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SCHOOL OF MANAGEMENT STUDIES

MASTERS THESIS

ASSESSMENT OF PERFORMANCE APPRAISAL PRACTICE, AT
ETHIOTELECOM, SOUTH REGION: ITS CHALLENGES AND LEVEL OF
SATISFACTION

A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE
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TABLE OF CONTENTS

Contents	Pages
Acknowledgements	
List of Tables-----	I-II
List of Figures-----	III
List of Abbreviations-----	IV
Abstract-----	VI
Chapter one Introduction	
1.1. Background of the Study -----	1-3
1.2. Description of the Study Area -----	3
1.3. Statement of the Problem -----	3-4
1.4. Objectives of the Study -----	5
1.4.1. General Objectives -----	5
1.4.2. Specific Objective -----	5
1.5. Research Questions -----	5
1.6. Significance of the Study -----	6
1.7. Scope and Limitation of the Study -----	6
1.8. Organization of the Study -----	6
Chapter Two Review of Related Literature	
2.1. Concept and Definition -----	7-9

2.2. Benefit of Performance Appraisal -----	9-12
2.3. Performance Appraisal Methods -----	12-14
2.4. Responsible Body to Conduct Performance Appraisal -----	14
2.5. Factors that can affect the Performance Appraisal -----	15-17
2.5.1. Problems originated from the raters -----	15
2.5.2. Problem from the Ratees -----	15-16
2.5.3. Problems originated from the system of Appraisal -----	16
2.5.4. Performance Appraisal Criteria -----	17
2.6. Country Experience -----	18-23

Chapter Three Research Design and Methods

3.1 Research Design-----	24
3.2 Data source and type -----	24
3.3 Sample size methods and procedure -----	24-25
3.4 Data collection tools, instruments and procedures -----	25
3.5 Data processing and analysis -----	25-26

Chapter Four Results and Discussion

4.1 socio-demographic profiles of respondents -----	27-29
4.2. Benefit of performance appraisal practice -----	29-31
4.2.1. Benefit of performance appraisal practice -----	32-34
4.2.2. Participation -----	34-36
4.2.3. Transparency -----	36-38
4.2.4. Claim -----	38-39

4.2.5. On time feedback -----	39-40
4.2.6. Fairness -----	40-42
4.2.7. Employees satisfaction-----	42-45
4.2.8. Reward and motivation -----	45-48
4.2.9. Capacity of evaluator -----	48-54
4.2.10. Clear and defined performance appraisal -----	54-56
4.2.11. Equality -----	56-57
4.3. Interview Response and Analysis -----	57-61

Chapter Five Conclusion and Recommendations

5.1. Conclusion -----	62-64
5.2. Recommendations -----	65-66

References

Annexes

List of Tables

Tables	Pages
Table 1 Employee's sex -----	27
Table 2 Employee's age-----	28
Table 3 Employee's level of education -----	28
Table 4 Response of employees towards the benefit of PAS-----	30
Table 5 Response of supervisors towards the benefit of PAS -----	31
Table 6 Response of employees towards disadvantage of PAS -----	32
Table 7 Response of employees towards the regularity of PAS -----	33
Table 8 Response of supervisors towards the benefit of PAS -----	33
Table 9 Response of both respondents towards participation-----	35
Table 10 Response of employees towards transparency -----	36
Table 11 Response of supervisors towards transparency -----	37
Table 12 both Responses towards claim -----	38
Table 13 both Responses towards claim -----	38
Table 14 Response of employees towards feedback -----	39
Table 15 Response of supervisors towards feedback -----	40
Table 16 Response of employees towards fairness -----	41
Table 17 Response of supervisors towards fairness -----	41
Table 18 Response of employees towards employee satisfaction -----	43
Table 19 Response of supervisors towards employee satisfaction -----	43
Table 20 Response of employees towards employee dissatisfaction -----	44
Table 21 Response of employees towards supervisor's dissatisfaction -----	44
Table 22 Response of both towards employee reward and motivation -----	45

Table 23 Response of both towards employee reward and motivation-----	46
Table 24 Response of both towards employee reward -----	47
Table 25 Response of both towards week performance evaluation -----	48
Table 26 Response of employees towards capacity of evaluators -----	49
Table 27 Response of supervisors towards capacity of evaluators -----	50
Table 28 Response of employees towards capacity of evaluators -----	51
Table 29 Response of supervisors towards capacity of evaluators -----	51
Table 30 Response towards evaluator training -----	52
Table 31 Response towards strictness -----	53
Table 32 Response towards personal judgment-----	53
Table 33 Response towards bias -----	54
Table 34 Response towards defined PAS -----	55
Table 35 Response of supervisors towards defined PAS -----	55
Table 36 Response towards equality -----	56
Table 37 Interview response towards benefit of PAS -----	57
Table 38 Interview response towards employee satisfaction -----	57
Table 39 Interview response towards complain -----	58
Table 40 Interview response towards PAS problem -----	59
Table 41 Lists of problems mentioned by interview -----	60
Table 42 Suggestion -----	60

List of Figures

Figures	Pages
Figure 1- pie chart of employee's response about fairness -----	41
Figure 2- pie chart of supervisor's response about fairness -----	42
Figure 3- graph of response about equality-----	57

ABBREVATIONS

GDP- Gross Domestic product

MOFED- Ministry of Finance and Economic Development

ICT- Information communication Technology

PAS- Performance Appraisal System

BOA- Behavioral Approach

ABSTRACT

This research report provides the findings of different views of the employees in connection to conducting the performance appraisal in the organization. The findings showed that there are many factors related to the implementation of performance appraisal effectiveness. Those factors are purpose of performance appraisal for conducting performance appraisal; the process itself, the appropriate rater's feedback, transparency, participation, rewards and pay, and the like. Those results were found from both primary and secondary data gathered. To be successful in designing and implementing the performance appraisal effectively, the strategies to link the objectives of the performance appraisal, culture of the organization, and a motivation to the organization's mission is important. To be effective, the support from the top management to show their commitments and to translate organizational goals and objectives into personalized employee specific objectives. Performance Appraisal systems need to be effective in improving or sustaining employee performance, otherwise they are a tremendous waste of time and money spend on development and implementation

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

The Ethiopian economy witnessed broad-based and sustainable growth, owing to large scale efforts undertaken by the government in various areas. In line with this, in 2003-2007, the real GDPs for agriculture, service and industrial sectors were 7.5%, 16% and 10.1% respectively (MOFED, 2007).

According to the 2009/10, MOFED report the GDP share of the service sector increased from 41.1% to 46% and in contrast the share of agriculture ten from its level of 56.7% in 1995/06 to 42% in 2009/10.

The service sector plays an important role in the country's economy. And in terms of output contribution dominated other sectors in the country. Out of the sub-sector under the service sector is telecommunication. In today's world, the Telecommunication infrastructure of a country is one of the most important factors affecting development.

Telecommunication plays a major role in exchange of views and information dissemination among various socio-cultural and economic groups. Moreover, it is one of the conditions for attracting foreign capital and encouraging competition in the world market.

Upgrading and expanding the Telecom network and services have been essential to modernizing the sector and bringing about national growth as well as greatly supporting the rural economy. In this respect a number of reform measures have been undertaken consistent with overall economic policy and significant element of such reforms in the service sector is the initiatives underway to reform public administration is seen as

necessary to meet the dual challenges of improved services with fewer resources. One of the most popular tools used for reform activities at present is performance appraisal system

Performance appraisal practices are now considered as one of the key contributing factors to the success of an organization putting increased emphasis on performance appraisal to identify the strength and weakness of their employees to improve their productivity, which in turn helps the organization gain competitive advantage with human resources.

The world experience indicated that the application of performance appraisal system in various organizations, ranging from small business to very huge industries with large number of employees helped to identify the better performing employees who should get the majority of available merit pay increases, bonuses and promotions and enabled employees to use their effort and ability so that the organizations achieve their goals and consequently employees' own goals.

In Ethiopia, the governments of Ethiopia have federal civil servants proclamation no. 515-2007 about performance evaluation in chapter four, article 31. It states the purpose of performance appraisal, transparency of the performance appraisal and the agency shall issue directives on performance appraisal

Despite the above facts about the benefit of performance appraisal, there are a large number of managers, human resource professionals, human resource consultants and researchers that recommend companies to exercise of the performance appraisal systems. Shields (2002).

This is due to:

- The process needs to be simple and easy to use, otherwise it becomes time consuming and cost ineffective
- It increases the dependency of the employees on their superiors
- Where the process is conducted by managers who are often not trained to be appraisers, the genuine feedback is obstructed because it includes subjectivity and bias of the raters, which leads to incorrect and unreliable data regarding the performance of the employee

These and other problems lead to dissatisfaction rather than motivation and in turn affect the organization goal. This study is devoted to identify the main challenges of performance appraisal process and to assess the credibility and effectiveness of performance appraisal system.

1.2. Description of the Study Area

Hawassa is located in the Southern Nation's Nationalities and Peoples Region on the shores of Lake Hawassa in the great valley, 273km South of Addis Ababa via DebreZeit and 1125km North of Nairobi.

Hawassa is served as the capital of the Southern Nation's Nationalities and Peoples Region and Sidama Zone. Hawassa city is bounded by Lake Hawassa in the West, Oromia region in the North, Wondo Genet Woreda in the East and Shebedino Woreda in the South. The city has total area of 157.257km divided into 32 kebeles and eight subcities. According to the result of housing and population census of May, 2008, the Hawassa city administration has a population of 259,803 people, out of which 133,637 are male and 126,166 are female. Out of the total number of population of the administration 159,013 people live in urban area, while the remaining 100,790 peoples are live in the area of the administration. The annual population growth rate of the city administration is about 4.02/4.8 in urban and 2.8 in the rural. In Hawassa city one Telecommunication office and one branch office is found.

1.3. Statement of the Problem

Ethio-telecom is a state owned and sole provider of telecom service in the country. It has the vision to see the entire country connected with state of the art ICT infrastructure that provides reliable and secure communication services and that support development agenda of the

country. Despite this fact Ethio-telecom has been criticized for poor quality of services. To deal with this problem and become competent employee's motivation is essential.

In every organization, employees are the most valuable assets. One of the core competencies an organization can have is on the human resource. Having skilled and motivated work force is very critical for organizations to successfully compete in the dynamic business environment. According to Donnell and Shields (2002), effective organizational change in today's dynamic social, economic and political environment requires that employees continually realign their performance with the evolving goals and objectives of the organization.

In this respect, performance appraisal practice determines the effectiveness of employees in particular and enterprises in general.

Without the appropriate environment (i.e. accountability, full support and commitment of the executives and the general public servants with all necessary resources required for implementation), performance appraisal system cannot be applicable. All these factors are contributing in a positive manner, the extent to which reform initiatives like performance appraisal succeeds will be limited.

A better process which can create emotional pressures, stress and sometimes can adversely affect the morale and lead to de motivation.

It is time to check on these problems apart from enforcing its implementation. Therefore, this study tries to assess the problems associated with performance appraisal practice in Ethio telecom south region office and the branch found in Hawassa city.

These offices are selected to avoid other factors that contribute to the ineffective implementation of performance appraisal.

1.4. Objectives of the study

1.4.1. General Objective

To assess the performance appraisal practice with its organization challenges and employees dissatisfaction and investigate the gap in expectation and experience

1.4.2. Specific Objectives

1. To review the existing performance appraisal system applied in Telecommunication
2. To identify the major challenges of performance appraisal system
3. To provides empirical evidence on the gap between expectations and experience
4. To assess the origin of employees dissatisfaction in relation with performance appraisal systems
5. To suggest viable recommendations

1.5. Research Questions

The aim of the research is to assess the performance appraisal practice with its organization challenges and employees dissatisfaction and investigate the gap in expectation and experience. Therefore, in my work, I seek answers for the following questions

1. What the performance appraisal experience found in Ethio Telecom looks like?
2. How far the existing performance appraisal system meets the organization goal?
3. What are the major challenges of performance appraisal practice?
4. What is the level of expectation compared with the experience?
5. What are the origins of employee dissatisfaction with respect to performance appraisal practice?

1.6. Significance of the Study

The study primarily will give information to question performance appraisal implementation, the type of methods, its effectiveness to the organization officials and other stakeholders. So that it helps to improve employee's job performance, encourage employees to express their feeling, view about performance appraisal.

Moreover, it helps researchers as an input for further investigation. It helps the policy makers to revise their policy regarding performance appraisal.

1.7. Scope and Limitation of the Study

Scope of the Study

This study is confined to the permanent employees and supervisors in Ethio-Telecom south regional office and its branch located in Hawassa. The study is delimited to performance appraisal system of the supportive staffs and their supervisors, because the dissatisfaction is associated with these employees

Limitation of the Study

This study will be limited due to unavailability of documented data about the complain of the employees regarding performance appraisal implementation.

1.8. Organization of the Study

The study has five chapters. The first chapter contains introduction, statement of the problem, objectives of the study, scope and limitation of the study, research questions, and significance of the study and organization of the study. The second chapter is literature review and contains concepts and definitions. The third chapter is methodology and in the fourth chapter the data gathered is analyzed and finally in the fifth chapter conclusion and recommendation is dealt.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Concepts and Definitions

Performance Appraisal is defined by different scholars of human resource management in different time. Therefore, some theories of those scholars have been discussed as follows. According to Deborah and Brian (1997), performance appraisal is two rather simple words that often arouse a raft of strong reactions, emotions, and opinions, when brought together in the organizational context of a formal appraisal procedure.

Performance appraisal is defined as an organized formal interaction between a subordinate and supervisor, that usually takes the form of a periodic interview, in which the work performance of the subordinate is examined and discussed, for identifying weaknesses and strengths as well as opportunities for improvement and skills development (North, 2002). In other words, Performance appraisal is a formal system of measuring, evaluating, and influencing an employee's job-related attributes, behaviors and outcomes to determine how productive an employee is, and to determine if an employee's productivity can be improved (Daley, 1992).

Performance appraisal is a formal system of periodic review and evaluation of an individual's job performance (Bach, 2000). It occurs constantly in both public and private organizations. When it is properly done, performance appraisal provides feedback to employees that will improve their performance and thus organizations also benefit by ensuring that employees' effort and ability make contribution to organizational success.

Performance appraisal has been described as "the process of identifying, observing, measuring, and developing human performance in organization" (Cardy& Dobbins, 1994).

Performance appraisal process is part of the performance management system. The term "performance management" was first used in the 1970s, but it did not become a recognized

process until the latter half of the 1980. The most appropriate definition in the context of the research is that, performance management represents a strategic and integrated approach to delivering organizational success by improving the performance capabilities of both individuals and teams (Armstrong, 2005).

Swan 1991, refer to a performance appraisal as a formal and orderly process where specific work related strengths and weaknesses of workers are distinguished, ascertained, assessed, recorded and developed. Appraisal is a professional system of two-way communication between the principal of the school, head of a department and an individual teacher of the staff. Thus it is a positive means of helping the principal, head of department of the school to develop the potential of his teaching and non-teaching colleagues (Swan, 1991).

The Oxford English dictionary defines performance as the “accomplishment, execution, carrying out, and working out of anything ordered or undertaken”. Armstrong (19996) argues that performance is a matter not only of what people achieve, but how they achieve it. Adcroft 2005, suggest that, performance is a multi-dimensional construct, the measurement of which depends on a variety of factors. Performance Appraisal is increasingly considered one of the most important human resource practices (Adcroft, 2005).

Performance appraisal is “the process of identifying, evaluating and developing the work performance of employees in the organization, so that the organizational goals and objectives are more effectively achieved, while at the same time benefiting employees in terms of recognition, receiving feedback, catering for work and offering career guidance”,(Lawler, 2001).

Performance appraisal is the judgment of employee’s performance in his job, based in considerations other than productivity alone. It is sometimes called merit rating more frequently when its sole object is to discriminate between employees in granting increase in wages and salaries (Akata, 2003). Performance appraisal is “the process of identifying, evaluating and developing the work performance of employees in the organization, so that the organizational goals and objectives are more effectively achieved, while at the same time

benefiting employees in terms of recognition, receiving feedback, catering for work and offering career guidance” (Allan, 1994).

2.2. Benefit of Performance Appraisal

A starting point for a detailed literature review on performance appraisal should be -what are the aims? Thinking on the benefits of appraisal systems has moved on. Early literature, best demonstrated by Hold (1993), cites the benefits of appraisal systems, but these were mainly from the organization perspective.

Bacal (1999) suggest the overall purpose of performance appraisal is to let an employee know how his or her performance compares with the manager’s expectations. Again, this is a one dimensional view. Fletcher (2006) takes a more balanced view, suggesting that for performance appraisal to be constructive and useful their needs to be something in it for appraiser and appraise. Young court, (2007) suggest that the common purpose of performance appraisal tends to be aimed at the measurement of individuals, and consider that this focus is insufficient.

The main reason for appraising performance is to enable employees to use their effort and ability so that organizations achieve their goals and consequently their own goals.

Outcomes of performance appraisal can lead to improvements in work performance and therefore overall business performance via, for example increased productivity or customer service.

Performance appraisals are used to provide information on job related subjects in various departments and decision making processes (Erasmus,1999).

Weightman (1996) focuses on the individual when citing the purposes of performance appraisal, suggesting it can be used for many reasons, including; reward, discipline, coaching, counseling, raising morale, measuring achievement of targets and outputs, identifying development opportunities , improving upward and downward communication, reinforcing

management control and selecting people for promotion or redundancy. Fletcher (1993) cites a study where 80% of respondents were dissatisfied with their appraisal scheme, in particular with multiplicity of objectives.

Randell (1994) also highlights a multiplicity of purposes including; evaluation, auditing, succession planning, training, controlling and motivation. Rees and Porter (2003) cite that a common problem is that schemes have too many objectives. They add that there can be conflict between objectives, but do not expand on this point. Based on the observations of others, perhaps it is the conflict between control and development that is evident. What is consistent with all literature is that objectives of performance appraisal are combination of backward looking/forward planning. The above covers a large range of objectives, and begs the question if appraisal is trying to achieve too much. Their search will determine whether that range of objectives is relevant from the employee perspective. Again, from the individual perspective, Simmons (2002) draws together a range of sources, arguing that a robust, performance enhancing and equitable performance appraisal system, which gains the commitment of professionals, is a key factor in achieving a good return on an organizations "intellectual capital".

Murphy and Cleveland (1995) amongst many others, suggest a key purpose of performance appraisal is to determine pay and other financial compensation. The issue of outcomes of performance appraisal, such as pay, will be addressed later in this literature review and in the research.

Role ambiguity is addressed by Petti john et al (2001) who suggests that performance appraisal can reduce role ambiguity. The most obvious reason for appraising an individual is to secure its improvement (Harrison & Goulding, 1997) and it follows that securing performance improvement for all individuals will enhance wider organization performance. Common to almost all purposes of performance appraisal is the concept of improving performance and developing people.

Overall, some commentators focus on organizational goals as the key purpose, much focus on individual performance improvement. In a new organization such as Passenger Focus, it is suggested that a scheme that meets both organization and individual needs is critical. From the above, the following table lists the recognized purposes of performance appraisal.

Performance appraisal can be used as a motivational tool for communicating performance expectations to employees and providing them with feedback (Thomas & Bretz, 1994).

The ultimate objective of performance appraisal is identifying, measuring, and managing of human performance in an organization and to give feedback to employees who may improve their performance on job and also organizations' or business firms' success.

According to Gomez-Mejia et.al (2001), Organizations usually conduct appraisals for administrative and/or developmental purposes. Performance appraisals are used administratively whenever they are the basis for a decision about the employee's work conditions including promotions, termination and rewards.

From the organization perspective, successful performance management is a key to achievement of corporate goals. It is argued that performance appraisal is the central component of performance management, and so it must be that for an organization, the purpose of performance appraisal is attainment of corporate goals. Caruth and Humphreys (2008) add to this viewpoint by suggesting it is a business imperative that the performance appraisal system includes characteristics to meet the organizational needs and all of its stakeholders (including management and staff).

Randell (1994) also highlights a multiplicity of purposes including; evaluation, auditing, succession planning, training, controlling and motivation. Rees and Porter (2003) cite that a common problem is that schemes have too many objectives. They add that there can be conflict between objectives, but do not expand on this point. Based on the observations of others, perhaps it is the conflict between control and development that is evident.

Performance Appraisal (PA) benefits both Employees and Employers. Employers benefit from understanding their employees weaknesses and strengths. Understanding the employees helps to make basic enforcement for weakly performing employee by giving training and development in order to improve his/her performance if not to punish. It also helps to make remuneration and promotion readily available for those who performed well. PA is not only important to employee's problem identification, but also important to the organization for effective utilization of human resource by identifying strong employees from best for utilization of manpower, to bring effectiveness and efficiency.

2.3. Performance Appraisal Methods

Performance actually can be appraised by a wide variety of methods and techniques. The most commonly used performance appraisal methods can be distinguished into three major categories: comparative appraisals, behavioral appraisals, and output-based appraisals.

Comparative Appraisal

Managers directly compare the performance of their subordinates against one another in comparative appraisals. For example, a data entry operator's performance would be compared with that of other data-entry operators by the computing supervisor. Comparative techniques include ranking, paired comparisons, and forced distribution.

Ranking: In this method, the supervisor lists all subordinates in order, from the highest to the lowest in performance.

Paired Comparisons: The paired comparison method involves comparing each employee to every other employee in the rating group, one at a time, to determine the better.

Forced Distribution: In forced distribution, the supervisor must assign only a certain proportion of his/her subordinates to each of several categories on each evaluative factor.

Behavioral Appraisals

In contrast with comparative appraisals, behavioral appraisals allow supervisors to evaluate each person's performance independent of other employees but relative to important job-related behaviors, which when exhibited can lead to job success, namely: the graphic rating scale and checklist. Some managers are required to provide written appraisal information - in a narrative form. These records describe an employee's actions rather than indicating an actual rating. Among the most common narrative appraisal methods are included: the critical incident method and the essay.

Graphic Rating Scale:The graphic rating scale allows the rater to mark an employee's job performance on a five-point or seven-point scale.

Checklist: The checklist uses a list of statements or words that are checked by raters. Raters check statements most representative of the characteristics and performance of an employee.

Critical Incidents:In the critical incident method, the manager keeps a written record of the highly favorable and unfavorable actions in an employee's performance.

Essays:The essay (free-form) appraisal method requires the manager to write a short essay describing each employee's performance during the rating period.

Output-Based Appraisals

While the methods described above focus on job behaviors or processes, output-based appraisals focus on job products as the primary criteria. The most commonly used output-based appraisal is Management-by-Objectives (MBO).

For organization to be effective, employees must clearly understand the objective of his/her organization. Management must provide opportunities for every employee to make contribution in the attainment of objectives. This is possible through a system of establishing objectives known as management by objectives (MBO). MBO, therefore, is defined as follows: A process whereby the superior and subordinate managers of an organization jointly identify its common goals, define each individual's major areas of responsibility in terms of the results expected of him, and use these measures as guides for operating the unit and assessing the contributions of each of its members (Baird & et.al., 1990).

Rapid Appraisals

Rapid appraisal methods are quick, low-cost ways to gather data systematically in support of managers' information needs, especially questions about performance.

When the best method for evaluation is chosen, the following considerations should be taken into account: the accuracy and authentication of the criteria, appropriateness for the specified criteria, appropriateness for the given group of employees and the cost of the process – (how much time and money would be needed for the execution of the process).

Appraisal methods are discussed by Armstrong (1996). The method also must be simple and easily understandable for all people in the organization. Characteristics of the work, employees and the type of the organization have an influence on the way of determining the best method.

2.4. Responsible Body to Conduct Performance Appraisal

PA is the most significant activity of an organization. If the right persons are not assigned to process PA activities, then the strategic objectives of organization is seriously affected. Tosi, (1986) said (wrote) as follows: “Performance evaluation by ones superior, groups of management at higher levels subordinated or peers. It has been department and for certain purposes, self-ratings are used.” Additionally, Mathis and Jackson, (1997 pp. 347), also wrote as follows: Again performance appraisal can be done by any one of familiar with the performance of individual employees. Possibilities are including the following.

- Supervisors who rate their employees
- Employee who rate their supervisors
- Team members who rate each other
- Outsider sources
- Employee self-appraisals
- Multi-score (3600) appraisal

2.5. Factors that Can Affect the Performance Appraisal

These errors can emanate from system designed and operating problems, raters problems, and ratees problem in performance appraisal.

2.5.1. Problems Originated from the Raters

Raters have their own rose-colored glasses with which they “objectively” view their subordinates. These biases produce rating errors, or deviations between the “true” rating an employee deserves and the actual rating assigned. Rating errors reduce the reliability, validity, and utility of performance appraisal systems. Biases in performance ratings manifest themselves in many forms. According to Ivancevich, (1989), the use of ratings assumes that the rater is reasonably objective and accurate. However, in reality, raters’ memories are quite imperfect, and raters subscribe to their own sets of likes, dislikes, and expectations about people, which may or may not be valid.

2.5.2. Problems Originated from the Ratees

The problems of performance evaluation can also be attributed to the ratees, and involves the instance of; their attempt to create unnecessary impression and work area ingratiation is one of the major problems with respect to ratees. According to Cook (1995), while discussing impression management, organizations occasionally exist in which subordinates gain credit for pushing ahead with management plans that are absurdly wrong, in pursuit of aims which are completely pointless, stifling criticism either of purpose or of method with cries of “commitment” and “loyalty”. *Ingratiation* English has a rich vocabulary to describe workplace ingratiation – including words listed in dictionaries as “not in polite use” – which implies that the behavior is widely recognized, but not widely popular. Research suggests however that ingratiation does not always succeed in obtaining good performance ratings. Unsubtle ingratiation may sometimes be too blatant to be credible, or palatable.

Ingratiation and other impression management techniques also contaminate appraisal ratings, and make them less accurate reflectors of true worth to the organization. Besides undermining performance appraisal, and selection research, this tends to be bad for morale, when staff see persons whose true performance is poor, but who are good at ingratiating themselves, get merit awards, or promotion, or other marks of favor.

2.5.3. Problems Originated from the System of Appraisal

Problems can be emanate from the system of appraisal which involves the objective of the appraisal it wants to serve, administrations system, forms used and procedure used to make up the system. According to Michael Beer (1987) many of the problems in performance appraisal stem from the appraisal system it self-the objectives it is intended to serve, the administrative system in which it is embedded, and the forms and procedures that make up the system. (As cited by Zelalem 2007) the problems of performance evolution are related to the forms and procedures that make up the performance appraisal system. The form used to record the performance of the employees is blamed if it is cumbersome, not customized and if employees did not participate in the design of the form of evolution (Beer, 1987). According to Deborah F.B and Brain H. Kleiner (1997) organizations need to have a systematic framework to ensure that performance appraisal is “fair” and “consistent”. In their study of “designing effective performance appraisal system”, they conclude that that designing an effective appraisal system requires a strong commitment from top management. The system should provide a link between employee performance and organizational goals through individualized objectives and performance criteria. They further argued that the system should help to create a motivated and committed workforce. (ibid) 30

The system should have a framework to provide appropriate training for supervisors, raters, and employees, a system for frequent review of performance, accurate record keeping, a clearly defined measurement system, and a multiple rater group to perform the appraisal.

2.6. Performance Appraisal Criteria

Performance usually requires more than one dimension. If the performance criteria leave out some important job duties, they are deficient. If some irrelevant criteria are included in the criteria, the criteria are said to be contaminated. Managers use deficient or contaminated. 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. As Mathis and Jackson (1997, 341) stressed, performance criteria are standards commonly used for testing or measuring performances. Criteria for evaluating job performances can be classified as trait-based, behavioral based, or results based.

Trait based criterion: identifies a subjective Character trait such as “pleasant personality”, “initiative,” or “creativity and has little to do with the specific job. Such traits tend to be ambiguous, and courts have held that evaluation based on traits such as “adaptability” and general demeanor” are too vague to use as the basis for performance-based HR-decisions.
Behavior-based criterion: focus on specific behaviors that lead to job success.

Results-based criterion: look at what the employee has done or accomplished. For some jobs where measurement is easy and appropriate, a results-based approach works very well.

Generally, criteria are relevant when they measure employees on the most important aspects of their jobs. But there are also problems with these criteria. Mathis and Jackson (1997 pp. 341) again said, jobs usually include many duties and tasks, and so measuring criteria for measuring performance much more than they should.

2.7. Country Experience

Performance management is an increasingly common phenomenon in the public sector (Adcroft and Willis 2005). All public sector organizations will be required to scrutinize the performance of the organization and its staff. Examination of the literature review traces back first steps into performance management by the public sector to the conservative government of the late 1980's and early 1990's. It was under those Governments that organizational and managerial reforms were introduced, and public sector performance management became firmly established (Boland and Fowler 2000).

The public sector was becoming much more market orientated, and successive conservative governments tried to improve accountability by developing standards and targets (Harrison and Goulding 1997). These increased standards led to the development of the Citizen's Charter in 1991, and this were the trigger for the launch of many charters in the public sector. The Citizens Charter (1991) developed the idea that there should be a link between an individual's performance and their pay. It did not, however, examine whether money does motivate people. In 1993, the Local Government Management Board (LGMB) published the first guidance to performance management aimed specifically at the public sector (LGMB 1993). It's clear message was that performance management links the strategy and service objectives of the organization to jobs and people. It again linked the option of relating performance management to reward strategies. The guidance gave a clear emphasis on the fact that organizational performance is a product of what people achieve and do (Rogers 1999).

Rose and Lawton (1999) noted how stressful it was at that time for managers to have to introduce new management practices, whilst continuing to deliver for customers, with little or no additional resources to facilitate implementation. They further argue that this was compounded by the fact that almost all systems were top down imposed, with little participation in design by participants. This key issue will be explored further.

Most of those public sector employees are labor intensive, and so they need to capitalize on the abilities and performance of staff. Following this, the goal of performance management is to achieve human capital advantage, recognizing that the individual staff member is the most important source of capital advantage (Armstrong & Baron 2005).

Zambia

During the pre-independence era the education authorities in Namibia used the merit award system to evaluate teachers' performance and competence. Principals as ex-officio officials were entrusted with the merit award system. However there was no panel that could ensure the fairness of the process and as a result discrimination regarding ethnicity and sex as well as political interference occurred. Despite the weaknesses and shortcomings experienced with the merit award system, some positive aspects have also been achieved, such as the teacher inset-programmed and the active presence of circuit-inspectors, as well as subject-advisors who on regular basis visited the schools. Several teachers, who were regarded as un/under qualified, spoke warmly about merit award qualities (Reform Forum, 1997:31). The abolition of the merit-award system, created inequality in the teaching profession: only merit-awarded teachers were considered for managerial posts and in promotional posts at school level. Principals during the pre-independence era were promoted to higher positions at regional education offices, and were trained as "colonized elite" (Hamutenya- Katonyela, 2001:20).

Prior to Independence, Public Service performance appraisal was carried out using both Merit Assessment and Efficiency Rating Systems. These two systems, which were used to evaluate staff performance at all levels, were employed until 1996, when a new Performance Appraisal System (PAS) was introduced following the recommendations of the Wages and Salary Commission (WASCOM 1996). The new Performance Appraisal System was however suspended during 1998 (Kapofi, 2002:4).

Three were three performance appraisal systems found to be operational in the schools from 1980 until 1996 in Namibia (Kapofi, 2002: 4).

The performance appraisal system was identified as being noticeably more transparent and widely welcomed as it catered for staff at all levels for example un/ under qualified and qualified teachers were appraised through that system. Its method of evaluation was deemed objective due to the in-built process of self-assessment for example a teacher could evaluate himself. Similarly, on-going dialogue with and feedback from supervisors was identified as a useful problem-solving mechanism. (Kapofi, 2002:8).

Despite the wide acceptance of the performance appraisal system, no clear objectives had been established to guide the evaluation process. There were disadvantages in addition such as the following: What might be considered 'outstanding' in one office was merely 'satisfactory' in another. Similarly, qualities requiring appraisal were applied across the board, rather than taking into account the specifics of a particular job category.

Maldives

In the Maldives, the first Performance Appraisal System which was introduced for the whole of Public Service during 1996 was halted in 1999. The official reason for suspending the system was that the objectives of introducing the system were not being achieved. After reviewing the system, a new Appraisal System was introduced and conducted as a pilot project during 2002 and 2003, in selected government organizations. In April 2004 all government organizations was directed to implement the system across the board. Even so, from the experience of the previous two years and from the experience of the first appraisal system, it is beyond doubt that the current system will face fundamental obstacles to be institutionalized across the public service. Although performance appraisal is an incentive for production, for innovation, for adequate accountability and reinforces an organization's external orientation, there is another side of the coin (de Bruijn, 2002: 21). Performance Appraisal creates a large number of perverse effects as well. This has been greatly evident in a small society such as the Maldives. The reason behind the arguably low level of success faced with the use of Performance Appraisal in Maldivian Public Service is supposedly due to a number of cultural, organizational and political factors that have been influencing and arguably decrementing in certain aspects the degree of institutionalization of the system.

The Process of Performance Appraisal (PA) in Bank of Abyssinia Ethiopia

PA is a common practice in the life of any organization. Although there is no written policy as to the system of performance evaluation, an employee is evaluated and appraised in Bank of Abyssinia by the following participant.

1. Employee him/her self
2. Immediate super visor
3. Next in- line supervise
4. Review committee
5. Senior managers

The graphic rating method is used by the immediate supervisor. The evaluating criteria are categorized in to nine classes each evaluating the employee performance from different perspectives. The nine criteria described to evaluate the appraise are

1. **Professional competence:** - this is to measure the appraises full understanding of job requirement, capability to meet objective and commitment. The weight assigned to this evaluation criterion is 15%.
2. **Responsibility & accountability of the appraise:** - it is the reliability over the full range of the job, and how far the employees get the work done under normal supervision. The weight assigned is 15%
3. **Initiative:** - is capacity of the appraises for taking actions without awaiting instructions including the employees' ability to search for new ideas, resource full in solving problems. Weight given is 15%
4. **Quality of work:** - how the work done is accurate, complete & manifests good Judgment. The weight is 10%
5. **Communication capability:** - the ability to analyze, reason out speak persuasively & to write precisely. The coefficient to these evaluation criteria is 10 %.
6. **Efficiency:** - the capacity of the appraise to fast & accurately get things done in minimum time given. The weight is 10%

7. **Customer relation:** - as Bank of Abyssinia is service rendering firm the employees are rated based on customer service. The relationship with colleagues is also included under this section. The weight assigned is 10%.

8. **Punctuality and attendance to work:** - these are with respect to work hours, presenting at working area during working hours. The weight assigned is 10%.

9. **Personal appearance:** - shows neatness, appropriate dressing and other personal traits which enable to express the individual's status with the organization. The weight assigned is 5%.

The given nine criteria are rated from one to five as explained below. All measurement criterions will be calculated from 100 %. The rater has to encircle one out the five grades given that best measures the employee performance. The levels of the grades have the following meanings;

5- Outstanding performance

4- Exceeds requirement

3- Meets requirement

2- Fair performance

1- Poor performance

The performance evaluation format is three type with slight difference one from the other. Each format is prepared to include activities of the respective divisions of employees. The first division comprises the non-clericals which include drivers, messengers, janitors, guards, reception workers and lower class of employees. These groups of employees are with no direct contact with paper works at office. The second class of appraise are the clericals who perform activities and tasks that have direct relations with customers and paper works in the office. These are secretaries, subordinates, lower level managers. The last class of appraise are supervisor who are higher rank than clericals and are immediate or next in-line supervisor of the clericals.

This composes of middle manager, department heads and supervisors. As the interview conducted to the concerned HRM personnel's the president and the upper top managers are not evaluated.

CHAPTER THREE

RESEARCH DESIGN AND METHODS

3.1. Research Design

The research employed a combination of research design which could answer the research questions. These were quantitative and qualitative research design. Questionnaire and key informant interview were conducted to strengthen data and information. The study used cross sectional approach in collecting respondent's information all at the same time at an identified location.

The study was based on qualitative and quantitative research design simultaneously. The study used a cross-sectional survey method as starting point. And in order to compare analyze, other qualitative instruments such as key informant interview was employed.

3.2. Data Source and Type

The study used both primary and secondary data sources. The primary data sources was based on, cross sectional survey, intensive interviews with key informants, and non-participant observation. Secondary data Sources: The secondary data such as records, census, documents and indices were used for the analysis of scientific data and information on the existing actors and policies in Telecom. Secondary sources were books, journals, feature articles, publications from relevant government offices like telecommunication, government libraries and the like

3.3. Sample Size, Methods and Procedures

The study used stratified sampling technique. The reason for adopting such sampling techniques is to reduce cost, time required and sample error. However, the primary unit and secondary units were selected randomly, i.e. from the list of employees, taking the first and

leaving the next two in order. 84 employees from Hawassa main office and branch office and from Shashemene office from a total sample size of 240 employees this means from a total number of 240 employees 84 (35%) employees will be taken as a sample size. And for the secondary units, 14 supervisors (there are two supervisors from each 7 departments) were selected to fill the questionnaire.

Tertiary unit were selected purposively; from seven departments seven managers were selected that means one from each department for interview.

3.4. Data Collection Tools, Instruments and Procedures

For the data collection, the researcher used quantitative and qualitative research instruments. Quantitative data were collected by using questionnaire, while qualitative data were gathered through semi-structured and open-ended schedules, with the help of qualitative tool like key informants interviews. The data collection methods were well built-up to make sure list and interviews schedules were prepared and enumerators were trained to administer the questionnaire. However, the researcher administered the entire interview. The data collections were conducted by a total of two persons who were recruited by the researcher. In order to overcome some of the methodological problems such as withholding and negative response of information, motivation (by saying that the researcher did not have any hidden agenda) were given for respondents.

3.5. Data processing and analysis

Subsequent to the data collection, the questionnaires were made ready for data entry. To describe the data received with the help of the, closed ended questions and descriptive statistics like percentages, tables, graphs and pie-chart were used.

Depending on the nature of basic questions addressed and attributed to those treated, the statistical tools like, percentage (%), trend analysis and the frequency distribution were used to determine the personal characteristics of respondents and analyzed their responses.

These data gathered with the help of different statistical tools were triangulated against the qualitative data, since it includes all the rating scales possible and it can reasonably show the relationship between the independent groups. The qualitative data were interpreted and analyzed to triangulate the quantitative data. Before that, all the data received were translated from Amharic into English. After the translation thematic contents were formulated based on research questions. Finally, the information gathered from different instruments was brought under similar thematic headings to be compared and contrasted and analyzed thereafter. The results of interview and observation were analyzed qualitatively using words and sentences. In line with the basic questions of the study indicated in proceeding units the relevant data were gathered and systematically presented and analyzed in the next chapter.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

The following discussion is organized around sub-topics reflecting the research objectives and questions. The purpose is to simplify the discussion and to contribute to a better understanding of the research findings

This chapter sets out the results of the research. The methodology was set out in the previous chapter and was followed closely. This chapter sets out results and commences the analysis element and draws together the conclusions and recommendations

The data gathered from questionnaire and interview will be analyzed accordingly in different variables which can show the study clearly

Those data were gathered from respondents found in Hawassa Telecommunication office that is selected by certain criteria and having different socio-demographic profile which will be discussed below

4.1. Socio-Demographic Profile of Respondents

In this part of the questionnaire the demographic information of the participant employees of Hawassa Telecom is presented for analysis. The analysis tries to provide information related to sex, age and educational background

Table 1 Employee's sex

	Male	Female	Total
Employees	52.2	47.8	100%
Supervisors	76.5	23.5	100%

Source: Own computation

From the total sample size of employees, 52.2% were male and 47.8% were female. Whereas from supervisors, 76.5% were male and 23.5% were female. The data shows that the female participation in telecom is less than male. Other literatures also reflect that there is a small representation of female in public service offices which include telecom because of many factors like,

- Low levels of education and lack of opportunities for training
- Heavy household chores that leave women less time to devote to their work
- And the like (wolde,2002)

Table 2 Employee's age

	Under 25	25-40	41-50	Above 50	Total
Employees	53.2	30.5	8.2	7.7	100%
Supervisors	76.5	17.6	5.9	0	100%

Source: Own computation

In this study most of the respondents were found in the working age. 53.2% were found less than 25 years of age, 30.5% were found 25-49, 8.2% were between the age of 41-50 and 7.7% were found to be above 50. 76.5% of supervisors were under 25, 17.6% and 5.9% were between the age 25-40 and 41-50 respectively. This shows that most of the respondents are in the young age group

Table 3 Employee's level of education

	MA	BA	Diploma	TVT	Secondary	Total
Employees	5.9	29.4	41.2	8.8	11.8	100%
Supervisors	9.1	36.6	33.2	11.6	9.5	100%

Source: Own computation

It is possible to understand from the above table that the majority (36.6%) of supervisors is in the category of BA, while the majority (41.2%) of employees is in category of Diploma.

Additionally, the table above shows the employees educational level is in (29.4%) and (5.9%), BA and MA respectively. This shows that most of the respondents are educated

4.2. Respondents response and analysis

Under this section, performance analysis system of Hawassa Telecom with respect to its importance, regularity, fairness, transparency, equality and other aspects will be treated based on the primary and secondary data collected.

4.2.1. Benefit of Performance Appraisal Practice

Performance Appraisal is increasingly considered one of the most important human resource practices. The following section will show how appraisal is central to the effectiveness of Performance Management

The most obvious reason for appraising an individual is to secure its improvement and it follows that securing performance improvement for all individuals will enhance wider organization performance. Common to almost all purposes of performance appraisal is the concept of improving performance and developing people. (Kapofi, 2002:8)

Overall, some commentators focus on organizational goals as the key purpose, much focus on individual performance improvement.

The overall purpose of performance appraisal is to let an employee know how his or her performance compares with the manager's expectations. Again, this is a one dimensional view. For performance appraisal to be constructive and useful there needs to be something in it for appraiser and appraisee. The common purpose of performance appraisal tends to be aimed at the measurement of individuals, and consider that this focus is insufficient. (Rees and Porter, 2003)

The primary objective of staff appraisal is to show how staff may be effectively managed and encouraged, to show enthusiasm and efficiency at work assigned. The appraisal result may also be used to identify employee needs, ultimately creating a satisfied employee which is major determinant of the organizational success

84 employees and 14 supervisors were asked to give rank from listed benefit of PAS whenever they think is the best

Table 4 Response of employees towardsthe benefit of performance appraisal system

Why do you think is important to have performance appraisal?	Number of employees	%
To evaluate staff performance for promotion, bonus or annual salary increase	10	11.9
To improve staff performance	40	47.6
To develop staff skills and knowledge	20	23.6
To achieve team goals	7	8.3
To punish poor performer	0	0
Not important	7	8.3
No idea	0	0

Source: Own computation

40(47.6%) of employees believe that improving staff performance is the major benefit of performance appraisal system. 20 employees(23.8%) believe that its importance is to develop staff skills and knowledge. To evaluate staff performance for promotion, bonus or annual salary increase benefit option chosen by 10 employees(11.9%), in fourth level, two options that means to achieve team goals and performance appraisal system has no importance is equally chosen by 7(8.3%) and 7(8.3%) employees respectively. No response is given for the rest two options i.e., to punish poor performance and no idea

Table 5 Response of supervisors towards the benefit of performance appraisal system

Why do you think is important to have performance appraisal?	Number of Supervisors	%
To evaluate staff performance for promotion, bonus or annual salary increase	3	21.4
To improve staff performance	6	42.8
To develop staff skills and knowledge	2	14.2
To achieve team goals	2	14.2
To punish poor performer	1	7.1
Not important	0	0
No idea	0	0

Source: Own computation

The same question and option were given for supervisors and out of 14 respondents, the majority respondents 6(42.8%) choose to improve staff performance option which is the same to employees, second majority respondents 3(21.4%) responded to the first option which is to evaluate staff performance for promotion, bonus or annual salary increase. The third and fourth option gets equal response that is 2(14.2%) and 2(14.2%) respondents respectively. The last two options get no response

For the above data, the majority employees believe that performance appraisal has benefit which is the same to supervisors and again all the employees have idea about performance appraisal and its importance because no respondent choose “no idea” option which is again the same to supervisors. Most of the employees believe that performance appraisal has benefit either for employee or the organization and small number of employees 7(8.3%) believe that it has no importance and for supervisors, all of them believe that it has benefit. Therefore, for 7(8.3%) who think that PAS has no importance, question were asked to give rank for the following listed disadvantages

Table 6 Response of employees towards disadvantage of performance appraisal system

If you do not believe with the importance of PA what is your reason?	Number of employees	%
The self-esteem of the person being appraised and the person doing the appraisal may be damaged	1	1.1
Large amount of time may be wasted	2	2.3
The relationship among the individuals involved may be permanently worsened thereby creating organizational conflicts	1	1.1
Performance motivation may be lowered for many reasons, including the feeling that poor performance measurement means no rewards for performance (i.e. biased evaluation including favoritism towards some employees)	2	2.3
Money may be wasted on forms, training, and a host of support services	1	1.1

Source: Own computation

Five options were given for both employees and supervisors to choose what they believe as disadvantage of performance appraisal system. Out of 7 employees, 4(4.6%) which is the majority in number equally give response to the second and the fourth option. And the rest 3 options is equally chosen by one supervisors for each option

So here, the majority respondent believe that performance appraisal system waste large amount of time and it lowered performance motivation

4.2.2. Regularity of Performance Appraisal Practice

Whilst Performance Management is a continuous process, appraisals are periodic activities. Most organizations have at least an annual review. Frequent reviews are required to ensure progress is being made on developmental objectives.

According data gathered through secondary sources, employee performance appraisal is done once every year. Since there is no written document as to when and how to conduct performance appraisal, it is difficult to believe that a standardized and uniform performance appraisal will be conducted in the organization. The period an employee appraisal conducted is at

the end of the fiscal year. All parties involved should conduct appraisal from May to June 30. The organization's fiscal year is from July 1 to June 30 according to the Ethiopian calendar. June 30 is the last date for submission of the appraisal result.

84 employees and 14 supervisors were asked to tick on one of the listed regularity of PAS whenever they think is the best

Table 7 Response of employees towards the regularity of PAS

How often do you think is suitable to conduct performance appraisal?		
	Number of employees	%
Quarterly	15	17.8
6 months or twice a year	55	65.4
Once a year	9	10.7
Less than once a year	5	5.9

Source: Own computation

Four options given for both employees and supervisors to choose how often they think is suitable to conduct performance appraisal 55(66.4%) of employees which is the first large number of respondents think that 6 months or twice a year is suitable, 15(17.8%) employees quarterly is the best time to conduct performance appraisal is only once a year and lastly small number of respondents that is 5(5.9%) believe that the best one is less than once a year

Table 8 Response of supervisors towards the regularity of PAS

How often do you think is suitable to conduct performance appraisal?		
	Number of supervisors	%
Quarterly	2	14.2
6 months or twice a year	4	28.5
Once a year	8	57.1
Less than once a year	0	0

Source: Own computation

Unlike to the employees response, the majority number 8(57.1%) of supervisors think the best suitable period to conduct performance appraisal is only once a year. The second large number of supervisor 4(28.5%) chose 6 months or twice a year and the rest 2(14.2%) chose quarterly and no voice is given for options less than once a year

4.2.3. Participation

There is a danger that highly defined schemes can be too bureaucratic, with the result that completion of paperwork, or ticking boxes, becomes the main driver. It is vital that employees are involved in the design of the system, for practical, operational and psychological reasons. (Armstrong and Baron, 2005)

1. Increases employees perception of fairness of the process
2. Reduces potential for individual bias by providing further rating
3. Provides a useful tool to increase communication in the process
4. Helps clarify differences of opinion regarding performance requirements
5. Increases commitment to development plans and new goals.

If managers look at performance evaluation something they do to employees, confrontation is inevitable. If they view it as a partnership, they reduce confrontation. (Kapofi, 2002:8)

- Give employees the information they need
- Use more questions than statements
- Listen, respond and act

84 employees and 14 supervisors were asked to agree or disagree with the listed statements

Table 9 Response of both respondents towards participation

Please indicate how much you approve or disapprove of the following statements																
	Absolutely disapprove				disapprove				Approve				Absolutely approve			
	employee		supervisor		employee		supervisor		employee		supervisor		employee		supervisor	
	number	%	number	%	number	%	number	%	number	%	number	%	number	%	number	%
I always communicate with my supervisor about my result	33	39.3	7	50	25	29.8	5	35.8	15	17.8	1	7.1	11	13	1	7.1
I participate in the design of the performance appraisal form	75	89.3	0	0	9	10.7	2	14.2	0	0	4	28.5	0	0	8	57.1
I receive adequate training and information about the system	28	33.3	4	28.6	41	48.9	4	28.6	7	8.3	3	21.4	8	9.5	3	21.4
My supervisor informed me what achievement expects from me	20	23.8	1	7.1	23	27.4	7	50	21	25	5	35.7	20	23.8	1	7.1

Source: Own computation

From the total number of respondent, 33 number of employees and 7 supervisors absolutely disapprove with the first option given whether they always communicate with their supervisor about their result, the number of employees and supervisors is 25 and 5 respectively, 15 employees and 1 supervisors approve and 11 employees and 1 supervisors absolutely approve that they always communicate with their supervisor about their result

For the second option given, 75 number of employees absolutely disapprove with the first option given whether they always communicate with my supervisor about their result, but again no supervisors replied for this option, the number of employees and supervisors is 9 and 2 respectively, no employees and 4 supervisors approve and no employees and 8 supervisors absolutely approve that they always communicate with their supervisor about their result

For the third option given, 28 and 4 number of employees and supervisors respectively absolutely disapprove with the first option given whether they always communicate with my supervisor about their result, the number of employees and supervisors is 41 and 4 respectively, 7 employees and 3 supervisors approve and 8 employees and 3 supervisors absolutely approve that they always communicate with their supervisor about their result

For the fourth option given, 20 number of employees and 1 supervisors absolutely disapprove with the first option given whether they always communicate with my supervisor about their result, the number of employees and supervisors is 23 and 7 respectively, 21 employees and 5 supervisors approve and 20 employees and 1supervisors absolutely approve that they always communicate with their supervisor about their result

4.2.4. Transparency

Feedback should be given in a manner that will best help improve performance. Since people respond better to information presented in a positive way, feedback should be expressed in a positive manner. This is not to say that information should be sugar-coated. It must be accurate, factual, and complete. When presented, however, feedback is more effective when it reinforces what the employee did right and then identifies what needs to be done in the future. Constant criticism eventually will fall upon deaf ears. (Rogers, 1999)

84 employees and 14 supervisors were asked to give answer whether they receive feedback from their supervisor on their performance both positive and negative

Table 10 Response of employees towards transparency

When conducting Performance Appraisal, do you always receive feedback from your supervisor on your Performance both positive and negative?		
	Number of employees	%
Only positive	5	5.9
Only negative	3	3.5
Both	72	85.7
Not at all	1	1.1
Not sure	3	3.5

Source: Own computation

Five options was given for both employees and supervisors to choose for what feedback they always receive when conducting performance appraisal, which shows whether the system is transparent in all condition or not.

From the total 84 respondents, 72(85.7%) of employees which is the largest in number said that they always receive feedback whether it is positive or negative. The second large number of employees that is 5(5.9%) receive only positive feedback and 6(7%) of employees respond equally to the second and fifth option that is 3 employees for each question respectively

Three of them receive only negative feedback and 3(3.5%) of employees does not receive any feedback at all and 3 employees are not sure whether they receive negative or positive feedback

For this, we can easily infer that large number of respondents receive both positive and negative feedback which shows the greater degree of transparency of performance appraisal system in the organization

Table 11 Response of supervisors towards transparency

When conducting Performance Appraisal, do you always receive feedback from your supervisor on your Performance both positive and negative?		
	Number of employees	%
Only positive	2	14.2
Only negative	0	0
Both	8	57.1
Not at all	3	21.4
Not sure	1	7.1

Source: Own computation

The same is true in case of supervisors, large number of supervisors receive both positive and negative feedback from their supervisors. 3(21.4%) of supervisors receive no feedback. 1(7.1%) of supervisors are not sure whether they receive only negative or negative feedback. No supervisors receive only negative feedback. Here, with the same to employees, large

numbers of supervisors always receive their positive and negative feedback and shows high degree of transparency

4.2.5. Claim

84 employees and 14 supervisors were asked what they are going to do when they perceive their performance appraisal result is unfair

Table 12 both responses towards claim

When you perceive your Performance Appraisal result is unfair, what are you going to do?				
	Employees		Supervisors	
	Number	%	Number	%
You appeal to a higher officer	6	72.2	5	35.7
You will do nothing	78	92.8	9	64.3

Source: Own computation

For the option given for employees and supervisors to choose what they will going to do when they perceive their performance appraisal result is unfair, 6 (72,2%) employees and 5(35.7%) replied that they will appeal to a higher officer, whereas, large number of employees 78(92.8) and 9(64.3) supervisors will do nothing

Out of the 78 employees and 9 supervisors, who responded to “I will do nothing”, the following is there rank to what they think is their prior reason

Table 13 both responses towards claim

	Employees		Supervisors	
	Number	%	Number	%
No distinct department is found to hear the claim	2	2.6	3	33.3
The claim will not be judged fairly	76	97.4	6	66.7

Source: Own computation

Absence of distinct department was chosen by 2(2.6%) and 3(33.3%) of employees and supervisors respectively, the claim will not be judged fairly was chosen by the majority that is 76(97.4%) of employees and 6(66.7%) of supervisors

4.2.6. On time feed back

One of the most critical parts of the appraisal process is the direct communication between supervisor and individual. The information reflecting past performance and results and given by the manager to the employee is called feedback. It improves the effectiveness and helps in decision making within the organization(Adcroft and Willis, 2005). The feedback directs the individual to the organization missions and objectives. Employees should receive information about how they're doing as timely as possible. If improvement needs to be made in their performance, the sooner they find out about it the sooner they can correct the problem. If employees have reached or exceeded a goal, the sooner they receive positive feedback, the more rewarding it is to them. (Tosi, 1986)

84 employees and 14 supervisors were asked to agree or disagree with the statement said <I receive regular and timely feedback>

Table 14 Employee's response towards feedback

I receive regular and timely performance feedback		
	Employees number	%
Absolutely disagree	38	45.2
neutral	7	8.3
Absolutely agree	39	46.3

Source: Own computation

Giving feedback is also integral part of performance appraisal. Here in this table, the three point surveys if employees receive appraisal feedback on time and regular manner. About 45.2 percent of respondents replied that they never receive appraisal feedback on time and regularly. 8.3 percent of respondents were neutral and the largest percentage agrees that they receive regular and timely feed back

Table 15 Response of supervisors towards feedback

I receive regular and timely performance feedback		
	Supervisors number	%
Absolutely disagree	3	21.4
neutral	0	0
Absolutely agree	11	78.6

Source: Own computation

The same is true in case of supervisors in that the large number of supervisor 11(78.6%) replied that they receive on time and regular feedback, 3(21.4%) absolutely disagree that they never receive on time and regular feedback and no one is being neutral. Here in both employees and supervisors, large number of respondents agrees that they receive on time and regular feedback

4.2.7. Fairness

Fairness of the system is considered important. The perceived fairness of the system itself contributes to overall perception of fairness. The issue of accuracy in performance assessment is a problematic one. Many studies on performance appraisal focus on the fairness/appropriateness of ratings systems (Tosi, 1986). Almost all employees are extremely wary of performance ratings. Subjectivity can be a problem where appraisers and appraises are colleagues. They further suggest that managers may be uncomfortable with criticizing staff they work closely with, and a tendency towards centralized ratings could apply. Giving criticism in a constructive way can be a very delicate. Managers tend to avoid confrontation by scoring generously (Cook, 1986). The ratings system can be perceived as a dishonest annual ritual. Employees themselves generally do not want to hear bad news, especially about them

84 employees and 14 supervisors were asked whether they agree or disagree that their organization PAS is fair

Table 16 Employee’s response towards fairness

Do you think the PA system in your organization is fair?				
	I agree	I strongly agree	I disagree	I strongly disagree
Employees number	9	3	20	52
%	10.7	3.6	23.8	61.9

Source: Own computation

9(10.7%) of employees agree, 3(3.6%) strongly agree whereas, 20(23.8%) disagree and 52(61.9%) of employees are strongly disagree. Here, as the table shows, 52 number of respondents which is more than half and large number were strongly disagree that their organization performance appraisal system is not fair

employee's response about fairness

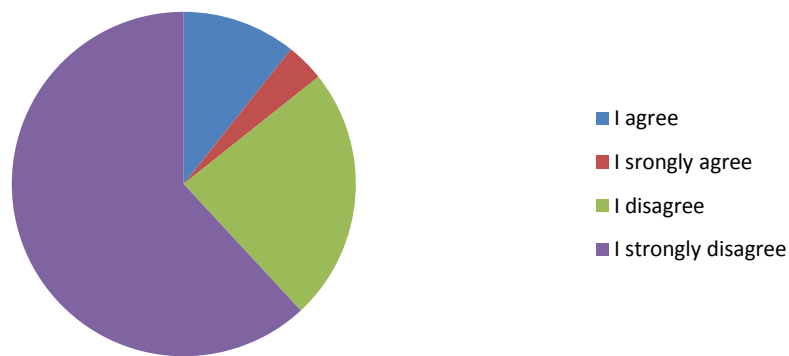


Table 17 Supervisor’s response towards fairness

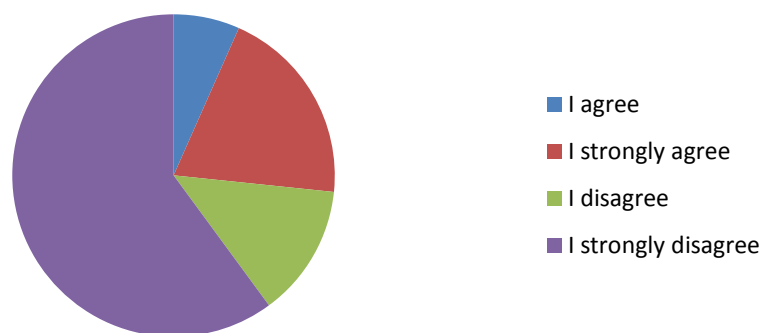
Do you think the PA system in your organization is fair?				
	I agree	I strongly agree	I disagree	I strongly disagree
Supervisors number	1	3	2	9
%	7.1	21.4	14.2	64.3

Source: Own computation

1(7.1%) of supervisors agree, 3(21.4%) strongly agree whereas, 2 (14.2%) disagree and 9(64.3%) of supervisors are strongly disagree. Here, as the table shows, out of 14 respondents of supervisors, 9, which is more than half and large number were strongly disagree that their organization performance appraisal system is not fair

We can say that for both employees and supervisors, their organization performance appraisal system is not fair at all

response of supervisors about fairness



4.2.8. Employee Satisfaction

Potential employee beliefs about performance appraisal, those efforts will lead to performance will lead to outcomes. If this happens, the psychological contract is reinforced. If it is not, then demotivation will occur, and the psychological contract is not enacted. Performance appraisal would be seen as failing (Michael Beer, 1987)

Employee expectations are focal to current thinking on psychological contracts. Early definitions of what the psychological contract is, places the emphasis on shared expectations between employer and employee

The concept of a “psychological contract” could be useful in analyzing the quality of individual employment relationships within the firm. The following may be the reasons for the employees of one organization not to be satisfied with the performance appraisal system (Rogers, 1999)

- ✓ Managers do not take the process seriously
- ✓ Inadequate effort from all involved
- ✓ Bad communications and training hinder effectiveness

- ✓ The systems are too individualistic, remote and divisive, and
- ✓ Ratings can be inconsistent and unfair

Questionnaire was distributed to employees and supervisors to know whether they are satisfied with the system or not and to state their degree of agreement for the question asked whether they are satisfied with the current PA system of their organization and the above table show their response

Table 18 Employee’s response towards employee satisfaction

Are you satisfied with your Performance Appraisal practice in your organization?								
	Strongly agree		agree		Strongly disagree		disagree	
Employees	3	3.5%	25	29.7%	43	51.1%	13	15.4

Source: Own computation

From the total 84 number of respondents, 3(3.5%) strongly satisfied with the performance appraisal system of their organization, 25(29.7%) of employees, satisfied. 43(51.1%) strongly disagree and 13(15.4%) of employees replied that they are not satisfied with the system

Table 19 Supervisor’s response towards employee satisfaction

Are you satisfied with your Performance Appraisal practice in your organization?								
	Strongly agree		agree		Strongly disagree		disagree	
Supervisors	0	0%	2	14.2%	8	57.1%	4	28.5%

Source: Own computation

From the total 14 number of supervisors, no one replied to <I strongly agree> that means no one was strongly satisfied with the performance appraisal system of their organization, it was only 2(14.2%) of supervisors who agree/satisfied with the system whereas, the rest 8 and 4 number of supervisors strongly agree/strongly satisfied and disagree/satisfied with the system respectively

For both respondents (employees and supervisors), most of them are not satisfied with the performance appraisal system of their organization.

From the total number of employees replied that they are satisfied or dissatisfied, 56 numbers of employees replied for both strongly disagree/strongly dissatisfied and disagree/dissatisfied. Below are their ranks for their reasons of dissatisfaction

Table 20 Employee's response towards employee dissatisfaction

If you are not satisfied, which of the following problems apply to the appraisal system of your organization (tick)		
	Employees number	%
No link between same evaluation criteria and employee job	9	10.7
Lack of ability to evaluate performance	27	32.1
Bias in evaluating performance	38	45.2
Non participation in setting performance evaluation criteria	10	11.9

Source: Own computation

38(45.2%) number of dissatisfied employees, give priority for bias in evaluating performance as their reason of dissatisfaction, the second large number of respondent 27(32.1%), replied to lack of ability to evaluate performance as their prior reason, 10(11.9%) and 9(10.7%) give priority to <non participation in setting performance evaluation criteria> and <no link between same evaluation and employee job> as their reason for dissatisfaction respectively

Table 21 Supervisor's response towards dissatisfaction

If you are not satisfied, which of the following problems apply to the appraisal system of your organization (tick)		
	Supervisors number	%
No link between same evaluation criteria and employee job	5	35.7
Lack of ability to evaluate performance	1	7.1
Bias in evaluating performance	3	21.4
Non participation in setting performance evaluation criteria	5	35.7

Source: Own computation

Equal 5 number of dissatisfied supervisor give priority to <no link between same evaluation criteria and employee job> and <non participation is setting performance evaluation criteria as their major reason for dissatisfaction, the rest small number of respondents 1(7.1%) and 5(35.7%), replied to <lack of ability to evaluate performance> and <bias in evaluating performance> as their prior reason for dissatisfaction

4.2.9. Reward and Motivation

Motivation is probably one of the major factors that influence the institutionalization of appraisal system. How motivated the employee is, how satisfied, how committed and how loyal the employee is to the organization directs to higher performance. However, motivation is determined mostly by the type of reward the individual receives (Armstrong and Baron, 2005). It could be argued that motivation and reward are organizational variables rather than cultural variables. Although this is true to some extent, this research will focus on explaining how culture influences motivation and how culture determines what values the individual places on different kinds of rewards (Rees and Porter, 2003)

Question 5, 6, 7 and 8 is related to reward and pay, so, all will be analyzed in one topic

84 employees and 14 supervisors were asked to state their degree of agreement or disagreement whether they believe performance appraisal will not be effective if it is not linked to rewards and pay

Table 22 Response of both towards reward and motivation

Do you believe Performance Appraisal will not be effective if it is not linked to rewards and pay?				
	Employees		Supervisors	
	number	%	number	%
I strongly agree	74	88	8	57.1
I agree	6	7.1	5	35.7
I strongly disagree	3	3.5	1	7.1
I disagree	1	1.1	0	0

Source: Own computation

As the table shows, the greater response is given with their order of option. Most employees that is 74(88%) strongly agree that performance appraisal will not be effectively if it is not linked to rewards and motivation, 6(7.1%) of employees agree with the statement and 3(3.5%) and 1(1.1%) of employees somewhat disagree and strongly disagree with the statement respectively

For the same question and option, the same level of response is given with their order, i.e, large response to the first option, relatively large to the second and the like. 8(57.1%) of supervisor strongly agree that performance appraisal effectiveness is linked to rewards and motivation, 5(35.7%) and 1(7.1%) supervisors agree and somewhat disagree respectively but no supervisor strongly disagree with the statement

84 employees and 14 supervisors were asked to choose one best answer from the three listed options what they believe is enough to motivate high levels of employee performance

Table 23 Response of both towards reward and motivation

What reward do you believe is enough to motivate high levels of employee performance?				
	Employees		Supervisors	
	number	%	number	%
Financial	27	32.1	1	7.1
Training	20	23.8	4	28.5
Both	37	44	9	64.2

Source: Own computation

Three option were given for both employees and supervisors to choose what they believe is enough to motivate high levels of employee performance

Financial, salary increase and promotion rewards were given as an option, out of the total 84 employees, 37(44%) chose promotion is enough to motivate which has large share, 27(32.1%) employees believe that financial is enough and lastly 20(23.8%) of employees which has a small share believe that salary increase is enough to motivate

For supervisors, 9(64.2%) supervisors believe that promotion is enough and salary increase and financial take the second and third level that has 4(28.5%) and 1(7.1%) response respectively

The third question which has connection with reward and motivation is number 7

Five options were given to choose what kind of reward they receive for their successful performance result.

47(55.9%) of Employees receive nothing. the large number of employees take no reward. This means either they had successful performance result and receive no reward or they had weak performance result therefore they receive no reward. So here, because the question forwarded for both employees who has both successful and weak performance result, the presence of employees with weak performance result probably included

They were asked to choose one from the five listed options what they receive for their successful performance result

Table 24 Response of both towards reward

What reward do you receive for your successful performance result?				
	Employees		Supervisors	
	number	%	number	%
Financial	22	26.1	1	7.1
Training	0	0	0	0
Salary increase	13	15.4	3	21.4
All	2	2.3	5	35.7
None	47	55.9	5	35.7

Source: Own computation

22(26.1%) of employees receive financial reward, for 13(15.4%) employees their salary increase as a reward and 2(2.3%) which is a very small number of employees receive promotion. No respondents took training as a reward.

Here shows that most of employees did not receive any reward even though they score successful result. Small numbers of employees receive promotion, financial and salary increase as a reward and surprisingly no training is given for any employees even though training is the most valuable reward

Out of 14 supervisors, 10(71.4%), equally chose option 4 and 5 that is they receive promotion and receive nothing that is 5(35.7%) supervisors for each question respectively

3(21.4%) of supervisors receive salary increase, and only 1(7.1%) receive financial reward but again here also no supervisor take training reward

Here, equal large numbers of supervisors receive promotion and receive nothing

Table 25 both response towards weak performance evaluation

What did you take following your weak Performance Evaluation?				
	Employees		Supervisors	
	number	%	number	%
Advice	16	19	3	21.4
Training	0	0	1	7.1
Warning	52	61.9	9	64.2
Penalty	5	5.9	0	0
None	11	13	1	2.1

Source: Own computation

Other inverse question was asked what they took for their weak performance evaluation result. Large number of employees 16(19%) took advice, 11(13%) took nothing i.e, remember that this question is asked for both successful and unsuccessful employees so, here employees with successful result might include) and 5(5.9) employees took penalty. No employee took training More than half 9(64.2%) of supervisors took warning, 3(21.4%) took advice, 2(14.2%) took equally training and nothing that is 1(7.1%) supervisors respond for each question respectively Here, this shows that warning took the larger share and advice took the second

4.2.10. Capacity of Evaluator

In Hawassa telecom, the line supervisor is the appraiser (supervisor is appraised by the manager). The rationale is that the line supervisor is best placed to carry out appraisals because of the amount of contact and greater experience

Rating of employees by supervisors is based on the assumption that the manager is the most qualified person to evaluate the employee's performance realistically, objectively and fairly. Because: First, the superior may have an ethical bias against 'playing God'. Second, the superior may not have the necessary interpersonal skills to give good feedback. And, lastly, the superior - having reward and punishment power - may make the employee feel threatened and alienated (Rees and Porter, 2003)

An employee's immediate supervisor is a common alternative for appraising job performance.

There are several valid reasons for this approach. These are:

The supervisor is the one most familiar with the individual's performance

In most jobs, the supervisor has the best opportunity to observe actual performance.

Since the supervisor has the proper understanding of organizational objectives, needs and influences, he/she is best able to relate the individual's performance to departmental and organizational goals (Cook, 1995)

Since the supervisor is held accountable for the successful operation of his/her department, it is logical for him to exercise control over personnel and administrative decisions affecting his/her subordinates. Moreover, since the supervisor is in a better position, he/she can link effective performance with rewards such as pay and promotion.

84 employees and 14 supervisors were asked to choose one best from the listed persons what they believe should be involved in their performance appraisal

Table 26 Employee response towards capacity of evaluator

Please indicate to what extent you approve or disapprove that each of the following persons should be involved in your Performance Appraisal?		
	Employee Number	%
Immediate supervisor	79	94
employee themselves	0	0
subordinates	0	0
Supervisor, employee themselves and subordinates	5	5.9

Source: Own computation

For the three persons put as an option that employee and supervisors think should be involved in their performance appraisal, almost all that means 79 (94%) of employees choose only

immediate supervisor to be involved and the rest five employees choose all the three given persons to involve in their performance appraisal. No respondent choose employee themselves and subordinates only to involve in their performance appraisal

Table 27 response of supervisors towards capacity of evaluator

Please indicate to what extent you approve or disapprove that each of the following persons should be involved in your Performance Appraisal?		
	Supervisor Number	%
Immediate supervisor	10	71.4
employee themselves	3	21.4
subordinates	0	0
Supervisor, employee themselves and subordinates	1	7.1

Source: Own computation

With the same to employees response, out of 14 supervisors, the majority number 10(71.4%) choose immediate supervisor as their evaluator, 3(21.4) choose employee themselves and 1(7.1%) of supervisor choose all the given persons i.e., supervisor, employee themselves and subordinates. No response given to subordinates to involve in their performance appraisal

From the above data we can see that both employee and supervisor responded to immediate supervisor as their choice. Second choice for both is employee themselves but both give no response to subordinates this is may be because unlike to subordinates, immediate supervisor is trustworthy and capable than the rest. Both does not want subordinate alone to involve in their performance appraisal because think that they lack capacity

Again they were asked to give degree of their agreement or disagreement whether they believe only immediate/direct supervisor evaluate subordinates is enough and effective

Table 28 Employee's response towards evaluator capacity

In your opinion, do you believe only immediate\direct supervisor evaluate subordinates is enough and effective?		
	Employee Number	%
Strongly agree	30	35.7
agree	31	36.9
Somewhat disagree	21	25
Strongly disagree	2	2.3

Source: Own computation

This question has direct connection with the above one. As the large number of respondent respond to only immediate supervisor to involve in their performance appraisal, here also the same happens. Large number of employees 30(35.7%) and 31(36.9%) strongly agree and agree that immediate supervisor only is enough to evaluate subordinates respectively. Below 50% of employees that is 21(25%) and only 2(2.3%) somewhat disagree and strongly disagree

So here large numbers of employees believe that immediate supervisor only is enough and want to be involved in their performance appraisal

Table 29 Supervisor's response towards evaluator's capacity

In your opinion, do you believe only immediate\direct supervisor evaluate subordinates is enough and effective?		
	Supervisor Number	%
Strongly agree	1	7.1
agree	4	28.5
Somewhat disagree	3	21.4
Strongly disagree	6	42.8

Source: Own computation

Inverse is true here large number of supervisors 6(42.8%) don't believe the only existence of immediate supervisor in performance evaluation and 3(21.4) somewhat disagree. 1(7.1%) which is small in number strongly agree and 4(28.5%) agree

Four options were given for both employees and supervisors to show their degree of approval or disapproval know whether their evaluator is too strict to implement, whether they are well trained or not, whether the evaluator is not influenced by their like or dislike and whether the evaluator is influenced by factors like race, gender or age

The above four tables show the number and percentage of employees and supervisors who strongly disapprove, disapprove, approve and strongly approve for the statements

Table 30 Response towards evaluator training

Please indicate to what extent you approve or disapprove evaluators																
	Strongly Disapprove				Disapprove				Approve				Strongly Approve			
	employee		supervisor		employee		supervisor		employee		supervisor		employee		supervisor	
The evaluator is well trained	29	34.5%	5	35.7%	37	44%	4	28.5%	11	13%	3	21.4%	7	8.3%	2	14.2%

Source: Own computation

In the first table one can easily see that 29(34.5%) of employees which is large amount strongly believe the evaluator is not well trained and large number of supervisors 5(35.7%), believe that they are not well trained

Table 31 Response towards strictness

Please indicate to what extent you approve or disapprove evaluators																
	Strongly Disapprove				Disapprove				Approve				Strongly Approve			
	employee		supervisor		employee		supervisor		employee		supervisor		employee		supervisor	
The evaluator is too strict.	40	47.6%	9	64.2%	35	41.6%	3	21.4%	4	4.7%	1	7.1%	5	5.9%	1	7.1%

Source: Own computation

In the second table of this topic, 40(47.6%) number of employees again large number of respondent strongly disapprove that the evaluator is too strict to implement the system and the same is true for supervisors in that the majority respondent strongly disapprove, small number of employees and supervisors strongly believe that the evaluator is too strict which is 5(5.9%) and 1(7.1%) respectively

Table 32 Response towards personal judgment

Please indicate to what extent you approve or disapprove evaluators																
	Strongly Disapprove				Disapprove				Approve				Strongly Approve			
	employees		supervisors		employees		supervisors		employees		supervisors		employees		supervisors	
The evaluator is not influenced in his/her assessment of me by their like or dislike in me.	19	22.6%	10	71.4%	48	57.1%	1	7.1%	14	16.6%	3	21.4%	3	3.5%	0	0%

Source: Own computation

In the Third table you will find the response of both employees and supervisors whether they disapprove or approve that the evaluator is not influenced by their personal judgment towards them. Here, 48(57.1%) which is more than half number of employees disapprove and 10(71.4%) which is the majority of supervisors strongly disapprove that the evaluator is not influenced by their personal judgment, no supervisors strongly approve and 3 employees which is very small in number of employees approves it

So here for large number of both respondents, the evaluator is influenced by his/her personal like or dislike

Table 33 Response towards bias

Please indicate to what extent you approve or disapprove evaluators																
	Strongly Disapprove				Disapprove				Approve				Strongly Approve			
	employees		supervisors		employees		supervisors		employees		supervisors		employees		supervisors	
The evaluator is not influenced by factors like race, gender or age	28	33.3%	2	14.2%	31	36.9%	5	35.7%	9	10.7%	4	28.5%	16	19%	3	21.4%

Source: Own computation

Here in the fourth table, it is clear that number of both employees and supervisors 31(36.9%) and 5(35.7%) is the largest share as compared with the rest who disapprove that the evaluator is not influenced by factors like race, gender or age whereas comparatively, small number of employees and supervisors i.e, 16(19%) and 3(21.4%) are strongly approve

So here, for the majority of both respondents, the evaluator is influenced by factors like race, gender or age

4.2.11. Clear and Defined Performance Appraisal Practice

A successful performance appraisal system is one that has resulted from hard work, careful thinking, planning and integrated with the strategy and needs of the organization. There should always be a definitive written and communicated procedure for performance appraisal (Kapofi, 2002:4). Setting objectives and targets remain the core activity of performance appraisal, but in practice are poorly conducted, with little regard for ensuring that organization and individual objectives are aligned as closely as possible.

Manager and employee need to agree on what objectives are most important and less important (Tosi, 1986)

- Change goals as needed
- Focus on mutual understanding
- Be practical

Table 34 Response of employees towards defined PAS

Please indicate how much you approve or disapprove of the following statements								
Employees	Strongly Disapprove		Disapprove		Approve		Strongly Approve	
The PAS is well defined	37	44%	22	26%	16	19%	9	10.7%
The PAS is clear and easily understandable	40	47.6%	35	41.6%	4	4.7%	5	5.9%

Source: Own computation

37(44%) of employees and 11(78.5%) of supervisors strongly disapprove that the performance appraisal system is well defined, 22(26 %) of employees and 3(21.4%) of supervisors disapprove, 16(19%) of employees approves it but no supervisors give voice to the statement, again no supervisor strongly approve that the performance appraisal system is well defined but only 9(10.7%) of employees strongly believe that the system is well defined

Table 35 Response of supervisors towards defined PAS

Please indicate how much you approve or disapprove of the following statements								
Supervisors	Strongly Disapprove		Disapprove		Approve		Strongly Approve	
The PAS is well defined	11	78.5%	3	21.4%	0	0%	0	0%
The PAS is clear and easily understandable	9	64.2%	3	21.4%	1	7.1%	1	7.1%

Source: Own computation

40(47.6%) of employees and 9(64.2%) of supervisors strongly disapprove that the performance appraisal system is clear and easily understandable, 35(41.6 %) of employees and 3 (21.4%) of supervisors disapprove, 4(4.7%) of employees and 1(7.1%) supervisors give voice to the statement, again 1(7.1%) of supervisor strongly approve that the performance appraisal system

is clear and easily understandable and only 5(5.9%) of employees strongly believe that the system is well defined

4.2.12. Equality

84 employees and 14 supervisors were asked to choose one best answer from the three listed options what they believe is the major problem of their organization evaluator

Table 36 Response towards equality

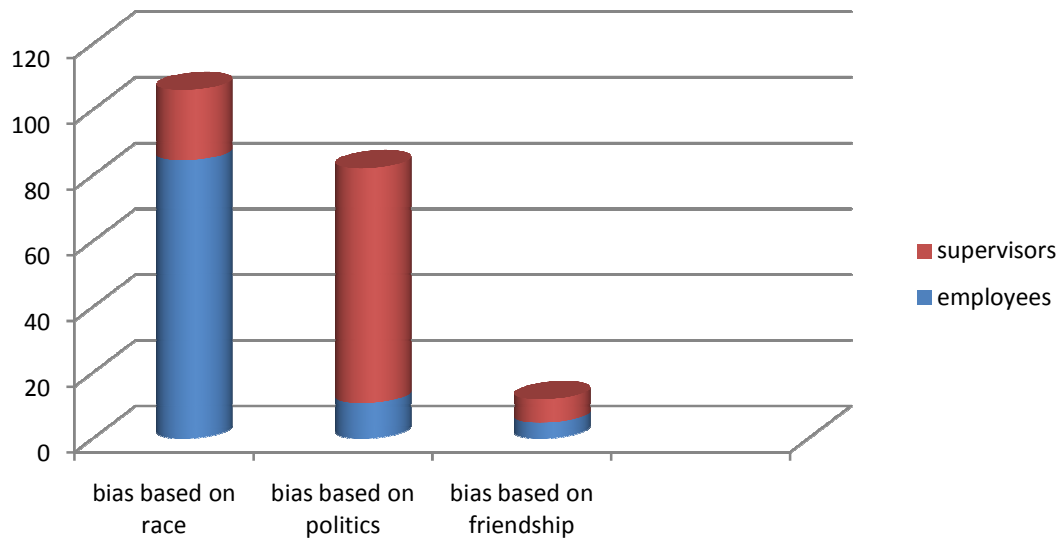
	Employees		Supervisors	
	number	%	number	%
Bias based on race	71	84.5	3	21.4
Biased based on politics	9	10.7	10	71.4
Bias based on friendship	4	4.7	1	7.1

Source: Own computation

The first 3 factors race, politics and friendship mentioned by 84 employees and out of this, 71(%) put race and politics first and second

The same 3 factors listed by 14 supervisors but 10(%) mentioned politics is the first factor

From employees and supervisors we can see that race and politics are the major factors in the fairness of the appraisal



4.3. Interview response and analysis

In the interview, 7 managers were asked to give their answer if the performance appraisal system meet its target in terms of customer satisfaction, quality service provision, employee’s satisfaction and work efficiency

Table: 37 Interviewresponses towards benefit of PAS

Do you think the PAS meet its target in terms of customer satisfaction, quality service provision, employees satisfaction and work effeciency?		
	Number of interviewee	%
customer satisfaction	5	71.4
quality service provision	6	85.7
employee’s satisfaction	3	42.9
work efficiency	5	71.4

Source: Own computation

Out of the 7 total number of interviewee, the larger number which is 6(85.7%) think that the system meet its target mostly in providing quality service, the second large number equality think that the system meet its target in terms of customer satisfaction and work efficiency

The last comparatively small amount of interviewee said that the system indeed bring customer satisfaction

7 managers were interviewed to answer whether they think that employees satisfied with the system

Table 38 Interview response towards employee satisfaction

Do you think the employees are satisfied with the application of this system?		
	Number of Interviewee	%
Yes	3	42.9
No	4	57.1

Source: Own computation

Out of 7 respondents, 4 of them said that employees are not satisfied with the performance appraisal system whereas 3 of them think that the employees are satisfied

The following table is the response of interviewee for the question <Did the employee frequently raise complain regarding their performance result and the system?>

Table 39 Interview response towards complain

Did the employee frequently raise complain regarding their Performance result and the system?		
	Number of Interviewee	%
Yes	4	57.1
No	3	42.9

Source: Own computation

Here, the above table shows that large number of interviewee 4(57.1%) in number said that the employee frequently raise complain regarding their performance appraisal result

Out of these 4 interviewees who approve the presence of employees claim regarding their result, the following lists are their major areas of complain ranked by the interviewees

Table 39 Interview response towards reason of complain

What were their major area of complain?		
	Number of interviewee	%
bias	6	85.7
unfairness	6	85.7
rating	3	42.9
Undefined objective	5	71.4

Source: Own computation

Bias and unfairness is the first large area of complain raised by 6 interviewee equally for each than rating and undefined objective raised by 3 and 5 interviewee respectively

The other interview question was to agree or disagree whether they believe with the presence of problem in the performance appraisal system of their organization

Table 40 Interview response towards PAS problem

Do you believe that there is a problem in the Performance Appraisal system of your organization?		
	Number of Interviewee	%
Yes	4	57.1
No	3	42.9

Source: Own computation

In the above table one can clearly see that large number of interviewees that is 4(57.1%) believe that there is a problem in their organizational performance appraisal system but only 3 of them resist

Out of the 4 interviewees who believe in the existence of a problem in their organization, the followings are lists of problems mentioned by them

Table 41 Lists of problems mentioned by interviewee

If your answer is yes, what are these problems?		
	Number of interviewee	%
No standard set for performance appraisal result	2	50
Performance evaluation is made once a year which is long	1	25
Claim may not be fairly examined	4	100
Lack of uniformity in the objective and implementation	4	100
No training about the performance evaluation system	4	100
Lack of participation	4	100

Source: Own computation

The last four problems were mentioned equally by 4(100%) interviewee, the first problem (no standard set for performance appraisal result) was mentioned by 2(50%) interviewee and the second problem (performance evaluation is made once a year which is long) was mentioned by only 1(25%) interviewee

The last question raise for interview was to disclose their opinion about the system whether they suggest to continue the system in this way or needs to be revised

Table 42 Suggestion

What is your suggestion regarding the system?		
	Number of interviewee	%
To continue in this way	0	0
To review	7	100

Source: Own computation

Because most interviewee believed with the existence of problem in the system, all interviewee suggest that the system should be revised and surprisingly, no one suggest the system to continue in the same way

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

The objective of the study is to find out the process and system of Performance Appraisal on improving employee morale and performance by making through assessment of Performance Appraisal system in Hawassa Telecom. In doing so, the study tries to analyze data that have been gathered through primary and secondary sources

5.1. Conclusion

This section endeavors to establish a solid link between the research questions and the observed data at our disposal.

The report found that Hawassa telecommunication office has shown significant signs of activity over the past years. The office used to conduct performance evaluation on employees once a year

The aim of performance appraisal is to evaluate the job performance of employees so as to improve their performance and consequently the organization's performance. In order to do so performance appraisal system should use job related criteria, appropriate method of appraisal for each purpose, qualified and well trained appraiser and participation of employees in one way or the other.

The objective of the study is to find out the process and system of performance appraisal on improving employee morale and performance by making a thorough assessment of performance appraisal system in Hawassa Telecom. In doing so the study tries to analyze data that have been gathered through primary and secondary sources. In investigating the performance appraisal system of Telecom, it has been found that rating scale method is used by the immediate supervisors.

Problems in performance appraisal may arise from the improper design of the system, process of conducting and implementing the performance appraisal, problems from the appraiser and

the appraisal and difficulty of the job to evaluate....Organizational culture also affects the performance evaluation process through employees attitude and perception, working atmosphere and group and individual behaviors of employees within the company.

Based on the information gathered through the questionnaire & interview conducted, the researcher found out problems of the performance appraisal system in the organization and some achievements made include:-

- From the questionnaire result, even though employees are given opportunity to express their feeling about their performance appraisal results in case if they have grievance, it may not be fairly examined and given solution so most employees don't want to appeal their complain to higher officials
- Lack of uniformity and consistency in applying the whole performance appraisal system which is influenced by subjective judgments rather than by guided by written policy and principle. Large respondents replied that the system is influenced by personal judgment of the evaluators and they favor the person with the same sex, race, politics and friendship
- Employees are not clear about the purpose of performance appraisal and the timing of performance appraisal. Most respondent response is different with one another for the same question. The study indicates that telecom were using PA for motivation of employees at moderate level, which shows the use of it for motivational purposes is not at the desired level, and very low rather, it consists of mixed interest which is vague so that it hurts the moral of employees and demoralizes them from competition and creativity. Thus, employees without competition and creativities would be cost to the organization.
- There is no training given for both appraisers and appraises about how to conduct performance appraisal and its objective.
- From the response of the questionnaire, employees are not well participated in setting the performance criteria and the weight assigned to performance measurement criteria. The institution is not providing opportunities to their employees to participate in the design of form used to evaluate their employee's performance.

- The criteria/instrument to measure the performance of employees is not clearly defined and is not objective-oriented
- The objective of evaluation has not been communicated to the employees in advance.
- The performance appraisal system moderately fails to communicate the feedback on time. Some respondent replied that they are not receive the feedback on time
- The information generated through PA is at the moderate level in the organization in providing incentives and job promotion to those employees whose performance is at the level of the standard and above. They gives at very low level of promotion, other payments (annual increment) and training
- Raters rating subordinates on the basis of personal liking and disliking exists at high level. And in addition, raters avoiding giving performance rating having negative consequence exists at high level
- The practice of supervisors accurately evaluating their subordinate to the extent of they are being rewarded for doing so and penalized for failing not doing so is low
- Some of the organization employees do nothing even though the performance rating they think is biased.
- Performance appraisal is done once a year. However, the tool in practice to appraise performance is checklist and this is very traditional. Other appraisal tools are not applied in the enterprise. Perhaps enterprise either does not know other tools or they neglect them. And checklist is not widely acknowledged appraisal tool nowadays since it lacks the quality to measure performance

If all the above mentioned problems are corrected, the appraisal system of the telecom will contribute to the success of the organization. Therefore based on the problems the following recommendations are suggested as helpful to improve the system

5.2. Recommendations

In view of the findings and the problems mentioned above coupled with the review of related literature the following recommendations are suggested

- Employees should participate in the designing of the appraisal system and criteria.
- Employees should be given training that lets them know how to conduct evaluation and its purpose
- Feedback should be given to employees on time. After all the main objective of evaluation is improving employees' performance. But employees could not perform better without feedback given to them on time.
- The performance appraisal criteria should be specific to reduce subjective judgment that comes from generalization.
- Claims should be fairly examined.
- Since the evaluation is long ratters should develop the habit of recording the favorable and unfavorable deeds of workers to lessen recent behavior bias.
- A revision program should be established to compare the appraisal process prevailed in the past years with the current system and make sure that if past problems are avoided currently.
- There must be a pre and post appraisal discussion and communication that enable appraisers and appraise to have a clear understanding of the nature, purpose, methods and problems of the appraisal. Thus employees must be informed of such things before appraisal so that they will not develop a negative attitude towards it.

- Discussion after the appraisal and acquiring information concerning the process helps appraisals to identify problem areas in both the employee performance as well as the system.
- To avoid or minimize such rater bias, the raters in both organizations should develop methods of documents of recording both negative and positive performance.
- Biases of different types, such as personal liking and disliking, avoiding giving performance rating may have negative consequences to employees, and can be managed by developing policy that can guide and control the existence of such practice in both organizations.
- Hence, both organizations need to do a lot to minimize the risk of the existing scenario of weak relationship, between subordinate and supervisors which emanated from the problem of PA. Creating transparency within the system of PA, attaching the PA with motivations, and providing training to both rater and ratees can create an inviting atmosphere of working system. In order to sow and cultivate the fruit of PA in a way it maximizes (strengthens) the relationship of both subordinates and supervisors, continuous and transparent evaluations of levels of employees' performance is an essential measure that needs to be taken.

In general the over-all view of management should advocate the accuracy of measurement and take corrective action in case of unfair ratings. With this context the management effort to the betterment of the appraisal system will result in reliable performance measurement. This in turn enables the office to attach high value to the system.

The final result is therefore the enhancement of employee performance and the advancement of the organizational objectives and goals.

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Annex I

Questionnaire

**Prepared for Conducting a Study on Assessment of Performance Appraisal System in
Ethio-Telecom South Region employee and supervisors**

Research questionnaire filled by Ethio Telecom South Region Employees and Supervisors

Dear Respondent, My name is Mahlet Tadege. I am presently studying at IndraGandi University; I am conducting this research as a partial fulfillment for the requirement of Master of Arts in MBA. The purpose of this survey is to obtain first-hand information about Performance Appraisal System in Ethio-Telecom South Region; Hawassa. Filling these questionnaires will be based only on the willingness of the respondents and this study involves employees of Ethio-Telecom works in the Southern Region only. It will give for the respondent a chance to raise their opinions freely and share their experience to make this research valuable and reliable. The information you provide is used only for academic purpose and will be kept confidential, and will not be shared with any other organizations. You do not need to write your name; but your department and work positions are highly required. Please do your best to be as open and honest as possible. Thank you very much in advance for your willingness and cooperation to spent some time with this questionnaire.

Instructions

- Please kindly indicate your preference among alternatives answers for each question by making a mark in appropriate box.
- Please write your ideas in the space provided briefly and concisely.
- The quality of the research depends on the quality of data; hence please be honest with your information.
- Please do not fill this questionnaire in a group, as the study needs to elicit individuals view
- You are kindly requested to fill this questionnaire in a one week time.
- Please markappropriately the socio-demographic information about yourself in the space provided; but do not write your name on the questionnaire

Part- II Socio- demographic information (make ‘X’ or “√” or fill the blank space)

1. Name of the organization -----

2. Job title -----

3. Age -----

4. Sex female Male

5. Education level

Primary School Secondary School Technical School
 Diploma BA or Msc PHD

Part III make ‘X’ or “√” or fill the blank space for the questions(you can choose more than one)

1. Why do you think it is important to have performance appraisal?

- To evaluate staff performance for promotion, bonus or annual salary increase
- To improve staff performance
- To develop staff skills and knowledge
- To achieve team goals
- To punish poor performer
- Not important
- No idea

2. If your answer for question number 1 is “not important” what is your reason?

- self-esteem of the person being appraised and the person doing the appraisal may be damaged
- ge amount of time may be wasted
- relationship among the individuals involved may be permanently worsened thereby creating organizational conflicts
- formance motivation may be lowered for many reasons, including the feeling that poor performance measurement means no rewards for performance (i.e. biased evaluation including favoritism towards some employees)
- ney may be wasted on forms, training, and a host of support services

3. How often do you think is suitable to conduct performance appraisal?

- Quarterly
- 6 months or twice a year
- Once a year
- Less than once a year

4. When conducting performance appraisal, do you always receive feedback from your supervisor on your performance both positive and negative

- Only positive
- Only negative
- Both
- Not at all
- Not sure

5. You believe performance appraisal will not be effective if it is not linked to rewards and pay?

- Strongly agree Agree Somewhat Disagree Strongly disagree

6. What reward do you believe is enough to motivate high levels of employee performance?

- Financial Training Both

7. What kind of reward you receive for your successful performance result?

- Financial training salary increment all none

8. What did you take following your weak performance evaluation?

- Advice training warning penalty none

9. Please indicate to what extent you approve or disapprove that each of the following persons should be involved in your performance appraisal

	Strongly Disapprove	Disapprove	Approve	Strongly Approve
Immediate supervisor				
employee themselves				
subordinates				
Supervisor, employee themselves and subordinates				

10. Please indicate how much you approve or disapprove of the following Statements

	Strongly Disapprove	Disapprove	Approve	Strongly Approve
The PAS is well defined				
The PAS is clear and easily understandable				

11. Please indicate to what extent you approve or disapprove evaluators

	Strongly Disapprove	Disapprove	Approve	Strongly Approve
The evaluator is too strict.				
The evaluator is well trained				
I am always evaluated as average				
The evaluator is influenced by factors like race, gender or age.				
The evaluator is influenced in his/her assessment of me by their like or dislike in me.				
The evaluator is well educated to Conduct performance appraisal.				

12. Are you satisfied with your performance appraisal practice in your organization?

I strongly agree I agree I strongly disagree I disagree

13. If you are not satisfied, Which of the following problems apply to the appraisal system of your organization (Tick)

- A. No link between same evaluation criteria and employee job
- B. Lack of ability to evaluate performance
- C. Bias in evaluating performance
- D. Non participation in setting performance evaluation criteria

14. When you perceive your performance appraisal result is unfair, what are you going to do?

- You appeal to a higher officer of your organization
- You will do nothing
- No distinct department to hear claim is found
- The claim will not be seen fairly

15. In your opinion, you believe only immediate/direct supervisor evaluates subordinates is enough and effective.

Strongly agree Agree somewhat Disagree Strongly disagree

16. I receive regular and timely performance feedback

Absolute disagreement Neutral Absolute agreement

17. Please indicate how much you approve or disapprove of the following Statements

	Strongly Disapprove	Disapprove	Approve	Strongly Approve
I always communicate with my supervisor about my performance result				
I participate in the design of the PA form				
I receive adequate training and information about the performance appraisal				
The system is clear and understandable				
Your supervisor informed you what achievement he/she expects from you				

18. Do you think the PA system in your organization is fair?

I agree I strongly agree disagree I strongly disagree

ANNEX II

Interview

Prepared for Conducting a Study on Assessment of Performance Appraisal System in Ethio-Telecom South Region Managers

1. Do you think the PAS meet its target in terms of customer satisfaction, quality service provision, employee's satisfaction and work efficiency?
2. Do you think the employees are satisfied with the application of this system?
3. Did the employee frequently raise complain regarding their performance result and the system? What were there major area of complain?
4. Do you believe that there is a problem in the performance appraisal system of your organization?

If yes what are these problems?
5. What is your suggestion regarding the system?