



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

**ASSESSMENT OF PERFORMANCE APPRAISAL PRACTICE AND
CHALLENGES IN NIB INTERNATIONAL BANK S.C**

**BY
AMANUEL SHIMELIS**

**JUNE, 2021
ADDIS ABABA, ETHIOPIA**

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BY

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ID NO: SGS/0475/2012A

**A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY, SCHOOL OF
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ADDIS ABABA, ETHIOPIA

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DECLARATION

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

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ENDORSEMENT

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

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June, 2021

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LIST OF ACRONYMS

PA: Performance Appraisal

PAS: Performance Appraisal System

PM: Performance Management

SPSS: Statistical Package for Social Sciences

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Abstract

Performance appraisal process is a key contributor to successful HRM, as it is highly related to organizational performance. The administrative purpose of performance appraisal can also be used as a motivational tool by recognizing successful performance and rewarding; whereas the developmental purpose guides on the required skills, competences and behaviors by providing trainings. In line with this, the study tried to assess the performance appraisal practice and challenge of Nib International Bank S.C by applying descriptive research method and with specific objectives of looking in to the purpose, satisfaction, challenge of performance appraisal practice and investigating the employees' attitude towards performance appraisal practice of the bank. The study has used mixed research approach; in which the primary data were collected through questionnaire and unstructured interview. The sampling technique used in this study was stratified simple random sampling. In checking the reliability, Cronbach's alpha score was applied and found to be acceptable. The study has found out that the banks appraisal system has relevance and lacks acceptability to employees, practicability and sensitivity and reliability which is due to the subjective appraisal criteria. The Bank's appraisal system doesn't follow the six scientific steps, judgmental errors were also found in the system and the employee's perception towards the fairness of the appraisal system of the bank was negative. Therefore, Nib International Bank S.C should revise its performance appraisal manual and criteria in order to make its appraisal system effective. Besides sufficient training must be given to the rater so as to avoid the judgmental errors and set an accurate appraisal system.

Key words: performance, performance appraisal

CHAPTER ONE

1. INTRODUCTION

This chapter is an introduction part of the study which introduces the overall study. This chapter consists of background, problem statement, objectives, significance, study scope, and organization of the research report.

1.1. Background of the Study

Ethiopia has begun to exhibit significant economic progress in recent years, following a lengthy period of weak economic growth and poverty. Despite the government's emphasis on agriculture in building the groundwork for the economy and industry to take the lead in the next years, the growing economic growth is notably reflected in the agricultural sector the service industry The service sector has exhibited tremendous development,

When compared to other sectors in the country, one of the strongest areas where the service industry has grown is banking. The quality of human resources is a critical component that impacts competency and organizational performance in service-giving companies such as banks. As a result, the human resource management practice, which is a significant component of banks, is the primary focus of this research. As a result, in light of this critical issue, this study focuses on the performance assessment processes of Nib International Bank S.C, one of the top private commercial banks today.

Nib International Bank S.C. is one of the first private banks to provide financial services in the Ethiopian banking market, having done so for the previous 15 years. Following the issuance of Monetary and Banking Proclamation No-84/1994, private banks re-emerged in Ethiopia. Nib International Bank (NIB) was founded in 1999 in compliance with the two proclamations, with a paid-up capital of birr 27.6 million and a registered capital of birr 150 million, with a staff of just 27 people. Finally, it went into service on October 28, 1999 (Source: NIB's 2nd Five-Year Strategic Plan 2012/13-2016).

NIB has demonstrated tremendous successes in several facets of bank performance throughout the previous 20 years of its existence. NIB now has around 4,100 shareholders, the total capital of close to Birr 1.8 billion, around 480,000 depositors, and over Birr 9.5 billion in deposits.

Furthermore, NIB has over 9,000 debtors and about \$7.1 billion in loans and advances. containing 3,500 or more people, and 150 branches now functioning in various regions of the nation, as well as consistent profit growth at a growing pace from year to year, the pinnacle of which was a gross profit of 414 in 2013/14.

Performance Appraisal (PA) is the part of a PM that objectively measure employees' performance in terms of quality, quantity, and cost and time (Frimpomaa, 2014). Asamoah (2012) posited that PA is a systematic continuous evaluation of employees' job performance by evaluators who are mainly familiar with their performance, during a given period, against certain pre-established PA criteria.

Mathis and Jackson (2010) stated that employees' PA could be conducted either formally or informally. Formal appraisal is the appraisal process conducted at a regular time interval to measure employees' job performance level, and is used when the contact between a manager and an employee is formal, whereas informal appraisal is the continuous evaluation of employees' performance by her/his superior during the work process (Mathis and Jackson, 2010).

Gomez-Mejía, Balkin, and Cardy (2012) stated that Performance Appraisal System (PAS) is the navel of Human Resource Management (HRM) practice which can be designed, and implemented in an organization mainly for development and administrative purposes that can benefit both an organization and an employee whose performance is being appraised.

As to Decenzo, and Robbins (2010) an effective PAS should be designed through mutual agreement of managers and the employees, participatory, bias-free, continuous appraisal, and able to provide sustainable performance feedback to employees.

In most organizations, the implementation of PAS is ineffective and is not used as intended because of imprecise performance standards, unskilled appraisers, a lack of performance feedback, the subjectivity of the evaluation criteria, and evaluators' mistakes and biases (Siaguru, 2011). Even though PAS faces numerous challenges from various perspectives, it has become mandatory in an organization to objectively evaluate employees' performance over time and motivate them to obtain their maximum contribution to the better achievement of overall organizational objectives (Khanka, 2013).

1.2 Definitions of Key Terms

Appraisers: - refers immediate bosses or supervisors of employees who are in opposition to rate the job performance of employees.

Appraises: Refers to employees whose performance is rated by their immediate bosses

Challenges: obstacles that hinder the implementation of PAS.

Employees: workers who are hired in an organization to perform a job according to their field of specialization.

Performance: is the degree of the achievement of predetermined organizational objectives.

Performance Appraisal: the process of periodically evaluating employees' performance.

1.2. STATEMENT OF PROBLEM

Employee performance appraisal is a popular practice in practically every firm, since it is an important trend for improving employee and organizational performance. Satisfied employees play a critical role in improving the organization's performance. (Karimi, R., Malik, M. I. and Hussain, S. 2011). Performance appraisal is the key tool used to assess employee's performance in an organization as it provides useful information in making decisions regarding: employees' promotion, transfer, salary and wage increment, and identifying employee's strengths and weaknesses, determining employees training and development needs as well as planning their future opportunities, and career directions.

According to Kohn, 1993 there are several challenges regarding the implementation and practice of performance appraisal. Employees are more likely to be punished and demotivated as a result of performance appraisals and awards than they are to be positively motivated. Furthermore, if the appraisal form was constructed incorrectly, the performance standards were inappropriate, or the rater was biased, performance appraisal can produce incorrect results. As a result, various non-performance considerations, such as employee 'likability,' personal prejudices, ease of management, and/or previous mistakes or achievements, may affect the evaluation. Also, determining performance based on comprehensive quality management in the sense that doing both at the same time is irrelevant.

In April 2021, a preliminary study involving interviews was conducted at Nib International Bank S.C, with eighteen employees in non-managerial roles. Employees are unsatisfied with the bank's performance appraisal system, according to the results, and complaints have been filed against the bank's appraisal system. In which there are performance appraisal errors like Favoritism, Grouping, The halo effect, first impression and Recency and every day, unresolved questions about the relevance, dependability, sensitivity, fairness, uniform engagement of employees in the process, and full use of the performance assessment results for the well-being of the employees as well as the organization are raised.

Most employees not satisfied by the performance appraisal practice managers are not set proper performance standards for their workers. Managers set performance appraisal standards without consulting employees, and employees are unaware of the bank's performance standards. According to employees' responses on the interview, the standards are often difficult to meet by

employees' results, and if the standards are not met, the manager does not provide feedback on their performance, and the bank does not provide the employees with many training s or improvement sessions to help them close the gap in their performance. As a result of these concerns, the researcher is encouraged to evaluate Nib International Bank S.C.'s current performance appraisal practice and challenges,

1.3. Research Questions

The following research questions have been designed based on the above statement of the problem with the view to provide possible solutions.

1. How is employee's performance appraisal practiced in Nib International Bank?
2. To what extent employees are satisfied with the Nib International Bank's Performance appraisal system?
3. What are the purposes of conducting employee's performance appraisal in Nib International Bank?
4. What is the employee's attitude towards performance appraisal practice of the Nib International Bank?
5. What are the challenges associated with applying the performance appraisal Practices of the Nib International Bank?

1.4. Objective of the Study

1.4.1. General Objective of the Study

The general objective of the study is to assess employee's performance appraisal practices and challenges in NIB international bank Share Company.

1.5.2. Specific Objectives of the Study

1. To investigate how performance appraisal is practiced at the bank
2. To identify the satisfaction of employees towards the performance appraisal systems.
3. To recognize the purpose of PA practice of the bank
4. To examine employees attitude towards PA practice of the bank
5. To identify the challenges the bank faced in applying the performance appraisal practices

1.5. Significance of the study

In several ways, the findings of the research would be meaningful: first of all, it would assist the Bank management take proactive actions to make it aware of the importance of the evaluation needs and to enhance the Bank's assessment system. It enables bank staff to learn how they are assessed. It also enhances the readers' comprehension of how the PA practice is performed at a bank, and what the evaluation results are used to evaluate the study. It also offers researchers the opportunity to acquire intensive knowledge and skills in current PA practice and its challenges.

1.6. Limitation and Scope of the Study

The researcher delimited the study as geographically, conceptually, and methodologically and time frame as follows. Because of the time constraints imposed by the extensive geographical coverage of the branches, the student researcher opted to narrow the scope of the study to the headquarters level because of Covid 19 and to make respondents accessible to distribute questionnaires and conduct interviews. This study focuses solely on the investigation of the practice and challenges of performance appraisal in NIB to get quality results while working within the constraints of time and resources. Employees in four employment positions are assessed for their attitudes toward HR practices: manager, principal officers, senior officer, and

office. The researcher's research method is descriptive research, which includes both qualitative and quantitative methodologies.

1.7. Organization of the Paper

The research paper has been organized in five chapters, The first Chapter presents the Introduction section, Under this part of the study the researcher was present the background of the study, the basis up on which the study was made (problem statement), research questions, objective of the study (both general and specific), significance of the study, scope of the study and organization of the paper as per the assessment of performance appraisal practice and challenges on NIB international bank S.C. The second chapter presents review of literatures in the area of study. The third chapter details with methodology such as population, sample size, source and method of data collection and tools for analysis. The fourth chapter has included data presentations analysis, and interpretation of the collected data. Finally, the last chapter has included summary of findings, recommendations and conclusion of the study.

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

This section tried to synthesize related studies, findings, and significance that have been studied by many different scholars about the subject matter. According to Scholtes 1987, many employees are skeptical of the evaluation results and even more skeptical of the competence of those managers who indulge in such futilities. By this, he tried to show the significance of studying PA in a great deal of success factor of organizations.

2.1 Theoretical Literature

It deals with the concept of performance appraisal, purpose of performance appraisal, the performance appraisal process, performance appraisal methods, and performance appraisal errors. It also discusses about the requirements of effective performance appraisal system and employees' perception on performance appraisal.

2.2 Empirical Review

In their research of a comparative study on Indian employee's perception towards performance appraisal, Mahalawat and Sharmaz found out that the perceived level of the public banking sector was comparatively low and suggested that there is an urgent need to redesign the appraisal system. They recommend the Change in design/appraisal format such as the introduction of 360-degree feedback, BSC, or online appraisal. Another area where they think improvements can be carried out is on providing training to the raters regarding conductance of fair appraisal by making them realize the importance of setting clear-cut goals, giving accurate ratings, and providing clear and constructive feedback to the rates. Moreover, building up a strong appeal system to bring in more transparency in the public banks and training of raters by private banks to minimize appraisal-related politics and introduction of post-appraisal counseling sessions in both banking sector in India to reduce appraisal-related anxieties of the employees were the other important points concluded from the study. Tassew (2010) in his paper entitled "Performance Appraisal and Its Significance as a Human Resource Management Tool" conducted a study on seven cities in the US and found out that all of them follow adequate performance appraisal (PA) practices. The contents of their PA guidelines and evaluation forms are analogous to the

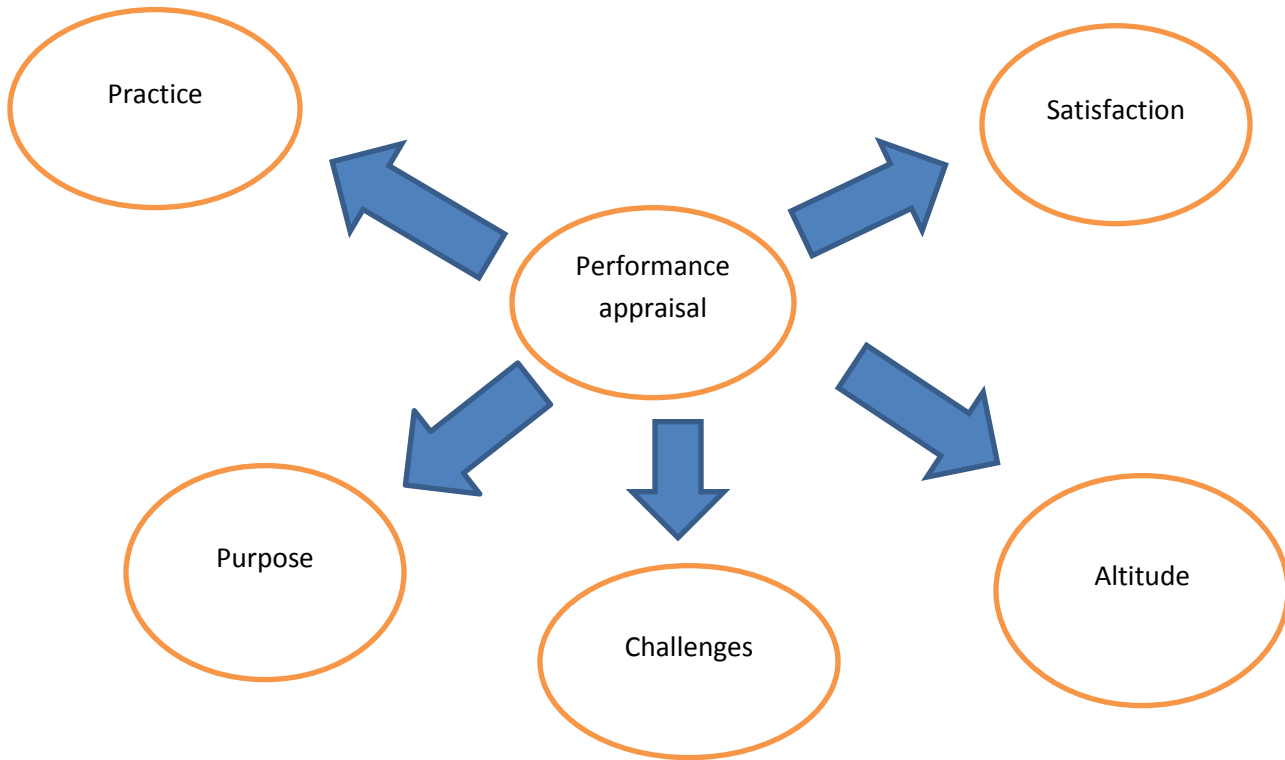
evaluation methods and procedures, which are commonly known in human resource management (HRM). The PA process in one of the cities is not tied to merit pay and the other six cities maintain the pass/fail PA based on performance upon which salary increments and bonuses are awarded during good economic times. However, the result of the study reveals that the existing economic shortfalls at the time of the research has negatively affected the customary pass/ fail merit pay practices, particularly blocking salary increases of better-performing employees of these cities. The study shows how the economic downturn impedes rewarding performance, and the major focus is how layoffs and furloughs balance the budget. In the existing bad condition of the economy, performance appraisal could result in demotivation and less productivity.

2.3. Conceptual Framework of the Study

A model of performance management developed by Armstrong (2009) emphasizes elements of the employee performance process, such as setting objectives, feedback on the achieved performance and learning. We included these elements in the design of the proposed conceptual model of employee performance appraisal.

The study investigates the effectiveness; practices, challenges, purpose, employees' satisfaction towards performance and employees altitude toward performance appraisal are taken in to consideration in performance appraisal practice of an organization. This is because if organizations failed to have effective performance appraisal system, it couldn't increase organizational performance and employee motivation. The process of performance appraisal is taken in to consideration as accurate and reliable data will be generated when the systematic performance appraisal process is followed. In the same manner, the problems which may be judgmental error, or poor appraisal forms or ineffective organizational policies and practices affect the validity and dependability of the performance appraisal system. Employees' altitude towards the performance appraisal practice is also a significant aspect to the acceptance of the system

Conceptual framework of the study



2.1. Performance Appraisal

Performance appraisal is a process that involves determining & communicating to employees how they are performing their jobs & establishing a plan for improvement. The performance appraisal process finds out, identifies the actual performance level of employees by distinguishing the gap between the actual and the desired performance, and strives to meet organizational objective by narrowing the gap, create employee responsiveness and avoid under performance (Grubb, 2007). Business dictionary defined performance appraisal as a process by which a manager or consultant examines and evaluates an employee's work behavior by comparing it with preset standards and uses the results to provide feedback to the employee to show where improvements are needed and why. It is a very important process to determine training needs of employees of an organization and uses as a tool for effective execution of activities such as promotion, demotion, retention or firing of employees. Different scholars

define the term performance appraisal at different times. (Www. Businessdictionary.com)⁸ Performance is the accomplishment of a given task measured against preset known standards of accuracy, completeness, cost, and speed. In a contract, performance is deemed to be the fulfillment of an obligation, in a manner that releases the performer from all liabilities under the contract. It also reflects how well an employee is fulfilling the requirements of a certain job. Therefore, how well is the job performed by employees of an organization is a success or failure factor for the organization itself. (Le.sile, 2007). Performance appraisal is a systematic and periodic process that assesses an individual employee's job performance and productivity in relation to certain pre-established criteria and organizational objectives. Other aspects of individual employees are considered as well, such as organizational citizenship behavior, accomplishments, potential for future improvement, strengths and weaknesses (Dessler, 2003). Performance appraisal systems are employed "to manage and align" all of an organization's resources in order to achieve highest possible performance. "How performance is managed in an organization determines to a large extent the success or failure of the organization. Therefore, improving performance appraisal for every staff should be among the highest priorities of contemporary organizations (ibid). Performance appraisal contains three steps such as defining the job, appraise performance, and provide feedback. Defining the job means making sure that employees agree on their duties & job standards, appraising performance means comparing employees actual performance to the standards that have been set. Providing feedback will be based on the results of the comparisons made between the actual performance of the employees and the already settled standards that has to be met as a corrective and improvement action (Fisher, 1993).⁹ Performance appraisals are essential for the effective management and evaluation of staff. Appraisals help develop individuals, improve organizational performance, and feed into business planning. Formal performance appraisals are generally conducted annually for all staff in the organization. The line manager appraises each staff members. Directors are appraised by the CEO, who is appraised by the chairperson or company owners, depending on the size and structure of the organization (Hogget's, 2003). Performance appraisal is a process that involves determining & communicating to employees how they are performing their jobs & establishing a plan for improvement. Some of the common uses of performance appraisal are making decision, promotion, layoffs and firing. Performance appraisal information can also provide needed input for determining both individual & organizational training &

development needs. For example, it can be used to identify individual strengths & weakness (Leslie, 2007). “Performance appraisal is a widespread, very expensive, counterproductive exercise. It is typically conducted with good intentions to manage and improve the performance of individual employees, and lead to enhanced overall organizational efficiency, effectiveness, and productivity.” (Grubb T. 2007). It shows that performance appraisal is being practiced with a clear objective of bringing change on employees, i.e. improvement of their performance. According to Fisher, 1993 performance appraisal is conducted with a specified period and it is done in comparison with already set standards of an organization. This change is also aimed to bring impact on the overall organizational efficiency, effectiveness, and productivity. “Performance appraisal is the process by which an employee’s contribution to the organization during a specific period of time is assessed. Performance feedback then lets employee know how well they have performed in comparison with the standards of the organization”.

2.2. Performance Management VS Performance Appraisal

Even though there is a distinction between performance management and performance appraisal many scholars use the term performance management instead of performance appraisal in many of their books and journals that creates ambiguity. According to Grubb (2007), PA has a wider scope encompassing the creation of entire system such as a setting, a work environment and a culture bringing together all of the essential factors so all of the people are enabled to work in an aligned and coordinated manner to the best of their abilities. Whereas, performance appraisal is limited only to assessment of individual employees and finding a way to improve their job performance. Thus, the focus of this study is only on performance appraisal.

2.3. Purpose of Performance Appraisal

Performance appraisal information can provide needed input for determining both individual & organizational training & development needs. For example, it can be used to identify individual strengths and weakness. In addition, Performance appraisals are essential for the effective management and evaluation of staff. Appraisals help develop individuals, improve organizational performance, and feed into business planning. Some of the common uses of performance appraisal are making decision, promotion, layoffs and firing (Zimmerman & Darnold, 2009).

Effective performance management is important to improve employee loyalty, moral and general productivity. Mainly due to the highly competitive business environment today, there is the need for organizations to boost the morale and loyalty of their employees in order to stand the heat of competition. Because of the high cost of selection, recruitment, training and developing new performance appraisal is important to employees and plays an important role in voluntary turnover. (ibid)

The purpose of performance appraisal is not only to provide input to employees about how they are doing, but also to provide the organization with an indication of areas of employee strength and opportunities for improvement. Unfortunately, few companies actually aggregate and use the results of performance appraisal for performance improvement efforts. By analyzing results and taking advantage of both best practices in areas where employees are performing well and opportunities for improvement in areas where they're not, organizations can receive maximum value from their performance appraisal efforts (Archer ,2010).

Furthermore, Grubb describes the purpose of performance appraisal from four supportive perspectives: those are organizational perspective, administrative, individual and control. The purpose of performance appraisal is to promote organizational efficiency and effectiveness. The cumulative effect of good performance by employees will further result good organizational performance in terms of both effectiveness and efficiency. The second reason for support of performance appraisal is to enhance individual employee performance and satisfaction.

Individuals can also be motivated through providing recognition to best performance. The third perspective is just to simplify administrative processing. Activities and decision such as award pay increases, promotion screening, career advancement, downsize/lay off decisions, legal documentation can be easily performed with implementation of performance appraisal, and the fourth perspective is to ensure management retains control of employee behaviors and attitudes. Employee compliance and proper management direction can be achieved (Grubb, 2007).

Conducting performance appraisal can help to lay the bases for taking management decisions such as provision of benefits, promotion, demotion, firing etc. it also spots out the weakness of individuals where additional training and support is required. During appraisals, organizations find out if employees are adding value to the organization or not (Grubb, 2007).

2.4. Hindering effects of Performance Appraisal

Despite of all the positive outcomes of performance appraisal it has its own drawbacks. Nevertheless of the good intention of conducting performance appraisal in bringing individual employees improvement and motivation and overall organizational efficiency, effectiveness and productivity (Grubb, 2007) argued that the practice does not produce the results intended and expected and it is disliked by many employees and managers alike.

Grubb (2007) also concluded that performance appraisal could reduce employee productivity, satisfaction and engagement. In addition, his suggestion is to abolish the practice and instead focus on factors such as improving organization's technostructure. Other scholars share similar opinion too.

There is also a concern on the negative effect of extrinsic motivation on intrinsic motivation due to the application of performance appraisal. Mostly no matter how straight forwarded appraisal process was undertaken; there might be some parties that will be dissatisfied with their result. Given the feeling of employers, that honest appraisal may damage an employee's self- esteem; frank feedback is not being provided in most organizations (Beer, Spector, Lawrence, Quinn Mills, & Walton, 1985).

2.5. Challenges in Performance Appraisal

Effective performance appraisal does not just happen and organizations should not assume that managers know how to conduct them effectively, even if they have many years of experience as managers. In fact, since the process can differ from organization to organization, it is important that training is provided to introduce managers to the philosophy of performance appraisal at the organization, including a review of the forms, the rating system and how the data gathered is used. Training should take place regularly as a refresher both for new and veteran managers (Archer, 2010).

There are several challenges regarding the implementation and practice of performance appraisal. Performance appraisal and rewards serve more to punish and de-motivate employees, than to positively motivate them (Kohn, 1993). The following are typical problems encountered most of the time

2.5.1 Subjectivity

Performance appraisal assumes to be objective and presumes that the rational, scientific, measurement methodology will yield objective, valid, and reliable results. However, the reality is different from this. Individuals who do the appraising usually are subject in their judgment. Moreover, it is difficult to evaluate only on objective bases. In reality, evaluative processes are largely subjective and biased (Behn, 2003).

2.5.2 Counter effect of organizational system on individual performance

It is not a one way that cumulative effects of individual's performance result in improvement of the overall organization. The organizational system also has a direct impact on the performance of individuals irrespective of the amount and kind of incentive given (Behn, 2003).

2.5.3 Attribution

Identifying the right degree of individual performance from the whole system is not an easy task. The performance of individual is tightly linked with the surrounding system. The group effect is not easily separated from the individuals (Behn, 2003). According to Fisher (1993), other possible errors that may occur when performance appraisals are conducted are:

- Leniency and Severity errors, when most employees receive very high (low) performance ratings
- Central Tendency Error, few employees receive very high or very low ratings
- Halo Error, involves rating a single employee on several aspects of performance

Hence, the proper care should be taken in conducting performance appraisal to avoid the above stated problems and others such as strong unusual influence of recent events.

2.5.4 Measurement Difficulties

Raters usually manipulate the measurement difficulties for different reasons with a positive or negative intention. There is a deliberate attempt by individuals to enhance or protect their self-interests when conflicting courses of action are possible. Such action therefore represents a source of bias or inaccuracy of measurement in employee appraisal. Some possible for manipulating the measurement are stereotype tendencies, gender, race, and age bias, evaluators self-image etc (Behn, 2003).

2.5.5 Conflict inherent in performance appraisal

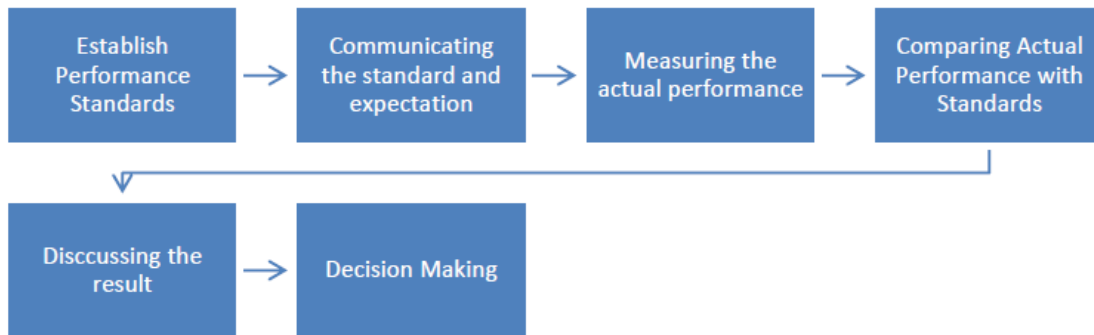
Conflicts developed by performance appraisal systems tend to breed distrust among employees, supervisors, and within the organization; and conflicts occur at many levels (Employee Intrapersonal conflict, Employee-Employee, Employee-Supervisor, SupervisorLeadership Employee-Organizational Supervisor-Organizational) and many other(Behn, 2003).

2.6. Procedure for Evaluating Performance Appraisal

Achieving a successful result from performance appraisal is important to develop the right procedures and follow accordingly. This will be beneficiary for both parties: the employees and the organization. An enduring procedure for evaluating employee appraisal would not be only in the interest of the individual but also to the organization (Obisi, 2011). According to Obisi, the appraisal process should follow the following major steps. The process of performance appraisal shows Employees performance Appraisal and Its Implication for Individual and Organizational Growth. Australian Journal of Business and Management Research 2011Vol. 1 No. 9 (92-97).

Steps in performance appraisal process

Figure: 2.1. Performance Appraisal Process



Source: Adopted from Manjunath (2015)

2.7. Characteristics of Performance Appraisal

Implementation of Performance appraisal differs from one organization to another in many different ways. The following are some of the major characteristics shared by all performance appraisal programs. Performance appraisal is a standardize process that is systematically applied to all employees and conducted through specific period (Typically quarterly and/or annually). As a matter of sensitivity Performance, responsible body in an organization other than the employee itself (Fisher, 1993). 2.8. Performance Appraisal Methods There are several methods and approaches to appraise the performance of employees. Here, are some of the following major methods: - Traditional Performance Appraisal, Solution Focused Rating, Pay for performance, 360 appraisal methods and others (Dessler, 2003). Established performance standard Communicate performance expectation to employees Measure actual performance Compare actual performance discuss the appraisal with the employee If necessary, indicate corrective action

2.8. Traditional performance appraisal

Traditional performance appraisal is a one-way process where the supervisor or manager is solely engaged in the whole appraisal process from the setting of the standards to rating and giving scores to the employees with a very limited involvement (Dessler, 2003).

2.8.2. The Solution Focused Rating (SFR)

The German Management Professors Steve de Shazer and Imsoo Kim Berg introduced the concept of Solution Focused Rating (SFR) in the year 2002. This rating method identifies a lot of problems in the traditional evaluation system and provides alternative approach as solutions to the problems. The traditional evaluation system puts employee evaluation at a constant level throughout the whole year. Solution Focused Rating (SFR) implies this kind of traditional rating act as misleading for both employer and employee. The employer cannot be able to improve the employee's performance since he/she is not clearly telling the specific areas where there needs to be improvement and where good performance is observed. In response to this problem of traditional evaluation system, solution focused rating method provide a chance for employee to score in multiple performance criterion, a grade out of 100 degrees of points varying from very good, good, average, fair, to poor. It also involves a discussion with the employee. Unlike the traditional methods, this allows the employee to differentiate between the weak and strong point for further improvement.

2.8.3. Performance-Pay System or Pay for Performance System

Pay for performance is an emerging movement in health insurance (Initially in Britain and United States). Providers under this arrangement are rewarded for meeting pre-established targets for delivery of healthcare services. This is a fundamental change from fee for service payment. Pay for performance system is aimed at increasing the efficiency and competency of public service employees by focusing on important areas such as simple, motivational, suitable and easily articulated goals, accuracy of the appraisal measurement process and defining of employee's role in achieving the organizational goal. United States of America, United Kingdom, Canada and South Korea were among the countries that employed performance appraisal system particularly aiming at the public sector to improve performance of their employees U.S. Merit Systems Protection Board (2006).The following below are prerequisites of performance pay system approach.

2.8.4. A culture that supports pay for performance

Shifting to pay for performance will require careful planning, implementation, and operation to facilitate the organizational change that produces a performance-based organizational culture. Pay for performance can also serve to drive an organizational culture in the desired direction.

2.8.5. A rigorous performance evaluation system

An effective performance evaluation system is a fundamental prerequisite of pay for performance. Organization must be able to communicate with employees regarding what the organization values and how it will accurately measure employee contributions to these goals. Without this information, organization would be unable to appropriately distribute performance based pay increases and bonuses.

2.8.6. Effective and fair supervisors

Because supervisors play a vital role in pay for performance systems, it is essential that they be able and willing to perform the important supervisory functions inherent in performance-based pay systems in effective and fairly manner. The system includes checks and balances to ensure fairness.

2.8.7. Appropriate training for supervisors and employees

To achieve this goal, agencies must select, train, and pay supervisors based on their demonstration of qualities that are suited to a pay for performance environment.

2.8.8. Adequate funding

Being able to provide high performers with meaningful pay increases is critical to operating an effective pay for performance system. Therefore, organizations need to have adequate funding to support pay increases for those who deserve them.

2.8.9. A system of checks and balances to ensure fairness

Organizations can greatly facilitate the real and perceived fairness of the pay system by building in appropriate checks and balances. Although knowledge about the organization's pay for performance plan and transparency regarding its outcomes can help supervisors and employees understand how the system should work, other mechanisms to ensure fairness are needed to further raise and maintain confidence in the system.

2.8.10. Ongoing system evaluation

Organizations should conduct an ongoing evaluation of the compensation system to help them ascertain whether organizational goals are being met and identify ways to improve the process. In addition, organization must tailor pay for performance systems to their mission and environment. Pay for performance systems also require substantial initial and continuing investment. Therefore, it is obvious that pay for performance is important system of appraisal that needs great deal of attention and preparation at different level: employees, employer and the organization in general.

2.8.11. The 360 degree Appraisal Method

The 360 degree appraisal system was first applied in one of the US factories in 1987, and then it was developed in 1990. 360-degree appraisal is a powerful method and quite different to traditional manager-subordinate appraisals. As such, a 360-degree process does not replace the traditional one-to-one process - it augments it. It involves the appraisee receiving feedback from people (named or anonymous) whose views are considered helpful and relevant (De Jong, 2011).

In this method 360 degree respondents can be the appraisee's peers, up-line managers, subordinate staff, team members, other staff, customers, and suppliers - anyone who comes into contact with the employees and has opinions/views/reactions of and to him/her. Numerous systems and providers are available. It is advisable to develop a particular process and materials for a particular situation, preferably involving the appraisee to which all the participative approaches, often works well (De Jong, 2011)

The major advantage of the 360 appraisal system is its ability of creating a fairness feeling among employees because a biased employer does not subjectively evaluate them. On the contrary the setback of this method is employees are not willing to give their genuine opinion about their colleagues and accept the opinion of others coworkers in the reverse. In addition, self-evaluation of employees is not being done properly in many cases (Obsberg, 1972)

2.9. Other Methods

The above classification method is not the only type, some other scholars classify performance appraisal methods in different ways. Typical example is classification of performance appraisal

method by (Obisi 2011) based on their content. Obisi, (2011) puts ten types of performance appraisal methods as follows.

Essay appraisal: - which merely requires the rater to write a series of statements concerning an individual's strengths, weaknesses, past performance and potential for promotion.

Graphic rating scale: - which the rater assess an individual on factors such as initiative, dependability, cooperativeness, attitude and quantity of work.

Checklist method: - which the rater does not evaluate performance but merely records it on a series of questions concerning the employee's behavior, the rater checks yes or no responses e.g. (a) does the individual perform his or her job, (b) shows superior ability to express himself or herself.

Critical incident appraisal: – which the raters are asked to keep a written record on incidents that illustrates both positive and negative behavior of the individual being rated. In this method, the individual's actual behavior and not personality traits, is discussed.

Ranking method: - which is used when it becomes necessary to compare the performance of two or more individuals.

Management by objective (MBO): -involves setting specific measurable goals with each employee and then periodically reviewing the progress made. Also it is a compressive, organizational goal-setting and appraisal program.

Tel and sell method: - which the ratter lets the employee know how he or she is doing, gets the employee's acceptance of the evaluation, and has the employee agree to plan of improvement. This method according to Maier is most likely to be successful with new, young employees and with employees who are in a new assignment. People in these positions are more likely to have insecurity that can result from inexperience and usually are more anxious to receive the helpful advice of a more experienced person.

Tell and listen method: - the general approach with tell and listen method is for the rater to communicate the evaluation and then wait for a response from the employee. The valuation is conducted in two parts. During the first part, the employee's strong and weak points are covered,

during the second, the employee is encouraged to disagree and express his or her feelings about the appraisal.

Problem solving method: - according to Maier, the first two methods tell and sell and tell and listen methods place the rater in the position of being a judge and force the individual being evaluated into a defensive position. However, the problem method is to take the reviewer out of the role of a judge and make or help him/her

CHAPTER THREE

3. RESEARCH DESIGN AND METHODOLOGY

In order to achieve the objective of this paper, using of appropriate methodology that helps to approach the research scientifically is the priority attention given by the researcher. Therefore, this part includes research design, sample and sampling technique, instrument for data collection, procedure of data collation, method of data analysis, reliability and validity, and ethicality issue.

3.1. Research Design and Approaches

Research design is the procedural plan, conceptual structure, and strategy of investigation adopted by the researcher to answer basic research questions validly, objectively, and accurately (Kumar, 2011). In this regard, the research design which the researcher employed to conduct this study was descriptive survey research design since this research design enables the researcher to get detailed current information about the practices, and challenges of employees' PA in the bank. It is also important to obtain thorough data on the problem under investigation by interviewing or presenting a survey questionnaire to a sample of people (Kumar, 2011). It also allows researchers to collect and use data at a certain period to characterize the nature of current situations (Kothari, 2004).

Research approach is the procedural plan for the research that spans the steps from broad assumptions to detailed method of data collection, analysis, and interpretation (Creswell, 2014). This study employed mixed research approach, which enables the researcher to see the issue under study from qualitative and quantitative research approaches. For this study, a quantitative research approach was used because it allows the researcher to gather huge amounts of data using survey closed-ended questionnaires in the form of numbers over a certain period of time, and then analyze the data using descriptive statistics (Kothari, 2004). Furthermore, the qualitative research approach was chosen for this study with the thought that it allows the researcher to produce meanings and phenomena within the real environment of the research participants, as well as to fill the vacuum left by the quantitative research technique (Kothari, 2004). It also investigates people's attitudes, behavior, and subjective experiences. Experiences through interviews, and tries to get a comprehensive knowledge of a subject under investigation

from study participants using open-ended questions (Creswell, 2014). As a result, the mixed research technique entails combining qualitative and quantitative data in a research study to increase the study's reliability through triangulation (Creswell, 2014).

3.2. Population, Sample Size and Sampling Techniques

3.2.1. Research Population

The target population of the study was employees working in Addis Ababa branches and in the banking industry each branch categorized to different grades depending on the performance of the branch. The study targeted on the employees of the bank working in Addis Ababa branches. As of June 30, 2021, the total number of employees working in Addis Ababa city branches of the bank has reached 1,700. Hence, the target population of this study was 1,700.

3.2.2. Sample Size

The sample size of the study was determined by a mathematical formula using confidence level as parameter which assumes 95 times out of 100, the estimate from sample will include the population parameter. The mathematical formula with 95% confidence level as most social science researches is:

$$n = \frac{n}{1+e^2 N} \quad N=1700$$

$1 + (0.05)^2 1700 = 313$ Where, N=Population size n=sample size e=acceptable magnitude of error with 95% confidence level

3.2.3. Sampling Techniques

To obtain a representative sample, the populations were divided into strata, which are the six types of branch grades, and a simple random sample was taken from each stratum so that every employee working in the different branch grades had an equal chance of being included in the sample. Two of Nib International Bank S.C.'s 155 city branches are special branches, four are grade V, six are grade IV, 11 are III, seventeen are grade II, and the remaining eighty five are grade I branches, so the sample was drawn proportionally as follows:

Grade of branches	Number of branches	Sample proportion	Sample of branches
Special branches	2	0.016	28
Grade V branches	6	0.032	32
Grade IV branches	10	0.032	35
Grade III branches	19	0.088	58
Grade II branches	20	0.136	33
Grade I branches	98	0.069	105
Head Office			22
Total	155	1	313

3.3. Data Gathering Instruments

The questionnaire and interview were used to collect both primary and secondary data for this study. A questionnaire was given to all department managers, major officers, senior officers, and officers. To grasp the concept of performance appraisal from various job position perspectives. While the interview was being conducted with the current HR manager.

3.4. Procedures of Data Collection

The questionnaire utilized in the study included both open-ended and closed-ended questions. The questionnaire is issued to management and non-managerial employees at randomly chosen branches and the main office. The questionnaires were physically given to the respondents. The respondents answered the questions, and the completed questionnaires were gathered from each respondent in accordance with the data collecting timeline. The surveys were distributed directly by the researcher. A total of 180 questionnaires were distributed.

3.5. Pilot Testing

Reliability and validity is ensured by pre-testing the research instrument in a pilot study.

3.5.1 Validity and Reliability

Validity is the extent to which an instrument measures what it is intended to measure (Kothari, 2004). To ensure validity, survey questionnaires were evaluated by the research advisor before distribution, and then necessary amendments have been made. His feedback was used to verify the content and format of questionnaires developed for an actual survey. Issues which were

suggested to be improved were then re-phrased, whereas others were scrapped from the list of items. On the top of this, questionnaire papers were modified according to literatures within the specific topic, and were reviewed by the researcher.

Reliability refers to the quality of a measurement procedure that provides repeatability and accuracy. To ensure validity, the questionnaire will be evaluated by the research advisor before distribution and necessary amendments be made. Regarding reliability, Cronbach’s alpha scores will be applied to check the reliability of the measurement instruments under each variable and the results had fell within the acceptable range above .70 as follows

Table 3.1, Reliability Statistics

variable	Cronbach's Alpha	No. of Items
Practices	.990	13
satisfaction	.980	6
Purpose	.737	6
Altitude	.964	4
challenge	.984	5

Source; Authors calculation using SPSS, 2021

3.6. Methods of data analysis

Descriptive research method was used to the fact that the practice of performance appraisal could be analyzed and presented as they appear. Following, questionnaire was summarized and presented using the SPSS software version 20. In line with it, percentages and frequencies were computed; tabulation and graphical presentations were also used.

3.7. Ethical Consideration

The ethical issues were considered in the study: informed consent (by informing the respondents regarding the background of the study, including the importance of the data was gathered from

them) and issues of confidentiality (by ensuring the respondents that all of the information in this study was solely used for academic purposes only.

CHAPTER FOUR

4. DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter focuses on the analysis and interpretation of data gathered from the bank's employees via a questionnaire and an interview. The SPSS program version 23 is used to summarize and report the responses to the questionnaire's measures. Because the study was limited to headquarters in the first place, the questionnaires were delivered to each department of the bank.

4.1 Response rate

The survey has been targeted for 180 respondents. However, only 112 participants responded to the invitation to participate within the defined time frame. The following is the response rate according to the target versus actually received:

Table 4.1 response rate

Questionnaire of the Research	Frequen cy	Percent
Completely filled questionnaire	112	62.2
Incompletely filled questionnaire	68	37.8
Not returned Questionnaire	0	0
Total Questionnaire Distribute	180	100

Source: Researcher's own survey, 2021

Table 4.2. Demographic Characteristics of Respondents

The personal profiles of respondents are displayed in this section. Gender, age, total banking experience, current work experience, educational qualification, field of specialization, and position of respondent's bank workers according to the department in which they work are all included.

S.N	Variables	Type	Frequency	%
1	Gender	Male	207	66.07
		Female	109	33.93
Total			313	100
2	Age	21-25	61	19.64
		26-30	84	26.78
		31-35	98	31.25
		36-40	42	13.39
		Above 41	28	8.92
Total			313	100
3	Total banking experience you have worked for (in years)	0-4	126	40.17
		5-9	87	27.67
		10-14	61	19.64
		15-19	28	8.92
		20 years more	11	3.6
Total			313	100
4	How long have you worked in your current job? (In years)	0-2	101	33.03
		3-6	142	47.32
		7-9	60	19.64
		More than 10	10	3.6
Total			313	100
5	Educational Qualification	Technical school graduate	14	4.46
		College Diploma	50	16.07
		BA/ BSc Degree	209	66.96
		Master's Degree	40	12.5
Total			313	100
6	Field of specialization in highest educational status	Management	50	16.07
		Accounting and finance	134	42.85
		Banking & insurance	42	13.39
		Economics	59	18.75
		Business administration	28	8.92
Total			313	100

Source: Questioner Survey Data, 2021

Table 4.2, reveals that out of 313 respondents, 207 of them are male and 109 are female and most of the respondents age category lies between 31 up to 35 which is roughly (31.25 %) additionally (26.78%), and (19.64%), of respondents are aged between 26-30 and 21-25 while the rest are over 61 (8.92 %). Total banking experience of the respondents implies that (40.17%), of them have work experience of 0 up to 4 years followed by 5 up to 9 years which equals (27.67%), and 10 up to 14 years employed respondents tend to be (19.64%), and the remaining fall under 15 years and above.

Respondents' educational qualifications show that 50 respondents (16.07%) have a diploma, 209 respondents (66.96%) have a bachelor's degree, and 40 respondents (12.5%) have a master's degree. This indicates that the majority of the respondents have a Bachelor's degree, which may be owing to the fact that the study's target demographic only includes those who work in officer and above positions, excluding those who work in junior, secretarial, and non-clerical roles. Another explanation for the majority of respondents having a bachelor's degree is that the bank in this study only covers educational fees for its workers up to the first year of college.

in terms of present employment, (19.64%) and (3.6%) of respondents are in managerial and supervisory positions, respectively, while (23.1%) are in senior positions and (43%) are in officer roles. It can be seen from this that a proportionate number of respondents from each occupational type took part in the study, though officers made up the majority of them. Furthermore, the respondent's highest educational background revealed that their field of expertise was Accounting (42.85%), Business and Administration (8.92%), Economics (18.75%), Management (16.07%), and Banking and Insurance (13.39%). Respondents' current working department evaluates all of the departments that need to be highlighted and implemented on the research paper sample.

Generally Demographic information provides data regarding research participants and is necessary for the determination of whether the individuals in a particular study are a representative sample of the target population for generalization purposes. Usually demographics or research participant characteristics are reported in the methods section of the research report and serve as independent variables in the research design.

4.3. Descriptive Analysis of Collected Data

This section of the study deals with the analysis, and interpretation of data relating to five major issues: is employee’s PA practice, employee’s satisfaction of PA, purpose of PA, altitude towards PA and challenges of PA of Nib International Bank. The survey questionnaire had been constructed in line with the above mentioned issues, and for each issue quantitative data was presented in table and discussion was held based on the responses of the respondents through frequency, percentage, and mean using SPSS version 23. But, qualitative data was analyzed qualitatively.

The researcher also sought respondents’ opinion regarding the PA practice, purpose of PA, employees satisfaction of PA, altitude towards PA and challenges of PA, to show the level of disagreement , neutrality and agreement to the statements in the Likert scale of between of 1 to 5 (1= Strongly Disagree ; 2= Disagree; 3=Neutral; 4= Agree, and 5= Strongly Agree).

For the purpose of interpretation, whenever the Likert scale is employed, the calculated mean scores were interpreted as [1.00 - 1.49] = strongly disagree; [1.50 -2.49] = disagree; [2.50-3.49] = undecided; [3.50- 4.49] agree, and [4.50 – 5.00] = strongly agree (Tigist, 2015).The detail analysis of the study was presented as follows

Table 4.3 Respondent’s Perception on Establishment of Performance Standards

S.N	Variables	Type	Frequency	%	Mean
1	The performance standards are specific and clear	(1) Strongly disagree	64	19.64	2.77
		(2) disagree	115	38.39	
		(3) Neutral	14	4.46	
		(4) Agree	61	19.64	
		(5) Strongly agree	59	17.85	
Total			313	100	
2	The performance appraisal process begins with setting of performance standards and expectations	(1) Strongly disagree	39	12.5	3.26
		(2)disagree	73	23.21	
		(3)Neutral	14	4.46	
		(4)Agree	145	46.42	
		(5)Strongly agree	42	13.39	
Total			313	100	
3	The performance standards aren’t Either difficult or too easy to meet.	(1) Strongly disagree	34	10.71	3.34
		(2)disagree	73	23.21	
		(3)Neutral	16	5.35	
		(4)Agree	140	44.64	

		(5)Strongly agree	50	16.07	
	Total		313	100	
4	The performance standard is focus on the position, not individual	(1) Strongly disagree	35	10.71	3.23
		(2)disagree	89	28.57	
		(3)Neutral	22	7.14	
		(4)Agree	106	33.92	
		(5)Strongly agree	61	19.64	
	Total		313	100	
Aggregate mean					3.15

Source: Questioner survey data, 2021

Table 4.3 clearly demonstrates that 179(58.03 %) of the participants in this study disagreed, 120(37.49 %) agreed, and 14(4.46 %) were neutral on specified and clear performance rating standards. Performance criteria are not obvious and measurable when examining interview questions; most criteria are unclear and difficult to assess due to their qualitative character. With a mean rating of 2.77, this means that the bank's performance requirements are not specific and clear.

The level of agreement of the respondents to the statement “the performance appraisal process begins with setting performance expectations or standards” is 187(59.82%) agreed, 112(35.71%) disagreed and 14(4.46%) neutral. Coming to the interview, the bank's performance appraisal practice begins with setting performance standards and expectations, and they have justified that every employee receives a job description at the time of placement that clearly states what the bank expects from the employee, and they have used this as a performance standard, and those standards have cascaded from the bank's strategic objectives. As a result, the researcher has concluded that the bank's appraisal process should begin with the establishment of performance expectations or criteria at a mean level of 3.26. This suggests that bank employees understand what the bank expects of them and endeavor to meet those expectations, implying that there is communication between employees and bank management regarding performance appraisal standards.

Regarding definition of standards, 156(60.71%) of the respondents agreed, 107(33.92%) disagreed and 16(5.35%) neutral on the standards used are not either difficult or too easy to meet. This implies that the performance appraisal standards are communicated and defined before the evaluation process with a mean level 3.34

Majority of respondents 167(53.57%) agreed on the standards are evolved from the job position, while 124(39.28%) disagreed and 22(7.14%) neutral on it. Furthermore, the managers' and HRM department officials' responses to the interview In addition to the employees' job position or description, the performance criteria are derived or cascaded from the bank's goal, vision, and core values. This demonstrates that the bank's performance rating system is based on job-related requirements obtained from job descriptions, with a mean level of 3.23, implying that employees are evaluated based on the tasks they are given.

The performance appraisal practice of Nib International Bank S.C begins with creating performance criteria and standards defined before the review period without the involvement of employees, according to the aggregate mean 3.15. This aids the bank in determining if an employee's performance was successful or unsuccessful, as well as the extent to which they contributed to the organization's aims and objectives. The standards, on the other hand, are of a poor level of clarity and measurement.

Table 4.4 Measurement of Actual Performance

S.N	Variables	Type	Frequency	%	Mean
1	My rater uses the proper measuring system	(1)Strongly disagree	31	9.82	2.77
		(2)disagree	148	47.32	
		(3)Neutral	20	6.25	
		(4)Agree	89	28.57	
		(5)strongly agree	25	8.03	
Total			313	100	
2	My rater has enough knowledge regarding performance appraisal system	(1) Strongly disagree	31	9.82	3.32
		(2)disagree	75	24.10	
		(3)Neutral	23	7.14	
		(4)Agree	126	40.17	
		(5)Strongly agree	58	18.75	
Total			313	100	
3	Actual performance is based on information gathered from several accounts, including written, oral, and personal observation	(1) Strongly disagree	42	13.39	3.05
		(2)disagree	109	34.82	
		(3)Neutral	17	5.35	
		(4)Agree	75	24.10	
		(5)Strongly agree	70	22.32	

	Total		313	100	
4	My performance was measured based on the established performance standards	(1) Strongly disagree	42	13.39	3.37
		(2)disagree	53	16.96	
		(3)Neutral	14	4.46	
		(4)Agree	151	48.21	
		(5)Strongly agree	53	16.96	
	Total		313	100	
Aggregate mean					3.125

Source: Questioner survey data, 2021

As shown in the table above, when it comes to measurement instruments used in performance appraisal majority of respondents 179 (57.14%) of respondents disagree, 114 (36.60%) agree, and 20(6.25%) neutral. With a rate of 2.77, this suggests that the bank does not use suitable performance evaluation instruments to measure the performance of its employees, implying that the raters may be unable to measure the actual performance result of employees due to faulty measuring equipment.

As shown in the table above, 184 (58.92%) of respondents agreed that raters have sufficient knowledge of the performance appraisal system, whereas 106 (33.92%) disagreed and 23 (7.14%) neutral. This indicates that the bank's raters have sufficient expertise and knowledge of the performance assessment system, as well as the capability to evaluate actual employee performance. The rate of 3.32 indicates that employees and the bank are able to appropriately identify strengths and weaknesses, as well as assist them in taking corrective action, thanks to the raters' knowledge of evaluating employee performance.

The respondents' level of agreement with the statement "Actual performance is based on references received from various reports." 145 (46.42 %) agree, 151(48.21%) disagree, and 17 (5.35%) neutral. Coming to the interview for the managers' actual performance of employees, on the other hand, is based on references gathered from many sources such as customer suggestions and comments, feedback from coworkers, and observation from direct supervisors and managers. This leads to the conclusion that actual employee performance is moderately based on the reference gained from written, oral, and personal observations with a rate of 3.05, which aids the rater in getting a real picture of employees and frees rates from subjective judgment.

Above the table 204 (65.17%) of respondents agreed that performance was evaluated using established performance standards, while 95 (30.35%) disagreed and 14(4.46%) neutral. This means that employees' performance was evaluated using the standards that were established at the start, with a rate of 3.37.

Table 4.5 Comparing Actual Performances with Standards

S.N	Variables	Type	Frequency	%	Mean
1	My performance deviance from the stated standards is appropriately identified by the raters.	(1)Strongly disagree	45	14.28	2.68
		(2)disagree	145	46.42	
		(3)Neutral	17	5.35	
		(4)Agree	78	25	
		(5)strongly agree	28	8.92	
Total			313	100	
2	Employee performance is monitored and evaluated by raters who have sufficient knowledge and potential to assess performance	(1) Strongly disagree	25	8.03	3.07
		(2)disagree	117	37.5	
		(3)Neutral	22	7.14	
		(4)Agree	106	33.92	
		(5)Strongly agree	43	13.39	
Total			313	100	
3	The comparison reveals the difference between actual and expected performance.	(1) Strongly disagree	34	10.71	2.61
		(2)disagree	162	51.78	
		(3)Neutral	34	10.71	
		(4)Agree	61	19.64	
		(5)Strongly agree	22	7.14	
Total			313	100	
Aggregate mean					2.780

Source: Questioner survey data, 2021

As shown in the table above, 190 (60.71%) of respondents disagree that the raters correctly assess the performance outcome to the specified standards, whereas 106 (33.92%) agreed and 17 (5.35%) neutral. This suggests that the raters did not adequately compare the actual performance outcomes of employees to the stated standards, instead simply filling in the result with a rate of 2.68, implying that the raters may not be able to spot deviations from the norms.

Regarding raters' knowledge of how to evaluate results to standards, 22 (7.14%) of respondents were neutral, 149 (47.32%) agreed, and the rest 142 (45.53%) disagreed. As a result, the result indicates that raters have a moderate level of expertise when comparing actual employee

performance results to standards, with a mean value of 3.07, implying that the bank should provide raters with training on its performance assessment system.

The majority of respondents disagreed with the statement "The comparison enables the determination of the difference between the actual and expected performance," with 196 (62.5%) disagreeing, 83 (26.78%) agreeing, and 34 (10.71%) neutral. With a mean value of 2.61, this shows that a comparison is insufficient to detect the gap between actual and predicted performance. Because one of the purposes of performance assessment is to enhance employee performance, the gap between actual and expected performance is critical, and the bank was unable to determine the performance gap due to poor performance comparison.

As seen in the table above, with a mean of 2.780, the majority of respondents agreed that there is a comparison between the actual performance result and the standards, but that the comparison is insufficient to define the gap between the actual and expected performance. This means that comparing actual and desired standards may not reveal the difference between standard and real performance, preventing the evaluator from continuing the appraisal discussion with the affected employees.

Table 4.6 initiating Corrective Action

S.N	Variables	Type	Frequency	%	Mean
1	Based on the performance result, my raters take corrective actions	(1)Strongly disagree	28	8.92	3.16
		(2)disagree	89	28.57	
		(3)Neutral	31	9.82	
		(4)Agree	134	42.85	
		(5)strongly agree	31	9.82	
	Total		313	100	
2	Either to improve performance or to take appropriate corrective action such as promotions, awards, transfers, and the like will be made	(1) Strongly disagree	42	13.39	3.13
		(2)disagree	74	25	
		(3)Neutral	20	6.25	
		(4)Agree	152	46.42	
		(5)Strongly agree	25	8.92	
	Total		313	100	
Aggregate mean					3.145

Source: Questioner survey data, 2021

As presented from the above table 4.6, 31(9.8%) have neutral, 117 (37.5%) disagree and the majority 165 (52.67%) agreed on raters corrective action. Coming to the interview managers take

corrective actions based on the performance result and Human resource department initiate corrective measures. This implies that raters take adequate corrective measures based on the performance results with mean value of 3.16

The level of agreement on the statement “Decision will be made either to improve the performance or to take the necessary corrective action like promotion, rewards, transfers and the like” is 116(38.39%) disagree, 20(6.25%) neutral and the majority 117(55.35%) agreed.

However, while analyzing the open ended question result showed that the performance appraisal system of the bank is not for staff development in which instead of providing the necessary training to the poor performers, the bank is only penalizing them from their bonus. The performance appraisal system of the bank is not designed well; they didn’t saw any performance based actions like promotion, demotions or training except the bonus. They have clearly indicated that only the bonus is based on the performance appraisal while training, promotion and demotion are not with rate of 3.145.

Table 4.7 Purposes of Conducting Employee’s Performance Appraisal

S.N	Variables	Type	Frequency	%	Mean
1	The Performance appraisal practices of the bank motivate employees of the organization	(1)Strongly disagree	154	49.10	2.58
		(2)disagree	25	8.03	
		(3)Neutral	17	5.35	
		(4)Agree	34	10.71	
		(5)strongly agree	83	26.78	
Total			313	100	
2	The performance appraisal system identifies performance deficiencies and performance gap	(1)Strongly disagree	60	22.32	3.51
		(2)disagree	22	7.14	
		(3)Neutral	30	10.71	
		(4)Agree	81	25.89	
		(5)strongly agree	120	38.39	
Total			313	100	
3	Monitoring and performance evaluation are esteemed at all levels of the bank as a means of improving performance	(1)Strongly disagree	87	27.67	3.28
		(2)disagree	33	10.71	
		(3)Neutral	31	9.82	
		(4)Agree	28	8.92	
		(5)strongly agree	134	42.85	
Total			313	100	
4	The bank gives enough recognition for well done work (Non-monetary)	(1)Strongly disagree	145	46.42	2.46
		(2)disagree	35	10.71	
		(3)Neutral	37	11.60	

		(4)Agree	17	4.46	
		(5)strongly agree	79	24.10	
	Total		313	100	
5	The performance appraisal system helps to identify the strength and the weakness of the employee	(1)Strongly disagree	145	46.42	2.66
		(2)disagree	14	4.46	
		(3)Neutral	34	10.71	
		(4)Agree	42	13.39	
		(5)strongly agree	78	25	
	Total		313	100	
6	The appraisal is in support with the aspects of organizational and corporate goals	(1)Strongly disagree	73	23.21	3.25
		(2)disagree	42	13.39	
		(3)Neutral	50	16.07	
		(4)Agree	31	9.82	
		(5)strongly agree	117	37.5	
	Total		313	100	
Aggregate mean					2.97

Source: Questioner survey data, 2021

As Table 4.3 demonstrates 179 (57.14%), of the respondents are in disagreement with the idea that the banks performance appraisal practice motivates employees while 117 (37.5%), agreed. According to Grub 2007, the major purpose of performance appraisal is developmental purpose and this could be achieved in due process of identifying the performance deficiencies and performance gap of employees throughout the system of PA. Apparently, 201(64.28%), of the respondents agreed that the banks PA system identifies their performance deficiencies as well as gaps were as 82(29.46%), of them disagreed and 30 (10.71%), are indifferent to the idea. Among the other purposes it could be used, PA output can be used as salary adjustment (monetary), promotion and recognition for well-done work (non-monetary) or demotion. Keeping this in mind the banks performance appraisal practice is not playing a motivating role for it employees.

On the other hand respondents show their 120 (50.89%), of disagreement on performance system of the bank being helpful to identify their strength and weakness. despite that 162 (38.39%), showed their agreement. From this shows that the developmental purpose of PA were not given enough emphasis while implementing the PA activities. Even though, effective performance management was supposed to improve employee loyalty, morale and productivity.

In addition, Grub, 2007 synthesized the strategic purpose of PA should be aimed at linking the organizations goals with department, team and individual goals. In fact 148 (47.32%), of the

respondents agreed on the PA of the bank is in support of organizational and corporate goals and 115 (36.60%), disagreed while 50 (16.07%), are indifferent towards it. As the respondents have shown it, we can say that the bank has successfully implemented its PA strategic purpose. It has been argued that the results of performance appraisal of all employees provide insight into the effectiveness of the HR system, the developmental and training needs for the whole organization, and the setting and articulating of organizational goals for the employees (Dessler, 2006).

The fact that, 180 (59.82%), of the respondents disagreed to the idea that the bank gives enough recognition for well-done work were as 86 (28.57%), agreed that they have been given enough recognition for their well-done work .as majority of the respondents disagreed the bank currently is not giving enough recognition for well-done work. Finally, 162 (51.78%), agrees on the monitoring and performance evaluation being esteemed at all levels of the banks as a means of improving performance even though 120 (38.39%), of the respondents disagreed

Table 4.8 related Satisfaction level employee’s satisfaction with the Bank’s performance appraisal system

S.N	Variables	Type	Frequency	%	Mean
1	My appraiser helps me to understand the process used to evaluate and rate my performance	(1)Strongly disagree	28	8.92	2.5
		(2)disagree	198	63.39	
		(3)Neutral	12	3.57	
		(4)Agree	53	16.96	
		(5)strongly agree	22	7.14	
	Total		313	100	
2	My appraiser knows enough about my work to give me a fair appraisal result	(1)Strongly disagree	173	55.35	2.09
		(2)disagree	47	15.17	
		(3)Neutral	14	4.46	
		(4)Agree	45	14.28	
		(5)strongly agree	34	10.71	
	Total		313	100	
3	My view of my performance is taken into account by my appraiser when assessing my performance	(1)Strongly disagree	131	41.96	2.45
		(2)disagree	59	18.75	
		(3)Neutral	20	6.25	
		(4)Agree	56	17.85	
		(5)strongly agree	47	15.17	
	Total		313	100	
4	I am satisfied with the way the performance appraisal system helps me identify areas to improve my work	(1)Strongly disagree	137	43.75	2.437
		(2)disagree	56	17.85	
		(3)Neutral	17	5.35	
		(4)Agree	53	16.96	

		(5)strongly agree	50	16.07	
	Total		313	100	
5	I think the system of performance appraisal has been successful and is able to achieve the required objectives of my organization	(1)Strongly disagree	106	33.92	2.75
		(2)disagree	48	15.17	
		(3)Neutral	28	8.92	
		(4)Agree	78	25	
		(5)strongly agree	53	16.96	
	Total		313	100	
6	Overall, I am satisfied with the way my organization uses its performance appraisal system	(1)Strongly disagree	165	52.67	2.24
		(2)disagree	39	12.5	
		(3)Neutral	17	5.3	
		(4)Agree	53	16.96	
		(5)strongly agree	39	12.5	
	Total		313	100	
Aggregate mean					2.41

Source: Questioner survey data, 2021

In terms of employee satisfaction with their organizations' performance appraisal systems, results from table 4.8 show that while 75 (24.1 %) agree, 126 (72.32 %) disagree that their appraisers help them understand the appraisal processes used in the evaluation and rating of their performance. As a result, 220 (70.53 %) of respondents do not believe their appraisers have sufficient expertise of their profession to make fair assessment judgment.

The results further indicate that 103 (33.03%) believe that their views concerning their own performance are accounted for during the performance appraisal. However, 190 (60.71%) did disagree that their views are taken into consideration. Whilst 83(33.03%) responded positively, 193 (61.6%) of the respondents disagreed that they are not satisfied with how the performance appraisal system helps them identify their shortcomings hence low improvement windows for their work.

The table reports that 154(49.10%) of the respondents disagree that the system of performance appraisal is not able to achieve the required objectives of the organization. Overall 204(65.17%) further report that they were not satisfied whilst 92(29.46%) were satisfied about how the organization employs its performance appraisal systems.

This findings support arguments of Larson (1984) and Denisi and Pritchard, (2006) suggesting that the performance appraisal system can cripple work flow and employee performance when view and opinions of employees are not incorporated into the appraisal system.

Table 4.9 related employee’s attitude towards performance appraisal practice

S.N	Variables	Type	Frequency	%	Mean
1	Assessments of my performance are consistent, fair & unbiased	(1)Strongly disagree	50	16.07	3.633
		(2)disagree	42	13.39	
		(3)Neutral	26	8.03	
		(4)Agree	50	16.07	
		(5)strongly agree	145	46.42	
Total			313	100	
2	I entertain adequate feedback and lessons of performance evaluation results	(1)Strongly disagree	42	13.39	3.51
		(2)disagree	50	16.07	
		(3)Neutral	59	18.75	
		(4)Agree	28	8.92	
		(5)strongly agree	134	42.85	
Total			313	100	
3	Performance appraisal results are objective	(1)Strongly disagree	126	40.17	2.517
		(2)disagree	53	16.96	
		(3)Neutral	47	15.17	
		(4)Agree	20	6.25	
		(5)strongly agree	67	21.42	
Total			313	100	
4	Existing performance appraisal system is participatory and satisfactory	(1)Strongly disagree	143	45.53	2.43
		(2)disagree	39	12.5	
		(3)Neutral	48	15.17	
		(4)Agree	21	6.25	
		(5)strongly agree	65	20.53	
Total			313	100	
Aggregate mean					3.022

Source: Questioner survey data, 2021

As shown in the table above, 195 (61.94) of the respondents agreed that attitude towards the assessment of their performance being consistent, fair and unbiased were agreement whereas 92(30.35%) disagreed and 26(8.03) neutral and the mean value is 3.633 but this suggests that that

even though the number of indifferent respondents are insignificant it may indicate that there is still some gap which need to be figured out.

Regarding feedback and lessons performance evaluation results, 59(18.75) of respondents were neutral, 92(29.46) disagreed, and the rest 162(51.78) agreed. As result indicates that the raters not give feedback and performance evaluation properly, with the mean value 3.51 implying that the bank have lack of expertise raters who gave feedback for the employees and evaluation result also.

The majority of respondents disagreed with the statement “Performance appraisal results are objective” with 179(57.14) disagreed 87(27.67) agreed and 47(15.17) neutral. With the mean value 2.517, this implies According to Dessler 2003, it has been said that performance appraisal activities should be objective in a sense that it could be consistent, fair and unbiased. However, if the performance appraisal is subjective to the raters or to the rate’s the reverse will come true.

According to the respondents on bank existing performance appraisal system is participatory and satisfactory, 182(58.03) of respondents are disagreed, whereas 86(26.78) agreed and 48(15.17) neutral. In general terms, performance appraisal results are to be said subjective and respondents attitude seems to be dissatisfied and never been participated in the system.

Table 4.10 challenges associated with applying the performance appraisal practices

S.N	Variables	Type	Frequency	%	Mean
1	When rating the performance of employees, there is a prejudice among the raters	(1)Strongly disagree	31	9.82	3.62
		(2)disagree	22	7.142	
		(3)Neutral	39	12.5	
		(4)Agree	168	53.57	
		(5)strongly agree	53	16.96	
	Total		313	100	
2	Evaluators lack of skill and Knowledge	(1)Strongly disagree	36	11.60	3.47
		(2)disagree	39	12.5	
		(3)Neutral	29	8.92	
		(4)Agree	159	50.89	
		(5)strongly agree	50	16.07	
	Total		313	100	
	The absence of a relationship between evaluation criteria and	(1)Strongly disagree	22	7.14	
		(2)disagree	34	10.71	

3	the employment duties of personnel	(3)Neutral	25	8.03	3.63
		(4)Agree	187	59.82	
		(5)strongly agree	45	14.28	
Total			313	100	
4	There is a lack of follow-up on employee performance	(1)Strongly disagree	14	4.46	3.87
		(2)disagree	22	7.14	
		(3)Neutral	14	4.46	
		(4)Agree	193	61.60	
		(5)strongly agree	70	22.32	
Total			313	100	
5	Employees are not involved in the development of PA criteria	(1)Strongly disagree	14	4.46	3.84
		(2)disagree	26	8.03	
		(3)Neutral	22	7.14	
		(4)Agree	187	59.82	
		(5)strongly agree	64	20.53	
Total			313	100	
Aggregate mean					3.68

Source: Questioner survey data, 2021

As it can be seen from the above table 4.10, 53 (24.1) of the respondents were disagreed with lack of skill and knowledge of evaluators as a challenge of PA applying, whereas 39 (8.92%) of them were neutral. However, 221 (70.53%) of the respondents agreed that lack of skill and knowledge and evaluators was a challenge of PA implementation in the bank. Also, the mean value 3.47 indicates agreement of more of the respondents with the claim that lack of skill and knowledge of evaluators is the challenge of PA implementation in the Bank.

The results from the above table 4.10 also indicates the disagreement of 75 (17.85%) of the respondents with the lack of the link between evaluation criteria and employees' job as a challenge of PA implementation, while 29 (8.03%) of them were neutral. But, 209 (74.1%) of the respondents were agreed with the statement the lack of the link between evaluation criteria and employees' job was a challenge of PA implementation in the Bank. In addition, the mean value 3.47 reveals that agreement of the majority of the respondents with the idea that lack of the link between evaluation criteria, and employees' job is the challenge of PA implementation in the Bank.

The result presented in the above table 4.10 also revealed that 56 (11.6%) of the respondents disagreed that the lack of follow up on the job performance of employees was a challenge of PA implementation, whereas 25 (4.46%) of them were neutral. However, 232 (83.92%) of the

respondents agreed that the lack of follow up on the job performance of employees was a challenge of PA implementation in the Bank. Likewise, the mean value 3.63 clearly shows that agreement of the majority of the respondents with the lack of follow up on employees' job performance as the challenge of PA implementation in the Bank.

On the other hand, the above table 4.10 shows that 40(12.5%) of the respondents witnessed that the absence of employee participation in setting of PA criteria was not a challenge of PA implementation, whereas 22(7.14%) of them were neutral. But, 251 (80.35%) of the respondent argued that the absence of employee participation in setting of PA criteria was a challenge of PA implementation in the Bank. The mean value 3.84 also depicts that agreement of the majority of the respondents with the lack of employee participation in the formulation of PA criteria as the challenge of PA implementation in the Bank.

According to responses to open-ended questions, offering training for appraisers and appraisers, honesty and transparency in the implementation of PA, and providing timely performance feedback to staff may be the most essential criteria for the Bank's successful implementation of PA. According to the findings of key informants, motivating high-performing staff, conducting PA in a non-judgmental or neutral manner, and periodically and continuously monitoring the PA to guarantee its effectiveness could all be success factors for the bank's implementation of PA.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

In the previous chapter, analysis and interpretation of the study was made based on the data obtained through questionnaire distributed to employees and an interview conducted with key informants, and documentary analysis. Based on the analysis and interpretation, summary of the findings, conclusion, and recommendations of the study were made as follows

5.1. Summary key findings

- It was observed that Nib International Bank S.C's performance evaluation procedure begins with the establishment of performance standards without the participation of employees. The standards, however, have a poor degree of clarity and measurement, with a mean level of agreement of 3.1.
- It was observed that the bank's raters adequately measure the actual performance results of employees by referring to various reports such as oral, written, and personal observations, but they do not use an acceptable measuring instrument with a rate of 3.125.
- The majority of respondents agreed that there is a reasonable level of comparison between the actual and expected performance results and that the comparison is insufficient to assess the gap between the actual and anticipated performance with a mean of 2.78.
- The study results suggest that the ratters of Nib International Bank S.C adopt suitable corrective measures and make decisions to enhance employee performance and take required corrective action such as promotion, awards, and transfers with a mean value of 3.145.
- In terms of the purpose of conducting PA, the mean level is 2.97, indicating that appraisal aims are related to or in accord with organizational and corporate goals. Furthermore, it is reasonable to conclude that the bank's monitoring and performance evaluation are valued at all levels of the organization as a tool of enhancing performance. Employees are aware of all of the factors and criteria utilized to assess their performance. Furthermore,

employees receive official performance appraisals twice a year and have the opportunity to examine their performance ratings.

Furthermore, no formal training was provided to the employees based on their performance outcomes, which were obviously designed to indicate their weaknesses and performance gaps. As a result, we might conclude that the PA's developmental goal is not being met effectively.

The raters who monitor and assess the performance of employees have enough knowledge as well as potential. On the contrary, respondents agreed that the raters did not identify the true performance gap and did not provide feedback to the raters. According to the researcher, even if they are adequate for assessing performance, suitable feedback consideration has not been given at all.

- With a mean level of 2.41 for employee satisfaction with performance assessment systems, it was observed that appraisers assist workers in understanding the assessment techniques used in the evaluation and grading of their performance. The data also suggest that workers' viewpoints are included throughout the evaluation process. Employees were delighted with how the performance evaluation approach benefited them in discovering their shortcomings, which increased their devotion and job satisfaction. Although there is no direct and causative link between evaluations and performance, they do have an impact on performance due to their capacity to increase job clarity, communication effectiveness, merit pay and administration, expectation and instrumentality estimations, and equitable perceptions (Yehuda Baruch, 1996). As a consequence, it was established that the company employed promotion, compensation increases, and recognition of service as an incentive package to motivate its employees to enhance their performance.
- As a result, with a mean level of 3.02, respondents do not entertain setting appraisal goals with their subordinates or do not feel as if they are a part of it, so respondents' attitudes toward the assessment of their performance being consistent, fair, and unbiased were positive, despite the fact that respondents also disagreed with the bank's current PA system being neither participatory nor unbiased. The bank's PA practice does not

motivate its employees and does not offer praise for a job well done. In another case, the PA practice supports employees in recognizing their performance deficiencies and gaps; nevertheless, the practice does not assist employees in recognizing their strengths and weaknesses, indicating a conflict of beliefs among respondents regarding the practice's outcome.

- Concerning the challenges of PA, the following key findings were obtained at a mean level of 3.68. The respondents agreed that a lack of follow-up on employee performance, as well as a lack of employee participation in the development of PA criteria, were potential challenges that hampered the implementation of PA in the bank. Respondents' responses to open-ended questions also showed that potential barriers to PA adoption at the bank included a lack of openness, subjectivity of PA criteria, a lack of commitment, and a lack of coordination of PA activities on the Bank side. Furthermore, key informant data suggested that the inherent challenges of PA adoption at a bank were central tendency and a poor practice of often inspecting and documenting workers' "work performance."

5.2 Conclusion

Performance appraisal provides several potential benefits for both the company and the individuals. On the other side, it has numerous potential downsides, thus it is beneficial to detect and decrease staff performance gaps and weaknesses. The bank's PA procedures are applied twice a year, and staffs are adequately educated about the criteria of measurement in the assessment process, and they are given the opportunity to examine their evaluations. However, the technique is now out of date, and the appraisal findings were ineffective for variables such as acknowledgment for good work, motivation, and training, despite the fact that assessment criteria are subjective in some way.

While some employees protested, the assessments of employees' performance were constant, fair, and unbiased. Furthermore, despite the fact that the PA was tied to organizational and corporate goals, subordinates were not included in goal making actions. As a result, employees had obstacles such as being unable to recognize their strengths and shortcomings throughout their career. As a result, the foregoing results demonstrate the importance of the study.

The Nib International Bank S.C. assessment method is relevant, but it lacks dependability, practicality, sensitivity, and acceptance. Furthermore, the researcher discovered that all clerical staff, regardless of status, are evaluated using the same criteria. Furthermore, the criteria are discovered to be more general, subjective, and behavioral parameters that cannot measure the technical knowledge of the employee. As a result, the bank's performance appraisal system is found to be ineffective and requires adjustments to the existing performance appraisal system.

Employees' perceptions of Nib International Bank S.C. Performance appraisal practice, while employees have the opportunity to see their performance results, this does not imply that the bank has a proper performance appraisal system, because the standards are not revised in light of the employee's feedback, and the bank does not allow employees to appeal a performance rating that they believe is biased or irrational. Even if the bank gives reasonable assessment criteria for appraisal parameters, the bank's evaluators fail to correctly identify deviations in employee performance from specified performance, and the raters fail to take appropriate steps.

5.3. Recommendations

Based on the summary of findings and conclusions drawn above, the following recommendations are made for the banks management considerations:

- ✓ The bank's performance appraisal parameters were developed before twelve years ago and lack measurability and are more behavioral in nature. The bank has recommended revising its performance appraisal form and manuals that were designed ten years ago, as well as appraisal criteria, by adding more technical and measurable performance parameters and making them aligned with employees' job descriptions in order to gain acceptance.
- ✓ The efforts that businesses take to acknowledge performance evaluation practice are an essential aspect of performance evaluation. It is advised that correct performance assessment system processes be followed in order to provide accurate and trustworthy data about workers' performance on Nib International Bank S.C.
- ✓ The bank's raters lack understanding in comparing real performance to standards. It is advised that the bank offer enough training to raters on the job content of the employee under review so that raters grasp the job needs of the workers and give a fair result.
- ✓ Because the bank industry is customer based and different parties are involved, it is better to use 360 degree appraisal method where inputs will be taken from customers, peers, supervisors, team leaders, and subordinates to get necessary information or feedback regarding the employee's performance and helps the raters to minimize errors.
- ✓ It would be preferable if the bank provided clear and proper ways for employees to appeal a performance rating that they believe is satisfactory. It would also be preferable if employees' complaints were given feedback and if there was a way to revise the employee's performance appraisal that proved to be correct in order to meet the employees' perception of satisfaction.
- ✓ According to the research findings, the measurement parameters of the bank are more subjective; therefore, in addition to making the performance appraisal criteria based on the job description, it will also be better to avoid the subjective criteria so that the performance appraisal will be based on the quality and quantity of the employees' work and will also minimize the influence of interpersonal relations.

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APPENDEX I
ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
SCHOOL OF BUSINESS

Questionnaire to be filled by Staff members of Nib International Bank S.C

Dear Respondents!

This questionnaire is designed to collect information about performance appraisal practice and challenges of Nib International Bank S.C.

Part I: Personal Information of the Respondents

1. Gender: Male Female

2. Which of the following age categories describes you?

21- 25 26-30 31-35 36-40 41
and above

3. Total banking experience you have worked for (in years):

0-4 5-9 10-14 15-19
20 years and more

4. How long have you worked in your current job? (In years)

0-2 3-6 7-9 10 years or more

5. Educational Qualification:

High school graduate Technical school graduate

College Diploma BA/ BSc Degree

Master's Degree

Other (please state) _____

6. Field of specialization in your highest educational status _____

7. What is your current position (job) in the bank? _____

8. In which department are you currently working? _____

Part II:

1. Question related on Performance Appraisal Practices

Please mark (√) or tick the statement that indicates your level of agreement in the responses box.
Please note that: 5=Strongly Agree 4=Agree 3= Neutral 2=Disagree 1= strongly disagree

A. Establishing Performance Standards

S/N	Statements	Rating Scale				
		1(SD)	2(D)	3(N)	4(A)	5(SA)
1	The performance standards are specific and clear.					
2	The performance appraisal process begins with setting of performance standards and expectations					
3	The performance standards aren't either difficult or too easy to meet.					
4	The performance standard is focus on the position, not individual					

B. Measurement of Actual Performance

S/N	Statements	Rating scale				
		1(SD)	2(D)	3(N)	4(A)	5(SA)
1	My rater uses the proper measuring system					
2	My rater has enough knowledge regarding performance appraisal system.					
3	Actual performance is based on information gathered from several accounts, including written, oral, and personal observations					
4	My performance was measured based on the established performance standards.					

C. Comparing Actual Performances with Standards

S/N	Statements	Rating scale				
		1(SD)	2(D)	3(N)	4(A)	5(SA)
1	My performance deviance from the stated standards is appropriately identified by the raters					
2	Employee performance is monitored and evaluated by raters who have sufficient knowledge and potential to assess performance					
3	The comparison reveals the difference between actual and expected performance					

D. initiating Corrective Action

S/N	Statement	Rating scale				
		1(SD)	2(D)	3(N)	4(A)	5(SA)
1	Based on the performance result, my raters take corrective actions					
2	Either to improve performance or to take appropriate corrective action such as promotions, awards, transfers, and the like will be made.					

2. Questions related purposes of conducting employee's performance appraisal

Please mark (√) or tick the statement that indicates your level of agreement in the responses box. Please note that:

5=Strongly Agree 4=Agree 3= Neutral 2=Disagree 1= Strongly Disagree

S/N	STATEMENTS	Rating scale				
		1(SD)	2(D)	3(N)	4(A)	5(SA)
1	The Performance appraisal practices of the bank motivate employees of the organization.					
2	The performance appraisal system identifies performance deficiencies and performance gap.					
3	Monitoring and performance evaluation are esteemed at all levels of the bank as a means of improving performance					
4	The bank gives enough recognition for well done work. (Non-monetary)					
5	The performance appraisal system helps to identify the strength and the weakness of the employee					
6	The appraisal is in support with the aspects of organizational and corporate					

goals.						
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3. Questions related Satisfaction level employees satisfaction with the Bank's performance appraisal system

Please mark (√) or tick the statement that indicates your level of agreement in the responses box. Please note that:

5=Strongly Agree 4=Agree 3= Neutral 2=Disagree 1= Strongly Disagree

S/N	STATEMENTS	Rating scale				
		1(SD)	2(D)	3(N)	4(A)	5(SA)
1	My appraiser helps me to understand the process used to evaluate and rate my performance?					
2	My appraiser knows enough about my work to give me a fair appraisal result?					
3	My view of my performance is taken into account by my appraiser when assessing my performance?					
4	I am satisfied with the way the performance appraisal system helps me identify areas to improve my work?					
5	I think the system of performance appraisal has been successful and is able to achieve the required objectives of my organization?					
6	Overall, I am satisfied with the way my organization uses its performance appraisal system?					

4. Questions related employee's attitude towards performance appraisal practice

Please mark (√) or tick the statement that indicates your level of agreement in the responses box. Please note that:

5=Strongly Agree 4=Agree 3= Neutral 2=Disagree 1= Strongly Disagree

S/N	Statement	Rating scale				
		1(SD)	2(D)	3(N)	4(A)	5(SA)
1	Assessments of my performance are consistent, fair & unbiased.					
2	I entertain adequate feedback and lessons of performance evaluation results					
3	Performance appraisal results are objective					
4	Existing performance appraisal system is participatory and satisfactory					

5. questions related on challenges associated with applying the performance appraisal practices

Please mark (√) or tick the statement that indicates your level of agreement in the responses box. Please note that:

5=Strongly Agree 4=Agree 3= Neutral 2=Disagree 1= Strongly Disagree

No	Statement	Rating scale				
		1(SD)	2(D)	3(N)	4(A)	5(SA)
1	When rating the performance of employees, there is a prejudice among the raters.					
2	Evaluators' lack of skill and knowledge					
3	The absence of a relationship between evaluation criteria and the employment duties of personnel					
4	There is a lack of follow-up on employee performance.					
5	Employees are not involved in the development of PA criteria					

Part III- Essay Questions

1. What challenges did you encounter during the bank's performance appraisal process?

2. What do you believe the problem is with the subjective performance rating and evaluation system?

3. Do you believe the bank's performance appraisal operations take into account workers' training and development needs?

4. Have any of the findings of your job performance been skewed or misconstrued throughout the appraisal process? If so, how does it happen and why does it happen?

5. What suggestions do you have for the bank's future review, appraisal, and implementation process for performance appraisal practices?

6. Other additional comments

APPENDIX II
INTERVIEW QUESTIONS

This interview question is designed to gather information regarding Nib International Bank S.C.'s performance appraisal process. The material will be used as primary data in the research I'm doing for my master's degree in business administration at St. Mary's University (MBA). As a result, this study will be assessed in terms of its contribution to a better knowledge of the practices and future changes.

I wish to reassure you that this study is being conducted for academic purposes only, as approved by St Mary's University. No one else will have access to the data obtained in any report I publish, and I will not include any information that might allow any respondent to be identified. Thank you in advance for your cooperation.

1. Position of the manager?

2. How long have you worked in your current position?

3. Do you think the performance appraisal practice of the bank suffers from subjectivity?

4. Are the policies and procedures of PA being implemented well?

5. Do the forms of PA differ when it goes to one work unit to the other?

6. Do you think the existing performance appraisal format is up to date and considers current situations?

7. Do you concur that all the standards for evaluating performance are relevant?

8. For how frequent do you suggest PA should be implemented?

9. Are PA results being used for developmental purposes currently?
