

Practice and Problems of Employee Performance Appraisal System in Information Network Security Agency

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ABSTRACT:- Performance appraisal helps organization to identify gaps, develops potentials of employees and used as a motivating tool of employees and assists to take corrective actions as important input for an organizations to survive in the competitive environment. The intention of the study was that majority of the employees are de motivated in their work, do not satisfied regarding their performance evaluation, complaining heard among departments for rewards and frequent turnover of employees. The study employed descriptive research methodology. The researchers used stratified random sampling technique in selecting respondents, while interview informants selected purposively. The main target of the study is to identify and understand factors that distort the employee appraisal system. Accordingly, the findings revealed that purpose of appraisal is not connected with varieties of its function, which is facilitating both developmental and administrative issues of employees. In the study, both evaluator and evaluatees lack awareness of evaluation method (BSC), evaluation is not undertaken in a planned time schedule, bias (subjectivity of evaluator), difficulty of customizing evaluation criteria, and defining activities and targets, misunderstanding of the evaluation system (BSC), misperception and attitude of employees are identified as a major problems faced in the employee performance evaluation.

KEYWORDS:- Performance appraisal, Employee, Balanced Score Card, Evaluation Criteria

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I. INTRODUCTION

1.1. Background of the Study

Employees are perceived as valuable asset or resources to an organization and play a vital role in determining its survival by achieving its mission, vision and objectives (Rusli Ahmad, 2007a). In relation with that, a performance appraisal is the most important activities in the human resource management practices and can be aligned with the aims of an organization, motivating employees and managing their performances (Cook and Crossman, 2004).

Performance appraisal has increasingly become part of a strategic approach which integrates human resource activities, organizations policies, goals, missions and vision. It also governs a variety of activities through which organizations seek to assess employees and develop their competence, enhance performance and distribute rewards (Fletcher, 2001).

As a distinct and formal management procedure used in the evaluation of work performance, appraisal really dates from the time of the Second World War, not more than 60 years ago. In USA, performance appraisal was used for the first time in 1915 by public organizations. As a result, the traditional emphasis on reward outcomes was progressively rejected.

Performance appraisal has been defined as the process of identifying, evaluating and developing the work performance of employees by achieving organizational goals and objectives more effectively, while at the same time benefiting employees in terms of recognition, receiving feedback, catering for work needs and offering career guidance (Lansbury, 1988).

According to Angelo S. Denis and Robert D. Pritchard (2006) “Performance appraisal” is a discrete, formal, organizationally sanctioned event, usually not occurring more frequently than once or twice a year, which has clearly stated performance dimensions and criteria that are used in the evaluation process. Furthermore, performance appraisal is the formal process of observing and evaluating an employee’s performance (Erdogan, 2002).

In contemporary approach, the purpose of employee appraisal is to determine human resources planning, employee compensation, employee motivation, carrier development, promotion and training needs

(Kirkpatrick, 2006).

From the beginning of the implementation of civil service reform program in Ethiopia, as it was declared in the Proclamation No.377/96 the employees performance assessment reform objectives wanted to enable civil servants to effectively discharge their duties in accordance with the expected level, quality standards and time and expense; to evaluate civil servants on continuous basis and identify their strengths and weaknesses with a view to improve their future performance; to identify training needs of employees; to give reward based on result; to enable management to make its administrative decisions based on concrete evidence. Further, the civil service reform was also out lined that Performance evaluation should be carried out in a transparent manner and the Agency shall issue directives on performance evaluation.

The implementation of the civil service reform program regarding performance evaluation of employees brought tremendous changes in public organization, especially by adapting and practicing measurement tools like BPR and BSC. However, it is not sustainable and more effective at the expected level.

The studied organization, Information Network Security Agency has been established by the Council of Ministers of the Federal Democratic Republic of Ethiopia regulation No.130/2006 as an autonomous public agency having its own legal personality. According to the proclamation the agency have a wide range of access and power on the country computer and information network infrastructures.

1.2. Statement of the Problem

Employee appraisal system is a crucial and back bone of organizations, which facilitates to communicate strategies, goals, mission and vision of organization. It also serves for various managerial functions and developmental purposes of both employees and organization, if it is properly appraised (Levy and Williams, 2004). Consequently, the existence of effective employee performance appraisal policy can have positive influence on the individual's sense of worth, commitment, belonging and development of the organization. It gives ways to innovative thinking and a determined action to eliminate underperformance, unmotivated and poorly managed and trained employees (Rudman, 2003:70).

In addition, if performance appraisal satisfaction reflects perceived investment in employee development, employees will probably give in return by way of higher affective commitment to the organization (Lee and Bruvold, 2003). However, if the evaluation system is poor, it will not give adequate effect (Perez and Falcon, 2004:57). Since, inappropriate employee appraisal system is obstacles for the development of employees as well as the organization (Cardy and Dobbins, 1994; Murphy and Cleveland, 1995).

Even though the problem of employee appraisal will occur in every organization, but the researcher has given attention to conduct the study on this organization. Because of being the member of the agency over five years the researcher observed problems such as: frequent turnover of permanent employees, majority of employees are dissatisfied on the performance evaluation, lack of motivation, job dissatisfaction, lack of commitment, grievances of employees on carrier development and reward system of the organization.

In this case, the researcher expects that the existing situation is related with the appraisal system used. Hence, the present study tries to answer the following basic research questions:

1. For what purpose do the organization conduct employee performance appraisal?
2. What are the major factors that affect employee performance appraisal system?
3. What are the key tools or evaluation criteria that have been used by the organization?
4. What are alternative solutions for problems regarding the practices of employees' performance appraisal system?

1.3. Objectives of the Study

The main objectives of this research is to assess, identify and analyze the practices and problems of employee appraisal system and to give alternative solutions based on the principles, concepts in the literature review and the empirical findings of the study. The specific objectives are:

- To identify purposes of performance appraisal.
- To find out the major problems of employee appraisal system that resulted in dissatisfaction of employees.
- To assess the criteria/tools used in the system and recommends best solutions, based on problem happening.
- To illustrate the nature of employee appraisal system practices and related problems.

II. LITERATURE REVIEW

1.4. The Meaning of Employee Appraisal

Before defining performance appraisal, one has to know about the relation between HRM, PM and PA. Both performance management (PM) and performance appraisal (PA) are the integral part of human resource management (HRM) practices. Similarly, performance appraisal is one of the components of performance

management. HRM is concerned with management of human resources from the point of recruitment to compensation and rewards through to career management and development to the point of retirement, where as performance management is a systematic process for improving organizational performance by developing the performance of individuals and teams (Armstrong, 2006). As well, Performance Appraisals was discussed by different scholars; some of them defined it as follows:

- *Performance Appraisal is defined as a process to improve employee's work performance by helping them realize and use their full potential in carrying out the organization's missions and to provide information to employees and managers for use in making work related decisions (Cascio, 1998).*
- *According to Beach (1980), "Performance appraisal is a systematic evaluation with regard to employees' performance on the job and potential for development."*
- *Furthermore, Snell and Bohlander (2007), defines Performance appraisal as a structured formal interaction between a subordinate and supervisor, that usually takes the form of a periodic interview (annual or semiannual), in which the work performance of the subordinate is examined and discussed, with a view of identifying weakness and strengths as well as opportunities for improvement and skills development.*
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1.5. Purposes of Employee Appraisal

Obviously, performance appraisal plays a key role in ensuring the success of organization by integrating the individual with the organization. According to Lawler et al., (1989) it is necessary to have a formal appraisal with clearly stated objectives which will help as a managerial instrument for goal setting and performance planning with employees; improve employee motivation and productivity; encourage employees growth and development; make available a basis for reward and promotion; transfer and termination; discharge and lay-off; wage and salary decisions; and generate information for a variety of human resource decisions.

In general, as Teeley et al., (2008) discussed that there are two main purposes of employee appraisal: such as developmental and administrative/evaluative functions. It is important to define development and evaluation. Development is any effort concerned with enriching attitudes, experiences, and skills which improve the effectiveness of employees. Evaluation frequently supports a human resource activity which is characterized as comparing an individual's performance to a set standard, other organizational members, or the individual's previous performance.

1.6. Performance Appraisal System

As Jawahar (2007) described that the performance appraisal system (PAS) deals with processes and procedures governing the employee appraisal in an organization. As well, it is used as frame work to maintain, organize, coordinate and administer employees' evaluation. The appraisal system consists of various interrelated elements involved in implementation, management, and communication of the events involved in performance appraisal (Walsh, 2003). It comprises appraisal process, methods of evaluation, appraisal timing, the evaluator, and criteria to evaluate.

1.7. Performance Appraisal Criteria

According to Armstrong (2009), the criteria for reviewing performance should be balanced between: achievements in relation to objectives; the level of knowledge and skills possessed and applied (competences or technical competencies); behavior in the job as it affects performance (competencies); the degree to which behavior upholds the core values of the organization; day- to-day effectiveness.

Gully & Smith et al., (1999) stated that there are two types of performance measures: such as process-oriented measures and results-oriented measures.

Results-oriented measures focuses on results produced after specified job function, activity, or behavior during a specified time period. Whereas, Process oriented measures focuses on the competencies as the knowledge, attitudes, and behavior that yield performance outcomes. Competencies are defined sets of knowledge, skills, abilities and collection of behaviors that allow the employee to perform specific functions related to organizational goals (Lawler, 1994).

Heneman and Thomas (1997) indicated that as performance measures, outcomes may measure performance relative to the organization's financial goals, while competencies represent the means by which these results are attained. Therefore, a performance management system should be designed to emphasize competencies as well as outcomes consistent with the organization's overall mission and objectives.

Since, results-oriented measures may be deficient as performance criteria, because they typically tap only a small proportion of the job performance requirements and results are often beyond the control of the employee (Cardy & Dobbins et al., 1994).

1.8. Overview of Employee Appraisal in Ethiopia

In Ethiopia, depending on the government's ideology the country's policies and strategies are executed.

From early times up to now different governments with different policies, rules and regulations came in to power. The Civil Service is the operational arm of the government charged with the implementation and administration of public policy.

The origins of the "modern" civil service in Ethiopia dates back to 1907 when Menelik II initiated the formation of a few ministries with the aim of lending an orderly and efficient arrangement to the workings of government (Paulos, 2007:361).

The civil service made structural and functional change during the reign of Emperor Haile Selassie especially after issuance of the Public Services Order No.23/1961, which was later amended by Legal Notice No. 20/1962 and created the Central Personnel Agency (CPA) currently Federal Civil Service Agency (FCSA).

It is an organ of the Federal Government Administration, which is responsible in all matters related to civil servants' appraisal and other administrative activities' like recruitment, selection, promotion, transfer, salary increment, position classification, salary scale and exclusive right to issue regulations after approval by the council of ministers.

Though, there are several challenges in the central personal agency: for instance, salary scale and job descriptions; ineffective financial and personnel management controls; inadequate civil service wages and inappropriate evaluation systems; poor capacity for strategic and cabinet-level decision making; and insufficient focus on modern managerial approaches to service delivery; the absence of strict devotion to the civil service rules and regulations and political intervention in personnel matters were seen as chronic problems of the time (Alemayehu, 2001:2-4; Paulos, 2001:7).

In identifying of these limitations, the government embarked on a comprehensive Civil Service Reform Program in (1996-2003) that included five major sub-programs: expenditure control and management reform, human resource management reform, service delivery reform, top management system reform and ethics reform sub-programs (Alemayehu, 2001:8).

Following the launch of this programme, in May 2003, the government initiated the third phase of its reform agenda in the form of five-year Public Service Delivery Capacity Building programme aiming to strengthen working systems, improve organizational effectiveness and rapidly developed human resources in public, private, civil society and higher education sectors (Tilaye, 2007:18).

According to the new reform measures, the civil service is required to measure its performance. That is, there is a need to develop a consistent set of performance indicators to analyze the relationship between administrative process (inputs, outputs and outcomes) and administrative performance (efficiency, effectiveness, innovation and responsiveness).

Generally, setting performance indicators for activities in the public sector will be a difficult and demanding task. This is because searching for the indices which will be used as criteria and units of measurement is highly complex and illusive.

Given this fact, one may question the possibility of setting performance indicators for each area of activity in the Ethiopian civil service amidst severe problems such as: incapacitated and demotivated civil servants, unavailability facilities in the organizations, absence of guiding objectives and missions, paucity of data and poor information systems (Paulos, 1998). The fact that the Ethiopian government has launched a massive civil service reform program throughout the country as of 2002, all public institutions are compelled to re-engineer their services to become responsive, efficient and effective.

To show its firm conviction and dedication towards institutional excellence, the Ethiopian government has issued a new proclamation for institutions especially higher education institutions in 2009. In the same year, the government established a task force aiming to assess problems in the civil service system.

Some of the problems included: attitudinal problems, lack of clear national service delivery policy; insufficient recognition of citizens' rights; lack of accountability; excessively hierarchical organizations; giving priority to the convenience of providers, not customers; more concern on inputs and routine activities, less on achieving tangible outputs; lack of consultation with clients, lack of complaint handling mechanism and lack of capacity (Government of Ethiopia, 2001: 2). The reason for this gap might be lack of awareness, inconsistent implementation of reward, lack of transparency, weak follow-up and loose attachment between performance and reward.

Illustrating how the concept and predicted outcomes appear to be understood among policy makers, programmes coordinated by the Ethiopian Ministry of Capacity Building are intended to assure the combination of 'human capital readiness', defined as acquiring a competent work force, and 'organizational capability', expressed as efficient and effective structuring and systems (Abay, 2008). A related focus of the observed policy implementation initiative has been one of 'sharpening' activity among Ethiopian public servants and efficiency centered 'reengineering' of operational processes to link strategic policy goals and implementation activity.

Therefore, particularly studying on the issue of employees' performance evaluation system will add on the existing literature on the execution of policy, especially the human resource management issues and

proposes ways of enhancing harmony and performance in service delivery for civil servants.

1.9. Organization’s Practices of Performance Appraisal

The organization (INSA) sets plan by aligning daily activities of employee with its strategic objectives and vision. In doing this, it ensures performances based on the reliable data, which helps to measure and improve performance appraisal system by providing organizational learning on continuous basis. The agency was adopted balanced score card as frame work of measurement system, with the intention of evaluating whether employees’ as well as organization accomplished performance at the required level or not.

1.9.1. Principles of Employee Appraisal

As it was mentioned in the agency directive, the initial principle is that, the achievement plan which is prepared in every level (individual, team and organizational) of the agency should be aligned with organizational and departmental objectives directly or indirectly. Moreover, as cited in the manual, individual performer be supposed to participate in setting plan; required to clearly identify and know about their activities, responsibilities and received performance feedback continuously. Likewise, individual’s performers are required to plan, matching activities with their job position and consider situation to rearrange their plan in any sort of time.

Consequently, evaluation should be facilitated based on the agreed activities and measurements by comparing planning with achievement; and both employee and supervisor are required to undertake decision on organized written data or evidences.

1.9.2. Evaluating Employee’s Achievement

According to the agency performance management system, the employee achievement should be evaluated monthly and at the end of quarter year (September, December, March and June) in constant terms. Besides, the performer and supervisor required to discuss and agreed on results achieved by using evaluation forms and progress reports. As well, major activities achieved by evaluate, weaknesses and strengths of evaluate should be also recorded in separate sheet.

During the appraisal session, if the manager and individual performer not agreed on performance result, the top or sector manager shall arbitrate and take final decisions.

- i. Manager Responsibilities:** As described in the PM manual of the organization, the manager required to approve achievement plan of performer based on the common understanding or agreement; undertakes modification or improvement of project performance plan, after informing sector department heads; the manager also has expected to give performance feedback for evaluate based on performance result and submits reports of the project teams to sector manager.
- ii. Employee’s Responsibilities:** Similarly, performers should be responsible in order to set objectives, weight (activities), measurement and target by considering the sector achievement plan; they also expected to modify or improve the plan, after the request of project manager / team leader if necessarily required; required to sign on performance plan and achievement result on the basis of agreement with the immediate supervisor; finally, the performer also responsible to deal on performance result and take possible action after receiving feed backs based on performance result.

1.9.3. Evaluation Grading

As declared on the performance management directives, the agency has been practicing the following numerical ranges of number by representing individual achievements in grade.

Table 2.1: Achievement Represented By Grade

Achievement range	Grade	Color representation
95 % and above	A	Blue Color
85% - 95%	B +	Orange Color
75% - 85%	B	Green Color
55% - 75%	C	Yellow Color
Below 55%	D	Red Color
Employees Not Evaluated	-	Gray Color

Source: (INSA PM, 2011: PP 8).

III. RESEARCH METHODOLOGY

1.10. Design of the study

In conducting this research, descriptive research method was used. Because this method is convenient to describe and explain phenomena, explore real situation, organize and validate findings (Brewer, 2000). This

method is also useful where one needs to understand, examine and describe the current status of particular information (Koul, 1996:405). Thus, the researcher employed the descriptive method in order to assess the opinions of employees to describe the problems and practices of employee appraisal system.

1.11. Sample Size Determination

The sample size was determined to represent the sample population under investigation for this study by using a Cochran model for sample size determination as indicated by Yamane (1967). The Yamane formula is:

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

Where: n = sample size;

N= total number of households in the selected SHG;

e = maximum variability or margin of error 5% (0.05);

l= probability of the event occurring.

As to INSA (2014) data, there are 606 total permanent employee in 11 departments. Therefore, by using Yamane (1967) formula, the sample size applied in the study was:

$$n = [606 / \{(1+606(0.05)^2)\}] = \underline{240}$$

Table 3.1: Proportional selection of respondents (N=606: male=408, female=198; n=240)

No.	Department	Population Size	Sample size (240)	%
1.	Information Assurance	185	73	30.41
2.	Geo Spatial	114	45	18.75
3.	Technical information system	98	39	16.25
4.	Secure Information System	59	23	9.58
5.	Finance and purchasing	32	13	5.41
6.	Public relations	27	11	4.58
7.	Supply section	22	9	3.75
8.	Human resource management	21	8	3.33
9.	Organizational security	19	7	2.91
10.	Strategic and policy	17	7	2.91
11.	Transport and logistics	12	5	2.08
	Total	606	240	100.00

Questionnaire

The questionnaires with close ended items to be filled by 240 respondents were prepared in Amharic (local laguge), with the aim of avoiding ambiguousness of items among the respondents. The questionnaires were structured with five point likert scales, in which participants were asked to indicate the extent of their agreement. The scale was interpreted as 5= Strongly Agree, 4= Agree, 3= Neutral/Undecided, 2= Disagree, and 1=Strongly Disagree. For the purpose of easy analysis and interpretation, the mean values of each item and dimension were interpreted. The mean values from 1.00-2.49 were represented as low, from 2.50-3.49 as moderate, from 3.50-4.49 as high, and from 4.50-5.00 as very high implementations of the items.

Pilot Testing

Before applying the instrument to the main study, the draft questionnaire was first tested with five project managers from three departments and seven non manager employees from four departments.

The total number of participants in the try out study was 12 (Male =7, Female=5): in this regard, three non manager employees and two project managers picked from information assurance department; two non manager employees and one project manager were picked from geospatial department; and two non manager employees and two project managers were selected from purchase and finance departments. The respondents of the pilot test were not included in the study.

On the basis of the given responses, the internal consistency of items was tested by using a split half method (by applying Pearson product moment correlation coefficient formula and then the Spearman Brown) formula was used to check the reliability of the full length of the measuring attitude scale. Thus, the Cronbach's alpha reliability coefficient is closer to 1.0, the greater the internal consistency of the items in the scale (Cronbach, 1951)

The obtained results from the tryout study showing the internal consistency of the odd and even items among the eight contents of the questionnaires ranged from 0.80 to 0.91; that is, 0.80 for factors affecting employee appraisal system, 0.8 for uses of appraisal, 0.81 process of employee appraisal, 0.81 for timing of employee appraisal, 0.82 for performance appraisal criteria, 0.9 for methods of evaluation, 0.91 for purposes of employee appraisal, and 0.91 for authorized personnel to evaluate. Therefore, the instrument was found reliable to collect the data for the main study.

IV. RESULT AND DISCUSSION

A total of 240 respondents were selected from 11 departments of the organization to fill the questionnaires. From the total of 240 questionnaires distributed to the respondents 226 questionnaires were returned. However, eight questionnaires from respondents of three departments were discarded because they were not properly completed and returned unfilled. Thus, the analysis was made on the basis of information obtained from the properly completed returned 218 questionnaires and interviews conducted from four sector managers including human resource sector manager.

1.12. Presentation of Findings

Table 4.1: Purpose of Employee Appraisal

No.	Item	Strongly Disagree (1)		Disagree (2)		Neutral (3)		Agree (4)		Strongly agree (5)		Total		Mean
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	
		1.	I know the purpose of my performance appraisal.	20	9	23	11	22	10	109	50	44	20	
2.	The administrative issues like the problem of salary solved due to performance appraisal.	89	41	44	20	44	20	26	12	15	7	218	100	2.2
3.	I feel that the purpose of appraisal is practical to my carrier development.	52	24	22	10	85	39	37	17	22	10	218	100	2.8

Source:- Compiled from primary data, 2017

Table 4.2: Uses of Employee Appraisal

No.	Item	Strongly Disagree (1)		Disagree (2)		Neutral (3)		Agree (4)		Strongly agree (5)		Total		Mean
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	
		1.	Appraisal helps me to receive performance feedback, weaknesses and strength's on job.	96	44	46	21	35	16	22	10	19	9	
2.	Training is given for the further improvement of my performance..	87	40	50	23	37	17	33	15	11	5	218	100	2.22
3.	I received rewards and recognized for best of my performance.	76	35	32	15	44	20	33	15	33	15	218	100	2.61
4.	I realized that appraisal helped me to improve my skills.	44	20	82	38	44	20	26	12	22	10	218	100	2.54

Source:- Compiled from primary data, 2017

Table 4.3: Method of Appraisal

No.	Item	Strongly Disagree (1)		Disagree (2)		Neutral (3)		Agree (4)		Strongly agree (5)		Total		Mean
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	
		1.	My performance appraisal is measured by a single evaluation method (balanced score card only).	2	1	2	1	2	1	109	50	103	47	

2.	I feel that the evaluation method (BSC) is appropriate/best to measure my performance.	33	15	33	15	33	15	65	30	54	25			3.33
												218	100	
3.	The evaluation method (BSC) measures both my work results and behavior.	48	22	87	40	39	18	33	15	11	5			2.41
												218	100	
4.	I and my boss have awareness and practice of the evaluation method (balanced score card).	22	10	65	30	33	15	65	30	33	15			3.10
												218	100	

Source:- Compiled from primary data, 2017

Table 4.4: Timing of Appraisal

No.	Item	Strongly Disagree (1)		Disagree (2)		Neutral (3)		Agree (4)		Strongly agree (5)		Total		Mean
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	
		1.	My performance evaluation undertaken through planned time schedule.	52	24	87	40	44	20	22	10	13	6	
												218	100	
2.	Informal evaluation is conducted regularly by my immediate boss.	87	40	52	24	48	22	22	10	9	4			2.14
												218	100	
3.	My performance evaluation is undertaken on monthly and quarterly basis.	17	8	22	10	44	20	48	22	87	40			3.76
												218	100	
4.	The time to facilitate my Performance evaluation is enough.	31	14	44	20	65	30	35	16	44	20			3.09
												218	100	
5.	I and my immediate boss discuss and intended to solve the problem of appraisal timing.	41	19	87	40	41	19	44	20	4	2			2.44
												218	100	

Source:- Compiled from primary data, 2017

Table 4.5: Authorized Personnel to Evaluate

No.	Item	Strongly Disagree (1)		Disagree (2)		Neutral (3)		Agree (4)		Strongly agree (5)		Total		Mean
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	
		1.	Only immediate boss /supervisor evaluates my performance.	33	15	98	45	33	15	22	10	33	15	
												218	100	
2.	I am required to evaluate myself, before supervisor evaluating my performance.	11	5	33	15	48	22	39	18	87	40			4.08
												218	100	
3.	I evaluated by 360 degree Feedback system from different sources.	61	28	131	60	11	5	11	5	4	2			2.07
												218	100	
4.	Supervisor is being responsible and accountable regarding my performance evaluation.	33	15	44	20	44	20	76	35	22	10			3.49
												218	100	

Source:- Compiled from primary data, 2017

Table 4.6: Evaluation Criteria

No.	Item	Strongly Disagree (1)		Disagree (2)		Neutral (3)		Agree (4)		Strongly agree (5)		Total		Mean
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	
1.	Criteria for measuring my performance are fair and reliable.	87	40	83	38	31	14	11	5	6	3	218	100	1.78
2.	Variables used in the criteria are suitable to evaluate my performance.	44	20	82	38	22	10	48	22	22	10	218	100	2.64
3.	Evaluation criteria consider multiple dimensions of my job and behavior.	56	26	109	50	31	14	13	6	9	4	218	100	2.12
4.	I satisfied in criteria used to evaluate my performance.	44	20	65	30	39	18	48	22	22	10	218	100	2.72
5.	I feel that evaluation criteria are being flexible and easily modified.	44	20	48	22	41	19	63	29	22	10	218	100	2.86

Source:- Compiled from primary data, 2017

Table 4.7: Factors Affecting Employee Appraisal System

No.	Item	Strongly Disagree (1)		Disagree (2)		Neutral (3)		Agree (4)		Strongly agree (5)		Total		Mean
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	
1.	Supervisor bias (error) is affecting my performance evaluation.	11	5	33	15	37	17	87	40	50	23	218	100	3.60
2.	I feel that appraisal system affects my performance evaluation.	11	5	52	24	18	8	87	40	50	23	218	100	3.51
3.	I am not expecting negative feedback from my immediate boss after evaluation.	32	15	44	20	44	20	76	35	22	10	218	100	3.05
4.	Personality or trait of my immediate boss affects performance evaluation.	7	3	22	10	32	15	109	50	48	22	218	100	3.77
5.	I have negative attitude towards my performance evaluation.	26	12	22	10	57	26	70	32	43	20	218	100	3.37

Source:- Compiled from primary data, 2017

1.13. Summary of major findings

1.13.1. Purposes of Employees Appraisal

As presented on table 4.1; with regards to knowing the appraisal purpose, majority of the respondents with the mean score (mean=3.6) expressed their argument that they have know how about purpose of appraisal why their evaluation conducted. While, execution of appraisal concerning administrative issues and carrier development, most of the respondents with the mean score (mean=2.2 and mean=2.8) do not agreed that appraisal has been solving administrative issues and facilitate carrier development of employees respectively. Similarly, the interviews have cited that usually employee appraisal conducted for the purpose of checking progress achievement of employees and rewarding purposes, but other purposes like the issue of salary, training, and carrier development are not considered frequently.

1.13.2. Uses of Employee Appraisal

According to table 4.2; with respect to use of employee appraisal in giving feedback for evaluates, most of the respondents with mean score (mean=2.18) do not argued that appraisal helps them in order to identify weakness and strengths of their performance achievement. In the same way, majority of the respondents with mean score (mean=2.22, mean = 2.61, and mean=2.54) do not agreed that appraisal contributes for performance improvement, recognizing and rewarding best performance, and skill improvement respectively. Additionally, the interview also cited that the absence of formal feedback mechanisms during or after evaluation negatively affects performance achievement of employees (unable to improve skills, knowledge and personality).

1.13.3. Methods of Evaluation

Regarding methods of evaluation, (202) 97% of respondents argued that their performance achievement conducted by BSC as a method of evaluation (mean=4.41). As indicated the balanced score card is the only approach used for evaluating performance achievement of employees. As to appropriateness of the method of evaluation (BSC), most of the respondents expressed their agreement with mean score (mean=3.33) that BSC is appropriate method to measure their achievement. Moreover, interviews also mentioned that balanced score card is a convenient approach to evaluate employee work achievement when executed properly and customized accordingly. As the interviewees reasoned, balanced score card is somewhat a good tool which might increase participation and responsibility of employees' in the appraisal process; and helps the organization to perceive strategic directions.

With regards to dimensions of evaluation, majority of the respondents (135)62% do not argued that BSC measures behavior and achievement results with mean score (mean=2.41). Thus, evaluation method merely focused on performance achievement results. This indicates, even though BSC is appropriate tool to measure employee performance, it has missed important dimensions like behavior, which might be means for the results achieved.

Concerning evaluates and evaluator awareness of evaluation method (BSC), respondents slightly agreed that their immediate bosses and they have awareness of evaluation method with mean score (mean=3.10).

Further, the interviewees raised problems about method of evaluation: BSC is cannot measure some routine jobs effectively, setting measurements under each activity are difficult, some evaluators lack technical skill of BSC, and the interviewees also underlined that there is lack of follow-up mechanisms during process of implementation. Lastly, to conduct successful evaluation; there should be other techniques employed in order to measure routine activities parallel to BSC and potential of evaluators should be developed consistently are opinions forwarded by interviewees.

1.13.4. Timing of Appraisal

Regarding planned time schedule of appraisal, most of the respondents do not argued with the mean score (mean=2.34) their performance evaluation is not facilitated under planned time schedule. This indicates that there is no fixed timing of employee evaluation specifically either monthly or quarterly.

As to the informal evaluation described in table 4.4, majority of respondents do not argued with the mean score (mean=2.14) that their performance evaluation conducted regularly (informally).

Concerning appraising employees on monthly and quarterly basis, majority of the informants (135) 62% expressed their agreement that performance evaluation undertaken on monthly and quarterly basis with mean score (mean=3.76). This result is in line with directives stated on the organization PM manual, which describes employee evaluation, should be conducted on monthly and quarterly basis (September, December, March and June). The interviewees also cited that appraisal conducted on monthly and quarterly basis. Consequently, this may help the organization to develop culture of appraisal timing.

With regards to discussing and solving the problem of appraisal timing, most of the informants do not agreed with mean score (mean=2.44) that evaluates and their immediate supervisors intended and discuss to solve problems appraisal timing. Finally, interviewees mentioned challenges of appraisal timing, that employee appraisal is not conducted on constantly planned schedule of time; both evaluate and evaluator does not feel sense of accountability; and carelessness in order to solve problems happening. As result, they recommended organization has to practice appraising employees on the regular basis.

1.13.5. Performance Appraisal Criteria

Concerning the fairness and reliability of criteria in measuring evaluates performance, (170)78% of respondents expressed their disagreement with the mean score (mean= 1.78). On contrary to this, as dictated on the PM manual of the organization's, evaluation should be undertaken based on clear description of activities and agreed measurements by comparing plan with achievement.

As to suitability of variables used in the criteria, most of the respondents expressed their disagreement with mean score (mean= 2.64). Likewise, the interviewees discussed that during evaluation few variables resulted in rigidity of measurement and dissatisfaction of evaluates.

Regarding satisfaction obtained from evaluation criteria, half of the respondents do not agreed that evaluation brings satisfaction for them (mean= 2.72). This implies criteria have been used inconveniently in measuring employees' performance achievement. To this end, problems like developing criteria subjectively, criteria's are not customized and difficult to develop are mentioned by the interviewees.

1.13.6. Factors Affecting Employee Appraisal System

With regards to supervisor bias or error as an affecting factor of employee appraisal, most the

informants expressed their agreement that supervisor bias or error has been affecting their evaluation result with mean score (mean= 3.60). Similarly, the interviewees also cited that evaluator bias or error occurring due to personality characteristic of supervisors; some of evaluators do not have sufficient competencies and skills of measurement system (BSC); and usually supervisors do not observe the situational problems of appraisal and unable to take possible action.

Concerning the appraisal system as an affecting factor of employee evaluation, majority of the respondents (137) 63% agreed that the system of evaluation affecting their performance evaluation with mean score (mean= 3.51). Thus, the improper implementation of BSC may be the cause to affect their performance evaluation. Moreover, some of problems under the appraisal system that affect evaluation of employees underlined by the interviewees are: except few individuals the system of evaluation lacks awareness among members; lack of trust between supervisor and evaluates; subjectivity of evaluation criteria (especially measurements); and poor evaluation criteria.

Regarding expectation of negative feedback from supervisors and attitude towards appraisal, evaluates slightly do not expecting negative feedback from their immediate bosses and they have negative attitude towards appraisal with mean score (mean =3.05 and mean=3.37) respectively.

Besides, the interviewees also mentioned frequent problems emanating from evaluates: refusing negative feedback; misperception and attitude towards appraisal; expecting the highest score without hard working; and resisting changes.

RECOMMENDATIONS

Based on the findings and conclusions drawn, the following recommendations were forwarded.

- The study revealed that employee appraisal is not connected with varieties of its purposes rather than few dimensions. Therefore, to bring balanced development of employees and the organization, it is more appropriate to attentively practice both developmental and administrative purposes of employees' performance appraisal.
- As indicated in the finding the employee appraisal is not benefiting both employees and the organizations sufficiently. Thus, to use performance appraisal as an input for motivating employees and facilitates decisions on human resource management, it is better to recognize the uses of employee evaluation.
- The findings revealed that evaluation process lack commitment and awareness among parties. So, it is important for the organization ensuring cooperativeness, commitment and accountability by creating awareness and alignment to missions, vision and goals of the organization through different motivational mechanisms.
- The convenience of balanced score card (BSC) in evaluating performances of employees is described in the findings of the study. However, to make it more convenient, activities and measurements should be developed through common agreements of both evaluatees and evaluators; it is better not to miss personality (behavior) aspect of employee's performance evaluation; and maintaining continuous follow-up during process of evaluation is more appropriate to improve technical skill of BSC.
- The study found out that there is no planned time schedule of evaluating employees. So, it is recommendable to schedule constant or fixed timing of evaluation session either monthly or quarterly. Moreover, in order to reduce overloads of works, the organization has to practice regular or informal evaluation; both evaluatee and evaluator should handle problems of timing carefully through discussion.
- As showed in the findings, supervisor bias or subjectivity affecting performance evaluation of employees. Therefore, to reduce bias or inaccuracy of supervisors, the organization should implement multi source (360 degree) feedback system. Further, it is better for evaluatee and evaluator to develop culture of being trustworthy and fairness through training.
- The evaluation criteria should be customized and developed through discussion of both evaluatee and evaluator in order to make it fair, reliable and practical. Moreover, the evaluation should not be limited to quality, quantity of job and time, but it so essential to consider other dimensions of variable depending on the nature of activities.
- The affecting factors of employee appraisal can be reduced through different mechanisms but not eliminated. Therefore, to restrain distorting factors of the employee appraisal system, the followings should be practical: Firstly, increasing awareness of evaluation system for evaluators and evaluatees by provision of training on continuous basis. Secondly, developing standardized reasonable criteria, measurements, and setting attainable targets. Thirdly, building accountability and responsibility of both evaluator and evaluatee in the appraisal process.

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