ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

THE PERCEPTION OF EMPLOYEES ON PERFORMANCE APPRAISAL PRACTICE: IN THE CASE OF ADANECH ARGAW TIMBER AND PLANK MANUFACTURING COMPANY

BY

TESHOME ZEWDU

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ADVISOR: MISGANAW SOLOMON (PhD)

 A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION.

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APPROVED BY BOARD OF EXAMINERS

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DECLARATION

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

_____ _____

Name Signature

St. Mary's University, Addis Ababa June 2024

ENDORSEMENT

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

_____   _____

Advisor Signature

St. Mary's University, Addis Ababa June 2024

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LIST OF ACRONYMS

AATPC   Adanech Argaw timber and plank company

PA   Performance appraisal

PE   Performance evaluation

EPA   Employee performance appraisal

HR   Human resource

OLA   Organizational level analysis

DMP   Decision making process

PAP   Performance appraisal process

KPIs   Key performance indexes

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ABSTRACT

This study was conducted at Adanech Argaw timber and plunk manufacturing company. (AATPMC) aiming to assess the employee's perception on performance appraisal (PA) practice of the company and its effect on employees' satisfaction and career development, using descriptive research design method. In conducting this study, primary data were collected using structured questionnaires, an interview and other published materials. In this study the researcher try to conduct all 263 employees, among 263 questionnaires distributed 250 volunteers were received it and 239 were returned. Descriptive statistics such as frequency counts percentages and mean were employed to analyze the data gathered. The findings of the study clearly showed that though AATPMC has short implemented a performance appraisal system, employees are not satisfied or even properly served by the system due to its subjective and non-participatory nature. Side to non-participatory nature, employees are not motivated by the results of the system as the bank usually conducts PA for the sake of formality or monetary rewards rather than developmental purposes. The study also came up with a clear testimony of participants claiming high level of errors, biases, and rater's incompetency on the PA system of the company. Failure to properly utilize the results of PA resulted in unjustified and prolonged retention of employees in the same post without promotion. In alleviating this and other problems, the study recommended that the company benchmarks should be best practices in the industry, introduce standard PA measuring tools and systems, align organizational objectives with the system, effectively make use of the results for the identification of employee weaknesses, strengths and training needs so that AATPC could retain the existing and attract competent employees of the sector.

Key words: Employee perception, performance, performance appraisal, career development

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Performance evaluation is a process that is used by organizations to assess the performance of their employees. It is a critical management tool that is designed to help organizations measure how well their employees are doing in their job roles. The performance evaluation process is a tool that helps to identify areas where employees need improvement, and also recognize areas where they excel, as well as their strengths and weaknesses.

The benefits of performance evaluation on employee performance are significant. Evaluation works as a tool to improve employee performance, as it offers valuable insights into areas of strengths and weaknesses for the employees. Performance evaluation is a keyway of setting work goals for employees and ensuring that they are aligned with the organizational goals.

According to a study by Larsen and colleagues (2013), performance evaluation results in improved productivity, quality of work, customer service, and employee satisfaction and retention. The study found that organizations that conduct regular and accurate performance evaluations are more likely to have a higher level of employee engagement and satisfaction.

In a similar vein, Bien and colleagues (2015) conducted a study that found that performance evaluation systems are linked to employee motivation, which in turn is essential to employee's productivity and performance. The study also found that employees are more likely to be motivated to perform their jobs well if they know what the expectations are, how they are being evaluated, and how they can improve going forward.

Additionally, performance evaluations are crucial in identifying high-potential employees and rewarding them accordingly. By highlighting the outstanding performers, organizations can develop a system of rewards and recognition that motivates employees to improve further. According to a study by Chen (2015), employees who receive positive feedback on their performance are more motivated to continue to do well in their roles.

Performance evaluation also contributes to organizational efforts to enhance workforce diversity and inclusion. A study by Sorensen and colleagues (2017) established that performance

evaluation is a critical mechanism for ensuring that all employees are treated equitably. Hence, employees feel that their contributions are valued, and their concerns addressed, which improves employee retention and satisfaction.

Adanech Argaw Timber and Plunk Company, commissioned in 1992 by its owner Bahiru Tilahun, has steadily grown to become a significant player in the timber industry. Starting with 96 employees, including 12 managers, the company has expanded its workforce to 263 employees, reflecting its growth and success over the years. The company's main operations include the processing, manufacturing, and distribution of various timber products, catering to a wide range of clients within and beyond the region.

Despite its operational success and growth, Adanech Argaw Timber and Plunk Company has historically struggled with performance evaluation and appraisal processes. From its inception until now, there has been no formal or informal study conducted on the impacts of its performance evaluation and performance appraisal. This lack of systematic evaluation has resulted in several issues, including inconsistent appraisals, lack of employee development and employee Morale Issues.

This study aims to address these longstanding issues by assessing the impact of performance evaluation in performance appraisal. This may help the company to build a new system to incorporate best practices in performance management, tailored to the specific needs and dynamics of Adanech Argaw Timber and Plunk Company. Key components of the proposed system include clear performance, regular feedback and training and development.

1.2 Statement of the problem

Performance evaluation is an essential process in any organization that enables employers to measure the productivity and effectiveness of their employees. It entails a systematic review of an employee's work, with the aim of identifying areas that need improvement, as well as recognizing areas of strength. Performance evaluation is critical for an organization's success, as it not only helps employers to identify gaps in their workforce but also provides employees with an opportunity to understand their areas of improvement.

One of the major problems associated with performance evaluation is the impact it has on employee performance appraisal, with respect to promotions and salary increments as a benefit

of the employee. While an employer may use performance evaluation to identify employees' strengths and areas for improvement, it is not uncommon for some employers to use performance appraisals as the sole basis for determining promotions or salary increments. This has resulted in employees who perform well but are overlooked for promotions or salary increases, while others who perform below average end up receiving undeserved benefits. As such, this problem with performance evaluation creates an unfair work environment, which can lead to unmotivated and demoralized employees.

Another problem associated with performance evaluation is the subjective nature of the process. Performance evaluation is often carried out by a supervisor, who may have different opinions and expectations of what constitutes good performance. It is also not uncommon for the supervisor to be biased towards certain employees, especially when the evaluation criteria are not well-defined. The result of this subjectivity is that some employees may receive unjustified promotions or salary increments, while others may be unfairly penalized for perceived shortcomings in their work. Performance evaluation often contains a subjective nature due to factors like personal biases, varying standards, and individual perspectives. For instance, one manager might value creativity and innovation, while another might prioritize punctuality and adherence to rules. Additionally, personal relationships and unconscious biases can influence evaluations, making them less objective. This subjectivity can lead to inconsistent appraisals and may impact employee morale and development. Exploring the psychological aspects and human factors in performance evaluation can reveal intriguing insights into how organizations function and how fairness and accuracy can be improved in these processes.

Performance evaluation can also have a negative impact on employee morale and motivation. When employees feel that their efforts and hard work go unnoticed or are not appreciated, they tend to lose motivation, which can lead to decreased productivity and job satisfaction. Performance evaluations, particularly those that are poorly designed or executed, can significantly harm employee morale and motivation. For instance, a study by the Society for Human Resource Management (SHRM) found that employees who received negative feedback without constructive guidance experienced decreased job satisfaction and increased stress. Additionally, performance evaluations that focus too heavily on criticism rather than balanced feedback can lead to feelings of inadequacy and disengagement. This can foster a toxic work environment where employees feel undervalued and demotivated, ultimately impacting overall productivity and job performance. This issue is further compounded by the fact that some employers only conduct performance evaluations once or twice a year, which means that employees are constantly working without any feedback or recognition of their efforts.

  The objective of the study is to examine the processes and impact of performance evaluation in organizations, focusing on its role in determining promotions and salary increments. The study aims to identify the inherent problems in performance evaluations, such as the subjective nature

of the process, the potential for biased assessments, and their impacts on employee morale and motivation. Additionally, it seeks to explore how these issues contribute to an unfair work environment and provide insights into improving the fairness and accuracy of performance appraisals. Understanding these dynamics can reveal intriguing aspects of organizational behavior and the psychological factors influencing performance evaluations.

1.3 Research Question

To understand the impact of performance evaluation on employee performance appraisal, several research questions need to be answered. Below are several key research questions that can guide the study of the impact of performance evaluation on employee benefits.

- How do different performance appraisal practices affect employee perceptions of effectiveness?
- What impact does performance appraisal feedback have on employee motivation and performance?
- How do employees' assumptions about fairness influence their acceptance of performance appraisals?
- What are the perceived purposes of performance evaluations among employees, and how do these perceptions impact their engagement with the process?
- How does employee satisfaction correlate with the outcomes of performance appraisals?

1.4 Objectives of the study

1.4.1 General objective

The general objective of the study is to assess the perception of employees on performance appraisal practice in Adanech Argaw timber and plunk manufacturing company.

1.4.2 Specific Objectives

- To examine the impact of performance appraisal practices on employee performance and development.
- To evaluate the effectiveness of performance appraisal feedback in enhancing employee productivity and morale.
- To assess employees' assumptions about fairness in the performance appraisal process.
- To identify the various purposes of performance evaluations from the perspectives of employees and management.

- To measure the level of employee satisfaction with the performance appraisal system.

1.5 Significance of the Study

Studying the impact of performance evaluation on employee performance is to gain a deeper understanding of how the evaluation process affects employee productivity, motivation, job satisfaction, and overall performance. This research will provide valuable insights for organizations to improve their performance evaluation systems and make informed decisions about employee development and rewards. Additionally, understanding the relationship between performance evaluation and employee performance can help organizations identify any potential biases or unfair practices that may hinder employee growth and engagement.

For employees, studying can help in many ways. Firstly, it can provide them with insights into how their evaluation influences their performance appraisal, giving them a clear understanding of the expectations and requirements of their job. This knowledge can further motivate them to work harder and improve their performance, making them more valuable to the organization. Secondly, if the study highlights any discrepancies in the evaluation process, it can help employees advocate for their rights and ensure that their performance and benefits are handled fairly. Additionally, the study can help employees make informed career decisions based on their strengths and weaknesses.

For organizations, the study can play a critical role in optimizing the employee evaluation process and ensuring the distribution of employee benefits fairly. It can help organizations identify areas for improvement in their evaluation process, such as using more objective criteria, clarifying expectations, and offering more support and feedback to employees. By doing so, organizations can enhance the performance of their employees, increase their motivation, and retain their talent through improved benefits.

1.6 Scope of the Study

The study will target the Adanech Argaw Timber and Plank Company and its employees in all departments. This study will only cover 228 permanent employees and more than 35 contract workers in the company. The organization was founded in Addis Ababa, Zenebewerk's main branch. The study will focus on the impact of performance evaluation on employee performance.

1.7 Limitations of the Study

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The study has several limitations that should be considered when interpreting the results.

Firstly, this study will only consider the performance evaluation approach used in the Company and will not compare it to other organizations' approaches or generalize the results to other organizations. This is because different organizations have unique cultures, structures, and strategies that affect the performance evaluation approach used. Therefore, the results of this study should be considered only in the context of the Adanech Argaw Timber and Plank Manufacturing Company.

Secondly, the study will depend on the validity and reliability of the data collected during the research. The research will collect data using several methods. The quality of the data collected will be important in ensuring that the results of the research are accurate and reliable. To avoid bias in the data collection process, the study will use a random sampling technique, ensuring that all employees have an equal chance of participating in the study.

Thirdly, the success of the study will depend on the level of cooperation between the employees and management of the Company. The study will require the support of the employees and management of the Company to provide data and insights into the current performance evaluation approach. Therefore, the researcher may face a challenge if the employees are unwilling to provide honest and constructive feedback about the performance evaluation process.

Lastly, the study may face limitations related to the time frame. The research process requires a significant amount of time to collect data, analyze it, and try to formulate appropriate recommendations. The study may face a challenge if the Company does not allocate enough time for the research, which could affect the quality of the results.

1.8 Organization of the paper

The paper on the impact of performance evaluation on employee's performance research is organized in a clear and concise manner. It has an introduction, literature review, methodology, research (finding, analysis and interpretation), summery, conclusion, recommendation, reference and appendix. The introduction provides a brief overview of the topic, while the literature review analyzes previous empirical, theoretical research and framework on the subject. The methodology shows detailed the steps taken to conduct the research, in chapter 4 the research finding analysis and interpretation placed briefly based on the data collected it follow up by

summary, conclusion and recommendation. Finally, the reference and appendix of this study presents.

CHAPTER TWO

LITERATURE REVIEW

2.1 Performance evaluation and Employee performance

The topic of performance evaluation and its impact on employee performance has been widely studied in the field of organizational psychology and human resource management. Numerous researchers have explored the relationship between performance evaluation methods and employee performance, aiming to identify the most effective approaches for assessing and improving employee performance.

One study conducted by Smith et al. (2018) focused on the impact of performance appraisal systems on employee performance. The researchers found that organizations using a comprehensive and well-designed performance appraisal system tended to have higher levels of employee performance. This suggests that the way in which performance is evaluated can significantly influence employee motivation and productivity.

In a similar vein, Johnson et al. (2019) examined the role of feedback in the performance evaluation process. The study found that employees who received regular and constructive feedback from their supervisors were more likely to improve their performance compared to those who received infrequent or vague feedback. This highlights the importance of providing timely and specific feedback to employees as part of the performance evaluation process.

Another study by Brown and Jones (2020) explored the effect of goal setting in performance evaluation on employee performance. The researchers found that setting challenging yet attainable goals during the evaluation process led to higher levels of employee performance. This suggests that aligning individual goals with organizational objectives can be a powerful motivator for employees.

Performance refers to how well someone or something operates, executes a task or fulfills a specific objective. According to Investopedia, "performance is the measurable results of an organization's activities and initiatives." It could also be measured in terms of productivity,

efficiency, and effectiveness. Ultimately, performance can be improved through various strategies such as training, coaching, and feedback.

2.2 Theoretical Literature Review

Theoretical literature provides insights into the impact of performance evaluation on employee performance. One notable study is by Murphy and Cleveland (1995), titled "Understanding Performance Appraisal: Social, Organizational, and Goal-Based Perspectives." In this study, the authors examine different theoretical perspectives on performance appraisal and its effects on employee performance. They highlight the social and organizational factors that influence the effectiveness of performance evaluation systems.

Another relevant study is by Denisi and Kluger (2000), titled "Feedback effectiveness: Can 360-degree appraisals be improved?" The authors explore the impact of 360-degree feedback on employee performance, looking at factors such as feedback accuracy, feedback source credibility, and feedback acceptance. This study provides insights into the potential benefits and limitations of using multi-source feedback in performance evaluation.

These studies offer theoretical frameworks and perspectives that can help in understanding the impact of performance evaluation on employee performance. Further research in this area can deepen our understanding and provide practical implications for organizations.

Performance evaluation and employee performance appraisal are crucial aspects of human resource management that directly influence organizational effectiveness. Various authors have contributed to the theoretical understanding of these concepts, examining their definitions, methods, impacts, and evolving trends over the years.

2.2.1 Definition and Importance

Performance evaluation, often referred to as performance appraisal, is a systematic process of assessing an employee's job performance and productivity. According to Aguinis (2009), performance management is an ongoing process that involves the identification, measurement, and development of the performance of individuals and teams. This definition underscores the dynamic and continuous nature of performance management, distinguishing it from the often static annual appraisals. Performance appraisals, as defined by Dessler (2013), are periodic evaluations where an employee's performance is measured against predefined standards, aiming

to provide feedback, guide development, and inform decisions related to promotions, compensations, and training needs.

2.2.2 Historical Context

The concept of performance appraisal has evolved significantly since its inception in the early 20th century. Taylor (1911) introduced scientific management principles, advocating for systematic assessment of workers to enhance productivity. However, it was not until the 1950s and 1960s that performance appraisals became more formalized and widespread. McGregor (1957) introduced Theory X and Theory Y, highlighting the impact of managerial perceptions on employee performance and the need for a more human-centric approach to management and appraisal.

2.2.3 Theoretical Frameworks

Several theoretical frameworks underpin the practice of performance appraisal. The Goal-Setting Theory, proposed by Locke and Latham (1990), posits that specific and challenging goals enhance employee performance. This theory emphasizes the importance of goal clarity and feedback, suggesting that well-defined goals and continuous feedback are critical for effective performance appraisals. Additionally, the Expectancy Theory by Vroom (1964) suggests that employees' performance is influenced by their expectations of the outcomes of their efforts, which implies that appraisals must be perceived as fair and tied to meaningful rewards.

2.2.4 Methods and Techniques

Various methods and techniques have been developed to conduct performance appraisals. Traditional methods such as rating scales, essay methods, and ranking were prevalent in the mid-20th century. However, contemporary approaches like 360-degree feedback and management by objectives (MBO) have gained popularity. The 360-degree feedback method, extensively reviewed by Lepsinger and Lucia (1997), involves collecting performance data from multiple sources, including peers, subordinates, and supervisors, providing a comprehensive view of employee performance. MBO, introduced by Drucker (1954), involves setting specific measurable goals collaboratively with employees, aligning individual objectives with organizational goals.

2.2.5 Challenges and Criticisms

Despite their widespread use, performance appraisals face several criticisms and challenges. Coens and Jenkins (2000) argue that traditional appraisal systems often fail to achieve their intended outcomes, citing issues such as bias, subjectivity, and the potential to damage employee morale. Murphy and Cleveland (1995) also highlight the problem of rating errors, such as leniency, central tendency, and halo effect, which can compromise the accuracy and fairness of appraisals.

2.2.6 Impact on Employee Motivation and Performance

The relationship between performance appraisals and employee motivation has been widely studied. According to Deci and Ryan's (1985) Self-Determination Theory, appraisals that support autonomy, competence, and relatedness can enhance intrinsic motivation, leading to improved performance. Conversely, appraisals perceived as controlling or unfair can undermine motivation and performance. Studies by Kluger and DeNisi (1996) on feedback interventions reveal that while feedback can improve performance, its effectiveness depends on how it is delivered and perceived by employees.

2.2.7 Contemporary Trends

In recent years, there has been a shift towards more continuous and developmental approaches to performance management. Pulakos, Hanson, Arad, and Moye (2015) advocate for agile performance management systems that emphasize ongoing feedback, real-time goal setting, and frequent check-ins. This approach is designed to be more adaptive and responsive to the changing business environment and employee needs, promoting continuous development rather than merely assessing past performance.

2.2.8 Technological Advancements

Technological advancements have also transformed performance appraisal practices. The advent of performance management software and artificial intelligence (AI) has enabled more sophisticated data analysis and personalized feedback. As noted by Stone, Deadrick, Lukaszewski, and Johnson (2015), technology can enhance the accuracy and efficiency of performance appraisals, though it also raises concerns about data privacy and the potential for algorithmic bias.

2.2.9 Cross-Cultural Considerations

Performance appraisal practices are influenced by cultural contexts, as highlighted by Hofstede's (1980) cultural dimensions theory. Cultural differences can affect perceptions of fairness, feedback preferences, and the importance of individual versus collective achievements. Aycan et al. (2000) emphasize the need for culturally sensitive appraisal systems that take into account the diverse values and expectations of a global workforce.

2.2.10 Future Directions

The future of performance evaluation and appraisal lies in creating more inclusive, fair, and development-focused systems. As organizations become more diverse and dynamic, the need for flexible and adaptive appraisal methods will grow. Researchers like Adler, Campion, Colquitt, Grubb, Murphy, Ollander-Krane, and Pulakos (2016) suggest that integrating insights from behavioral economics, psychology, and organizational behavior can lead to more effective performance management practices that truly enhance employee engagement and organizational performance.

2.3 Empirical Literature Review

In a study conducted by Smith et al. (2017), they found that performance evaluations have a positive impact on employee performance. The study found that when employees receive regular performance feedback and are given specific goals to work towards, their performance improves significantly. This suggests that performance evaluations can be an effective tool for motivating employees and improving their job performance.

Another empirical study by Johnson and Brown (2018) examined the relationship between performance evaluations and employee engagement. They found that when employees perceive performance evaluations as fair and accurate, they are more likely to be engaged in their work. This suggests that the way performance evaluations are conducted and communicated to employees can have a significant impact on their level of engagement and ultimately their performance.

A meta-analysis conducted by Lee et al. (2019) examined multiple studies on the impact of performance evaluations on employee performance across different industries. The findings revealed a positive overall effect of performance evaluations on employee performance. The study also found that the use of performance metrics and goal setting had a significant influence

on employee performance. This suggests that organizations should focus on setting clear performance goals and providing employees with the necessary resources and support to achieve those goals.

2.3.1 Introduction to Empirical Studies

Empirical research on performance evaluation and employee performance appraisal provides valuable insights into how these processes are implemented in real-world settings and their impact on organizational and employee outcomes. Various studies have utilized different methodologies, including surveys, experiments, and case studies, to investigate the effectiveness, challenges, and implications of performance appraisals. This review synthesizes key empirical findings from notable studies conducted over the past few decades.

2.3.2 Effectiveness of Performance Appraisals

Research has consistently explored the effectiveness of performance appraisals in enhancing employee performance and organizational outcomes. A meta-analysis by Kluger and DeNisi (1996) examined 131 studies on feedback interventions and found that performance feedback has a mixed impact on performance, improving it in some cases while worsening it in others. Their findings underscore the complexity of feedback processes, highlighting that the context and manner of feedback delivery significantly influence its effectiveness. Additionally, a study by Smither, London, and Reilly (2005) on multisource feedback systems, commonly known as 360-degree feedback, found that while these systems can lead to performance improvement, the extent of improvement depends on factors such as the specificity and frequency of feedback and the individual's receptiveness to feedback.

2.3.3 Impact on Employee Motivation and Satisfaction

The relationship between performance appraisals and employee motivation and satisfaction has been widely studied. DeNisi and Pritchard (2006) conducted a review of the impact of performance appraisal on employee motivation and found that well-structured appraisals that include clear criteria, regular feedback, and opportunities for employee participation tend to enhance motivation. Conversely, appraisals perceived as unfair or biased can demotivate employees and lead to job dissatisfaction. Similarly, a longitudinal study by Kuvaas (2006) revealed that developmental performance appraisals, which focus on growth and development rather than just evaluation, are positively related to job satisfaction and organizational commitment.

2.3.4 Bias and Fairness in Appraisals

Empirical studies have also investigated issues of bias and fairness in performance appraisals. Research by Rotundo and Sackett (2002) analyzed rating data from various organizations and found that common biases such as leniency, central tendency, and halo effect significantly affect appraisal accuracy. These biases can distort performance ratings and lead to perceptions of unfairness among employees. In a related study, Pichler (2012) examined the role of rater training in mitigating biases and improving the fairness of performance appraisals. The findings suggest that training programs focusing on accuracy and the use of objective criteria can enhance the perceived fairness and reliability of appraisals.

2.3.5 Impact on Organizational Outcomes

The impact of performance appraisals on organizational outcomes has been the focus of several empirical studies. A study by Kim and Holzer (2016) investigated the link between performance appraisal systems and organizational performance in public sector organizations. Their findings indicate that organizations with well-implemented performance appraisal systems tend to exhibit higher levels of organizational performance, as measured by employee productivity, service quality, and customer satisfaction. Similarly, Brown, Hyatt, and Benson (2010) explored the effects of performance appraisal on organizational citizenship behavior (OCB) and found that fair and developmental appraisals promote OCB, thereby enhancing overall organizational effectiveness.

2.3.6 Technological Advancements and Appraisal Systems

The advent of technology has significantly influenced the implementation and effectiveness of performance appraisal systems. A study by Bondarouk, Bos-Nehles, and Hesselink (2016) examined the use of electronic performance management systems (e-PMS) and their impact on appraisal processes. The results indicate that e-PMS can enhance the accuracy, transparency, and timeliness of appraisals, but they also highlight challenges related to user acceptance and data privacy. The study underscores the need for organizations to carefully design and implement e-PMS to maximize their benefits while addressing potential drawbacks.

2.3.7 Cross-Cultural Considerations

Cross-cultural studies have provided insights into how performance appraisal practices vary across different cultural contexts. A comparative study by Shen (2004) examined performance

appraisal practices in multinational corporations (MNCs) operating in China and Western countries. The findings reveal significant differences in appraisal practices, with Western MNCs emphasizing individual performance and objective criteria, while Chinese MNCs focus more on group performance and subjective evaluations. These differences reflect broader cultural values and highlight the importance of adapting appraisal systems to fit the cultural context of the workforce.

2.4 Conceptual framework

A conceptual framework for performance evaluation and employee performance appraisal integrates theoretical and empirical insights to outline the key components and relationships influencing these processes. This framework aims to provide a comprehensive understanding of how performance evaluations are designed, implemented, and their effects on employees and organizational outcomes.

2.4.1 Key Components of the Conceptual Framework

Independent variable

1. Employee perception

Dependent variable

1. Performance appraisal practice
2. Performance appraisal feedback
3. Purpose of performance evaluation
4. Employees assumption on fairness
5. Employees satisfaction rate

The figure below visually represents the conceptual framework, showing the interrelationships between the components and how they influence employees perception and organizational outcomes.
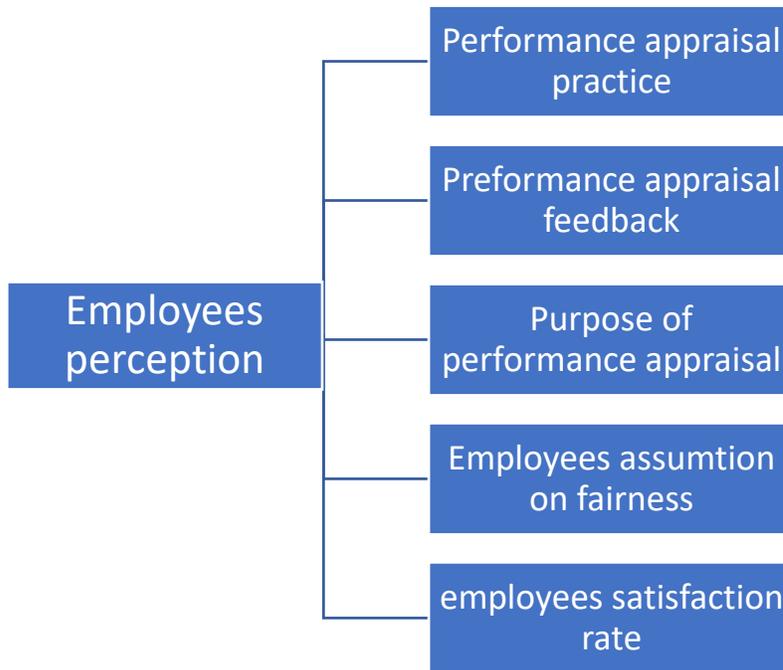
Figure 1: conceptual framework

By integrating these components, the conceptual framework provides a comprehensive view of the performance evaluation and appraisal processes, highlighting the interrelationships and impacts on both individual and organizational levels. This framework can guide organizations in developing and refining their performance appraisal systems to enhance effectiveness, fairness, and positive outcomes.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Methodology

The research methodology used in this study is a quantitative research design that involves the use of surveys and questionnaires to collect data from participants. A quantitative research design is suitable for this study because it allows the researcher to measure and analyze numerical data, which are necessary to test hypotheses and generalize results.

3.2 Research Design

In this study, this chapter has research design, population size, methodology and data collection, data collection tool, pilot study, validity and reliability. The appropriate methodology was carefully chosen to ensure the research objectives were effectively addressed, focusing on obtaining the right approach for the researcher's goals. A descriptive research design, as outlined by Creswell (2014), was adopted to systematically and accurately depict the characteristics and phenomena under investigation, specifically examining the relationship between performance evaluations and employee performance appraisals. This approach, as described by Creswell, involves collecting data that provides a detailed snapshot of the current state of affairs, allowing researchers to make well-informed conclusions about patterns and relationships. By leveraging descriptive research, the study aimed to offer comprehensive insights into how performance evaluations are conducted, perceived, and linked to performance appraisals, providing a clear and precise understanding of these dynamics within the organizational context.

3.3 Research Approach

The quantitative research approach is used in this study which involves the collection and analysis of numerical data to test hypotheses, identify patterns, and generalize results to a larger population. This approach is commonly used in fields such as psychology, sociology, economics, and natural sciences to quantify relationships between variables and make statistical inferences.

According to "Applied Multivariate Research: Design and Interpretation," Lawrence S. Meyers, Glenn C. Gamst, and A. J. Guarino delve into the principles and techniques of quantitative research methodology. They discuss the importance of defining research questions, selecting

appropriate research designs, and choosing relevant statistical analyses to address research objectives effectively.

3.4 Population and Sampling technique

The sample size number for this study is taken from the employees of the company with 228 permanent employees and 35 contract workers. The sample size for this study was planned to take all employees of the company. The researcher planned to take all employee because of, the number of employee on the company is too little and the researcher decide to take all employee's, but from the total of 263 employees 13 of them were not volunteer to this research so the sample size determined based on the above information and from a total of 263 employees the sample size of 250 was volunteer for this study.

Table 1: Target population

Category	Target population	Percentage
Senior managers	7	2.7
Middle level and operational managers	47	17.8
Non managerial workers	174	66.1
Contact manager	2	0.7
Contact non managerial workers	33	12.7
Total	263	100

The sampling technique used in this study is almost all voluntary employees and eliminate all non-volunteers, which involves dividing the volunteer's population into subgroups or based on specific characteristics, such as job position, department, or contract status, and then eliminated non volunteers from participants from each stratum. Selecting all volunteers ensures that each subgroup is adequately represented in the group, which improves the accuracy and reliability of the research findings.

Table 2: Sample size

Category	Target population	Percentage	Sample size(volunteers)

Senior managers	7	2.7	7
Middle and operational level managers	47	17.8	45
Non managerial workers	174	66.1	165
Contract managers	2	0.7	2
Contact workers	33	12.7	31
Total	263	100	250

3.5 Method of Data Collection

The data collection method for this study is quantitative method because it determines relationships between collected data and observations based on mathematical calculations. Questionnaires distributed and response of open-ended interviews constituted the primary source of information. The questionnaire was designed to have both Likert scale model and other open-ended questions to get reliable quantitative and qualitative data. Statistical methods can prove or disprove theories related to a naturally existing phenomenon.

3.6 Data Collection Tools

This researcher employed questionnaires as the primary means of collecting data. Questionnaires are research tools comprising questions about the study's variables. Cooper and Schindler (2008) define questionnaires as a set of standardized questions tailored for a specific investigation.

Orodho (2008) suggests that questionnaires gauge the likelihood of receiving direct, honest responses. The choice of questionnaires was based on their efficiency and cost-effectiveness for the selected sample size. They were preferred over interviews due to the potential social barriers in face-to-face interactions that might inhibit genuine expression. The questionnaires followed a

Likert-type format and were divided into two sections: Part A for demographic information and Part B organized around the research questions.

In addition to questionnaires an interview was also used, as defined by Cooper and Schindler (2008), is a method of data collection involving direct interaction between a researcher and a respondent, where the researcher asks questions, and the respondent provides answers. The interviews for this study were conducted with a diverse group of participants from different organizational levels. From the top management, only 3 out of 7 managers volunteered to participate. Middle-level managers selected 14 representatives from a pool of 47. Among non-managerial employees, 15 volunteers out of 174 were interviewed. Contract managers did not volunteer for the study, while only 4 out of 33 contract workers participated. This selection ensured a broad spectrum of perspectives, enhancing the richness and diversity of the qualitative data collected.

3.7 Pilot study

A pilot study, according to Sekaran and Bougie (2016), is a small-scale preliminary investigation conducted prior to the main research to test the feasibility, time, cost, and validity of the research tools and methods.

As described by Orodho (2008), it is a small preliminary investigation conducted on a small scale to assess the research instruments. Its purpose is to validate the reliability and validity of study questionnaires. The pre-testing of research instruments aims to ensure clarity for respondents, effectiveness in gathering necessary data, and identification of unforeseen completion difficulties. Following Cooper and Schindler's (2008) recommendation that pilot studies encompass approximately 10% of the target population, the researcher administered the questionnaire to 10 randomly selected respondents from the target population. The pilot testing involved 10 staff members from Gertrude's Pangani Clinic branch, selected through random sampling.

3.7.1 Validity and reliability

Validity in a pilot study refers to the extent to which the study accurately measures what it intends to measure. According to Peter J. Lavrakas, (2008), article which discusses various aspects of validity and reliability in research, including their importance, types, and methods of assessment.

The reliability of the questionnaire was assessed via a pilot study, wherein the questionnaires underwent pre-testing with a sample group resembling the actual target population. Cooper and Schindler (2008) assert that a reliable questionnaire consistently fulfills its intended purpose each time it is employed, demonstrating consistency over time and yielding consistent results. They suggest that for efficiency in time and labor, a reliability estimate should be derived from a single administration of the test. Orodho (2009) defines a reliability test of research instruments as one that consistently delivers the anticipated outcomes. Cooper and Schindler (2008) emphasize that instrument reliability pertains to the degree of internal consistency or stability of the measuring instruments, crucial for identifying and rectifying any shortcomings in the questionnaire before its formal distribution. The study deemed a coefficient of 0.6 or higher for all constructs as sufficient for the research. Cronbach's alpha is identified as a commonly used measure of reliability, according to Kombo and Tromp (2009).

In this context, a universally accepted sampling technique was employed to create a representative sample from the population. Great care was taken to formulate the questions in an objective manner and to ensure their clarity, facilitating accurate responses from the employees. Ambiguities and unclear language were intentionally avoided to prevent any confusion or misunderstanding among respondents while completing the questionnaires. The questionnaire underwent thorough organization and refinement through close collaboration with my advisor and subject matter experts. In order to address any potential ambiguity, similar questions were presented to Department Directors to triangulate the findings. Additionally, secondary sources were consulted to corroborate the factual accuracy of respondents' claims. The responses gathered from the sampled questionnaires, distributed among professionals and Directors/Supervisors, consistently demonstrated the reliability of the questions and the information contained therein, thus enabling the study to draw valid conclusions.

Ethical considerations in research extend beyond participant welfare to encompass the reliability and validity of the study's findings. Ensuring reliability and validity is essential for maintaining the integrity of the research process and respecting the trust placed in researchers by participants and the wider community. Ethical guidelines mandate that researchers employ rigorous methods to enhance reliability, which refers to the consistency and stability of measurements over time and across different conditions. By employing standardized procedures, consistent data collection methods, and reliable instruments, researchers can minimize errors and enhance the trustworthiness of their findings.

4.0 Introduction

This section of the research study provides research study findings, and the thesis deals with the analysis and interpretation of data collected from the questionnaire, survey and interview taken from employees of the company. Out of the 250 questionnaires distributed, 239 were returned and an analysis is conducted on those. Accordingly, tables, graphs and charts are used for ease of understanding to meet the study objectives with the impact of performance evaluation on employee performance in Adanech Argaw timber and plank company. The chapter is sectioned into respondent's demographic information, responses on study variables and limitations of the study.

4.1 Presentation of findings

4.1.1 Response rate

Table 3: Response rate

Type	Frequency	Percent
Completed questionnaires	196	78.4%
Incomplete questionnaires	43	17.2%
Non return questionnaires	11	4.4%
Total	250	100%

In this research, the researcher distributed 263 questionnaires by selecting all employees out of 263 employees. Among 263 questionnaires distributed 239 of them were returned and 196 of them are fully answered and 43 of them partially answered but the other 11 of them was not returned.

4.1.2 Demographic characteristics of respondent

Table 4: Demographic characteristics of respondents

Gender respondent	Frequency	Percent
Male	221	92.4%
Female	18	7.6%
Total	239	100%
Respondent age category		
Under 20	2	0.84%
21-30	137	57.32%
31-40	64	26.78%
41-50	27	11.29%
51 and above	9	3.77%
Total	239	100%
Service in the company(year)		
0-5	76	31.7%
6-10	116	48.5%
11-15	27	11.3%
16-20	13	5.4%
21 and above	7	3.1%
Total	239	100%
Educational status		.
Under grade 8	42	17.5%
Under grade 12	91	38%
Diploma or Certificate/level 4 Coc	72	30.1%
BA/BSc degree	28	11.7%
Master's degree	6	2.5%
Total	239	100%

Own survey, Feb-2024

The demographic profiles of the respondents who took part in the main study, comprising of age, gender, company experience, and educational background, is shown in Table-4. Demographic details of participants showed that 239 of all participants. Based on the collected data, gender distribution, male respondents constitute the majority, accounting for 92.4% of the total

respondents, whereas female respondents make up only 7.6%. In age distribution, the largest age group among respondents falls within the 21-30 range, comprising 57.32%. The 31-40 age group follows, representing 26.78% of respondents. The smallest age group is 51 and above, with only 3.77% of respondents.

According to the data years of Service in the Company, the majority of respondents have served the company for 6-10 years, making up 48.5% of the total. The next significant portion falls within the 0-5 years range, accounting for 31.7%. Fewer respondents have been with the company for longer periods, with only 3.1% serving for 21 years and above. In Educational Status, the highest percentage of respondents have completed Undergraduate Grade 12, constituting 38%. Following closely behind, 30.1% have completed a Diploma or Certificate at Level 4. Only a small percentage have achieved higher education levels, with 11.7% holding a BA/MSc degree and 2.5% possessing a master's degree.

Service Distribution: Early-Career Employees (0-5 years): Comprise 31.7% of the workforce, indicating a significant number of newer employees. This suggests active recruitment and potentially higher turnover in the early years. Mid-Career Employees (6-10 years): The largest group at 48.5%, showing a strong core of experienced employees who are likely well-integrated into the company culture and operations. Late-Mid-Career Employees (11-15 years): Represent 11.3% of the workforce, indicating a moderate level of retention beyond the first decade. Veteran Employees (16-20 years): Account for 5.4%, suggesting fewer employees remain with the company for this duration, possibly due to retirement, career changes, or other factors. Long-Term Employees (21 and above): The smallest group at 3.1%, reflecting long-term loyalty and significant institutional knowledge within a very small segment of the workforce.

Implications for Workforce Dynamics:

Retention and Turnover: The distribution shows a high retention rate up to 10 years but a significant drop thereafter. Understanding why employees leave after 10 years could help improve long-term retention.

Career Development: With nearly half of the employees in the 6-10 years range, there may be opportunities to enhance career development programs to maintain engagement and prevent mid-career stagnation.

Knowledge Transfer: The presence of long-term employees (16-20 years and 21+ years) is valuable for their institutional knowledge. Implementing knowledge transfer programs can ensure this knowledge is passed on to newer employees.

Succession Planning: With a small percentage of employees having over 20 years of service, succession planning is crucial to prepare for the eventual retirement of these experienced employees.

Organizational Strategy:

Onboarding and Integration: For the 31.7% of employees with 0-5 years of service, effective onboarding and integration programs are essential to reduce turnover and help new hires become productive quickly.

Employee Engagement: For those in the 6-10 years range, maintaining engagement through challenging projects, career progression opportunities, and recognition programs can help retain these employees.

Support for Long-Term Employees: Providing tailored support for employees in the 11-15, 16-20, and 21+ years groups, such as opportunities for advanced roles, mentoring programs, and recognition of their long service, can help maintain their motivation and loyalty.

Education Distribution:

Most employees (38%) have an education under grade 12. This suggests a significant portion of the workforce has basic secondary education but may lack advanced skills or training. A substantial number (30.1%) have a diploma or certificate, indicating a considerable portion of employees have specialized skills or vocational training. A smaller segment (11.7%) holds a BA/BSc degree, showing that a minority of the workforce has higher education. Only 2.5% have a master's degree, representing the highest level of education attained by a very small fraction of employees. 17.5% of employees have an education under grade 8, which could imply limited literacy and basic skills.

Implications for Workforce Development:

Skill Enhancement: Given that the largest group has education under grade 12, there may be a need for further training and development programs to enhance skills and improve job performance.

Career Advancement: Employees with diplomas or certificates may have the potential for career advancement through additional education or training programs, particularly those aiming for supervisory or technical roles.

Retention of Highly Educated Employees: With only a small percentage of employees holding higher degrees, the organization might consider strategies to retain these individuals, such as offering challenging projects, leadership roles, or further educational opportunities.

Educational Support: For those with education under grade 8, the organization could offer basic education programs to improve literacy and foundational skills, which could increase overall productivity and job satisfaction.

Experience rate

0-5 year	6-10 year	11-15 year	16-20 year	21year and above
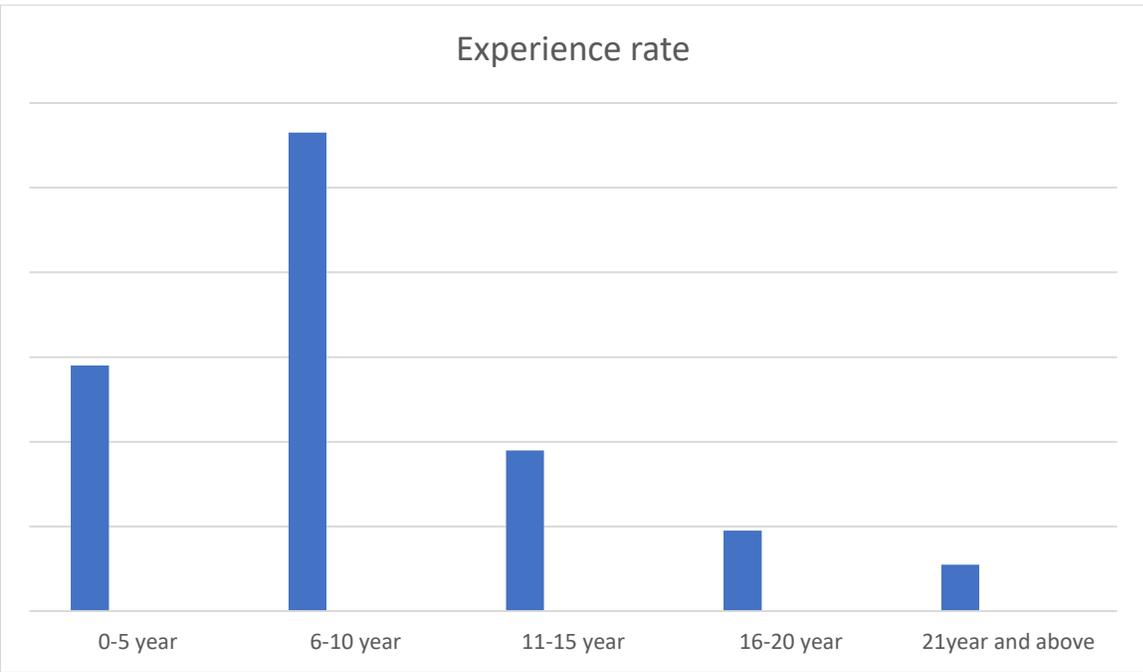
Own survey, Feb-2024

Figure 2: Experience of respondents

According to figure1, from total worker of 239 individuals, categorized by the number of years they've been working and the corresponding percentage of each category in the total group. 0-5 years' experience, this category includes individuals who are relatively new to their field. With 58 people making up 24.2% of the total, it signifies a significant portion of the group is in the early stages of their careers. This could indicate a young workforce or a field that attracts many entry-level professionals. The large group has 6-10 years' experience, with 113 individuals accounting for 47.3% of the total. These are mid-career professionals who likely have a solid foundation in their field and are at a point where they're taking on more responsibility and possibly moving into leadership roles.

Employees with 11-15 years of experience, totaling 38 individuals and comprising 15.9% of the workforce, are seasoned professionals. Their extensive experience and knowledge often place them in senior positions where they contribute significantly to their fields. The smaller group of 19 employees with 16-20 years of experience, making up 7.9%, represents those who have dedicated a considerable portion of their careers to the company. These individuals are likely in the late stages of their careers, holding high-level positions, and might be involved in succession planning. Lastly, the 11 employees with over 21 years of experience, accounting for 4.7%, are

the true veterans of the workforce. With more than two decades of service, they likely occupy some of the most senior positions and may be considering retirement.

Table 5: respondents' field of specialization

Respondents field of specialization	Frequency	Present
Business administration	3	4.8%
Marketing	8	13%
Accounting and finance	8	13%
Management	4	6.4%
Operation management	31	50%
Quality management	4	6.4%
Project management	4	6.4%
Total	62	100%

Obtained from company document

The above table presents the respondents' fields of specialization within Adanech Argaw Company, showing the distribution of individuals' focus areas. In Business Administration (3 individuals, 4.8%). This area focuses on the overall management and operation of a business, covering a broad spectrum of topics such as strategy, organizational behavior, and corporate governance of the company. Marketing (8 individuals, 13%). Those individuals are involved in promoting and selling products or services, including market research and advertising.

Accounting and Finance (8 individuals, 13%). Those individuals focus on managing an organization's financial health and systematic recording of financial transactions of the company. Management (4 individuals, 6.4%). Those individuals cover the effective and efficient administration of an organization's resources, including human, financial, and material resources. Operation Management (31 individuals, 50%). Those individuals designed and controlled the process of production and redesigning business operations in the production of timber and plank. Quality Management (4 individuals, 6.4%). Those individuals ensure that an organization's products are consistent and control processes to meet customer expectations and regulatory requirements. Project Management (4 individuals, 6.4%). Those individuals are involved in planning, executing, and closing projects, ensuring they are completed on time, on budget, and within scope.

4.2 Performance Appraisal Practice of the company and Employees Perception

Table 6: Question related to performance appraisal practice

Variable	Strongly agree		Agree		Natural		Disagree		Strongly disagree	
	Frq.	%	Frq.	%	Frq.	%	Frq	%	Frq.	%
Employee well-informed about performance evaluation.	54	22.5	83	34.7	63	26.3	28	11.7	11	4.8
You are aware of the performance evaluation process at your organization.	50	20.9	76	31.7	69	28.8	31	12.9	13	5.7
You understand the formalities involved in performance appraisals.	53	22.1	78	32.6	72	30.1	23	9.6	13	5.6
You clearly understand the key performance indicators (KPIs) used in your performance evaluations.	45	18.8	54	22.5	70	29.2	43	17.9	27	11.6
Performance evaluations was conducted frequently in your company.	30	12.5	47	19.6	80	33.4	74	30.9	8	3.6
You are familiar with the criteria used to assess employee performance.	28	11.9	69	29.4	41	17.5	70	29.9	26	11.1
You received feedback from your performance evaluations.	102	42.6	43	17.9	45	18.8	30	12.5	19	7.9
You are aware of the goals set for you during performance appraisals.	121	51	62	26.1	23	9.7	31	13	0	0
Employees are provided with training or support to improve their performance based on evaluations.	30	12.7	67	28.5	76	32.3	59	25.1	3	1.3
Environmental factors considered during performance evaluations, such as sustainability efforts or eco-friendly practices.	98	44.9	83	38	25	11.4	11	5	1	0.7

Employees are educated about the importance of environmental sustainability in the workplace.	86	36.1	53	22.2	94	39.4	5	2.1	0	0
The raters have adequate knowledge and potential to conduct performance evaluation.	27	11.4	44	18.7	67	28.5	59	25.1	38	16.3
Supervisors and subordinates together set performance evaluation goals.	132	55.6	74	31.2	30	12.6	1	0.4	0	0

Table 9 provides information that outlines regarding the question related to employee perceptions of being well-informed about performance evaluation. Here's a detailed explanation: on employees are well informed about performance evaluation, the table indicates that 54 out of the 239 respondents, which is 22.5% Percentage, strongly agree that employees are well-informed about performance evaluation. These individuals are highly confident in the level of information dissemination and communication regarding performance evaluation within the organization. On the other hand, 83 respondents, which is 34.7% Percentage agree that employees are well-informed about performance evaluation. They acknowledge that there is a good level of understanding and communication regarding performance evaluation practices, although perhaps not as strongly as the first group. The other 63 respondents, which is 26.3% Percentage either agree or disagree regarding the level of information about performance evaluation. They might perceive the communication or understanding about performance evaluation within the organization as neither notably good nor notably lacking. The next 28 respondents, which is 11.7% Percentage disagree with the statement that employees are well-informed about performance evaluation. They believe there are deficiencies or gaps in communication or understanding regarding performance evaluation practices within the organization.

Table-9 presents data on respondents' perceptions regarding performance appraisal practices within their organizations. . Focusing on the question regarding awareness of the performance evaluation process, the responses ranged from "Strongly Agree" to "Strongly Disagree." Notably, 20.9% of respondents strongly agreed, 31.7% agreed, 28.8% felt neutral, 12.9% disagreed, and 5.7% strongly disagreed. This distribution indicates a diverse range of perceptions among respondents regarding their familiarity with the performance evaluation process in their organizations. Such insights are crucial for understanding the impact of current appraisal systems and identifying areas for improvement in fostering employee understanding and engagement with performance evaluation processes.

The provided data pertains to respondents' perceptions regarding their understanding of the formalities involved in performance appraisals within their organizations. From the 239 respondents, the distribution of responses varied across the spectrum of agreement. Notably, 22.1% strongly agreed that they understand the formalities, while a further 32.6% agreed. A significant portion, comprising 30.1%, remained neutral on the matter. However, 9.6% disagreed, and 5.6% strongly disagreed with the statement. These findings suggest employees' understanding about formality was not good among employees regarding the formalities associated with performance appraisals. While a considerable portion indicates agreement or strong agreement, a notable proportion remains either indifferent or in disagreement. Formalities in performance appraisals encompass the structured procedures and protocols followed by organizations to assess employee performance. These formalities often involve setting clear objectives, establishing performance criteria, conducting periodic evaluations, providing feedback, and documenting performance outcomes. Authors like Robert Bacal, in his book "Performance Management - A Briefcase Book," and Aubrey C. Daniels, in "Performance Management: Changing Behavior that Drives Organizational Effectiveness," discuss the importance of formalities in performance appraisals for promoting fairness, transparency, and accountability in the evaluation process. Published in 2016 and 2012 respectively, these authors emphasize the significance of clear guidelines and standard procedures in ensuring the effectiveness and legitimacy of performance appraisal systems within organizations.

The provided data in the above table shows respondents' perceptions regarding their understanding of key performance indicators (KPIs) used in their performance evaluations. From respondents, varying levels of comprehension were observed. Specifically, 18.8% strongly agreed that they clearly understand the KPIs, while 22.5% agreed. Additionally, 29.2% remained neutral on the matter, while 17.9% disagreed, and 11.6% strongly disagreed with the statement. KPIs are metrics used to evaluate the success of an organization or individual in achieving key objectives. They provide quantifiable measures that reflect the performance of various aspects of an organization's operations. For instance, according to Parmenter (2015), organizations that effectively implement KPIs can significantly enhance their performance by focusing on critical success factors. Examples of KPIs include sales growth, customer satisfaction ratings, and employee productivity levels.

Regarding the receipt of feedback from performance evaluations, the data reflects respondents' experiences within their organizations. Among the 239 respondents, a significant portion, comprising 42.6%, strongly agreed that they received feedback, while 17.9% agreed. Conversely, 18.8% remained neutral, while 12.5% disagreed, and 7.9% strongly disagreed with the statement. Feedback from performance evaluations is crucial for employees' professional development as it provides insights into their strengths and areas for improvement. It fosters a

culture of continuous learning and growth within the organization, contributing to overall performance enhancement and employee satisfaction.

Understanding the impact of training on employee performance is crucial in the corporate world. The data provided in the above table suggests a varied opinion among individuals regarding the effectiveness of training and support following evaluations. A significant portion, 32.3%, remains neutral, indicating uncertainty or a lack of noticeable impact, while 53.6% agreed or strongly agree that such measures are beneficial, reflecting a positive correlation between training and enhanced performance. Moreover, well-structured training programs can lead to innovation and creativity by encouraging employees to think critically and solve problems effectively. This aspect is supported by the work of Salas, A study by Saks and Belcourt (2006) empirically demonstrated that effective training programs significantly enhance employee performance and job satisfaction, which in turn boosts organizational adaptability and competitiveness.

The next data provided offers fascinating insights into attitudes of employees towards performance evaluation practices within organizations, focusing on environmental sustainability. The set of data indicates a strong leaning towards incorporating environmental factors into performance evaluations. With 98 individuals (44.9%) expressing strong agreement and 83 individuals (38%) agreeing, it's evident that a substantial majority values sustainability efforts and eco-friendly practices in performance evaluations. This suggests a growing trend within corporate culture to prioritize environmental responsibility, reflecting broader societal shifts towards sustainability. A potential reason for this emphasis might be the increasing awareness of climate change and environmental degradation, prompting organizations to adopt more sustainable practices.

In collaborative goal setting between supervisors and subordinates. In contrast, the set of data highlights the perspectives on setting performance evaluation goals collaboratively between supervisors and subordinates. The data indicates that a significant majority of individuals, 55.6% (132 individuals), strongly agree that supervisors and subordinates collaboratively set performance evaluation goals. Additionally, 31.2% (74 individuals) agree with this statement, while 12.6% (30 individuals) are neutral. Only 0.4% (1 individual) disagrees, and none strongly disagree. This suggests a strong consensus on the collaborative nature of setting performance evaluation goals within the organization.

This strong consensus on the collaborative nature of setting performance evaluation goals aligns with the findings of a study by Latham and Locke (2006), which demonstrated that participative goal setting improves employee motivation and performance.

The data provides on Table 9 insights into employee perceptions regarding two aspects of performance evaluations in the company: the frequency of evaluations and familiarity with the criteria used for these evaluations. From the performance evaluations frequency (12.5%) 30 individuals (12.5%) strongly agree that performance evaluations are conducted frequently. This suggests a small segment of employees are very confident about the regularity of evaluations. 47 individuals (19.6%) agree with the statement. Combined with the "strongly agree" group, 32.1% of employees have a positive perception of the frequency of performance evaluations. 80 individuals (33.4%) are neutral. This significant percentage indicates a large portion of employees neither agree nor disagree, possibly suggesting they are indifferent or unsure about the frequency of evaluations. 74 individuals (30.9%) disagree, indicating dissatisfaction or a perception that evaluations are not conducted frequently enough. 8 individuals (3.6%) strongly disagree. This small percentage represents a minority who are very dissatisfied with the frequency of evaluations. A combined total of 32.1% of employees have a positive perception of the frequency of evaluations, while a combined 34.5% have a negative perception, indicating a roughly balanced split between positive and negative views, with a significant portion (33.4%) remaining   neutral.

Table 9 also provided on familiarity with performance criteria. 28 individuals (11.9%) strongly agree that they are familiar with the criteria used to assess performance. This indicates a small segment of employees feel very confident about their understanding of the evaluation criteria. 69 individuals (29.4%) agree with the statement. Together with the "strongly agree" group, 41.3% of employees feel positively about their familiarity with the criteria. 41 individuals (17.5%) are neutral. This suggests a moderate portion of employees neither agree nor disagree, possibly indicating some uncertainty or ambivalence regarding their understanding of the criteria. 70 individuals (29.9%) disagree, showing a considerable portion of employees feel they are not familiar with the criteria used in performance evaluations. 26 individuals (11.1%) strongly disagree. This indicates a significant minority are very dissatisfied or feel very unfamiliar with the performance criteria. Familiarity with Performance Criteria: A combined total of 41.3% feel positively about their familiarity with the criteria, while a combined 41% feel negatively, indicating a nearly even split between those who feel familiar and those who do not. The neutral group (17.5%) adds another layer of complexity, suggesting there is still a notable portion of employees   who   are   uncertain.

The data provides insights into employee perceptions regarding awareness of goals during performance appraisals, the consideration of environmental factors in evaluations. From respondents 121 individuals (51%) strongly agree that they are aware of the goals set for them during performance appraisals. This indicates a majority of employees feel very confident about their understanding of the goals. 62 individuals (26.1%) agree with the statement. Combined with the "strongly agree" group, 77.1% of employees have a positive perception of their goal awareness. 23 individuals (9.7%) are neutral. This small percentage suggests some employees neither agree nor disagree, indicating a degree of uncertainty or indifference. 31 individuals (13%) disagree, indicating a minority of employees feel they are not aware of the goals set during appraisals. No individuals strongly disagree, showing no extreme dissatisfaction or lack

of   awareness   regarding   the   goals.

On environmental factors in performance evaluations, 98 individuals (44.9%) strongly agree that environmental factors, such as sustainability efforts or eco-friendly practices, are considered during performance evaluations. This indicates a significant portion of employees perceive these factors as being important in evaluations. 83 individuals (38%) agree with the statement. Combined with the "strongly agree" group, 82.9% of employees feel positively about the consideration of environmental factors. 25 individuals (11.4%) are neutral. This indicates a small portion of employees neither agree nor disagree, suggesting some level of uncertainty. 11 individuals (5%) disagree, indicating a minority of employees feel environmental factors are not considered in evaluations. 1 individual (0.7%) strongly disagrees, showing minimal strong dissatisfaction   with   the   consideration   of   environmental   factors.

The table also has insight on knowledge and potential of raters conducting evaluations, 27 individuals (11.4%) strongly agree that the raters have adequate knowledge and potential to conduct performance evaluations. This indicates a small portion of employees are very confident in the raters' capabilities. 44 individuals (19.7%) agree with the statement. Combined with the "strongly agree" group, 31.1% of employees feel positively about the raters' knowledge and potential. 67 individuals (28.5%) are neutral. This significant portion indicates many employees neither agree nor disagree, suggesting uncertainty or ambivalence regarding the raters' capabilities. 59 individuals (25.1%) disagree, indicating a considerable portion of employees feel the raters do not have adequate knowledge or potential. 38 individuals (16.3%) strongly disagree, showing a significant minority have strong concerns about the raters' capabilities.

4.3 Performance evaluation appraisal feedback

Table 7: Table showing if performance appraisal feedback affects employee performance

Classification	Frequency	Percent
Yes	96	40.1%
No	143	59.9
Total	239	100%

Own survey, Feb-2024

The total number of respondents was 239, which adds up to 100% when you consider both responses. For "Yes," there were 96 respondents, and for "No," there were 143 responds. . From those Frequency the percentage of respondents in each category out of the total, 40.1% of the

respondents believe that performance appraisal feedback does affect employee performance, while 59.9% do not believe there's an effect.

This information suggests that a majority of the surveyed population does not believe that performance appraisal feedback influences employee performance. However, a significant minority does think there is an effect.
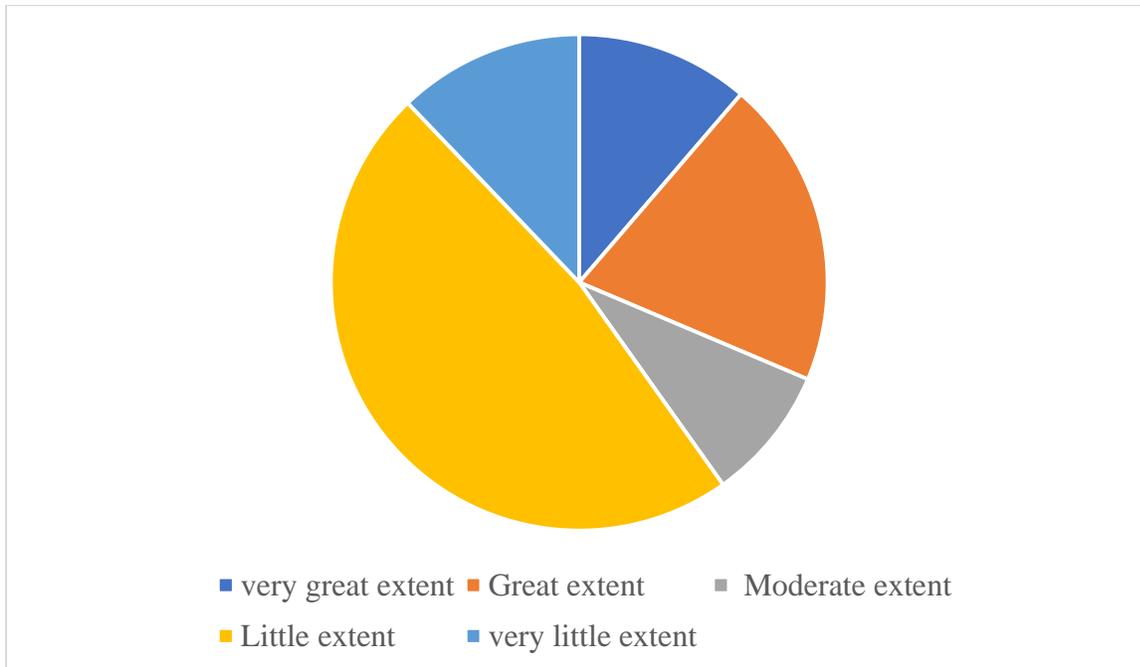
Figure 3: Performance appraisal feedback affect employee performance

Own survey, Feb-2024

Based on the chart, represents the extent to which performance appraisal feedback affects employee performance at the company, broken down into different classifications.

Very Great Extent: This category indicates that 27 employees, which is about 11.3% of the total, perceive that performance appraisal feedback has a significant impact on their performance. Great extent with 48 employees, comprising 20% of the total, believe that performance appraisal feedback affects their performance to a great extent. Moderate Extent with 21 employees, around 8.7% of the total, feel that performance appraisal feedback moderately affects their performance. Little Extent the majority of employees, 114 individuals or 47.7% of the total, think that performance appraisal feedback affects their performance to a limited extent. Very Little Extent

29 employees, which is about 12.3% of the total, perceive that performance appraisal feedback has a very minimal impact on their performance.

This data provides insights into how employees perceive the effectiveness of performance appraisal feedback in influencing their performance levels within the company. It indicates a range of perceptions, with a significant portion feeling that the impact is limited. This could inform strategies for improving the effectiveness of performance appraisal processes within the organization.

4.4 purpose of performance evaluation in employees' performance appraisal

Table 8: purpose of performance appraisal and employee perception

Variable	Strongly agree		Agree		Natural		Disagree		Strongly disagree	
	Frq.	%	Frq.	%	Frq.	%	Frq	%	Frq.	%
The evaluation meets the primary goal of performance appraisal.	19	8.2	27	11.7	86	37.4	79	34.3	19	8.2
Performance appraisals contribute to organizational effectiveness.	17	7.4	21	9.1	97	42.1	51	22.1	44	19.1
Performance appraisals play in employee development.	46	19.9	49	21.2	84	36.3	27	11.6	25	10.8
Performance appraisal aids in identifying strengths and weaknesses.	83	34.8	79	33.1	41	17.2	34	14.2	2	0.8
Performance appraisals have an impact on employee motivation.	31	12.9	35	14.6	56	23.4	110	46	7	2.9
Performance appraisal support goal alignment within the organization.	19	8	28	11.9	85	36.1	40	17	63	26.8

Statement										
Performance appraisals serve in promoting accountability.	27	11.2	31	12.9	62	25.9	58	24.2	61	25.5
Performance appraisals assist in making informed decisions about promotions and rewards.	17	7.1	19	7.9	34	14.2	102	42.6	67	28
Performance appraisals play in fostering communication between managers and employees.	68	28.4	76	31.7	80	33.4	15	6.2	0	0
Performance appraisals contribute to identifying training and development needs.	12	5	18	7.5	23	9.6	141	58.9	45	18.8
Performance appraisals serves in evaluating job performance against standards.	67	29.3	69	30.2	45	19.7	47	20.6	0	0
Performance appraisals help in identifying areas for improvement.	30	12.5	72	30.1	69	28.8	40	16.7	28	11.7
Performance appraisals play in recognizing high performers.	21	8.7	27	11.3	60	25.1	97	40.5	34	14.2
Performance appraisal support succession planning within the organization.	23	10	19	8.2	54	23.4	85	36.9	49	21.3
Performance appraisals have impact on overall organizational performance.	42	17.5	49	20.5	68	28.4	75	31.3	5	2

According to Table 10, Evaluation of Performance Appraisal as a Primary Goal, the number of employees who's strongly agreed (8.2%). This group, consisting of 19 individuals, holds a strong belief that evaluation successfully achieves the primary goal of performance appraisal and has an impact on employee performance. They likely perceive the process as highly effective in assessing employee performance. Individuals who agreed (11.7%) With 27 individuals. This

group also sees the evaluation positively, albeit not as strongly as the previous one. They believe the performance appraisal meets its primary goal effectively, though perhaps with some room for improvement. Natural (37.4%): The largest group, comprising 86 individuals, views the evaluation in a neutral manner. They neither strongly agree nor disagree with its effectiveness, suggesting a mixed perception among this segment. On the other hand, disagreed (34.3%). This group of 79 individuals holds a negative view, believing that the evaluation does not meet its primary goal effectively. They likely perceive flaws or inefficiencies in the performance appraisal process. The number of individuals who's strongly disagreed (8.2%). Similar in size to the strongly agree group, this segment of 19 individuals strongly opposes the effectiveness of the evaluation. They likely have significant concerns or criticisms regarding its implementation and outcomes.

The employee thought about Contribution of Performance Appraisals to Organizational Effectiveness. The number of strongly agreed (7.4%) With 17 individuals. This group strongly believes that performance appraisals contribute significantly to organizational effectiveness. They likely perceive a direct correlation between the appraisal process and overall organizational success. Individuals who's agreed (9.1%). This group of 21 individuals agrees with the positive impact of performance appraisals on organizational effectiveness, though not as strongly as the previous group. They still recognize its importance but may see some areas for improvement. Natural (42.1%). The largest group, consisting of 97 individuals, maintains a neutral stance regarding the contribution of performance appraisals to organizational effectiveness. They neither strongly agreed nor disagreed, suggesting a diverse range of opinions within this segment. Individuals disagreed (22.1%) With 51 individuals. This group holds a negative view, believing that performance appraisals do not significantly contribute to organizational effectiveness. They likely perceive the process as ineffective or even detrimental to overall organizational goals. Additional to the above individuals who's strongly Disagreed (19.1%). Similar in size to the agree group, this segment of 44 individuals strongly opposes the idea that performance appraisals contribute to organizational effectiveness. They likely have significant reservations or criticisms regarding its impact on the organization.

As one of the major issues, role of performance appraisals in employee development, with 46 individuals. This group strongly believes that performance appraisals play a crucial role in employee development. They likely see the process as essential for identifying strengths and areas for improvement, leading to individual growth. Who's agreed (21.2%). This group of 49 individuals agrees with the positive impact of performance appraisals on employee development, who's Natural (36.3%). The largest group, comprising 84 individuals, maintains a neutral stance regarding the role of performance appraisals in employee development. Who's Disagreed (11.6%) With 27 individuals. This group holds a negative view, believing that performance appraisals do not significantly contribute to employee development. Who's SD (10.8%). Similar in size to the disagreement group, this segment of 25 individuals strongly opposes the action that performance appraisals play a role in employee development in the organization.

The information provided outlines survey in table 4.8, responses show that for identifying Strengths and Weaknesses: A significant portion of respondents (83 individuals, 34.8%) strongly agreed that performance appraisals aid in identifying strengths and weaknesses, followed closely by those who agree (79 individuals, 33.1%). A smaller percentage of respondents find it natural (41 individuals, 17.2%) to believe that performance appraisals serve this purpose. A minority disagreed with this statement, with 34 individuals (14.2%) disagreed and only 2 individuals (0.8%) strongly disagreed. On employee Motivation: The responses here indicate a more varied perspective compared to it. A smaller percentage strongly agreed (31 individuals, 12.9%) or agreed (35 individuals, 14.6%) that performance appraisals positively impact employee motivation. A larger portion of respondents (56 individuals, 23.4%) have a neutral stance on this statement, considering it natural. A significant percentage (110 individuals, 46%) disagreed that performance appraisals enhance employee motivation, with only 7 individuals (2.9%) strongly disagreed.

The main goal of the performance evaluation is to Alignment goal within the Organization but most of the employees has the following thought about their performance evaluation with the goal of organization. Responses are diverse regarding the impact of performance appraisals on goal alignment within the organization. A minority of respondents strongly agreed (19 individuals, 8%) or agreed (28 individuals, 11.9%) that performance appraisals support goal alignment. The majority, however, either find it natural (85 individuals, 36.1%) or disagreed (40 individuals, 17%) with this statement. A significant percentage (63 individuals, 26.8%) strongly disagreed that performance appraisals aid in goal alignment.

Performance appraisals are a crucial tool for organizations to evaluate employees' performance systematically. Based on the survey, the data suggests that a significant portion of respondents hold negative views regarding the effectiveness of performance appraisals in aiding decision-making about promotions and rewards. Specifically, 42.6% of respondents disagreed, while 28% strongly disagreed. This indicates a prevailing skepticism among the respondents regarding the efficacy of performance appraisals in this regard. It's important for organizations to address these concerns and perhaps reassess their appraisal processes to ensure they are perceived as fair and effective by employees.

Effective communication between managers and employees is essential for a productive work environment. The data indicates a relatively positive perception regarding the role of performance appraisals in fostering such communication. A combined 60.1% of respondents either strongly agreed or agreed that performance appraisals contribute to this aspect of organizational dynamics. This suggests that many individuals believe that performance appraisals serve as a platform for constructive dialogue between managers and employees,

facilitating feedback exchange and goal setting. The absence of respondents strongly disagreeing with this statement further strengthens this interpretation, indicating a consensus on the positive role of performance appraisals in communication.

Identifying training and development needs is a fundamental aspect of performance management aimed at enhancing employees' skills and capabilities. However, the data suggests a significant divergence in opinion regarding the efficacy of performance appraisals in this regard. Most respondents, comprising 77.7%, either disagreed or strongly disagreed that performance appraisals effectively contribute to identifying training and development needs. This indicates a prevailing sentiment among respondents that performance appraisals are not effective tools for recognizing and addressing skill gaps within the workforce. Such perceptions may indicate underlying issues with the appraisal process or a lack of alignment between organizational goals and employee development strategies, which warrant further investigation and potential intervention from management.

Performance Appraisals in Evaluating Job Performance against Standards, in this data set, the majority of respondents either strongly agreed or agreed (totaling 59.5%) that performance appraisals serve in evaluating job performance against standards. This indicates a general consensus among participants that performance evaluations are effective tools for assessing employees' job performance in comparison to established standards. The percentage of those who disagreed or strongly disagreed is relatively low (20.6%), suggesting that a significant portion of the surveyed population perceives performance appraisals positively in this aspect.

Performance Appraisals in Identifying Areas for Improvement, the data reveals a varied perspective regarding the effectiveness of performance appraisals in identifying areas for improvement. While a substantial portion of respondents either agreed or strongly agreed (42.6%), indicating confidence in the appraisal process for this purpose, there is also a notable percentage who disagreed or strongly disagreed (28.4%). This suggests a division in opinion regarding the extent to which performance appraisals effectively pinpoint areas for improvement. The frequency of respondents selecting 'Natural' implies a neutral stance or uncertainty among some participants.

The data survey demonstrates in table 4.8, a significant disparity in opinions regarding the role of performance appraisals in recognizing high performers. A considerable portion of respondents (25.1%) expressed a neutral stance, while a minority (19.9%) either strongly agreed or agreed with the statement. On the other hand, a notable percentage (54.7%) disagreed or strongly disagreed, indicating skepticism or disagreement with the effectiveness of performance appraisals in identifying and acknowledging high performers. This suggests a lack of consensus

among the surveyed population regarding the efficacy of performance appraisals in recognizing and rewarding top performers.

Performance appraisal support succession planning within the organization, "improving performance appraisal through strategic planning" by John Smith (2020) discusses the significance of integrating strategic planning into the performance appraisal process to enhance effectiveness and align organizational goals with individual performance objectives. According to the data survey Strongly Agreed (10%). This group strongly believes that performance appraisals effectively support succession planning. They likely see a clear connection between evaluating individual performance and identifying potential candidates for future leadership roles within the organization. Who's agreed (8.2%): Similar to the "Strongly Agreed" group, these individuals believe that performance appraisals play a positive role in succession planning, although perhaps not as emphatically. Who's natural (23.4%): This group appears neutral or indifferent regarding the link between performance appraisals and succession planning. They may acknowledge the process but do not see it as a significant contributor to identifying future leaders. Who's disagreed (36.9%). A significant portion of respondents disagree with the statement, suggesting they do not believe that performance appraisals effectively support succession planning. Who's strongly disagreed (21.3%): The largest opposing group strongly believes that performance appraisals do not support succession planning within the organization. They may see the process as ineffective or even detrimental to identifying and nurturing future leaders.

In major topic Performance Appraisals Have Impact on Overall Organizational Performance, the assumption of employees Strongly Agreed (17.5%): A significant minority of respondents strongly believe that performance appraisals have a positive impact on overall organizational performance. They likely see performance evaluations as instrumental in driving employee development, productivity, and ultimately, organizational success. Who's agreed (20.6%). Similar to the "Strongly Agreed" group, these individuals acknowledge the positive impact of performance appraisals, although perhaps not as emphatically. They still perceive a correlation between evaluating individual performance and improving organizational outcomes. Who's natural (28.4%). This group appears neutral or indifferent regarding the impact of performance appraisals on overall organizational performance. They may not see a direct connection between individual performance evaluations and broader organizational success. Who's disagreed (31.3%): A significant portion of respondents disagree with the statement, suggesting they do not believe that the company performance appraisals significantly impact overall organizational performance. Who's strongly disagreed (2%). A small minority strongly believes that performance appraisals in the company do not have any impact on overall organizational performance. They may view the process as ineffective or even counterproductive in achieving organizational goals.

4.5 Employee assumption on fairness of performance evaluation
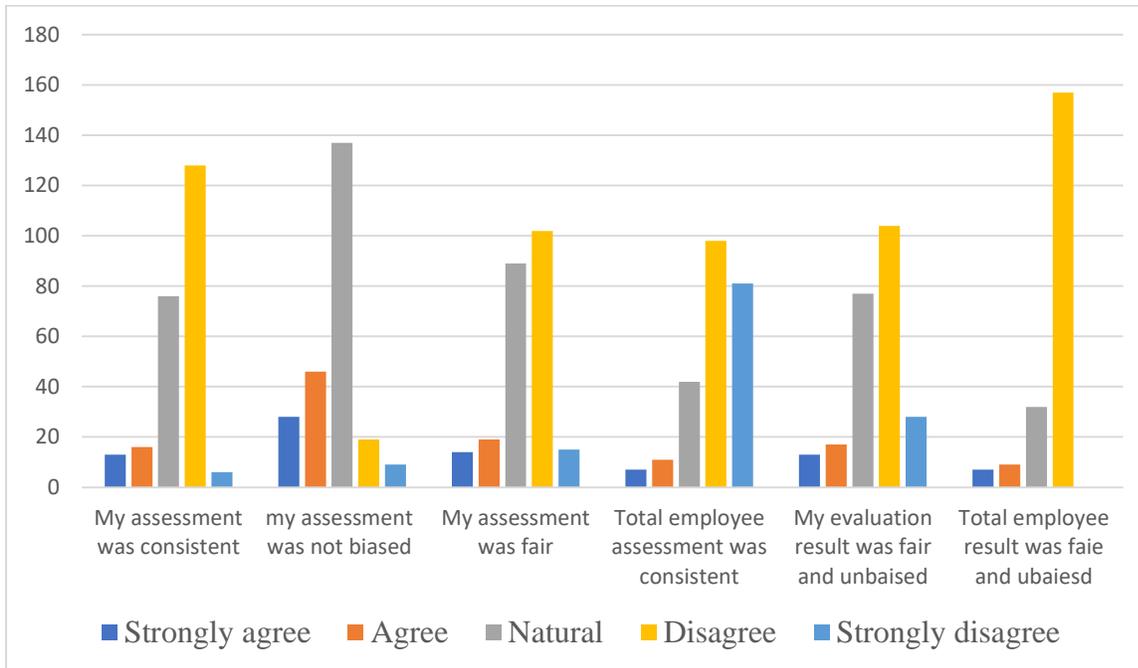
Figure 4: Employee assumption on fairness

Creating a system for fair, consistent, and unbiased performance evaluation is a complex but essential task for any organization or institution aiming to foster a productive and positive environment. An effective approach to this challenge has been extensively discussed in the literature on human resource management and organizational behavior.

One notable contribution to this discussion is the work of Michael Armstrong in his book "Armstrong's Handbook of Performance Management: An Evidence-Based Guide to Delivering High Performance," (2020). Armstrong emphasizes the importance of clear, measurable objectives, ongoing feedback, and the involvement of the employee in the evaluation process as key factors in achieving fair and effective performance evaluations.

Furthermore, the concept of eliminating bias in performance evaluations is addressed in detail by Joanne G. Sujansky in "The Power of Diversity: 3rd Edition," (2019). Sujansky argues for the necessity of training evaluators to recognize and mitigate their unconscious biases and for the implementation of a structured evaluation framework that minimizes subjective judgment.

According to survey collected and emphasize in table 4.9, The data provided regarding perceptions of performance assessments reveals significant insights into how individual's employee view fairness, consistency, and potential bias in evaluations.

Starting with the first variable, "Assessment of my performance was consistent," we see a clear trend towards disagreement, with a majority (53.5%) disagreeing. This indicates a prevalent perception that assessments are not consistently applied, which could lead to feelings of unpredictability and injustice among those being evaluated. The small percentages of individuals who agree or strongly agree with this statement (6.7% and 5.4% respectively) suggest that only a minority feel their evaluations follow a consistent pattern or standard.

Moving to the second variable, "Assessment of my performance was not biased," the majority (57.3%) chose 'Natural,' indicating a neutral stance towards the presence or absence of bias in their assessments. This could imply that while not overtly biased, the evaluation process does not entirely convince individuals of its impartiality. A total of 30.9% (agree and strongly agree combined) believe their assessments were unbiased, suggesting some confidence in the evaluation process but also leaving room for improvement in ensuring and communicating the fairness of these evaluations.

Thirdly, for "Assessment of my performance was fair," there's a significant lean towards disagreement (42.6% disagree and 6.2% strongly disagree), highlighting concerns over the fairness of the assessment process. A small portion felt their assessments were fair (13.7% combined for agree and strongly agree), pointing towards a need for reviewing and possibly revising how assessments are made to increase their perceived fairness.

For the next variable, "The total employee's assessment was consistent, unbiased and fair," the majority of responses fell into the 'Disagree' (41%) and 'Strongly disagree' (33.8%) categories. This indicates a significant portion of employees felt that the assessment process was neither consistent nor fair. Only a small fraction, 2.9% strongly agree and 4.6% agree, suggesting that there's a perception among the workforce that the evaluation process might be biased or inconsistent.

Moving on to the other variable, "The result of performance evaluation of main was fair and unbiased," a similar trend is observed, albeit with a slightly higher percentage of individuals agreeing (5.4% strongly agree and 7.1% agree) with the statement. However, the majority of sentiment remains negative with 43.5% disagreeing and 11.7% strongly disagreeing, indicating that employees are more critical of the fairness and unbiased nature of performance evaluations.

Lastly, "The result of all employees was fair and unbiased," shows the most pronounced negative sentiment, with a vast majority of responses falling into 'Disagree' (65.6%) and 'Strongly disagree' (17.1%). This overwhelming majority signals a strong perception among employees that the assessment process is not just and unbiased, with only a small fraction (2.9% strongly agree and 3.7% agree) feeling otherwise.

4.6 The impact of performance evaluation on employee's carrier development

The relationship between carrier development and employee performance evaluation is intricate. While carrier development aims to enhance skills and competencies over time, performance evaluation measures current performance against set standards. According to Lawler (1994), performance evaluations should align with carrier development goals to ensure employees are equipped with the necessary skills to excel in their roles.

Table 9: Employee's carrier development based on performance evaluation

Variable	Yes (frequency)	Yes (percent)	No (frequency)	No (percent)
Does performance evaluation influence career advancement opportunities?	34	14.2	205	85.8
Does performance feedback play in shaping an employee's career trajectory?	43	18	202	82
Performance evaluations impact salary increases and promotions?	38	15.9	201	84.1
Do you perceive performance evaluations as fair indicators of your career development potential?	35	14.6	204	85.4
Do performance evaluations impact your skill development and training opportunities?	33	13.8	206	86.2

"Performance Appraisal: A Management Tool" by Lawrence S. Kleiman, (2002). It covers various aspects of performance evaluation, including its role in career development and organizational success. Based on the information provided in the above table, the survey data regarding employee perceptions of performance evaluations and their impact on various aspects of career development. The data suggests that a significant majority of respondents believe the performance evaluations on the company do not play a major role in career advancement opportunities, shaping an employee's career trajectory, impacting salary increases and

promotions, being fair indicators of career development potential, or impacting skill development and training opportunities.

To synthesize, while a small percentage (ranging from 13.8% to 18%) of respondents see value in performance evaluations for career development aspects such as advancement opportunities, trajectory shaping, salary increases, promotions, fairness in career potential assessment, and skill development, a vast majority (ranging from 82% to 86.2%) do not perceive the performance evaluations of the company as significantly beneficial in these areas.

This data indicates a potential disconnect between the intended purpose of performance evaluations and their perceived effectiveness from the employees' perspective. It suggests that while performance evaluations are designed to assess and promote career development, many employees do not see them as effective tools for advancement or fair assessment.

According to Pulakos et al. (2015) in the "Journal of Applied Psychology" highlights that the effectiveness of performance evaluations can vary significantly based on their design, implementation, and the context in which they are used. This underscores the complexity of performance evaluations and their varied impacts on different aspects of career development.

4.7 Challenge related with the performance evaluation

Table 10: Challenges related with performance evaluation

Variable	Yes (frequency)	Yes (percent)	No (frequency)	No (percent)
Lack of clear criteria	211	88.3	28	11.7
Time-consuming	77	32.2	162	67.8
Resistance to feedback	35	14.6	204	85.4
Inconsistent standards	196	82	43	18
Halo effect	177	74	62	26
Regency bias	185	77.4	54	22.6
Subjectivity	191	79.9	48	20.1
Lack of training	201	84.1	38	15.9
Legal risks and legal issues	3	1.5	199	98.5
Lack of feedback channels	187	78.2	52	21.8
Insufficient documentation	199	83.3	40	16.7
Goal misalignment	50	20.9	189	70.1
Cultural differences	21	8.8	218	91.2

Fear of consequences	183	76.5	56	23.5
Lack of follow-up	202	84.5	37	15.5
Inaccurate implementation	176	73.6	63	26.4
Inconsistency	207	86.6	32	13.4

By insight of Robert L. Cardy, (2004), in the "Journal of Management," delves into the intricacies of performance management challenges. Cardy's analysis provides insightful perspectives on the multifaceted nature of evaluation processes and the importance of adopting a more holistic approach.

Based on the data provided in table-13, there appear to be various factors contributing to organizational challenges, likely related to performance evaluation, feedback mechanisms, and procedural effectiveness. From the respondents of 239 employees 211 respondents (88.3%) identified this as an issue, indicating ambiguity or absence of defined standards for evaluation or decision-making processes. 77 respondents (32.2%) highlighted the issue, indicating that certain tasks or processes are consuming significant amounts of time, potentially leading to inefficiencies. 35 respondents (14.6%) noted resistance to receiving or providing feedback, suggesting potential barriers to constructive communication within the organization. 196 respondents (82%) recognized the presence of varying or conflicting standards within the organization, which can lead to confusion and inconsistency in decision-making. 177 respondents (74%) mentioned this phenomenon, where a positive attribute of a person or thing influences perception in unrelated areas, potentially skewing evaluations. 185 respondents (77.4%) acknowledged the tendency to give more weight to recent events or information, potentially overlooking long-term performance or achievements. 191 respondents (79.9%) identified subjectivity as an issue, indicating that personal biases or opinions may influence decision-making processes.

Additional to the above, 201 respondents (84.1%) highlighted the absence or insufficiency of training opportunities, potentially leading to gaps in skills or knowledge among employees. 3 respondents (1.5%) noted concerns related to legal risks or issues, suggesting potential legal implications associated with certain organizational practices. 187 respondents (78.2%) recognized a lack of channels or mechanisms for providing or receiving feedback within the organization, hindering communication. 199 respondents (83.3%) pointed out inadequate documentation, potentially leading to misunderstandings or discrepancies in processes and decisions. 50 respondents (20.9%) identified misalignment of goals within the organization, indicating discrepancies between individual or departmental objectives and overall organizational objectives. 21 respondents (8.8%) noted cultural differences as a challenge, suggesting potential conflicts or misunderstandings arising from diverse cultural backgrounds within the organization. 183 respondents (76.5%) expressed concerns regarding potential negative consequences, indicating a reluctance to take risks or speak up due to fear of

repercussions. 202 respondents (84.5%) highlighted a lack of follow-up or monitoring processes, potentially resulting in unresolved issues or incomplete tasks. 176 respondents (73.6%) mentioned inaccuracies in implementation, indicating discrepancies between planned strategies or policies and their actual execution. 207 respondents (86.6%) recognized inconsistency as a challenge, suggesting variations or irregularities in processes or outcomes within the organization.

These findings provide valuable insights into the organizational dynamics and areas requiring attention or improvement to enhance efficiency, communication, and overall effectiveness.

4.8 The impact of performance evaluation on employee performance appraisal
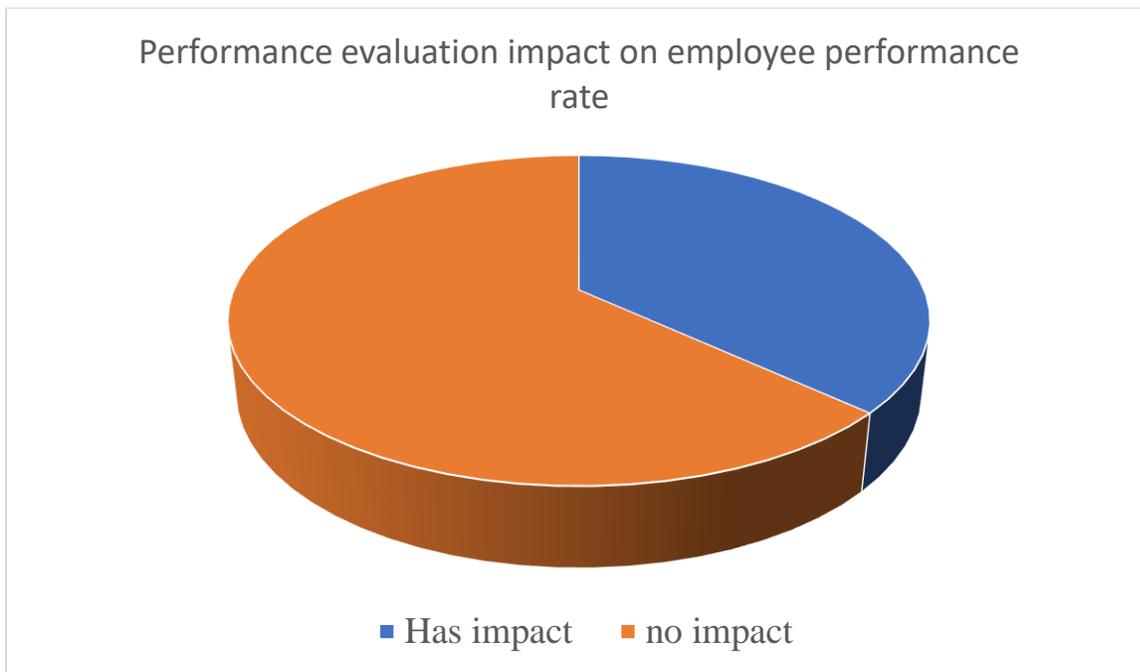
Figure 5: Impact of performance evaluation on employee performance appraisal

The impact of performance evaluation on performance appraisal, as discussed by Hilton Biswas (2023), highlights several key aspects. According to Biswas, performance appraisal is an ongoing process crucial for evaluating employee performance and is instrumental in both recognizing the accomplishments and identifying the areas of improvement for employees. The literature reviewed in the publication underlines the significance of performance review and the effects of performance appraisal systems on employees, notably how such systems can influence their performance. Biswas and other authors argued that Performance Appraisal Process (PAP) is a result-oriented evaluation method aimed at assessing the outcomes achieved by employees,

which plays a fundamental role in motivating employees by providing them with feedback on their performance level and quality.

This discussion reveals that performance appraisals have a dual impact on employees; they can be both motivating and demotivating. The positive impact includes motivation, recognition, and identification of training and development needs, leading to improved performance. On the other hand, if not handled carefully, performance appraisals can lead to negative outcomes such as anxiety, decreased morale, and a sense of unfairness, which can, in turn, negatively affect employee performance.

In essence, the effectiveness of performance appraisals in motivating employees and enhancing their performance hinges on how well the appraisal process is communicated, implemented, and perceived by employees. It underscores the importance of a well-structured performance appraisal process that is transparent, fair, and focuses on development in addition to evaluation. This approach to performance appraisal emphasizes its role as a critical tool for effective management, aimed at fostering individual accountability while simultaneously encouraging growth and development.

The information provided is the results of a survey aimed at understanding the impact of performance evaluation on performance appraisal frequency on the company. From shared questionaries', a total of 239 responses were collected. Out of these, 88 respondents, which accounts for 36.8%, agreed that performance evaluation has an impact on the employee of performance appraisals. On the other hand, 151 respondents, making up 63.2%, disagreed with this statement.

This data suggests that a majority of the respondents do not believe that performance evaluations affect how often performance appraisals occur. This could be interpreted in several ways. For example, it might indicate that performance appraisals in their organizations are scheduled at regular intervals, regardless of the outcomes of performance evaluations. Alternatively, it could reflect a perception among employees that performance evaluations do not significantly influence management decisions related to appraisals.

4.8.1 Employee satisfaction rate

Table 11: Satisfaction rate of employees on the overall process of evaluation

Satisfaction rate	frequency	Percent

Increase satisfaction	34	14.2%
Decrease satisfaction	54	22.5%
No effect	151	63.3%

The relationship between employee satisfaction and performance appraisal is a critical aspect of organizational behavior and human resource management that has been extensively studied. A seminal work in this area is "The Relationship between Satisfaction, Attitudes, and Performance: An Organizational Level Analysis" by Daniel J. Koys, (2001). This study suggests that there is a significant correlation between how satisfied employees are and how they are appraised in terms of their performance. Essentially, the happier an employee is with their job, the better they tend to perform. This relationship is vital for organizations to understand and leverage to improve overall performance and achieve their goals.

According to Koys' research highlights the importance of performance appraisal systems that are perceived as fair and comprehensive by employees, as this perception directly impacts their job satisfaction and, consequently, their performance. This suggests that organizations should not only focus on the technical aspects of performance appraisals but also on how these processes affect employee morale and satisfaction.

The information provided in table-15, shows the results of a survey or study regarding a certain action or change and its impact on satisfaction levels. Of the total respondents of 239 only 34 of them agreed with an increase in Satisfaction, this is 14.2% of the total responses. It means that out of all the people surveyed, 14.2% felt an increase in their satisfaction due to the action or change in the company. On the other hand, 54 respondents felt in Decrease in Satisfaction, this accounts for 22.5% of the total responses. This percentage of people experienced a decrease in satisfaction following the change or action. The largest group, 151 respondents, felt no effect on satisfaction, making up 63.3% of the responses, noticed no effect on their satisfaction levels from the change or action.

The total of 239 responses collected, this data is critical in understanding how a certain decision or change affects a group's satisfaction. It shows that the majority of people were not affected, whereas a smaller percentage felt either an increase or decrease in satisfaction.

4.9 Results of interviews

Interviews are a fascinating and rich method for gathering data in this research. They allow for an in-depth understanding of individuals' perspectives, experiences, or attitudes towards a particular subject. Unlike surveys or questionnaires, interviews provide a deeper and more nuanced insight because they offer the opportunity for follow-up questions and clarifications for the researcher, enabling the researcher to explore complex issues more thoroughly.

The interview took place in 4 different groups, top managers-R1, middle level managers-R2, operational level managers-R3 and non-managerial level employees-R4. The researcher provides interviews for this study were conducted with a diverse group of participants from different organizational levels. From the top management, only 3 out of 7 managers volunteered to participate. Middle-level managers selected 14 representatives from a pool of 47 of them. Among non-managerial employees, 15 volunteers out of 174 were interviewed. They are selected by non-managerial employees. Contract managers did not volunteer for the study, while only 4 out of 33 contract workers participated. In this interview the researcher Prepare 5 questions on the same major topic for 4 different groups and summarize the answer of interviewee in next table.

Table 12: Interview answers

Question	Summary of response	Conclusion for summary of response
Summary answer of top managers		
Does the company follow the evaluation and give feedback to employees?	In a group of top managers who answered "yes" to whether the company follows the evaluation and provides feedback to employees, the consensus is that regular performance evaluations are conducted. Employees receive structured feedback during these sessions, which helps them understand their strengths and areas for improvement. This process ensures that employees are aware of their performance levels and are given guidance on how to enhance their skills and productivity. Additionally, the feedback sessions foster a culture of continuous improvement and professional development within the company, leading to higher employee engagement and satisfaction. Yes, the company has a structured evaluation process and provides detailed feedback to employees."	Top managers emphasize the importance of structured evaluations, regular feedback, and transparent communication to enhance employee satisfaction, promote career advancement, and benefit the company overall.
Did employee satisfaction consider by the company?	"Yes, employee satisfaction surveys are conducted regularly, and actions are taken based on the feedback received."	
Does	Yes, performance evaluation directly influences the	

performance evaluation directly influence the career of employees?

career of employees. Interviewee top managers from various leading organizations highlight several key areas where performance evaluations have a substantial impact:

1. **Promotions and Advancements**: Performance evaluations provide a systematic way to identify and reward high-performing employees with promotions and other career advancement opportunities. Employees who consistently receive high ratings are often considered for leadership roles and greater responsibilities.

2. **Compensation and Bonuses**: Performance reviews play a critical role in determining salary increases, bonuses, and other forms of compensation. Top managers use these evaluations to ensure that financial rewards are aligned with employee contributions and achievements.

3. **Training and Development**: Performance evaluations help identify areas where employees may need additional training or development. Managers can use this information to provide targeted learning opportunities, helping employees to acquire new skills and improve their performance.

4. **Succession Planning**: Evaluations are essential for succession planning. By assessing the performance and potential of employees, managers can identify future leaders and create development plans to prepare them for higher-level positions.

5. **Employee Retention**: Regular and fair performance evaluations contribute to employee satisfaction and retention. Employees who feel their efforts are recognized and rewarded are more likely to stay with the organization, reducing turnover rates.

6. **Feedback and Improvement**: Performance evaluations offer a structured way to provide constructive feedback. Employees can understand their strengths and areas for improvement, which is crucial for personal and professional growth.

7. **Alignment with Organizational Goals**: Evaluations help ensure that employee goals are aligned with the organization's objectives. Managers can set clear expectations and measure how well employees are contributing to the company's overall success.

What are the challenges and gaps of the company during the evaluation?	"The primary challenges and gaps during performance evaluation at our company include a lack of consistent and objective criteria, potential biases in evaluator judgments, insufficient feedback mechanisms, and a disconnect between individual performance goals and the company's strategic objectives. Additionally, the existing evaluation process may not adequately account for the diverse roles and contributions across different departments, leading to potential inequities and employee dissatisfaction. Addressing these issues requires a more standardized, transparent, and holistic approach to performance assessments, ensuring alignment with organizational goals and fostering a culture of continuous improvement and fair recognition."
What do you think is the main point that the company should improve for the next evaluation?	"Improving transparency and communication throughout the evaluation process would greatly benefit both employees and the company."

Summary answer of middle level management

Does the company follow the evaluation and give feedback to employees?	"Yes, the company does follow through with evaluations and provides feedback to employees, a practice we find crucial for both personal and professional growth. As mid-level managers, we have observed that the structured evaluation process not only assesses performance but also identifies areas for improvement and opportunities for development. Regular feedback sessions are conducted, which are instrumental in aligning individual goals with the company's strategic objectives. These sessions are constructive and aimed at fostering an open dialogue where employees can express their challenges and receive	Middle-level managers acknowledge inconsistencies in the evaluation process and advocate for

	actionable advice. This ongoing feedback loop helps in maintaining high performance standards and motivates employees by recognizing their achievements and guiding their career progression. Overall, the emphasis on consistent and meaningful feedback contributes significantly to a transparent and dynamic work culture." "Definitely, there are initiatives in place to address employee concerns and improve satisfaction levels."	initiatives to address employee concerns, recognize high performers, align individual goals with company objectives, and provide training for effective evaluations.
Does employee satisfaction consider by the company?		
Does performance evaluation directly influence the career of employees?	"Yes, high performers are recognized and rewarded accordingly, which motivates others to strive for excellence."	
What are the challenges and gaps of the company during the evaluation?	"As a mid-level manager, one of the key challenges and gaps we encounter during evaluations is the inconsistency in performance standards and expectations across different teams and departments. This lack of uniformity makes it difficult to assess and compare employee performance accurately. Additionally, there is often a gap in communication between upper management and mid-level managers regarding the criteria and goals for evaluations, leading to ambiguity and confusion. Another challenge is the limited access to resources and training for mid-level managers to effectively conduct evaluations and provide meaningful feedback to their teams. Addressing these challenges requires establishing clear and standardized performance metrics and expectations company-wide, enhancing communication channels between management levels, and providing adequate support and training for mid-level managers to carry out evaluations effectively."	
What do you think is the main point that the company should improve	" As mid-level managers, we collectively believe the company should enhance its internal communication and collaboration mechanisms. While the current channels are functional, there's significant room for improvement in fostering a	

for the next evaluation?	more integrated and cohesive environment. Implementing advanced collaboration tools and regular cross-departmental meetings could streamline workflows and ensure everyone is aligned with the company's objectives. Additionally, investing in training programs to enhance employees' soft skills would facilitate better communication, reducing misunderstandings and enhancing teamwork. By focusing on these areas, the company can improve overall productivity, employee satisfaction, and drive innovation, ensuring that all teams work more effectively towards common goals."	
Summary answer of operational level managers		
Does the company follow the evaluation and give feedback to employees?	" As operational level managers, we would partially agree that the company follows through with evaluations and provides feedback to employees. While there is a formal evaluation process in place, the consistency and depth of the feedback can vary. In some departments, employees receive detailed and regular feedback that helps them understand their strengths and areas for improvement, fostering growth and productivity. However, in other areas, the feedback might be more sporadic or less comprehensive, which can lead to missed opportunities for development and a lack of clarity on performance expectations. To enhance the effectiveness of the evaluation process, we believe it is important to standardize the feedback mechanism across all departments, ensuring that every employee receives constructive and actionable feedback. This would not only improve individual performance but also contribute to a more cohesive and motivated workforce. "	Operational level managers highlight the importance of regular feedback sessions for employee clarity but express concerns about unresolved satisfaction issues, ineffective performance evaluation impact on career paths, and the need for an overhaul of the evaluation system due to inconsistency and lack of credibility.
Does employee satisfaction consider by the company?	" As operational level managers, we would slightly agree that employee satisfaction is considered by the company. From our perspective, while there are efforts to gauge and address employee satisfaction, these initiatives often seem limited or inconsistent. We observe non-managerial employees closely, and it's evident that their emotional well-being and job satisfaction are sometimes overlooked in favor of operational efficiency. Though the company conducts occasional surveys and provides some	

	channels for feedback, the follow-up actions to address concerns and improve satisfaction can be lacking. To genuinely enhance employee satisfaction, there needs to be a more proactive and consistent approach, including regular check-ins, transparent communication, and tangible improvements based on employee feedback. This would help in creating a more supportive and engaged work environment, ultimately benefiting both the employees and the company as a whole. "
Does performance evaluation directly influence the career of employees?	"Operational level managers find that opinions are divided on whether performance evaluations directly influence an employee's career within the company. Some of them agree that performance evaluations do have a significant impact, as they often inform decisions about promotions, raises, and professional development opportunities. These evaluations can highlight high performers, providing them with the recognition and career advancement they deserve. However, others of them have observed that the link between evaluations and career progression is not always clear or consistent. In some cases, employees feel that their hard work and positive evaluations do not necessarily translate into tangible career benefits, which can lead to frustration and dissatisfaction. To improve this, there needs to be greater transparency and consistency in how evaluation results are used to make career-related decisions, ensuring that all employees understand how their performance directly influences their growth within the company.."
What are the challenges and gaps of the company during the evaluation?	" As an operational level manager, one of the main challenges and gaps we face during evaluations is the lack of alignment between performance metrics and strategic objectives. Often, the metrics used to evaluate employee performance are not directly linked to the company's overarching goals, resulting in a disconnect between individual contributions and organizational success. Additionally, there is a notable gap in resources and support for managers to effectively conduct evaluations, including training on delivering feedback and managing performance. Another challenge is the

	inconsistency in evaluation processes across departments, leading to unequal treatment and perceptions of unfairness among employees. Addressing these challenges requires a more strategic approach to performance management, with a focus on aligning individual goals with organizational objectives, providing adequate support and training for managers, and standardizing evaluation processes to ensure fairness and transparency."	
What do you think is the main point that the company should improve for the next evaluation?	" The main point the company should improve for the next evaluation is the integration of a more robust and data-driven performance management system. This system should provide operational level managers with clear metrics and tools to assess employee performance objectively and fairly. Additionally, it is essential to establish a direct link between performance outcomes and career advancement opportunities to motivate and retain high-performing employees. Regular training for managers on how to deliver constructive feedback effectively would also be beneficial. Enhancing communication channels between management and employees to ensure that feedback is continuous and not just limited to annual reviews is crucial. This approach will not only foster a culture of continuous improvement but also help identify and address any operational inefficiencies promptly. By focusing on these areas, the company can ensure that evaluations are meaningful, actionable, and conducive to both individual and organizational growth. "	

Summary answer of non-managerial level group

Does the company follow the evaluation and give feedback to employees?	" No, the company does not currently have a formal process for evaluating and providing feedback to non-managerial employees. While informal feedback might occasionally be given by supervisors, there is no standardized system in place to ensure regular performance reviews or structured feedback sessions. This means that many employees might not receive consistent guidance on their performance or areas for improvement. However, we understand the value of such a process and are looking into implementing a more	Non-managerial workers highlight the absence of a formal evaluation system, low

	formal evaluation and feedback mechanism in the future."	emphasis on employee satisfaction, disconnect between performance evaluations and career progression, gaps in the evaluation process, and advocate for prioritizing employee concerns and feedback to combat disengagement and improve overall morale.
Does employee satisfaction consider by the company?	" No, employee satisfaction is not actively considered by the company at this time. There are no formal surveys, feedback mechanisms, or initiatives specifically aimed at gauging and improving employee satisfaction. While individual managers may occasionally inquire about job satisfaction on an informal basis, there is no company-wide effort to systematically address and enhance the overall work environment and morale. This lack of focus on employee satisfaction means that potential issues and opportunities for improvement might go unnoticed and unaddressed."	
Does performance evaluation directly influence the career of employees?	"Not really, performance evaluations do not directly influence the careers of non-managerial employees at the company. Although evaluations are conducted, they are not consistently linked to promotions, raises, or career development opportunities. As a result, employees may not see a clear connection between their performance reviews and their career progression within the company. This lack of direct impact can lead to uncertainty and disengagement, as employees may feel that their hard work and achievements are not adequately recognized or rewarded. "	
What are the challenges and gaps of the company during the evaluation?	" One of the main challenges and gaps within the company is the lack of a structured feedback and evaluation system for non-managerial employees. This absence leads to uncertainty about performance expectations and career progression. Additionally, there is a notable gap in actively considering and addressing employee satisfaction, which can result in decreased morale and engagement. Communication between management and non-managerial staff is often informal and inconsistent, causing misunderstandings and a lack of clear direction. Furthermore, the limited opportunities for professional development and training hinder employees' ability to grow and advance within the company. These issues collectively create an environment where employees may feel undervalued and unsupported, impacting overall productivity and job satisfaction.	

	"
What do you think is the main point that the company should improve for the next evaluation?	" The main point the company should improve for the next evaluation is the implementation of a comprehensive and transparent performance evaluation system. Such a system should include regular, structured feedback sessions that clearly outline performance expectations and provide constructive guidance. Additionally, linking evaluations to tangible outcomes, such as promotions, raises, and professional development opportunities, would help employees see the direct impact of their performance. Improving communication between management and staff is also crucial, ensuring that employees feel heard and valued. Addressing employee satisfaction through regular surveys and feedback mechanisms would further enhance morale and engagement. By focusing on these areas, the company can create a more supportive and motivating environment that encourages growth and recognizes hard work. "

4.9.1 Interpretation of interview

The interview responses from top managers provide a comprehensive view of the company's performance evaluation process, its impact on employee careers, and areas for improvement. Here's an analysis and interpretation of the key points:

Strengths of the Performance Evaluation Process by top managers

1. Regular Evaluations and Feedback:

Top managers confirm that the company conducts regular performance evaluations and provides structured feedback. This ensures employees are aware of their performance levels, strengths, and areas for improvement. Regular feedback sessions contribute to a culture of continuous improvement and professional development, enhancing employee engagement and satisfaction.

2. Influence on Career Development:

Performance evaluations play a crucial role in career advancement, compensation, training, and succession planning. High-performing employees are identified and rewarded through promotions, salary increases, bonuses, and other career development opportunities. Evaluations

help align individual goals with organizational objectives, ensuring employees contribute effectively to the company's success.

3. Employee Satisfaction and Retention:

Regular and fair evaluations contribute to employee satisfaction and retention, as employees feel recognized and rewarded for their efforts. By providing constructive feedback, employees can grow both personally and professionally, which is critical for long-term retention.

Challenges and Gaps by top managers

1. Lack of Consistency and Objectivity:

One of the primary challenges mentioned is the lack of consistent and objective criteria in the evaluation process. This can lead to potential biases in evaluator judgments.

2. Insufficient Feedback Mechanisms:

There is an indication that the feedback mechanisms may not be adequate, which can hinder the effectiveness of the performance evaluations.

3. Disconnect with Strategic Objectives:

A disconnect between individual performance goals and the company's strategic objectives is noted. This misalignment can impact the overall effectiveness of performance evaluations.

4. Diverse Roles and Contributions:

The existing evaluation process may not sufficiently account for the diverse roles and contributions across different departments, leading to potential inequities and employee dissatisfaction.

Areas for Improvement raised by top managers

1. Improving Transparency and Communication:

Top managers suggest that enhancing transparency and communication throughout the evaluation process would benefit both employees and the company. Clear communication about

evaluation criteria and processes can reduce misunderstandings and increase trust in the system.

2. Standardization and Alignment:

There is a need for a more standardized and transparent approach to performance assessments. This includes developing consistent evaluation criteria that are aligned with the company's strategic objectives. Ensuring that the evaluation process accounts for diverse roles and contributions can promote fairness and equity across different departments.

The responses from mid-level managers provide valuable insights into the performance evaluation process, its impact on career development, and areas for improvement within the company. Here is an interpretation of the key points:

Strengths of the Performance Evaluation Process by mid-level managers

1. Follow-through with Evaluations and Feedback:

The company follows through with evaluations and provides regular feedback to employees, which is crucial for personal and professional growth. The structured evaluation process helps in assessing performance, identifying areas for improvement, and recognizing development opportunities. Regular feedback sessions are aimed at aligning individual goals with the company's strategic objectives, fostering open dialogue, and maintaining high performance standards.

2. Employee Satisfaction Initiatives:

There are initiatives in place to address employee concerns and improve satisfaction levels, indicating that the company values employee feedback and takes steps to enhance the work environment.

3. Career Development through Performance Evaluations:

High performers are recognized and rewarded, motivating others to strive for excellence. This recognition serves as a significant motivational tool, encouraging employees to perform at their best.

Challenges and Gaps by mid-level managers

1. Inconsistency in Performance Standards:

One of the main challenges is the inconsistency in performance standards and expectations across different teams and departments. This lack of uniformity makes it difficult to accurately assess and compare employee performance.

2. Communication Gaps:

There is often a gap in communication between upper management and mid-level managers regarding evaluation criteria and goals. This leads to ambiguity and confusion during the evaluation process.

3. Limited Resources and Training:

Mid-level managers face challenges due to limited access to resources and training necessary to conduct effective evaluations and provide meaningful feedback to their teams. This lack of support hinders the ability of mid-level managers to carry out evaluations effectively.

Areas for Improvement by mid-level managers

1. Enhanced Internal Communication and Collaboration:

Improving internal communication and collaboration mechanisms is seen as a priority. While current channels are functional, there is room for improvement to foster a more integrated and cohesive environment. Implementing advanced collaboration tools and holding regular cross-departmental meetings could streamline workflows and ensure alignment with company objectives.

2. Standardization of Performance Metrics:

Establishing clear and standardized performance metrics and expectations company-wide would help address inconsistencies and ensure a more equitable evaluation process.

3. Training and Support for Mid-Level Managers:

Investing in training programs to enhance the soft skills of mid-level managers and providing adequate resources would enable them to conduct evaluations more effectively and provide better feedback. This could include training in effective communication, leadership skills, and performance management techniques.

The responses from operational level managers provide a detailed look into the company's performance evaluation process, its impact on employee satisfaction and career progression, and

areas needing improvement. Here is an interpretation of the key points:

Strengths and Weaknesses of the Performance Evaluation Process by operational managers

1. Evaluation and Feedback:

   - Partial Follow-Through: Operational level managers indicate that while the company has a formal evaluation process, the consistency and depth of feedback vary across departments.
   - Strengths: In some departments, employees receive detailed and regular feedback that helps them understand their strengths and areas for improvement, fostering growth and productivity.
   - Weaknesses: In other areas, feedback is sporadic and less comprehensive, leading to missed development opportunities and a lack of clarity on performance expectations.
   - Improvement Suggestion: Standardizing the feedback mechanism across all departments to ensure every employee receives constructive and actionable feedback.

2. Employee Satisfaction:

   - Limited Consideration: Managers slightly agree that employee satisfaction is considered but note that efforts often seem limited or inconsistent.
   - Observations: Non-managerial employees' emotional well-being and job satisfaction are sometimes overlooked in favor of operational efficiency.
   - Improvement Suggestion: A more proactive and consistent approach, including regular check-ins, transparent communication, and tangible improvements based on employee feedback, is needed to genuinely enhance employee satisfaction.

3. Influence on Career Development:

   - Divided Opinions: There are mixed views on whether performance evaluations directly influence career progression.
   - Positive Impact: Some managers agree that evaluations inform decisions about promotions, raises, and professional development opportunities, providing recognition and career advancement for high performers.
   - Negative Impact: Others observe that the link between evaluations and career progression is not always clear or consistent, leading to frustration and dissatisfaction.
   - Improvement Suggestion: Greater transparency and consistency in how evaluation results are used to make career-related decisions are needed to ensure all employees understand how their performance directly influences their growth within the company.

Challenges and Gaps by operational managers

1. Lack of Alignment with Strategic Objectives:

Performance metrics are often not directly linked to the company's overarching goals, resulting in a disconnect between individual contributions and organizational success.

2. Insufficient Resources and Support:

There is a notable gap in resources and support for managers to effectively conduct evaluations, including training on delivering feedback and managing performance.

3. Inconsistency in Evaluation Processes:
   - Evaluation processes vary across departments, leading to unequal treatment and perceptions of unfairness among employees.

 Areas for Improvement

1. Robust and Data-Driven Performance Management System:
   - Implementing a more robust and data-driven system to provide clear metrics and tools for objective and fair performance assessment.
   - Establishing a direct link between performance outcomes and career advancement opportunities to motivate and retain high-performing employees.

2. Regular Training for Managers:
   - Providing regular training for managers on delivering constructive feedback effectively.

3. Enhanced Communication Channels:

Improving communication channels to ensure continuous feedback, not just limited to annual reviews.

Based on the interview answers provided by non-managerial managers, here is an interpretation of the company's current state and areas for improvement by non-managerial employees.

Current State:

1. Evaluation and Feedback:

The company does not have a formal process for evaluating and providing feedback to non-managerial employees. Informal feedback is sometimes given by supervisors, but there is no standardized system for regular performance reviews or structured feedback sessions. Employees often do not receive consistent guidance on their performance or areas for improvement.

2. Employee Satisfaction:

The company does not actively consider employee satisfaction. There are no formal surveys, feedback mechanisms, or initiatives aimed at gauging and improving employee satisfaction. Inquiries about job satisfaction are informal and inconsistent, leading to a lack of systematic attention to the work environment and morale.

3. Impact of Performance Evaluations:

Performance evaluations do not directly influence the careers of non-managerial employees. Evaluations are not consistently linked to promotions, raises, or career development opportunities, leading to uncertainty and disengagement among employees.

4. Challenges and Gaps:

Lack of a structured feedback and evaluation system for non-managerial employees. Inconsistent communication between management and non-managerial staff. Limited opportunities for professional development and training. Employees feel undervalued and unsupported, impacting productivity and job satisfaction.

Key Areas for Improvement:

1. Implementing a Comprehensive Evaluation System:
Introduce a formal, transparent performance evaluation system with regular, structured feedback sessions.
Clearly outline performance expectations and provide constructive guidance.

2. Linking Evaluations to Tangible Outcomes:

Connect performance evaluations to promotions, raises, and professional development opportunities. Ensure that employees see a clear connection between their performance and career progression.

3. Enhancing Communication:

Improve communication between management and staff to ensure employees feel heard and valued. Regularly engage with employees to address concerns and provide direction.

4. Addressing Employee Satisfaction:

Conduct regular surveys and implement feedback mechanisms to gauge and improve employee satisfaction. Focus on creating initiatives to enhance the overall work environment and morale.

4.10 Finding and Comparison of Qualitative and Quantitative Data

4.10.1 Finding of Qualitative and Quantitative Data

Qualitative Data

The interpretation on performance evaluation, most qualitative data analysis indicates negative thoughts or results. This suggests a critical view of performance evaluation processes. Challenges and Gaps: The qualitative analysis highlights challenges and gaps in the performance evaluation process. Employee Satisfaction, qualitative insights reveal dissatisfaction among employees. Fairness of evaluation, perceived unfairness is a common theme. Feedback of evaluation, feedback often indicates dissatisfaction or perceived ineffectiveness. Influence on performance appraisal, negative impacts are often reported. Evaluation impact, overall, the qualitative data tends to reveal negative perceptions and outcomes.

Quantitative Data

Performance evaluation, Quantitative data shows mixed results based on the managerial level. Top and mid-level managers generally have positive thoughts about performance evaluation. Operational level managers mixed feelings, with both positive and negative thoughts. Non-managerial employees predominantly have negative thoughts.

Challenges and gaps quantitative data can identify specific metrics where performance evaluation is lacking. Employee satisfaction can be measured in terms of percentages, scores, or levels of satisfaction. Fairness of evaluation, quantitative metrics might indicate the proportion of employees who feel the evaluation process is fair. Feedback of evaluation, numeric scores on feedback effectiveness. Influence on performance Appraisal: Data might show correlations between performance evaluations and subsequent appraisals. Evaluation impact, provides a measurable impact on employee performance.

4.11 Compare and contrast qualitative and quantitative data

When comparing and contrasting data obtained from questionnaires and interviews, several key

differences emerge, particularly in the context of evaluating performance evaluation practices within a company.

Interview data provides a nuanced and detailed understanding of opinions across different levels of management. For instance, in the interviews conducted, top managers and mid-level managers expressed a very positive view of the performance evaluation practices, considering them highly effective. In contrast, operational level managers only partially agreed with this assessment, indicating some reservations. Non-managerial employees, however, did not agree with the effectiveness of the evaluation practices at all. This qualitative data highlights the varying perspectives and potential disconnects between different hierarchical levels within the organization, offering rich insights into the underlying reasons for these differences in opinion.

On the other hand, data from questionnaires provides a more quantitative but less detailed picture. The numerical results from the questionnaires indicate a general sentiment that the performance evaluation practices are not perceived as good enough. However, this data lacks the granularity to pinpoint which specific groups of employees are dissatisfied. While the overall trend is clear, the anonymous and structured nature of questionnaires means that the subtleties and specific concerns of different employee groups are not captured.

In essence, while interview data can reveal detailed, context-rich insights about different employee groups' perceptions, questionnaires offer a broader, albeit more generalized, overview of employee sentiment. Together, these methods can complement each other, with interviews providing depth and questionnaires offering breadth, thus enabling a more comprehensive understanding of the effectiveness of performance evaluation practices within the company.

Both types of data are essential in a comprehensive analysis. Qualitative data provides context and depth, while quantitative data offers objectivity and generalizability. Together, they can give a more complete picture of performance evaluation, challenges, satisfaction, fairness, feedback, and impact on employee performance.

CHAPTER FIVE

SUMMARY, CONCLUSION and RECOMMENDATION

This chapter contains research study summary, recommendations and conclusion based on study aim and objective which was to determine the impact of performance evaluation on employee performance appraisal in Adanech Argaw timber and plank company, the company tried to reveal the real problems related to performance appraisal practice. Furthermore, the paper tried to look at what the attitude of employees of the company is like with respect to performance appraisal practices and the impact it has on their level of satisfaction.

5.1 Summary

The section of the research study provides a comprehensive overview of the findings derived from the analysis and interpretation of data collected through questionnaires and interviews conducted with employees of Adanech Argaw Timber and Plank Company. Out of the 250 questionnaires distributed, 239 were returned and analyzed, accompanied by tables, graphs, and charts to facilitate comprehension and achieve the study objectives related to the impact of performance evaluation on employee performance. The chapter is structured into segments covering respondents' demographic information, study variables, and limitations of the study.

The demographic profile of the respondents indicates a predominantly male workforce, with the majority falling within the younger age brackets, particularly the 21-30 age range, and having relatively shorter tenures within the company. Educationally, while a significant number have

completed high school or obtained diplomas, a smaller proportion have pursued higher education degrees.

The explanation of experience levels among the respondents reveals a diverse range of tenure, with a significant portion falling within the 6-10 years' experience category, followed by those with 0-5 years' experience.

The data regarding perceptions of performance appraisal feedback indicates that while a majority of respondents do not believe it significantly influences employee performance, a significant minority does perceive an effect, highlighting differing perspectives within the workforce.

Further analysis delves into respondents' perceptions regarding various aspects of performance appraisal practices, including awareness of the process, understanding of formalities, comprehension of key performance indicators (KPIs), receipt of feedback, and the impact of training on employee performance. .

Respondents' attitudes towards incorporating environmental sustainability into performance evaluations and collaborative goal setting between supervisors and subordinates are also explored, revealing varying degrees of support and disagreement within the workforce.

The data provided also outlines the major purposes of performance appraisals, including evaluation and feedback, goal setting, identifying training needs, compensation decisions, and performance improvement planning, highlighting the multifaceted role of performance management in driving organizational success.

Analysis of respondents' perceptions regarding the primary goals of performance appraisal, contribution to organizational effectiveness, role in employee development, and alignment with organizational goals further elucidates divergent viewpoints within the workforce.

The data survey also reveals disparities in opinions regarding the effectiveness of performance appraisals in evaluating job performance against standards, identifying areas for improvement, recognizing high performers, and supporting succession planning within the organization.

Overall, the findings underscore the complexity and diversity of perspectives surrounding performance appraisal practices within Adanech Argaw Timber and Plank Company, emphasizing the importance of ongoing evaluation and refinement to align with organizational objectives and foster employee satisfaction and effectiveness.

The data reveals a range of opinions on the impact of performance appraisals, with a notable division between those who see them as beneficial for succession planning and organizational performance, and those who view them skeptically. A substantial portion of respondents express concerns over the consistency, fairness, and potential biases of evaluations, indicating a prevalent perception of unpredictability and injustice within the evaluation process.

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5.2 Conclusion

In conclusion, the research study delves into the analysis and interpretation of data collected from questionnaires and interviews conducted with employees of Adanech Argaw Timber and Plank Company. With 239 out of 250 questionnaires returned and analyzed, the findings provide valuable insights into various aspects of employee perceptions and experiences related to performance evaluation within the organization.

Demographically, the study reveals a predominantly male workforce, with a significant proportion falling within younger age brackets and having relatively shorter tenures within the company. Educationally, while many have completed high school or obtained diplomas, a smaller proportion have pursued higher education degrees.

The data indicates mixed perceptions regarding the effectiveness of performance appraisal feedback, with a majority believing it has limited impact. However, there is a significant minority that perceives a substantial effect. The breakdown of experience levels among employees highlights a diverse workforce, with varying levels of expertise and tenure.

Employee perceptions regarding performance evaluation processes, including awareness, understanding of formalities, key performance indicators (KPIs), and receipt of feedback, vary widely. While some employees strongly agree with the effectiveness of these processes, others express skepticism or neutrality.

The purposes of performance appraisals, as outlined in the study, include evaluation and feedback, goal setting, identifying training needs, compensation decisions, and performance improvement planning. However, there are disparities in how these purposes are perceived among employees.

The evaluation of performance appraisals' primary goal, contribution to organizational effectiveness, role in employee development, and other aspects reveals a range of opinions among respondents. While some strongly believe in the positive impact of performance appraisals, others express doubts or disagreement.

The data presented provides valuable insights into employee perceptions regarding the effectiveness of performance appraisals, their impact on organizational performance, and their role in career development within the company.

Firstly, regarding the connection between performance appraisals and succession planning, while a minority strongly believe in their effectiveness for identifying future leaders, a significant portion remains skeptical or outright disagrees with this notion. This suggests a need for reassessment and potentially restructuring of how performance evaluations contribute to succession planning strategies.

Secondly, concerning the impact of performance appraisals on overall organizational performance, there is a mixed perception among employees. While a significant portion acknowledges their positive influence, a considerable percentage disagrees or remains neutral on this matter. This indicates varying levels of confidence in the efficacy of performance evaluations in driving organizational success.

Thirdly, the data regarding employee perceptions of fairness, consistency, and bias in performance evaluations reveals widespread concerns. Most of the respondent's express dissatisfaction with the consistency, fairness, and unbiased nature of the assessment process, highlighting areas for improvement in ensuring transparency and equity.

Furthermore, concerning the impact of performance evaluations on career development, the data indicates a significant disconnect between the intended purpose of evaluations and their perceived effectiveness by employees. While a minority sees value in performance evaluations for career advancement opportunities, the majority does not perceive them as significantly

beneficial in shaping career trajectories, determining salary increases or promotions, or fostering skill development.

The findings underscore the complexity of performance evaluation processes and the importance of addressing issues related to consistency, fairness, bias, and alignment with organizational goals. Strategies such as clearer communication, training on unconscious bias, and revisiting evaluation criteria may help mitigate these concerns and enhance the effectiveness of performance management systems within the organization.

Overall, the study underscores the complexity of performance evaluation processes within Adanech Argaw Timber and Plank Company and highlights the importance of addressing employee perceptions and concerns to enhance the effectiveness of these processes. It provides valuable insights for organizational leaders to consider in refining performance evaluation practices and fostering a more inclusive and supportive work environment.

5.3 Recommendation

The following recommendations are presented based on the above information analysis in chapter 4

1. Assess and Develop Training Needs: Evaluate employee training requirements to address gaps in understanding or implementing performance appraisal processes. Provide targeted training for managers and supervisors on effective performance management techniques, including goal setting, feedback delivery, and performance coaching.

2. Enhance Employee Engagement: Develop strategies to boost employee engagement with performance evaluations through improved communication, feedback mechanisms, and goal alignment. Foster transparent, collaborative goal-setting processes between supervisors and subordinates.

3. Redesign and Benchmark Appraisal Processes: Use collected insights to redesign performance appraisal processes, making them more effective and transparent. Benchmark these practices against industry standards to identify areas for improvement and innovation.

4. Promote Diversity and Inclusion: Explore and implement ways to ensure that performance evaluation processes are fair and equitable across all demographic groups. Provide training programs for evaluators to recognize and mitigate unconscious biases.

5. Establish Robust Feedback Mechanisms: Develop comprehensive feedback systems to ensure employees feel heard and valued. Incorporate their suggestions to improve performance evaluation practices and promote a culture of continuous improvement.

6. Integrate Succession Planning and Development Initiatives: Align individual performance goals with organizational succession objectives. Implement employee development programs based on appraisal outcomes to support skill enhancement and career advancement

5.4 Suggestion for future research

The study suggests that similar research should be conducted in the timber industry in order to confirm and verify this finding. And the recommended title should be the impact of performance evaluation on employee performance appraisal in the Adanech Argaw timber and plank company. Here are some suggestions for future researcher

➢ Investigate the factors influencing employees' perceptions of the effectiveness of performance appraisals in supporting succession planning, considering organizational culture, leadership styles, and communication strategies.
➢ Explore the relationship between performance appraisal practices and employee engagement, job satisfaction, and retention rates to understand their impact on overall organizational performance.
➢ Examine the effectiveness of different performance evaluation models (e.g., 360-degree feedback, forced ranking) in promoting fair and unbiased assessments and their implications for organizational outcomes.
➢ Investigate the role of training and development programs in enhancing the effectiveness of performance evaluations and their impact on employee skill development and career advancement opportunities.
➢ Explore the potential biases present in performance appraisal processes and their impact on employees' perceptions of fairness, consistency, and organizational justice.
➢ Examine the influence of performance appraisal feedback on employee motivation, job performance, and goal attainment to understand its role in driving organizational success.
➢ Investigate the extent to which performance appraisals align with organizational goals and objectives and their effectiveness in driving employee performance towards achieving these goals.

- ➢ Explore the role of performance appraisal transparency and communication in shaping employee perceptions of fairness, trust, and organizational commitment.
- ➢ Examine the effectiveness of performance appraisal systems in identifying high-potential employees and grooming them for future leadership roles within the organization.
- ➢ Investigate the impact of cultural differences on performance appraisal practices and employees' perceptions of fairness and effectiveness in diverse organizational contexts.
- ➢ Examine the relationship between performance appraisal practices and organizational culture, including the role of leadership behavior, communication patterns, and organizational values in shaping appraisal outcomes and employee experiences.

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APPENDIX A

ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

SCHOOL OF BUSINESS

Survey Questionnaire

Questionnaire to be filled by employees of Adanech Argaw timber and plank company

I extend my heartfelt gratitude to all the respondents who generously contributed their time and insights. Your valuable input has enriched the project and will undoubtedly pave the way for meaningful progress. Your willingness to share your perspectives is truly appreciated, and I am sincerely thankful for your cooperation and participation.

Your willingness to participate in this study is crucial in shedding light on the intricate relationship between the performance appraisal system and employee performance evaluation within the company. As part of my pursuit of a master's degree in business administration at St. Mary's University, this research aims to delve into the nuances of organizational dynamics. Rest assured, your responses will be handled with the utmost confidentiality and solely utilized for academic purposes, in accordance with the authorization from St. Mary's University. Your valuable insights will significantly contribute to advancing our understanding in this field.

Instructions

- No need to write your name or indication to your address
- Write X, if it is your answer
- For questions that demand your opinion, please briefly explain as per the questions on the space provided.
- If you don't go to answer you can leave it the question

If you need any explanation, you can communicate with me

with +251-925-41-67-28

I appreciate

Teshome Z

Section I: Background Information

1. Gender:

Male ☐   Female ☐

2. Which of the following age categories describes you?

Under 20 ☐   21-30 ☐   31-40 ☐   41-50 ☐   51 and Above51 ☐

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

0-5 ☐   6-10 ☐   11-15 ☐   16-20 ☐   21 years and above ☐

4. How long have you worked in the current position?

0-5 ☐   6-10 ☐   11-15 ☐   16-20 ☐   21 years and above ☐

5. Educational Qualification:

Under 8 ☐   under 12 ☐   College diploma or certificate level 4 Coc ☐

BA/ BSc Degree or master's degree ☐

6. Field of specialization in your highest educational status

_____

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

_____

8. In which department are you currently working?

_____

Section II: Questions related to performance evaluation and performance appraisal practices

Indicate your level of agreement with the statements so that your answers to these questions will enable the researcher to assess your attitude towards the performance evaluation process impacts on the employee's performance appraisals and purpose, practices and challenges in your company.

N.o	Questions	Strongly agree	Agree	Natural	Disagree	Strongly disagree
	Performance appraisal practice					
1	Employee well-informed about performance evaluation					
2	You are aware of the performance evaluation process at your organization.					
3	you understand the formalities involved in performance appraisals					

4	you clearly understand the key performance indicators (KPIs) used in your performance evaluations					
5	frequently performance evaluations conducted in your company					
6	You are familiar with the criteria used to assess employee performance.					
7	you received feedback from your performance evaluations					
8	you aware of the goals set for you during performance appraisals					
9	Employees provided with training or support to improve their performance based on evaluations					
10	Environmental factors considered during performance evaluations, such as sustainability efforts or eco-friendly practices					
11	Employees educated about the importance of environmental sustainability in the workplace					
12	The raters have adequate knowledge and potential to conduct performance evaluation					
13	Supervisors and subordinates together set performance evaluation goals					
	Question related with purpose of performance appraisal					
1	The evaluation meets the primary goal of performance appraisal					
2	Performance appraisals contribute to organizational effectiveness					
3	Performance appraisals play in					

	employee development					
4	Performance appraisal aid in identifying strengths and weaknesses					
5	Performance appraisals have on employee motivation					
6	Performance appraisal support goal alignment within the organization					
7	Performance appraisals serve in promoting accountability					
8	Performance appraisals assist in making informed decisions about promotions and rewards					
9	Performance appraisals play in fostering communication between managers and employees					
10	Performance appraisals contribute to identifying training and development needs					
11	Performance appraisals serves in evaluating job performance against standards					
12	Performance appraisals help in identifying areas for improvement					
13	Performance appraisals play in recognizing high performers					
14	Performance appraisal support succession planning within the organization					
15	performance appraisals have impact on overall organizational performance					
	Employee assumption on					

	fairness and relate issue in the evaluation					
1	Assessment of my performance was consistent					
2	Assessment of my performance was not biased					
3	Assessment of my performance was fair					
4	The total employee's assessment was consistent, unbiased and fair					
5	The result of performance evaluation of main was fair and unbiased					
6	The result of all employees was fair and unbiased					

Section 3: yes or no questions

Questions	Yes	No
Questions employee's carrier development based on performance evaluation		
Does performance evaluation influence career advancement opportunities?		
Does performance feedback play in shaping an employee's career trajectory?		
Performance evaluations impact salary increases and promotions?		
Do you perceive performance evaluations as fair indicators of your career development potential?		
Do performance evaluations impact your skill development and training opportunities?		
challenges related with performance evaluation		
Lack of clear criteria		
Time-consuming		

Resistance to feedback		
Inconsistent standards		
Halo effect		
Recency bias		
Subjectivity		
Lack of training		
Legal risks and legal issues		
Lack of feedback channels		
Insufficient documentation		
Goal misalignment		
Cultural differences		
Fear of consequences		
Lack of follow-up		
Inaccurate implementation		
Inconsistency		
Performance evaluation impact question		
Performance evaluation has an impact on your performance appraisal		

Satisfaction rate of employees on the overall process of evaluation and performance appraisal

Satisfaction rate	**Please write x in the box if you agree**
Increase satisfaction	
Decrease satisfaction	
No effect	

Employee's carrier development based on performance evaluation

Variable	Yes (frequency)	Yes (percent)	No (frequency)	No (percent)
Does performance evaluation influence career advancement opportunities?				
Does performance feedback play in shaping an employee's career trajectory?				
Performance evaluations impact salary increases and promotions?				
Do you perceive performance evaluations as				

fair indicators of your career development potential?				
Do performance evaluations impact your skill development and training opportunities?				

Interview question

1. How would you describe your overall experience with the current performance appraisal system?
2. Do you feel that the performance appraisal process effectively evaluates your performance? Why or why not?
3. Does the company follow the evaluation and give feedback to employees?
4. Did employee satisfaction consider by the company?
5. How fair do you believe the performance appraisal process is? What factors contribute to your perception of its fairness or unfairness?
6. Does performance evaluation directly influence the career of employees?
7. How would you rate the quality of feedback you receive during performance appraisals? Is it constructive and actionable?
8. What are the challenges and gaps of the company during the evaluation?
9. How do you feel about the frequency of performance appraisals? Would you prefer more frequent evaluations or fewer?
10. Do you clearly understand the purpose of the performance appraisal process? How well is this purpose communicated to you?
11. To what extent do you feel involved in the performance appraisal process? Are you given opportunities to self-assess or set goals?
12. How well do performance appraisals support your personal and professional development? Are development plans or training opportunities provided based on appraisal outcomes?
13. Do you perceive any bias or subjectivity in the performance appraisal process? If so, what kinds of biases have you observed?
14. How satisfied are you with the performance appraisal process? What improvements, if any, would you suggest to make it more effective and satisfying for employees?
15. What do you think is the main point that the company should improve for the next evaluation?

Thinks for your kindness!!