to attain my goals.					
5.	The feedback I get helps me to gain insight about my weakness and strength.					
Responsiveness of PAS		1	2	3	4	5
1.	I have ways to appeal to a performance rating that I think is biased and inaccurate					
2.	I can challenge a performance rating if I think is biased or inaccurate.					
3.	My performance ratings can be changed if I can show that it is incorrect or unfair					

Linkage of PAS to other HRM decisions		1	2	3	4	5
1.	Performance appraisal is linked with salary increment					
2.	Performance appraisal has no any contribution to employees' promotion.					
3.	The performance appraisal result serves as the basis of Employees contract termination					
4.	Achievements of goals are not necessarily recognized for promotion.					
5.	Information generated through performance evaluation in is used to motivate subordinates through recognition and support.					

2. Please indicate the extent of your agreement for the statements indicated below.

Indicate the extent to which you agree with the following statements by using a scale of 1 to 5 where 1: strongly disagree, 2:disagree, 3: neutral, 4:agree, 5: strongly agree. Please tick (√) in the box that best reflects your answer where:

Challenges of performance appraisal						
S.No	Attributes	1	2	3	4	5
1	Giving high performance to elicit positive reactions from subordinates					
2	Not updated as per the dynamics of the organization and its environment					
3	Lack of consistency in applying the system					
4	Not taking the system seriously					
5	Disregarding the PA result in making other HRM decisions					

Additional opinion (if any)

Appendix B – Interview questions

St. Mary University

School of Post Graduate Study

**Interview questions for the study of employee performance appraisal practice in the
case of Voluntary Service Overseas-Ethiopia (VSO)
(To Management & Supervisory Level Employees)**

Dear Madam/Sir,

Thank you in advance for devoting your precious time to answer my questions. I am a final year MBA student at St. Mary's University, School of Graduate Studies and conducting a research on the topic "Practices of Performance Appraisal of VSO".

Your responses will be kept confidentially and used for academic purposes only.

Questions:

1. Please tell me about your self?
2. How long have you worked in VSO-E?
3. How many years have you worked at managerial or supervisory level?
4. What is your highest level of formal education?
5. Do you agree with performance appraisal in principle?
6. How would you describe the performance appraisal system in your organization?
7. What are the purposes of performance appraisal in your organization?
8. What are the organization's core values? How do they relate to performance appraisal in your organization?
9. In terms of promoting core values, what do you think are the benefits and successes of your performance appraisal system?
10. In terms of promoting core values, what do you think are some of the problems with your system and what improvements could be made?
11. Is your performance appraisal system linked to your organisation's strategic objectives? If so, how?

12. What do you think are the fairness perceptions of employees towards your performance appraisal system?
13. Is your performance appraisal system linked to other HRM systems? If so, how?
14. What do you think good performance appraisal practices ought to be in value based organisations that are NGOs?
15. How would you describe the social context within which your organisation is operating? What is its impact on your performance appraisal system?
16. How have the PAs altered in the light of the change dynamics of the organization and its environment? Have the changes in PAs design or use been made in a proactive or reactive manner?
17. Have you received trainings on how to handle each steps of the Performance Appraisal process?
18. What are the major challenges you have been facing in the implementation process of the PA system in your organization? Possible solutions?