ST. MARY'S UNIVERSITY
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THE EFFECT OF PERFORMANCE APPRAISAL SYSTEM ON EMPLOYEES PERFORMANCE: A CASE STUDY OF THE UNITED NATIONS ECONOMIC COMMISSION FOR AFRICA (UNECA)

BY: AZEB SOLOMON

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This is to certify that the thesis prepared by Azeb Solomon entitled "The Effect of Performance Appraisal System on Employee's Performance: A case of United Nations Economic Commission for Africa (UNECA), based in Addis Ababa", is an original work of the student and is being submitted in partial fulfillment of the requirement for the Master's Degree in General Business Administration and complies with the regulations of the University.

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DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Habtamu Abebaw (PhD). All sources of materials used for the thesis has been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

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ACRONYMS AND ABBREVIATIONS

AfDB	:	African Development Bank
ANOVA	:	Analysis of Variance
AUC	:	Africa Union Commission
CA-SRO	:	Central-Africa Sub-Regional Office
EA-SRO	:	East-Africa Sub-Regional Office
ECOSOC	:	Economic and Social Council
e-PAS	:	Electronic Performance Appraisal System
HRD	:	Human Resource Development
HRM	:	Human Resource Management
IDEP	:	Institute for Development and Economic Planning
MBO	:	Management by objectives
MDG	:	Millennium Development Goal
NA-SRO	:	North-Africa Sub-Regional Office
NEPAD	:	New Partnership for Africa's Development
PA	:	Performance appraisal
PM	:	Performance Management
REC	:	Regional Economic Community
SA-SRO	:	South-Africa Sub-Regional Office
SPSS	:	Statistical Packages for Social Sciences
SRO	:	Sub-Regional Office
UNECA	:	United Nations of Economic Commission for Africa
WA-SRO	:	West-Africa Sub-Regional Office

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ABSTRACT

The aim of this study was to determine the effect of performance appraisal system on employee's performance at the UNECA. In order to achieve the purpose of the study, descriptive study and explanatory research design were used. Descriptive research design was appropriate for the achievement of the research objectives to describe the existing performance appraisal system and employee's performance, besides explanatory research design used to examine the relationship between performance appraisal system and employee's performance developing the working hypotheses from an operational point of view. The population for the study was 592 and a sample size of the 238 respondents was selected. Questionnaire was used as an instrument to collect primary data for this study and out of 238 questionnaires distributed 190 of the respondents were retrieving from the respondents, which is 80% rate. The data analyzed were used descriptive statistics such as frequency counts, percentages, mean and standard deviations while inferential statistics such as Pearson correlation and regression coefficient. To make it clear the result presented with tables, figures and histograms. In this regard, this study finding was the six factors of effective performance appraisal system have significant positive effect on employee performance. From the results, it was possible to conclude that the effect of performance appraisal system has a significant relationship with employee performance. Whereas, the rewarding performance respondents are at the middle of the road, there are a few elements of the existing performance appraisal system that are limiting the effectiveness of the appraisal to enhance the maximum level of the employee performance in the organization. Finally, the study conclude that the performance appraisal system is an important factor and can play a major role on employee job performance.

Key words: Performance Appraisal System and Employee Performance.

CHAPTER ONE | INTRODUCTION

1.1. Background of the Study

Performance maximizing of the organization is the primary concern of any organization (Cardy, 1997). Managerial standards, skill and knowledge, commitment and performance appraisal effecting employee's performance. Service organizations including public and private use performance appraisal system for increasing their employee's performance. Good organization performance refers to the employee's performance. Performance appraisal has increased importance as it leads towards achieving organizational performance. Thus, managing the work of an employee effectively (Cardy et al., 1997).

In a competitive environment organization should keep high performance, so that they can stay in the business, and to meet their customer needs by delivering the products and services they specialized in and finally to achieve their purpose of establishment. Bennet (2002) defined that people working for an organization, are the most valuable, the costliest, and the most volatile of all the resources that it can use to accomplish the organization's work. For this reason, the major keys are to motivate employees in order to make their performance better, and effective management system of employee's performance is needed to evaluate their performance, these could maintain the organization performance on high level.

Performance appraisal is the most significant management tool that provides for the evaluation of the quality of an individual's performance in an organization. Performance appraisal system refers to the period in which the overall progress that an individuals or team has made as result of being coached and to agree on the new goals can be summarized (Grote, 2002). The Human Resource Development (HRD) mechanism is designed and applied for the all-round development and growth of employees as well as organizations through performance appraisal system. The information generated from such performance appraisal programs generally help the management to implement certain administrative and developmental decisions regarding selection, placement, promotion, rewards training and termination. James and Manuel (2009) discussed that performance appraisals are important for staff performance, attitude and behavior

development, communicating organizational aims, and fostering positive relationships between management and staff. All this exercise is done to enhance employee performance so that, the employees can improve their productivity both in terms of quality and quantity so that they can contribute effectively towards the short term and long term goals of the organization.

Whereas, Somerick (1993) has proven that ineffective performance appraisal can be a cause for many problems, such as low morale, low productivity, a lessening of an employee's enthusiasm and support for the organization, high rate of skilled employee termination, high rate of customer turn-over, high running costs etc. In today's business, it is understood that organizations can only compete with their competitors by innovating, and organizations can be advanced by managing their human resources. The human resource system can become more effective by having an effective and accurate performance appraisal system used for rating employees (Armstrong, 2003; Bohlander & Snell, 2004).

Performance appraisal demands the immediate reporting officers to understand the nature of the job and the sources of information, and the information needs to be collected in a systematic way, and it is provided as a feedback, and integrated into organization's performance appraisal system for use in making compensation, job placement, and training decisions and assignments (Islam & Rasad, 2005).

After selection of employee, probably the most powerful tool managers have to examine employee's performance and getting results is the performance appraisal (Todd Grubb, 2007). Performance appraisal involves an employee knowing what is expected of him/her and remain focused with the help of the supervisor, tells them how well they have done that motivates the employees toward the good performance (Casio, 2004).

According to Cokin (2004), performance appraisal system is important for organizations as it mainly focuses on employees to develop their capabilities. It also helps managers and the organization in timely predictions and taking actions promptly to uncertain changes. Assumptions of corporate management show that performance appraisal make people to be really engaged in

the business of the organization. Therefore, the main purpose of this study is to examine the effect of performance appraisal system on employee's performance in the case of the UNECA.

1.1.1 Background of the UNECA

This research study was conducted in the United Nations Economic Commission for Africa (UNECA). According to the information obtained from ECA's document, UNECA was established in 1958 as one of the UN's five regional commissions by the Economic & Social Council (ECOSOC) of the United Nations, (UN) the Economic Commission for Africa, (UNECA's) vision is simply to harness regional resources to meet Africa's development priorities. Its mission is shaped by priorities of African Leaders, the African Union Commission (AUC) and its New Partnership for Africa's Development (NEPAD) agenda which involves promoting regional integration and meeting Africa's special needs and global challenges.

Made up of 54 member states, UNECA's role is two-fold first as a regional arm of the UN and second as a key component of the African Institutional landscape. Its headquarters is located in Addis Ababa, Ethiopia and it maintains five sub regional offices across Central Eastern, Western, Southern and Northern Africa. Its mandate includes promoting the economic and social development of its member states and international cooperation for Africa's development and fostering intra-regional integration. UNECA is headed by an Executive Secretary directly appointed by the Secretary General of the UN. The Executive Secretary is in turn assisted by two Deputy Executive Secretaries. The UNECA Partnerships Office and the Joint Secretariat Support Office of the UNECA, AUC and African Development Bank (AfDB) complement the work of all substantive Divisions. Its work program is supported by two pillars: knowledge generation and knowledge delivery. There were six substantive divisions, responsible for policy and research: Macroeconomic Policy, Regional Integration & Trade, Social Policy Development, Special Initiatives and African Mineral Development Center and the African Centre for Statistics. And the Capacity Development, Public Information & Knowledge Management Division, the Division of Administration and African Institute for Economic Development & Planning and five Sub-Regional Offices in Rabat, Niamey, Yaoundé, Kigali and Lusaka comprise the knowledge delivery pillar; according the source of (https://repository.uneca.org) "United Nations. Economic Commission for Africa (2017-08). About the Division of Administration. Addis Ababa. © UN. ECA". All

participants chosen from UNECA Addis Ababa station are involved in the study. However, sub regional offices are excluded from the population.

According to the information obtained from ECA's document, the performance process is based on continuous dialogue and feedback and the shared responsibility between managers and staff for planning, delivery and evaluation of work results. The employee/staff creates work plans and appraisals each year through the e-Performance tool in Inspira (http://inspira.un.org). The annual cycle begins on 1 April and has the following phases, presented in the visual: work-planning, monitoring and adjusting of work-plans, mid-point review, further monitoring and adjusting and an end-of-cycle appraisal. The UNECA performance administration stakeholders are: First Reporting Officers, Second Reporting Officers, Heads of Department and HR Practitioners on overall performance management and on e-Performance requirements.

As per the Under-Secretary-General for Management, pursuant to section 4.2 of Secretary-General's bulletin ST/SGB/2009/4, and for the purpose of updating the policies and procedures for performance evaluation and for replacing the Performance Appraisal System with the Performance Management and Development System, pursuant to staff rule 1.3. According to the rule ST/AI/2010/5 the scope of application, the present instruction shall apply to all staff members who hold appointments of at least one year except for staff at the levels of Assistant Secretary-General who report to the Under-Secretary-General in their respective area of work and staff at the level of Under-Secretary-General who report directly to the Secretary-General. The present instruction does not apply to staff holding temporary appointments. Staff members with temporary appointments are evaluated under the provisions of the administrative instruction on temporary appointments.

The purpose of the performance administration is to improve the delivery of programmes by optimizing performance at all levels, which will achieve by:

(a) Promoting a culture of high performance, personal development and continuous learning;

(b) Empowering managers and holding them responsible and accountable while managing their staff;

(c) Encouraging a high level of staff participation in the planning, delivery and evaluation of the work process;

(d) Recognizing successful performance and addressing underperformance in a fair and equitable manner

On the other hand, the function of the PAS is to promote communication between staff members and supervisors on the goals and key results to be achieved and the success criteria by which individual performance will be assessed. The System will also promote continuous learning, recognize successful performance and address performance shortcomings. The Performance Appraisal System is supported by an electronic application (e-PAS or e-performance) that captures the main stages of the performance process (work plan, midpoint review and end-of-year performance appraisal).

In view of the above, it would be necessary to conduct a research on the relationship between performance appraisal systems and employee's performance in the organization, because the inspiration of employees has a significant effect on employee's performance results. To understand how HRM practices in the PAS influence employee inspiration could help organizations set up a better management system, and finally enhance the employee performance and overall organizational performance.

1.2. Statement of the Problem

Effective staff performance appraisal process is important for the successful management of individual staff performance. Breadwell and Holden (1997) suggested that the potential role of HRM in improving an organizations performance has been realized and HRM practices can develop the performance of an organization by contributing to employee satisfaction. Shrivastava and Purang (2011) discussed among the HR practices that have been studied, performance appraisal is debatably one of the more crucial ones in terms of organization performance and appears to be an indispensable part of any HRM system. Abdulkadir, Isiaka & Adedoyin, (2012) defined that the success of survival and competing power of organizations depend on the commitment of their members, and this may, to a large extent, depend on how satisfied the employees are with respect to the organization's appraisal mechanism.

However, the current performance appraisal system possesses certain problems and these problems could be a possible cause of much displeasure. The staff performance appraisal system in the organization has been encountering challenge to objectively measure output and results of

employees. I had discussion with small focused group about the topic and observed employee's dissatisfaction, the rewarding mechanism is not encouraging them, and have complaints on the subjective way of performance appraisal system.

Agunis (2009), explains that to make the performance appraisal system effectively work in the organization the involvement of employees on performance appraisal system are the major factors, because involvement of employee can reduce the employee and manager's resistance to the performance management and increase the sense of belongingness in the work place. In addition, most staff members work hard and their performance successfully meets and sometimes exceeds performance expectations. However, at times managers are faced with staff whose performance is marginal or inadequate.

On the other side, as different authors ascertain in the above discussion poor performance evaluation causes so many problems. To mention, poor performance evaluation results in managers' inconsistency, evaluators' subjectivity, job dissatisfaction/low morale of employees, high retention rate of employees, inconsistency of feedback, poor employee/managers' relationship, hinder professional development, diminish chances for merit raises. These arise due to irrelevance of the criteria used to evaluate the performance of the employees, lack of skills and knowledge of the raters, the subjectivity, favoritism and bias of the raters, inability to provide feedback as to the results of the performance evaluation.

The second reason of employee's low satisfaction is related with the performance rewarding approaches. In general, these problems are challenges to the PAS in making it effective.

Concerning the implementation of effective and acceptable PAS to fill these gaps through creating a well-developed performance rewarding, the individual performance and contributions for achieving the goal should take in to account when the rewards provide, increase the engagement of employees and provide an opportunity of involvement of employees in performance appraisal system.

Therefore, it was important to conduct this research to show that effective performance appraisal system is existed in the UNECA and to examine its effect on employee performance system, so that a complete and comprehensive performance system could be built up. Besides, to make better use of it and for better results in the organization.

1.3. Research Question

This section deals with the formulation of the research questions that help achieve the objective of the study. These questions are:

1. What is the effect of performance appraisal system on employees' performance in the UNECA?
2. To what extent does the level of communication between employees and their supervisors affect employee performance in the organization?
3. To what extent does the fairness of the performance appraisal process affect employee performance?
4. How far is the clarity of performance expectations affect employee performance in the organization?
5. Is the performance appraisal system able to identify employees' strengths and weaknesses?

1.4. Objective of the Study

1.4.1. General Objective:
The main objective of this study is to assess the current effect of performance appraisal system of the organization on employee's performance.

1.4.2. Specific Objectives:
Specifically, the objectives of the study are the following: -
1. To examine the effect of performance appraisal system practices on employees' performance.
2. Investigate how the level of communication between employees and their supervisor affect performance of employees in the organization.
3. Investigate the effect of fairness of the performance appraisal process on performance of employees in the organization.
4. Examine how far the clarity of performance expectations affect employee performance in the organization.
5. To what extent is the performance appraisal system able to identify employees' strengths and weaknesses?

1.5. Significance of the Study

In this research the finding can contributes to the organization by providing information, about the existing level of employee performance related to the performance appraisal system and how the performance appraisal system is critical to integrate as a means of enhancing the employees' performance in the organization as well as enhance performance at the workplace. It

also gives an insight about the effect of the existing performance appraisal system, so that the organization can take an appropriate action to solve the current problem.

This study also provides relevant information for concerned organs that are found at various levels of management and human resource department to better understand the importance of effective performance appraisal system and its effect on employee performance.

Besides, this study also gives as a piece of contribution to the current knowledge in the practice of performance appraisal process in the organization and may help to bring behavioral change in the areas of performance evaluation both in the mind of the raters, ratees and those parties accountable in the design of the instruments of performance evaluation methods that are used to evaluate the performance of employees.

1.6. Scope of the Study

This study examines the relationship between the performance appraisal system on employee performance, which means the data collected at one point in time. The study examined the effect of performance appraisal system on employee performance despite other factors that influence or affect the appraisal system. The study used both descriptive and explanatory research designs/methods. The study has focused on one dependent variable, which is employee's performance and independent variable performance appraisal. The study is limited to the UNECA, a station based in Addis Ababa.

1.7. Limitation of the Study

Exclusion of sub-regional offices because of the location is limitation, as the sub-regional offices are dispersed in the five sub-regions of the African continent. East-Africa Sub-Regional Office, (EA-SRO), in Kigali, Rwanda; North-Africa Sub-Regional Office (NA-SRO), in Rabat, Morocco; Central-Africa Sub-Regional Office, (CA-SRO) in Yaoundé, Cameroon; West-Africa Sub-Regional Office, (WA-SRO) in Niamey, Niger; South-Africa Sub-Regional Office (SA-SRO), in Lusaka, Zambia, including the Institute for Development and Economic Planning (IDEP), based in Dakar, Senegal.

The researcher again faced the problem of some respondents were not replied on time and some of the spaces provided were left unfilled.

1.8. Definition of Terms

Performance can be defined as per Kumari and Malhotra, (2012), p78 "What is expected to be delivered by an individual or a set of individuals within a timeframe. What is expected to be delivered could be stated in terms of results or efforts, tasks and quality, with specification of conditions under which it is to be delivered".

- According to Grote (2002), performance appraisal system refers evaluating performance to encourage employee performance and to provide information to be used in managerial decision making.
- According to Armstrong (2006), human resource management is defined as a strategic and coherent approach to the management of an organization's employees which is the most valued assets.
- Another definition on performance appraisal is a strategic and integrated approach to delivering sustained success to organizations by improving the performance of the people (Baron and Armstrong, 1998).

1.9. Ethical Consideration

The respondents have been informed about the objective of the study, their right to participate and informed about their right not to fill the questionnaire and their responses be kept confidential.

1.10. Organization of the Study

Study paper comprises of five chapters that include the following: -

Chapter One: incorporates an Introduction consisting of the Background to the study and the selected organization, Statement of the Problem, Objectives, Scope, Basic Research Questions, Significance, Scope of the Study, Limitation of the Study, Definition of Terms**,** Ethical Considerations and lastly the Organization of the study.

Chapter Two: covers extensive but selected review of related literature on the subject and enumerates the theories and concepts of the study.

Chapter Three: explains the methodology used in conducting the study which also includes Research Methods, Selection of target population, Sample type and size determination, Source of Data, Data Collection Procedure and Method of data analysis.

Chapter Four: focuses on data presentation and analysis, discussion of findings and results of the study.

Chapter Five: consists of findings, conclusions and possible recommendations.

CHAPTER TWO | LITERATURE REVIEW

2.1. Theoretical Background

In this chapter theoretical and empirical literature are reviewed with the purpose of providing readers with scientifically proven information about the performance appraisal system, its approach, performance appraisal system, methods, findings of the previous studies in the area, and also related theoretical framework underlying the study.

2.1.1. The History of Performance Appraisal

According to Armstrong (2006), Performance Appraisal is the formal assessment and rating of individuals by their supervisors at usually, an annual review meeting. While The Chartered Institute of Professional Development (CIPD) have a more comprehensive and in-depth definition;

> "Performance Appraisal is an opportunity for individual employees and those concerned with their performance, typically line managers, to engage in a dialogue about their performance and development, as well as the support required from the manager" (CIPD, 2013).

Performance appraisal is not just about rating employees Meenakshi (2012), organizations carry out performance appraisal as a basis for administrative decisions such as promotion, allocation of financial rewards, employee development and identification of training needs. Hillman, Schwandt & Bartz, (1990) argue that appraisal is preceded by establishing general objectives or a description for the job, identifying specific job expectations, providing feedback and, when necessary, coaching.

Performance appraisal also includes motivating staff, succession planning and identifying potential, promoting manager subordinate dialogue and formal assessment of unsatisfactory performance (Fletcher, 2004). However, Khan (2007) states that the fundamental objective of performance appraisal is to facilitate management in carrying out administrative decisions relating to promotions, firings, layoffs and pay increases. From carrying out the performance

appraisal, management has to make choices in relation to retention, future assignments and training and developmental needs (Hillman et al, 1990).

Furthermore, organizational performance and its resultant efficiency and effectiveness can only be achieved when individuals are continuously appraised and evaluated. This explains why almost every organization carries out some form of performance appraisal either on its own or as part of their performance appraisal system (Obisi, 2011).

2.1.2. An Overview of Performance Appraisal

Taylor, (2005) defined performance appraisal as a widely used management tool in businesses around the 1980's. Its modern uses had previously been restricted to Army Officers and Senior Management. Appraisal has been present throughout history and has advanced significantly over time. Besides, performance appraisal represents a strategic and integrated approach which is geared towards delivering organizational success by improving the performance capabilities of both individuals and teams (Armstrong, 2005).

According to Lansbury and Quince (1988), performance appraisal is defined as "the process of identifying, evaluating and developing the work performance of the employee in the organization, so that organizational goals and objectives are effectively achieved while, at the same time, benefiting employees in terms of recognition, receiving feedback, and offering career guidance".

Prachi (2011) discussed that, "performance appraisal is the systematic evaluation of the performance of employees and to understand the abilities of a person for further growth and development. Performance appraisal is generally done in systematic ways which are as follows: The supervisors measure the pay of employees and compare it with targets and plans; The supervisor analyses the factors behind work performances of employees; The employers are in position to guide the employees for a better performance".

Performance appraisal, on the other hand, is nothing but the evaluation of an employee's performance. Performance appraisal also deals with the evaluation of an employee's

competencies such as commitment to the organization's core values, ability to take initiatives, responsibility for tasks, strengths, and weaknesses, skill set and training, etc.

Besides, performance appraisals, also known as performance evaluations, performance reviews, or employee appraisals, refers to whatever method is used by a manager, supervisor, or owner of a business to evaluate the employees in that business. Performance appraisals are considered to be an essential aspect of career development and typically occur at regular times throughout the year, or on an annual basis, as determined by the employer.

Furthermore, performance appraisal (PA) may be defined as a structured formal interaction between a subordinate and a supervisor where the subordinate's work performance is evaluated. It is a generic term for a variety of processes whereby an individual's work performance is assessed, usually by the person's closest supervisor, and discussed with a view to solving problems, improving performance and developing the individual appraised. Performance appraisals take place at regular intervals and are usually based on a standardized method agreed performance criteria. In the appraisal process, either the employee's performance or the outcome of performance is evaluated (Lawler, 1990, 86; Dreves, 2002, 138; Fletcher, 2003, 116).

2.1.3. The Current Performance Appraisal

Currently, performance appraisals have been used in organizations for numerous reasons, as opposed to the historical method as it was used for, making administrative decisions. According to Cleveland, Murphy & Williams (1989) there are four main uses for Performance Appraisal in organizations today. These are Between Individual Comparisons, Within Individuals Comparisons, Systems Maintenance and Documentation.

Between individuals relates to comparison of individuals in terms of performance, Within Individuals concentrates on identifying and developing individual's strengths and weaknesses. Systems Maintenance can mean using Performance Appraisal as a source to link company procedures and strategy with the performance of employees and the goals that they have achieved and are working toward. Linking performance appraisal to the business goals of the company has been seen as an innovative way of focusing employees' actions to the priorities of the business.

Throughout the vast amount of journal articles and research on performance appraisal, there is a substantial view that while performance appraisal seems like a great tool and should be of huge benefit to every organization, they can be moderately ineffective and so have taken a lot of criticism. According to Lawler (2012) the key is to make them part of a complete performance system, which includes goal setting, development, compensation actions, performance feedback and goals based appraisal of performance.

2.1.4. Objectives of Performance Appraisal

2.1.4.1. Salary Increase

Performance appraisal plays a role in making decision about salary increase. Normally salary increase of an employee depends upon on how he/she is performing his/her job. There is a continuous evaluation of his/her performance either formally or informally. This may disclose how well an employee is performing and how much he/she should be compensated by way of salary increase (Khan, 2013).

2.1.4.2. Promotion

Performance appraisal plays a significant role where promotion is based on merit and seniority. Performance appraisal discloses how an employee is working in his present job and what his strong and weak points are. In light of these, it can be decided whether he/she can be promoted to the next higher position (Khan, et al., 2013).

2.1.4.3. Training and Development

Performance appraisal tries to identify the strengths and weaknesses of an employee on his/her present job. This information can be used for devising training and development programs appropriate for overcoming weaknesses of employees (Khan, et al., 2013).

2.1.4.4 Feedback

Performance appraisal provides feedback to employees about their performance. A person works better when he/she knows how he/she is working. This works in two ways, firstly, the person gets feedback about his/her performance. Secondly, when the person gets feedback about his/her performance, he/she can relate his/her work to the organizational objectives (Khan, et al., 2013).

2.1.4.5 Pressure on Employees

Performance appraisal puts a sort of pressure on employees for better performance. If the employees are conscious that they are being appraised in respect of certain factors and their future largely depends on such appraisal (Khan, et al., 2013).

2.1 4.6. Others

The final aims according Khan et al. (2013) are: - a) Identifying systemic factors that are barriers to, or facilitators of, effective performance. b) To confirm the services of probationary employees upon their completing the probationary period satisfactorily. c) To improve communication. Performance appraisal provides a format for dialogue between the superior and the subordinate, and improves understanding of personal goals and concerns. This can also have the effect of increasing the trust between the rater and the ratee. d) Finally, to determine whether HR programmes such as selection, training and transfer have been effective or not.

2.1.5. Performance Appraisal and Part of Performance Management

The majority of recent literature on performance appraisal states that it needs to be carried out as part of a whole performance management system and none solely on its own. Performance Management can be defined as a systematic process for improving organizational performance by developing the performance of individuals and teams (Armstrong, 2006). Walters (1995) defined Performance Management as the "process of directing and supporting employees to work as effectively and efficiently as possible in line with the needs of the organization". Williams (2002) believes the notion of Performance Management is creating a shared vision of the aims and purpose of the organization, helping each individual employee to understand and recognize their part in contributing to them, and thereby managing and improving the performance of both individuals and the organization.

Performance appraisal plays a central role in performance management systems; it is normally the vehicle behind which the organizational goals and objectives are translated into an individual's objective. It also remains the primary way of discussing and acting on the development of the individual (Fletcher, 2004). When a part of performance management, appraisal is much more tightly linked with the larger business environment. De Nisi and Griffen (2008, p.318) state that performance management refers to "a general set of activities which are carried out by the

organization to improve employee performance". Although performance management is typically reliant on performance appraisals, performance management is a broader and more encompassing process and is the ultimate goal of performance appraisal activities (De Nisi et al., 2008). Performance management has been seen to be more successful and brings a lot of benefits to an organization.

Performance management systems are effective when they are based on goals that are jointly set and are driven by an organization's business strategy (Lawler, Benson & McDermott, 2012). Performance appraisal from a social-psychological perspective as opposed to the traditional tool for measurement is becoming more popular, viewing performance appraisal as a communication and social process.

2.1.6. Performance appraisal process

De Cenzo, Robbins and Verhulst (2010) discussed that performance appraisal system includes the following six steps: -

    I.   Establish performance standards with employees.
   II.   Communicate expectations.
 III.   Measure actual performance.
 IV.   Compare actual performance with standards.
  V.   Discuss the appraisal with the employee.
 VI.   If necessary, initiate corrective action.

        2.1.6.1. Establish Performance Standards

The appraisal process begins with establishment of performance standards in accordance with the organization's strategic goals. These should evolve out of the company's strategic direction and, more specifically, the job analysis and the job description. These performance standards should also be clear and objective enough to be understood and measured. Too often, standards are articulated in ambiguous phrases that tell us little, such as "a full day's work" or "a good job." What is a full day's work or a good job? A supervisor's expectations of employee work performance must be clear enough in his/her mind so that he/she will be able to, at some later date, communicate these expectations to his/her employees, mutually agree to specific job performance measures, and appraise their performance against these established standards (De Cenzo et al. 2010).

2.1.6.2. Communicate Expectations

Once performance standards are established, it is necessary to communicate these expectations; employees should not have to guess what is expected of them. Too many jobs have vague performance standards, and the problem is compounded when these standards are set in isolation and without employee input. Communication is a two-way street: mere information transfer from supervisor to employee is not successful communication (De Cenzo et al., 2010).

2.1.6.3. Measure Actual Performance

The third step in the appraisal process is performance measurement. To determine what actual performance is, we need information about it. We should be concerned with how we measure and what we measure. Four common sources of information frequently used by managers address how to measure actual performance: personal observation, statistical reports, oral reports, and written reports. Each has its strengths and weaknesses; however, a combination of them increases both the number of input sources and the probability of receiving reliable information. What we measure is probably more critical to the evaluation process than how we measure. Selecting the wrong criteria can produce serious, dysfunctional consequences. And what we measure determines, to a great extent, what people in the organization will attempt to excel at. The criteria we measure must represent performance as it was mutually set in the first two steps of the appraisal process (De Cenzo et al., 2010).

2.1.6.4. Compare Actual Performance with Standards

The fourth step in the appraisal process is the comparison of actual performance with standards. This step notes deviations between standard performance and actual performance. The performance appraisal form should include a list and explanation of the performance standards. It should also include an explanation of the different levels of performance and their degree of acceptability against the performance standard. This provides a valuable feedback tool as the manager moves on the next step, discussing the appraisal (De Cenzo et al., 2010).

2.1.6.5. Discuss the Appraisal with the Employee

As we mentioned previously, one of the most challenging tasks facing appraisers is to present an accurate assessment to the employee. Appraising performance may touch on one of the most emotionally charged activities—evaluation of another individual's contribution and ability. The impression that employees receive about their assessment has a strong impact on their self-esteem and, importantly, on their subsequent performance. Of course, conveying good news is considerably easier for both the appraiser and the employee than conveying bad news. In this context, the appraisal discussion can have negative as well as positive motivational consequences (De Cenzo et al., 2010).

2.1.6.6. Initiate Corrective Action if Necessary

The final step in the appraisal is the identification of corrective action where necessary. Corrective action can be of two types: one is immediate and deals predominantly with symptoms, and the other is basic and delves into causes. Immediate corrective action is often described as "putting out fires," whereas basic corrective action touches the source of deviation and seeks to adjust the difference permanently. Immediate action corrects problems such as mistakes in procedures and faulty training and gets the employee back on track right away. Basic corrective action asks how and why performance deviated from the expected performance standard and provides training or employee development activities to improve performance. In some instances, appraisers may rationalize that they lack time to take basic corrective action and therefore must be content to perpetually put out fires. Good supervisors recognize that taking a little time to analyze a problem today may prevent the problem from worsening tomorrow (De Cenzo et al., 2010).

- UNECA performance appraisal process flow: -
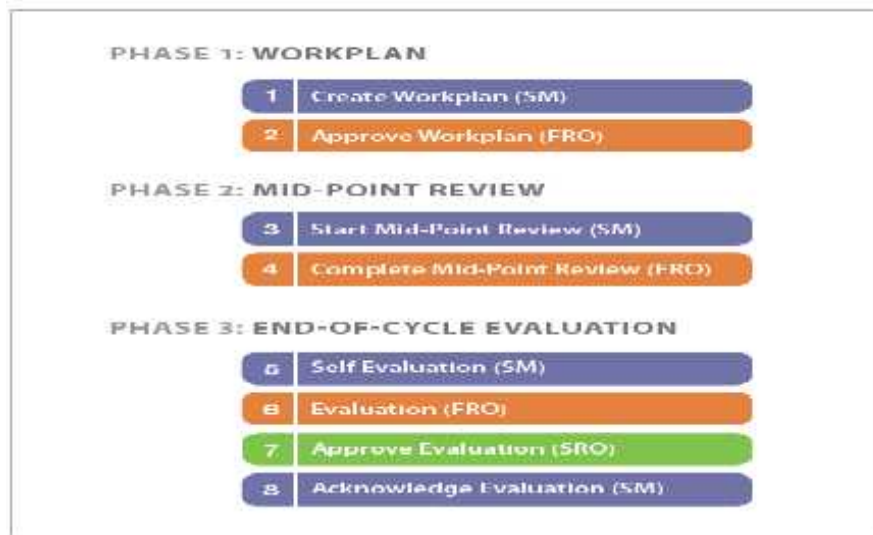
Fig. 2.1. UNECA Performance Appraisal Process. *Source: UNECA Human Resource Intranet*

The stakeholders are: SM = Staff Member; FRO = First Reporting Officer; SRO = Second Reporting Officer.

Phase 1 includes: Setting performance standard and communicating standard set to employees;
Phase 2 includes: Measure performance and comparing performance with standard;
Phase 3 includes: Discussing results; self-evaluating and taking action.

2.1.7. Methods of Performance Appraisal

According to Gilley, Gilley, Quattro and Dixon (2009), numerous methods have been devised to measure the quantity and quality of performance appraisals. Each of the methods is effective for some purposes for some organizations only. None should be dismissed or accepted as appropriate except as they relate to the particular needs of the organization or an employee. Mostly, all methods of appraisals can be divided into two different categories as: past Oriented Methods and future Oriented Methods: -

   I. Past Oriented Methods have the followings: Rating Scales, Checklist, Forced Choice Method, Forced Distribution Method, Critical Incidents Method, Behaviorally Anchored Rating Scales, Field Review Method, Performance Tests & Observations, Confidential Records, Essay Method, Cost Accounting Method, Comparative Evaluation Method (Ranking & Paired Comparisons), Ranking Methods, Paired Comparison Methods.

II. Future Oriented Methods: Management by Objectives, Psychological Appraisals, Assessment Centers, 360-Degree Feedback.

2.1.8. Effective Performance Appraisal System

From reviewing the literature, there appears to be no one single best method of PA, although there are certain common elements throughout all effective methods. "Effective performance appraisals are commonly associated with clear goals that are attached to specific performance criteria and are well-accepted by both appraiser and appraise" (Mustapha & Daud, p.158). Rankin and Kleiner (1988) believe that all effective performance appraisals include elements such as linking appraisal to rewards, the supervisor and employee working together to identify goals, performance goals clearly defined, feedback given to the appraiser on their effectiveness and compliance with legal requirements.

On the other side, the effectiveness of a system is defined as an external standard. Moats (1999) defined that the points out that the most effective systems of appraising performance are:

i. Pragmatic,
ii. Relevant, and
iii. Uniform

i. According to Moats et al. (1999), pragmatism is important because it helps to ensure that the system will be easily understood by employees and effectively put into action by managers. He further focuses that appraisal structures that are impractical tend to result in confusion, frustration, and nonuse.

ii. Stating further, systems that are not specifically relevant to the job may result in wasted time and resources. Undeniably, most successful appraisal programs identify and evaluate only the critical behaviors that contribute to job success. Systems that miss those behaviors are often invalid, inaccurate, and result in discrimination based on nonrelated factors (Bodil, 1997).

iii. The uniformity of the appraisal structure is vital because it ensures that all employees are evaluated on a standardized scale. Appraisals that are not uniform are less effective because the criteria for success or failure become arbitrary and meaningless. Furthermore, uniformity allows a company to systematically compare the appraisals of different employees with each other (Moats et al., 1999).

Appraisals can also provide information for human resource planning to assist succession planning and to determine the suitability of employees for promotion. In addition, they can improve communications by giving employees an opportunity to talk about their ideas and expectations and to be told how they are progressing (Muchinsky, 1997). This process can also improve the quality of working life by increasing mutual understanding between managers and employees (Rasch, 2004). Performance appraisal helps the supervisors to chalk out the promotion programmes for efficient employees. In this regards, inefficient workers can be dismissed or demoted in case.

2.1.9. Problems Affecting Performance Appraisal

The main problems that arise in conducting performance reviews are: Identifying performance; measures and criteria for evaluating performance; collecting factual evidence about performance; The existence of bias on the part of managers; Resolving conflict between reviewers and the people they review; Defensive behavior exhibited by individuals in response to criticism.

There are no easy answers to these problems, no quick fixes. It is wise never to underestimate how hard it is for even experienced and effective managers to conduct productive performance review meetings. It was the facile assumption that this is a natural and not too difficult process that has bedeviled many performance appraisal schemes over the years. This assumption has certainly resulted in neglecting to provide adequate guidance and training for reviewing managers and, importantly, those whom they review (Armstrong, 2009). Basically, the performance evaluation process is seen as a simple process whereby a supervisor or manager only needs to observe the work performance of their staff and give feedback on their performance from time to time. The supervisor and employees often have different opinions on performance evaluation. Some of the factors that lead to the failure of the performance evaluation process. Bohlander and Snell (2010) raised the following: -

- ❖ The supervisor does not have enough information on employees' real work performance.
- ❖ The standard of measuring performance is not clear.
- ❖ The supervisor does not have the skills to evaluate employee performance.
- ❖ The supervisor is not prepared to evaluate employee performance, as he/she does not want to be seen as a judge who is giving out an unfair sentence.
- ❖ Employees do not receive constant performance feedback.
- ❖ The supervisor is not sincere during the performance evaluation process.
- ❖ Performance evaluation is not focused on employee development.

- ❖ The supervisor uses language that is unclear to the employees during the performance evaluation process.
- ❖ Employees feel that the organization does not allocate enough resources for performance rewards.

The explanations above are able to influence the effectiveness of the performance evaluation process and create a gap in the relationship between supervisor and staff. Performance evaluation activities are also often referred to as an annual activity and focus more on employees' annual salary movement. The disagreement that exists and the misunderstanding of performance evaluation have caused the performance evaluation process to fail. Therefore, support from the top management is important in order for performance evaluation to succeed so that the organization will be able to compete in the market. As per Stewart (2009) common problems with performance appraisal measures are rater errors and bias, situational influences, and change over time.

2.1.10. Challenges of Performance Appraisal

The use of ratings in performance appraisal assume that the human observer is reasonably objective and accurate but raters' memories are quite imperfect and raters subscribe to their own sets of expectations about people, expectations that may or may not be valid. In spite of the fact that a completely faultless performance appraisal is only an ideal we can aim for, with all actual appraisals falling short of this ideal, a number of factors that significantly encumber objective appraisal have been isolated for discussion.

A. Bias is simply a personality-based tendency, either toward or against something. In the case of performance assessment, bias is toward or against an individual employee. All human beings have biases, but supervisors especially cannot afford to allow their biases to enter into their evaluation of subordinates in the firm (Kumbhar, 2011). This is very easy to say, but very difficult to do. Biases make the evaluation process subjective rather than objective, and certainly provide the opportunity for a lack of consistency in effect on different groups of employees (Ali, Mahdi and Malihe, 2012). So to overcome the bias problem, the appraiser needs to be objective and not let their feelings of liking or disliking the individual influence their assessment (Caruth and Humphreys, 2008).

B. Stereotyping is mentally classifying a person into an affinity group, and then identifying the person as having the same assumed characteristics as the group (Afriyie, 2009). Though

stereotyping is almost always assumed to be negative, there are many incidents of positive stereotypes. However, regardless of whether the stereotype is positive or negative, making membership in a group, rather than explicitly identifying the characteristics of the individuals, creates the potential for significant error in evaluations (Holzer, 2007). Stereotyping can be avoided by getting to know each employee as an individual and objectively evaluating individual employees based on their actual performance (Denby, 2010).

C. Halo Error: De Cenzo and Robbins (1993) note that the halo effect or error is a tendency to rate high or low on all factors due to the impression of a high or low rating on some specific factor. According to them, if an employee tends to be conscientious and dependable, the rater might become biased toward that individual to the extent that he will rate him or her positively on many desirable attributes. Also as per their observation in an institution, students tend to rate a faculty member as outstanding on all criteria when they are particularly appreciative of a few things he or she does in the classroom as compared to a few bad habits which might result in students evaluating the instructor as "lousy" across the board. Cleveland et al. (1989) also postulate that the halo error is perhaps the most pervasive error in performance appraisal as raters who commit this error assign their ratings on the basis of global impressions of ratees. According to them, an employee is rated either high or low on many aspects of job performance because the rater knows (or thinks he or she knows) that the employee is high or low on some specific aspects.

D. Similarity Error: De Cenzo et al. (1993), state that, when evaluators rate other people in the same way that the evaluators perceive themselves, they are making a similarity error. In this case, evaluators who see themselves as aggressive may evaluate others by looking for aggressiveness thus, those who demonstrate this characteristic tend to benefit while others are penalized.

E. Central Tendency: Beardwell and Holden (1997) note that central tendency is the reluctance to make extreme ratings (in either direction); the ability to distinguish between and among ratees; a form of range restriction. According to them, raters who are prone to the central tendency error are those who continually rate all employees as average. In this case, if a manager rates all subordinates as 3, on a scale of 1 to 5, then no differentiation among the subordinates exists. As such, failure to rate subordinates as 5, for those who deserve that rating and as 1, if the case warrants it, will only create problems, especially if this information is used for pay increases.

2.1.11. Concept of Performance Appraisal and Employee Performance

According to Anderson (2002) discussion, for an organization to be effective for its goals, it is very important to monitor its employee performance on a regular basis. Effective monitoring and measuring also includes providing timely feedback and reviews of the employees for their work and performance according to the pre-determined goals and solving the problems faced (Mani, 2002). Rudman (2003) highlights that timely recognition of the accomplishment also motivates and helps to improve the performance of employees.

The performance appraisal seeks to improve performance from individuals, groups, teams and the entire company. Ideally, an efficient performance appraisal process should provide enough information to managers for them to know what to do to ensure the desired performance on behalf of employees (Armstrong et al., 2009).

According to Kuvaas (2006), communication is key element to employee performance. Moreover, performance appraisal policy creates a learning experience that motivates employees to develop themselves and improve their performance. Kuvaas et al. (2002), highlight that performance appraisal fulfills an important communicative function by reinforcing and entrenching the organization's core values and competencies. According to Mani et al. (2002), performance appraisal policy should constitute an open communication, where both manager and employee state what is done well and what needs improvement.

Tyson and York (2000) state that performance appraisal forms a vehicle for management and employees to develop a mutual understanding of responsibilities and goals. Rudman et al. (2003) highlights that performance appraisal frequently have performance goals to motivate or improve employee performance and interpersonal goals like to maintain a workgroup climate as specific performance appraisal policy objectives.

In general, the above mentioned concepts and others have explained the stronger influence that an effective performance appraisal can have on employee performance. Therefore, we can say that enhancing the effective performance appraisal is highly likely to enhance employee's performance. High quality performance appraisal system is therefore likely to generate higher

level of employee performance. As the individual staff will have trust on the system, clarity about the system, high participation on the performance appraisal, believe on its fairness and good communication in the process. On the contrary a low quality performance appraisal system may result in a lower level of employee performance and dissatisfaction. The employees are likely to feel that their contributions are not valued, loss the sense of achievement, be in confusion about the performance expectations, and finally dissatisfied (Lorna and James, 2014).

2.2. Empirical Review

According Ruddin (2005) definition, performance appraisal sounds simple but researches tell us that it is commonly used in performance feedback and identify individual employee's strengths and weaknesses. Also another research has broadly analyzed the impact of the social context of performance appraisals on employee reactions to these appraisals (Pichler, 2012). For instance, employee's satisfaction with the performance appraisal process as a whole, the performance appraisal feedback, or employees' evaluations of the perceived quality, justice, and fairness of the performance appraisal regime (Greenberg, 1986: Gupta & Kumar, 2013). Furthermore, employee participation in the performance appraisal process is positively related to the satisfaction with the performance appraisal system, perceived fairness, and acceptance of such a practice (Cawley, Keeping and Levy, 1998).

Brown, Hyatt and Benson (2010) analyze the relationship between performance appraisal measured by clarity, communication, trust, and fairness of the performance appraisal process and job satisfaction and commitment based on a sample of more than 2,300 Australian non-managerial employees of a large public sector organization. They find that employees who report a low performance appraisal (lowest levels of trust in supervisor, poor communication, and lack of clarity about expectations, perception of a less fair performance appraisal process) also report lower levels of job satisfaction and commitment.

Furthermore, Cawley et al. (1998) found that clarity of performance expectations affected the inspiration to a great extent. Feedback mechanism and open door policy affected encouragement to a great extent. Integrity and fairness affected job perform and employee's performance to a great extent. In addition, distributive fairness affected job performance to a moderate extent. The study found that ideas and innovations, absenteeism/tardiness and timeliness had improved for

the last five years. The study found that appraisal motivates staff by clarifying objectives and setting clear future objectives with provision for training and development needs to establish the performance objective. Communication provides employees with the chance of exercising a level of process control. Trust in supervisors is important for determining satisfaction with the appraisal system. Appraisals based on personal traits have little value for providing diagnostic feedback to employees or for designing training and development programs to ameliorate identified skill deficiencies.

The current research studies have also linked performance appraisal to performance of employees as (Resella, 2011) revealed that performance evaluation practices have a significant and positive impact on the performance of employees. Najeeb (2011) studied performance appraisal and employee performance have concluded that transparent appraisal system is vital to an organization and the results of the appraisal affect the performance of any employee heavily.

2.3. Conceptual Framework

The basic purpose of the performance appraisal system is to improve performance of individuals, team, and the entire organizations. The system may also serve to assist in making administrative decision concerning pay increase, promotion, transfer or termination and the following factors would assist in determining the performance appraisal system to serve its purpose by making it effective. The following factors are necessary for one performance appraisal system to be called an effective PAS. Herewith the important factors are: -

Continuous open communication: An open communication should be encouraged with respect to the appraisal process between the employees and the management. In addition to that, any suggestion or concerns that may have the employee, it will provide an opportunity to improve communication among management and employees.

Ongoing Feedback: It can provide employees with clear understanding of their strengths and weaknesses to develop into a better performer in future and this might be increased employee performance, job satisfaction, and self–esteem of employees. Besides, it will improve working relationships with supervisors. It's also creates an opportunity to discuss career aspirations and

any guidance. To keep employees inspired and informed, the supervisor needs to tell them when they are doing right, not only when they are making a mistake.

Employees Participation: It would help the employees to generate important ideas for improvements in their organization. It creates also better understanding for employees of their role and it will create belongingness in the organization. Additionally, when the management provides a room to employees for participation in PAS, it conveying the message to the employees that they have value to organization.

Rewarding performance: Employees should be appropriately rewarded, recognized, and compensated for efforts put in by them in the development of their organization. Like feedback, rewards should be timely and tied to actual performance appraisal. Also, employee needs recognition their contributions or for their performance on time.

Trained appraisers: The appraisers should be meticulously skilled or trained in the performance appraisal process to help them overcome the errors caused in appraisals.

Fair appraisal: is considered as a technique that has positive effect on employee's performance. If the PAS consider being effective and fulfilling the requirement to these factors, it will have positive effect on employee performance but the opposite could result to dissatisfaction on employee performance.

Fig. 2.2. Conceptual framework PAS and employee's performance.
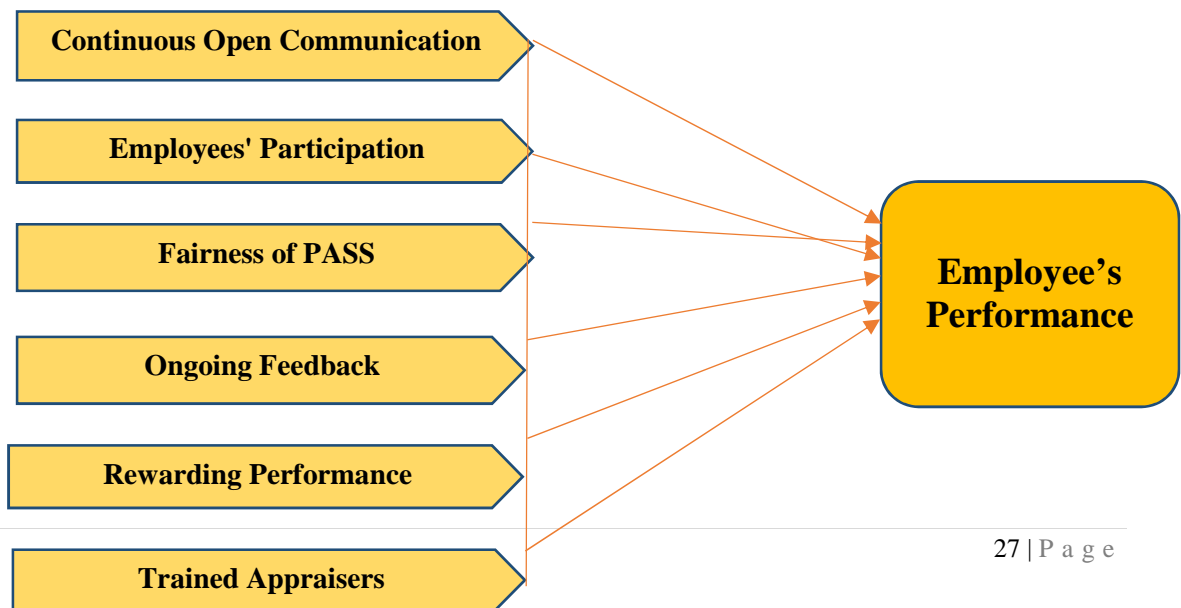
CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

Introduction

This chapter describes the research design and methodology used to determine the effect of performance appraisal system on employee's performance at the UNECA. The structure of this chapter will begin with the research approach and research design, population and sample size and sampling techniques, source of data, data collection procedure, data analysis methods and ethical consideration.

3.1. Research Approach and Research Design

For collecting and analyzing data, research methodology plays an important role. The researcher used quantitative approaches are used in this thesis. In order to have more complete understanding of the research problem, the study used mixed research approach that means using both close ended questions, that is, quantitative hypothesis in its nature which involves testing theories and hypothesis by examining the relationship among variables, measured and analyzed using statistical procedures.

Both descriptive and explanatory research design was used in this study. In this descriptive research design, data was collected in order to answer questions about current status of the subject matter or topic of the study. The researcher believes that a descriptive research design is appropriate for this study because it is concerned with finding out factors of performance appraisal system that might have an effect on employee's performance and described what the reality and the actual exercise of the organization on current employees' performance. Whereas explanatory part of the study helped in explaining and understanding the relationship between variables and the summarizing, analysis and interpretation of the data in inferential ways.

3.2. Population, Sample Size and Sampling Techniques

3.2.1. Target Population

The target population for this study is the random selected employees that are working as a fixed term and permanent contract holders. As per the rule, all fixed term and permanent contract

holders are included in the performance appraisal process and it is mandatory for them to perform the PA at every performance cycle. A population can be defined as all people or items (unit of analysis) with the characteristics that one wishes to study (Kothari et al., 2004). The target populations of this study was the employees of the UNECA station in Addis Ababa, with the total number of 592 employees, (source dashboards.un.org) involved in the study. However, sub regional offices were excluded from the population.

3.2.2. Sample Size

Sampling is the process of selecting units from a population so that by studying the sample, a fairly generalized result is traced back to the population from which they were chosen. Probability sampling is used because each member of the population has an equal likelihood of being selected to be part of the sample. From the types of probability sampling, this study finds stratified random sampling to be appropriate for selecting samples from the population. In this study the total population was divided in to two sections and from each section the researcher took samples from both job categories managerial (supervisors) and non-managerial (non-supervisor).

A proportionate stratified sampling and simple random sampling techniques allows us to take into account the different sub-groups of people in the population and helps guarantee that the sample accurately represents the population on specific characteristics. It enables that the survey to include all hierarchy of the organization and to allot the total sample for each stratum proportionally. According to Robert and Richard (2008) no survey can ever be deemed to be free from error that could provide complete accuracy. Bearing this in mind, at a confidence level of 95%, the margin of error would be 0.5%.

To obtain the minimum population sample for this study, the researcher adopted stratified sampling as a technique using Yamane's formula (Israel, 1992) as follows:

Where n is the sample size, N is the population size and e is the margin of error.

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

$$n = \frac{592}{1+592(0.05)^2}$$

$$n = 238$$

Therefore, a sample size of 238 is select from a total population of 592 employees. The sample size is sufficiently large enough to produce results among variables that are significantly different and it broadens the range of possible data and forms a better picture for analysis. The sample population distribution is indicated in Table 3.1

Table 3.1. Sample distribution

Sample Distribution			
No.	**Category**	**Population**	**Sample Size**
1	Supervisor/Managerial	151	61
2	Non-supervisor/Non-managerial	441	177
Total		**592**	**238**

3.2.3. Sampling Techniques

In order to determine the number of the respondents from each category, a desired sample size was determined and proportional number of sample was allocated to each category and sample was drawn from each stratum, the respondents were selected using simple random sampling technique. For collecting data 238 respondents were nominate representing the population. In simple random sampling method, every member of the population has an equal and independent chance of being selected as sample and it is also appropriate to quantitative research design (Best and Kahn, 2006).

3.3. Source of Data

In order to obtain relevant data for this study, both primary and secondary source of data were considered. According to Fraenkel and Wallen (2008) primary data source is data prepared by individuals who were participants in or a direct witness to the event that is being described. This type of data is more accurate. Primary data was collected from managers/supervisors and non-managers/non-supervisors of the UNECA to address the research questions of the study. For better understanding and explanation of the research problem, the researcher collected data from secondary sources. Information from secondary data sources was used to supplement data obtained from primary data source. The secondary sources of data were from the UNECA's official intranet, organizational structure and policies and procedures.

3.4. Data Collecting Procedure

Primary data was collected through the use of self-administered questionnaires. This method of data collection has its own advantage because of low cost and is proven to be free from bias of respondents. It also gave the correspondence an adequate time to give a well thought answers and since large samples could be made use of it, the results were more dependable and reliable (Kothari et al.,2004). The questionnaire contained structured questions using a method of Likert Scale ranging. To improve the response rate, there was a cover letter explaining the reasons for the research, why the research is important, why the subjects was selected and a guarantee of the respondents' confidentiality provided.

To collect the data, the researcher herself was involved in the collection of the questionnaire in order to make the respondents feel comfortable about their response they gave and gave support to rater while they are filling the questionnaire. The above mentioned primary and secondary part of the questionnaires were disseminated through e-mail and hard copy for the selected targets of the study. Lastly, the distributed questionnaires were collected for further analysis.

3.5. Data Analysis Methods

Several interrelated steps were used in the process of analyzing the data collected using the preceding techniques. First, while preparing the data for analysis, a carful checking of the data was conducted and inconsistent data cleared appropriately. Then, it was codded to the system so as to make the data useful and relevant for analysis. By doing this, it helped filter out the incomplete and irrelevant information and the accuracy of the data maintained. The edited data went through the process of analysis to come up with concrete conclusion. Data processing and analysis was done by using statistical package for social science (SPSS version 20) to display findings and helped in making it easier by processing all variables and cases.

Second, data preparation was followed by the actual data analysis. In order to achieve the findings for this study, the researcher used descriptive analysis to summarize the data. These methods were used numerical and/or graphical. The reasons for using this procedure is to make it easier for the reader to compare and understand the findings by presenting the data using frequency, percentages, mean, and standard deviation. The study also utilized Pearson correlation analysis, and multiple regression models to examine the degree of relationship of independent variables and

dependent variable. Besides, the inferential statistics such as correlation, Model summary, ANOVA, Coefficients, Collinearity statistics, Confidence Interval, and Residuals statistics were used to analyze and describe the data quantitatively with the help of computer-assisted software.

Third, the analyzed data was reported in a meaningful way using appropriate data presentation tools like tables, figures, histograms and graphs. The analysis consists of different ways to outline the responses received which was examined and discussed

3.6. Ethical Consideration

Ethical conduct states that it is the responsibility of the researcher to assess carefully the possibility of harm to research participants, and to the extent that it is possible, the possibility of harm should be minimized (Bryman and Bell, 2007). During the data collection and interpretation processes, the researcher convinced the participants that any confidential information will be kept confidential and elaborated to them the importance of the study in helping the organization and the employees. The respondents were also told that, the exercise will only be used for this study purpose and confidentiality will have to be assured and no one would fall a victim because of any adverse findings in connection with their professional duties. The questionnaire did not require the names of the respondents; this was to protect their identity and remain anonymous.

CHAPTER FOUR

DATA ANALYSIS AND DISCUSION

Introduction:

This chapter presents the data collected based on questionnaire and continues to discuss the research findings. It looks at first the demographic status of the respondents, it continues on to examine the general objective of the study which is to determine the effect of performance appraisal system on employee performance, through descriptive, correlation and regression analysis. Descriptive statistics was used to summarize the quantitative data. The data obtained was entered in to a computer program (SPSS version 20), to enhance the quality of the instrument and reliability of the analysis.

The study targeted a total of 238 respondents, with 30 questions for each respondent. However, only 190 respondents responded and returned their questionnaires contributing to 80% response rate. According to (Pallant, 2005) a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent; therefore, this response rate is adequate for this particular analysis and reporting.

4.1. Demographic Characteristics of Respondents

This chapter has focused on the demographic status of employees' age, gender, educational level, job category, and employees' experience. This was analyzed to determine the demographic characteristics of the respondents used for the current study. Several findings related to the demographic characteristics are presented and discussed with the aid of frequency and percentage. The below table 4.1., shows the details of background information of the respondents.

Table: 4.1., Demographic characteristics of respondents.

#	Employees Demographic Variables		Frequency	Percentage
1	Sex	Female	99	52%
		Male	91	48%
		Total	**190**	**100**
2	Age	18-30 years	16	8%
		31-45 years	79	42%
		46-60 years	86	45%
		61-65 years	9	5%
		Total	**190**	**100**
3	Education	Certificate to Diploma	28	15%
		Degree Graduate	98	52%
		Masters	60	32%
		PhD and above	4	2%
		Total	**190**	**100**
4	Year of Experience	0-3 Years	7	4%
		4-7 years	21	11%
		8-10 years	37	19%
		11-15 years	57	30%
		15 years and above	68	36%
		Total	**190**	**100**
5	Current Position	Non-managerial	154	81%
		Managerial	36	19%
		Total	**190**	**100**

Source: survey result 2021.

The researcher pursued to find out the gender of the target respondents involved in the study. As it is indicated in table 4.1., established that 99(52%) of the respondents were female as compared to 91(48%) who were males.

The study intended to determine the age of the target respondents involved in the study. As indicated the above table 4.1. the majority of respondents are found in the age category of between 46-60 years which are 86% of respondents.

Concerning with work experience majority 36% of staff were having above 15 years of work experience, 30% of staff were having 11-15 years of experiences, 19% staff were having 8-10

years of work experience, 11% of staff were having 4-7 years of experiences and 4% were below 3 years work experiences in the current position. From this data it can be concluded that, data for this study was collected from respondents with range of work experience.

Finally, regarding the job classification of the respondents, as stated in the above table 4.1. the majority numbering 154(81%) are supervisors and 36(19%) non-supervisors. We can, therefore, conclude that the majority of the respondents are on non-supervisory position.

4.2. Descriptive Data Analysis

In this section, the descriptive analysis is presented and the researcher used frequency, percentage, mean and standard deviation to show the result found from the primary source.

4.2.1. Analysis of Continuous Open Communication

The employees were requested to indicate the level of agreement regarding to their communication in the performance appraisal and their response rate to the statement is presented as follows:

Table 4.2., Summary on Continuous Open Communication.

Items	Rating											
	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total	
Continuous Open Communication	F	%	F	%	F	%	F	%	F	%	F	%
Is there a two-way communication between supervisor and employee to express their views.	1	0.53	18	9.47	38	20	91	47.9	42	22.1	190	100
I find it difficult to discuss work issues with my manager/supervisor.	48	25.3	85	44.7	19	10	32	16.8	6	3.16	190	100
The performance appraisal provides a mechanism for better communication on the overall employee's performance.	6	3.16	18	9.47	55	28.9	99	52.1	12	6.32	190	100
I have the opportunity to express my feelings when my performance is evaluated.	1	0.53	37	19.5	36	18.9	86	45.3	30	15.8	190	100
Mean	3.82		2.28		3.49		3.56					
Std. Deviation	0.9		1.11		0.87		0.99					

Source: Survey result 2021.

Concerning the two-way communication between supervisors and employees to express their views as indicated in the above table 4.2., the majority 91(47.9%) respondents agreed, 42(22.1%) strongly agree, 38(20%) were neutral, 18(9.47%) of respondents disagree and the rest 1(0.53%) strongly disagree. Therefore, the result it shows that the majority of the respondents in the organization have an open communication between supervisors and employees.

Regarding difficult to discuss with managers on work issues the majority respondents were disagreeing 85(44.7%), 48(25.3%) strongly disagreed, 32(16.8%) in the agreement level, 19(10%) were neutral and the rest 6(3.16%) strongly agreed. From this result, it indicates that the majority respondents do not have difficulties to discuss work issues with their mangers/supervisors.

As indicated in the above table 4.2., the performance appraisal provides a mechanism for better communication on the overall employee's performance and the majority of the responses were 99(52.1%) in the agreement level, 55(28.9%) were neutral, 18(9.47%) disagreed, 12(6.32%) strongly agreed and the rest 6(3.16%) strongly disagreed. The result indicates that there is a positive communication in the employees' overall performance process.

With regard to the last indicator, the respondents have expressed their feelings during the performance period where 86(45.3%) in the agreement level, 36(18.9%) were neutral, 37(19.5%) were in disagreement level, 30(15.8%) strongly agreed and the rest 1(0.53%) strongly disagreed. Most of the respondents expressed their feelings during the performance evaluation period for its positive response.

4.2.2. Analysis of Employees Participation in the Performance Appraisal

The employees were requested to indicate the level of agreement regarding to their participation in the performance appraisal and their response rate to the statement presented in the table below:

Table 4.3., Summary on Employee's Participation in the Performance Appraisal.

Items	Rating											
	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total	
Employees Participation on PA process	F	%	F	%	F	%	F	%	F	%	F	%
I am personally involved in the process of setting objectives of my future performance.	6	3.16	6	3.16	30	15.8	111	58.4	37	19.5	190	100
Participating in setting the PA goals makes me feel to be part of the organization.	0	0	18	9.47	43	22.6	98	51.6	31	16.3	190	100
Would you prefer your performance to be evaluated by a designed system with the help of employees?	19	10	12	6.32	73	38.4	61	32.1	25	13.2	190	100
There is involvement in decisions making regarding to the PA process.	7	3.68	18	9.47	97	51.1	56	29.5	12	6.32	190	100
Mean	3.88		3.75		3.32		3.25					
Std. Deviation	0.87		0.84		1.1		0.85					

Source: survey result 2021.

Based on the result presented on the above table 4.2., 111(58.4%) respondents agreed, 37(19.5%) strongly agreed, 30(15.8%) were neutral, the rest 6(3.16%) disagreed and another 6(3.16%) strongly disagreed. This result shows that the majority of the respondents were involved in the process of setting their objectives of performance and its positive response.

Setting the performance appraisal goals makes them feel to be part of their organization. In line with this, the majority respondents were 98(51.6%) in the agreement level, 43(22.6%) were neutral, 31(16.3%) strongly agreed and 18(9.47%) disagreed. No one selected "strongly disagree". This result shows, the majority respondents were involved in setting their performance appraisal goals and they felt that they are part of their organization.

With regard to the statement of on employees who prefer to be evaluated by a designed system, the majority respondents were neutral 73(38.4%), 61(32.1%) were in the level of agreement, 25(13.2%) strongly agreed and 19(10%) strongly disagreed and the rest of the respondents were

12(6.32%) who disagreed. From this result the majority of the respondents want to be evaluated by a designed system.

Concerning to involvement in the decision making in performance appraisal process, the majority respondents were neutral 97(51.1%), 56(29.5%) of respondents were in the agreement level, 18(9.47%) disagreed and 12(6.32%) strongly agreed. The rest of 7(3.68%) of respondents strongly disagreed. As the results shows 97(51.1%) were in neutral level and the organization should review the performance appraisal process on the decisions making part.

4.2.3. Analysis of Employees Perception about Fairness of the PA

The employees were requested to indicate the level of agreement regarding to their perception about the fairness of the existing performance appraisal and their response rate to the statement is presented in the table below.

Table 4.4., Summary on Employee Perception about Fairness of the PAS.

Items	Rating											
	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total	
Employees Perception about Fairness of PA	F	%	F	%	F	%	F	%	F	%	F	%
I feel that my work performance is fairly evaluated.	6	3.16	18	9.47	43	22.63	81	42.63	42	22.11	190	100
The ratings adequately reflect my performance.	1	0.53	37	19.47	24	12.63	73	38.42	55	28.95	190	100
In your opinion performance appraisal can evaluate employee performance properly.	12	6.32	45	23.68	48	25.26	73	38.42	12	6.32	190	100
I feel that my supervisor is competent enough to evaluate my work performance.	6	3.16	18	9.47	38	20	72	37.9	56	29.47	190	100
Mean	3.7			3.76			3.15			3.81		
Std. Deviation	1.02			1.09			1.05			1.06		

Survey result 2021.

Concerning the questions employee's perception about fairness of performance appraisal in the employee's performance effect, the response was 81(42.6%) in the level of agreement, 43(22.6%) were neutral, 42(22.1%) strongly agreed, 18(9.47%) disagreed and 6(3.16%) strongly disagreed. Based on the this results the majority respondents feel their work performance fairly evaluated.

Concerning the employee performance reflection on adequate ratings, the majority respondents were 73(38.42%) in the agreement level, 55(28.95%) strongly agreed, 24(12.637%) were neural, 37(19.47%) disagreed and the rest 1(0.53%) strongly disagreed. Therefore, the majority of respondents feel that the ratings reflected their performance.

As illustrated in the above table 4.4., the respondents were asked their opinion wither the performance appraisal can evaluate employee's performance properly or not, and the employee's response were 73(38.42%) in the agreement level, 48(25.26%) were neutral, 45(23.68%) disagree and both strongly agree and strongly disagree were selected 12(6.32%) each. The majority respondents' opinion show that the performance appraisal can evaluate employee's performance properly.

The last question was the supervisor is competent enough to evaluate the employees work performance and the majority's response was 72(37.9%) in the agreement level, 56(29.47%) strongly agreed, 38(20%) were neutral and 18(9.47%) disagreed. The rest 6(3.16%) strongly disagreed. Based on result, the majority respondents feel their supervisors are competent enough to evaluate their work performance, which shows positive response.

4.2.4 Analysis of the Ongoing Feedback of the Performance Appraisal

The employees were requested to indicate the level of agreement regarding to the ongoing feedback on the existing performance appraisal and their response rate to the statement is presented in the table below:

Table 4.5., Summary of the Ongoing Feedback of the PA.

Items	Rating											
	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total	
Ongoing Feedback	F	%	F	%	F	%	F	%	F	%	F	%
I receive regular performance feedback besides the annual performance review.	6	3.16	45	23.7	54	28.4	48	25.3	37	19.5	190	100
The information provided by your supervisor during your performance feedback is accurate.	0	0	25	13.2	60	31.6	63	33.2	42	22.1	190	100
The performance feedback I receive helps me to improve my overall performance.	0	0	13	6.84	37	19.5	104	54.7	36	18.9	190	100
The response you get from your supervisor is helping you to gain insight about your weaknesses & strengths.	0	0	12	6.32	68	35.8	80	42.1	30	15.8	190	100
Mean	3.34			3.64			3.86			3.67		
Std. Deviation	1.13			0.97			0.8			0.82		

Source: survey result 2021.

As the above table 4.5., describes, the majority of the respondents 54(28.4%) were neutral, 48(25.3%) were in the level of agreement, 45(23.7%) disagreed, 37(19.5%) strongly agreed and the rest 6(3.16%) strongly disagreed. The majority respondents said they receive a regular performance feedback beside the annual performance review.

Regarding the information provided by their supervisors during the performance period question, most of the respondents agreed 63(33.2%), 60(31.6%) were neutral, 42(22.1%) strongly agreed and 25(13.2%) disagreed. No one selected "strongly disagree" in this case. Therefore, the majority of respondents have said information provided by their supervisor during their performance feedback is accurate.

Regarding the third question, the majority of respondents 104(54.7%) agree that the performance feedback they receive helps them to improve their overall performance and 37(19.5%) of them were neutral, 36(18.9%) strongly agreed and 13(6.84%) disagreed. No one selected "strongly disagree" in this case. This shows positive response.

Regarding the fourth question, the majority of the respondents 80(42.1%) in the agreement level, 68(35.8%) were neutral, 30(15.8%) strongly agreed and 12(6.32%) disagreed. No one selected

"strongly disagree" in this case. Therefore, from their response we can conclude that there is an effective ongoing feedback in the organization.

4.2.5. Analysis of the Rewarding Performance

The employees were requested to indicate the level of agreement regarding to the rewarding performance on the existing performance appraisal and their response rate to the statement is presented in the table below:

Table 4.6. Summary on Rewarding Performance.

Items	Rating											
	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total	
Rewarding Performance	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**
Performance appraisal is linked with promotion/demotion.	18	9.47	61	32.11	30	15.79	50	26.32	31	16.32	190	100
I get rewarded based on my individual performance.	12	6.32	61	32.11	54	28.42	32	16.84	31	16.32	190	100
I receive annual step increment based on my performance and it's really encouraging me.	12	6.32	38	20	67	35.26	43	22.63	30	15.79	190	100
I believe hard work is recognized or rewarded.	24	12.63	27	14.21	42	22.11	61	32.11	36	18.95	190	100
Mean	3.08			3.05			3.22			3.31		
Std. Deviation	1.27			1.18			1.13			1.28		

Source: survey result 2021.

Among the majority of the respondents 61(32.11%) disagreed, 50(26.32%) were in the agreement level, 31(16.32%) strongly agreed, 30(15.79%) were neutral and the rest 18(9.476%) strongly disagreed. From the response, we can conclude the majority respondents disagreed that performance appraisal is not linked with promotion or demotion in their organization. Therefore, the organization should review the promotion or demotion mechanism.

With the statement of getting reward based on employee's performance, the respondents 61(32.11%) disagreed, 54(28.42%) were neutral and 32(16.84%) in the agreement level, 31(16.32%) strongly agreed and the remaining 12(6.32%) strongly disagreed. In this response, the majority respondents said that, the individual performance is not rewarded based on their performance ability.

Regarding the third question, the response 67(35.26%) were neutral, 43(22.63%) in the level of agreement, 38(20%) disagreed, 30(15.79%) strongly agreed and the remaining were 12(6.32%) strongly disagreed. Therefore, the results show, the majority respondents were undecided and whereas respondents said their performance is considered in their salary increment and it is encouraging them.

The fourth question in the rewarding section, the response 61(32.11%) in the agreement level, 42(22.11%) were neutral, 36(18.95%) strongly agreed, 27(14.218%) disagreed and the rest were 24(12.63%) strongly disagreed. Above 50% of the respondents believe that hard work is recognized or rewarded in their organization.

4.2.6. Analysis of the Trained Appraiser

The employees were requested to indicate their appraisers' level of qualification on the PAS and their response rate to the statement is presented in the table below:

Table 4.7., Summary on Trained Appraiser.

Items	Rating											
	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total	
Trained Appraiser	F	%	F	%	F	%	F	%	F	%	F	%
The appraiser has enough knowledge of the PAS.	6	3.16	31	16.3	68	35.8	61	32.1	24	12.6	190	100
My appraiser helps me to improve my level of performance.	6	3.16	26	13.7	66	34.7	74	38.9	18	9.47	190	100
I am satisfied with the current performance appraisal in my organization.	4	2.11	48	25.3	78	41.1	30	15.8	30	15.8	190	100
I am satisfied with the way the appraiser conducts my performance review.	6	3.16	25	13.2	81	42.6	48	25.3	30	15.8	190	100
Mean	3.35			3.38			3.18			3.37		
Std. Deviation	1			0.95			1.05			1		

Source: survey result 2021.

As it is shown in the above table 4.7., the majority of the respondents 68(35.8%) were neutral, 61(32.1%) were in the agreement level, 31(16.3%) disagreed, 24(12.6%) strongly agreed and the rest 6(3.16%) strongly disagreed. Therefore, the majority employees believe that the appraiser has enough knowledge of the performance appraisal process.

Regarding the statement that whether the appraiser helps them to improve their level of performance, the majority respondents were 74(38.9%) in the agreement level, 66(34.7%) were neutral, 26(13.7%) disagreed, 18(9.47%) strongly agreed and the rest 6(3.16%) strongly disagreed. This result shows, the majority respondents said their appraisers help them to improve their level of performance.

Regarding the third statement, the majority respondents 78(41.1%) were neutral and 48(25.3%) disagreed. Both strongly agree and agree were selected each 30(15.8%). The rest 4(2.11%) strongly disagreed. The results show that the majority respondents 41.1% were neutral and the rest respondents were 31% satisfied and 28% were dissatisfied in their current performance appraisal. Therefore, in this case it's not positive response in overall review. The rest are satisfied with the current performance appraisal in their organization whereas, some are dissatisfied on their current performance appraisal.

Regarding the last statement whether the employees are satisfied with the way appraiser is conducts the performance review, the majority respondents 81(42%) were neutral, 48(25.3%) in the agreement level, 30(15.8%) strongly agreed, 25(13.2%) disagreed and the rest 6(3.16%) strongly disagreed. This shows that the majority of the respondents are satisfied with their appraisers.

4.2.7. The Analysis of Employee's Performance

The below section anticipates determining whether the employees were satisfied with the current performance appraisal in enhancing their work performance.

Table 4.8., Summary on level of Employee's Performance.

Items	Rating											
	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Total	
Statement about the level of Employee Performance	F	%	F	%	F	%	F	%	F	%	F	%
The current rewarding mechanism associated with the PAS is in enhancing my level of performance.	13	6.84	80	42.1	42	22.1	43	22.6	12	6.32	190	100
I am satisfied with the current appraisers in enhancing my work performance.	6	3.16	62	32.6	48	25.3	62	32.6	12	6.32	190	100
I am satisfied with my participation in the overall performance appraisal process in the organization.	1	0.53	30	15.8	31	16.3	74	38.9	54	28.4	190	100
I am happy with the current ongoing feedbacks applied on my performance.	6	3.16	45	23.7	30	15.8	67	35.3	42	22.1	190	100
I believe that between the employee and the supervisor open communication is in enhancing the employee performance.	6	3.16	45	23.7	30	15.8	67	35.3	42	22.1	190	100
I believe that the performance appraisal ways evaluate my level of performance properly and fairly.	13	6.84	73	38.42	20	10.5	60	31.6	24	12.6	190	100
Mean	2.79		3.06		3.79		3.49		3.49		3.05	
Std. Deviation	1.07		1.02		1.04		1.17		1.17		1.22	

Source: survey result 2021.

With regard to respondents whether the current rewarding mechanism associated with their performance appraisal system is enhancing their performance level, the majority of respondents 80(42.1%) disagreed, 43(22.63%) agreed, 42(22.11%) were neutral, 13(6.84%) strongly disagreed and the rest 12(6.32%) strongly agreed. From this result the majority of respondents disagree with performance appraisal rewarding mechanism of their organization.

Concerning the question were the employees satisfied with the current appraisers in enhancing the employees work performance, the majority of respondents 62(32.63%) were in the agreement level and the same number 62(32.63%) disagreed, 48(25.3%) were neutral, 12(6.32%) strongly agreed and the rest 6(3.16%) strongly disagreed. The summarized result show, 39% agreed, 36% disagreed and 25% were neutral. Therefore, most respondents were satisfied on their current appraisers, but it needs attention to maximize the agreement level.

The response rate on satisfaction with the employee participation in the overall performance appraisal process in the organization, the majority respondents 74(38.95%) agreed, 54(28.42%) strongly agreed, 31(16.32%) were neutral, 30(15.79%) disagreed and the rest 1(0.53%) strongly disagreed. From this result, the majority respondents were satisfied with their performance appraisal participation and its positive response.

Regarding the statement requested whether the employees are happy on their current ongoing feedbacks applied on their performance, the majority respondents were 67(35.26%) in the agreement level, 45(23.68%) disagreed, 42(22.11%) strongly agreed, 30(15.75%) were neutral and the rest 6(3.16%) strongly disagreed. This finding shows that the majority of the respondents are happy with their current ongoing feedbacks applied in their performance.

Concerning the question whether the employee believes that open communication between the employees and supervisors is enhancing their performance or not, the majority respondents were 67(35.26%) in the agreement level, 45(23.7%) disagreed, 42(22.11%) strongly agreed, 30(15.75%) were neutral and the rest 6(3.16%) strongly disagreed. This result show, the majority respondents believe, open communication is enhancing their work performance.

The last statement whether the employees believe or not the PAS is evaluating their performance properly and fairly, the majority respondents were 73(38.42%) disagreed, 60(31.58%) in the agreement level, 24(12.63%) strongly agreed and 20(10.53%) neutral and the rest 13(6.84%) strongly disagreed. This result indicated that, the 45.26% of respondents replied they are dissatisfied and the 44.21% also replied satisfied. The remaining 10.53% are neutral.

4.2.8. Summary Statistics of Performance Appraisal Indicators on Employee Performance
This study, as mentioned is the effect of performance appraisal system on employee's performance in the case of UNECA. The below table 4.9., summarize it as follow:

Table 4.9., Summary of Descriptive Statistics of Performance Appraisal Indicators and employee Performance.

Items	Continuous Open Communication	Employees Participation on PA process	Employees Perception about Fairness of PA	Ongoing Feedback	Rewarding Performance	Trained appraiser	Level of Employee Performance
N	190	190	190	190	190	190	190
Mean	3.38	3.64	3.64	3.7	3.1	3.27	3.41
Std. Deviation	0.709	0.492	0.649	0.816	0.82	0.776	0.86

Source: survey result 2021

The Mean and Standard Deviation are most clearly presented in the above table 4.9., the descriptive analysis of the total average of continuous open communication was (M = 3.38, SD = 0.709), the total average of employee participation on PA process was (M = 3.64, SD = 0.492), the total average of employee's perception on fairness of PA was (M = 3.64, SD = 0.649), the total average of ongoing feedback was (M = 3.7, SD = 0.816), the total average of rewarding performance was (M = 3.1, SD =0.82), the total average of trained appraiser was (M = 3.27, SD = 0,776) and the total average of level of employee performance was (M = 3.41, SD = 0.86). The overall results show moderate satisfaction except the rewarding average that was at the middle of the road.

4.3. Inferential Data Analysis

In this section, the quantitative data analysis is presented, the researcher used Pearson correlation and multi-regression analysis and the information is analyzed with the help of SPSS software.

4.3.1. Correlation Analysis Between Variables

Pallant et. al. (2005) discussed that the correlation analysis is used to describe the strength and direction of the linear relationship between two variables. In this analysis, Bivariate Pearson Product-Moment Coefficient (r) has been used to see the relationship between the dependent and independent variables. Correlation analysis, in this study determines the strengths of relationship between (Performance appraisal system and Employee Performance).

Table 4.10., Pearson Correlation between Factors of Effective Performance Appraisal System and Employee Performance.

Items		Continuous Open Communication	Employees Participation on PA process	Employees Perception about Fairness of PA	Ongoing Feedback	Rewarding Performance	Trained appraiser
Level of Employee Performance	Pearson Correlation	.585**	.245**	.498**	.491**	.437**	.451**
	Sig. (2-tailed)	.000	.001	.000	.000	.000	.000
	N	190	190	190	190	190	190

***. Correlation is significant at the 0.01 level (2-tailed)*

Source: survey result 2021

In the above correlation results presented in table 4.10., there is significant positive relation between the level of continuous open communication and employee performance (r=.585, sig=.000). There is significant positive relation between employee's participation on performance appraisal and employee performance (r=.245, sig =.001). There is significant positive relation between employee's perception about fairness of performance appraisal and employee performance (r=.498, sig =.000). There is significant positive relation between ongoing feedback and employee performance (r=.491, sig =.000). There is significant positive relation between rewarding performance and employee performance (r=.437, sig =.000). Finally, there is also significant positive relation between trained appraiser and employee performance (r=.451, sig=.000).

The findings in table 4.10., intends to determine the correlation between the above-mentioned factors with employee performance. Besides, it is suggested that there was a strong correlation between the 6 factors and employee's performance (r=.451, sig=.000). Furthermore, the table 4.10., indicates that all independents variables had a positive correlation with each other as well as dependent variable.

4.3.2. Multiple-Regression Analysis

In order to gain an insight into the relationships between performance appraisal system and employee performance variables and to identify the predictive relationships between the variable

sets, multiple regression analysis was calculated. Zikmund, Babin and Griffin (2010) discussed that the results of multiple regressions conducted:

> *"an analysis of association in which the effects of two or more independent variables on a single, interval scaled dependent variable are investigated simultaneously"*.

In examining of the six factors that could affect employee performance, the researcher used a regression analysis to test the effect of six independent variables on the dependent variable. Therefore, in this study the researcher used multiple regression analysis, in which tests have been made to examine whether one or more independent variables influence the variation on dependent variable. Besides, a significance level of 0.05 or 5% level was used as a basis to determine the predictor and how significant the impact that multiple regression coefficients ( ).

Table 4.11., Model Summary of Performance Appraisal System and Employee Performance.

Model Summary[b]										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.871[a]	0.759	0.751	0.429	0.759	96.04	6	183	.000	2.477
a. Predictors: (Constant), Appraiser, COC, Participation, Rewarding, Fairness, Feedback										
b. Dependent Variable: EP										

Source: survey result 2021.

From this illustration table 4.11., describe the overall model, whether the model is successful in predicting dependent variable which is employee performance. In the column, labeled 'R' are values used for assessing the overall fit of the model by showing the linear association between the independent variables and the dependent variable. Using the rule of thumb (Field, 2009), the multiple R-value of .871 can be characterized as moderate relationship. The R Square measures how much of the variability in the outcome is accounted for by the predictors. The value of 0.759 indicates that the predictors in the model account for 76% of the variation on the dependent variable. The adjusted R square gives an idea of how well our model generalizes or it indicates the loss of predictive or decrease (Field, 2009). Ideally, we would like its value to be the same, or very close to, the value of R square. In our model, the difference is small (0.759-0.751=0.008

or 1%). This reduction means that the total variation in employee performance at the UNECA can be explained by the independent variables in the model and hence a strong explanatory effect.

Table 4.12., ANOVA on Effect of Performance Appraisal System and Employee Performance.

ANOVAª						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	106.1	6	17.683	96.04	.000ᵇ
	Residual	33.695	183	0.184		
	Total	139.795	189			
a. Dependent Variable: EP						
b. Predictors: (Constant), Appraiser, COC, Participation, Rewarding, Fairness, Feedback						

Source: survey result 2021.

The output in Table 4.12., contains an ANOVA that tests whether the model is significantly better at predicting the outcome than using the mean as a best guess. Thus, it tells us whether the model is a significant fit of the overall data. The model is significant ($F_{(6, 183)}$ = .000 ($p < 0.05$), which means that the set of the 6 predictors can significantly predict the employee performance in the organization. We reject the null hypothesis. So far, we have looked at the summary statistics telling that the overall model parameter was significant.

Table 4.13., Residuals Statistics.

Residuals Statisticsª					
	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.85	4.57	3.41	0.749	190
Residual	-1.478	1.275	0	0.422	190
Std. Predicted Value	-2.081	1.552	0	1	190
Std. Residual	-3.443	2.971	0	0.984	190
a. Dependent Variable: EP					

Source: Survey result 2021

According the residual's statistic table 4.13., Field (2009), advises the importance of checking the normality of residuals. Thus, looking at the histogram and normal probability plot in Figure 4.1., one can confirm that the distribution is normal and the distribution of the standardized residuals against a standard normal distribution is more or less normal, as the points are clustered around the straight line.

Figure 4.1., Histogram and Normality Plot.

Histogram
Dependent Variable: EP

Normal P-P Plot of Regression Standardized Residual
Dependent Variable: EP

_____
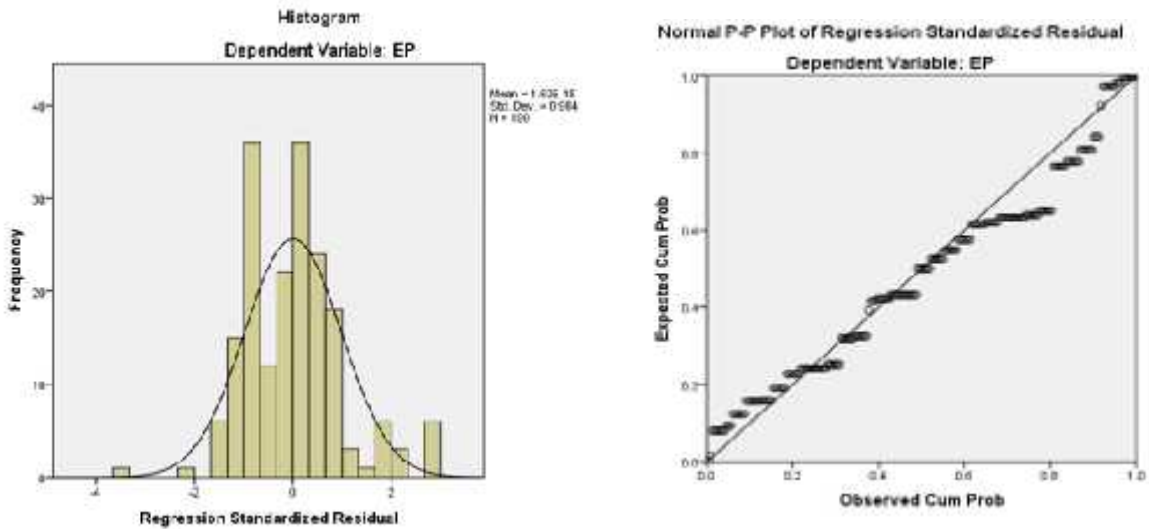
Source: survey result 2021.

Table 4.14., The Durbin–Watson Statistic

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.871[a]	0.759	0.751	0.429	2.477
a. Predictors: (Constant), Appraiser, COC, Participation, Rewarding, Fairness, Feedback					
b. Dependent Variable: EP					

Source: survey result 2021.

Durbin–Watson statistic depends upon the number of predictors in the model and the number of observations. According to Nwankwo (2018) auto-correlation is errors in adjacent scores impact in others, 0-2 stands for positive auto-correlation of the sample scores. And 2 means no auto-correlation and greater than two is negative auto-correlation. It means that the sample scores have inter-mutual influence on one another. Hence, significant findings are not strict predictors of behaviors from 0-2. In this study the Durbin–Watson statistic of 2.477 in Table 4.14., shows that negative auto-correlation, indicates that the significant variables tested are good predictors of the employee performances (Nwankwo et. al., 2018).

Table 4.15., Regression Coefficients on Effect of Performance Appraisal System and Employee Performance.

Coefficients[a]					
Model 1	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-3.774	.353		-10.697	.000
Continues Open Communication	.631	.045	.520	13.940	.000
E. Participation on PAS process	.447	.069	.255	6.429	.000
E. Perception about Fairness of PAS	.554	.057	.418	9.796	.000
Ongoing Feedback	.373	.049	.354	7.653	.000
Rewarding Performance	.247	.045	.236	5.511	.000
Trained Appraiser	-.229	.061	-.207	-3.777	.000
a. Dependent Variable: Employee Performance					

Source: Survey result 2021.

Indicator for the above co-efficient table 4.15., Continues Open Communication (COC), Employee Participation on Performance Appraisal System (Participation), Employee Perception about Fairness of Performance Appraisal System (Fairness), Ongoing Feedback (Feedback), Rewarding Performance (RP), Trained Appraiser (TA).

The standard of regression model is specified as follow: EP= β_0+ β_1(COC)i+ β_2(Participation)i+ β_3(Fairness)i+ β_4(Feedback)i+ β_5(RP)+ β_6(TA)i.

Based on the values from the table, the calculation becomes EP= -3.774+ 0.631(COC)i+ 0.447(Participation)i+ 0.554(Fairness)i+ 0.373(Feedback)i+ 0.247(RP)i+ -0.229(TA)i.

The significance level for the variable "COC" is .000, which is less than our alpha level of 0.05. We reject the null hypothesis and conclude that level of COC is significantly related to the employee performance level. Looking at the unstandardized ß coefficient, we see that it is positive, indicating that as level of COC increases the level of employee performance inputs also increases. If the effects of all other predictors were held constant, we would expect that for every one-unit increase in level of communication, there would be a .520-unit increase at the employee performance level.

The significance level for the variable "Participation" is .000, which is less than our alpha level of 0.05. We reject the null hypothesis and conclude that level of employee participation on performance appraisal system is significantly related to the employee performance inputs level. Looking at the unstandardized ß coefficient, we see that it is positive, indicating that as level of participation increases the level of employee performance inputs also increases. If the effects of all other predictors were held constant, we would expect that for every one-unit increase in level of employee participation on performance appraisal system, there would be a .255-unit increase at the employee performance inputs level.

The significance level for the variable "Fairness" is .000, which is less than our alpha level of 0.05. We reject the null hypothesis and conclude that level of employee perception about fairness of performance appraisal system is significantly related to the employee performance inputs level. Looking at the unstandardized ß coefficient, we see that it is positive, indicating that as level of fairness increases the level of employee performance inputs also increases. If the effects of all other predictors were held constant, we would expect that for every one-unit increase in level of employee perception about fairness of performance appraisal system, there would be a .418-unit increase at the employee performance inputs level.

The significance level for the variable "Feedback" is .000, which is less than our alpha level of 0.05. We reject the null hypothesis and conclude that level of ongoing feedback is significantly related to the employee performance inputs level. Looking at the unstandardized ß coefficient, we see that it is positive, indicating that as level of feedback increases the level of employee performance inputs also increases. If the effects of all other predictors were held constant, we would expect that for every one-unit increase in level of ongoing feedback, there would be a .354-unit increase at the employee performance inputs level.

The significance level for the variable "Rewarding Performance" is .000, which is less than our alpha level of 0.05. We reject the null hypothesis and conclude that level of rewarding performance is significantly related to the employee performance inputs level. Looking at the unstandardized ß coefficient, we see that it is positive, indicating that as level of rewarding performance increases the level of employee performance inputs also increases. If the effects of all other predictors were held constant, we would expect that for every one-unit increase in level of rewarding performance, there would be a .236-unit increase at the employee performance inputs level.

The significance level for the variable "Trained Appraiser" is .000, which is less than our alpha level of 0.05. We reject the null hypothesis and conclude that level of trained appraiser is significantly related to the employee performance inputs level. Looking at the unstandardized ß coefficient, we see that it is negative, indicating that as level of trained appraiser decrease the level of employee performance inputs also decrease. If the effects of all other predictors were held constant, we would expect that for every one-unit decrease in level of trained appraiser, there would be a -.207-unit decrease at the employee performance inputs level.

The overall assumption from the above multiple-regression coefficient output table, the six variables are making significant predictor of the employee performance variable. On other hand, all are significant predictors of the employee performance linkages.

Table 4.16., Confidence Interval Summary.

Confidence Interval						
95.0% Confidence Interval for B	Continues Open Communication	E. Participation on PAS process	E. Perception about Fairness of PAS	Ongoing Feedback	Rewarding Performance	Trained Appraiser
Lower Bound	0.542	0.31	0.442	0.277	0.159	-0.349
Upper Bound	0.72	0.584	0.666	0.47	0.336	-0.109

Source: Survey result 2021

This study also checked the Confidence Interval (CI) for B. The CI is a range of values, above and below a finding, in which the actual value is likely to fall. The confidence interval represents the accuracy or precision of an estimate. Therefore, the 95% confidence interval assessed that for the estimate of the fitted value for the observed values of the variables in the below table 4.16. In other words, the regression model used is very significant at 95% confidence interval.

Table 4.17., Collinearity Statistics Summary.

Collinearity Statistics	Continues Open Communication	E. Participation on PAS process	E. Perception about Fairness of PAS	Ongoing Feedback	Rewarding Performance	Trained Appraiser
Collinearity Statistics						
Tolerance	0.946	0.835	0.723	0.614	0.718	0.44
VIF	1.057	1.198	1.384	1.628	1.392	2.271

Note: Variance Inflation Factors (VIF) and Tolerance Value (TV) for each predictor.
Source: Survey result 2021.

The above table 4.17., illustrates that collinearity statistics, Variance Inflation Factors (VIF) and Tolerance Value (TV) techniques were used to detect multicollinearity among the explanatory variables. VIF of greater than 10 (Gujarati, 2008) and Tolerance below 0.1 (Field, 2009) indicate serious problems of multicollinearity. Therefore, the above table 4.17., presented that all of the Tolerances are greater than 0.1 and the VIF is less than 10. Thus, assume that multicollinearity is not a problem on this study.

4.4. Discussion of Results

The facts and discussions in this chapter examine the effect of performance appraisal system and employee's performance linkage. Performance appraisal system is often considered one of the most important factors for employee performance (Selvarajan and Cloninger, 2012). The findings indicate that a substantial proportion of the respondents suggested that the six factors have helped to improve the employee performance. This study explained the relationship between performance appraisal process and employee performance have a strong relationship. Likewise, Selvarajan et.al., (2011) suggests that performance appraisal system is essential for measuring employee performance.

Several studies on the effect of performance appraisal system and employee performance have shown that fair treatment, feedback, effective communication, collaboration (participation on PAS process) have relationships. The researchers Armstrong and Taylor (2014), highlight that organizational fairness has a strong impact on employees' performance level as well as influences the whole organization's performance. Besides, Maley (2013) explains that the above-mentioned

four factors are the very qualities that are created by an effective performance appraisal system. In this study the continuous open communication, employee perception about fairness, employee participation and ongoing feedback of the PAS have strong relationship with employee performance and the finding also supports the fact that the above-mentioned factors are significant factors which influence the employee performance.

Prior literature has remained mostly at the conceptual level in discussing this link between rewards and employee performance. Many authors agree it should and must exist, but researchers disagree on which rewards best achieve organizational performance goals. On the other hand, the rewarding performance also has strong relationship with employee performance, and it is highly affecting the employee performance. This present research finding also supports that rewarding performance has significant factor which influences the employee performance and it should also specify and look at the best way of rewarding mechanisms according to the organizational goal and need for more scientific research in this area.

Bakker and Schaufeli (2008) found that employees who have positive interactions with their managers/supervisors have increased levels of performance. This study's finding is similar with past research and supports the positive influences of the appraisers on employee performance. The research also indicates trained appraiser has positive relationship with employee's performance as well.

Finally, this study explained the effect of performance appraisal system has a strong relationship with employee performance. The next chapter is on the findings, conclusion and recommendations.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

Basically, the research aims at examining the relationship that may exist between the effect of performance appraisal system and employee performance of the UNECA. Accordingly, the study was conducted to test the following basic questions and recommendations.

5.1. Summary of Findings

The general objective of the study was to determine the effect of performance appraisal system on employee performance based on a survey conducted at the UNECA employee based in Addis Ababa. The study focused on the specific six factors of the performance appraisal indicators.

The study adopted descriptive statistics, Pearson correlation analysis and multiple regression analysis to analyze the data. The target population was 238 employees and a sample size was selected using stratified sampling technique and simple random sampling technique. Structured questionnaire is used for data collection and 190 respondents are retrieved which means 80% of them. The data is analyzed using the Statistical Package for Social Sciences (SPSS version 20) and presented to the readers for easy reference using tables, figures, graphs and histogram.

The descriptive statistical findings show that the majority respondents are those who responded agree and satisfied with the mean results. The mean results are as follows: - continuous open communication mean result was (M rank=3.38), participation in performance appraisal (M rank=3.64), employee perception about fairness of performance appraisal (M rank=3.64), ongoing feedback (M rank=3.7), rewarding performance (M rank=3.1), trained appraiser (M rank=3.27). The results have shown that the performance appraisal system in the organization does contain many of the important factors that make the system effective and it has positive impacts on their employees. On the other hand, few respondents have dissatisfaction on rewarding performance mechanisms and the result shows at the middle of the road means they were neutral. Employees would get the important knowledge of the possible rewards in the organization, while supervisors

would be trained to manage rewards more effectively and therefore, increase employees' performance level.

On this study conducted based on the Pearson correlation analysis the six factors of effective performance appraisal system were, continuous open communication (r=.585), participation on performance appraisal (r=.245), employee perception about fairness of performance appraisal (r=.498), ongoing feedback (r=.491), rewarding performance (r=.437), trained appraiser (r=.451). The overall indicators are strongly correlated with employee performance (r=.451, p-value .000). Besides, the six factors indicate that all independents variables have a positive correlation with each other as well as dependent variable.

Multiple regression analysis was conducted to test the influence among predictor variables. The overall assumption from multiple regression coefficients output result shows that the six variables were making significant predictor of the employee performance variable. On the other hand, all are significant predictors of the employee performance linkages. Besides, the ANOVA model is significant (F (6, 183) = .000 (p < 0.05), which means that the set of the six predictors were significantly predict the employee performance in the organization. More over the p-value of the regression coefficient was less than 0.05 for the six factors. It is noted that ongoing feedback, rewarding performance, trained appraiser, continuous open communication, and fairness of the performance appraisal have significant effect on employees' performance.

5.2. Conclusions

The main objective of this study was to examine the performance appraisal system and its effect on employee's performance at the UNECA. Based on the major findings of the study, the following conclusions are drawn.

The current performance appraisal system factors have impact on employee performance. Following that, there is two-way communication between employees and their supervisors; continuous and accurate feedback that would help them to improve their performance by gaining insight about their weaknesses and strengths; a well-trained appraiser conducted the employee's evaluation; and the performance appraisal system is clear and unbiased.

On the other hand, it is not clear that the performance appraisal system recognizes hard work, which is essential for employee performance. There is no linkage between performance appraisal and employee performance rewarding methods. There is also a gap on performance setting goals. Mainly rating performance lacks rationality and transparency. There is also favoritism on training and other career development areas.

Performance appraisal rating can be measured as a system that has a positive effect on employee performance. The employees may be inspired if the appraisal process is based on accurate and current job descriptions. On the other hand, the respondents showed their interest to be evaluated by a designed system. Finally, the performance appraisal identifies performance problems that would help to improve employee performance as well.

Furthermore, performance appraisal systems provide a means of systematically evaluating employees across various performance dimensions to ensure that organizations are getting what they pay for. They provide valuable feedback to employees and supervisors, and they assist in identifying promotable employee as well as problems.

To conclude, the current performance appraisal system in the organization, the majority respondents were moderately satisfied and agreed. Besides, the overall employees' response on the six factors of effective performance appraisal system have strong and significantly positive effect on employee's performance with significant value less than 0.05. Hence, the effective performance appraisal system applied in the organization would affect employee's performance in positive ways.

5.3. Recommendations

In light of the major findings of the study and the conclusion drawn, the following recommendations are forwarded to strengthen the positive aspects of performance appraisal system in the organization.

- ❖ In this study the rewarding performance findings show that few respondents were neutral and it needs attention on the existing rewarding mechanism. Therefore, the researcher recommends that the rewarding performance should not only be linked to remuneration but also to other strategies. In this regard, the rewarding performance mechanisms must be carefully studied and find out what type of rewarding mechanism are suitable in the organization and apply them to enhance the employee performance accordingly. Moreover,

organizational performance is directly dependent on the performance of each individual employee, that is why it is very important to investigate and improve reward policy of the organization periodically.

- ❖ Honest and ongoing feedback should be given to employees frequently and accurately to achieve better individual performance. This should be constant so that the employees can have regular coaching and feedback with their supervisors to build a culture that values feedback. Furthermore, it is recommended that; comprehensive and detailed feedback should be given to the employees to develop their confidence and excel in their performance.

- ❖ There should be an open and clear communication in the organization where both supervisors and employees can understand the performance appraisal purpose and problems. On top of this, the researcher recommends that real-time communication should be made regular in order to build healthy relationship between employees and supervisors. This, in turn, will make the work environment conducive for both of them. This can be done by having discussion sessions, seminars, workshops, and other ways of communication with employees.

- ❖ Employees who are hardworking and with great problem-solving abilities should be measured in addition to their performance set goals, as it enhances the employee performance beyond the specifics job descriptions.

- ❖ Appraiser should have enough knowledge of the performance appraisal system. It is also suggested that, the appraiser should pay more attention on rating of employee's appraisal, as it could develop trust between employees and supervisors to increase employees' attachment to their organization. In addition, the researcher recommends that trainings should be provided for both employees and supervisors frequently or on a timely basis to achieve the overall performance in the organization.

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ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
MBA PROGRAM

Research Questionnaire to be filled by the UNECA Staff.

Dear Respondents,

This questionnaire is designed to solicit the relevant information for the research carried out on the topic "The effect of Performance Appraisal System on Employee's Performance." The study is conducted for academic purpose for partial fulfillment of the requirements of the Master of a degree in Business Administration (MBA). Hence, your responses will be kept confidential. The soundness and the validity of the findings highly depend on your kind and genuine responses. Therefore, I kindly request you to fill the questionnaire carefully and back to me as much as possible as per the indicated time.

General directions:
- ❖ No need of writing your name.
- ❖ Please put your answer in the given box **"X"** mark and for the number of your choice for the alternatives given.
- ❖ Kindly return your completed questionnaire within a week.
- ❖ If you require further clarification or details, please contact me with either of the following address: E-mail: solomon@un.org or azebsolomon44@gmail.com

Thank you for participating in this questionnaire!

❖ **Part I: Information about Demographic Data:**

	Please mark "X" one of the alternative choices that would describe you best:	
	Sex	**Mark "X"**
1	Female	
2	Male	
	Age	
1	18-30 years	
2	31-45 years	
3	46-60 years	
4	60-65 years	
	Education	
1	Certificate to diploma	
2	Under graduate degree	
3	Masters	
4	PHD and above	
	Duration of service in your current organizations.	
1	0-3 Years	
2	4-7 years	
3	8-10 years	
4	11-15 years	
5	15 years and above	
	Please indicate your position level:	
1	Non-managerial (Non-supervisor)	
2	Managerial (Supervisor)	

❖ **Part II:** Indicate the extent to which you agree with the following statements by using a scale of 1 to 5 where:

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

This section has objectives of the study. Use a mark **"X"** to indicate your opinion.

No.	Determinant Factors of effective Performance Appraisal System (PAS):	5	4	3	2	1
	Continuous Open Communication					
1	Is there a two-way communication between supervisor and employee for expressing their views.					
2	I find it difficult to discuss work issues with my manager/supervisor.					
3	The performance appraisal provides a mechanism for better communication on the overall employee's performance.					
4	I have the opportunity to express my feelings when my performance is evaluated.					
	Employees Participation on PA process					
5	I am personally involved in the process of setting objectives of my future performance.					
6	Participating in setting the PA goals makes me feel to be part of the organization.					
7	Would you prefer your performance to be evaluated					
8	There is involvement in decisions making regarding to the PA process.					
	Employees Perception about Fairness of PA					
9	I feel that my work performance is fairly evaluated.					
10	The ratings adequately reflect my performance.					
11	In your opinion performance appraisal can evaluate employee performance properly.					
12	I feel that my supervisor is competent enough to evaluate my work performance.					

No.	Determinant Factors of effective Performance Appraisal System (PAS):	5	4	3	2	1
	This section has objectives of the study. Use a mark **"X"** to indicate your opinion.					
	Ongoing Feedback					
13	I receive regular performance feedback besides the annual performance review.					
14	The information provided by your supervisor during your performance feedback is accurate.					
15	The performance feedback I receive helps me to improve my overall performance.					
16	The response you get from your supervisor is helping you to gain insight about your weaknesses and strengths.					
	Rewarding Performance					
17	Performance appraisal is linked with promotion/demotion.					
18	I get rewarded based on my individual performance.					
19	I receive annual step increment based on my performance and it's really encouraging me.					
20	I believe hard work is recognized or rewarded.					
	Trained Appraiser					
21	The appraiser has enough knowledge of the PAS.					
22	My appraiser helps me to improve my level of performance.					
23	I am satisfied with the current performance appraisal system in my organization.					
24	I am satisfied with the way the appraiser conducts my performance review.					

❖ **Part III: Level of Employees' Performance regarding to the six factors.**

Indicate the extent to which you agree with the following statements by using a scale of 1 to 5 where: 5=Strongly Agree   4=Agree   3= Neutral   2= Disagree   1= Strongly Disagree.

This section has objectives of the study. Use a mark **"X"** to indicate your opinion.

No.	Statement about the level of Employee Performance	5	4	3	2	1
25	The current rewarding mechanism associated with the performance appraisal system is enhancing my level of performance.					
26	I am satisfied with the current appraisers in enhancing my work performance.					
27	I am satisfied with my participation in the overall performance appraisal process in the organization.					
28	I am happy with the current ongoing feedbacks applied on my performance.					
29	I believe that between the employee and supervisor open communication is in enhancing the employee performance.					
30	I believe that the performance appraisal system evaluates my level of performance properly and fairly.					

Any closing comments?

_____

_____

_____

_____

_____