THE EFFECTIVENESS OF STAFF PERFORMANCE APPRAISAL IN ETHIO TELECOM

BY DAGMAWIT TESHOME

A THESIS SUBMITTED TO THE DEPARTMENT OF EDUCATION PLANNING AND MANAGEMENT OF ADDIS ABABA UNIVERSITY

IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTERS OF ARTS IN HUMAN RESOURCE AND ORGANIZATIONAL DEVELOPMENT IN EDUCATION

JUNE 2013
THE EFFECTIVENESS OF STAFF PERFORMANCE APPRAISAL IN ETHIO

TELECOM

A THESIS SUBMITTED TO THE DEPARTMENT OF EDUCATION
PLANNING AND MANAGEMENT OF ADDIS ABABA UNIVERSITY IN
PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE
OF MASTERS OF ART IN HUMAN RESOURCE AND ORGANIZATIONAL
DEVELOPMENT IN EDUCATION

By
Dagmawit Teshome

_______________________  __________________
Chairman of the Dep’t                     Signature

_______________________  __________________
Advisor                              Signature

_______________________  __________________
Examiner                              Signature
Acknowledgment

My first and utmost thanks goes to my advisor Ato Melaku Yimam, who helped me without reservations throughout my study and without whom this paper could not be reached to this stage. I benefited a lot from his fertile technical and professional guidance and constructive comments.

Next, I would like to express my sincere gratitude to my beloved husband Amha Tadesse, to my mom Eleni Medihn and my dad Teshome Yimer for their unreserved assistance, who shared my pain and gave me continuous advices and most supporting in this endeavour.

My special thanks also go to my children who shared their love and happiness and make me hopeful while I feel exhausted.

My heartfelt thanks are also extended to my colleagues especially Tesfa Tiruneh who helped me a lot during my study and made me courageous and keeping me inspired for all things I have done during my study.
Table of Contents

Acknowledgement...........................................................................................................i
Table of Contents............................................................................................................ii
Abbreviations and Acronyms...........................................................................................iv
List of Tables....................................................................................................................v
List of Appendices...........................................................................................................vi
Abstract ............................................................................................................................vii

CHAPTER ONE ..................................................................................................................10
  1 Introduction ................................................................................................................10
  1.1 Background of the study.......................................................................................10
  1.1.1 Background and the Current Status of ethio teleocm ....................................12
  1.1.2 The current ethio teleocm .............................................................................13
  1.1.3 Strategic Objectives of ethio telecom .............................................................14
  1.2 Statement of the problem......................................................................................14
  1.3 Objectives of the study .......................................................................................15
  1.3.1 General Objective .........................................................................................15
  1.3.2 Specific Objective .........................................................................................16
  1.4 Significance of the study ......................................................................................16
  1.5 Delimitation of the study ....................................................................................17
  1.6 Limitation of the study .......................................................................................17
  1.7 Operational Definition of Key Terms .................................................................17
  1.8 Organizations of the chapters ............................................................................18

CHAPTER TWO ..................................................................................................................19
  2 REVIEW OF THE RELATED LITERATURE ......................................................19
  2.1 Meaning and Definition of PA ............................................................................19
  2.1.1 Performance appraisal process .....................................................................20
  2.1.2 Approaches to performance appraisal ..........................................................23
  2.1.3 Performance Appraisal System ...................................................................23
  2.1.4 Effectiveness of PAS ....................................................................................25
  2.1.5 Time to Conduct Performance Appraisal .....................................................28
  2.1.6 Responsible Body to Conduct PA .................................................................29
Abbreviations & Acronyms

CAAZ         Central Addis Ababa Zone
SAAZ         South Addis Ababa Zone
NAAZ         North Addis Ababa Zone
EAAZ         East Addis Ababa Zone
WAAZ         West Addis Ababa Zone
SWAAZ        South West Addis Ababa Zone
ETA          Ethiopian Telecommunication Authority
ETC          Ethiopian Telecommunication Corporation
HR           Human Resource
IBTE         Imperial Board of Telecommunication Ethiopia
ICT          Information Communication Technology
PA           Performance Appraisal
PTO          Public Telecommunication Operator
List of Tables

Table 1: Population and sample size of the six zonal offices of ethio telecom....................... 30
Table 2: Respondents demographic information........................................................................32
Table 3: Purpose of Performance Appraisal as perceived by Respondents........................... 34
Table 4: Process and procedures of performance appraisal as perceived by Respondents.... 35
Table 5: Performance appraisal criteria as perceived by Respondents................................... 37
Table 6: Employee Attitude toward the rated as perceived by Respondents........................... 38
Table 7: Individual personal improvement as perceived by Respondents............................. 39
Table 8: Organizational development as perceived by Respondents ..................................... 40
Table 9: Relationship between performance appraisal items and employee personal improvement............................................................................................................................43
Table 10: Relationship between performance appraisal items and Organizational development..........................................................................................................................46
List of Appendices

Appendix-I. Questionnaire
Abstract

The main purpose of the study was to explore the effectiveness of performance appraisal in ethio telecom in correlating with staff professional improvement and organizational development. In order to achieve the objective of the study, descriptive survey method was employed. The study used questionnaire to collect primary data. Accordingly 182 respondents from 1821 employees working in the six zonal offices were selected using purposive sampling technique. The data gathered through questionnaire were analyzed using both descriptive and inferential statistics mainly frequency, percentage and correlation coefficient respectively. The descriptive study revealed that is unclear performance standards/criteria, lack of ongoing performance feedback, rater’s error in evaluating performance and use of performance appraisal program for administrative purpose only. The inferential study also revealed that there is a strong positive relationship between performance appraisal variables with personal improvement and organizational development particularly appraisal process and procedure. Hence, it is reasonable to conclude that the appraisal process was not clearly communicated before implementation; lack of required skill on the side of the appraiser and the criteria is weak to measure performance highly affected the overall effectiveness of the performance appraisal of ethio teleocm at large and personal development in particular.

It is recommended that since appraisal process and procedures are the most significant factors of all the performance appraisal dimensions resulting in personal improvement and organizational development, the management should conduct detailed study and assess critically on performance appraisal process and procedures for it is a starting point in the design of performance appraisal dimensions. Moreover, it is recommended that ethio telecom should device training for it’s appraisers to make them equip with the all the required skill which in turn will avoid problems related with failing to keep file during prior to evaluation periods, giving equivalent ratings to all regardless of their performance and not frequently letting know how employees are doing which impacts and affects both personal improvement and organizational development.
CHAPTER ONE

1 Introduction

Performance appraisal is a process to assess how individual employees are performing and how they can improve their job performance and contribute to overall organizational performance. If performance is conducted with good intentions to manage and improve performance of individual employees with a proper appraisal process, criteria, and purpose, it will lead to enhanced organizational efficiency, effectiveness and productivity. This research focused on the effectives of staff performance appraisal in ethio telecm in correlation with personal improvement and organizational development.

1.1 Background of the study

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. According to Ivancevich (1989), “It is important to remember that people do the work and create ideas that show the organizational service”. 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 an organization and the system is called Performance Appraisal.

Performance Appraisal benefits both employees and employers. Employers benefit from understanding their employees weaknesses and strengths. Understanding the employees helps to make basic enforcement for weakly performing employee by giving training and development in order to improve his/her performance before rushing to punishment. It also helps to make remuneration and promotion readily available for those who performed well. Performance appraisal 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 benefit 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 to meet its short and long term goals and objectives by helping management and employees do their jobs more efficiently and effectively, and performance appraisal is one part of this system (Bacal, 1999).

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.

The effectiveness and success of an organization therefore lies on the people who form and work within the organization. The ultimate objective of performance appraisal is identifying, measuring, and managing of human performance in an organization and to give feedback to employees who may improve their performance on job and also organizations success.

To all intent and purposes, an organization is judged by its performance. However, the biggest influence on organizations performance is the quality of the labour force at all levels of the business. The most important role for human resource managers is to raise the performance of employees in the organization. To do this, employees’ performance has to be managed and this is not an easy job. Performance appraisal or evaluation is regarded as a once a year phenomena in most organizations but this is not the fact.

Therefore examining the practice of staff performance appraisal used in ethio telecom and spotting its problem to analyze the performance of employees and to understand, if there is an effective system or not by conducting a relationship between performance appraisal dimensions with personal improvement and organizational development.
1.1.1 Background and the Current Status of ethio teleocm

Established over a century ago, the Ethiopian telecommunication corporation (ETC) is the oldest public telecommunication operator (PTO) in Africa. Proclamation No.49/1996 established the current legal structure of ETC in November 1996, along with a separate entity, the Ethiopian Telecommunication Authority (ETA). The former ETA had been responsible for the execution of both regulatory and operational activities, an arrangement that was established in 1981 under the ministry of transport and communications. Although the organization dates back to 1894, the first autonomous entity is considered to be the imperial board of telecommunication of Ethiopia (IBTE) established by proclamation 131 on October 15, 1952.

While operating as IBTE, six significant revisions were undertaken in 20 years before renamed in 1975 as the Provisional Military Government of Socialist as ETA in January, 1991. After the downfall of the military regime in May 1991, the transitional government of Ethiopia issued the new economic reform in October 1992. The overall restricting program change previously centralized command economy to a free market oriented one with the aim of making government owned enterprises more efficient and effective. The government is also given probity to the development of rural infrastructure (http://www.ethiotelecom.et accessed on 23/12/2012).

The current Ethiopian government has made the development of information and communication technology (ICT) one of its strategic priorities. This ICT policy is a demonstration of its commitment to the development of ICT both an industry and as an enabler of socio-economic transformation. The policy stems from the recognition by the government of ICT as the key driver and facilitator for transforming Ethiopia predominantly subsistence agriculture economy and society into an information and knowledge based economy and society, effectively integrated into the global economy.
1.1.2 The current ethio teleocm

As a continuation of the five year plan and after concentrating its efforts on education, health and agriculture, the Ethiopian government has decided to focus on the improvement of telecommunication services, considering them as a key lever in the development of Ethiopia. ethio telecom is born from this ambition of supporting the steady growth of the country. ethio teleocm management wishes to implement state of the art processes, to develop reliable network infrastructures and to provide the best quality of services to its customers. To ensure that ethio telecom runs parallel with top telecom operators, the Ethiopian government has reached an agreement with France Telecom, one of the world’s best telecommunication companies.

The vision of the „new ETC” is to position ethio telecom as a world class service provider of telecommunications, and to ensure that the company will run parallel with top telecom operators. Its mission is to connect every Ethiopian through ICI, to provide products and services that enhance the development of our nation and to build successful brand known for its customer consideration.

With meeting international standards ethio teleocm remain faithful for the following values:

- Being committed to understand, meet and exceed the telecommunications needs and expectations of our country at large and of customers in particular.
- Respect customers and recognize that their revenues allow ethio teleocm to operate and recognize that the company employees are the most valuable assets and want to create an efficient corporate management environment that allows to develop and grow.
- Being committed to high level job performance, customer service quality, organizational excellence and continuous improvement in all areas and make every effort to achieve a superior financial return.
- Uphold ethical standards, being honest in all assignments
- Hold ourselves accountable to all our stakeholders
1.1.3 Strategic Objectives of ethio telecom

- ethio telecom will achieve its goal of both providing a reliable network and of improving customer services though a range of different levels that are part of its development strategy.
- ethio telecom will develop and enhance the information system. This will help to decrease the delay for provision, sales and activation as well as to provide more reliable information to customers.
- ethio telecom will develop a world class human resource management. This will help to improve employee’s ability to meet the needs and expectations of customers.
- ethio telecom will implement and control standard processes. This will help to increase reactivity and to faster customer access to services.
- ethio teleocm will develop better sourcing and facilities processes. This will help faster delivery and repair and will offer more transparency to customers.

1.2 Statement of the problem

As cited by Danielle S. Wiese and M. Ronald Buckley(1998), an effective performance appraisal system can play a crucial role in an organization’s efforts to gain competitive advantage. For example, effective performance appraisals can provide accurate assessments of employee productivity and quality of work and can motivate employees to higher levels of performance by giving the employee full feedback.

Sustained competencies in this dynamic environment can only be maintained through the never-ending development of human resources. To achieve this human resource development, employee performance appraisal is a vital mechanism. Managers must realize that performance appraisal has to be comprehensive and that it is a continuous process rather than an event that occurs once a year.(John Ratton and Jeffrey Gold, 1999). On the others hand, employee performance appraisal is a vital mechanism to develop human resources in achieving sustained competencies in prevailing dynamic environment. Thus managers must realize that performance
appraisal has to be comprehensive and that it is a continuous and that it is a continuous process rather than an event that occurs once a year (John Ratton and Gold, 1999).

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 understandability of its purpose, processes and procedures involved, standards and criteria set, its contribution to personal improvement and organizational development.

But the researcher is in a state of fundamental doubt that performance appraisal system employed in ethio teleocm is achieving the desired objectives. Accordingly, the researcher of this study entirely interested in assessing employee’s perception on the existing performance appraisal system and its implication (effectiveness) in employee’s personal improvement and organizational development.

Having the above statement in mind, the research study has formulated the following research basic questions.

- To what extent employees of ethio telecom perceives the benefits of the existing performance appraisal system serving its purpose?
- Which major factors of performance appraisal do affect employee’s personal improvement and organizational development?
- To what extent is the existing performance appraisal system contributed to employee’s personal improvement and organizational development?

1.3 Objectives of the study

1.3.1 General Objective

The main objective of the study was to assess & explore the effectiveness of the performance appraisal in ethio Telecom by identifying its relationship and its contribution between performance appraisal dimensions with personal improvement & organizational development.
1.3.2 Specific Objective

The specific objectives include:

- To examine the extent to which performance appraisal is practiced
- To evaluate the degree of correlation between performance appraisal dimensions and personal improvement
- To evaluate the degree of correlation between performance appraisal variables and organizational development

1.4 Significance of the study

The study is significant to give feedback to employees, employers, other stakeholders and researchers about the organizations performance appraisal practice. The study would reveal

A. 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. To this end, it might indicate the possible appropriate ways of PA process and practices to ethio Telecom.

B. The direction and significance of correlation has important managerial decision making implications. It provides management an insight to make adjustment on performance appraisal variables in light of individual and organizational development.

C. It will provide feasible solutions for the problem identified.

D. It also helps researchers in provision of information as secondary data for future use in the academic arena.
1.5 **Delimitation of the study**

The project paper is conducted on the effectiveness of performance appraisal practice of ethio Telecom. The research study is limited to ethio Telecom employees located at the six zonal offices. Though Ethio Telecom has many regional zones spread across the country, the research only covers Addis Ababa. The corporate Human Resource division serves all ethio Telecom offices and governing HR polices are common to all. Besides it was convenient to distribute questionnaire and obtain relevant data in a timely manner. Hence, the generalization of the research finding was delimited to ethio Telecom Addis Ababa offices.

1.6 **Limitation of the Study**

The major limitation encountered while conducting the study was that the respondents were not easily cooperative since they were busy with annual reporting and planning for next year budget. As a result, the questionnaires were not collected on time. This had resulted in running out of department’s schedule to submit.

1.7 **Operational Definition of Key Terms**

The following operational definitions are given for the terms used in this study

**Performance Appraisal**: is defined as a process by which a supervisor/manager evaluates and judges the work performance of their subordinates

**Rater**: Those incumbent positions who are designated to appraise the performance of their subordinates.

**Ratee**: A process by which manager evaluates the work performance of a subordinate.

**Effectiveness**: the degree to which something is successful in producing a desired result

**ethio telecom**: is an integrated telecommunication services provider in Ethiopia
1.8 **Organizations of the chapters**

The study was organized into five parts; the first chapter provides background of the study, statement of the problem and basic questions, objectives of the study, delimitation of the study, definition of key terms, and organization of the study. Chapter 2 provides literature review of the most important concepts of performance appraisal system. This chapter will provide an insight into these concepts by focusing on previous research studies in this area and present review literature relevant to the study. Chapter 3 covers research design and methodology. Chapter 4 consists of analysis and interpretation of data. Finally, chapter 5 will address the summary, conclusion, and recommendation.
CHAPTER TWO

2 REVIEW OF THE RELATED LITERATURE

Conceptual Framework
This chapter tries to deal with review of literature on performance appraisal. Attempts will be made to briefly begin with meaning and definition of PA followed by the general concepts of performance appraisal such as purpose, methods, importance, time, schedule, and other related information presented in very precise manner.

2.1 Meaning and Definition of PA

Before defining performance appraisal one has to know what Performance management is all about. According to Armstrong (2009), Performance management is a systematic process for improving organizational performance by developing the performance of individuals and teams. It is a means of getting better results by understanding and managing performance within an agreed framework of planned goals, standards and competency requirements.

Performance management is concerned with: aligning individual objectives to organizational objectives and encouraging individuals to uphold corporate core values; enabling expectations to be defined and agreed in terms of role responsibilities and accountabilities (expected to do), skills (expected to have) and behaviors (expected to be); providing opportunities for individuals to identify their own goals and develop their skills and competencies. (Armstrong, 2009)

Performance Appraisal is defined by different scholars of human resource management in different time. Therefore, some theories of those scholars have been discussed as follows.

According to Longenecker, (1997) performance appraisal is two rather simple words that often arouse a raft of strong reactions, emotions, and opinions, when brought together in the organizational context of a formal appraisal procedure. Most organizations throughout the world regardless of whether they are large or small, public or private, service or manufacturing, use
performance appraisal, with varying degrees of success, as a tool to achieve a variety of human resource management objectives.

Organizations use different tools and have a number of goals for performance appraisals, often resulting in some confusion as to the true purpose of performance appraisal systems. However, at its core, the performance appraisal process allows an organization to measure and evaluate an individual employee’s behavior and accomplishments over a specific period of time (Wiese and Buckley, 1998).

Yong (1996) defines performance appraisal as “an evaluation and grading exercise undertaken by an organization on all its employees either periodically or annually, on the outcomes of performance based on the job content, job requirement and personal behavior in the position”.

Therefore, HR development, begins with the orientation of new employees, HR training and development, and also includes the necessary information to accommodate technological changes. Encouraging development of all employees including supervisors and managers is necessary to prepare organizations for future challenges.

Career planning identifies paths and activities for individual employees as they develop within the organization. Assessing how well employees are doing their jobs is the focus of performance appraisal (Mathis and Jackson 1997, pp17-18). Furthermore, (Gomez-Mejia et.al. pp225), stated that “performance appraisal as the process of identification, measurement, and management of human performance in organization.” Therefore, to make these effective organizations should develop a system that serve as a tool to performance appraisal process.

**2.1.1 Performance Appraisal Process**

According to David A. Decenzo & Stephen P. Robbins (2005), performance appraisal has six stages which begins 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 be 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 has in terms of work performance by his/her employees must be clear enough in his/her mind so that he/she will be able to, at some later date, communicate these expectations to his/her 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. Corrective action can be of two types; one is immediate and deals predominantly with symptoms, and the other is basic and delves into causes. 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 o n fires‟. Good supervisors recognize that taking a little time to analyze the problem today may save more time tomorrow when the problem may get bigger.

The above discussed performance appraisal steps can be shown as follows in the following diagram.

```
Establish performance standards with employees

Mutually set measurable goals

Measure actual performance

Compare actual performance with standard

Discuss the appraisal with the employee

If necessary, initiate corrective action
```
2.1.2 Approaches to Performance Appraisal

Numerous techniques for measuring performance have been developed over the years. According to Gomez-Mejia, (2001), techniques of measuring performance of employees involve a wide array of appraisal formats from which to choose. Here we discuss the formats that are most common legally defensible. These formats can be classified in two ways: (1) the type of judgment that is required (relative or absolute), and (2) the focus of the measure (trait, behavior, or outcome). PA roots in the early 20th century and its existence consists of different approaches in its history. The three approaches that deal with PA are presented below. (Heneman and et.al.)

**The traditional trait rating scale approach**: involves rating an individual’s personal traits or characteristics. Commonly assessed traits are: initiation, decisiveness and dependability. Although the trait approach is widely used by managers and it is generally considered by experts to be the weakest. It contains different method during application.

**Behaviorally anchored rating scale approach**: is done on job –by-job basis. The steps in developing a behavioral anchored rating scale are both time consuming and rigorous. It contains different method, during application.

**Management by objectives approach**: focuses on the product of one’s efforts. It is the most common format for the results approach. Also, it contains different methods during application. (Heneman et al. 1996)

2.1.3 Performance Appraisal System

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

Development use of appraisal which is geared toward improving employees performance strengthening their job skills, including counseling employees on effective work behaviors and sending for training. Moreover, Mathis and Jackson (1997) state the administrative aspect of performance appraisal as follows: performance appraisal system is often link between the reward employees hope to receive and their productivity. Decisions on promotions, termination layoff, and transfer assignments are some of the administrative use of performance appraisal that are very important to employees. When organizations terminate, promote or pay people differently, PAs are necessary as they are crucial defense if employees sue over such decisions.

**Employee feedback and development:** is another purpose of performance appraisal whereby employees know where they stand relative to performance objectives and organizations expectations. As Mathis and Jackson (1997), also stated that performance appraisal can be primary source of information and feedback for employees, which is the key for their future development. When supervisors identify the weakens, potentials, and training needs of employees about their progress, discuss what skills they needed to develop and work out development plans. Here the main purpose of development feedback is to change or reinforce behavior rather than to compare individual as in the case of administrative users of performance appraisal.

Armstrong (2009) also stated employee’s feedback and development functions as a continuous and evolutionary process in which performance improves overtime. It provides the basis for regular and frequent dialogue between managers and individuals about performance development needs based on feedback and self-assessment. It is mainly concerned with individual performance but it can be applied to teams. The emphasis is development, although performance management is an important part of the reward system through the provision of feedback and recognition and the identification of opportunities for growth.

**Evaluation of policies and program:** Is another purpose of performance appraisal to influence work behavior. That means, one can observe the purpose of performance appraisal keeps
determinant effect and needs to be well known and done for the effectiveness of the organization task and employee relative stand on his/her job.

### 2.1.4 Effectiveness of PAS

According to Amy Delpo (2005), there are some specific qualities that all effective performance evaluation systems share, paying particular attention to those that you as a manager can control.

**A) A Fair and Communicative Environment**

The most effective performance appraisal systems place concern for the employee at their core. The reality is that you cannot control your employees’ behavior—only they control how they perform their jobs. Research has shown, however, that the majority of employees want to perform well; the key is to provide them with the right environment in which to do so. Such an environment includes support, communication, collaboration and fair treatment— the very qualities created by effective performance appraisal systems.

**B) Respect for the Employee**

Respecting employees respect its foundation for any effective performance evaluation system. Employees who feel respected are more likely to buy into the appraisal system— to participate fully and sincerely in setting goals and to strive hard to perform to the standards you set. On the other hand, employees who do not feel respected will show that same lack of respect for you and your efforts to improve their performance.

**C) Focus on the Future**

If, at its heart, a performance appraisal process is designed to improve employee performance, then a manager should emphasize what the employee can do going forward, not how the employee did in the past. The past can inform your ideas about the future, but it should not be the sole focus of the appraisal process.

This means that one should spend the bulk of the appraisal meeting on identifying goals for the next year and talking about how the employee can achieve them. It also means that your
feedback throughout the year should not punish or shame employees for bad performance, but help employees see when their performance is slipping and strategize with them on how to improve.

This doesn’t mean that looking to the past performance has no place in the process; indeed, at each evaluation and discuss how the employee met the goals set at the previous evaluation. But you should look to the past with goal of learning from it, so that the look backward is developmental and helpful to the employee, rather than punitive.

**D) Employee participation**

Another element common to successful performance evaluation systems is employee participation. Employees must play a key role, participating in everything from writing job descriptions, to identifying their own goals and standards, to assessing how well they have performed.

You can increase employee’s job satisfaction and engender their trust in the appraisal system by bringing them into the loop and giving them power and responsibility for directing and assessing their own performance. This satisfaction and trust leads employees to accept the company’s appraisal process and make a commitment to their own development.

In addition, you need the information that your employees can bring to the table. Your employees are often in the best position to answer the questions posed during the appraisal process, at the very least; they can provide some crucial insights.

These questions include:

- How can they help the company achieve its goals?
- How much can be expected from someone in a given job?
- Are there any organizational impediments to their performance?
- Is there anything you can provide to help them perform better?
- How well they have achieved their own goals?
Research has shown that when employees are involved in goal setting, the goals they set are higher and more demanding than goals that managers set alone. Employees will push the envelope, often demanding more of themselves than you might demand of them.

Employee participation promotes team work. It gives the two of you the sense of working together rather than being opposite sides of the fence. It also reduces the chances that you will miss out on important or insights you could share with each other.

E) Ongoing Feedback

Giving employee’s feedback—both positive and negative—as circumstances warrant is another important feature of an effective performance evaluation system. If you tell employees what you think of their performance only once a year, you’ve wasted a lot of opportunities throughout the year to encourage good performance and to help employees who are struggling get back on track.

Feedback also helps employees adjust as circumstances change throughout the year. The importance of certain goals may shift; obstacles may appear; employees may lose motivation or focus. Your feedback will tell employees what is still important, what is no longer important, and what they can do to achieve their goals in the face of these changes.

Studies show that without feedback, a performance appraisal system alone will not improve employee performance. Positive feedback, often particularly neglected, is important: providing positive feedback whenever appropriate gives employees a sense of accomplishment and appreciation, while highlighting standards for how they should continue to perform.

F) Document

Ongoing and accurate documentation is the crux of a good performance appraisal system. Documentation spanning the entire appraisal period ensures that your review will be fair and accurate and gives you rock-solid support in case of a lawsuit. Without good documentation of an employee’s performance throughout the year, all you will have are memories and gut feelings, neither of which are reliable or legally safe.
In addition, good documentation provides continuity should the employee change departments or managers. If the old manager properly documented the employee’s performance, the new manager can take over easily than if no record existed.

2.1.5 Time to Conduct Performance Appraisal
In any administration activity of an organization, PA also has its own time to be conducted. Everyone in the organization has his/her own time to conduct PA depending on their own philosophy of time period (Mullins 1996 pp. 501): With the majority of schemes, staff receives an annual appraisal and for many organizations this may be sufficient. Also more frequent appraisals may be appropriate for new members of staff, those recently promoted or appointed to a new position or for those whose past performance has not been up to the required standard. And also Mathis and Jackson (1997 pp 345-346) broadly explained as follows:

First an informal appraisal is conducted whenever the supervisor feels it is necessary. The day-to-day working relationships between a manager and an employee performance have to be judged. This judgment is communicated through conversation on the job or over coffee or by on-the-sport examination of a particular piece of work. Informal appraisal is especially appropriate when time is an issue. The longer feedback is delayed the less likely it is motivating behavior change. Frequent information feedback of employee can also avoid surprises (and therefore problems) later when the formal evaluation is communicated.

Second, a systematic appraisal is used when the contact between manager and employee is formalized and a system is established to report managerial impressions and observations on employee performance. Although informal appraisal is useful, it should not take the place of formal appraisal. When a formalized or systematic appraisal is used, the interface between the HR unit and the appraising manager becomes more important. Therefore, systematic appraisals typically are conducted once or twice a year.

Appraisals most often are conducted once a year, usually near the employee's anniversary date. For new employees, an appraisal for 90 days after employment, again at six months, and annually these after is common timing. This regular time interval is a feature of formal appraisals.
and distinguishes them from informal appraisals. Both employees and managers are aware that performance will be reviewed on a regular basis, and they can plan for performance discussions. In addition, informal appraisals should be conducted whenever a manager feels they are desirable.

2.1.6 Responsible Body to Conduct PA

Who should evaluate an employee’s performance? The obvious answer would seem to be his/her immediate boss. By tradition, a manager’s authority typically has included appraising subordinates’ performance. The logic behind this tradition seems to be that since managers are responsible for their employee’s performance, it only makes sense that these managers do the evaluating of their performance. But that logic may be flawed. Others may actually be able to do the job better (Mahapatro, 2010)

Basically, employees’ performance can be evaluated by:

- Immediate superior
- Peers
- Self evaluation
- Immediate subordinates
- 360 degree evaluations

Immediate superior

As we implied, about 95% of all performance evaluations at the lower and middle levels of the organizations are conducted by the employee’s immediate boss. Yet a number of organizations are recognizing the drawbacks of using this source of evaluation. For instance, many bosses feel unqualified to evaluate the unique contributions of each of their employees. Additionally, with many of today’s organizations using self-managed teams, and other organizing devices that distance bosses from their employees, an employee’s immediate superior may not be a reliable judge of that employee’s performance.

Peers
Peer evaluations are one of the most reliable sources of appraisal data. WHY? First, peers are close to the action. Daily interactions provide them with a comprehensive view of an employee’s job performance. Second, using peers as raters result in a number of independent judgments. A boss can offer a single but peers can provide multiple appraisals. And the average of several ratings is often more reliable than a single evaluation. On the down side, peer evaluations can suffer from co-workers unwillingness to evaluate one another and from biases based on friendship or animosity.

**Self evaluation**

Having employees evaluate their own performance is consistent with values such as self management and empowerment. Self evaluation get high marks from employees themselves; they tend to lessen employees’ defensiveness about the appraisal process; and they make excellent vehicles for stimulating job performance discussions between employees and their superiors. However, as you might guess, they suffer from over inflated assessment and self-serving bias. Moreover, self evaluations are often low in agreement with superiors’ ratings. Because of these serious drawbacks, self evaluations are probably better suited to developmental uses than evaluative purposes.

**Immediate subordinates**

Immediate subordinates evaluations can provide accurate and detailed information about a manager’s behavior because the evaluators typically have frequent contact with the evaluate. The obvious problem with this form of rating is fear of reprisal from bosses given unfavorable evaluations.

**360 degree evaluations**

The latest approach to performance evaluation is the use of 360 degree evaluations. It provides for performance feedback from the full circle of daily contacts that an employee might have, ranging from mailroom personnel to customers to bosses to peers.
Performance data in 360 degree feedback process can be generated for individuals from the person to whom they report, their direct reports, their peers (who could be team members and/or colleagues in other parts of the organization) and their external and internal customers (Michaeles Armstrong, 2006)

2.1.7 Performance Appraisal Criteria

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

As Mathis and Jackson (1997) stressed, performance criteria are standards commonly used for testing or measuring performances. Criteria for evaluating job performances can be classified as trait-based, behavioral based, or results based.

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

**Behavior-based criterion:** focus on specific behaviors that lead to job success.

**Results-based criterion:** look at what the employee has done or accomplished. For some jobs where measurement is easy and appropriate, a results-based approach works very well. Generally, criteria are relevant when they measure employees on the most important aspects of their jobs. But there are also problems with these criteria. Mathis and Jackson (1997 pp. 341) again said, jobs usually include many duties and tasks, and so measuring performance usually requires more than one dimension. If the performance criteria leave out some important job duties, they are deficient. If some irrelevant criteria are included in the criteria, the criteria are
said to be contaminated. Managers use deficient or contaminated criteria for measuring performance much more than they should.

### 2.1.8 Factors that can Distort Appraisal

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

#### 2.1.8.1 Problems Emanating from the System of PA

Problems can be emanate from the system of appraisal which involves the objective of the appraisal it wants to serve, administrations system, forms used and procedure used to make up the system. According to Michael Beer (1987) many of the problems in performance appraisal stem from the appraisal system it self-the objectives it is intended to serve, the administrative system in which it is embedded, and the forms and procedures that make up the system.

According to Michael Beer (1987), the problems of performance evolution is related to the forms and procedures that make up the performance appraisal system. The form used to record the performance of the employees is blamed if it is cumbersome, not customized and if employees did not participate in the design of the form of evolution. (ibid)

According to Deborah F.B and Brain H. Kleiner (1997) organizations need to have a systematic framework to ensure that performance appraisal is “fair” and “consistent”. In their study of “designing effective performance appraisal system”, they conclude that that designing an effective appraisal system requires a strong commitment from top management. The system should provide a link between employee performance and organizational goals through individualized objectives and performance criteria.

They further argued that the system should help to create a motivated and committed workforce. (ibid) The system should have a framework to provide appropriate training for supervisors,
raters, and employees, a system for frequent review of performance, accurate record keeping, a clearly defined measurement system, and a multiple rater group to perform the appraisal

2.1.8.2 Problems Emanating from the Raters

Raters have their own rose-colored glasses with which they “objectively” view their subordinates. These biases produce rating errors, or deviations between the “true” rating an employee deserves and the actual rating assigned. Rating errors reduce the reliability, validity, and utility of performance appraisal systems. Biases in performance ratings manifest themselves in many forms.

According to Ivancevich, (1989), the use of ratings assumes that the rater is reasonably objective and accurate. However, in reality, raters’ memories are quite imperfect, and raters subscribe to their own sets of likes, dislikes, and expectations about people, which may or may not be valid.

2.1.8.3 Problems Emanating from the Ratees

The problems of performance evaluation can also be attributed to the ratees, and involves the instance of; their attempt to create unnecessary impression and work area ingratiation is one of the major problems with respect to ratees. According to Mark Cook (1995), while discussing impression management, organizations occasionally exist in which subordinates gain credit for pushing ahead with management plans that are absurdly wrong, in pursuit of aims which are completely pointless, stifling criticism either of purpose or of method with cries of “commitment” and “loyalty”.

Ingratiation English has a rich vocabulary to describe workplace ingratiators – including words listed in dictionaries as “not in polite use” – which implies that the behavior is widely recognized, but not widely popular. Research suggests however that ingratiation does not always succeed in obtaining good performance ratings. Unsubtle ingratiation may sometimes be too blatant to be credible, or palatable.
Ingratiation and other impression management techniques also contaminate appraisal ratings, and make them less accurate reflectors of true worth to the organization. Besides undermining performance appraisal, and selection research, this tends to be bad for morale, when staff see persons whose true performance is poor, but who are good at ingratiating themselves, get merit awards, or promotion, or other marks of favor.

2.1.9 Factors Influencing the Effectiveness of PA

PA can be influenced by three major factors: appraisal system, subordinate and supervisor relationship, and the interview process. Michael Beer (1987) has discussed these three factors than can influence appraisal outcomes. First, the appraisal system can be designed to minimize the negative dynamics causing problems of performance appraisal. The supervisor often has only marginal control over these matters. Second, the ongoing relationship between boss and subordinate will have major influence on the appraisal process and outcome. Third, the interview process itself, the quality of communication between boss and subordinate, can help to minimize problems of performance appraisal.

The appraisal system: In order to solve the problem of defensiveness of ratees that resulted as a result of conflict in the goals of performance appraisal, raters should conduct two separate performance appraisal interviews – one focused on evaluation and the other coaching and development. The other solution is choosing appropriate performance data. For instance, using behavioral rating scales and behavior related appraisal techniques may solve this problem.

Supervisor-subordinate relations: The quality of the appraisal process is dependent on the nature of the day-to-day boss subordinate relationship. In an effective relationship, the supervisor is providing feedback and coaching on an ongoing basis. Thus, the appraisal interview is merely a review of the issues that have already been discussed. On the other hand, if a relationship of mutual trust and supportiveness exists, subordinates are more apt to be open in discussing performance problems and less defensive in response to negative feedback.
There are no easy techniques for changing a boss subordinate relationship. It is highly affected by the context with which the boss and subordinate work, the broader culture of the organization, and the climate of the primary work group will have important influences on boss-subordinate relationship. If the organization culture encourages participative management, open communication, supportiveness accompanied by high standards of performance, a concern for employees, and egalitarianism, it is more likely that these values will characterize.

**The appraisal interview:** The best techniques for conducting a particular appraisal interview depend on the mix of objectives pursued and the characteristics of the subordinate. Employees differ in their age, experience, sensitivity about the negative feedback, attitude towards the supervisor, and desire for the influence and control over their destiny.

According to Michael Beer (1987) there are three types of appraisal interviews each with distinct specific objectives. The differences are important in determining the skills required by the supervisor and the outcomes for employee motivations and supervisor-subordinate relationships. The three methods are termed as: tell-and-sell, tell-and-listen, and problem solving.

**The tell and sell method:** The aim of this method is to communicate evaluations to employees as accurately as possible. The fairness of the evaluation is assumed and the manager seeks (1) to let the subordinate know how they are doing, (2) to gain their acceptance of the evaluation, and (3) to get them to follow the manager’s plan for improvement. In the interview, supervisors are in complete control; they do most of the talking. They attempt to influence and persuade subordinates that their observation and recommendations are valid. Clearly, this method leads to defensiveness, lack of trust, lack of open communication and exchange of invalid information and it can hurt supervisor-subordinates relations.

**The tell and listen interview:** The purpose of this interview method is to communicate the evaluation to the subordinate and then let him/her respond to it. This method is apt to result in better understanding between supervisor and subordinate than the -tell and sell method.
Employees’ perception about the performance appraisal in their organizations: According to McShane and Glinow, (2000), Perception is the process of receiving information and making sense of the world around us. It involves deciding which information to notice, how to categorize this information, and how to interpret within the framework of our existing knowledge. Perceptual process is the dynamics of selecting, organizing, and interpreting external stimuli. The perceptual process begins when environmental stimuli are received through our senses. Most stimuli are screened out; the rest are organized and interpreted based on various information-processing activities. The resulting perceptions influence our emotions and behavior toward those objects, people, and events.

According to Armstrong (2009), Perception is the intuitive understanding, recognition and interpretation of things and events. Behavior will be influenced by the perceptions of individuals about the situation they are in. Therefore, the perception of employee about their performance appraisal depends upon their understanding of themselves and interpretation of their own.

Perception about the Performance Appraisal System Fairness and Objectiveness:
Performance appraisal should be fair and objective oriented, if it is for aligning employees to organizational goals and employees” development. Fairness is emphasized more specifically; trust will be developed if management acts fairly, equitably and consistently, if a policy of transparency is implemented, if intentions and the reasons for proposals or decisions are communicated both to employees generally and to individuals, if there is full involvement in developing reward processes, and if mutual expectations are agreed through performance management. Failure to meet these criteria, wholly or in part, is perhaps the main reason why so many performance-related pay schemes have not lived up to expectations. The starting point is to understand and apply the principles of distributive and procedural justice.

One antecedent to distributive and procedural justice of performance, appraisal is social justice between groups and employees. When we do not compensate employees fairly, by basing their compensation on work results, then the employees waste their time rather on getting the desired levels of compensation and not on improving their work. According to Susan, (1995), performance evaluation system is fair if: 1) It provides adequate notice; 2) fair hearing which
requires a formal review of meeting in which an employee is informed of a tentative assessment of his/her performance and employees are permitted to challenge the assessment; and 3) Judgment based on evidence that requires the organization to apply performance standards consistently across employees.

2.2 Purpose of Performance Appraisal

Performance evaluation serves a number of purposes in organizations. Management uses evaluation for general human resource decisions. Evaluations provide input into such important decisions as promotions, transfer, and terminations. Evaluations identify training and development needs. They pinpoint employee skills and competencies that are currently inadequate but for which programs can be developed to remedy (B.B. Mahapatro, 2010).

According to Dick Grote (2002), an effective performance appraisal system will help you achieve all the ends- and –more by providing a solid foundation for all aspects of the employer/employee relationship. Such a system can help you:

- Providing feedback to employees about their performance
- Determining who gets promoted
- Facilitating layoff or downsizing decisions
- Encouraging performance improvement
- Motivating superior performance
- Setting and measuring goals
- Counseling poor performers
- Determining compensation changes
- Encouraging coaching and mentoring
- Supporting man power planning or succession planning
- Determining individual training and developmental needs
- Providing legal defensibility for personnel decisions
- Improving overall organizational performance
2.3 Uses of Performance Appraisal

The use of PA is elaborated by Mullins (1996 pp. 367) as a formalized and systematic appraisal scheme can also form the basis of a review of financial rewards and planned career progression. Performance appraisal is therefore, a crucial activity of the personnel function and the management of human resources. Also, the use of PA discussed by Henenman (1996, pp. 423) as PA is used to identify the dimension of performance, and also to set standards of contributions for each performance dimensions step.

Performance appraisal is 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 (Coutts and Schneider, 2004).

According to Armstrong (2000), a PA function is a continuous and evolutionary process in which performance improves over time. It provides the basis for regular and frequent dialogues between managers and individuals about performance and development needs based on feedback and self-assessment. It is mainly concerned with individual performance but it can also be applied to teams.

According to Gomez-Mejia et.al (2001), Organizations usually conduct appraisals for administrative and/or developmental purposes. Performance appraisals are used administratively whenever they are the basis for a decision about the employee’s work conditions including promotions, termination and rewards. Development uses of appraisal which are geared toward improving employees’ performance strengthening their job skills, including counseling employees on effective work behaviors and sending them for training.

The major functions of PA are to give employees feedback on performance, to identify the employees’ developmental needs to make promotion and reward decisions, to make demotion and termination decisions and to develop information about the organizations selection and placement decisions, as Nelson and et al. (1997, pp. 345-346) and Mondy, Noe and Premeaux
(1999) discuss the PA purpose as performance appraisal data are potentially valuable for use in virtually every human resource functional areas such as:

a) Human Resource Planning

b) Recruitment and selection

c) Training and development

d) Career planning and development

e) Compensation programs

f) Internal employee relation

g) Assessment of employee potential

The system involves several steps, which can be considered as continuous, however periodic. Performance appraisal objectives can be classified in a number of ways. One of the best known classifications was produced by McGregor (1987) who grouped the objectives as follows:

**Administration**: Providing an orderly way of determining promotions, transfers and salary increases.

**Informative**: Supplying data to management on the performance of subordinates and to the individual on his or her performance.

**Motivational**: Creating a learning experience that motivates staff to develop themselves and improve their performance.

Finally, Heneman et al (1996, pp. 340) classified the purpose of PA into three conditions:

**Administration Decisions**: those are for employee promotion, choosing employee, and making salary increments recommendations. And also these scholars presented this for administrative
purpose which helps to place employees in positions where their abilities can be best use or helpful in assigning employees to appropriate future positions.

Mathis and Jackson (1997, pp334) moreover state the administrative aspect of PA as follows: PA system is often the link between the reward employees hope to receive and their productivity. Decisions on promotion, termination layoff, and transfer assignments are some of the administrative use of PA that are very important to employees. When organizations terminate, promote or pay people differently, PAs are necessary as they are a crucial defense if employees sue over such decisions.

**Employee feedback and development:** is another purpose of PA is to employees know where they stand relative to performance objectives and organization expectations. As Mathis and Jackson (1997, pp. 345) also stated that PA can be primary source of information and feedback for employees, which is the key for their future development. When supervisors identify the weakness, potentials, and training needs of employees about their progress, discuss what skills they need to develop and workout development plans. Here the main purpose of developmental feedback lies to change or reinforce individual behavior rather than to compare individual as in the case of administrative users of PA.

Armstrong (2009) also stated employees” feedback and development as functions as a continuous and evolutionary process in which performance improves overtime. It provides the basis for regular and frequent dialogues between managers and individuals about performance and development needs based on feedback and self-assessment. It is mainly concerned with individual performance but it can also be applied to teams. The emphasis is on development, although performance management is an important part of the reward system through the provision of feedback and recognition and the identification of opportunities for growth. It may be associated with performance- or contribution-related pay but its developmental aspects are much more important.

**Evaluation of policies and programs implemented:** are another method of PA to influence work behavior. That means, one can observe the purpose of PA keeps determinant effect and
needs to be well known and done for the effectiveness of the organization task and employee relative stand on his/her job.

Mondy, Noe and Premeaux (1999, pp 386) stated that the purpose of PA, “A system which is properly designed and communicated can help to achieve organizational objectives and also increases employee performance. Actually, PA data are potentially useful for use in every human resource function area such as in every human resource planning and development of employee potential.
CHAPTER THREE

3 RESEARCH DESIGN AND METHODOLOGY

The main objective of the study was to assess and explore the effectiveness of the current practice of performance appraisal in ethio Telecom by correlating with personal improvement and organizational development. To this effect, the research methodology; source of data; sample size and sampling techniques; instruments and procedures for data collection; and methods of data analysis were stated here under.

3.1 Research Methodology

The method of research that was used to study the problem was descriptive survey and inferential where the researcher interacts with the participant involving surveys depicting current status and conditions. The design is suggested to answer questions such as “what is” or “what was” which are not experiments that can typically answered “why” or “how “ (Bickman and Rog,1998)

In this particular study descriptive survey approach is best suited to collect precise information concerning the current status of performance appraisal. Moreover it helps to demonstrate the association between performance appraisal system and the dependent variables: personal improvement and organizational development. Both quantitative and qualitative approaches were employed in this study.

Therefore, in order to identify and analyze the existing conditions of performance appraisal, to compare its existing condition with the reviewed research findings and to draw a general conclusion of the study, the researcher was interested to use this research method of study.

3.2 Sources of Data
The sources of data for the study were both primary and secondary. Regarding the primary source, data was collected for one hundred eighty two employees out of one thousands eighty one as a purposive sample from the six zonal offices of ethio telecom holding a different job roles including 30 managers, 25 supervisors, 63 professional and 64 sales representative through questionnaire. Moreover, secondary data was gathered from relevant documents such as articles, journals, published and unpublished theoretical literatures and empirical studies.

### 3.3 Sample size and sampling Techniques

The total sample size involved in this study was 182 employees from the six zonal offices as depicted in Table one in detail. The researcher takes a sample of 10% from each zonal offices using purposive sampling technique.

**Table 1: Population and Sample size of the six zonal offices of ethio telecom**

<table>
<thead>
<tr>
<th>Location</th>
<th>Male</th>
<th>Female</th>
<th>Total Population Size</th>
<th>Sample Size Selected</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAAZ</td>
<td>200</td>
<td>48</td>
<td>248</td>
<td>25</td>
</tr>
<tr>
<td>EAAZ</td>
<td>275</td>
<td>66</td>
<td>341</td>
<td>34</td>
</tr>
<tr>
<td>NAAZ</td>
<td>252</td>
<td>68</td>
<td>320</td>
<td>32</td>
</tr>
<tr>
<td>SAAZ</td>
<td>228</td>
<td>76</td>
<td>304</td>
<td>30</td>
</tr>
<tr>
<td>SWAAZ</td>
<td>238</td>
<td>50</td>
<td>288</td>
<td>29</td>
</tr>
<tr>
<td>WAAZ</td>
<td>259</td>
<td>61</td>
<td>320</td>
<td>32</td>
</tr>
<tr>
<td>Total</td>
<td>1452</td>
<td>369</td>
<td>1821</td>
<td>182</td>
</tr>
</tbody>
</table>

Source: ethio teleocm Human Resource Division

### 3.4 Data Collection Instruments and Procedures

The data for this study was collected from both primary and secondary sources. As a primary source, questionnaire was used. The questionnaire is a close ended type. Before distributing the questionnaire, to determine the quality and reliability of the questionnaire, the researcher distributed the questionnaire to eighteen participants who were not included in the actual pert of
the study to check if there is any unclear idea or statement. As a result, based upon the feedback obtained some questions were rephrased/rewrite which lacked clarity.

The questionnaire was structured with closed ended type. Accordingly, 5 point likert scale items was prepared for respondents because it was helpful for the researcher to know the respondents’ feelings. In addition to this, the questionnaire was employed to express their feelings, perceptions, problems related to performance appraisal practices in the organization. The questionnaire had six parts to obtain the necessary information about the purposes, processes, criteria, employee attitude toward the rater, personal improvement and organizational development

In this research design, performance appraisal dimensions including understanding the purpose of performance appraisal, process and procedures, appraisal criteria, employee attitude toward the rater are treated as dependent variable where as personal improvement and organizational development as an independent variable.

3.5 Methods of Data Processing and Analysis

The researcher used to collect quantitative data from sample respondents. As a result, both descriptive and inferential statistical tools were used using Statistical Package for Social Science (SPSS). The data collected through close ended questionnaires was tabulated. The interpretation was made with the help of frequency and percentage. Inferential statistics mainly correlation coefficient was used to measure the strength of relationships between performance appraisal variables with personal improvement and organizational development.
CHAPTER FOUR
4 Presentation, Analysis and Interpretation of Data

This chapter consists of two parts. The first part shows on the characteristic of the respondent that include personal & professional characteristic the second part deals with the presentations, analysis and discussion of the major findings in description of the basic questions that were analyzed based on the response obtained from the employees, Moreover, the numerical data of the sample, collectibles and response rates are summarized.

4.1 Characteristics of the Respondents

A total of eighty two copies of the questionnaire were distributed to the respondents. Out of these questionnaires one hundred sixty two returned, which is 89% response rate and regarded as adequate to investigate the study.

Table 2: Respondent’s Demographic Information

<table>
<thead>
<tr>
<th>No</th>
<th>Variables</th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>122</td>
<td>76</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>39</td>
<td>24</td>
</tr>
<tr>
<td>2</td>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Below 25</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>26-35</td>
<td>110</td>
<td>67</td>
</tr>
<tr>
<td></td>
<td>36-45</td>
<td>31</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>46-55</td>
<td>14</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Above 56</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>Educational Background</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Diploma</td>
<td>11</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>First Degree</td>
<td>118</td>
<td>72</td>
</tr>
<tr>
<td></td>
<td>Master’s Degree</td>
<td>36</td>
<td>22</td>
</tr>
<tr>
<td>4</td>
<td>Experience</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Below 5 years</td>
<td>16</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>5-10 years</td>
<td>92</td>
<td>56</td>
</tr>
<tr>
<td></td>
<td>Above 10 years</td>
<td>57</td>
<td>35</td>
</tr>
</tbody>
</table>
Table two shows the demographic characteristics of ethio telecom employee regarding sex, age, qualification and year of service. As a result, regarding sex 76% and 24% of employees are males and females respectively. With regard to the age of respondent, 49% are below 25 years and 2% are above 56 years. Most of them are age groups of 26-35 years of age which accounted 67%, the rest was age groups of 36-45, 46-55 which accounted for 19%, 9% respectively. This shows they are matured enough to equipped the researcher with all the necessary information.

In relation to qualification of respondents, the majorities 72% are bachelor’s degree, 22% are master’s degree and 7% are diploma holders. Therefore, it is possible to conclude that the information obtained from them can be considered as a reliable and reasonable due to their academic background.

Concerning to the years of service, the majority of employees 56% fall within 5-10 years of experience, while 35% are above 10 years and 10% are below 5 years. This indicates us that such ample years of service in the company is adequate enough to reply to the various issues raised concerning staff performance appraisal in ethio telecom.

4.2 Data Analysis, Findings, and Conclusions

This is the second part of this chapter that deals with the presentation, analysis and interpretation of data on the assessment of staff performance appraisal practice in ethio telecom and its relationship with personal improvement and organizational development. Here, all items were presented to the respondents to be rated on a five point likert scale from very high or strongly agree=5 to very low strongly disagree=1 were used.

The main aim of this part of analysis is to assess the primary purpose of staff performance appraisal in ethio telecom. To perform, five major items have been identified in the study and the response were presented, analyzed and interpreted in table items.
The response were scaled from 5 to 1, where 5 indicated strongly agree, 4 indicated somewhat agree, 3 indicated neutral/undecided, 2 indicated somewhat disagree and 1 indicated strongly disagree.

According to the tool used in the study, the researcher identified the following as the main purpose of performance appraisal and their percentage.

**Table 3: Purpose of Performance Appraisal as perceived by Respondents**

<table>
<thead>
<tr>
<th>No</th>
<th>Items</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Identify strength and weakness</td>
<td>8%</td>
<td>41%</td>
<td>19%</td>
<td>21.5%</td>
<td>10%</td>
</tr>
<tr>
<td>2</td>
<td>Base for reward or training</td>
<td>13%</td>
<td>25.5%</td>
<td>14%</td>
<td>27%</td>
<td>21%</td>
</tr>
<tr>
<td>3</td>
<td>Promote two way system of communication</td>
<td>18%</td>
<td>40.5%</td>
<td>18%</td>
<td>20%</td>
<td>4%</td>
</tr>
<tr>
<td>4</td>
<td>Base to determine appropriate salary</td>
<td>12%</td>
<td>22%</td>
<td>17%</td>
<td>29%</td>
<td>21%</td>
</tr>
<tr>
<td>5</td>
<td>Promote personal growth in the career</td>
<td>11%</td>
<td>28%</td>
<td>16%</td>
<td>21%</td>
<td>24.5%</td>
</tr>
</tbody>
</table>

It is possible to know that majority of employees (49%) agree that the purpose of performance appraisal is to identify strength and weakness, while (32%) disagree, and (19%) are indifferent. This shows that it is possible to conclude that one of the purposes of performance appraisal of ethio telecom is to identify the strength and weakness of employees.

On the other hand, most of the respondents (48%) of employees disagree that the purpose of performance appraisal is a base for rewarding or training, while (39%) agree, and (14%) are indifferent. This explains that no remedies follow i.e. either reward or training for employees once after they are evaluated and know their strength and weakness.

On the statement indicating the purpose of performance appraisal contributes toward promoting two way systems of communication shows that the majority (58%) of employees agrees, while (24%) disagree, and (18%) are indifferent. This clarifies that while conducting appraisal, there is...
an open two way systems of communication and discussion which results in finding out the true strength and weakness of employees.

Half of the respondents (50%) disagree with statement that explains performance appraisals a base for salary increment, while (34%) agree, and (17%) are neutral. This illuminates that the result of performance appraisal will not be used as a base for salary increment.

Meanwhile, the majority of employees (45%) disagree on the statement that explains performance appraisal promote personal growth in the career, while (39%) agree, and (16%) are indifferent. This elucidates that as the result of performance appraisal is not supported by either reward for the achievements (strong side) or training for (weak side), there is no personal growth career of employees.

To conclude, the main purpose of performance appraisal as perceived by respondents is to identify the strength and weakness of employees and to promote two way of communication were rated high with the percentage of 49 and 58 respectively. Meanwhile, items like it is for reward/training and promote personal growth in the career were also rated low (disagreement) with percentage of 47 and 45 respectively. This figure enables us to explain that the purpose of ethio telecom performance appraisal to some extent varies from the theories in which various authors have mentioned as the purposes of performance appraisal, that is, to make managerial decisions, for identifying training needs, to decide on demotion, to transfer and reward. This section of the analysis focuses on the process and procedures of performance appraisal practiced in ethio telecom. Hence, the following items were asked and responded as follows.

<table>
<thead>
<tr>
<th>No</th>
<th>Items</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Clearly communicated to all prior to implementation</td>
<td>7.5%</td>
<td>24%</td>
<td>19.4%</td>
<td>25%</td>
<td>24.5%</td>
</tr>
<tr>
<td>2</td>
<td>Appraisal done sitting together</td>
<td>19%</td>
<td>34.5%</td>
<td>14.5%</td>
<td>23%</td>
<td>8.5%</td>
</tr>
<tr>
<td>3</td>
<td>Appraisal done as per pre-established standards</td>
<td>17%</td>
<td>38.29%</td>
<td>16.4%</td>
<td>22%</td>
<td>7%</td>
</tr>
</tbody>
</table>
It is possible to know the level of agreement of the majority (50%) of employees disagree on the statement that clear communication was in place to all employees before implementing it, while (32%) agree and the rest (19%) are neutral. This shows that the performance appraisal process and procedures had not been clearly communicated to all employees prior to its implementation.

On the other hand, the statement that appraisal is done as per the pre established standards, the majority of the respondents (55%) agree, while (29%) disagree and (16%) are indifferent. This elaborates that performance appraisal is conducted against the pre established criteria. Though there is an established performance standard, for the smooth operation of the system, the communication has to be in place before moving out to its implementation as communication and discussion solves unclear issues and can improve the working relationships.

Concerning the level of agreement of the majority (54%) of employees agree that appraisal is done sitting together with the employees, while (32%) disagree, and (15%) are indifferent. This explains that performance appraisal is done through discussions which allow employees to express their opinions and comments, as well as to let managers comment on employee’s strength and weakness.

On the statement indicating during appraisal feedback is forwarded openly, the majority (44%) of employees agrees, while (39%) disagree, and (16%) are indifferent. This clarifies that while conducting appraisal, there is an open two way systems of communication and discussion between the appraiser and the appraise. Regarding ways to appeal for complaints, the majority (52%) agree, while (28%) disagree and (19%) are neutral/undecided. This explains that during appraisal and at time of discussion if appraise did not agree on the points given by the appraiser, the appraise can appeal for a complaints whereby HR interferes and see the case.
Most of the respondents (71%) agree that performance appraisal is conducted regularly, while (17%) disagree and (12%) are indifferent. This clearly explains that staff performance appraisal is conducted every six month.

To sum up, the items mentioned in the process and procedures of performance appraisal i.e. appraisal done sitting together, appraisal done as per pre established standards, feedback on progress is forwarded openly, ways to appeal for complaints, appraisal is conducted regularly were all treated positively by the respondents expect clear communication was in place prior to implementation which received a negative response rate from the respondents which takes a big share o f the portion for the proper implementation of the remaining mentioned above items, as it is a prerequisite for the others to properly follow.

This part deals with the analysis of assessment of performance appraisal criteria in ethio telecom. To this end, respondents were asked the level of agreement on how objectively it measures staff performance.

Table 5: Performance Appraisal Standards/criteria as perceived by the Respondents

<table>
<thead>
<tr>
<th>No</th>
<th>Items</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Criteria are objective</td>
<td>12%</td>
<td>35%</td>
<td>21%</td>
<td>22%</td>
<td>11%</td>
</tr>
<tr>
<td>2</td>
<td>Criteria distinguishes of performance</td>
<td>10.5%</td>
<td>34%</td>
<td>21%</td>
<td>26%</td>
<td>8.5%</td>
</tr>
<tr>
<td>3</td>
<td>Criteria are relevant to job</td>
<td>10%</td>
<td>25.2%</td>
<td>22%</td>
<td>29%</td>
<td>18%</td>
</tr>
<tr>
<td>4</td>
<td>Criteria are exhaustive to appraise</td>
<td>3%</td>
<td>27%</td>
<td>16.5%</td>
<td>36%</td>
<td>19%</td>
</tr>
</tbody>
</table>

Majority of the respondents (47%) agree on the statement that appraisal criteria are objective, while (33%) disagree and (21%) are neutral. Though performance criteria are objective, most of the respondents (45%) agree that the elements mentioned criteria failed to distinguish effective from ineffective performers, while, (35%) disagree and (21%) are indifferent. In addition,
majority of the respondent (55%) disagree that the criteria are exhaustive to appraise performance while, (29%) agree and the rest (17%) are neutral.

The majority of the respondents (47%) disagree, regarding the statement which stated as the criteria are customized to my job characteristics, while (35%) agree, and (22%) are neutral. This explains that performance criteria elements are not segregated depending upon the different jobs types which decreases its efficiency.

To sum up, from the above four items mentioned under performance criteria, only appraisal criteria are objective was rated positively whereby others including elements mentioned in the performance criteria are capable of distinguishing effective form ineffective performers, customization to the specific job characteristics was rated negatively by the respondents which negatively affected the overall performance of an employee and the system of the company at large.

This part sees to assess how employees perceive the rater/appraiser and the problems that affect staff performance appraisal. Hence, the following items have been identified in the study and the response were presented, analyzed and interpreted below.

**Table 6: Employee Attitude toward the rater as perceived by the Respondents**

<table>
<thead>
<tr>
<th>No</th>
<th>Items</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Appraisers lack training</td>
<td>18.3%</td>
<td>34%</td>
<td>23.2%</td>
<td>19%</td>
<td>5.5%</td>
</tr>
<tr>
<td>2</td>
<td>Appraisers gives equivalent ratings</td>
<td>9%</td>
<td>39%</td>
<td>27.2%</td>
<td>19%</td>
<td>7%</td>
</tr>
<tr>
<td>3</td>
<td>Appraisers keeps file during evaluation periods</td>
<td>16%</td>
<td>14%</td>
<td>28%</td>
<td>32%</td>
<td>10.4%</td>
</tr>
<tr>
<td>4</td>
<td>Appraisers is influenced by persons liking and disliking</td>
<td>5.5%</td>
<td>24.5%</td>
<td>28%</td>
<td>25.2%</td>
<td>17.2%</td>
</tr>
<tr>
<td>5</td>
<td>Appraisers frequently lets me know how I am a doing</td>
<td>18.3%</td>
<td>15.2%</td>
<td>21%</td>
<td>35.4%</td>
<td>10.4%</td>
</tr>
</tbody>
</table>
Majority of the respondents (52.4%) agree that appraiser’s lack training, while (24.4%) disagree and (23.2%) are neutral. This shows that appraisers do not have knowledge in which it highly affects the evaluation.

The level of agreement regarding the statement that explains appraiser gives equivalent ratings, majority of the respondent (48%) agree, while (26%) disagree and the rest (27%) are neutral. This explains that just for avoiding a rivalry among employees the appraisers tend to give equal ratings which discourage the hard worker since no difference is noted between those who perform well and poor. The cause for this also related with the lack of necessary knowledge and skills on the side of the appraiser.

Regarding on the item that says appraiser is influenced by personal liking and disliking, the majority of the respondents (42.4%) disagree, while (30%) agree and (27.6 %) are neutral. This item also directly related with performance standards/criteria objectivity i.e. appraisal is conducted against the pre-established criteria and now with the personal bias.

Concerning the item appraiser keeps file during the evaluation periods, the majority of the respondent (42.1%) disagree, while (29.9%) agree and (28%) are neutral. This indicates that appraiser feels that evaluation is a onetime activity and is exposed to commit recency error i.e. to look for only recent performance.

In addition to this, respondents were asked appraiser frequently lets me know how I am doing, the majority (45.8%) replied that they disagree, while (33.5%) agree and (20.7%) are neutral. This explains that since appraiser does not keep a record on employee performance, he is unable of providing the right feedback at the right time and misleads the whole hale year performance of the employee by concentrating all the recent performance. Besides, since performance is conducted regularly and employees also know the evaluation period, the employee shows his maximum effort in performing very well during evaluation time approaches whereby the employee was poor performer for more than a half quarter.
To sum up, regarding employee attitude towards the rater, from the listed five items, that there is lack of skill and knowledge on the appraiser side was rated high with (52.4%) and appraiser gives equal rating was supported by employees with (47.9%). Meanwhile, appraiser keeps file during evaluation period and appraiser frequently lets me know how I am doing was rated low with percentage of disagreement 42.1 and 45.8 respectively.

Regarding appraiser is influenced by personal liking and disliking was rated low with a percentage of disagreement 42.4. This part of the analysis was to assess the factors that contribute to personal improvement. Hence the following items were asked and responded as follows.

**Table 7: Individual Personal Improvement items perceived by Respondents**

<table>
<thead>
<tr>
<th>No</th>
<th>Items</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Goals are clear for smooth work relation</td>
<td>16%</td>
<td>29.49%</td>
<td>19%</td>
<td>26%</td>
<td>10%</td>
</tr>
<tr>
<td>2</td>
<td>Employees have the spirit to achieve goals</td>
<td>33.3%</td>
<td>39.4%</td>
<td>7%</td>
<td>16%</td>
<td>4.8%</td>
</tr>
<tr>
<td>3</td>
<td>Keep focus on goal that lead to confidence</td>
<td>30%</td>
<td>29%</td>
<td>21.3%</td>
<td>16%</td>
<td>4.3%</td>
</tr>
<tr>
<td>4</td>
<td>Opportunity of help to reach easily to goals</td>
<td>15%</td>
<td>30%</td>
<td>21.3%</td>
<td>19.5%</td>
<td>6%</td>
</tr>
</tbody>
</table>

It is possible to determine that the majority (45.4%) of employees agree goals are clear that create smooth work relationships of motivation and trust while, (36%) disagree and the rest (19%) are neutral. This shows that the company has a good culture in communication the goals to all employees. In addition to this, respondents were asked to respond to the level of agreement for the item that says I have the spirit to achieve the goals, majority of the respondent (73%) agree while (21%) disagree and the rest (7%) are neutral. This clearly relates with the first item i.e. a well communicated goals leads to the spirit of achieving the goals. There is a positive relationship between goals that are communicated well and the spirit of achieving goals.
Regarding the item that explains keeping focus on goals that lead to confidence, majority of the respondent (59%) agree while (20%) disagree and the remaining (21%) are neutral. Majority of the respondent (44.5%) agree that there is an opportunity of help to easily reach the goals, while (26%) disagree and the rest (29%) are neutral. This explains that since goals are communicated and shared at the beginning, people are confident enough in keeping a focus on goals for its implementation.

This part of the analysis was to assess the factors that contribute to personal improvement. Hence the following items were asked and responded as follows.

**Table 8: Organizational Development Items as perceived by the Respondents**

<table>
<thead>
<tr>
<th>No</th>
<th>Items</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>People go through continuous improvement and change</td>
<td>5.5%</td>
<td>31%</td>
<td>19.4%</td>
<td>28.59%</td>
<td>15.29%</td>
</tr>
<tr>
<td>2</td>
<td>Company follow standard processes</td>
<td>12%</td>
<td>26%</td>
<td>16%</td>
<td>29.49%</td>
<td>17%</td>
</tr>
<tr>
<td>3</td>
<td>Idea difference viewed healthy</td>
<td>9%</td>
<td>26%</td>
<td>24.4%</td>
<td>24%</td>
<td>17%</td>
</tr>
<tr>
<td>4</td>
<td>Continuous meeting that enable to forward feedbacks</td>
<td>14%</td>
<td>47.3%</td>
<td>5.2%</td>
<td>15.2%</td>
<td>8.5%</td>
</tr>
<tr>
<td>5</td>
<td>A system enabling skill trainings</td>
<td>11.2%</td>
<td>32%</td>
<td>23%</td>
<td>39.49%</td>
<td>13%</td>
</tr>
<tr>
<td>6</td>
<td>A system enabling management and leadership roles</td>
<td>4%</td>
<td>21.2%</td>
<td>23%</td>
<td>39.49%</td>
<td>13%</td>
</tr>
<tr>
<td>7</td>
<td>Facilitation that enable team work</td>
<td>8%</td>
<td>44%</td>
<td>18%</td>
<td>22%</td>
<td>9%</td>
</tr>
<tr>
<td>8</td>
<td>Atmosphere of trust and mutuality</td>
<td>3%</td>
<td>26%</td>
<td>20%</td>
<td>34%</td>
<td>17%</td>
</tr>
</tbody>
</table>

Most of the respondents (44%) disagree on the item that explains about people go through continuous improvement and change, while (36%) agree and the rest (19%) are indifferent. In addition to this, respondents were asked to show the level of agreement on the items that state as company has process that enable employees exert full potential, the majority (46.5%) disagree, while (37.5%) agree and the remaining (16%) are undecided. This explains that the employees are not exposed and ready for development and growth to the required level whereby the company is developing standardized processes but employees are not applying its fullest potential to the required level.
Besides this, there is no as such a well established system in which all employees get the required skill trainings to fill the gap. This explanation goes to the item that states a system where all employees get skill trainings, majority of the respondent (52%) disagree, while (43%) agree and the rest (23%) remains undecided.

Concerning the item that state the difference view healthy and necessary for organizational growth, most of the respondents 41% disagree, while,(35%) agree and the remaining (24%) are neutral. This explains that people with different ideas/views are not most welcomed.

Regarding the item that states social and emotional abilities have roles to determine professional successes, the majority of the respondents (59%) agree, while (19%) disagree and the rest (22%) are neutral. This shows that professional success is a makeup of the different abilities among which include social and emotional.

It is possible to conclude on the level of agreement of the majority (61%) agree on the item that states employees have meetings that enable them to forward feedbacks, while (24%) disagree and the rest (5%) are indifferent.

With respect to the item states as system where employees play management and leadership roles, most of the respondents (52%) disagree, while (25%) agree and the remaining (23%) are undecided. This shows that employees are far behind management and leadership roles.

Pertaining to facilitations that enable team work, majority of the respondents (52%) agree, while (31%) disagree and the rest (18%) are indifferent. This expresses that here is a good team spirit in the company. This indicates that there is a good team spirit in the company. This indicates that there is a good sprit culture in the company.

On the subject to the item that stated as atmosphere of trust and mutuality that enabled employees to say what they think and feel, most of the respondents (51%) disagree, while (29%)
agree and the rest (20%) are neutral. This indicates that though there is a team work, employees are not fully exerting their views openly.

To sum up, people go through continuous improvement and company that enable employees exert full potential were rated low with the percentage of disagreement (44%) and (46.5%) respectively. A system where all employees get skill trainings and idea differences viewed healthy and necessary for organizational growth were also rated low with the percentage of disagreement 52 and 41 respectively.

Employees have meetings that enable them to forward feedbacks and facilitation that enable team work were rated high with the percentage of agreement 61 and 52 respectively. Most of the respondents also agree that there is atmosphere of trust and mutuality that enable employees to say what they think and feel with a percentage of 51. This shows that most of the items rated negatively and far behind in attaining organizational development.

**Relationship Analysis**

Correlation analysis is also employed to measure existence, direction, and degree(extent) of linear association between performance appraisal variables with individual improvement and organizational development. As shown in the table, most of the performance appraisal dimensions correlated significantly.

**4.2.7 Impacts of Performance Appraisal on Personal Improvement and Organizational Development**
Table 9: Performance Appraisal Items and Employee Personal Improvement

<table>
<thead>
<tr>
<th>Items</th>
<th>Correlation Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overall items average corresponding with personal improvement</strong></td>
<td>.6768**</td>
</tr>
<tr>
<td><strong>Understanding the purpose of performance Appraisal</strong></td>
<td></td>
</tr>
<tr>
<td>Identify strength and weakness</td>
<td>.306**</td>
</tr>
<tr>
<td>Base for reward or training</td>
<td>.222**</td>
</tr>
<tr>
<td>Promote two way system of communication</td>
<td>.275**</td>
</tr>
<tr>
<td>Base to determine appropriate salary increment</td>
<td>.380**</td>
</tr>
<tr>
<td>Promote personal growth in the career</td>
<td>.368**</td>
</tr>
<tr>
<td><strong>Appraisal procedures and process</strong></td>
<td>.594**</td>
</tr>
<tr>
<td>Clearly communicated to all before implementation</td>
<td>.320**</td>
</tr>
<tr>
<td>Appraisal is done sitting together</td>
<td>.250**</td>
</tr>
<tr>
<td>Appraisal is done as per pre established standards</td>
<td>.292**</td>
</tr>
<tr>
<td>Feedback on progress is forwarded openly</td>
<td>.219**</td>
</tr>
<tr>
<td>Ways to appeal for complaints</td>
<td>.215**</td>
</tr>
<tr>
<td>Appraisal is conducted regularly</td>
<td>.303**</td>
</tr>
<tr>
<td><strong>Appraisal Standards/criteria</strong></td>
<td>.506**</td>
</tr>
<tr>
<td>Criteria are objective</td>
<td>.296**</td>
</tr>
<tr>
<td>Criteria distinguishes degree of performance</td>
<td>0.114</td>
</tr>
<tr>
<td>Criteria are related to job</td>
<td>.321**</td>
</tr>
<tr>
<td>Criteria appraise performance exhaustively</td>
<td>.282**</td>
</tr>
<tr>
<td><strong>Employees attitude toward the rater</strong></td>
<td>.233**</td>
</tr>
<tr>
<td>Appraisers lack training</td>
<td>0.07</td>
</tr>
<tr>
<td>Appraiser gives equivalent ratings</td>
<td>.331**</td>
</tr>
<tr>
<td>Appraiser keeps file during the evaluation periods</td>
<td>.419**</td>
</tr>
<tr>
<td>Appraiser is influenced in personal liking and disliking</td>
<td>-0.148</td>
</tr>
<tr>
<td>Appraiser frequently lets me know how I am doing</td>
<td>.355**</td>
</tr>
</tbody>
</table>
**correlation is significant at 0.01 level (2-tailed)
* correlation is significant at the 0.05 (1 –tailed))

As far as the extent of correlation is concerned, performance dimensions are strongly correlated to personal development. From the dimensions/items such as appraisal procedure and process and appraisal standards/criteria contributes for having a strong correlation. This indicates that personal improvement is highly affected by the proper appraisal procedure /process and appraisal standards/criteria development and implementation. Understanding the purpose is fairly correlated to personal improvement as compared to employee attitude toward the rater which has a weak correlation to personal development.

When we see item by item, there is a clear performance criteria and performance appraisal is conducted regularly have a fair correlation with personal improvement. From the descriptive analysis, these items also were responded positively which indicates that working more on the mentioned above two items will result in increasing personal improvement.

Whereas appraisal is done as per pre established standards, and appraisal is done together with the appraise have a weak correlation to personal improvement. Next, is feedback is forwarded openly with (0.219) correlation. The least item which correlates to personal improvement under process and procedure dimensions is ways to appeal for complaints with (0.215) correlations.

Concerning appraisal standards/criteria, the criteria are customized to my job characteristics and the criteria are exhaustive to appraise performance are fairly correlated to personal improvement. From the descriptive analysis, respondents replied that they disagree that criteria are customized to my job characteristics and the criteria are exhaustive to appraise performance which in turn significantly affects and deteriorate personal improvement. Appraisal criteria are objective also fairly correlates to personal improvement. From the descriptive analysis, most of the respondents agree that the more appraisal criteria are objective, the more personal improvement will be achieved.
With respect to understanding the purpose, base to determine appropriate salary increment and promote personal growth in career fairly correlates to personal improvement. From the descriptive analysis, both items were rated negatively. But from the correlation, it is understood that both items played meaningfully in affecting personal improvement. In addition, identify strength and weakness fairly correlates to personal improvement was rated positively from respondents in the descriptive analysis. Items relating to base for reward or training and promote two way system of communication have a weak correlation to personal improvement. From the descriptive analysis, majority of the respondents agree that there is a two way system of communications while base for reward/training was rated negatively. From the correlation, working on these items especially base for reward/training will have an effect to the development of personal improvement.

Pertaining to employee attitude toward the rater, appraiser keeps file during the evaluation period and appraiser frequently lets me know how I am doing fairly correlates to personal improvement. From the descriptive analysis, majority of the respondents disagree on this regard which affected highly personal improvement. Appraiser gives equivalent ratings also fairly relates to personal improvement with (.331). Most of the respondents agree on this item in the descriptive analysis, and as the item improves there is a likely hood that personal improvement will increase.
<table>
<thead>
<tr>
<th>Items</th>
<th>Correlation Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overall average correlating with organizational development</strong></td>
<td>.647**</td>
</tr>
<tr>
<td><strong>Understanding the purpose of performance Appraisal</strong></td>
<td>.536**</td>
</tr>
<tr>
<td>Identify strength and weakness</td>
<td>.337**</td>
</tr>
<tr>
<td>Base for reward or training</td>
<td>.375**</td>
</tr>
<tr>
<td>Promote two way system of communication</td>
<td>.451**</td>
</tr>
<tr>
<td>Base to determine appropriate salary increment</td>
<td>.411**</td>
</tr>
<tr>
<td>Promote personal growth in the career</td>
<td>.456**</td>
</tr>
<tr>
<td><strong>Appraisal procedures and process</strong></td>
<td>.541**</td>
</tr>
<tr>
<td>Clearly communicated to all before implementation</td>
<td>.317**</td>
</tr>
<tr>
<td>Appraisal is done sitting together</td>
<td>.211**</td>
</tr>
<tr>
<td>Appraisal is done as per pre established standards</td>
<td>.199**</td>
</tr>
<tr>
<td>Feedback on progress is forwarded openly</td>
<td>.315**</td>
</tr>
<tr>
<td>Ways to appeal for complaints</td>
<td>.295**</td>
</tr>
<tr>
<td>Appraisal is conducted regularly</td>
<td>.279**</td>
</tr>
<tr>
<td><strong>Appraisal Standards/criteria</strong></td>
<td>.509**</td>
</tr>
<tr>
<td>Criteria are objective</td>
<td>.367**</td>
</tr>
<tr>
<td>Criteria distinguishes degree of performance</td>
<td>.259**</td>
</tr>
<tr>
<td>Criteria are related to job</td>
<td>.271**</td>
</tr>
<tr>
<td>Criteria appraise performance exhaustively</td>
<td>.248**</td>
</tr>
<tr>
<td><strong>Employees attitude toward the rater</strong></td>
<td>.407**</td>
</tr>
<tr>
<td>Appraisers lack training</td>
<td>.160**</td>
</tr>
<tr>
<td>Appraiser gives equivalent ratings</td>
<td>.406**</td>
</tr>
<tr>
<td>Appraiser keeps file during the evaluation periods</td>
<td>.474**</td>
</tr>
<tr>
<td>Appraiser is influenced in personal liking and disliking</td>
<td>-.189**</td>
</tr>
</tbody>
</table>
**correlation is significant at 0.01 level (2-tailed)

* correlation is significant at the 0.05 (1–tailed)

As far as the extent correlation is concerned, performance appraisal dimensions are strongly correlated to organizational development. From the dimensions items such as appraisal procedure and process and understanding the purpose of performance appraisal contributes for having a strong correlation to organizational development. This indicates that organizational development is highly affected by appraisal procedure and process and understanding the purpose. Performance appraisal standards criteria also correlate strongly with organizational development. Employee attitude toward the rater fairly correlates to organizational development. When we see variable by variable, concerning appraisal procedure and process, clear performance criteria and feedback on progress is forwarded openly fairly correlates to organizational development. These items were also rated positively by the respondent using descriptive analysis. This implies that a better adjustment to these items significantly will have an impact to organizational development. The third and the fourth fairly correlation items are ways to appeal for complaints and appraisal is conducted regularly with .295 and .279 respectively. Similarly with respect to the descriptive analysis, most of the respondents were rated positively. This leads to an adjustment to these variables will directly impact organizational development accordingly. Variables including appraisal is done sitting with the appraise together and appraisal is done as per pre established standards have a weak correlation with organizational development. Equally, most of the respondents replied positively during descriptive analysis.

With respect to understanding the purpose, promote personal growth in the career and promote two way systems of communication correlates with (.456) and (.451) respectively. Promoting two way system of communication was rated positively by the respondent during descriptive analysis, while promote personal growth in the career was rated negatively.

This denotes that a modification made on these variables highly affects organizational development. Base to determine salary increment is the third strong variable which correlates
with (.411) to organizational development. Likewise in the descriptive part, respondents were replied negatively which indicates us working on this variable will contribute to organizational development.

Base for reward/training and identify strength and weakness also fairly correlates to organizational development. Base for reward/training was rated negatively in the descriptive analysis and identify strength and weakness were rated positively. Meaning that making the variable identify strength and weakness stronger will make organizational development grow more.

Pertaining to standards/criteria, the variable which appraisal criteria are objective fairly correlates to organizational development. This implies that a positive or negative amendment in the criteria will affect organizational development either negatively or positively. Meanwhile, the criteria are customized to my job characteristics is the second largest variable with a correlation coefficient of (.271). This explains the fact that if criteria is job specific the organizational development will be effected and if criteria is not job specific the organizational development will be affected with (.271) correlation coefficient.

The criteria distinguishes effective from ineffective performers and the criteria are exhaustive to appraise performance are the third and the fourth largest variable have a fair correlation to organizational development. Similarly in the descriptive analysis, both variables were rated negatively by the respondent. This clarifies that organizational development has been affected, had the criteria able to distinguish effective from ineffective performers and exhaustive, the organizational development will be achieved.

The last variable with the coefficient correlation of .209 is appraisal criteria depend on personal characteristics. In the descriptive analysis part, most of the respondents disagree that the criteria depend on personal characteristics. This in turn will effect organizational development with the coefficient correlation of (.209).

With regard to employee attitude toward the rater dimensions, appraiser keeps file during the evaluation periods has a weak correlation with organizational development. In the descriptive
analysis part also majority of the respondents reacted negatively. This means that organizational development is significantly affected.

The second most significant dimensions with organizational development is appraiser gives equivalent ratings. In the descriptive analysis, majority of the respondents agree. Here also organizational development is significantly affected.

The third most significant dimensions that correlates with organizational development is appraiser frequently lets me know how I am doing with coefficient correlation of .365. equally in the descriptive analysis, most of the respondents answered negatively which in turn affected organizational development. The last variable which correlates negatively to organizational development is appraisers lack training. Similar response was made through descriptive analysis by majority of the respondents that appraisers lack training. This implies that organizational development an increase or decrease in the variable will either effect or affect organizational development accordingly.
In this chapter, major findings are summarized and conclusions based upon the findings are drawn. The chapter also includes recommendations forwarded based on the assumption that they could be solution for problems investigated in the study.

5.1 Summary of the Major Findings

The main purpose of the study was to assess the impact and effectiveness of performance appraisal system has on personal improvement and organizational development in ethio telecom. To meet the objectives of the study the basic research questions were addressed here under:

a) How do the employees of the company perceive the benefits of the existing performance appraisal system in serving its purpose?

b) Which major factors of performance appraisal do affect employees' personal improvement and organizational development?

c) How adequately is the existing performance appraisal system contributed to employee personal improvement and organizational development?

In order to get the required information, both the statistical techniques of descriptive and inferential statistics are utilized using statistical package for social science (SPSS). To deal with the basic questions, the researcher reviewed related literature and documents. In addition to this, questionnaires were prepared to gather data from ethio telecom employees. To this point, basic questions focusing on the issues related purpose, processes & procedures, criteria, employee's attitude toward the rater, individual and organizational development were raised.

The questionnaires were pilot tested in order to avoid ambiguity. Based upon comments, necessary adjustments were made before distribution. The questionnaires include close ended questions.
Regarding the subject of the study, a total of 182 respondents were included. From the total 182 respondents, 162 questionnaires were returned. The statistical tools used to analyze the data were frequency, percentage, and correlation. Eventually, the following major findings were obtained from this research.

5.1.1 Characteristics of the Respondents

Based on the response obtained from the respondents, the characteristics of the study groups were examined in terms of sex, age, educational background and years of experience.

Majority of the respondents (72%) are degree holders while (22%) are MA/MSc degree holders, with 7% diploma holders. Pertaining to the year of service, the majority of the respondents are between 5-10 years; while (34.5%) are above 10 years and the remaining (8%) are below 5 years. Accordingly, the major findings of the analysis made were organized here under.

5.1.2 The Primary purpose of performance appraisal in ethio telecom

'The main purpose of performance appraisal in ethio telecom' as perceived by respondents is to identify the strength and weakness of employee and to promote two way of communication were rated high with the percentage of 49.1 and 58.3 respectively.

Salary increment were rated low (disagreement) with the percentage of 49.7, the remaining items including it is a base for reward/training and promote personal growth in the career were also rated low (disagreement) with the percentage of 47.3, and 45.4 respectively.

The above two items are not sufficient unless it is supported by reward, training which in turn leads to the overall personal growth in the career.

5.1.3 Performance appraisal standards/criteria

Most of the respondents agreed that appraisal criteria are objective but failed to distinguish effective from ineffective performers and are not customized to job characteristics.
5.1.4  Performance appraisal process and procedure

Concerning performance appraisal process and procedure the following findings obtained; accordingly as revealed in the data, items mentioned in process and procedures of performance appraisal i.e. appraisal is done sitting together and as per pre-established standards, feedback on progress is forwarded openly, ways to appeal for complaints and appraisal is conducted regularly were all treated positively by the respondents expect clear communication was in place prior to implementation received a negative response rate from the respondents.

5.1.5  Employee attitude toward the rater

It was noted from the majority of the respondents (52%) said that there is lack of skill and knowledge on the appraiser side & which in turn leads to giving equivalent ratings with a percentage of agreement 48. Meanwhile, appraiser is also weak in keeping file during the evaluation periods and in frequently letting know how they are doing was rated high (42%) and (46% ) respectively. Regarding appraiser is influenced by personal liking and disliking was rated low with a percentage of disagreement 42 which indicates objectivity of the criteria.

5.1.6  Individual personal improvement

As confirmed by the respondents, all the four listed items were rated positively with the largest 73 percentage of the share goes to the item. I have the spirit to achieve the goals since I feel they are important and true purpose followed by the item stating my mind is calm that leads me to confidence where I keep focus on goals with a percentage of 59. Goals are set clearly so that work relationships are full of motivation, love and trust toward the vision and programs that provide opportunity of help so that I can easily reach the goals were also rated positively with the percentage of 45 & 44.5 respectively.
5.1.7 Organizational Development

It was found that on items such as people go through continuous improvement and company follow standard processes were rated low with the percentage of disagreement (44%) and (46.5%) respectively. A system where all employees get skill trainings and idea differences viewed healthy were also rated negatively with the percentage of disagreement 52 and 41 respectively. Employees have meetings and facilitations that enable team work were rated high with the percentage of agreement 61 and 52 respectively. Most of the respondents also disagree that there is atmosphere of trust & mutuality that enable employees to say what they think and feel with a percentage of 51.

A correlation analysis conducted between performance appraisal and personal improvement has resulted in the following fundamental finding:

Performance appraisal dimensions are strongly correlated to personal development with (0.676) in general. More specifically, it has been correlated significantly and positively with appraisal procedure and process (0.594) and appraisal standards/criteria (0.506) and fairly correlated with understanding the purpose of performance appraisal (.418) and employee attitude toward the rater (0.233).

The coefficient of correlation here show that the extent of correlation is moderate for appraisal process and appraisal criteria where as it is weak for understanding the purpose of performance appraisal and employee attitude toward the rater. The result indicates that all performance appraisal dimensions and personal improvement have positive relationships with the extent of ranging from fairly weak to moderate level.

Performance appraisal dimensions are strongly correlated to organizational development with (0.647) in general. More specially has been correlated significantly and positively with performance appraisal process (0.541) and understanding the purpose of performance appraisal (0.536) and fairly correlated to performance appraisal standards (0.509) and employee attitude toward the rater (0.407). The coefficient of correlation here shows that the extent of correlation is
moderate for appraisal process and understanding the purpose of performance appraisal where as it is weak for appraisal criteria and employee attitude toward the rater.

5.2 Conclusion

On the basis of the data analysis, interpretations and summary made the following conclusions are drawn.

Generally, most employees (nearly half the respondents) are not happy with the existing performance appraisal system (15 variables out of 20). Most specifically, they have positive opinions in the processes & procedures than any of other variables like understanding the purpose, standards, & criteria and employee attitude towards raters. In this dimension, most employees are comfortable with the situation that: appraisal is done sitting together, done as per pre established standards, existence of opportunity to appeal for complaints and is done regularly.

5.2.1 The study showed that the current system of performance appraisal is to simply identify strength and weakness and to provide a two way communication system. This enables us to conclude that it is to be primary informative in purpose.

5.2.2 Based on the findings, the objectivity of the criteria implemented was not exhaustive and adequate enough to identify good performers from poor performers. Besides it is not customized to job characteristics. This will unfavorably affect personal improvement and organizational development as criteria items have strong correlation with these two independent variables.

5.2.3 According to the results of the study, the appraisal process was not clearly communicated to all employees prior to its implementation. This hampers its effectiveness for personal improvement and organizational development as performance appraisal process has the strongest correlation to both personal improvement and organizational development.
5.2.4 The finding of the study indicate the fact that there is absence of skill and knowledge on the appraiser's side and no clear communication was in place prior to implementation had resulted in failing appraiser to keep file during evaluation periods and in giving equivalent ratings to all for simply avoiding rivals.

Because appraisers commit error, employees are not distinguished very well between the good and poor performers. Hence, performance appraisal can adversely affect the morale of the employees and create dissatisfaction among the employees there by in return affecting personal improvement and organizational development variables.

5.2.5 As per the finding, performance appraisal system impacts both personal improvement and organizational development. Personal improvement variables had positive response rate in terms of having the spirit to achieve goals as compared to organizational development whereby idea differences are not viewed healthy, people are not going through change and continuous improvement, and employees are unable to get skill to the desired level.

Therefore, it is possible to conclude that appraisal process and procedure played an important role in yielding a positive response to personal improvement as it has a strongest correlation than any other performance appraisal dimensions.

5.2.6 Empirical studies revealed that performance appraisal dimensions have contributions to personal improvement and organizational development. The purpose of evaluating the relationship of performance appraisal system with personal improvement and organizational development is to assess effectiveness of company's performance appraisal system. Accordingly, the performance appraisal dimensions are mainly determined by appraisal process and procedures, appraisal standards, understanding the purpose, employee attitude toward the rater. All the listed variables contributed positively to personal improvement and organizational development.

In relative sense, appraisal process is the most significant effect of all other dimensions to both personal improvement and organizational development followed by appraisal standards and understanding the purpose for personal improvement and organizational development
respectively. Thus, it is generalized that performance appraisal dimensions in general, and appraisal process and procedures, in particular are the driver for personal improvement and organizational development.

Therefore, improving the conditions of these performance appraisal variables and paying outstanding managerial attention during the design and administration of performance appraisal improves certainly its effectiveness in enhancing personal improvement and organizational development.

5.3 Recommendations

On the basis of the findings, researcher recommends that the following measures must be taken by ethio telecom in order to improve the effectiveness of performance appraisal system that has an impact on personal improvement and organizational development

5.3.1 It has been found that performance appraisal process and procedures are the most significant factor of all performance appraisal dimensions resulting in personal improvement and organizational development. Thus management should conduct detailed study and assess critically on performance appraisal process and procedures for an input in the design of performance appraisal dimensions.

5.3.2 Performance appraisal standards/ criteria and understanding the purpose of performance appraisal are the next most significant dimensions influencing directly personal improvement and organizational development. Thus management should devise a way that a criterion to be related with job description helps the appraiser to focus on the employee performance at work. With respect to understanding the purpose of performance appraisal the management should also consider on the development aspect of performance appraisal too since only identifying strength and weakness of the employee (informative in purpose) will not yield in personal an organizational development to the requires level unless it is supported by reward for good work/training for the poor performance.
5.3.3 The study showed that appraisers lack the required skill and knowledge. Employees are more likely to recognize that performance appraisal is free of personal judgment (bias) when the two conditions fulfill that is when they are confident on their managers that they have the required skill and knowledge and when the criteria are job specific. Thus it is recommended that ethio telecom should devise training for its appraisers to make them equip with all the required skill which in turn will avoid problems related with failing to keep file during evaluation periods, giving equivalent ratings to all regardless of their performance and to develop job centric evaluation criteria will lead to personal improvement and organizational development.

5.3.4 In order to yield an effective appraisal system both at initial stage of designing the system to communication and implementation, there should be a strong commitment from top management. When there is a strong committed management at the top, same understanding can easily flow to the lower levels thereby providing a link between organizational goals and individualized objectives which in turn leads to the smooth operation of performance process.
Bibliography


Appendix I

Addis Ababa University

Master of Arts (Human Resource and Organizational Development in Education)

Dear Sir/Madam,

This survey is conducted as part of a research project which shall be submitted in partial fulfillment of the master’s degree in Human Resource and Organizational Development in Education at Addis Ababa University. The purpose is to study the current practice and problems of staff performance appraisal in ethio Telecom.

I am inviting you to participate by filling up this questionnaire. Your accurate response makes the paper very much valuable. So, please read it carefully and give your conscious opinion. Thank you for your participation and contribution to the completion of this research. If you have any question to ask, please do not hesitate to contact me at any time through the following address.

Tel- 0911510940, daggyteshome@gmail.com.

Please put a tick inside the box that indicates your level agreement for each question.

Part 1- Demographic profile of the respondents

1. **Sex**: Male [ ] Female [ ]

2. **Age**: Below [ ] 26-35 [ ] 36-45 [ ] 46-55 [ ] Above 56 [ ]

3. **Educational Background**: Diploma [ ] First degree [ ] Masters degree [ ] PhD [ ]

4. **Years of experience (in present organization)**: -------
Part II-General Questions

1. How do you rate your perception that the existing performance appraisal system contributes to your personal improvement?
   - Strongly agree
   - Somewhat agree
   - Neutral
   - Somewhat disagree
   - Strongly disagree

2. How do you rate your perception that the existing performance appraisal system contributes to your company development?
   - Strongly agree
   - Somewhat agree
   - Neutral
   - Somewhat disagree
   - Strongly disagree

<table>
<thead>
<tr>
<th>Variable description</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
</table>

A. Understanding the purpose of performance appraisal in ethio telecom

- Find out the strength and weakness inside the employee
- Promote a two way system of communication between the supervisors and the employees from clarifying expectations
- Serves to determine appropriate salary increment based on result
- Promote personal growth and advancement in the career of the employees
<table>
<thead>
<tr>
<th><strong>B. Performance appraisal procedure and process</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Clearly communicated to all before implementation</td>
</tr>
<tr>
<td>Appraisal is done by the supervisor and the employee sit together</td>
</tr>
<tr>
<td>Performance is evaluated as per pre established standards</td>
</tr>
<tr>
<td>Feedback on good or poor progress is forwarded openly.</td>
</tr>
<tr>
<td>I have ways to appeal for appraisal complaints</td>
</tr>
<tr>
<td>Performance is conducted regularly</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>C. Standards/ criteria of performance appraisal</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>The performance criteria are objective</td>
</tr>
<tr>
<td>The criteria distinguish effective from ineffective performers</td>
</tr>
<tr>
<td>Criteria are customized based on the characteristics of my job.</td>
</tr>
<tr>
<td>The Criteria are exhaustive to appraise employee performance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>D. Employee attitude toward the rater</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Appraisers lacks training</td>
</tr>
<tr>
<td>My supervisor gives equivalent ratings</td>
</tr>
<tr>
<td>My supervisor keeps a file on my activities during the appraisal period</td>
</tr>
<tr>
<td>My rater frequently lets me know how I am doing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>E. Individual /Personal Improvement</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>My rater usually keeps a file on what I have done during the appraisal period to evaluate my performance,</td>
</tr>
<tr>
<td>The evaluator is influenced by personal liking and</td>
</tr>
</tbody>
</table>
disliking when evaluating my performance

My supervisor accurately evaluates my performance to the extent that I will be rewarded for doing what I must or penalized for failing to do so.

Evaluation of my performance is based on my accomplishment and achievement.

My rater frequently lets me know how I am doing

**Part Seven: ways of employees appeal towards performance rating**

I have ways to appeal to a performance rating that I think is biased and inaccurate

I can challenge a performance rating if I think is biased or inaccurate

**Part eight: Participation in appraising employees performance**

Immediate supervisor are responsible to PA

PA among peers is common in Ethio Telecom

Individuals employee assess their own PA

Upward PA techniques is practical in Ethio Telecom (subordinates evaluates their supervisors)

Participation in the process is not at the required level
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 sources of the material used for the thesis have been duly acknowledged.

Name: Dagmawit Teshome
Signature: ______________
Date: June, 2013

This thesis has been submitted for examination with my approval as a University advisor.

Advisor: ________________ Signature: ___________ Date: ___________