

**ASSESSMENT OF EMPLOYEE PERFORMANCE APPRAISAL PRACTICE  
THE CASE OF ADDIS ABABA WATER AND SEWERAGE AUTHORITY**

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## **Certificate of Approval**

**I certified that the Dissertation Entitled Assessment of Employee Performance Appraisal Practice: The Case of Addis Ababa Water and Sewerage Authority Submitted by Wondwosen Amare is his Own Work and has been done Under My Supervision. It is Recommended that this Dissertation be placed before the Examiner for Evaluation.**

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## Acronyms

AAWSA	Addis Ababa water & Sewerage Authority
APA	Assessment of Performance Appraisal
APAP	Assessment of Performance Appraisal Practice
FIG	Figure
HR	Human Resource
HRM	Human Resource Management
IGNOU	Indira Gandhi National Open University
MPA	Masters in Public Administration
N.D	No Date
PA	Performance Appraisal
PP	Page
V/s	Versus
Mgt	Management
TQM	Total Quality Management
CEO	Chief Executive Officer
SA	Strongly agree
A	Agree
N	Neutral
DA	Disagree
SDA	Strongly Disagree
PAP	performance apprise practice



## **Abstract**

*The study investigates assessment of employee performance appraisal practice: The case of Addis Ababa Water and Sewerage Authority. And the research is employed on descriptive type of research, and it was conducted in convenient simple random sampling technique to make the result valid before the research undertaken and all activity has been done as much as it was possible system that influences employee behavior on an organizational performance. The source of data are primary and secondary that employed both quantitative and qualitative types while data gathering tools are structured and semi structured from the organization record documents and through close and open ended questionnaires. All in all the organization move for ward to achieve its mission, vision and value to create resourceful environment. Performance is a development variable of the organizational culture and environment around the employee and management, which affects individually his or her performance at work change in skill, education and experience produce positive impact on influencing the development variables. Here the role of managing employees and organizational performance becomes more significant and inevitable element to reach the ultimate goal of the organization. The study finding shows as a gain follow modern style of leadership vision to maximize value, create strong competent activities in the sector, and ensure organizational employees performance to achieve its objectives. There fore, conclusion will be encourages performance as an important in put for best value adding benefit, and practicing government policy rules and regulations of the organization through standardizing and challenge serious defects of organization performance appraisal problems for the future.*

## **Declaration**

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Dr. Elias Brhanu, all sources of materials used for the thesis have been duly acknowledge. 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 or diploma.

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Name

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signature

Indira Gandhi National Open University

Oct. 2014

## **CHAPTER ONE**

### **1. Introduction**

#### **1.1 Background of the Study**

Organizations seem today to be regularly changing their PA systems in the hope that they will find the right answer. And also an attempt to diagnose the factors responsible of the employees and organizational level to make the employees appraisals more acceptable, more effective and more result oriented.

Addis Ababa water and sewerage Authority is one of the public organization established under the municipality of Addis Ababa for the supply of clean water and provide waste water disposal service to the inhabitants of the capital city of Ethiopia, Addis Ababa.

AAWSA headed by city administration council board of management, and have eight branches and a project office in the city.

AAWSA's objective and responsibility as public organization lies mainly in the supply and provision of water and sewerage service which are among the most basic human needs. Considering the growth of the service both in volume and complexity following the rapid growth and expansion of the capital the challenges to be facing are enormous and too heavy. The involvement of workers in the development process and the role played is enormous. Employee of AAWSA has symbiotic roles to play. As a consumer they need its services and as employees of AAWSA give the services.

#### **Vision, Mission and Core values**

AAWSA strives for excellence in its business functions and processes. Its vision, mission and core values call for the utility business help achieve its ultimate business goals and objectives to provide dependable customer services as a leading and reliable center of excellence in the sector. AAWSA's corporate vision, mission, and core values are important tools in enhancing the authority in which employee are united by common goals and in shared ambition. The vision and mission statement imply that AAWSA strives for excellence in providing reliable, accurate,

secure, accessible and innovative customer services while being candid, fair, transparent and responsive.

### **Vision of AAWSA**

“To see Addis Ababa having sufficient clean, potable and reliable water supply and modern waste water disposal system that benefit its status and to line it among the best 5 African’s Metropolis”

### **Mission of AAWSA**

To deliver sustainable and adequate clean water and liquid waste disposal service in line with the city’s speedy development via working hand in hand with stakeholders.

### **Values of AAWSA**

- We shall supply clean water to all citizen of Addis Ababa
  - We share create a city free from the hazardous posed by the liquid waste
  - In relentless change and improvement we trust
  - With knowledge and faith we lead
  - Providing instant reaction is integral part of our service
  - Cooperative work is fundamental in put to the realization of our mission! AAWSA,(2006)
- Providing this all an organization’s Assessment of its employee performance appraisal is very essential so as to succeed in its objectives.

## **1.2 Statement of the problem**

Good practice of the way to development is to attain one’s organization goal achievement sustainable development requires optimizing and using the capacity of human resource. Unless an organization assess their employee performance appraisal it is difficult to enrich in to its objectives. The process of the enhancement of employee appraisal of Addis Ababa water and sewerage authority must be assessed in how manner it is functioning and whether or not related and useful for its ultimate goal of the organization, and this study should focus on if AAWSAS management ensure that the appraisal system is job related, performance based, uniform,

consistent, fair and the appraisers are honest, rational and objective in their approach and judgment.

Appraisers should be well trained in the art and science of PA to ensure uniformly consistency and reliability of the process.

Performance appraisal is the principal medium through which human talent in an organizations is most effectively utilized. Ignou (n.d)

### **1.3 Research Questions**

- Is there an appropriate performance appraisal system in AAWSA?
- How do the employee and management perceive the present performance appraisal practice?
- What is the purpose of employee performance appraisal conducted in AAWSA?
- What are the major problems related in AAWSA's employee performance appraisal?
- How employee performance is goes with objectives of AAWSA?

### **1.4 Objective of the Study**

The main objective of the study is to assesses employee performance appraise practice. The case of Addis Ababa Water and Sewerage Authority, and the study attempts to explore the existing employee performance appraisal practice is whether it acts as an input to the general objective of an organization in the effective and efficient ways to promote and enhance overall endeavor of AAWSA.

So, investigations will be conducted in the sense of responsibility in order to assists in answering the problem questions. Hence the general objective of the study investigates the practical activity of human resource (employee performance appraisal) contribution to the organization.

Finally, after assessing the performance evaluation, to recommend alternative measures that should be taken based on findings of the study.

#### **1.4.1. Specific objectives**

- To identify whether AAWSA under take its employee performance appraisal according to the existing policies and procedures.
- To assess the current performance appraisal practice of AAWSA.
- Identify the effect of performance appraisal practice on an objective of AAWSA.
- To forward conclusion and recommendation based on the findings of the study.
- And finally, after assessing the performance evaluation, to recommended alternative measures that should be taken based on findings of the study.

#### **1.5 Significance of the Study**

It is expected that this study may be helpful to solve problems around performance appraisal systems and it serve's as a reference material for academicians and practioners and also it initiates the targeted organization to assess its existing performance appraisals practice and use for change as a development to better human resource performance appraisal functions and meet its objectives more over it initiates for other interested researchers to carry out more extensive studies in the area finally these, study may be helpful to attempt to generate new ideas useful strategies, plans use upon human resource performances appraisal functions.

#### **1.6 Research Design and Methodology**

Research is an on going process that begins with theoretical foundations. Here lies the relevance of the research process. It clarifies the existing theory, which might lead to its reinforcement or reformulation and it could be a theory.

The research process includes a series of steps beginning with the identification of a problem and the study of the target in the universe. The stage of data collection involves the scientific methods and techniques so that the research activity yields reliable and valid results (Ignou, 2005).

The research out lined the population, sample selection, sampling techniques, data collection, data processing and analysis, interpretation and summarizing. This study is designed to assess the employee's performance appraisal practice. The cases of AAWSA to collect the required

data, both primary and secondary data sources are utilized. And also qualitative and quantitative types of data will be collected.

### **Rational of survey research method**

Social science research techniques often clarified in to two categories, namely qualitative and quantitative. Qualitative research enables to understand the subtle aspects of social relations. They are particularly useful when one is interested in probing a specific question in depth, its meanings and their different interpretations. However, qualitative methods also have their limitations. They are, for example, more suitable when research is being carried out in small setting in forced on a specific group or community. Qualitative research method are not very useful when we need to know about macro phenomena, such as the demographic structure of a population or the extent and nature of poverty or disease quantitative research method or survey research enables as to study these questions in a more comprehensive manner. Depending up on the requirement, survey research can be extended to a large area population as a whole nation or even the entire world. When the universe of the study is large and the researchers are looking for broad trends or patterns in a given population they often resort to survey method. In other words, qualitative and quantitative research methods are not opposed to each other they are complementary. The two can be combined, one enrich the other (Ignou, 2005).

### **The descriptive research approach**

When it is desirable to provide information for evaluation of alternative research approaches, the descriptive research approach with in the conclusive research is often used. The descriptive research method requires more basic knowledge of the subject than the explanatory one. State of things are surveyed and the properties of a number of objectives are described the aim of descriptive research is to describe how things are, for example, by mapping or observations without explaining why and that must not only be viewed as a fact gathering expectations.

### **Explanatory research approach**

In an explanatory research method, the aim is to search further for connections between cause and effect. An explanatory study can be done with different focus as the following “In depth” study by focusing on specific research on development and changes over time the difference

between descriptive and explanatory is quite small. Almost all descriptive research contains explanatory parts as well. The main difference between the two is that an explanatory research usually is contracted on relatively few variables while the descriptive research carries a broader perspective. In order to study in a satisfactory manner, thus finding answers to the problem and give recommendations on how to improve, much information is needed. Therefore the researcher has to broaden his knowledge in this subject area through literature review, observation, interview and feed back from the respondents who are employees and the managerial staff have to be taken in to account.

The researcher chosen descriptive, survey research method and explanatory method because it is suitable to describe to gather data's to help easily to interpret the results of the findings and give meaning out of it.

### **Simple size**

A question often asked is of the size of the sample. How large should it be? The best answer could be "it depends". That means there is no clear cut answer to this question. However, the literature on survey sampling does give general advice to prospective survey researchers. For some people, sample of thirty is the bare minimum if the researcher plans to some form of statically analysis of the data. However, the size of the sample depends on the plans of the researcher and how accurate the sample has to be for his purposes, and on population characteristics. It may be stated here that a large sample alone does not guarantee a representative sample. Further when we increase the sample size we increase costs. Large sample means increase costs. A researcher may keep in mind all these considerations while judging the size of the sample (Ignou,2005).

To collect primary data, both questionnaires and interviews will be employed. Quantitative data will be collected by questionnaires distributing for 180 employees which are 10% out of 1800 employees of AAWSA by using questionnaires quantitative and qualitative data. In addition to this observation will be conducted through interviewing the management staff members.

The researcher used SPSS /statistical package for social science/ to out puts of the reporting respondents information in different tables like frequencies and percentages used to summarize and analyze the data's.



### **1.7 Scope/Delimitation of the Study**

The study is focused on the assessment of employee's performance appraisal practice and it is limited to AAWSA's employee performance appraisal practice to assess the present situation and how it looks like and how well is the productivity of AAWSA conducted in its eight branches and one project office and head office. For this the researcher selected descriptive research techniques to process the collected primary and secondary data's from the organization.

### **1.8. Limitation of the Study**

The problem that the study encountered while conducting this research was unavailability of information that enables to fulfill all needed data. Moreover, time and resource constraints are also mentioned, as one factor, and problem of gathering questionnaires fully and timely are some of the limitations encountered. Besides, because of geographical set up different parts of the organization, need to be travel repeatedly from one end to the other unit. In order to collect the distributed questionnaires and conduct some observations are also the limitation of this thesis.

### **1.9. Organization of the Study**

The study is organized in to four chapters. Chapter one deals with background of the study, statement of the problem, basic research questions, objective of the study, significance of the study, Research design and methodology, scope/delimitation of the study and limitation of the study.

Chapter two deals with review of the related literature, chapter three deals with the data presentation analysis and interpretation the Final chapter four contains of findings, conclusions and recommendations.

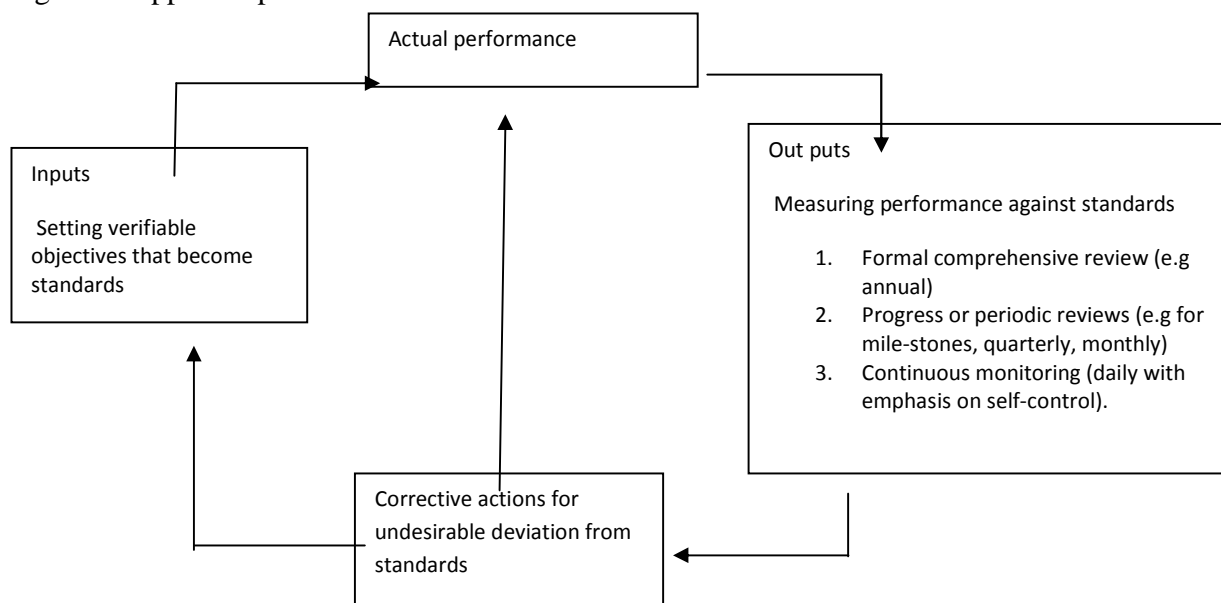
## CHAPTER TWO

### 2.1 Review of the Related Literature

What is important is that the formal comprehensive reviews be supplemented by frequent progress or periodic reviews. These reviews can be short and relatively informal, but they help identify problems or barriers that hinder effective performance. They also keep communication open between the superior and subordinates. Furthermore priorities can be rearranged and objectives can be renegotiated if warranted by changed situations. It certainly is inappropriate to pursue obsolete or even unsuitable objectives that were agreed on in an environment of uncertainties.

Finally, there is continuous monitoring or performance. Which this system, when performance deviates from plans, one does not have to wait for the next periodic review to correct it. The superior and the subordinate discuss the situation immediately so that corrective actions can be taken at once in order to prevent a small deviation from developing into a major problem (Harold and Heinzw 2004).

Fig. 1 The appraisal process



(Harold and Heinzw 2004)

## **The purposes of appraisal**

The reason why appraisal has had problems in some organizations is that the purpose of the whole concept has become rather blurred and confusion has arisen between the three important and worthy functions: performance potential and pay (Dorothy and Stwort, 2003).

## **Performance**

The most common reason for implementing an appraisal scheme is so that there is a regular, once or twice a year, review of a person's work progress. This is usually conducted between the individual and their immediate manager, though 360<sup>0</sup> is becoming popular now, involving the views of other people with whom the individual has work contact. These might include colleagues, subordinates and even customers and suppliers.

## **The PA offers the following four benefits:**

1. It can be likened to an annual car service, a dental check-up or a review of personal finances in that it enables the person's work to be monitored on an overall, rather than day-to-day basis. The whole pattern of that person's work can be discussed and put into context. Normal, more frequent, work reviews will focus more on the specific tasks currently being performed.
2. It is an opportunity for everyone concerned to discuss problems that have been happening and to make adjustment for even better performance in future. The changes could be related to the organizations of the department, the procedures or policies. By taking stock from the over all position, decisions can be made which are untainted by the urgency of immediate tasks in hand.
3. Training needs are often identified at the appraisal as, when the individual takes stock of their performance, and underlying cause for any problems might be realized to be deficiency in certain knowledge or skills

The appraisal is a chance for all parties to give and receive feedback on their performance, what they are doing well, what is not so good and what might need to be changed. The feedback aspect is very motivating for most people, even if there are complaints about parts of the

standard of their work. Research studies have shown conclusively that it is more motivating to be reprimanded occasionally than to be ignored (Dorothy and Stwort, 2003),

#### **4. Potential**

A second common reason for appraisal is to assess potential. This enables the person being appraised to discuss their career aspirations and to compare these with the future direction and the manpower and succession plans of the company. The appraisee can review their personal strengths and weaknesses, likes and dislikes, and consider in what direction they might want for most staff it is unlikely that they will have more than six or eight major goals for the year of these, most will be maintenance goals' aimed at continuing the way they are currently working. The one or two development goals will be for new work that is being planned (Dorothy and Stwort, 2003).

If the staff member is involved in setting these objectives, there is a far greater chance that they will be committed to their achievement for the same reason, the staff member should keep a copy of the completed forms (Dorothy and Stwort, 2003).

At the meeting to review last year's performance and to plan next year's a discussion should be held to consider any problems that affected the achievement last year which might also negatively affect next year. These problems might lead, for example, to a change in the way the product, policies and procedures operate, a change to how the individual or their manager do their work, or to some coaching or more formal training in specific knowledge or skills.

Some appraisal forms ask the manager to rate the staff member on various scales and on various characteristics. The global one which asks for an overall assessment of performance on a scale of 1 to 5 or 'First class' to 'inadequate' is purely for the purpose of pay, as it is from this score that percentage pay rises are calculated. It has no place in the discussion of the goals and only serves to distract the appraisee from the interview. If the score is given at the beginning of the interview, the appraisee tends not to listen too much of the following discussion as they are either relieved or are trying to bargain for a higher rating. If the score is withheld until the end of the interview, they are trying to anticipate what it is going to be. The discussion of the achievement of the goals is not served well by an assessment rating of the individual.

In some cases, a more refined assessment of the characteristics of the appraisee is required. This also hinders the performance review and contaminates the findings. If a manager is asked to rate, on a scale of 1 to 10, how, say, 'reliable' the staff member is, it is a reflection of the manager's definition of 'reliable' that is recorded. A reliable person could be someone who is accurate 'trustworthy' or can work with minimum supervision. These are three quite different interpretations of the same word, and so it is likely that the appraisal would be rated very differently by different managers with different definitions. For this type of appraisal, it is true that the appraisal says more about the appraiser than it does about the appraisee. For such an appraisal to have any place at all, it could only be in an assessment of the person's potential for another job (Dorothy and Stwort, 2003).

### **2.3 The Performance Appraisal System**

It is sometimes said that the best appraisal form is a blank piece of paper. This can be rather formidable for some managers, though, and over the years in an attempt to help simplify the process, HR departments have provided headings and these headings have evolved into forms. Unfortunately, in some cases, this has over-complicated matters, with the implication that the whole process is for the benefit of the HR department, rather than for the benefit of the managers and their staff as it should be.

The best forms for performance appraisal, rather than for any other purpose, operate on a rolling basis and attempt to be objective and specific. The form should be a working document that records the goals agreed between the manager and the staff member for the next year. It should be referred to frequently to monitor progress and to alert to any problems that are adversely affecting the achievement of the objectives, and it should then be used at the end-of-year appraisal to ascertain whether or not the goals have been met. This is also the time when goals for the following year should be agreed.

So that goals set are easy for all parties to understand and easy to measure, they should be written in the SMART format as follows.

S- Specific

M- Measurable

A- Agreed

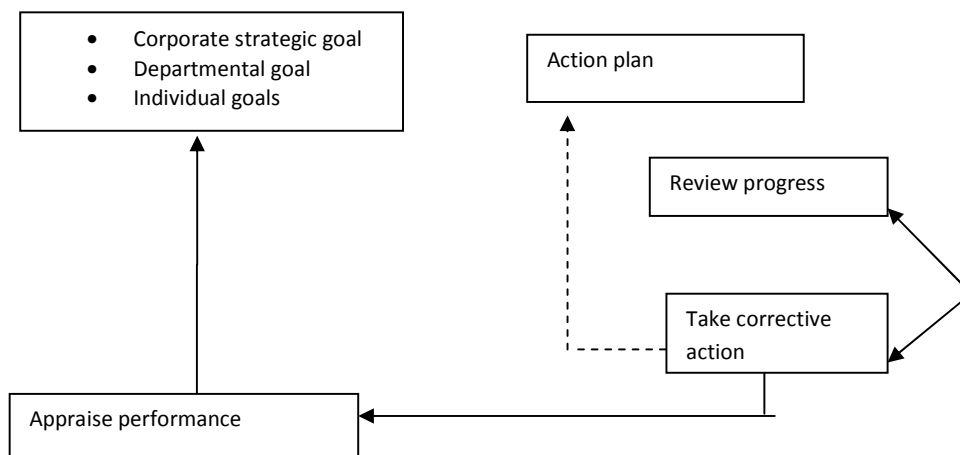
R- Realistic and reachable  
T- Time bound  
(Dorthy and Stwort, 2003)

## 2.4 Management by Objective (MBO)

A method of management where managers and employees defining goals for every department, project and person and use them to monitor subsequent performance.

- 1. Set goals:-**This is the most difficult step in MBO setting goal involves employees at all levels and looks beyond daily activities to answer the question, “What are we trying to accomplish?” A good goal should be concrete and realistic provide a specific target and time frame and assign responsibility. Goals may be quantitative or qualitative. Goals should be jointly derived-mutual agreement between employee and supervisor creates the progress commitment to achieving goals. In the case of Team, all team members may participate in setting goals.

**Fig. 2 Model of MBO process**



Appraise overall performance  
(RechardL. Daff and Maricic n.d)

- 2. Develop action plans:** An action plan defines the course of action needed to achieve the stated goals. Action plan are made for individuals and department.
- 3. Review progress:** a periodic progress review is important to ensure the action plan are working this review can occur informally between managers and subordinates, where the

organization may wish to conduct. Three month, six month, or nine month review during the year. This periodic check up allows managers and employees to see whether they are on target or whether corrective action is necessary. Manager and employees should not be locked in to predefined behavior and must be willing to take what ever steps are necessary to produce meaningful result. The point of MBO is to achieve goals. The action plan can be changed whenever goals are not being mate.

**Appraise over all performance:** The final step in MBO is to evaluate whether annual goals have been achieved for individuals and departments, success or failure to achieve goals can be come part of the performance appraisal system, and the designation of salary increases and other rewards. The appraisal of departmental and over all cooperate performance shapes goals for the next year. The MBO cycle repeats it self on an annual bases. Managers behave they are better oriented towards goal achievement when MBO is used. In recent years the U.S congress has required that federal agencies use an MBO system to focus government employees on achieving specific out comes, rather than focusing only an activities and work process. (Rehard. Daff and Marcic, n.d)

## **2.5. Performance Management & Evaluation**

Performance management is the process by which executives, managers, and supervisors work to align employee performance with the firm's goals. An effective performance management process has a precise definition of excellent performance uses measurements of performance and provides feed back to employees about their performance. Thus, it defines, measures monitors and gives feed back. Performance evaluation is a crucial part of a firm's performance management process (Ivancevich, 2008).

Performance appraisal is not a precise science but subjective judgment. There are some guide lines that may, however, increase an employee's acceptance of the appraisal process and intention to improve performance in the future (Baron and Gold, 2007).

Appraise interview

1. Is the appraisal process effective fair?
2. Did the activity illustrate the problems of appraisal?
3. How might you system improving the appraisal process. Employee

## **2.6. Employee Assessment Method**

In order to achieve the appraisal purposes objectives, a considerable number of employee appraisal methods are frequently used to adjudge and individual's performance in terms of needs of the Jobs for which they are employed. These objectives can be achieved if the merit rating scales are first evaluated and based in such statistical foundations and the raters are adequately trained in the evaluation process. Research studies have emphasized that organizations today do not have a choice of whether or not to examine their present performance appraisal the choice actually is between the alternatives available to measure the effects of appraisal (Field and Barnett, 1976).

Performance appraisal effectiveness appraisal has been perceived differently by psychologist's personal administrative and other by this term we mean the ability of the system of appraisal to meet various demands made from the existing system of the organization.

### **Effectiveness v/s efficiency**

In an appraisal system both the efficiency and effectiveness are applied to performance appraisal should be measured according to Sutton and Mathis (1979) state that efficiency deals with how well done is producing output. It is concerned with maximizing output of a given resource of a given input level.

This concept contrasts with effectiveness which deals with achieving a desired objective. Efficiency measures include= computer utilization amount of programmers productive hours (i.e. reduce idle time, absences etc). Key statistics data entry operators, projects developed within estimated cost and variety of other measurements. While as 'effectiveness' is a measure which includes quality of programmer output, user satisfaction, operational quality, plan to recover from disaster etc (Ahamed, 1998).

## **2.7 What is the Purpose of Staff Appraisal**

The purposes of staff appraisal are manifold, but the main thing is that both the employer and the employee should be satisfied; the employer should be satisfied that the employee is functioning well in terms of the needs of the organization; the employee should be satisfied that the employer and the organization are looking after their needs.



But what do we mean by need? Need is a difficult and ambiguous term which means very different things to people-especially when those people are employers and employees, who have traditionally sat on opposite sides of the fact, but who should be working in a cooperative venture.

The employer needs the employee to:

- Turn up on time and do a full day's work
- Work effectively and efficiently
- Generate profit

The employee needs the employer to provide:

- A safe and pleasant working environment;
- Appropriate opportunities for training and development;
- other suitable motivators, eg money, annual leave, flexibility

They both need a little give and take; the employee might book a holiday using the company's internet but they take work home at night and use their own printing facilities.

Staff appraisal is one means by which both the employer and the employee try to ensure that their respective needs are satisfied. Unfortunately, in many organizations the staff appraisal system leaves a lot to be desired. It is neither efficient nor does it satisfy needs; and no one really takes much notice of it. This is true in organizations which take a perfunctory view of appraisal, either not bothering at all or just having the odd informal interview-perhaps in a corridor. It is also true in organizations that attempt to implement detailed and effective appraisal systems where the appraisal is full prepared for, carried out in detail and does not consist just of one interview in a year. The problem with the former is plain to see, so what is the problem with the latter? (Nigelhunt, 2007).

### **Problems of effective staff appraisal**

The problem with many organizations, and this is particularly true of large organizations, is that even when they have detailed appraisal policies, the follow up is not effective. Many employees do not take appraisal seriously because they know that, for instance, if a training need has been

identified, the organization will often ignore the recommendation and will not implement what has been agreed. Alternatively, the appraiser may not have the authority to make promises regarding training needs and has to refer it to a higher authority. Through bureaucratization the appraisal system fails. The end result is that the individual appraisee feels that the organization is just paying lip service to the appraisal system- and the truth is, it is. The organization has the appraisal system, because it feels it should do, rather than because there are good reasons for implementing such a system.

How many organizations that you have worked in are like this? Appraisal is simply not taken seriously. Years of research shows appraisal can improve the productivity of the organization and the satisfaction of the individual employee when carried out effectively, yet organizations still do not take it seriously.

There are a number of reasons why this may be so. We are all a little averse to bureaucracy-form filling-we just can't be bothered. There are some organizations which genuinely do not care about their employees. There are employees who do not care about-or trust-their organization. The way round this is the open organizing which involves the individual employee at all levels, which consults over major decisions, recognizes the homework relationship, and ultimately respects the needs of the individual. This is discussed in detail in the next chapter. For now it is enough to point out that appraisal will not be truly effective except in the open organization. (Nigelhunt, 2007).

### **Training the appraiser, Training the appraisee**

In many organizations it is thought that appraisal is a straight forward task that can be carried out by any one, such as a junior member of the human resources team or a recently appointed supervisor. It is not; requires a range of skills and attributes. The appraiser must have negotiating skills, counseling skills, bargaining skills. They may need to be aware of company law, of what they can offer by way of training etc. The appraisee should also have some of these skills they too need to know how to negotiate and bargain, in order to get the best individual deal. These issues will be explored in a later chapter. (Nigelhunt, 2007).

## **Ethical issues**

All appraisal systems should be ethical; they should be fair to all parties involved in the appraisal system. The organization should not open itself to charges of unfair treatment, whether to do with legal issues such as sex, age or race discrimination, or general matters of fairness across staff, such as access to training and development and promotion. The system should not just be concerned with legal issues, but with moral and ethical ones too.

The appraisal system should also be fair to everyone involved in the system. That is not to say that all employees should receive the same kind of appraisal that may not be appropriate, but that within the system all are treated equally. The same procedures and guidelines should be used for everyone, and the same means of evaluating the system. If the system is well designed, then this will not present a problem.

Ethics is also about openness but openness also concerns the ways people treat each other. The appraiser should be open with the appraisee. For instance, do not promise training if you know it will not be available, do not make any promises you cannot keep. ( Nigelhunt, 2007).

## **What can go wrong with appraisal?**

It is useful from the outset to think about the reasons why appraisal can go wrong, so these can be borne in mind when preparing or improving the appraisal system. There are many things that can go wrong with appraisal. Appraisal fails at many levels. For example:

- Provide conflicting messages to employees
- A poor or inappropriate system
- Inadequate training of participants (both employees and managers)
- Failure to implement the system properly
- Conflicting aims of the appraisal the system properly
- Conflicting aims of the appraisal interview
- Failure to get people on board
- Takes too much time.
- Takes too little time;
- Poor follow up (eg providing promised training)

- No validation of the system

It does not provide a blueprint for any particular appraisal system, just the general rules which, if you follow them, will ensure you have an appraisal system acceptable to all and effective for the individual and for the organization (Nigelhunt, 2007).

### **A service application: Field of flowers**

Field of flowers is a retailer of flowers and related items located in Dave, Florida. Its president and top management studied Deming's theory of management and structured the company according to those principles

At the time the company was first organized, a performance appraisal system had to be developed. Since the leadership of Field of flowers wanted it to be in keeping with the system of profound knowledge, a cross-functional team composed of the top management of selected department was formed. They used the five-step cross-functional management model discussed in 'implementing cross-Functional Management'.

First, the team stated a mission for the proposed performance appraisal system. It was "To develop a performance appraisal system consistent with the system of profound knowledge." This mission was made clear to all employees.

Third, the team constructed an integrated flowchart of a traditional human resource system, with special attention to the performance appraisal function, as shown (Denton, 1998).

### **2.8. Performance Measurement**

Performance measurement is based on the beliefs that performance can be measured by objective indicators. Stress is not so much one behavior and 'activities' as 'ends' of behavior and activities.

Behavior or activities are seen rather as a 'means' to the important 'end' results. Emphasis is on a tangible value-added measured in terms of tangible contribution to the organization that can be expressed on number.

This is known as performance measurement. The chief factors in performance measurement are development of objective measurement is development of objective measures for quantifying performance.

Performance measurement is necessary to enforce accountability to results. In government, accountability means the responsibility of civil servant or unit for achieving a mission and the functions to support that mission. They have to be accountable to tax payer for prudence in expenditure. In other words the civil servants are to be responsible for their results, not just for their efforts (Marchington and Wilkenston, 2006).

Obsbome and Gaebler (1992) have referred to the following as reasons for measuring performance:

1. What gets measured get done
2. If you don't measure results, you can't tell success from failure
3. If you can't see success, you can't reward it.
4. If you can't reward success, you are probably rewarding failure.
5. If you can't see success, you can't learn from it.
6. If you can't recognize failure you can't correct it.
7. If you can demonstrate result you can win public support.

As its limitations performance measurement also has major problems as.

It may be difficult to measure because

- Result could be un reliable
- Organizations are rapidly changing
- Human desires are heavy handed and impersonal to translate
- They may be employee resistance on the ground.

### **Performance appraisal and Feedback**

The recruitment/selection and training/ development components of a human resource management system ensure that employees have the knowledge and skills needed to be effective now and in the future. Performance appraisal and feedback complement recruitment, selection,

training, and development. Performance appraisal is the evaluation of employees' job performance and contributions to the organization. Performance feedback is the process through which managers share performance appraisal information with their subordinates, give subordinates an opportunity to reflect on their own performance, and develop, with subordinates, plans for the future. Before performance feedback, performance appraisal must take place. Performance appraisal could take place with out providing performance feedback, but wise managers are careful to provide feedback because it can contribute to employee motivation and performance.

Performance appraisal and feedback contribute to the effective management of human resources in several ways. Performance appraisal gives managers important information on which to base human resource decisions. Decisions about pay raises, bonuses, promotions, and job moves all hinge on the accurate appraisal of performance. Performance appraisal can also help managers determine which workers are candidates for training and development and in what areas. Performance feedback encourages high levels of employee motivation and performance. It lets good performers know that their efforts are valued and appreciated. It also lets poor performers know that their lackluster performance needs improvement. Performance feedback can provide both good and poor performers with insight on their strengths and weaknesses and ways in which they can improve their performance in the future (Jones and George, 2009).

## **2.9. Management Approaches to Performance Appraisal**

Performance appraisals (PA) may use relative judgment or absolute judgment approaches.

In relative judgment's employee are compared to one another. Supervisors may be asked to rank subordinates from best to worst, or they may be asked to create a forced distribution by classifying a given percentage of employees in to various groups, such as exceptional, standards, room for improvement, and not adequate.

The advantage of the relative judgment approach is it requires supervisors to make difficult choices. Supervisors who want their subordinates to like them typically prefer to rate most as excellent, which may not be valid.

The relative judgment approach has serious disadvantages; however, performance distribution may vary among units. The performance of a person at the top in one unit may rank at the bottom of another. These systems can force managers to make an realistic performance distributions, which creates dissatisfaction in the work force (Mejia, Bakin, and Cardy, 2008).

## **2.10. Performance Appraisal and Compensation**

Although helping others improving their performance is one of the manger's most important tasks, most managers freely admit performance appraisal and improvement coaching gives them difficulty, judging an employee's performance accurately is not always easy. Often it is even hard to convey that judgment to the employee in a constructive and painless manner and to translate feedback on past performance in to future improvement. Determining appropriate compensation is a related task of great importance (Freeman and Gilbert, 1998).

### **2.10.1. Pre-Post-Training Performance with Control Group Method**

The most sophisticated evaluative approach is the pre-post-training performance with control group method. Two groups are established and evaluated on actual job performance. Members of the control group work on the job but do not undergo instruction, but the experimental group does. At the conclusion of training, the two groups are reevaluated. If the training is really effective, the experimental group's performance will have improved and will perform substantially better than the control group. This approach attempts to correct for factors, other than the instruction program, that influence job performance (Decenzo and Robins, 2007).

## **2. 11. Enhancing Staff Well-Being for Organizational Effectiveness**

The European Protestant work ethic in combination with the American gift for self-promotion, captured well by Ted Turner, seems to define what the typical CEO would consider the key ingredients for high performance in their organization. The idea that they should be concerned with the well-being and health of their staff, as a business or organizational performance issue, still seems to be a curious notion to many. This is most likely to be true for businesses with Boards that believe that anything that is outside a narrow definition of shareholder value or Return on Investment (ROI) should not be their concern. This chapter argues that staff well-being should be considered as an essential determinant and metric of organizational and business effectiveness.

The healthy, happy, productive worker is a well established new notion. However, in our work - helping organizations improve staff well-being - we keep being asked for its business case. In our experience the assumption among 'business managers is often that you can attend to staff happiness and well-being, as a "touchy feely" HR issue, or you can drive high performance and productivity, but it is not usually possible to reconcile.

In fact, this distinction between issues that relate to high performing workforces versus issues concerned with improving the well-being of workforces is purely academic - in the worst sense of the word! It does not reflect the realities of organizational life. The problems that confront practitioners, on a day-to-day basis, are not neatly segregated in this way. Absenteeism, for instance, provides a good example of a problem that transcends this artificial distinction and relates to both productivity and well-being. Progressive employers are beginning to recognize the important issues involved here. The remainder of this chapter examines the issues and signposts a progressive way ahead for employers and HR practitioners (Burke and Cooper, 2008).

### **2.11.1 The Process of Performance Management**

This chapter first considers the basic model of performance management, the processes involved, the conceptual framework and the contributions made by the organization and individuals respectively. It then examines in more detail two of the key components of performance management; namely, managing expectations (i.e. defining objectives and competence requirements and spelling out corporate values to be upheld) and conducting performance review meetings. Consideration is given in the last two sections of the chapter to performance rating and documentation (Armstrong, 1988).

### **2.12. The Process of Evaluating Employee Performance against the Desired Standards**

One of the most common methods of providing feedback on employee performance is through performance appraisal, the process of evaluating an employee's actual performance against desired performance standards. Most performance appraisal programs strive to accomplish three goals.

- 1) To give employees feedback about how they are doing their jobs, this can be an important source of motivation;



- 2) To provide a business owner and an employee the opportunity to develop a plan for developing the employee's skills and abilities and for improving his performance; and
- 3) To establish a basis for determining promotions and salary increases. Although the primary purpose of performance appraisals is to encourage and help employees improve their performances, too often they turn in to uncomfortable confrontations that do nothing more than upset the employee, aggravate the business owner, and destroy trust and morale. Why? Because of most business owners don't understand how to conduct effective performance appraisals.

Although American business owners have been conducting performance appraisals for more than 90 years, most companies, their managers, and their employees are dissatisfied with the entire process. Common complaints include unclear standards and objectives; manager who lacks information about employees' performances, managers who are unprepared or how lack honesty and sincerity's and managers who use general, ambiguous terms to describe employees' performances (Zimmerer & Scarborough, (2005).

### **2.13. Performance Appraisal as a Scientific Approach**

Employees performance appraisal is a fairly imprecise term (not giving exact detail) and performance management process manifest themselves in many different forms. There is no ways of managing performance, it depends on the organizational context, culture, structure and technology the view of stakeholders and the types of people involved to define employee performance appraisals practice effect on organization performance mean you should have to provide important concepts and practice as an optimist personality, because it was realized as a process of managing performance (Armstrong and Baron, 1992).

#### **2.13.1 Performance Management**

The aim of performance management is to establish a culture in which individuals and groups take responsibility for the continuous improvement of business processes and of their own skills and contributions.

Performance management systems can be used to communicate and reinforce the organization's strategies, values and norms, and to integrate individual and corporate objectives. But they also

enable individuals to express their own views on what they should be doing, where they should be going and how they should be managed. Thus they provide a means whereby expectations can be shared between managers and their staff. Managers can clarify their expectations of what they want their staff to do and staff can communicate their expectations on how they should be treated (Armstrong and Baron, 1992).

### **2.13.2. Conditions for Success**

A full performance management system as described above may be difficult to introduce. When developing such a system the following are the conditions which must be satisfied to achieve a successful outcome:

- Top management commitment.
- Line management ownership and commitment.
- General belief among staff that the process is fair and beneficial to them as individuals.
- Cultural fit.
- Appropriate management style.
- A shared process of strategic management.
- High levels of skill in objective setting and measuring performance and contributions (both managers and individuals).

A head of personnel who has the capacity to play a major and innovative role in ensuring that these conditions are satisfied (Armstrong, 2005).

### **2.14. Performance Appraisal as Practiced**

Employee PA practice effect on organization performance through excellent work activity are, an expected phenomenon of our world today. And it becomes necessary element to the owners as a power of tools to use. Literature review of the topic will be determined and evaluated by the whole organizational activities based on operational plan of the company against performance, in terms of administrative, behavioral and cultural side of the working atmosphere could provide to manage duty and responsibilities with such an important style of motivation activities.

To see employee and company performance, in the position of one particular business, they are one and the same, or couple to explain these phenomena company without employees and employees without company existence well look like needle without thread. Therefore to have

better and fast growth of company products in the economy, according to the business plan and policy of one particular firm through calculated risk help to achieve the common goal the organization. Research mapping currently trend in employee's performance appraisal practice and analyzing the attitude of appraisers and apprisees, have some negative comments about attitude and practices of organization its performance management and its effect. We talk about what an organization, team's manager, team leaders and individuals that could do better to manage the issue in order to win success.

The study initiated to evaluate the considerable development of the organization to explore, the new realities and capabilities of the employees help to improve effectiveness over critical problems.

Employees always do these activities on the assumption of value they hold. The basic aim of employee performance appraisal practice and its effect on organization are to share what to be achieved and to be developed.

Capacity of employees and organization could perform continuously. Profitability is an important measure of excellence for a company as a characteristic, to know whether the company position strong or weak (Baron and Gold, 2007).

### **2.15. Overview of the Components of HRM**

After recruiting and selecting employees, managers use the second component, *training* and development, to ensure that organizational members develop the skills and abilities that will enable them to perform their jobs effectively in the present and the future. Training and development is an ongoing process: changes in technology and the environment, as well as in an organization's goals and strategies, often require that organizational members learn new techniques and ways of working. At Microsoft, for example, newly hired program designers receive on-the-job training by joining small teams that include experienced employees who serve as mentors or advisers. New recruits learn first-hand from team members how to develop computer systems that are responsive to customers' programming needs.

The third component, *performance appraisal* and *feedback*, serves two different purposes in HRM. First, performance appraisal can provide managers with the information they need to

make good HR decisions — decisions about how to train, motivate and reward organizational members. The performance appraisal and feedback component is thus a kind of *control system* that can be used with MBO. Second, feedback from performance appraisal serves a developmental purpose for members of an organization. When managers regularly evaluate their subordinates' performance, they can provide employees with valuable information about their strengths and weaknesses and the areas in which they need to concentrate.

On the basis of performance appraisals, managers distribute *pay* to employees, part of the fourth component of an HRM system. By rewarding high-performing organizational members with pay rises, bonuses etc., managers increase the likelihood that an organization's most valued HR will be motivated to continue their high levels of contribution to the organization. By linking pay to performance, high-performing employees are more likely to stay with the organization, and managers are more likely to fill positions that become open with highly talented individuals. *Benefits* such as health insurance are important outcomes that employees receive by virtue of their membership in an organization.

Last, but not least, *labor relations* encompass the steps that managers take to develop and maintain good working relationships with the labor unions that may represent their employees' interests. An organization's labor relations component can help managers establish safe working conditions and fair labor practices in their offices and plants.

Managers must ensure that all five of these components fit together and complement their company's structure and control systems. If managers decide to decentralize authority and empower employees, they need to invest in training and development to ensure that lower-level employees have the knowledge and expertise they need to make the decisions that senior managers would make in a more centralized structure (Jones and George, 2003).

### **2.15.1. Rules, Standards and Objectives**

In order to the directive managers, you need to have a set of clear, fair, and relevant guidelines against which to measure the performance of your agents. We tend to work with three types: rules, standards, and objectives. All three of these criteria can be used to measure both productivity and quality. Rules are the most stringent of the three (Deming and Friedman, 2003).

### **2.15.2. Job Description**

This is an essential type of information, particularly where you are not fully conversant with the job. The job description should be up-to-date and complete; otherwise you will not be certain of the nature of the nature of the appraiser's job. In efficient organizations up-to-date job descriptions are available, but unfortunately this is not often the case. If there isn't one, you will have to devise one. The more you know about the appraiser's job in the first place, the easier it is to devise a job description.

The process of formulating a job can be very time consuming, and you may need help to do it. If the appraisal system is going to succeed, the help of the personal department in ensuring job descriptions are up-to-date is essential. A specialist appraiser won't have the time to devise these job descriptions.

What follows is a sample method of desiring a job description. The description should be revised regularly using the same process job can change in character over quite short periods of time, partly because of the individuals involved in the job, who share tasks, transfer tasks, etc. and partly because of the organization which may change the tasks involved. Many of these changes are peripheral, but it is important to incorporate them in the up to date job description. They may, for example, effect the personality requirements of the person carrying out the job. (And hence the person specification for it) (Nigalhunt, 1997).

### **2. 16. Internal Sources of Candidates**

Although recruiting may bring to mind employment agencies and classified ads, current employees are often your largest source of recruits. Some surveys even indicated that up to 90% of all management positions and filled internally filling open positions with in inside candidates has several advantages. Employers see that and performance may thus be enhanced. Having already been with your firm for some time, inside candidates may be more committed to company socials and les likely to leave. Promotion from with in can boost employee commitment and provide managers a longer-terms perspective when maturing lousiness decisions.

It may also be safer to promote employees from within, since you're likely to have a more accurate assessment of the person's skills than you would otherwise. Inside candidates may also require less orientation and training than outsiders (Dessler, 1997).

### **2.16.1 Assessing the Training Needs of New Employee**

Task analysis is used for determining the training needs of employees who are new to their jobs. Particularly with lower-echelon workers it is common to hire in experienced personnel and train them. Here your aim is to develop the skills and knowledge required for effective performance, and so the training is usually based on task analysis, a detailed study of the job to determine what specific skills-like soldering (in case of assembly worker) or interviewing (in case of a supervisor) are required (Dessler, 1997).

### **2, 16.2. Performance Target Setting**

The task of setting targets of performance is the joint responsibility of both managers and their subordinates. When the target is jointly set by both superior and the subordinate, the subordinate will be motivated to strive towards the attainment of the target in as much as the way partly in its establishment (Yalokwu, 2002).

### **2.17. The role of Cognitive Factors**

The cognitive factors involved in the exaggerated distinction between ability to learn and learning performance and including motivation, anxiety, cautiousness, rigidity and speed. Adults are middle age are unique learners. They know more (by virtue of their experiences). Also, their many life responsibilities present them with time limitation for any activity (Jagguis, n.d).

The distinction between competence and performance is important when considering learning in middle age. Competence is what the individual know or could do performance is represented by what the individual actually does in the task at hand. As adults grow older, there is greater likelihood of an increasing gap between competence and performance due to cognitive factors (Jagguish, n.d).

## **CHAPTER THREE**

### **3. Data presentation Analysis and Interpretation**

#### **3.1. Introduction**

Research involves collecting relevant data that can be analyzed and designed for the purpose of adding usable knowledge. Research is not casual, off the cuff activity. Rather it is built up on a solid foundation of philosophy, practical experience, cultural characteristics, and social institutions and traditions. (E. McNabb 2008).

#### **3.2. Research design**

The research design is the master of plan by using both descriptive and quantitative data sources. These will be set and specifying as a popular method and procedures to practice primary and secondary data sources. And the primary data source were interviews, group discussion and questionnaires, collected by the research, and the secondary data source and data gathered from published data, internet, books, news paper and journals etc. there fore, after the research decide the type of data and information to be collected from the two basic sources are helpful to explore and analyze the needed fact through those research rules, regulation and methodology process as a specification of the study (Zikumund, 2002).

#### **3.3. Procedure of Data Collection**

Researcher use both primary and secondary data to conduct the study. The primary data collected by means of questionnaires distribution to the respondent at the time and data collection period. The study collected the needed data in two ways. In section one it was personal and demographic factors and in section two through questionnaires from those who are concerned employees. Secondary data has been collected from administration office and different stations of the organization, books, journals which are related to the topic used for searching related literature.

### 3.4. Data Analysis Technique

The pattern to follow data analysis techniques collect and summarized through descriptive statistical tools by means of open ended questioners. And allow the respondent to ask or probe for further feels to clarify the issue and to get answer about the expected information by the respondent in his own or her own word. And also data collected by means of closed questionnaires. Which the respondents choose among limited alternatives given responses, with his or her own view, which take less time and skill to answer. In the analysis the collected data has been stored out through applicable tables, and use the necessary device such as percentage and frequency, and communicative percentage. Survey, appropriate for descriptive studies sample questionnaires good, sample and visualize appearing layout are must for male surveys and useful in personal and telephone interview to set the respond. Stratified sampling break the sample in to various sub groups of strata and sample are among some of the methods that the research use (Zikumund, 2002).

In this chapter the result from the study is presented and analysis in graphical and tabular formats based on the responses given by the respondents.

A total of 180 employee received the questioners out of which 1800 organization employees 10% sample has been taken by simple random sampling techniques as the organizations employees are homogeneous type, and out of the total 180 distributed number of questionnaires, 130 respondents or more than 72% of them are returned fully completed questioners.

#### Part I. Demographic profile of respondents

**Table 3.2.1. Age of respondent**

	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
20 -35	66	50.8	50.8	50.8
36-45	39	30.0	30.0	80.8
46-55	21	16.2	16.2	96.9
>56	4	3.1	3.1	100.0
<b>Total</b>	<b>130</b>	<b>100.0</b>	<b>100.0</b>	



When we see the age of the respondent group distribution from the table and pie chart above, those represented from the range of 20-35 age are indicated 58.8%, respondents 36-45 years age group are 30% and only above 56 years age group are 3.1% from this we can understand AAWSA'S employees' age more than 80% are with in productive age which is 20 up to 45 of age group. This organization can benefit from the indicated work force. Because the organizations human resources collection we can understand almost all of the employee found to be in high productive age status.

**Table 3.2.2. Gender group of respondents**

<b>gender</b>				
	<b>Frequenc y</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
male	91	70.0	70.0	70.0
female	39	30.0	30.0	100.0
<b>Total</b>	<b>130</b>	<b>100.0</b>	<b>100.0</b>	

When we see the demographic variable of gender division of respondents in the table and pie chart above, Out of the total number of respondents 91 are male in numbers and 39 are female, which indicates 70% and 30% respectively. What we see here is the female involvement in this organization according the respondent sex representation female has been not proportional to the opposite gender group.

**Table 3.2.3. Marital status of respondents**

	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
married	85	65.4	65.4	65.4
divorce	3	2.3	2.3	67.7
unmarried	42	32.3	32.3	100.0
<b>Total</b>	<b>130</b>	<b>100.0</b>	<b>100.0</b>	

As indicated in the table and pie chart, the marital status of the respondents group are 85 in number are married which are 85 (65.4)% of the group, 42 from the group are un married which are 32.3%, and only 3(2.3%) divorced out of them. The above data indicates that large part of the respondents which is 65.4% is married means all are under responsibility of family and to this status also they can receive obligation from the organization.

**Table 3.2.4. Qualification of respondents**

<b>educational back ground</b>				
	<b>Frequenc y</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
below grade 10	6	4.6	4.6	4.6
above grade 10 below diploma	3	2.3	2.3	6.9
diploma	37	28.5	28.5	35.4
degree	83	63.8	63.8	99.2
masters and above	1	.8	.8	100.0
<b>Total</b>	<b>130</b>	<b>100.0</b>	<b>100.0</b>	

As we observe in the table and in pie chart. The education back ground of the respondents are, below grade 10, they are 6 in numbers which are 4.6%, above grade 10 and below diploma 3 in number which are 2.3%, diploma level are 37 in number which are 28.5%, those who qualified in degree are 83 in number which 63.8% out of the total respondents 1 in number is master degree and above which is 0.8%.

The educational background from above data is very good distribution which is 63% out of the total respondents are degree holders and above in different qualifications so that it highly benefits AAWSA.

From the above table and pie chart explanation this data can show individual or group qualification how much helpful to support the organization work program having 63.85% of the organization having a qualification above degree level due to this collection of educational background, AAWSA can manage to bring a development for the sector.

**Table 3.2.5. Job status of respondents**

	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
employee level	86	66.2	66.2	66.2
lower level management	26	20.0	20.0	86.2
Middle level management	18	13.8	13.8	100.0
<b>Total</b>	<b>130</b>	<b>100.0</b>	<b>100.0</b>	

In the distribution of job status indicated in the table and pie chart above, out of the total respondents 86 in number 66.2% are employee level, 26 in number and 20% are lower level management, and 18 in number 13.8% are only in middle level management. For this we can judge the status or the structure in an organization seems good.

**Table 3.2.6. Job experience of respondents**

	<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
0-5	20	15.4	15.4	15.4
6-10	45	34.6	34.6	50.0
11-15	19	14.6	14.6	64.6
16 years and above	46	35.4	35.4	100.0
<b>Total</b>	<b>130</b>	<b>100.0</b>	<b>100.0</b>	

Respondents job experience as indicated in the table and pie chart, 0-5 yeas of experience are 15.4%, 6-10 years, are 34.6%, 11-15 yeas are 14.6%, and above 16 years service are found to be the highest number 46 which is (35.4%) of experienced out of the total respondents. From this we can understand that AAWSA employee is mostly reach in an experience.

So, all in all as the study clearly shows the accumulated experience, in an organization could support to perform on the objective of the organization so as to meet its goal.

**Table 3.2.7 Monthly income of respondents**

<b>monthly income</b>				
	Frequency	Percent	Valid Percent	Cumulative Percent
below 2000 birr	7	5.4	5.4	5.4
2001-3000 birr	21	16.2	16.2	21.5
3001-4000 birr	38	29.2	29.2	50.8
4001-5000	37	28.5	28.5	79.2
above 5001 birr	27	20.8	20.8	100.0
Total	130	100.0	100.0	

As indicated in the above table and pie chart regarding the monthly income of respondents are as follows, who earns below birr 2000 are 5.4%, who earns birr 2001-3000 are 16.2%, who earns birr 3000 -4000 are 29.2% and who earns above birr 5001 are 20.8%. This indicates AAWSA's salary scale is not sufficient, even those who got more than the higher scale 5001 above are only 20% from the total respondents.

For this, in all together the above pay scale of AAWSA is not fair, and it is not competent enough and shows low level payment that accelerate employee turnover, dissatisfaction and inefficiency. There fore without any delay and recitation proper pay scale and hesitation to be made in order to invite success.

The final result of demographic summary of respondent category, age, sex marital status, education, job status and experience of the employee explain the rational manner that makes the representation in the employ performance appraisal in put situation of the organization level in the context of AAWSA.

So, planned study of employee performance management system should be implemented in this regard and the right measures of the comments must be taken at the right time to bring work performance at the objective level of the organization.

**Part 2 Multiple choice questionnaires subject to employee performance appraisal practice in AAWSA**

<b>No</b>	<b>Items</b>	<b>Frequency</b>	<b>%</b>
1	Why you become employee of AAWSA - To get benefit from salary - Because of luck of job - To gain an experience - Having no alternative job	48 26 35 21 <b>Total 130</b>	36.9 20 26.9 16.2 <b>100</b>
2	Disadvantage of poor performed employee - High probability to disobedient - Failure to organization - To be bad example to the rest of employee - All of the above	11 23 15 81 <b>Total 130</b>	8.5 17.7 11.5 62.3 <b>100</b>
3	How much the rules and regulation are practiced - Fully - Partially - Rarely - Mostly	15 59 29 27 <b>Total 130</b>	12 45.4 22.3 20.8 <b>100</b>
4	When do employee are productive - When capable and sufficient knowledge - When supported by training - When there is good and attractive remuneration payments - All of the above	11 6 4 109 <b>Total 130</b>	8.5 4.6 3.1 83.8 <b>100</b>

5	<p>Performance appraisal practice is</p> <ul style="list-style-type: none"> <li>- Enhancing skill and carriers</li> <li>- Aim to achieve economic benefit of employees and the organization</li> <li>- Means to succeed objective with limited resources</li> <li>- All of the above</li> </ul>	<p>29</p> <p>31</p> <p>18</p> <p>52</p> <p><b>Total 130</b></p>	<p>22</p> <p>24</p> <p>14</p> <p>40</p> <p><b>100</b></p>
6	<p>Employee performance useful to accomplish human resources objective</p> <ul style="list-style-type: none"> <li>- Increase productivity and family feed back</li> <li>- Help organizations to make value added decisions.</li> <li>- Protect organization law suit by employee</li> <li>- All of the above.</li> </ul>	<p>25</p> <p>35</p> <p>19</p> <p>51</p> <p><b>Total 130</b></p>	<p>19</p> <p>27</p> <p>15</p> <p>39</p> <p><b>100</b></p>
7	<p>The positive impact of performance appraisal in an organization and employees</p> <ul style="list-style-type: none"> <li>- Good communication having common shared vision</li> <li>- Define individual capacity and expectations</li> <li>- Reduce conflict and ambiguity between workers</li> <li>- All of the above</li> </ul>	<p>14</p> <p>6</p> <p>7</p> <p>103</p> <p><b>Total 130</b></p>	<p>10.7</p> <p>4.6</p> <p>5.4</p> <p>79.3</p> <p><b>100</b></p>
8	<p>Impact of training in performance appraisal practice.</p> <ul style="list-style-type: none"> <li>- Brings some of knowledge difference at work place</li> <li>- Enhance organizational work ethics</li> <li>- it can be used as one factor, to develop performance appraisal</li> <li>- All of the above</li> </ul>	<p>11</p> <p>9</p> <p>23</p> <p>87</p> <p><b>Total 130</b></p>	<p>8.5</p> <p>6.9</p> <p>17.7</p> <p>66.9</p> <p><b>100</b></p>

## **Analyses of multiple choice questionnaires from part 2**

Subject to employee performance appraisal practice in AAWSA when we see part 2 questioners number 1 regarding why respondents are become employee of AAWSA is benefit from salary indicate 36.3%, because of lack of job is 20% to gain experience is 26.9% under due to having no alternative is 16.2%.

For disadvantage of poor performance in employee shows that 17.7% are indicate failure to the organization, 8.5% are indicated that disobedient, 15% are indicated to be bad example to the rest of employees, but 81 in number out of 130 respondents which is 62.3% of them are chosen as all are the disadvantage of poor performed employee.

For the questionnaire as how much is the rules and regulations are practiced in AAWSA. The respondents are answered as fully 12% partially 45.4%, rarely 22.3% and mostly 20.8%.

For the questionnaire, when do employee are productive. When capable in knowledge are answered 8.5% when supported by training 4.6% when there is attractive remuneration 3.1% and log of the respondents out of 130 are 83.8% chosen all of the above.

Performance appraisal practice is according the respondents choice indicated, enhancing skill are 22%, aim to achieve economic benefits are 24%, means to succeed the organizations objectives 14%, and all variables are in need of performance appraisal practice are answered by the 40% out of the whole respondents.

Regarding the employee performance to accomplish human resource objective is responded 19% are as increase productivity and timely feedback, 27% answer as in helps as value added decision, 15% of them answered protect organizations low suit, and 39%are answer back as for all of the above which is necessary to accomplish human resources objectives.

Regarding positive impact of performance appraisal for an organization and employees are respondents gave an answer, 10.7% good communication and common shared vision, 4.6% individual capacity and expectations, 5.4% reduce conflict and ambiguity between workers, and



79.3% indicates as all of the above as the positive impact of performance appraisal in an organization and employees.

Impact of training in performance appraisal is 8.5% answer brings lack of some knowledge deference, 6.9% enhance organization work ethnics 17.7% it is one factor to develop performance and 66.9% of them answered back as all of the above.

**Part 3. Likert scale five point approach data presentation**

No	Items	SA		A		N		DA		SDA		Total
		F	%	F	%	F	%	F	%	F	%	%
1	When employees rights and privilege kept results for an organization improved exceedingly	64	49.2	40	30.8	12	9.2	11	8.5	3	2.3	100
2	Role of employee can only be known by his outstanding performance and out put of the organization	19	14.6	60	46.2	27	20.8	18	13.8	6	4.6	100
3	Recognized reason of employee for resignation and grievance will be solved by organization leaders	15	11.5	64	49.2	22	16.9	22	16.9	7	5.4	100
4	Organizational work culture influences on employee performance results	44	33.8	57	43.8	16	12.3	9	6.9	4	3.1	100
5	Employees knowledge is a wealth as a base for all expected result of the organization and the nations	60	46.2	45	34.6	16	12.3	8	6.2	1	0.8	100
6	Strong and high skill capacity work force of the organization can create knowledge, experience and good working environment	63	48.5	45	34.6	14	10.8	4	3.1	4	3.1	100

No	Items	SA		A		N		DA		SDA		Total
		F	%	F	%	F	%	F	%	F	%	%
7	Policies, rules and regulations are basic support for employees, management and organizational well being	59	46.2	45	34.6	9	6.9	11	8.5	5	3.8	100
8	PA management process is demonstrated means it can enhance productivity of the organization	37	28.5	59	45.4	25	19.2	8	6.2	1	0.8	100
9	Training and development have direct relation in improvement of employee performance appraisal	44	33.8	58	44.6	14	10.8	10	7.7	3	2.3	100
10	A good remuneration have direct relation in employee performance appraisal practice.	37	28.5	61	46.9	24	18.5	5	3.8	2	1.5	100
11	Job description is one of the potential factor in assessing of employee performance appraisal	42	32.3	53	40.8	19	14.6	12	9.2	4	3.1	100
12	A good pay scale can be a means for an improved performance appraisal practice.	46	35.4	47	36.2	16	12.3	17	13.1	4	3.1	100

### **Part 3. Likert scale five points approach questionnaires analysis table**

In an item number 1, at an average 80% of respondents are answered strongly agree and agree on when employees rights and privileges are kept results for an organization improved, while 9.2% are respond neutral and only 10.8% of the average total respondents disagree and strongly disagree.

In an item number 2. At an average 60.8% of the respondents replay agree and strongly agree on when role of employee can only be known by his out standing performance and out put of the organization, 20.8% are respond neutral and of the average 18.4% replay on strongly disagree and disagree.

In an item number 3. At an average 60.7% of the respondents reply, recognized reason of employee for resignation and grievances are solved by organizations management while 16.9% are answer in neutral side and 22.3% of the respondents at an average reply on disagree and strongly disagree.

In an item number 4, at an average 77.6% of the respondents reply strongly agree and agree on organizational work culture influences on employee performance results, while 12.3% are answer neutral and only 10% are in average replay or strongly disagree and disagree.

In an item number 5, at an average 80% of the respondents replay strongly agree and agree on employees is a wealth as a base for all expected result of the organization, while 12.3% of them replay neutral and at an average of only 7% are disagree and strongly disagree.

In an Item number 6, at an average 83.1% of respondents replay strongly agree and agree up on high capacity and skills work force of the organization can crate knowledge, experience and working environment, while 10.8% of them answered neutral side and 6.2% are respond as disagree and strongly disagree.

In an item number 7, at an average 80.8% respondents replay that agree and strongly agree on policies, rules and regulations are basic support for employees, management organizational well being, while only 6.9% of them are neutral and at an average of 12.3% answer disagree and strongly disagree side.

In an item number 8, at an average 73.9% of respondents are reply agree and strongly agree up on PA management processes demonstrated means it can enhance productivity of the organization, while 19.2% of them are neutral, and at an average of 7% reply on disagree and strongly disagree.

In an item number 9, at an average 78.4% of respondents are reply, agree and strongly agree upon training and development have direct relation in an improvement of employee performance appraisal while 10.8% of them are neutral in answering this item and only 10% reply disagree and strongly disagree.

In an item number 10, at an average 75.4% of respondents reply on agree and strongly agree up on a good remuneration have direct relation in employee performance appraisal practice, while 18.5% are neutral and 5.3% are only respond disagree and strongly disagree.

In an item number 11, at an average 73.1% of the respondents answer agree and strongly agree up on job description is one of the potential factor in assessing of employee PA, while 14.6% are neutral and on an average of 12.3% of them reply disagree and strongly disagree.

In an item number 12, at an average 71.6% of respondents agree and strongly agree up on a good pay scale can be a means for an improved performance appraisal, while 12.3% of them stand by neutral side and at an average of 16.2% of them disagree and strongly disagree by this idea

As from the above various data we can understand that, like employee right and privilege kept well the organization production or service increase in its quantity or quality of work change can be observed. Other wise, aggrieved and dissatisfy employee can desire to leave the organization for an alternative better life and working environment. Since knowledgeable, trained, and experienced work force is a vital for an organization, so rules and regulation like collective agreement should be respected regarding the benefits of employee. Moreover the payment due to merit under collective agreement never deliver on time for this all in all the responsible party required to adjust the above events on time.

As indicated in this study the employee have not job descriptions in the organization and also there is no real employee performance system as to be observed on the ground, it is only the so called forced ranking employee performance measurement that couldn't be fulfill the criteria of

employee performance assessment and it is made in 360 performance assessment system. So it doesn't show difference up on the industrious worker in the competition to show individual difference to measure merit and demerit of the employee performance.

Then the management of the organization has to correct the above jobs with in fastest possible time and it requires establishing a true performance appraisal system in an organization so as to add value to the objective of AAWSA.

**Part 4 yes or no answer data presentation**

No	Items	Yes		No		Total	
		F	%	F	%	F	%
1	Do appraisers trained the context of AAWSA	18	13.8	112	86.2	130	100
2	Is there an appropriate performance appraisal system in AAWSA currently?	34	26.2	96	73.8	130	100
3	It AAWSA benefited from its employee performance appraisal as an input to its objective	50	39.5	80	61.5	130	100
4	Do employee who perform excels in his/her duty on job rewarded?	26	20	104	80	130	100
5	Do employee performance guided against plan and program of the organization	41	31.5	89	68.5	130	100
6	Do employee benefited from the organizational annual capacity achievement	52	40	78	60	130	100
7	What ever merit employee have, it is delivered with out delay	49	37.6	81	62.4	130	100
8	Does AAWSA have a resource problem to accomplish its objective	64	49.2	66	50.8	130	100
9	Is there good relationship between employee and their leaders	50	38.5	80	61.5	130	100
10	Is there chronic problem, so as to dissatisfy the employee	76	58.4	54	45.6	130	100

#### **Yes or no answer questionnaires data analysis for part four**

In an item number 1. Do performance appraisers receive training in the context of AAWSA. 13.8% of the respondents gave an answer "Yes" but 86.2% of them answer "No"

In an item number 2. Is there an appropriate performance appraisal system in AAWSA currently 26.2% of the respondents answer yes and 73.8% of them answer no.

In an item number 3. Under questioners is AAWSA benefited from its employee performance appraisal as an input to its objective? 39.5% of the respondents answer "Yes" and 61.2% respond "No".

In an item number 4. Under questioner as employee who performs excels in his/her duty awarded? 20% of the respondents are answering yes but 80% of them answer "No" as not awarded or rewarded.

In an item numbers 5. Do employee performance guided against plan and program of the organization. 31.5% the total respondents answer yes and 68.5% of them answer no this.

In an item number 6. Under questionnaire do employee benefited from the organizations achievement annually? 40% of the respondents answer yes and the other 60% of them answer no with different comments.

In an item number 7. Under the questionnaires what ever merit employee have, it is delivered without delay 37.6% of the respondents replay "Yes" and 62.4% are answer "No" with different comment.

In an item number 8. Under the questionnaire, does AAWSA have a resource problem to accomplish its objective? 49.2% of the respondents answer "Yes" and 50.8% of the answer "No".

In an item number 9. Under questionnaire is there good relationship between employee and their leaders? 38.5% of the respondents answer "Yes" and 61.5% are answer "No".



In an item number 10. Under this questionnaire, is there chronic problem in as to dissatisfy employee? 58.4 % the respondents replay “Yes” with different comments and the other 45.6% replay as “No”.

## **CHAPTER FOUR**

### **4. Summary of Findings, Conclusion and Recommendation**

#### **4.1. Summary of Findings**

Below are summary of findings gathered from the respondents about performance appraisal practice of AAWSA. Employee performance appraisal practices the case of AAWSA organization findings have been analyzed detail using the response of employee.

Employee performance appraisal is popular since the age of the organization. It is necessary to change the present system of performance appraisal according to the study of findings.

- The study shows employees need a strong desire to improve the organization in modern style as to win the development of the organization.
- The organization to empower employee and maintain quality services, good relation between employee and management, increase efficiency, the organization need to have active organizational structure and competent salary scale to encourage employee performance.
- In order to achieve the objective of the organization and government expectation ensuring employees needs in terms of giving quality service and productivity and growth employees benefit status must be kept.
- To create a strong and competent organization to bring a sustainable development in the sector, need to have good work man ship and managerial relations, proper decision making is vital above all.
- In order to enhance the organization objective, primarily the study shows as to correct human elements and related issues.
- As training and developments are a key factor to guarantee for development of the organization employees believe to be trained to bring a high performance and add value to the organization as the study reveals.
- In relation to work performance, job must be measured, for measured job, in order to control the job through performance appraisal a job description must be implemented for

individual workers. As the study reveals there is no job description implemented yet, and this is subject to poor leadership adjustment on this matter is left for management.

- Employees' benefits are not paid on time being considered as rules and regulations puts on a period limit, due to this facts litigation disputes are happened in different times, due to some wrong doings against the benefit of employee; according the observation and study reveals.
- As the study findings indicated rules and regulations are not respected due to this facts, working environment become violated the consequence is subject to employee dissatisfaction and mismanagement happenings will occur.
- Poor organizational structure and pay scale. Work activities are not done in interested and responsible way legally and in acceptable way of employees payments are not practical to meet the work program. The study shows the employees are dissatisfied due to remuneration made in the organization.
- The assessment of performance appraisal of employee must be related with the objective of the organization and to be measured in real term so as be bringing change and to add value in the sense of the organization.
- As the study indicates out there employees who excels in there performance not rewarded the organization should follow the merit and demerit, as carrot and the stick management application and rewarding and awarding should be applicable. When poor performed employee differentiated the consequence is failure, disobedient, and bad example to the rest of employee. So that poor performed employee also assisted to bring change in different ways.
- The study revealed the positive impact of performance appraisal can made among employee and its management to have common shared vision, improve individual capacity and expectation, reduce conflict between workers are findings from the study.
- Employee turn over should not be seen as simple, because it brings bad working draw backs management have to detect and correct cases that employee dissatisfy and leave the organization.

## 4.2. Conclusion

On the basis of major findings the following conclusions are forwarded. Employee performance appraisal practice the case of Addis Ababa Water and Sewerage Authority, study area revealed the existing condition as was expected. The study shows that even though performance appraisal of employee is subjective it is remedy to remove the organization problem, in all the way an employee and organizational performance should be assessed continuously.

As a system performance appraisal must be implemented in good manner as it is essential part of management activities to bring change in human resource side and also appraisers need to be trained. So far AAWSA could not be benefited from his employee performance as an input to its objectives.

It is obvious that an organization should assesses employee performance and measure its organizational out come. Otherwise, the consequence is subject to failure.

As Absome and Gacbler (1982) have put it, reasons for measuring performance

- ✓ What gets measured gets done
- ✓ If you don't measure results you can't tell success from failure
- ✓ If you can't see success you can't reward it.
- ✓ If you can't reward success, you are probably rewarding failure
- ✓ If you can't recognize failure you can't correct it.

So, AAWSA required implementing good performance appraisal system in order to monitor, evaluate, and measure the organizational and employee functions accordingly. Then to be competent you should have to work under plan of operation with skilled and professional man power by allowing competent salary and other benefits. When plans are designed the entire organization workforce must come together and participate in the process the employee fills sense of ownership and a good leaders and followers' relationship also will be created.

As a result the study indicate the existing points are as a key solution to achieve to planned activities that could reduce risk and uncertainty main problems are to correct competent salary scale, and structure, to follow the dynamic nature of management style and employee turnover problems of the organization, and keep thoroughly the benefits of the employee as well.

In the other side the employees have no job description in the organization and also there is no real performance appraisal system as has been observed and known by the study.

### **4.3. Recommendation**

The researcher suggest and recommend that employees performance appraisal has his own objective, help to know and to spell out their contribution performance appraisal focuses more of current issues to evaluate and rate what have been done, at what level and in what quality and volume or quantity against time standard.

At the end of this study we can able and gain a clear understanding of what we plan and perform to improve performance of the period which result as an effect of employee performance in an organization.

Employee performance appraisal is a continuous process aim to improve the organizations business, effectiveness, efficiency and timeliness, and economic condition by adding value to the organization through individual or group activities by acceptable level of standards and avoid dissatisfaction of employee and organizational leaders.

When we are referring employee performance appraisal system for the organization, the first concern should be to set up system as much as possible the process refers to the objective of the company. A person must perform must be judged against the objective of the organization. Judge the person by his work not his personality as the fundamental rule of performance appraisal practice as follows:

- Eliminate un even standard that can vary from person to person
- Remove the temptation to judge employees by the personality.
- Motivate employee with the appraisals (fair judgment respect your system)
- Create the most productive work force as much as possible (use measurable standards)
- Beter to use and to follow approval as part of management by objectives, program, need personal policies and procedure to make performance and to achieve company goal and objective and to make employee beneficiary to provide successful return of the period.

In general the researcher recommends to improve the performance evaluation system, must be implemented according to the AAWSA's objective. The management needs to design specific and directly related criteria with the objective of the organization and that can measure

employees job, duty, and responsibilities specifically there should be a way employee to evaluate themselves in a correct manner in avoiding bias among evaluators properly.

In performance evaluation system in order to minimize management related problems should be avoided, especially by training managers. There should be rules and regulation for performance record that should be a bench mark numbers to avoid manager's inconsistency.

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**Indira Gandhi National Open University**  
**Masters of Public Administration (MPA)**

Questionnaire to be filled by employees that are not senior staff groups of AAWSA

Dear respondent my name is Wondwosen Amare currently I am pursuing in partial fulfillment of MPA (Masters of Public Administration) at Indira Gandhi National Open University.

I am doing project work on assessment of employees' performance appraisal practice: The case of AAWSA.

I do have great respect for you and value your input as you are staff of AAWSA, and I kindly invited to share your opinion by answering the following question.

In answering the question you may be requested to put a thick mark (✓) in the box provided you think is right. All questions are equally important and should be answered.

I thank you before hand, for devotion of your time and thoughtful feedback and your are not required writing your name.

**Demographic profile:**

1. Respondent age
  - a.  20 - 35 years
  - b.  36 - 45 years
  - c.  46 - 55 years
  - d.  56 – years and above
2. Respondent sex
  - a.  Male
  - b.  Female
3. Marital status
  - a.  Married
  - b.  Divorce
  - c.  Unmarried
4. Educational background
  - a.  Below 10<sup>th</sup> grade
  - b.  Above 10<sup>th</sup> grade below diploma
  - c.  Diploma
  - d.  Degree holder
  - e.  Master degree and above
5. Job status
  - a.  Employee level
  - b.  Lower level management
  - c.  Middle level management
6. Job experience
  - a.  0 - 5 years
  - b.  6 – 10 years
  - c.  11 – 15 years
  - d.  16 years and above

7. Respondents income
- a.  Below 2,000 Br                      c.  3,001 – 4,000 Br.    e.  5001 – above  
b.  2,001 – 3,000 Br                      d.  4,001 – 5,000

**Part 2: subject to employee Performance Appraisal Practice in an Organization (AAWSA)**

1. Why you become employee of the organization (AAWSA)
- a.  To benefit from the salary payment  
b.  Because of in availability of job  
c.  To benefit from an experience achieved  
d.  Because of no having alternative due to my profession.
2. What is the disadvantage of poor performed employee?
- a.  Failure to the organizations progress.  
b.  High probability to be disobedient to management decisions  
c.  High probability to be bad example to the rest of employee  
d.  All of the above
3. How much is the rules and regulation practiced by employee of AAWSA
- a.  Fully    c.  Rarely  
b.  Partially                                      d.  Mostly
4. When do employee are productive
- a.  When employee are capable and have sufficient knowledge  
b.  When employee are supported by training  
c.  When there is good and attractive remuneration  
d.  All of the above
5. A performance appraisal practice is
- a.  Enhancing skill and carriers  
b.  Aim to achieve organizational goal and economic benefit of employee  
c.  It is a means to succeed objective with limited resource  
d.  All of the above
6. Employee performance useful to accomplish human resource objective
- a.  Increase productivity and timely feed back  
b.  Help organizations to make value added decisions about pay, promotions, training and development  
c.  Protect the organization against law suits by employees who have dissatisfied and denied merit.  
d.  All of the above
7. Impact of positive performance appraisal in an organization and employees
- a.  Communicate through out the organization having a common shared vision  
b.  Define individual capacity and expectations  
c.  It reduce confusion and ambiguity between workers  
d.  All of the above

8. What is the impact of training in performance appraisal
- Brings luck of same knowledge difference at work place
  - It enhanced the organization work ethics
  - It may be used as one factor to develop performance appraisal
  - All of the above

**Part 3: Please give your answer by rating on each statement using the 5 points liker scale approach and tick (✓) on the space**

No	Statements	Strongly agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly disagree (1)
1	When employees rights and privilege kept excellent results for an organizations becomes also improved exceedingly					
2	Role of employee can be only known by his outstanding performance and output of the organization					
3	the recognized reason of employees resignation and grievance will be solved by organizations leaders					
4	Organizational work culture influence on performance result					
5	Organization without employee and vice versa will not able to exist. But employee knowledge is a wealth as a base for all expected result of the organization as well as for the nation					
6	Strong and high skill capacity workforce of the organization can create knowledge, experience and good working environment.					
7	Policies, and rules and regulations are basic support for the management and employee as well as the organizations s well being					
8	Impact of PA management process demonstrated and enhance productivity of the organization					
9	Training and development have direct relation in employee PA					
10	A good remuneration have got a highly influential up on performance Appraises					
11	One of the potential factor to an input of					

	employee performance appraisal conditioning is job description for the employee					
12	Good remunerative pay scale can be one means for an improvement of performance appraisal practice.					

**Part 4: Yes or No answer question please tick (✓) in the box**

1. Do appraisers trained in the context of AAWSA?  
Yes  No
2. Is there an appropriate performance appraisal system in AAWSA currently?  
Yes  No
3. Is AAWSA benefited from its employee performance appraisal as an input to its objective?  
Yes  No
4. Do employee who perform excels in his/her duty or job rewarded?  
Yes  No

If your answer is yes, how \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_.

5. Do employee performance guided against plan program of the organizations?  
Yes  No
6. Do employee benefited from the organizational annual capacity achievement?  
Yes  No

If the answer is yes how \_\_\_\_\_  
 \_\_\_\_\_.

7. Whatever merit employees have, it is delivered without delay?  
Yes  No

If your answer is No, please discuss \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_.

8. Does AAWSA have a resource problem to accomplish its objectives?  
Yes  No

9. Is there a good relationship between employees and their leaders?

Yes

No

10. Is there chronic problem, so as to dissatisfy the employee?

Yes

No

If your answer is Yes, please how \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**A. Observation check list**

1. Is there a good system establishment of performance appraisal in AAWSA?
2. Do management follows up regarding merit and demerit of employee?
3. Does AAWSA invite employee in participation of decision making process?

**B. Interview questions**

1. What is the core problem in employee's performance appraisal?
2. How employee performance appraisal is goes with the general objective of AAWSA?
3. How do some employees feel about PAP currently in AAWSA?

# **The Dissertation Proposal**



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Tile of the Dissertation Assessment of Employee Performance Appraisal Practice: The case of Addis Ababa Water and Sewerage Authority

#### Certificate of Approval

I hereby certify that the proposal for the dissertation entitled “Assessment of employee's performance appraisal practice: The case of Addis Ababa water and sewerage authority by Wondwosen Amare Gebresillassie has been prepared after due consultation with me. The proposal has my approval and as to my knowledge, the potential of developing and comprehensive dissertation project. I also agree to supervise the above mentioned work till its completion.

Academic supervisor

Name \_\_\_\_\_

Designation \_\_\_\_\_

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## **Acronyms**

AAWSA	Addis Ababa water & Sewerage Authority
APA	Assessment of Performance Appraisal
APAP	Assessment of Performance Appraisal Practice
FIG	Figure
HR	Human Resource
HRM	Human Resource Management
IGNOU	Indira Gandhi National Open University
MPA	Masters in Public Administration
N.D	No Date
PA	Performance Appraisal
PP	Page
V/s	Versus

## **CHAPTER ONE**

### **2. Introduction**

#### **2.1 Background of the Study**

Organizations seem today to be regularly changing their PA systems in the hope that they will find the right answer. And also an attempt to diagnose the factors responsible of the employees and organizational level to make the employees appraisals more acceptable, more effective and more result oriented.

Addis Ababa water and sewerage Authority is one of the public organization established under the municipality of Addis Ababa for the supply of clean water and provide waste water disposal service to the inhabitants of the capital city of Ethiopia, Addis Ababa.

AAWSA headed by city administration council board of management, and have eight branches and a project office in the city.

AAWSA's objective and responsibility as public organization lies mainly in the supply and provision of water and sewerage service which are among the most basic human needs. Considering the growth of the service both in volume and complexity following the rapid growth and expansion of the capital the challenges to be facing are enormous and too heavy. The involvement of workers in the development process and the role played is enormous. Employee of AAWSA has symbiotic roles to play. As a consumer they need its services and as employees of AAWSA give the services.

#### **Vision, Mission and Core values**

AAWSA strives for excellence in its business functions and processes. Its vision, mission and core values call for the utility business help achieve its ultimate business goals and objectives to provide dependable customer services as a leading and reliable center of excellence in the sector. AAWSA's corporate vision, mission, and core values are important tools in enhancing the authority in which employee are united by common goals and in shared ambition. The vision and mission statement imply that AAWSA strives for excellence in providing reliable, accurate,

secure, accessible and innovative customer services while being candid, fair, transparent and responsive.

### **Vision of AAWSA**

“To see Addis Ababa having sufficient clean, potable and reliable water supply and modern waste water disposal system that benefit its status and to line it among the best 5 African’s Metropolis”

### **Mission of AAWSA**

To deliver sustainable and adequate clean water and liquid waste disposal service in line with the city’s speedy development via working hand in hand with stakeholders.

### **Values of AAWSA**

- We shall supply clean water to all citizen of Addis Ababa
  - We share create a city free from the hazardous posed by the liquid waste
  - In relentless change and improvement we trust
  - With knowledge and faith we lead
  - Providing instant reaction is integral part of our service
  - Cooperative work is fundamental in put to the realization of our mission! AAWSA,(2006)
- Providing this all an organization’s Assessment of its employee performance appraisal is very essential so as to succeed in its objectives.

## **2.2 Statement of the problem**

Good practice of the way to development is to attain one’s organization goal achievement sustainable development requires optimizing and using the capacity of human resource. Unless an organization assess their employee performance appraisal it is difficult to enrich in to its objectives. The process of the enhancement of employee appraisal of Addis Ababa water and sewerage authority must be assessed in how manner it is functioning and whether or not related and useful for its ultimate goal of the organization, and this study should focus on if AAWSAS management ensure that the appraisal system is job related, performance based, uniform,

consistent, fair and the appraisers are honest, rational and objective in their approach and judgment.

Appraisers should be well trained in the art and science of PA to ensure uniformly consistency and reliability of the process.

Performance appraisal is the principal medium through which human talent in an organizations is most effectively utilized. Ignou (n.d)

### **2.3 Research Questions**

- Is there an appropriate performance appraisal system in AAWSSA?
- How do the employee and management perceive the present performance appraisal practice?
- What is the purpose of employee performance appraisal conducted in AAWSSA?
- What are the major problems related in AAWSSA's employee performance appraisal?
- How employee performance is goes with objectives of AAWSSA?

### **2.4 Objective of the Study**

The main objective of the study is to assesses employee performance appraise practice. The case of Addis Ababa Water and Sewerage Authority, and the study attempts to explore the existing employee performance appraisal practice is whether it acts as an input to the general objective of an organization in the effective and efficient ways to promote and enhance overall endeavor of AAWSSA.

So, investigations will be conducted in the sense of responsibility in order to assists in answering the problem questions. Hence the general objective of the study will investigates the practical activity of human resource (employee performance appraisal) contribution to the organization.

Finally, after assessing the performance evaluation, to recommend alternative measures that will be taken based on findings of the study.

### **1.4.1. Specific objectives**

- To identify whether AAWSA under take its employee performance appraisal according to the existing policies and procedures.
- To assess the current performance appraisal practice of AAWSA.
- Identify the effect of performance appraisal practice on an objective of AAWSA.
- To forward conclusion and recommendation based on the findings of the study.
- And finally, after assessing the performance evaluation, to recommended alternative measures that will be taken based on findings of the study.

### **2.5 Significance of the Study**

It is expected that this study may be helpful to solve problems around performance appraisal systems and it serve's as a reference material for academicians and practioners and also it initiates the targeted organization to assess its existing performance appraisals practice and use for change as a development to better human resource performance appraisal functions and meet its objectives more over it initiates for other interested researchers to carry out more extensive studies in the area finally these, study may be helpful to attempt to generate new ideas useful strategies, plans use upon human resource performances appraisal functions.

### **2.6 Research Design and Methodology**

Research is an on going process that begins with theoretical foundations. Here lies the relevance of the research process. It clarifies the existing theory, which might lead to its reinforcement or reformulation and it could be a theory.

The research process includes a series of steps beginning with the identification of a problem and the study of the target in the universe. The stage of data collection involves the scientific methods and techniques so that the research activity yields reliable and valid results (Ignou, 2005).

The research out lined the population, sample selection, sampling techniques, data collection, data processing and analysis, interpretation and summarizing. This study is designed to assess the employee's performance appraisal practice. The cases of AAWSA to collect the required

data, both primary and secondary data sources are utilized. And also qualitative and quantitative types of data will be collected.

### **Rational of survey research method**

Social science research techniques often clarified in to two categories, namely qualitative and quantitative. Qualitative research enables to understand the subtle aspects of social relations. They are particularly useful when one is interested in probing a specific question in depth, its meanings and their different interpretations. However, qualitative methods also have their limitations. They are, for example, more suitable when research is being carried out in small setting in forced on a specific group or community. Qualitative research method are not very useful when we need to know about macro phenomena, such as the demographic structure of a population or the extent and nature of poverty or disease quantitative research method or survey research enables as to study these questions in a more comprehensive manner. Depending up on the requirement, survey research can be extended to a large area population as a whole nation or even the entire world. When the universe of the study is large and the researchers are looking for broad trends or patterns in a given population they often resort to survey method. In other words, qualitative and quantitative research methods are not opposed to each other they are complementary. The two can be combined, one enrich the other (Ignou, 2005).

### **The descriptive research approach**

When it is desirable to provide information for evaluation of alternative research approaches, the descriptive research approach with in the conclusive research is often used. The descriptive research method requires more basic knowledge of the subject than the explanatory one. State of things are surveyed and the properties of a number of objectives are described the aim of descriptive research is to describe how things are, for example, by mapping or observations without explaining why and that must not only be viewed as a fact gathering expectations.

### **Explanatory research approach**

In an explanatory research method, the aim is to search further for connections between cause and effect. An explanatory study can be done with different focus as the following “In depth” study by focusing on specific research on development and changes over time the difference



between descriptive and explanatory is quite small. Almost all descriptive research contains explanatory parts as well. The main difference between the two is that an explanatory research usually is contracted on relatively few variables while the descriptive research carries a broader perspective. In order to study in a satisfactory manner, thus finding answers to the problem and give recommendations on how to improve, much information is needed. Therefore the researcher has to broaden his knowledge in this subject area through literature review, observation, interview and feed back from the respondents who are employees and the managerial staff has to be taken in to account.

The researcher chosen descriptive, survey research method and explanatory method because it is suitable to describe to gather data's to help easily to interpret the results of the findings and give meaning out of it.

### **Simple size**

A question often asked is of the size of the sample. How large should it be? The best answer could be "it depends". That means there is no clear cut answer to this question. However, the literature on survey sampling does give general advice to prospective survey researchers. For some people, sample of thirty is the bare minimum if the researcher plans to some form of statically analysis of the data. However, the size of the sample depends on the plans of the researcher and how accurate the sample has to be for his purposes, and on population characteristics. It may be stated here that a large sample alone does not guarantee a representative sample. Further when we increase the sample size we increase costs. Large sample means increase costs. A researcher may keep in mind all these considerations while judging the size of the sample (Ignou,2005).

To collect primary data, both questionnaires and interviews will be employed. Quantitative data will be collected by questionnaires distributing for 180 employees which are 10% out of 1800 employees of AAWSA by using questionnaires quantitative and qualitative data. In addition to this observation will be conducted through interviewing the management staff members.

The researcher used SPSS /statistical package for social science/ to out puts of the reporting respondents information in different tables like frequencies and percentages used to summarize and analyze the data's.

## **2.7 Scope/Delimitation of the Study**

The study is focused on the assessment of employee's performance appraisal practice and it is limited to AAWSA's employee performance appraisal practice to assess the present situation and how it looks like and how well is the productivity of AAWSA conducted in its eight branches and one project office and head office. For this the researcher selected descriptive research techniques to process the collected primary and secondary data's from the organization.

## **1.8.Organization of the Study**

The study is organized in to four chapters. Chapter one deals with background of the study, statement of the problem, basic research questions, objective of the study, significance of the study, Research design and methodology, scope/delimitation of the study and limitation of the study.

Chapter two deals with review of the related literature, chapter three deals with the data presentation analysis and interpretation the Final chapter four contains of findings, conclusions and recommendations.

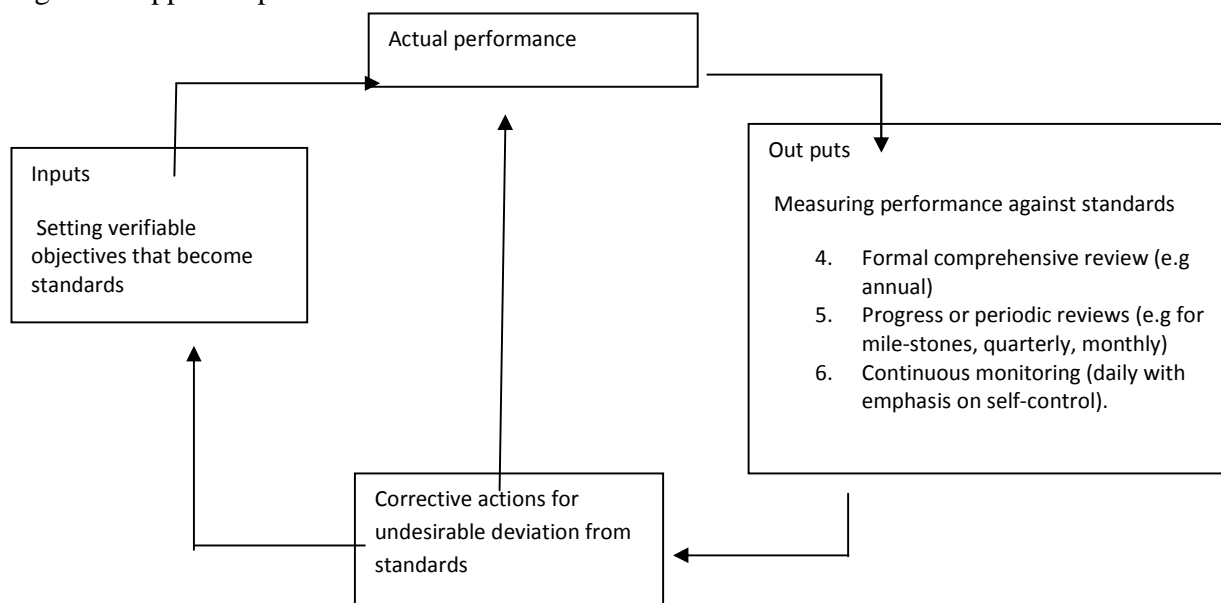
## CHAPTER TWO

### 2.1 Review of the Related Literature

What is important is that the formal comprehensive reviews be supplemented by frequent progress or periodic reviews. These reviews can be short and relatively informal, but they help identify problems or barriers that hinder effective performance. They also keep communication open between the superior and subordinates. Furthermore priorities can be rearranged and objectives can be renegotiated if warranted by changed situations. It certainly is inappropriate to pursue obsolete or even unsuitable objectives that were agreed on in an environment of uncertainties.

Finally, there is continuous monitoring or performance. Which this system, when performance deviates from plans, one does not have to wait for the next periodic review to correct it. The superior and the subordinate discuss the situation immediately so that corrective actions can be taken at once in order to prevent a small deviation from developing into a major problem (Harold and Heinzw 2004).

Fig. 1 The appraisal process



(Harold and Heinzw 2004)

## **The purposes of appraisal**

The reason why appraisal has had problems in some organizations is that the purpose of the whole concept has become rather blurred and confusion has arisen between the three important and worthy functions: performance potential and pay (Dorothy and Stwort, 2003).

## **Performance**

The most common reason for implementing an appraisal scheme is so that there is a regular, once or twice a year, review of a person's work progress. This is usually conducted between the individual and their immediate manager, though 360<sup>0</sup> is becoming popular now, involving the views of other people with whom the individual has work contact. These might include colleagues, subordinates and even customers and suppliers.

## **The PA offers the following four benefits:**

5. It can be likened to an annual car service, a dental check-up or a review of personal finances in that it enables the person's work to be monitored on an overall, rather than day-to-day basis. The whole pattern of that person's work can be discussed and put into context. Normal, more frequent, work reviews will focus more on the specific tasks currently being performed.
6. It is an opportunity for everyone concerned to discuss problems that have been happening and to make adjustment for even better performance in future. The changes could be related to the organizations of the department, the procedures or policies. By taking stock from the over all position, decisions can be made which are untainted by the urgency of immediate tasks in hand.
7. Training needs are often identified at the appraisal as, when the individual takes stock of their performance, and underlying cause for any problems might be realized to be deficiency in certain knowledge or skills

The appraisal is a chance for all parties to give and receive feedback on their performance, what they are doing well, what is not so good and what might need to be changed. The feedback aspect is very motivating for most people, even if there are complaints about parts of the

standard of their work. Research studies have shown conclusively that it is more motivating to be reprimanded occasionally than to be ignored (Dorothy and Stwort, 2003),

## **8. Potential**

A second common reason for appraisal is to assess potential. This enables the person being appraised to discuss their career aspirations and to compare these with the future direction and the manpower and succession plans of the company. The appraisee can review their personal strengths and weaknesses, likes and dislikes, and consider in what direction they might want for most staff it is unlikely that they will have more than six or eight major goals for the year of these, most will be maintenance goals' aimed at continuing the way they are currently working. The one or two development goals will be for new work that is being planned (Dorothy and Stwort, 2003).

If the staff member is involved in setting these objectives, there is a far greater chance that they will be committed to their achievement for the same reason, the staff member should keep a copy of the completed forms (Dorothy and Stwort, 2003).

At the meeting to review last year's performance and to plan next year's a discussion should be held to consider any problems that affected the achievement last year which might also negatively affect next year. These problems might lead, for example, to a change in the way the product, policies and procedures operate, a change to how the individual or their manager do their work, or to some coaching or more formal training in specific knowledge or skills.

Some appraisal forms ask the manager to rate the staff member on various scales and on various characteristics. The global one which asks for an overall assessment of performance on a scale of 1 to 5 or 'First class' to 'inadequate' is purely for the purpose of pay, as it is from this score that percentage pay rises are calculated. It has no place in the discussion of the goals and only serves to distract the appraisee from the interview. If the score is given at the beginning of the interview, the appraisee tends not to listen too much of the following discussion as they are either relieved or are trying to bargain for a higher rating. If the score is withheld until the end of the interview, they are trying to anticipate what it is going to be. The discussion of the achievement of the goals is not served well by an assessment rating of the individual.

In some cases, a more refined assessment of the characteristics of the appraisee is required. This also hinders the performance review and contaminates the findings. If a manager is asked to rate, on a scale of 1 to 10, how, say, 'reliable' the staff member is, it is a reflection of the manager's definition of 'reliable' that is recorded. A reliable person could be someone who is accurate 'trust worth' or can work with minimum supervision. These are three quite different interpretations of the same word, and so it is likely that the appraisal would be rated very differently by different managers with different definitions. For this type of appraisal, it is true that the appraisal says more about the appraiser than it does about the appraisee. For such an appraisal to have any place at all, it could only be in an assessment of the person's potential for another job (Dorothy and Stwort, 2003).

### **2.3 The Performance Appraisal System**

It is sometimes said that the best appraisal form is a blank piece of paper. This can be rather formidable for some managers, though, and over the years in an attempt to help simplify the process, HR departments have provided headings and these headings have evolved into forms. Unfortunately, in some cases, this has over complicated matters, with the implication that the whole process is for the benefit of the HR department, rather than for the benefit of the managers and their staff as it should be.

The best forms for performance appraisal, rather than for any other purpose, operate on a rolling basis and attempt to be objective and specific. The form should be a working document that records the goals agreed between the manager and the staff member for the next year. It should be referred to frequently to monitor progress and to alert to any problems that are adversely affecting the achievement of the objectives, and it should then be used at the end-of-year appraisal to ascertain whether or not the goals have been met. This is also the time when goals for the following year should be agreed.

So that goals set are easy for all parties to understand and easy to measure, they should be written in the SMART format as follows.

S- Specific

M- Measurable

B- Agreed

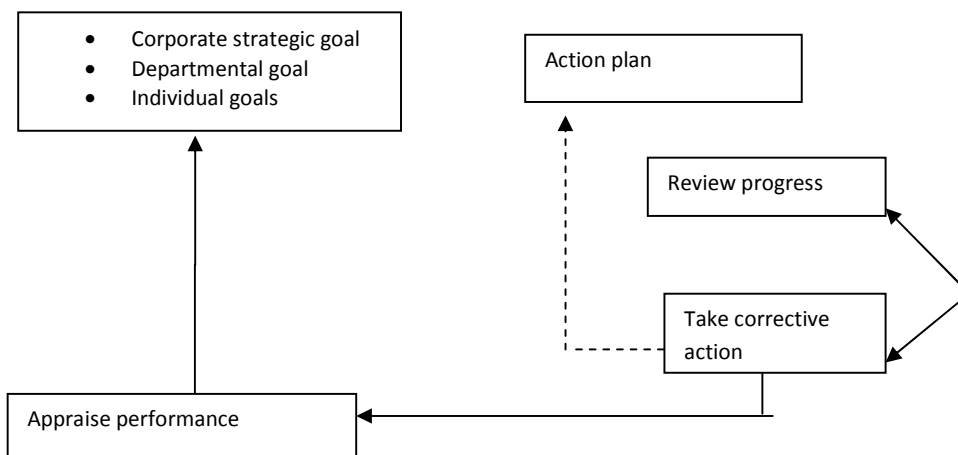
R- Realistic and reachable  
U- Time bound  
(Dorthy and Stwort, 2003)

## 2.4 Management by Objective (MBO)

A method of management where managers and employees defining goals for every department, project and person and use them to monitor subsequent performance.

- 4. Set goals:-**This is the most difficult step in MBO setting goal involves employees at all levels and looks beyond daily activities to answer the question, “What are we trying to accomplish?” A good goal should be concrete and realistic provide a specific target and time frame and assign responsibility. Goals may be quantitative or qualitative. Goals should be jointly derived-mutual agreement between employee and supervisor creates the progress commitment to achieving goals. In the case of Team, all team members may participate in setting goals.

**Fig. 2 Model of MBO process**



Appraise overall performance  
(RechardL. Daff and Maricic n.d)

- 5. Develop action plans:** An action plan defines the course of action needed to achieve the stated goals. Action plan are made for individuals and department.
- 6. Review progress:** a periodic progress review is important to ensure the action plan are working this review can occur informally between managers and subordinates, where the

organization may wish to conduct. Three month, six month, or nine month review during the year. This periodic check up allows managers and employees to see whether they are on target or whether corrective action is necessary. Manager and employees should not be locked in to predefined behavior and must be willing to take what ever steps are necessary to produce meaningful result. The point of MBO is to achieve goals. The action plan can be changed whenever goals are not being mate.

**Appraise over all performance:** The final step in MBO is to evaluate whether annual goals have been achieved for individuals and departments, success or failure to achieve goals can be come part of the performance appraisal system, and the designation of salary increases and other rewards. The appraisal of departmental and over all cooperate performance shapes goals for the next year. The MBO cycle repeats it self on an annual bases. Managers behave they are better oriented towards goal achievement when MBO is used. In recent years the U.S congress has required that federal agencies use an MBO system to focus government employees on achieving specific out comes, rather than focusing only an activities and work process. (Rehard. Daff and Marcic, n.d)

## **2.5. Performance Management & Evaluation**

Performance management is the process by which executives, managers, and supervisors work to align employee performance with the firm's goals. An effective performance management process has a precise definition of excellent performance uses measurements of performance and provides feed back to employees about their performance. Thus, it defines, measures monitors and gives feed back. Performance evaluation is a crucial part of a firm's performance management process (Ivancevich, 2008).

Performance appraisal is not a precise science but subjective judgment. There are some guide lines that may, however, increase an employee's acceptance of the appraisal process and intention to improve performance in the future (Baron and Gold, 2007).

Appraise interview

4. Is the appraisal process effective fair?
5. Did the activity illustrate the problems of appraisal?
6. How might you system improving the appraisal process. Employee



## **2.6. Employee Assessment Method**

In order to achieve the appraisal purposes objectives, a considerable number of employee appraisal methods are frequently used to adjudge and individual's performance in terms of needs of the Jobs for which they are employed. These objectives can be achieved if the merit rating scales are first evaluated and based in such statistical foundations and the raters are adequately trained in the evaluation process. Research studies have emphasized that organizations today do not have a choice of whether or not to examine their present performance appraisal the choice actually is between the alternatively available to measure the affections of appraisal (Field and Barnett, 1976).

Performance appraisal effectiveness appraisal has been perceived differently by psychologist's personal administrative and other by this term we mean the ability of the system of appraisal to meet various demands made from the existing system of the organization.

### **Effectiveness v/s efficiency**

In are appraisal system both the efficiency and effectiveness an applied to performance appraisal should be measured according to Sutton and Mathis (1979) state that efficiency deals with how well done is producing out put. It is concerned with maximizing out put of a given resource of a given in pout level.

This concept constrains with effectiveness which deals with achieving a desires objective efficiency measures include= computer utilization amount of programmers productive hours (i.e reduce idle firm, absents etc). Key stokes data entry operators, projects developed with in estimated cost and variety of other measurements. While as 'effectiveness' is measure which include quality of programmer out put, user satisfaction, operational quality, plan to recover from disaster etc (Ahamed, 1998).

## **2.7 What is the Purpose of Staff Appraisal**

The purposes of staff appraisal are manifold, but the main thing is that both the employer and the employee should be satisfied; the employer should be satisfied that the employee is functioning well in terms of the needs of the organization; the employee should be satisfied that the employer and the organization are looking after their needs.

But what do we mean by need? Need is a difficult and ambiguous term which means very different things to people-especially when those people are employers and employees, who have traditionally sat on opposite sides of the fact, but who should be working in a cooperative venture.

The employer needs the employee to:

- Turn up on time and do a full day's work
- Work effectively and efficiently
- Generate profit

The employee needs the employer to provide:

- A safe and pleasant working environment;
- Appropriate opportunities for training and development;
- other suitable motivators, eg money, annual leave, flexibility

They both need a little give and take; the employee might book a holiday using the company's internet but they take work home at night and use their own printing facilities.

Staff appraisal is one means by which both the employer and the employee try to ensure that their respective needs are satisfied. Unfortunately, in many organizations the staff appraisal system leaves a lot to be desired. It is neither efficient nor does it satisfy needs; and no one really takes much notice of it. This is true in organizations which take a perfunctory view of appraisal, either not bothering at all or just having the odd informal interview-perhaps in a corridor. It is also true in organizations that attempt to implement detailed and effective appraisal systems where the appraisal is full prepared for, carried out in detail and does not consist just of one interview in a year. The problem with the former is plain to see, so what is the problem with the latter? (Nigelhunt, 2007).

### **Problems of effective staff appraisal**

The problem with many organizations, and this is particularly true of large organizations, is that even when they have detailed appraisal policies, the follow up is not effective. Many employees do not take appraisal seriously because they know that, for instance, if a training need has been

identified, the organization will often ignore the recommendation and will not implement what has been agreed. Alternatively, the appraiser may not have the authority to make promises regarding training needs and has to refer it to a higher authority. Through bureaucratization the appraisal system fails. The end result is that the individual appraisee feels that the organization is just paying lip service to the appraisal system- and the truth is, it is. The organization has the appraisal system, because it feels it should do, rather than because there are good reasons for implementing such a system.

How many organizations that you have worked in are like this? Appraisal is simply not taken seriously. Years of research shows appraisal can improve the productivity of the organization and the satisfaction of the individual employee when carried out effectively, yet organizations still do not take it seriously.

There are a number of reasons why this may be so. We are all a little averse to bureaucracy-form filling-we just can't be bothered. There are some organizations which genuinely do not care about their employees. There are employees who do not care about-or trust-their organization. The way round this is the open organizing which involves the individual employee at all levels, which consults over major decisions, recognizes the homework relationship, and ultimately respects the needs of the individual. This is discussed in detail in the next chapter. For now it is enough to point out that appraisal will not be truly effective except in the open organization. (Nigelhunt, 2007).

### **Training the appraiser, Training the appraisee**

In many organizations it is thought that appraisal is a straight forward task that can be carried out by any one, such as a junior member of the human resources team or a recently appointed supervisor. It is not; requires a range of skills and attributes. The appraiser must have negotiating skills, counseling skills, bargaining skills. They may need to be aware of company law, of what they can offer by way of training etc. The appraisee should also have some of these skills they too need to know how to negotiate and bargain, in order to get the best individual deal. These issues will be explored in a later chapter. (Nigelhunt,,2007).

## **Ethical issues**

All appraisal systems should be ethical; they should be fair to all parties involved in the appraisal system. The organization should not open itself to charges of unfair treatment, whether to do with legal issues such as sex, age or race discrimination, or general matters of fairness across staff, such as access to training and development and promotion. The system should not just be concerned with legal issues, but with moral and ethical ones too.

The appraisal system should also be fair to everyone involved in the system. That is not to say that all employees should receive the same kind of appraisal that may not be appropriate, but that within the system all are treated equally. The same procedures and guidelines should be used for everyone, and the same means of evaluating the system. If the system is well designed, then this will not present a problem.

Ethics is also about openness but openness also concerns the ways people treat each other. The appraiser should be open with the appraisee. For instance, do not promise training if you know it will not be available, do not make any promises you cannot keep. ( Nigelhunt, 2007).

## **What can go wrong with appraisal?**

It is useful from the outset to think about the reasons why appraisal can go wrong, so these can be borne in mind when preparing or improving the appraisal system. There are many things that can go wrong with appraisal. Appraisal fails at many levels. For example:

- Provide conflicting messages to employees
- A poor or inappropriate system
- Inadequate training of participants (both employees and managers)
- Failure to implement the system properly
- Conflicting aims of the appraisal the system properly
- Conflicting aims of the appraisal interview
- Failure to get people on board
- Takes too much time.
- Takes too little time;
- Poor follow up (eg providing promised training)

- No validation of the system

It does not provide a blueprint for any particular appraisal system, just the general rules which, if you follow them, will ensure you have an appraisal system acceptable to all and effective for the individual and for the organization (Nigelhunt, 2007).

### **A service application: Field of flowers**

Field of flowers is a retailer of flowers and related items located in Dave, Florida. Its president and top management studied Deming's theory of management and structured the company according to those principles

At the time the company was first organized, a performance appraisal system had to be developed. Since the leadership of Field of flowers wanted it to be in keeping with the system of profound knowledge, a cross-functional team composed of the top management of selected department was formed. They used the five-step cross-functional management model discussed in 'implementing cross-Functional Management'.

First, the team stated a mission for the proposed performance appraisal system. It was "To develop a performance appraisal system consistent with the system of profound knowledge." This mission was made clear to all employees.

Third, the team constructed an integrated flowchart of a traditional human resource system, with special attention to the performance appraisal function, as shown (Denton, 1998).

### **2.8. Performance Measurement**

Performance measurement is based on the beliefs that performance can be measured by objective indicators. Stress is not so much one behavior and 'activities' as 'ends' of behavior and activities.

Behavior or activities are seen rather as a 'means' to the important 'end' results. Emphasis is on a tangible value-added measured in terms of tangible contribution to the organization that can be expressed on number.

This is known as performance measurement. The chief factors in performance measurement are development of objective measurement is development of objective measures for quantifying performance.

Performance measurement is necessary to enforce accountability to results. In government, accountability means the responsibility of civil servant or unit for achieving a mission and the functions to support that mission. They have to be accountable to tax payer for prudence in expenditure. In other words the civil servants are to be responsible for their results, not just for their efforts (Marchington and Wilkenston, 2006).

Obsbome and Gaebler (1992) have referred to the following as reasons for measuring performance:

8. What gets measured get done
9. If you don't measure results, you can't tell success from failure
10. If you can't see success, you can't reward it.
11. If you can't reward success, you are probably rewarding failure.
12. If you can't see success, you can't learn from it.
13. If you can't recognize failure you can't correct it.
14. If you can demonstrate result you can win public support.

As its limitations performance measurement also has major problems as.

It may be difficult to measure because

- Result could be un reliable
- Organizations are rapidly changing
- Human desires are heavy handed and impersonal to translate
- They may be employee resistance on the ground.

### **Performance appraisal and Feedback**

The recruitment/selection and training/ development components of a human resource management system ensure that employees have the knowledge and skills needed to be effective now and in the future. Performance appraisal and feedback complement recruitment, selection,

training, and development. Performance appraisal is the evaluation of employees' job performance and contributions to the organization. Performance feedback is the process through which managers share performance appraisal information with their subordinates, give subordinates an opportunity to reflect on their own performance, and develop, with subordinates, plans for the future. Before performance feedback, performance appraisal must take place. Performance appraisal could take place without providing performance feedback, but wise managers are careful to provide feedback because it can contribute to employee motivation and performance.

Performance appraisal and feedback contribute to the effective management of human resources in several ways. Performance appraisal gives managers important information on which to base human resource decisions. Decisions about pay raises, bonuses, promotions, and job moves all hinge on the accurate appraisal of performance. Performance appraisal can also help managers determine which workers are candidates for training and development and in what areas. Performance feedback encourages high levels of employee motivation and performance. It lets good performers know that their efforts are valued and appreciated. It also lets poor performers know that their lackluster performance needs improvement. Performance feedback can provide both good and poor performers with insight on their strengths and weaknesses and ways in which they can improve their performance in the future (Jones and George, 2009).

## Research work schedule & Time budget

The table below summarizes the major activities in undertaking the study and time budget associated with each activity of the research process.

Task	Months in year 2014																																			
	April				May				June				July				August				Sept.				Oct.				Nov.							
Selecting the research title	√	√	√	√																																
Preparing research proposal and submission					√	√	√	√	√	√	√	√																								
Gathering data from different sources									√	√	√	√	√	√	√	√	√	√																		
Analyze and interpret the data																	√	√	√	√	√	√	√	√												
Incorporating comments proofreading and finalizing the research																													√	√	√	√				
Submitting the final report																																	√			



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