



**Addis Ababa University
School of Graduate Studies
College of Business and Economics
Department of Public Administration and Development Management**

**Problems and Prospects of Result Oriented Performance Appraisal:
The case of National Metrology Institute of Ethiopia.**

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Statement of declaration

I, the undersigned, declare that this thesis is my original work and has not been presented for a degree in any other university, and that all source of materials used for the thesis have been duly acknowledged.

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Table of Contents

Acknowledgements.....	i
Table of contents	ii
List of tables	iii
List of Figure	v
Acronyms	vii
Abstract	viii
Chapter One Introduction.....	1
1.1. Background of the study	1
1.2. Statement of the problem	3
1.3. Research questions	3
1.4. Research objectives	4
1.5. Significance of the study	4
1.6. Scope of the study	5
1.7. Limitation of the study.....	5
1.8 .Organization of the paper.....	5
Chapter Two Review of related Literature	6
2.1. Definition of performance appraisal	6
2.2 Purposes of performance appraisal	7
2.3. Performance appraisal approach	10
2.4. Performance appraisal process	11
2.5. Effectiveness of performance appraisal systems	12
2.6 Potential problems to performance appraisal	13
2.7. Factors influencing the effectiveness of PA	15
2.8. <i>Performance appraisal and feedback system</i>	17
2.9. Informational factors and the PAS.....	18
2.10 <i>Fairness of performance appraisal and organizational commitment</i>	19
2.11. Employee motivation and work performance.....	19
2.12. Performance appraisal satisfaction and turnover intention	20
2.13. Performance appraisals and job satisfaction.....	20

2.14. Performance appraisal satisfaction and work performance.....	21
2.15. Employee performance vis-à-vis organizational performance.....	22
2.16. PA Satisfaction with affective organizational commitment	22
2.2. Analytical framework.....	24
Chapter Three- Research Methodology	26
3.1 Research method	26
3.2. Data sources and data collection technique.....	26
3.3. Data collection instrument	27
3.4. Sampling and sample size	27
3.5. Method of data analysis.....	27
3.6. Ethical Consideration.....	27
Chapter Four Data Analysis and Discussion.....	28
4. Introduction.....	28
4.1 Respondents' profile	28
4.2. Results of the questionnaire	30
4.3. Descriptive analysis.....	41
4.4 Correlations analysis.....	42
4.5 Summery of findings and discussion.....	43
Chapter Five: Conclusion and Recommendation	47
5.1. Conclusion.....	47
5.2. Recommendation	48
References	
Appendix-I	

List of Tables

Table 1. Employees participated in the study.....	27
Table 2. Profiles of respondents.....	29
Table 3: General understanding.....	30
Table 4. Feed back system.....	32
Table 5. Employee's satisfaction.....	33
Table 6. Motivation.....	35
Table 7. Performance improvement.....	36
Table 8. Organisational commitment.....	37
Table 9. Turnover intention.....	38
Table 10. Organisational efficiency and effectiveness.....	39
Table 11. Correlations among the variables.....	42

List of Figure

Fig. 1 Relation of performance appraisal indicators with other variables..... 24

ACRONYM

HRM	Human Resource Management
TOI	Turn Over Intention
MBO	Management by Objectives
MPMP	Masters of public management and policy
NMIE	National Metrology Institute of Ethiopia
NPM	New Public management
PA	Performance Appraisal
PAS	Performance Appraisal System
PM	Performance Management
PMS	Performance Management System
RBPE	Result based Performance Evaluation

Abstract

The purpose of this research was to explore problems and prospects of result based performance appraisal practice. It focused on the general understanding of employees about performance appraisal, the feedback practice and its impact, the occurrence of appropriate training, clarity of the criteria, fairness of the process, level of communication between employees, contribution of performance appraisal for employee's motivation, satisfaction, performance improvement and organisational efficiency and effectiveness. Descriptive method has been chosen as a proper research method for this study. The data collection was made through questionnaire and interview of employees' in the organization of National Metrology Institute of Ethiopia using qualitative and quantitative method of research. Major findings of the research are interpreted and analysed in comparison with findings of existing literatures. The key findings of the research indicate clarity of purposes, practice of feedback system, and attachment of performance appraisal with the organisational strategic priorities, creation of moderately motivated and satisfied employees by applying fair and useful performance appraisal, using performance appraisal evaluation for administrative decision. In addition to these positive achievements of performance appraisal practice in the institute the study also capture some gaps like insufficient training about the process before application, less performance in matching of performance appraisal with employee's expectation, which have negative influence on proper implementation of performance appraisal. Finally, the study concludes that the institute can build successful performance appraisal system if the gaps mentioned are properly improved.

CHAPTER ONE- INTRODUCTION

1.1. Background of the study

The evaluation of job performance have been called by many different names throughout the years a tool of management, a control process, a critical element in human resources allocation and many others. The first appraisal systems were just methods for determining whether the salary of the employees in the organizations was fair or not. Later, some empirical studies have shown that reduction or future pay were not the main effects of the process. Performance appraisal was recognized for a tool for motivation and development in the United States in the 1950s (Dobbins 1994, as cited in Dechev 2010)

The practice to formally appraise workers has existed for centuries, but the interest in the area has grown rapidly in the last forty years. As early as the third century A.D. Sin Yu, an early Chinese philosopher, criticized a biased rater employed by the Wei dynasty on the grounds that imperial rater of nine grades seldom rates men according to their merits but always according to his likes and dislikes” (Patten ,1977). At 17th century lawmakers in Ireland used a rating scale based on personal attributes (Hackett, 1928).

The first recorded appraisal system in industry was Robert Owen’s use of character books and blocks in New Lanark mills in Scotland around 1800. The character book recorded each worker’s daily report. The character blocks were coloured differently on each side to represent an evaluation of the worker ranging from bad to good and they were displayed in each employee’s workplace. Owen was quite impressed by the way the blocks improve the behaviours of workers (Cardy and Dobbins, 1994).

The social environment around organizations today has changed considerably since Owen developed his system. Although most organizations have standardized control systems for managing other types of resources and monitor their use, the system for managing human resources has been typically neither a standardized nor a generally accepted part of organizational life. This is a residue of large scale economic shifts. When the economy was primarily based on manufacturing, the evaluation of performance was simple. A manager could evaluate a worker by only counting the number of units produced. In a service economy, however, output is not so easily measured and the evaluation of performance is much more subjective and less clearly defined process. Often then, there is a serious conflict

not only over how evaluation should be conducted but also over whether it should be conducted at all.

Many researchers and reputable sources criticize the importance of the process. They have expressed debates about the authenticity of the process. Some of them, such as Daniels (1999), even called it useless and evil. He couldn't see how the appraisal improves performance and characterizes it as a step of firing process. He suggests that "the best performance appraisal is one that is done every day". Another critic, Derven (1990), explains that if the manager or supervisor is unskilled or couldn't give accurate feedback, then the appraisal process will have only a negative effect. Because of this every organization has to make carefully structured process and have to develop managers to focus activities and efforts and enhance business performance.

An organization's success or failure is highly determined by effective and efficient utilization of resources at its disposal, such as human, material, financial, and information resources. Among these four resources, the human resource is the most important part and crucial of all resources for the survival of an organization or business firms. According to Ivancevich (1989), "It is important to remember that people do the work and create ideas that show the organizational service" (P.231). Therefore, it is agreed that resources remain unutilized unless the human element is involved. The degree of human resource contribution should be evaluated in the development of the organization or business firm, and is called Performance Appraisal (PA). Performance appraisal is sometimes called as performance review, employee appraisal, employee evaluation, employee rating, merit evaluation, or personnel rating. Performance appraisal is a system that involves a process of measuring, evaluating, and influencing employees' attributes, behaviour and performance in relation to a pre-set standard or objective.

On the other hand Performance appraisal can be seen as the systematic description of individual job-relevant strengths and weaknesses for the purposes of making a decision about the individual. In another term, performance appraisal is a process of evaluating the behaviour of the employees in the workplace, or can also be referred as a process of giving feedback on employees' performance. It involves a very complicated process and various factors can influence the process. Therefore, the process of evaluating employee's behaviour should be looked at as a reciprocal process or using a matrix perspective and not as a straightforward process (Rusli 2007, as cited in Chemedda, 2012).

Performance Appraisal (PA) benefits both Employees and Employers. Employers benefit from understanding their employees' weaknesses and strengths. Understanding the employees help to make basic enforcement for poor performing employees 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. Employees benefited by getting feedback about their performance of certain period in time, to improve themselves on their poor performance or to be motivated for their good performance. An organization's performance management system helps it to meet its short and long term goals and objectives by helping management and employees do their jobs more efficiently and effectively, and it is one part of this system (Bacal, 1999).

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 organization's or business firm's success. Additionally, information obtained during the appraisal process can be used as a basis for personnel management, merit increment, termination, carrier planning and promotion, and layoff, succession planning, transfer, bonus, and criteria for selection procedure validation by using different appraisal methods.

This study focuses on National Metrology Institute of Ethiopia in the area of administrative employee's performance appraisal. The institute is selected due to relative long year tenure in the service and having employees of well experienced and diverse in educational background. In view of these, they are assumed to be good to be representative for government organization in Ethiopia.

In addition to its being representative its proximity to the research centre and convenience for cost minimization and time management made the researcher his focal area of research. Therefore, knowing the practice used and spotting the problem helps to analyze the performance of employees of the institute, in light of its 'Employees Performance Appraisal Manuals', can help to understand, if effectiveness and efficiency is impaired or not. If effectiveness and efficiency is impaired the organization cannot meet its goals and objectives. These are practically, linked to the practice and problem with its employee's performance

appraisal and needs to be investigated thoroughly by posing statement of the problems. Even though the institute is conducting result based performance appraisal for a long period of time practical assessment about its contribution to organizational development was not carry out yet. So this study has been accomplished in order to show the level of result based performance appraisal practice in the organisation based on scientific standards of performance appraisal measurements.

1.2. Statement Of the problem

Result- based performance appraisal is one of the most important activities of human resource management. It is a significant factor to the organization's success. If result based performance is properly appraised it helps the organization to realize its strategic objectives by increasing effective working process through continuous improvement of individuals' performance. (Ali, 2008). Such appraisal system also helps to focus on the performance work and improvement points of individual workers.

Performance appraisal as part of organizational life consists of several processes such as measuring of work performance and establishing purposes and reward management. Implementing a performance appraisal system in an organization generates numerous benefits both to the employees and organization (Frank, 1999).

The available literatures on RBPA implementations discuss both benefit and problems of the RBPA system. Some literatures can be categorized in to two. i.e., these indicate that RBPA, despite its problems in its implementation of the system, positively contributes to the success of organization. Other literatures such as Maheshwari and Singh (2010) put that a common problem with the RBPA system comes from its implementations. The problem may be that when a RBPA system is implemented Proper parameters and accurate measurement of performance may not have been identified. As a result performance evaluation may suffer from subjectivity and irrelevance of the criteria used to appraise performance of employees. Moreover, shortage of skilled and knowledgeable raters, lack of continuous documentation and inability to provide feedback on time, insufficient training, negative perspectives of employees about result based performance appraisal system, shortage in participation of employees during planning the system are some other problem observed in the implementation of a RBPA system. These and other problems, in the implementation of a

RBPA system, would adversely affect employees' perceptions of the performance appraisal system, and they would express dissatisfaction with the implementation of system.

An effective performance appraisal system can play a crucial role in an organization's efforts to gain competitive advantage. For example, effective performance appraisal can provide accurate assessments of employee productivity and quality of work and can motivate employees to higher level of performance by giving the employee full feedback (Wiese and M. Ronald uckley1998, cited in Dagmawit2013).

Employee performance appraisal system serves the above mentioned purpose and achieves the respective objectives only if it has employed and conducted the system effectively. Effectiveness mainly stems from understand ability of its purpose, processes and procedures involved, standards and criteria set, its contribution to personal improvement and organizational development. When performance appraisal serves to personal improvement of the employees, it will create motivation among staff members. Motivated and satisfied employees are expected to deliver more products during his stay in the organisation

The overall dissatisfaction of employees, results in a decrease in motivation and commitment to working hard and an increase in the turnover of staff. These in turn, bring an adverse effect not only on the immediate productivity and benefits of the organization but also, at its future success and survival. On the other hand, scholars such as Lazear (2000), and others support a RBPA implementation which identifies employee's satisfaction with the implementation of RBPA. In such condition employees would exert every possible effort to carry out their responsibility efficiently and effectively. Thus this certainly makes the organization more productive and successful. Employees must be made to experience positive reaction in the practice of performance appraisal; otherwise, appraisal system will be deemed to failure.

The researcher had noticed that employees' understanding of RBPA system could be a highly influencing factor in fully introducing the system for the first time. Shields (2012) also commented that "a further possible factor influencing attitudinal outcomes clear understands".

Therefore, based on the findings from different research studies in the field of RBPA, it can be argued that the effectiveness of RBPA implementation depends on different factors, and that one of the factors affecting RBPA effectiveness is employees 'perception to the system. The issue here is that, in the light of views of scholars discussed above hoe effective in

National Metrology Institute of Ethiopia-the subject of this study-in introduces the RBPA system to its work traditions, how do the different factors identified by scholars affect the effectiveness of the organization.

In doing so National Metrology Institute of Ethiopia implemented result based performance appraisal (RBPA) system since 2010.However, until now no detailed micro level assessment has been made regarding the attitudes of employees toward the practice of RBPA system, and the implementation impact of the system on both the employees and the organization.

There is this knowledge gap to fully characterize National Metrology Institute of Ethiopia in terms of its RBPA system, despite the prevalence of employees, informal discussions negative attitudes to the system, often revealed in. Thus this study therefore, seeks to scientifically investigate the employees' perceptions of effectiveness of the existing RBPA system at National Metrology Institute of Ethiopia.

1.3. Research questions

This research has tried to give answers to the following research questions.

1. What are the main successes of National Metrology Institute of Ethiopia do to the implementation of result oriented performance appraisal?
2. What are the challenges encountered in the implementation of RBPA?
3. To what extent is the existing performance appraisal system contributed to employee's personal improvement?
4. Is there a direct relation between performance appraisal and organizational efficiency and effectiveness?
5. To what extent employees of National Metrology Institute of Ethiopia perceive the benefits of the existing performance appraisal system serving its purpose

1.4. Objectives of the Study

The main objectives of this study are as follow

To analyze the success of National Metrology Institute of Ethiopia from the practice of performance appraisal.

To examine the challenges of performance appraisal practice in National Metrology Institute of Ethiopia.

To evaluate the degree of correlation between performance appraisal dimensions and personal improvement

To assess whether there is a direct relation between performance appraisal and organizational efficiency and effectiveness.

To examine the level of employees perception about benefit of performance appraisal

Finally to forward constructive suggestions and possible options for enhancing the result oriented performance appraisal so that it would contribute a lot to the efficiency and effectiveness of National Metrology Institute of Ethiopia.

1.5. Significance of the study

The study would have significant to give feedback to employees, employers, other stakeholders and researchers about the organization performance appraisal practice and problems arising on it. Performance appraisal helps employees of the organization by determining who shall receive merit increase, counsels on their improvement, training needs; promotion, and identifies those who should be transferred. Moreover, it attempted to improve employee's job performance, encourages to express their views, or to seek clarification on job duties, broaden their outlook, capacity, placement, facilitates selection for reward and promotion of the best qualified employee, by preventing complaint and increasing the analytical abilities of both appraise and appraiser. These in turn would help the employer institute to benefit from the improved performance of employees.

Delivering quality service is one of policy pillars of science and technology minister as well as National Metrology institute of Ethiopia. Regarding this the study also would have significant to the stakeholders in its provision of information about level of employee's motivation. If the level of motivation among employee is high the quality of service rendered to the stakeholders would be high and if the motivation of employee is very low the level of provision of service would be low. Additionally, the study would have a great contribution to researchers in provision of information as secondary data for future use in the academic arena. The findings of the study are believed to be primarily significant to the organization. However, it can also gives insight in to the practice and problem of RBPA with other

organisations. The over all of this research output contributes to the general knowledge us to now properly implement such performance appraisal system to improve private and public organization performance in particular and to the economy in general.

Finally, the study has contributed to the knowledge base of the researcher as he has learned a lot through the process of research in the subject matter of performance appraisal in the public sector organizations. It will help those interested in this area to have an insight on theoretical understanding of the issue under discussion.

1.6. Scope of the study

The scope of this study was limited to assessing National Metrology Institute of Ethiopia result based performance appraisal, focusing on the level of employees understanding about performance appraisal system, occurrence of feedback, perception of employees on its benefit, attachment of performance appraisal with personal development and its connection with organizational efficiency and effectiveness.

1.7. Limitation

Since the paper deals with the problems and prospects of RBPA, one of the limitations it has is dwelling on one organization due to time and resource problem

1.8. Organization/Structure of the Study

This research work has been organized in five chapters. The first chapter contained introduction, statement of the research problem, objectives of the research, research questions, significance of the study, delimitation of the study, and structure of the research.

The second chapter provided in-depth review of available literature in the area of performance appraisal; definitions, purposes, approach, process, effectiveness, potential problems, informational factors, performance appraisals and job satisfaction, work performance attachment with performance appraisal.

The third chapter has been dedicated for the methods and methodologies of the research; research design, data sources, types and methods of data collection, data gathering instruments, data analysis techniques and presentation modalities.

The fourth chapter was concerned with analysis, presentation and discussion of research results. This chapter mainly deals with what the processed information the researcher gathered through stringent adherent to the research methodologies as outlined in the third chapter represents.

Finally, chapter five contains conclusions and recommendation.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Definition of performance appraisal

Performance appraisal has been described as the process of identifying, observing, measuring, and developing human performance in organization (Carrol and Scheider, 1982). This definition is very important, because it comprises all important components needed for the well-performed appraisal process. Identification criteria orientate the appraisal process to the determination of what has to be examined performance related criteria and not so much performance irrelevant characteristics. The observation component means that the supervisors and team members need to frequently observe the identified characteristics. The measurement component indicates that both superior and team members have to translate the observations into a judgmental rating. They have to be relevant, but also must be comparable across ratters in the organization. By development component, the definition shows that the performance appraisal should not only be the evaluation of the past. The ratters, who make the appraisal, should focus on the future and on the improvement of the results.

The definition also suggests that effective appraisal can improve the human performance in the organization, which also means increased employee motivation. Performance appraisal can and should be linked to performance improvement process and can also be used to identify training needs and potential, agree future objectives, support a career development and solve existing problems,

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 and Baron1998, As cited in Zachary, 2010).

As Dessler (2011), Mondy (2002) and Tompkins (1995), cited in Tassew (2010) performance appraisal (PA) is one of the human resource management (HRM) tools used to evaluate the job performance of employees. Performance appraisal is often considered as strategic approach to integrate HR activities and business policies and is considered in generic term as covering a variety of activities such as organizational assessment of

employees and developing their competence, enhancing performance and distributing rewards (Zulfiqar, 2013).

2.2. Purposes of performance appraisal

Dargham, (2010), explained performance appraisal is the assessment of employees'

Job performance appraisal serves three basic purposes:

1. To provide information on the basis of administrative decisions like promotions and pay.
2. To foster developmental feedback to employees concerning their performance by describing what improve well and what the employee needs to improve.
3. To provide documentation of human resource development activities that can justify human resource (HR) decisions.

As indicated by Daley (1991) "performance evaluation is important to employees because it answers their basic questions." people want feedback how they are doing for the organization. This feedback provides the reassurance that employees are contributing and doing the right things and the awareness of the impact of performance on desired results (e.g. Customer satisfaction). The four suggested principal benefits of performance appraisal as stated by Orphen (1985) (1) To determine the future uses of an employee. Whether the employee shall remain in his or her present job or be transferred, promoted, demoted or dismissed. (2) To indicate training needs, that is area of performance where improvements would occur if appropriate training could be given. (3) To help manager decide what increases of pay shall be given on grounds of merit. (4) To motivate the employee to do better in his or her present Job by providing the worker, recognition of merits and the opportunities to discuss work with his or her manager. As many scholars agree, performance appraisal has two roles in any organization. The first role is in relation to administrative uses and the second one is in relation to development uses. In this regard (Mathis and Jackson (1997), as Cited in Tewelde 2014) described the first role that is administrative use as a role to measure performance for the purpose of rewarding; or other-wise making administrative decisions about employees, promotion and layoffs. The second role of performance appraisal helps as a primary source of information and feedback for employee's future development. In this case the appraiser should act as counsellor rather than decision maker. Therefore when the supervisor identifies the potential of employee work behaviour and training needs through performance appraisal Feedback, Employees' can be informed about their performance or

progress they discuss what skills they need to develop and what support they prefer has to be planned and work accordingly.

Properly conducted performance appraisal will be a highly effective tool for monitoring the Performance of employees and motivate them for improved achievements. The purpose of Performance appraisal is to decide the aspect of performance that has to be evaluated. This is done in a constructive discussion between the manager and the employee regarding the employee's recent performance, plans for performance improvement and meeting developmental needs of the employee. As a system, performance appraisal is a link between the reward employees hope to receive and their productivity. Mathis and Jackson (2003:344) describe this approach to compensation 'the heart of the idea that raises should be given for merit rather than for seniority' Practically however events do not always go according to what is intended and thus 'the motivational effect of performance appraisal is often debatable' (Martin and Jackson, 2000).

2.3 Performance Appraisal approach

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); behaviour in the job as it affects performance (competencies); the degree to which behaviour upholds the core values of the organization; and 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, behaviour- based, or results based. Performance appraisal (PA) roots in the early 20th century and its existence consist of different criteria or approaches in its history. The three criteria or approaches that deal with PA from Heneman et, al. (1996, pp.311-335) are presented below.

1) Trait -based rating scale approach: involves rating an individual's personal traits or characteristics. Commonly assessed traits are: decisiveness and dependability. Although the trait based approach is widely used by managers, it is generally considered by experts to be the weakest; it contains different methods during application.

2) Behaviour-based rating scale approach: is done on job- by- job basis. The steps in developing a behaviour -based rating scale are both time consuming and rigorous. It contains different methods, during application.

3) Result –based rating scale approach: focuses in the product of one’s efforts. It is the most common format for the results-based approach. Also, it contains different methods during application. (Heneman et al. 1996, pp.335)

2.4. Performance Appraisal Process

According to David A. Decenzo and Stephen P. (2005), cited in Dagmawit (2013) performance appraisal has six stages which begin with establishment of performance standards in accordance with the organization’s strategic goals. These should evolve out of the company’s strategic direction-and, more specifically, the job analysis and the job description. These performance standards also are clear and objective enough to be understood and measured. Too often, these standards are articulated in ambiguous phrases that tells us little, such as a full day’s work or a good job. What is a full day’s work or a good job? The expectations a supervisor and team members have in term of work performance must be clear enough in their mind so that they will be able to, at some later date, communicate these expectations to the employees, mutually agree to specific job performance measures, and appraise their performance against these established standards. Once performance standards are established, next it is necessary to communicate these expectations; it should not be part of the employees’ job to guess what is expected of them. Too many jobs have vague performance standards, and the problem is compounded when these standards are in isolation and do not involve the employee. It is important to note that communication is a two street: mere transference of information from the supervisor to the employee regarding expectations is not communication.

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

fourth step in the appraisal process is the comparison of actual performance with standards. The point of this step is to note deviations between standards and actual performance so that we can proceed to the fifth step in the process-the discussion of the appraisal with the employee. The sixth step in the appraisal is the identification of corrective action where necessary.

Immediate corrective action is often described as putting out fires, where basic corrective action gets to the source of deviation and seems to adjust the differences permanently. Immediate action corrects something right now and gets things back on track. Basic corrective action asks how and why performance deviated. In some instances appraisers may rationalize that they don't have the time to take basic corrective action and therefore must be content to perpetually put on fires. Good supervisors recognize that taking a little time to analyse the problem today may save more time tomorrow when the problem may get bigger (Tassew, 2010).

2.5. Effectiveness of Performance Appraisal systems

To meet the vision, mission, objective, goals and targets of an organization or an institution, everyone should set clear and precise methods of PA system objectivity. If so, effective output of PA system leads an organization to prosper, especially in the environment where formal learning and other similar activities are held. As a result every employee's awareness leads to set and control how to implement an effective PA system. Nelson et al. (1997:391) discuss that an effective PA system has about five main characteristics, which are described as follows.

- 1) **Validity:** comes from capturing multiple dimensions of a person's job performance.
- 2) **Reliability:** comes from capturing evaluation from multiple sources and at different times over the courses of the evaluation period.
- 3) **Responsiveness:** allows the person being evaluated some input in to the final outcome.
- 4) **Flexibility:** it opens to modification based on new information such as federal requirements.
- 5) **Equitableness:** results in fair evaluations against established performance criteria, regardless of individual differences.

Again clear and very important statements about the effectiveness of PA system are expressed by Mathis and Jackson (1997, pp. 364-365) as follows: An understanding of what an appraisal is supposed to do is very critical whichever of the method is used. It usually

works, but if PA issued as a punishment or when ratters fail to understand its limitations it fails. What and whichever the appraisal method is used, the main point is that managers and employees must understand the purpose of PA system. So, consistent with the strategic mission of the organization, useful as an administrative tool, legal as development tool, as a documentation of employees' performance are points of chances to be obtained if and only if PA is practiced properly.

2.6. Potential problems to performance appraisal

While organizations may seek the performance appraisal process to be free from personal biases, prejudices, and idiosyncrasies, a number of potential problems can creep into the process (Robbins, 1996, pp. 655). Problems related to performance appraisal can be of three general types. These are: human errors, problems of criteria, and problems of confidentiality (Saiyadain, 1999, pp. 204-207).

2.6.1 Human errors (rating biases)

Human errors are not called so they just happen and supervisors may know about them nor have much control over them. To the degree that the following human factors are prevalent, an employee's evaluation is likely to be distorted:

Single criterion: A typical employee's job is made up of a number of tasks. Where employees are evaluated on a single job criterion, and where successful performance on the job requires good performance on a number of criteria, employees will emphasize the single criterion to the exclusion of other job-relevant factors.

Leniency error: Every evaluator has his or her own value system that acts as a standard against which appraisals are made. Relative to the true or actual performance an individual exhibits, some ratters have a tendency to be liberal in their rating by assigning higher rates consistently. Such ratings do not serve any purpose. Equally damaging one is assigning consistently low rates.

Halo error: This is the tendency for an evaluator to let the assessment of an individual on one trait influence his or her evaluation of that person on other traits. A person may be good in one trait but is generally rated as overall good. Halo effect takes place when traits are not clearly defined and are unfamiliar.

Central tendency errors: Some ratters follow play safe policy in rating by rating employees around the middle point of the rating scale and they avoid rating at both the extremes of the scale. They follow play safe policy because of answerability to management or lack of

knowledge about the job and/or the employee rated or the appraisers' lack of interest in their job (Rao and Rao, 2004, pp. 247).

Regency vs. primacy effect; One difficulty with many of the evaluation systems is the time frame of the behaviour being evaluated. Ratters forget more about past behaviour than Current behaviour (Ivancevich & Gluedck, 1989, pp.331). Regency refers to the proximity or closeness to appraisal period. Generally, an employee takes it easy for the whole year and does little to get by the punishment. However, as appraisal time gets closer, he/she becomes very active creating an illusion of efficiency in the ratter thereby affecting his/her appraisal decision. Primacy is the opposite of regency. It refers to a situation where an employee's initial impression influences his/her ratter's appraisal decision irrespective of whether the employee has been able to keep up the initial impression or not.

Similarity error: This occurs when appraisers rate other people giving special consideration to those qualities they perceive in themselves. The similarity between the rater and ratee may take one or more of the following forms: demographic similarity, affective similarity, perceived similarity & mutual liking (Schraeder and Simpson, 2006).

2.6.2. Problems of confidentiality.

One important issue in performance appraisal has to do with sharing or keeping secret the ratings on various items of appraisal report. While many organizations have a system of selective feedback to the employee, the general policy is not to share the total report with the employee. There are many reasons for this. First, each employee expects rewards if the report is better than average, which may not be administratively possible, Secondly, very often supervisors pass the challenge to top management by saying that while they did give good ratings to the employee; top management did not take that into consideration. Thirdly, giving rewards is not the only objective of appraising employees. Given these reasons, it is emphasized that supervisory ratings of employees should be kept confidential. On the other hand, it is claimed that since there will always be differences between the supervisor and employee's perception of the subordinate's job performance, perhaps the employee should fully be aware of how he/she has been rated. In fact, MBO, which is tailored to the individual, was introduced to take care of this problem. However, MBO does not readily provide the data needed for decisions on wage increase, promotion, and other personnel actions that require comparisons between two and more employees.

2.7. Performance Appraisal and Feedback System

In the processes of formal performance evaluation, feedback refers to the reaction among the members of an organization about how the feedback is created, accepted and used. This is the direct communication between supervisor and employee. 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. The feedback directs the individual to the organization missions and objectives. In the ideal situation the employee receives information about how they are performing and where they could improve. Managers identify the weaknesses of the employees and together they make a plan for the employee's development (Morrow, 2011).

The success of the feedback depends on the acceptance of the process. The source of the feedback must be perceived by the recipient as being trustworthy, credible, reliable, objective and properly motivated. Feedback reactions are usually very different. The satisfaction with the performance appraisal is an indication of the degree to which subordinates are satisfied with the process and the feedback they have received. It serves as a report of the accuracy and fair evaluations of the performance. The outcome is that satisfied individuals after the performance appraisal will improve further working relationships with supervisors and colleagues. The feedback can also bring negative reactions from employees. If perceived unfair, the feedback can cause behavioural changes such as absenteeism, lack of cooperation, lack of focus on priorities, unhealthy competition and even can cause staff turnover (Dechev,2010)

2.8. Informational factors and the PA

The quality of interactions and communication between the ratter and the ratee during the appraisals will influence the process. According to Fletcher and Williams (1996), there should be frequent meetings between the ratter and ratee, during which time action plans should be developed and areas where they may not agree looked into. Quarterly communication between the ratter and ratee will result in a variety of positive job outcome like job satisfaction and organizational commitment. During such formal meetings, individual performance should be discussed. The performance review may include the actual performance, the tasks that were completed and areas that need improvement. Walsh and Fisher (2005) call such meetings "Action Inquiry", a method where organizational members use dialogue to foster their working relationships. This kind of dialogue can be used to

enhance individual and group decision-making in an organization thereby improving productivity (Fisher,1991). Feedback is an important part of the PAS. According to Longenecker (1997), the ratees should be given feedback on their competence and overall progress within the organization. The feedback should be specific and timely and be against the predetermined performance expectations. It's within the employees' rights to know how they are progressing in performing the assigned tasks and to receive feedback. The feedback should be provided on a continuous basis – daily, weekly or monthly reviews (Lee, 2005). The 360-degree feedback method can be utilized by organizations. This is a method that combines evaluations from various sources into the overall appraisal (Garavan *et al*, 1997). The evaluations can be from peers, subordinates, superiors and the ratee herself (Tornow, 1993) cited by George (2012).

2.9 Fairness of Performance Appraisal and Organizational Commitment

Process in evaluating the performance of employees is one of the most important determinants of organizational justice (Greenberg, 1986; Folger et al., 1992). Although researchers argue about the category of fairness, there is a general consensus that organizational justice consists of at least two components, namely distributive and procedural justice (Arif et al., 2011). The procedural justice is the perception of workers that procedures used to evaluate their performance is fair while distributive justice means that performance or rewards received from the use of these procedures is fair (Greenberg, 1990; Colquitt et al., 2001). Further review in the literatures indicates that fair practices in human resource management, particularly in terms of performance appraisal has a predictive role in the employees' attitude such as the organization's commitment (Jehad et al., 2011). Performance appraisal is viewed as an important mechanism for changing employees' attitude and behaviours such as affective commitment (Morrow, 2011).

2.10. Employee Motivation and work performance

A motivated and qualified workforce is crucial to increase productivity and the quality of the organisational services in order to achieve organisational objectives. The challenge and dilemma for many managers is how to create this type of motivation (Dieleman and Toonen, 2006:1). While there are many theories surrounding the notion of motivation, two distinct areas of motivation are usually mixed (Dieleman and Toonen, 2006:1). That is the emphasis placed on motivation to be rooted in a job and motivation to perform (Dieleman and Toonen

2006:1). Both are very vital and managers have to critically understand the impact of their activities in both areas (Dieleman and Toonen 2006:1). Motivation is significant because even people with the required knowledge, skills, and abilities will perform poorly if they are not motivated to devote their time and effort to work (Harris in Milapo, 2001: 29). Workers have needs which a workplace must fulfil in order to avoid demonization. When workers lack motivation they tend to resort to anti-work behaviours such as absenteeism, negligence of duty, late-coming, failure to meet deadlines, display of open frustration and all these factors work negative to the performance and credibility of an organization. Organizations need to place all efforts to ensure that incentives such as intrinsic motivators, extrinsic motivators and performance management approaches are used in order to retain, attract, increase workers efforts, satisfaction and commitment approaches.

2.11. Performance appraisal satisfaction and Turnover Intention:

Turnover intention (TOI) is defined as the reflection of employee intention either to stay or leave the organization they worked for due to dissatisfaction or searching new job opportunity. Turnover intention is an attitudinal factor affecting employee intent to quit and actually quitting an organization (Glissmeyer, Bishop and Fass, 2008). TOI and turn over were measured separately, but TOI has generally been recognized as the final and most important cognitive variable having an immediate causal effect on actual turnover. Employee turnover is the rotation of workers around the labour market. Some other definitions of turn over intentions are as stated below:

Turnover intentions are the thoughts of the employees regarding voluntarily leaving the organization.

Turn over intention is an individual own estimated (subjective) probability that they are permanently leaving the organization at some point in the near future (Vandenberg and Nelson, 1999).

One factor which affects PA satisfaction is the perceived fairness of the PA evaluation process. An important element affecting fairness perceptions is judgment based on evidence matters must be seen to apply performance standards consistently across employees without distortion by external pressure, corruption, or personal biases. Vigoda (2000) noted that when employees feel unfairly treated, they are likely to react by initially changing their job attitudes, followed in the longer term by responses that are more retaliatory such as quitting

2.12. Performance Appraisals and Job Satisfaction

Different theories may help to understand the relation between performance appraisals and job satisfaction. Measurable and challenging goals help to align individuals' and companies goals leading to higher levels of motivation and, hence, employees' work effort (Locke,2002). Furthermore goal-setting theory implies that the level of goal achievement is closely related to employee satisfaction. Frequently, organizations link goal achievement to remuneration systems such as performance-related pay. Performance-related pay is associated with higher levels of overall (job) satisfaction (Heywood, 2006). As Bryson et al. (2012) empirically investigate the relationship between piece-rate, team-incentive, or profit-sharing schemes and job satisfaction and show that workers under PRP schemes are more satisfied with their job, controlling for wage levels as well as individual, business unit, and country fixed effects. Previous research has broadly analyzed the impact of the social context of performance appraisals on employee reactions to these appraisals (Levy, 2004). One dimension focuses on the rater-ratee relationship comprising topics such as supervisor support, trust, rating accuracy, and reliability as a precondition for the acceptance and usefulness of formal appraisal systems. Rating distortions, which are very prominent in organizations (Kaneet al.,1995), lead to less acceptance among employees and decrease the economic incentives to provide effort.

These rating distortions may have very different reasons including strategic incentives of the ratters such as favouritism or punishment (Poon, 2004) . Furthermore, it has been shown that ratters' personality traits influence overall rating decisions(Krzystofiak et al., 1988). Other contextual factors include, for instance, employees' satisfaction with the PA process as a whole, the performance appraisal feedback, or employees' evaluations of the perceived quality, justice, and fairness of the performance appraisal regime (Greenberg, 1986). Furthermore, employee participation in the PA process is positively related to the satisfaction with the PA system, perceived fairness, and acceptance of such a practice (Cawley (1998),Brown(2010) analyze the relationship between PA quality measured by clarity, communication, trust, and fairness of the PA process and job satisfaction and commitment, he concluded that employees who report a low PA quality (lowest levels of trust in supervisor, poor communication, lack of clarity about expectations, perception of a less fair PA process) also report lower levels of job satisfaction and commitment. But there may also be drawbacks of formal performance appraisals systems.

2.13. PA Satisfaction and Work Performance

Studies suggest that HR practices affect organizational outcomes by shaping employee behaviours and attitudes (Huselid, 1995). More specifically, these HR practices increase organizational effectiveness by creating conditions where employees become highly involved in the organization and work hard to accomplish organizational goals. HR practices are expected to influence both, organization's and employee's performance via the workforce's ability. Klein (1991) noted that PA process offer a number of potential benefits, including improved job performance. Moreover, PA seems to be a vital component of a broader set of human resource practices; it is the mechanism for evaluating the extent to which each employee's day to-day performance is linked to the goals established by the organization (Lowenberg and Conrad, 1998). Smither (1998) further noted that one factor that contributes to an effective PA system entails ensuring that the system focuses on performance. Therefore, a relationship between HR practices such as PA and work performance would be very obvious one of the first steps in developing an effective PA system would be determining the organization's objectives. These would then be translated into departmental and then individual goals. This allows the employee to know up front the standards by which his/her performance will be evaluated. This process involves clarifying the job role, job description and responsibilities – explaining how the role and responsibilities contribute to wider goals, why individual and team performance is important and just what is expected within the current planning period. Objectives developed in this way should be reflective of the organizational goals and provide linkages between employee and organizational performance. Stroul (1987) noted that another critical objective of PA is to provide feedback to foster employee growth and development. The purpose of goal setting and feedback within PA process is to increase individual performance (Pettijohn et al., 2001). Thus, there could be a positive relation between employee satisfaction with PA and work performance.

2.14. Employee Performance and Organizational Performance

An employee is a job incumbent in an organization whose performance is a major and direct input in the process of achieving organizational goals. Performance on an individual basis is thus 'a record of the person's accomplishments' (Armstrong, 2003:478) which altogether contributes to constitute organizational performance. The way inputs (resources) are utilized and the extent to which outputs (results) are achieved at institutional level designates organizational performance, which therefore, is best explained in what and how an employee

in the structure is expected to get tasks geared and accomplished toward organizational goals. Hence employee's performance must be aligned with organizational goals.

2.15. PA Satisfaction with Affective Organizational Commitment

PA process help clarify organizational expectations regarding an employee's activities, actions, and results. "If an employee does not know what he has the authority to decide, what he is expected to accomplish, and how he will be judged, he will hesitate to make decisions and will have to rely on a trial and error approach in meeting the expectations of his superior" (Rizzo, House and Lirtzman, 1970). This relationship is supported by Jaworski and Kohli (1991), who contend that managerial feedback informs sales people of the expected results and their performance as it pertains to these expectations. This clarity increases focus, which in turn increases performance and satisfaction. Thus, in their clarifying role, PA reviews are often credited with reducing role ambiguity, which leads to higher levels of job satisfaction and affective organizational commitment (Babakus, 1996). As Kuvaas (2006) noted that PA activities can be used by organizations to communicate organizational strategies, goals and vision to their employees. Moreover, the affective and emotional aspects of super-ordinate goals may capture the hearts of employees and give people a cause they can rally around (Latham, 2003). Therefore, it is possible for employees to experience higher levels of commitment because PA activities are able to communicate super-ordinate strategies, goals and vision to them. Thus, the employees may become more effectively committed to their organization.

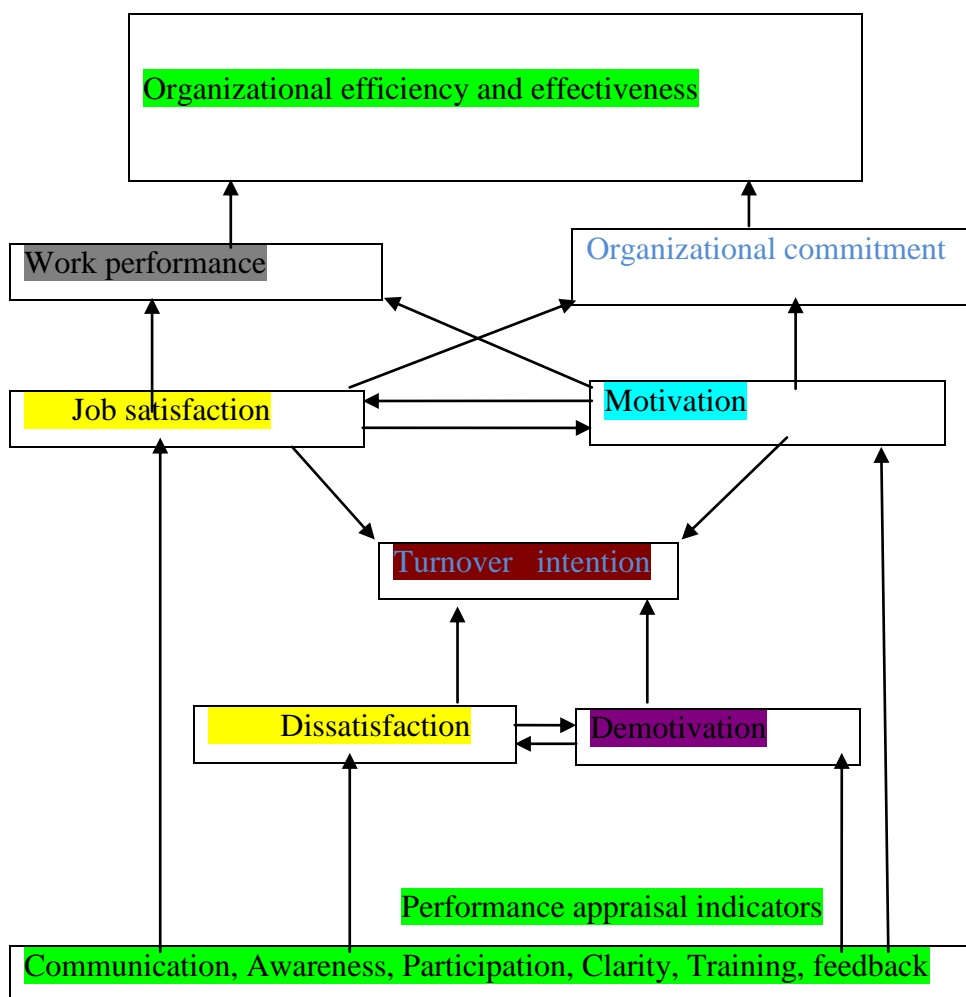
Working competitively involves placing high value on people, considering their experiences, ideas and preferences. Their participation in organizations seems to be necessary because employees and managers have to discuss a company's objectives together. It is fundamental to consider not only the staff's specific qualifications needed for the positions in the organizational structure, but also their knowledge, experiences, skills and results for future innovations. These competences, which are identified by PA in all the hierarchical levels of an organization, are important aspects concerning the success of a company's competitive strategy (Ubeda and Santos, 2007). Levy and Williams (2004) noted that PA activities have potential to increase employee's perceptions of being valued by the organization, a perception which is central to affective organizational commitment. Furthermore, Lee and Bruvold (as cited by Rajendran , 2006) noted that employees will probably show higher affective commitment to the organization if they perceive that PA activities reflects

employee's development. PA satisfaction may be positively related to affective commitment due to the enhance employee participation and perceived clarity of goals within the PA process (. Roberts and Reed, 1996)

2.2. Conceptual framework

Performance appraisal has a direct contribution for the organizational success. In order to get the positive consequence from it there must be an organized application. If performance appraisal is communicated to participants, awareness is created through employees and clarity is created one can say it is on the right truck. The following diagram shows the relation of performance appraisal with job satisfaction, organizational commitment, turnover intention and organizational efficiency and effectiveness.

Figure 1. relation of performance appraisal indicators with other variables.



Source. Own compilation

Conceptualization

A well organized and informed performance appraisal has a direct or indirect impact on motivation, job satisfaction, work performance, organizational commitment and turnover intention of employees and efficiency and effectiveness of an organization. When a particular performance appraisal is communicated with the appraisee and the participants are aware of the process they may satisfy with the openness of the act. If an employee does not know what he has the authority to decide, what he is expected to accomplish, and how he will be judged, he will hesitate to make decisions and will have to rely on a trial and error approach in meeting the expectations of his superior" (Rizzo, House and Lirtzman, 1970) . As the same time having clear format, giving feedback on time and participation will motivate employees feeling belongingness. Feedback of performance appraisal will force training based on the result, when the employee trained his/her skill of work improve. Feedback is an important part of the PAS. According to Longenecker (1997), the ratees should be given feedback on their competence and overall progress within the organization. The performance of a trained worker will increase, as the same time when employees are satisfied with their job their performance, organizational commitment increase and their intention of leaving the organization will minimize. Job satisfaction is seen as one of the determinants of organizational commitment (Mannheim et al., 1997).

When job performance and organizational commitment increase they may serve customers with full capacity and quality of service improve, time of delivery minimize, with this customers satisfaction will reach at the intended level. An employee is a job incumbent in an organization whose performance is a major and direct input in the process of achieving organizational goals. As Armstrong (2003) stated, Performance on an individual basis is thus 'a record of the person's accomplishments. Since the ultimate goal of the institute is serving customers with maximum satisfaction, if customers are satisfied we can say that the institute is efficient and effective.

CHAPTER THREE

RESEARCH METHODOLOGY

3. 1.Research method

In order to answer the research questions and the problems, the researcher used descriptive research method. Because this type of research describes what exists and may help to uncover new facts and meanings. This involves the collection of data that will provide an account or description of individuals, groups or situations. Instruments the researcher used to obtain data in descriptive studies include questionnaires (closed& open ended questions), and interviews.

3.2. Data sources and data collection techniques

In order to answer the research questions, several data collection methods are used together primary and secondary data. Primary data were collected through questionnaires and interview. Secondary data were gathered from published and unpublished internal documents and literatures.

A. Primary data

The researcher used the primary data collection methodologies such as questionnaire, interview in order to address the extent of result based performance appraisal implemented in NMIE, challenges encountered in the implementation of result oriented performance appraisal.

B. Secondary Data

The researcher used a secondary data such as literatures and published and unpublished internal documents in order to address measurement tool used to measure organizational performance before and after implementation of RBPA and the way forward in order to improve the implementation of RBPA in the organisation.

3.3. Data collection instrument

A. Questionnaire

Questionnaires were used as the main instruments to collect data from the organization employees. It is preferred to other methods of data collection hoping that it may provide an

opportunity for obtaining reliable and valid information from more number of respondents. Regarding the employees, the organisation had 125 employees which were referred as target population. According to Yount (2006) who state that if the total population size was between 101-1000 and the sample size will be 10% of total population size. However; on the same study it says that if the number of population is 100 or less the whole population should be take in to consideration. Since 125 are not far from the minimum standard the researcher prefers administering the questioner for all employees with service year of six month and more.

The type of questionnaire used was both close ended and open ended. Close ended questions was used in order to shape the information in the way that researcher needs, but if all be open ended the researcher may deviate his idea towards the response of the respondents without touching the objectives.

B. Interview

Unstructured interview was also prepared to the key informants. Interview was selected in order to obtain information with regard to issues that required clarification such as annual reports, policies and vital information that was not expected to access using questionnaires; and it was used concurrently with the design of the questionnaire. The selected key informants were General Director of the institute, Director of the scientific equipment training and consultancy serahedet, Director of scientific equipment maintenance serahedet, Director of Planning and monitoring serahedet, Director of communication serahedet, Director of human resource and development serahedet, Director of industrial metrology serahedet and Director of scientific metrology serahedet. So the interview was administered to eight different units top management officials.

3.4. Sampling and sample size

The study included all workers with 6 month and above service in the institute, so sampling has not been practiced. In order to make the data more reliable using the total population is preferred.

Table.1. Employees participated in the study.

No	Participants	Number	100%	Remark
1	Director general	1	100	
2	Middle level managers	7	100	
3	Employees	93	95.9	
Total		101	98.6	

The researcher has taken a number of factors in to consideration in determining the sample size. The factors include cost of data collection and analysis, the type of data required for the study, and number of target population. On the basis of these determining factors, the researcher has relied on his personal judgment and decided the sample size to be 100% of the study population. Thus, primary data have been collected from 101 individuals working in the institute.

3.5. Method of data analysis

The data gathered has been coded, organized, and processed using the Statistical Package for the Social Sciences (SPSS). The Weighted Mean and Composite Mean have been used for the assessment of the respondents in the status and the impact of the performance appraisal system of the institute upon the employee's performance. Percentage has been utilized to identify the major gaps that the respondents encountered in the implementation of the performance appraisal system. In addition correlation and t-test has been used to show correlation between performance appraisal and personal improvement.

3.6. Ethical Consideration

The researcher selected employees were directly contacted by the researcher, through telephone and face to face communication and the research purposes including number of employees to be questionnaire and interviewed respondents, the anticipated time it will take, anonymity and confidentiality of the organization and individuals to be participated were explained. In addition, the respondents were also informed that they have the right to participate or decline at any point and they were guaranteed about the confidentiality and anonymity of data, organization and individuals. Accordingly 105 participants were willing and took part in the data collection.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

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. Accordingly, the discussion aims to answer the following research questions concerning the organizations under study: What are the achievements gained due to the implementation of performance management system in National Metrology Institute of Ethiopia? What are the major challenges for the proper implementation of result oriented performance appraisal in National Metrology Institute of Ethiopia? To what extent is the existing performance appraisal system contributed to employee's personal improvement? Is there a direct relation between performance appraisal and organizational efficiency and effectiveness? To what extent employees of national metrology institute of Ethiopia perceive the benefits of the existing performance appraisal system serving its purpose?

These research questions were approached by using the questionnaire based on the Likert Scale, which studied the attitudes of the respondents and informants employees regarding performance appraisal of the institute under the study. In addition to these organized interview and documents of the organizations under the study, which were used for the purpose of performance appraisal, have been used for the discussion and analysis.

Questionnaires were prepared, distributed to those non managerial employees of the institute under the study, and collected during the months of March, 2016. The questionnaires were based on the population of the National Metrology Institute of Ethiopia, which are the non managerial employees. All non managerial employees were considered for the study, and 97 questionnaires were distributed to the respondents. Of the 97 questionnaires distributed, 93 were collected and used for data analysis purposes. In addition 8 employees in the managerial position were interviewed about the practice of performance appraisal in the institute. The data and the response rate has been presented and analyzed in detail in the subsequent pages of this research.

4.1 Respondents' Profile

In this part of the questionnaire the demographic information of the participant employees of the institute, is presented for analysis. The analysis tries to provide information related to sex, educational background and years of service of respondent employees.

Table 2. profiles of respondents

<i>Parameters</i>		<i>frequency</i>	<i>percentage</i>
<i>Sex</i>	<i>M</i>	52	55.9
	<i>F</i>	41	44.1
	<i>Total</i>	93	100
<i>Education</i>	<i>Ten complete</i>	2	2.2
	<i>Twelve complete</i>	3	3.2
	<i>Certificate</i>	6	6.5
	<i>Diploma</i>	46	49.5
	<i>Degree</i>	36	38.7
	<i>Total</i>	93	100
<i>Experience</i>	$\frac{1}{2}$ -2	14	15.1
	2-4	31	33.3
	4-6	26	28
	<i>More than six</i>	22	23.7
	<i>Total</i>	93	100

Data Source: March, 2016

As indicated in table 2 above, 55.9% of the total respondents were male working in the institute. On the other hand 44.1% were female respondents. The data shows that among the total respondents majority of them were male employees.

As we can observe from the above table, the largest groups of respondents (33.3%) have a working experience of 2 to 4 years of on the current job whereas 28% are in a range of 4 to 6 and 23.7% of the respondents are more than six service years. Others were between six month and two year service. From this we can infer that majority of the respondents (84.9%) have two years or more service in the institute which has a positive implication on the validity of the data. On the basis of educational qualification, the majority of the respondents are Diploma holders (49.5%) and 38.7% of the respondents are degree holders. Concerning the educational level of the respondents, as it can be seen in the Table 2 above only 5.4% of them are high school complete and 6.5% have certificate; however, 38.7% have first degree and 49.5% have diploma from higher institutes respectively. This shows that the majority of the respondents (88.2%) are diploma and above holders. They supposed to have ample

knowledge, skill and competence of critical thinking and systematically analysis of the situation

4.2. Results of the Questionnaire

This section deals with the main results of the data gathered through questionnaire and in-depth interview for triangulation purpose. The results are presented in tables with paragraphs explaining the tables.

Table 3: General understanding about performance appraisal

This survey was conducted in order to know the general understanding of employees about the concept of result based performance appraisal.

No	Variables		SA	A	N	DA	SD	M=3.8
1	I clearly understand the purpose of performance appraisal	F	22	48	9	13	1	
		P	23.7	51.6	9.7	14	1.1	
2	Performance appraisal process encourages co-operation & team spirit	F	22	60	9	2		M=4.1
		P	23.7	64.5	9.7	2.2		
3	The evaluation result impact on my behavior attitudes and Morale	F	14	46	20	10	3	M=3.6
		P	15.1	49.5	21.5	10.8	3.2	
4	Performance appraisal process helps team leaders to manage people better	F	28	44	17	4		M=4.0
		P	30.1	47.3	18.3	4.3		
5	I think that my organization attempts to conduct performance appraisal the best possible way.	F	16	43	41	13		M=4.3
		P	17.2	46.2	22.6	4.3		
6	If don't agree with performance appraisal score, there is appeal process	F	9	64	11	6	3	M=3.8
		P	9.7	68.8	11.8	6.5	3.2	
7	Performance appraisal is used for mutual benefit	F	21	42	22	6	2	M=3.8
		P	22.6	45.2	23.7	6.5	2.2	
8	In my opinion, the performance appraisal criteria are fair and objective.	F	16	42	19	15	1	M=3.6
		P	17.2	45.2	20.4	16.1	1.1	
9	Performance appraisal help to understand the organization's strategic priorities	F	20	55	15	3		M=3.9
		P	21.5	59.1	16.1	3.2		

Data sources, March, 2016

Note

* F= frequency, P = percent, M=mean

* SA=strongly agree, A= agree, N=neutral, DA=disagree, SD= strongly disagree

It is possible to know the level of agreement of the majority (75.3%) of employees agree on the statement that clear understanding about the purpose of performance appraisal was produced to all employees before implementing it. While (15.1%) disagree and the rest (9.7%) are neutral. With average mean 3.8 which is greater than the expected average mean (i.e. 3). This shows that the performance appraisal process and procedures had been communicated to all employees in a better way prior to its implementation.

As to the encouragement of Performance appraisal process to co-operation & team spirit Question No.2, majority (88.2%) of the respondents agree that performance appraisal encourage co-operation and team spirit between employees, 9.7% were indifferent, while the remaining 2.2% were of the opinion that performance appraisal process would not encourage to co-operation & team spirit. The mean has been 4.1, which is greater than the expected average (i.e.3.0). From this we can infer that employees develop a positive feeling about the importance of performance appraisal for co-operation and team spirit. For the question about the Impact of evaluation results on employee's behaviour, attitudes and Morale of the employees was assessed at the same table, majority (64.6%) of the respondents believe that performance appraisal result has a direct impact on employee's behaviour, attitudes and morale with the mean value of 3.6 which is greater than the average (3.0). On the other hand 14.0% of them respond that performance appraisal result doesn't have any impact on employees' behaviour, attitudes and morale, while 21.5% were indifference.

Respondents were asked their opinion about the way the organization attempts to conduct performance appraisal, 63.4% respond that the organization is conducting performance appraisal practice in a better way, 4.3% of the respondents were against this and 22.6% were indifference. The average mean has been 4.3 which is more greater than the expected average (i.e.3.0). This shows that the organisation has been conducting performance appraisal in a better way.

When there is unsatisfied employees about the result there expects an appeal mechanism, regarding this issue employees were asked to show their degree of agreement, from the data in the above table, we can see that majority of the employees (78.5 %) respond that there is an opportunity of compliance when they feel the results they gained are not fair.9.7% of disagree about the appeal mechanism in the institute, others were indifference. The average mean has been 3.8 which is more than the expected average. This shows that the organization formulate an opportunity for the employees to reflect their feeling when they think there exists a wrong in the process of performance appraisal, which has positive contribution for the entire process.

On the other hand, employees rate in support of and against the mutual benefit of performance appraisal, the result show that from the total respondents 67.8% were in support of the idea, while 23.7% indifference and 8.7% of them believe that performance appraisal doesn't have mutual benefit for both employees and the institute with the average mean of 3.8. Fairness and objectivity of performance appraisal process was also raised to employees. From the total respondents majority 62.4% respond positively that the performance appraisal process is fair and objective, while 17.2% of the respondents believe that performance appraisal process is not fair and objective, in addition 20.4% were indifference. The average mean has been 3.6 which support the positive response of the respondents. Lastly as we can see from the table above employees were asked about the Importance of Performance appraisal to understand the organization's strategic priorities, majority (80.6%) respond that performance appraisal is important in order to understand the organization's strategic priorities,(3.2%) were negatively respond that they don't believe performance appraisal would have any connection with knowledge of organizational strategic priority. From this one can assume that employees have a positive feeling about the importance of performance appraisal to understand organizational strategic priority. The average mean (3.9) is in line with the response.

To sum up, the items mentioned in the general understanding of performance appraisal i.e. purpose clarity, importance of performance appraisal for cooperation and team spirit, impact of evaluation to employees behaviour attitude and moral, way of conducting performance appraisal, presence of appeal, fairness of criteria, mutual benefit were all treated positively by the respondents. From this we can infer that employees have better understanding about result based performance appraisal.

Table 4.Feedback system

Performance appraisal practice will be appropriate when its indicators are performed properly. One of the indicators of performance appraisal is feedback. The following questions were raised to employees in order to know the practice of feedback in the institute.

No	Variables		SA	A	N	DA	SD	M=3.5
11	There is a formal feedback system after performance appraisal has completed.	F	13	42	18	19	1	
		P	14	45.2	19.4	20.4	1.1	
12	The feedback is fair and unbiased	F	12	47	25	8	1	M=3.7
		P	12.9	50.5	26.9	8.6	1.1	
13	I clearly understand my team leader's comments and opinion during the feedback	F	15	60	10	8		M=3.9
		P	16.1	64.5	10.8	8.6		
14	The organization seems more engaged in providing positive feedback for good performers than criticizing the poor ones	F	11	31	39	10	2	M=3.4
		P	11.8	33.3	41.9	10.8	2.2	

Data sources, March, 2016

Note

* F= frequency, P = percent, M=mean

* SA=strongly agree, A= agree, N=neutral, DA=disagree, SD= strongly disagree

As we can see from the above table employees were asked about the presence of feedback after performance appraisal is processed. From the total respondents 59.2% agree that there is feedback after performance appraisal evaluation, while 21.5% respond that there is no feedback system and 19.4 of them were indifference. The average mean has been 3.5 which is more than average. On the other hand the fairness of the feedback was raised, for this issue 63.4% of the respondents believe that the feedback they get from their supervisors are fair and 9.7% employees were negatively respond that the feedback is not fair. From the data majority of the respondents respond that as if the feedback was fare, but 36.6% of them were either against or neutral. The average means for the response of fairness has been 3.7 which is more than the expected average (i.e.3.).This indicates that the fairness of feedback system is in a state of problem.

More emphasizing on the feedback system the clarity of feedback for employees were asked in the above table, the result from the employees show that, majority (80.6%) agree that the feedback is easy to understand, while 10.8% of the respondents were indifference and the other 8.6% were against the majority, they believe that the feedback is not clear in order to improve. The average mean is in line with the response which is 3.9. On the same table the occurrence of positive feedback for good performers rather than criticizing the poor ones was tried to assess under, from the response 44.2% believe that the institute is engaged on upgrading employees by providing positive feedback to high performers and forcing those with less performers by supporting them rather than criticising, while 41.9% were indifference and 13% were against the issue. The mean average has been 3.4 which is near to average. From the data we can understand that the institute is not in good position for supporting employees when their performance decline.

Table.5 Employee's satisfaction

When performance appraisal practice fulfils the appraisal criteria, which means when there is adequate training, have fair feedback system and when performance appraisal attach with employees expectation it is expected to enhance employee's satisfaction. The following questions were raised to assess this issue

No	Variables		SA	A	N	DA	SD	M=2.7
15	I receive adequate training and information about the performance appraisal cycle before it starts	F	3	26	14	44	6	
		P	3.2	28	15.1	47.3	6.5	
16	I am satisfied with the way my organization provides me with feedback.	F	10	40	32	9	2	M=3.5
		P	10.8	43	34.4	9.7	2.2	
17	I am satisfied with the way the performance appraisal system is used to evaluate and rate my performance	F	11	47	20	14	1	M=3.6
		P	11.8	50.5	21.5	15.1	1.1	
18	It's enjoyable to go to work	F	21	36	29	5	2	M=3.7
		P	22.6	38.7	31.2	5.4	2.2	
19	My team leader has reasonable expectations from my work.	F	18	57	13	5		M=3.9
		P	19.4	61.3	14	5.4		
20	Performance Appraisal matches to employee expectation	F	7	36	39	11		M=3.4
		P	7.5	38.5	41.9	11.8		

Data sources, March, 2016

Note

* F= frequency, P = percent, M=mean

* SA=strongly agree, A= agree, N=neutral, DA=disagree, SD= strongly disagree

We can learn from the data in the above table that, majority (53.8%) of the respondents respond that no appropriate training on the matter of performance appraisal process, 15.1% of them were also indifference about the appearance of training, while 31.2% from the total respondents agree that the institute give them adequate training about the essence of performance appraisal. The average mean has been 2.7 which is less than the expected average (3.0). From the data it is clear that the institute is performing weak in supporting employees by adequate training. Under the above table, respondents were asked whether they are satisfied on the feedback system or not, the data show that, majority (53.8%) respondents believe that the feedback system in the institute is better, while 11.9% of the respondents were not satisfied with the feedback system of the institute. The average mean has been 3.5 which is greater than the expected average.

Whether employees are enjoying going to their work place or not was inferred from question 18. From the data under it 61.3% of the respondents agree that they are happy of going to their working place, where as 7.6% respondents were opposing this, that they did not enjoying of going to work and the rest (3.2%) respondents were not respond any idea.

Performance appraisal objectives are expected to match with employees' expectation, to know the opinion of employees on this issue respondents were asked about the match between their expectation and performance appraisal objectives. The data in table5 tell us 46.0% of the respondents believe objectives of performance appraisal are in line with their expectation, where as 11.8% from the total respondents respond oppositely that objectives of performance appraisal are out of their expectation, the rest 41.9% of the respondents were indifference. The mean value has been 3.4 which is greater than the average (i.e.3.0). Even though the mean is greater than the average the positive response about the issue is less than half and almost half of the respondents prefer to be silent. This indicates that the institute has some problem of matching the performance appraisal with the expectation of employees.

Table.6 Motivation

When employees are satisfied with the activities of an organisation, it is expected that they will motivate to perform their duties in a better way. The following questions were raised to employees in order to know the effect of performance appraisal to employee's motivation.

No	Variables		SA	A	N	DA	SD	M=4.0
21	High performance motivates employees to involve at workplaces?	F	22	56	8	7		
		P	23.7	60.2	8.6	7.5		
22	My organization provide fair promotion opportunities	F	8	46	24	13	2	M=3.5
		P	8.6	49.5	25.8	14	2.2	
23	The organization value my service	F	13	50	16	12	2	M=3.6
		P	14	53.8	17.2	12.9	2.2	
24	My leader takes my performance appraisal review discussion seriously	F	10	45	21	16	1	M=3.5
		P	10.8	48.4	22.6	17.2	1.1	
25	Performance appraisal makes me better understand what should be doing	F	14	56	14	9		M=3.8
		P	15.1	60.2	15.1	9.7		

Data source: March, 2016

Note

* F= frequency, P = percent, M=mean

* SA=strongly agree, A= agree, N=neutral, DA=disagree, SD= strongly disagree

Employee should be motivated and empowered. In this regard Kaplan and Norten said that “employee motivation may be necessary to achieve stretch target for customer and internal business process objective. Even skilled employees provided with superb access to information, will not contribute to organizational success if they are not given freedom to make decision and take action (Kaplan &Norten: 2010). Based on this fact, the respondents were asked different questions in order to assess their level of motivation. As we can see from table 6 above we can learn that, majority of the respondents (83.9%) agreed that high performance result has a direct impact to motivation of employees with average mean of 4.0 which is greater than the expected mean (3.0). while 7.5% of them were disagree that performance result doesn't have any contribution for motivation and 8.6% of the respondents

were indifference about the effect of performance appraisal result to motivation. This shows that the connection of performance appraisal result with motivation is understood by majority of employees, in consequence it will have a positive impact for proper implementation of result based performance appraisal.

In order to make result based performance appraisal successful the whole processes are expected to be fair for the participants. Under (question, 22) employees were asked whether the promotion opportunities are fair or not. The data show that 58.1% of the respondents believe that the promotion opportunity is fair, 16.2% from the total respondents were opposed this issue. They think that in the institute promotion opportunity is not fair and 25.8% of them were in difference. The mean value has been 3.5 which is greater than expected average (3.0). Organisational value was also assessed on (question 23), from the data one can learn that, majority of the respondents (67.8%) agree that they get the intended value from the institute, while 15.1% of the respondents believe that the organisation doesn't give the needed value for the employees and 17.2% respondent were indifference. The mean value has been 3.6 which is in line with the positive response. We can say that the organisation is in a good position regarding employees' expectation. Discussion about performance appraisal is one of the very important activities in performance appraisal process. During the study employees opinion was asked on (question, 24), the result indicates that 59.2% respondent think that there is serious discussion on the matter, 18.3% of them respond that there is not enough discussion about performance appraisal. The average mean for the result has been 3.5 which is greater than the expected average (i.e.3.0). From this we can infer that majority of employees are satisfied about the discussion on performance appraisal results.

On the other hand impacts of performance appraisal on clarity of duties were raised under question, 25. As we can see from the result majority (75.3%) of the respondent believe that performance appraisal has a direct impact on clarity of work, opposing this idea 9.7% of the respondents respond that performance appraisal doesn't have any impact to work clarity and 15.1% were indifference about the raised issue. The average mean has been 3.8 which is in line with the response and greater than the expected average. Majority of employees are in a position that performance appraisal create clarity of work which has a positive impact for the proper implementation of performance appraisal.

Table 7. Performance improvement

When employees are satisfied and motivated in the organisation, there will be performance improvement. This issue will be discussed under the following tables

No	Variables		SA	A	N	DA	SD	M=3.9
26	Performance appraisal process help me to find out about my level of performance	F	19	53	17	4		
		P	20.4	57.0	18.3	4.3		
27	I often expend extra effort in carrying out my job	F	23	61	6	3		M=4.1
		P	24.7	65.6	6.5	3.2		
28	Performance Appraisal is important in employee performance improvement	F	22	57	12	2		M=4.0
		P	23.7	61.3	12.9	2.2		

Data source: March, 2016

Note

* F= frequency, P = percent, M=mean

* SA=strongly agree, A= agree, N=neutral, DA=disagree, SD= strongly disagree

As we can see from table 7 above, majority (77.4%) of the respondents think that performance appraisal process can help employees in order to find their level of performance, with the mean of 3.9 which is greater than the expected average mean. While 4.3% were against this idea, they respond that performance appraisal process doesn't have any help to find level of performance and 18.3% respondents were indifference. Under question, 27, of the same table respondents were asked about their daily effort. From the data we can learn that 90.3% of the respondents respond that they exert their maximum effort to their organisation, where as 3.2% of them were against this support that they believe they are not exerting their maximum effort and 6.5% were indifference. The mean value is 4.1 which greater than the expected average mean (3.0). This shows that employees are engaging more on their duties which has a direct impact on performance.

The impact of performance appraisal on performance improvement was also assessed under question, 28, the data show that majority (84.0%) of the respondents believe that performance appraisal has impact on performance improvement, while 12.9% of them were indifference and 2.2% respondents were opposed that there is no connection between performance

appraisal and performance improvement. The mean value for this data has been 4.0 which is in support of the response.

Table 8.organisational commitment

When employees are satisfied and motivated their organizational commitment are expected to rise up. Questions under this will inform about the organizational commitment of employees

No	Variables		SA	A	N	DA	SD	M=3.9
29	I am able to utilise my expertise and abilities in my daily work	F	20	58	9	5	1	
		P	21.5	62.4	9.7	5.4	1.1	
30	In my entity, we have a culture which stimulates new ideas and creativity	F	14	38	21	18	2	M=3.5
		P	15.1	40.9	22.6	19.4	2.2	
31	I do not feel a strong sense of belonging to my organization	F	9	24	16	34	10	M=2.9
		P	9.7	25.8	17.2	36.6	10.8	
32	I enjoy discussing my organization with people outside it.	F	18	31	33	11		M=3.6
		P	19.4	33.3	35.5	11.8		
33	I feel proud to work for my organization	F	27	31	23	11	1	M=3.8
		P	29	33.3	24.7	11.8	1.1	

Data source: March, 2016

Note

* F= frequency, P = percent, M=mean

* SA=strongly agree, A= agree, N=neutral, DA=disagree, SD= strongly disagree

we can learn from the data above that respondents were asked whether they exert their abilities properly, 83.9% of the respondents believe that they are exerting their maximum experience and abilities for their organisation, where as 6.5% were against this that they didn't think they are exerting the intended abilities and 9.7% of them were indifference. Under question, 30 questions were raised on the matter of having culture which stimulate new idea, from the response we can see that, 56.0% of the respondents were agree that there is a culture which stimulate new idea, where as 21.6% of them opposed that there is not a culture which stimulate new idea and 22.6% of the respondents were recommend nothing.

As we can see from the above table, the strong belongingness of employees were tried to assess, from the data we can infer that majority (47.4%) of the respondents believe that they didn't feel strong belongingness to the organisation,35.5% respond that they have a strong

belongingness to the organisation, 17.2% were indifference. The average mean has been 2.9 which is less than the expected average (i.e.3.0). From the data given it is clear that the organization doesn't develop strong sense of organizational belongings to majority employees. Employees' feeling about discussing organisational issue to others was also assessed by raising questions in the above table, from the data we can learn that, 52.4% of the respondents feel happy when they discuss about the organisation. The average mean was 3.9 that is greater than the expected average. While 11.8% of them were respond oppositely that they don't feel happy discussing about the organisation issue to others. On the other hand employees' feeling of proudest on working to the organisation was also raised under question, 33 of the above table. From the data we can infer that majority (62.3%) of the respondents were respond positively that they feel proud of working in the organisation, where as 12.9% of them were respond that they did not feel proud on working for the organisation and 24.7% of the respondents were indifference about the raised matter. The average mean for the data has been 3.8 which is greater than the expected average (3.0). To summarize the issues raised under these points, the organization is performing better in majority of parameters except strong sense of belongingness.

Table 9 turnover intention

When employees are satisfied with the organisation, most of them are expected to stay in the organisation for longer period. In this regard the turn over intention of employees has been assessed using the following data.

No	Variables		SA	A	N	DA	SD	M=3.1
34	I have the intention to stay long in this organization	F	12	20	37	19	5	
		P	12.9	21.5	39.8	20.4	5.4	
35	The working environment is not comfortable to me	F	7	20	9	50	7	M=2.7
		P	7.5	21.5	9.7	53.8	7.7	

Data sources: March, 2016

-Note

* F= frequency, P = percent, M=mean

* SA=strongly agree, A= agree, N=neutral, DA=disagree, SD= strongly disagree

As we can see from the above table, 25.8% of the respondents believe that they will leave the institute in short period of time, 34.4% from the total respondents respond that they have the intention to stay in the organisation, while majority (39.8%) of the respondents were respond nothing about their stay in the organisation. The average mean conducted was 3.1 which is almost equal to the expected average mean (3.0). On the other hand their feeling about the working environment was asked. For this issue 61.5% of the respondents feel that the working environment is comfortable, where as 28.0% of the respondents agree that the working environment was not comfortable for them and 9.7% respondents were indifference. The average mean was also 2.7 which is less than the average. Since the question was negative it is in line with the response. From the data we can infer that the degree of turnover intention of employees in the organization is high. On the other hand the organization is in a state of positive achievement on matter of working environment.

Table 10. Organisational efficiency and effectiveness

Organisational efficiency and effectiveness are all about the effective use of resource and achieving objectives respectively. The following questions are raised to respondents in order to infer the efficiency and effectiveness of the institute.

No	Variables		SA	A	N	DA	SD	M=3.8
36	Performance Appraisal is important for effective function of organization	F	18	48	23	3	1	
		P	19.4	51.6	24.7	3.2	1.1	
37	we are good at making use of each other's expertise and experience	F	17	44	26	6		M=3.8
		P	18.3	47.3	28.0	6.5		
38	we place considerable emphasis on being cost-effective	F	17	25	42	8	1	M=3.5
		P	18.3	26.9	45.2	8.6	1.1	
39	I am well aware of the organization's comprehensive goals	F	17	50	9	17		M=3.7
		P	18.3	53.8	9.7	18.3		

Data sources: March, 2016

-Note

* F= frequency, P = percent, M=mean

* SA=strongly agree, A= agree, N=neutral, DA=disagree, SD= strongly disagree

In the above table respondents were asked whether performance appraisal has any help for effective function of the organisation. From the data we can learn that majority (71.0%) of the respondents think that performance appraisal is important for the effective functioning of the organisation, opposing this 4.3 of them respond that there is no connection between performance appraisal and effectiveness of the organisation and 24,7% from the total respondents were preferred not to respond anything. The average mean has been 3.8 which is more than average (3.0). From the data we can assume that majority of employees have a positive understanding about the importance of performance appraisal for effective performance of an organisation.

On the same table question which intend to know the intention of respondents about the effective use of each employee's experience was raised, the given data show that majority (65.6%) of them respond that the organisation is using employee's experience in a better way, with the average mean of 3.8. while 28.0% of them were silent about the raised matter and 6.5% respondents respond oppositely that they don't believe the organisation is using employee's experience wisely. In the above table the cost effectiveness of the organisation was tried to assess based on the question. We can learn from the data that (45.2%) of the respondents think that the organisation is cost effective, where as 6.5% of them respond that the organisation is not cost effective and 45.2% respondents were indifferent. For the same data the average mean was 3.5 that is more than the average mean (i.e.3.0). The data tells us that the organization is in a state of problem on cost management. Lastly awareness of employees on organisational goal was asked, from this majority (72.1%) respondents were positively respond that they are aware of the organisational goal, 18.3% respondents were disagreed about the issue that they are not aware of the organisational goal, while 9.7% respondents were indifference on the raised issue. The average mean was 3.7 which greater than the expected average mean (3.0). To sum up we can infer that the institute is in a good position on a point of efficiency and effectiveness which is expected from increment in work performance and organizational commitment.

4.3 Descriptive Analysis

In this analysis, mean and standard deviation is used to explain the characteristics of the data. In probability and statistics, the standard deviation is a measure of the dispersion of a collection of values. It can apply to a probability distribution, a random variable, a Population or a data set.

The standard deviation remains the most common measure of statistical dispersion, measuring how widely spread the values in a data set are. If many data points are close to the mean, the standard deviation is small; if many data points are far from the mean, then the standard deviation is large. If all data values are equal, then the standard deviation is zero. In the Table 4.5 below, the descriptive statistics of the variables are presented. Among the dependent variables, turnover intention was perceived to be the highest ($M = 2.84$, $SD = 1.07$) in the institutes' context. This was followed by organisational commitment ($M = 2.8$, $SD = 1.03$) and satisfaction with the performance appraisal ($M = 2.5$, $SD = 0.89$). Work performance ($M = 1.94$, $SD = 0.67$) and intrinsic motivation ($M = 1.9$, $SD = 0.66$) among the employees in the institute is moderate. In all variables, standard deviations were noticed to be small, which represents that the data are tightly concentrated to the mean.

4.4 Correlations Analysis

Correlation refers to synonym for association or the relationship between variables. It measures the degree to which two sets of data are related. Higher correlation value indicates stronger relationship between both sets of data. When the correlation is 1 or -1, a perfectly linear positive or negative relationship exists; when the correlation is 0, there is no relationship between the two sets of data. Coetzee (2003) noted that when considering the correlation between the independent variable (performance appraisal satisfaction) and the dependent variables (work performance, affective organizational commitment and turnover intention), the larger the magnitude of the correlation, the stronger the linear association. The standard correlation coefficient is Pearson's r . which applies primarily to variables distributed more or less along interval or ratio scales of measurement. Table 4.6 present the inter-correlations among the variables being explored. From the analysis, it is noted that performance appraisal satisfaction is positively yet moderately correlated ($r = .281$, $p < 0.01$) with employees motivation. On the other hand, performance appraisal satisfaction was positively and highly correlated with affective organizational commitment ($r = .423$, $p < 0.01$). However, it was noticed that performance appraisal satisfaction and turnover intentions

was negatively correlated($r = -0.257, p < 0.01$). Performance appraisal satisfaction and work performance is positively correlated($r=0.377,p<0.01$). It is evident that the subscales for the dependent variables were moderately inter-correlated, indicating performance appraisal satisfaction is interrelated with the variables.

Table 11. Correlations among the variables

	<i>PAS</i>	<i>EM</i>	<i>WP</i>	<i>AOC</i>	<i>TI</i>
<i>PAS</i>	<i>1</i>				
<i>EM</i>	<i>0,281</i>	<i>1</i>			
<i>WP</i>	<i>0.377</i>	<i>0.387</i>	<i>1</i>		
<i>AOC</i>	<i>0.423</i>	<i>0.341</i>	<i>0.431</i>	<i>1</i>	
<i>TI</i>	<i>-0.257</i>	<i>-0.232</i>	<i>-0.231</i>	<i>0.242</i>	<i>1</i>

Notes

PAS = Performance Appraisal Satisfaction, IM = Intrinsic Motivation, TI = Turnover Intention, AOC = Affective Organisational Commitment, WP = Work Performance.

* $p < 0.05$; ** $p < 0$

SUMMARY OF FINDINGS AND DISCUSSION

▪ General understanding about performance appraisal

The study has found that most of the respondents have better knowledge about the general aspect of performance appraisal practice. Table 5 shows majority of the respondents have clearly understood the purpose of performance appraisal. In order to make performance appraisal effective employees must know its purpose before implementation. As Mathis, (1997) stated, an understanding of what an appraisal is supposed to do is very critical whichever of the method is used. It is to mean that what and whichever the appraisal method has been used, the main point is that managers and employees must understand the purpose of PA system. Employees understanding on fairness and objectivity of performance appraisal system or criteria were also assessed during the study. As we can see from table 4 from the total respondent majority of them were happy about the fairness and objectivity of performance system process and criteria. Participants in the interview were also positively responding about the fairness of the appraisal process. From this we can infer that majority of the employees have positive feeling about the performance appraisal process and criteria, on the other hand it is possible to say that most of the employees have some awareness on the performance appraisal practice in the institute.

▪ Feedback system

In the processes of formal performance evaluation, feedback refers to the reaction among the members of an organization about how the feedback is created, accepted and used. This is the direct communication between supervisor and employee (Morrow, 2011). Without feedback employees did not know which part of their performance is in line with the organisation's objectives and which need improvement. As Marrow (2011) stated feedback improves the effectiveness and helps in decision making within the organization. Regarding the feedback system of the institute the study tried to observe by raising specific questions for respondents. Table 6 indicates the status of the institute on applying feedback to employees. From the result in sub one of the table majorities of the respondents respond positively that their respected team leaders give them feedback for what they have done. The data from the interview of managerial employees were in line the employee's rating of response that majority respondent were responding supporting the appearance of feedback. This result indicates the institute achievement on feedback system is on moderate level.

On the other hand the fairness of the feedback was also assessed and indicated under table 5 question 12. The data shows that majority of the respondent employees believe that the feedback is fair, but small number of respondents were on the opposite understanding. They feel as the feedback from their team leaders were not fair as intended. On the other hand satisfaction with the performance appraisal is an indication of the degree to which subordinates are satisfied with the process and the feedback they have received. It serves as a report of the accuracy and fair evaluations of the performance. The outcome is that satisfied individuals after the performance appraisal will improve further working relationships with supervisors and colleagues. The feedback can also bring negative reactions from employees. If perceived unfair, the feedback can cause behavioural changes such as absenteeism, lack of cooperation, lack of focus on priorities, unhealthy competition and even can cause staff turnover (Dechev,2010).Analysing the concept of this general literature, having this that much unhappy employees on feedback fairness will have negative implication for the institute.

▪ **Employee's satisfaction**

As some writers agree employee's satisfaction is directly or indirectly influenced by quality of performance appraisal. Brown et al. (2010) analyze the relationship between performance appraisal quality measured by clarity, communication, trust, and fairness of the performance appraisal process and job satisfaction and commitment, he concluded that employees who report a low performance appraisal quality (lowest levels of trust in supervisor, poor communication, lack of clarity about expectations, perception of a less fair performance appraisal process) also report lower levels of job satisfaction and commitment. From the literature we can understand that employee's satisfaction would be dependent on Performance appraisal indicators such as training, communication, method of evaluation, reasonable expectation and the match with their intention. The researcher perceive different scenario on satisfaction indicators. On table 7 questions was raised for respondents to respond on the training practice about performance appraisal in the institute. As one can see from the result 53.8% of the respondents were disagree about the presence of adequate training on matter of performance appraisal process for advanced achievement. This practice is not in line with the requirement of the literature discussed above. As indicated on the same table majority of the respondents were satisfied with the feedback system of the institute, as the same time, most of the respondents were positively respond on the performance evaluation

method reasonableness. In general we can infer that the satisfaction levels of employees are not in full flagged manner

- **Motivation**

A motivated and qualified workforce is crucial to increase productivity and the quality of the organisational services in order to achieve organisational objectives. Many managers have a problem how to motivate their employees. Even though there are many factors which motivates employees. As Toonen, (2006) stated employees motivate when their expectation match with the activities of an organisation. From table 8 we can see that most of the respondents believe the organisation is giving them a fair promotion opportunity. On the same table majority of the employees respond positively that the service they are giving get the intended value from the institute. On the other hand majority of the respondents in the same table believe that performance appraisal make them better to know what they should do. From this we can infer that majority of the employees are motivated, which comes from satisfaction.

- **Performance Improvement**

When employees are satisfied and motivated they are expected to perform better. Performance appraisal is one of the human resource tool which makes employees highly involved in the organization and work hard to accomplish organizational goals. Klein (1991) noted that performance appraisal process offer a number of potential benefits, including improved job performance. The study shows on table 9 that majority of the respondents think that performance appraisal help them to know their level of performance. When one employee understands where his/her achievement is, he/she will try to do their best in order to achieve what is expected from them, this in effect will improve performance. On the other hand, as we can see from the table most of the respondents respond that they expend their extra effort to cover their job. From this we can assume that work performance is positively influenced by performance appraisal.

- **Organizational commitment**

Performance appraisal process help clarify organizational expectations regarding an employee's activities, actions, and results. Performance appraisal satisfaction may be positively related to affective commitment due to the enhance employee participation and perceived clarity of goals within the performance appraisal process (Roberts and Reed, 1996). As indicated in table 10. majoriry majority of the respondents were positively responding that they are exerting their efforts and experiences to their daily work. This is again repeated with

majority of participants in the interview. In addition, most of the respondents were responded that they are proud of working in the institute. From this we can assume most of the employees are committed to their organisation which may be result of purpose clarity raised in table 4 above.

- **Turn over intention**

Turnover intention of the employees seems high. Table 11 of the data show that only 34.4% of the respondents were respond positively as they intend to stay long in the organisation. This may be far from the satisfaction level of employees seen in the above table. As Vigoda (2000) noted that when employees feel unfairly treated, they are likely to react by initially changing their job attitudes, followed in the longer term by responses that are more retaliatory such as quitting. Unfair treatment is a wide concept, to mean that performance appraisal process may not be the only case of turnover. In reality as the researcher observed from the document there was a continuous turnover throughout the year.

- **Organizational efficiency and effectiveness**

Studies suggest that HR practices affect organizational outcomes by shaping employee behaviours and attitudes (Huselid, 1995). More specifically, these human resource practices (performance appraisal) increase organizational effectiveness by creating conditions where employees become highly involved in the organization and work hard to accomplish organizational goals. To serve this we can infer concepts from the above discussion

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.1 CONCLUSION

This study has made an effort to look at the main achievement and challenges of performance appraisal practice. By putting the research objectives and questions at the spotlight, the study has attempted to conduct valuable investigation to empirically find out the performance appraisal status, achievements, and constraints in connection to the performance management processes in the study institute. In doing so, the researcher has collected primary data through self-administered questionnaire from non managerial employees and in-depth interview with all managerial employees of the institute. Questionnaire was distributed and completed by 93 (92%) of the eligible employees (employees over 6 month service) in National Metrology Institute of Ethiopia. The collected data was analyzed using SPSS version 16 to get descriptive statistics.

From the analysis and discussion of findings made in the preceding chapters, the following conclusions are drawn:

By applying result oriented performance appraisal practice, National Metrology Institute of Ethiopia has created an opportunity to employees for understanding their duties in detail, which has a positive impact for the organisational efficiency and effectiveness.

Performance appraisal evaluation results have been using for different human resource activities like promotion and training. So having performance appraisal in the institute facilitates the decision of the organisation on different administrative issue.

The success of the institute by applying performance appraisal was the opportunity produced through employees about strategic priority of the organisation. An employee who understands strategic priority of organisation has been expected to perform better than those with less clarity strategic priority.

As we observe from the analysis of different data in the above discussion majority of the respondents have built an understanding that performance appraisal encourage co-operation and team spirit, this was the asset gained from the performance appraisal implementation.

As we can see from the analysis part Performance appraisal has been helping employees to understand their level of performance. This in effect might bring performance improvement, when employees' performance improve the organization will achieve its objectives in effective and efficient manner.

Proper implementation of performance appraisal has been dependent on many factors like: clarity of the purpose, communication to employees, conducive training..., and the study show that National Metrology Institute of Ethiopia has not provide adequate training concerning performance appraisal process.

Purpose of Performance appraisal must be in line with the expectation of employees and organisational objectives, in order to implement positively. On this issue the institute were performed weakly. From the total respondents near to half percent of the respondents were agreed about the match of performance appraisal process and employee's expectations.

5.2 RECOMMENDATION

The most important concern in appraising employees' performance toward their performance Improvement is not the method of the appraisal used but the efficacy of performance management in general and the appraisal in particular.

Whatever methods the National Metrology Institute of Ethiopia may use, for an effective appraisal of its employees' performance toward improvement in a result oriented performance culture system, the researcher recommends the institute to:

- Prepare its strategic, tactical, and operational plans with meaningful participation of the concerned professional, and supervisors in particular, and the employees in general. Participatory planning is one the key instruments to bring the entire workforce on the same page in regard to where their organization is heading. So the institute should do more on participation of employees in performance appraisal process.
- Organize frequent and in depth training and awareness creation programs on performance appraisal process to employees. There is a need to consider the frequency, quality, and delivery of trainings in the performance appraisal process and related instruments. Trainings must be planned, facilitated by trained and experienced trainers, and given in small size participants.

- Make the employees clearly understand the plan and goals cascaded to the job she/he is assigned,
- Train supervisors, and orient subordinates on the what, why, and how of employees'

Performance appraisal,

- When a project is aimed to implement in an organization it should be clearly understood by the employees and its impact to the employees should be communicated. Regarding this the organization should do more in order to align performance appraisal evaluation with employee's expectations.
- Organizational commitment of employees is on average. The organization should take this as an alarm for improvement.
- In order to make performance appraisal effective one of the parameter is having fair and successive feed back after its implementation. From these fairness of the feedback was in question from the finding. So National Metrology Institute of Ethiopia should take appropriate measure in order to make the feedback system fair.
- The organization is facing a high rate of turn over intention. So the organization should frequently monitor and evaluate the feeling of employees about the organization and take appropriate measure.

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