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**The Effects of Performance Appraisal System on Employees' Performance
In the case of Addis Ababa Abattoirs Enterprise**

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**THE EFFECTS OF PERFORMANCE APPRAISAL SYSTEM ON EMPLOYEES'
PERFORMANCE
IN THE CASE OF ADDIS ABABA ABATTOIRS ENTERPRISE**

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**A THESIS SUBMITTED TO THE SCHOOL OF GRADUATE STUDIES OF ADDIS
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DECLARATION

I, Mekonnen Getachew, hereby declare that this research the project works entitled “*The effects of performance appraisal system on employee performance: in the case of Addis Ababa Abattoirs Enterprise (AAAE)*” is my original work and has not been used by others for any requirements in any other places and sources of materials used in this project have been properly acknowledged.

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Date: _____

Certification

This is to certify that, this project work “*The effects of performance appraisal system on employees' performance: in the case of Addis Ababa Abattoirs Enterprise (AAAE)*”, undertaken by Mekonnen Getachew for the partial fulfillment of an Executive Masters of Business Administration at Addis Ababa University, College of Business and Economics Department of Management, EMBA Program is an original work and not submitted earlier for any degree either at this university or any other university.

Jemal Mohamed (Ph.D)

Research advisor

Signature

Date

Advisor's Certification

This project has been submitted for examination with my approval as university advisor.

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Addis Ababa University
College of business and economics
Department of management
EMBA program

The effects of performance appraisal system on employees' performance
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Abstract

Employees' performance is one of the major issues in an organization. The purpose of this study was to explore the influence of performance appraisal system on employees' performance in the case of Addis Ababa Abattoirs Enterprise. The study was aimed to: identify whether setting performance standards in an organization will lead to better employees' performance or not; evaluate how communicating performance expectation to employee has an effect on employees' performance; determine how measuring actual performance of employees based on Predetermined standards has an effect on employees' performance; realize how comparing actual performance with standards affect employees' performance; find out the effect of discussion on appraisal result and giving feedback on the employees' performance, and identify the relationship between indicating corrective actions and employees' performance. The method of the study was quantitative and data were collected by the use of questionnaires from 277 employees from the target enterprise. Data from the research was analyzed by using Statistical Package for the social sciences. To analyze the data, descriptive (frequency, percentage and mean) and also inferential statistic (Pearson's correlation coefficient and regression) test were run. The association between employees' performance and each performance appraisal system dimensions are significant, which indicates that there is a moderate positive relationship between performance appraisal system and employees' performance. Regression analysis model indicates performance appraisal system has a significant positive effect on employees' performance. The study recommended that the management should strive to make their employees aware of the role of the performance appraisal system. The results of the appraisal shall be communicated to the employees, and then both administrative and developmental corrective actions shall be applied to improve performance.

Keywords: Employee Performance, Performance, Performance Appraisal, and Performance Management.

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Acronym

AAAE	Addis Ababa Abattoir Enterprise
ABA	Akaki branch abattoir
ANOVA	Analysis of variance
BARS	Behaviorally anchored rating scale
DV	Dependent variable
HR	Human resource
HRA	Human resource and accounting
HRCA	Human resource costing and accounting
HRM	Human resource management
IV	Independent variable
MBO	Management by objectives
PA	Performance appraisal
PAS	Performance appraisal system
PM	Performance management
SPSS	Statistical Package for the social sciences
UA	utility analysis

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Management is the process of coordinating and integrating resources in order to effectively and efficiently achieve organizational goals and objectives (Hurd, Barcelona, Zimmerman, & Ready, 2019). Organizations achieve their objectives through people. Therefore, it is obvious that the human resource of the organization is one of the major resource to achieve the organizational objective and it needs to be managed.

The world economies of this century are driven by creativity and innovation through exploiting human skills and knowledge. Because of this, today's organizations are committed to investing a large amount of their resources for performance management and human capacity building. So, performance management is becoming familiar terms in most organizations. Performance appraisal has widened as a concept and as a set of practices and in the form of performance management has become part of a more strategic approach to integrating HR activities and business policies (Fletcher, 2001). Its process starts by establishing performance standards with employees, communicate expectations, measure actual performance, compare actual performance with standards, discuss the appraisal with the employee and finally initiate corrective action.

The success of every organization's mission and objective depends on the quality and commitment of its human resources. In order to ensure continued efficiency and effectiveness of members of staff in each organization has to establish an employee performance appraisal system (PAS). Organizations using a PAS to evaluate their employees, struggle with issues of implementation, adoption, and linkage with other performance management systems. In order to effectively achieve the organizational goal of the enterprise, it should be managing the performance appraisal system properly. Hence, the purpose of this study is meant to see the effects of PAS on employees' performance in Addis Ababa Abattoirs Enterprise.

1.2 Organizational profile

The present Addis Ababa Abattoirs Enterprise (AAAE) was first established as "Ethiopians Abattoirs Share Company" in November 1957 with an initial capital of Birr 1,367,000.00. At the time the shareholder was Addis Ababa Municipality 41.6%, local investor 42.4%, then the royal family 12% and foreign investor 4%. The Share Company objective of opening a meat processing business in 10 towns of the country failed and its service restricted for Addis Ababa city dwellers. Behold, it starts to administer under the city municipality while it was fully nationalized in January 1975 by the degree regime. And now it comes in August 1998 as a result of the adoption of a new market economy policy of the Federal Democratic Republic of Ethiopia the Abettor was reestablished as a public enterprise and named as "Addis Ababa Abattoirs Enterprise" (AAAE, Information and Public Relations office, 2019).

The vision of AAAE is "To provide an international standard slaughtering service and value-added products that are analogous to our Abattoirs heritage in 2025". And the mission is "To provide multi species animals slaughtering service whose hygiene is properly maintained and whose healthiness is medically ascertained; Supply meat products to domestic and foreign markets after having them processed; Supply other products to the domestic market by processing and manufacturing them in quality and quality, out of essential elements extracted from products of the meal; Determine and receive charges for the service it provides". The enterprise gives an average slaughtering service for 1200 cattle per day, 1000 sheep and goats, 100 pigs and 10 camels within 8 working hours. In addition to slaughtering service providing, by-product processing of inedible part of the carcass obtained from slaughtered animals is also the other main activities of the enterprise (AAAE, Information and Public Relations office, 2018).

The enterprise is dully supervised by the Addis Ababa City Government, in which the Addis Ababa City manager's office is the higher supervising body being its fallen under the municipal service category. Behold, the CEO named Managing Director of the enterprise is under the direct supervision of the AAAE Board of Directors whom control, guide, and give directions for the overall management of AAAE and also moving necessary directions as per their directories. The

CEO is responsible for the overall strategic and operational activities of the enterprise to management members who are assigned by the Board of Director. However, sanitary quality is certified and verified by an independent body appointed by Addis Ababa City Urban Agricultural Development Bureau. Based on the mission of the Enterprise it has four line departments that are reported to Deputy Managing Director. The Rest Supporting staff departments are reporting directly to the Managing Director (Ibid).

1.3 Statement of the problem

Performance appraisal is a formal system of periodic review and evaluation of an individual's job performance. It occurs constantly in both private and public organizations. When it is properly done, PAS provides feedback to employees that will improve their performance and thus organizations also benefit by ensuring that employees' effort and ability make contribution to organizational success. Organizational performance is the synergetic sum total of the performance of all employees in the organization. This being the fact, employee performance has to be closely planned, coached and appraised to ensure that it is in line with the interest of organizations. However, it seems that performance appraisal is not given the proper attention by AAAE and is exercised periodically more as a usual practice than as a tool of motivation on the basis of which various administrative and developmental decisions are taken.

The researcher enthused to fill the gap which problem occurred and complaints presented by the abattoir's staff at different levels following to the enterprise failed to do performance appraisal in a way of improving and encouraging employees due to evaluators are not be aware of the factors that can cause problems with the process. The abattoir industry in Ethiopia will have high competition. In connection with this fact, in order to gain competitive advantage over competitors in the industry the organization must carefully handle this sensitive issue of employee performance appraisal. Different researches indicate that one of the most critical inputs for a business is its people (human resources) from which a firm can develop sustainable competitive advantage.

Based on observations made by the researcher in different web sites and more than two years

of experience even if there are a lot of researches that have been done regarding PAS, there was no research that was done on performance appraisal system in AAAE. However, in AAAE performance appraisal is conducted periodically in all departments of AAAE. But, the method of evaluation within the company is not consistent and performance appraisal is nominal (conducted in most of departments for the sake of formality, some evaluators evaluates every six months and some once a year). Employees complaining that any administrative and developmental decisions taken by supervisors or managers are not based on performance appraisal result; rather, it is based on employee and immediate boss relationship and performance appraisal feedback not given on regular basis. If these problems continued without being solved, employee dissatisfaction will increase and their motivation towards challenging working will decrease. This, in turn, will definitely slow down the AAAE's undertaking of achieving its intended goals. Therefore, the present research will attempt to identify the relationship between performance appraisal system and employees' performance in the case of AAAE.

1.4 Research questions

To realize the purpose of this study and to give an appropriate answer to the issues raised in the statement of the problem section the general research question “What is the relationship between PAS and employees' performance?” was used as a guide to the study. Specifically, the research attempted to address the following research questions in connection with AAAE:

- 1) How does the existing performance standards in an organization affect employees' performance?
- 2) How does communicating performance expectations affect employees' performance?
- 3) How does measuring employee performance affect employees' performance?
- 4) How does comparing the actual employee performance with established standards affects employees' performance?
- 5) How does discussion on appraisal results and giving feedback affect employees' performance?
- 6) How does indicating corrective actions affect employees' performance?

1.5 Objective of the study

The major objective of the study is to determine the effects of PAS on employees' performance of AAAE.

The specific objectives of this study will be to:

- 1) Identify whether established performance standards in the organization will lead to better employee performance or not.
- 2) Assess how communicating performance expectations to employees affects employees' performance.
- 3) Assess how measuring the actual performance of employees based on established standards affect employees' performance.
- 4) Assess how comparing the actual performance with standards affect employees' performance.
- 5) Assess the effect of discussion on appraisal results and giving feedback on employees' performance.
- 6) Assess the effect of indicating corrective actions and employees' performance.

1.6 Significance of the study

The findings of this study expected to provide a lot of advantages for different stakeholders. The study, therefore, helps AAAE to identify important elements that have to be considered during performance planning, assessment and the uses of the evaluation result. Moreover, it helps interested future researchers being a reference material and by indicating future research direction regarding what criteria should be used to evaluate the performance.

The research finding will help the decision-makers in the City Administration and AAAE Board of directors, to improve the implementation process of PA. Also, it will serve to design a more effective PAS framework that takes into account the local situations. It also can serve for those researchers who wish to conduct further research in the area. The study is expected to generate the following specific benefits:

- 1) Inform the enterprise gaps in its implementation of PAS and help to make the necessary adjustment.
- 2) It helps employees of the enterprise to know about how they are being evaluated and to understand the purposes of the PA.
- 3) This study can also be used as an input and stepping stone for researchers who want to make further improvements in this area of study.
- 4) Finally, the study supports the researcher as a partial fulfillment of Masters Degree in Executive EMBA program.

1.7 Scope of the study

The research study tries to limit in AAAE head office and Akaki branch abattoir. The study was carried out to analyze the effects of PAS on employees' performance. It emphasized the effect of setting performance standards, communicating expectations, measuring performance, comparing actual performance with standards, discuss PA results & giving feedback and taking corrective action based on employee performance. The study has covered those employees with at least a minimum of two years of experience working at AAAE.

1.8 Organization of the research report

The research report has been organized in five chapters. Chapter one deals with the introduction part of the study. Chapter two deals with a review of related literature, this chapter discusses in detail the theoretical aspects of the subject under study. Chapter three deals with methods of the study like the type and design of research, sample and sampling technique, an instrument for data collection, procedure for data collection method of data analysis, validity & reliability and ethical consideration. Chapter four has included data presentation, analysis, and interpretation. Chapter five has included a summary of findings, conclusion, recommendation, and future research directions.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

Every Enterprises, established with certain objectives to achieve. These objectives can be achieved by utilizing resources like manpower, machines, materials, and money. All these resources are important, but the manpower is the most important. It plays an important role in performing tasks for accomplishing the goals. As in Subrahmaniyam (2009) noted competitiveness in many of today's industries is based on the effectiveness of human assets on the ability of employees to create, to apply their skills and accumulated knowledge, to work effectively together, and to treat customers well. Yes, physical and financial assets are often essential, but in many instances, creativity and human resourcefulness are more important as "differentiators" and as sources of long-term competitive advantage. Perhaps this is the case in many industries. The question arises that how these resources are utilized by manpower and also how to manage and develop manpower to achieve an organization goal by enhancing employee effectiveness.

According to Gilley, Quatro, & Dixon (2009) many ineffective organizations use an outdated, overly simple performance management process in which: (1) they identify and assemble the material resources required for employees to perform the job; (2) workers engage in activities to complete tasks; and (3) employers assess employees' performance and allocate compensation and rewards. This simple process has its roots in the industrial revolution of more than a hundred years ago when supervisors needed a fast, efficient way to manage a multitude of workers often performing similar routine manufacturing tasks. Today's sophisticated workforce demands more of its managers.

The dilemma facing many organizations is their ignorance regarding how to manage performance, develop people, or create initiatives and techniques that enhance effectiveness. Quite simply, how can companies transform their managers, and employees into high performers who are their greatest asset?. This indicates that an organizations establish proper performance appraisal systems that allows organizations to prepare for growth, achieve their strategic goals.

2.1 The concept of performance appraisal

The performance appraisal is the process of assessing the performance and progress of an employee or of a group of employees on a given job and his potential for future development (Gupta, 2012). It will appear pertinent at this point to define or explain some key concepts and words that we shall come across during our discussion.

PA begins with the setting up of criteria and communicated to the employees so that they come to know what is expected of them. Once the performance standard is specified and accepted, then the actual performance is measured and compared with the predetermined performance standards. The results of the appraisal are communicated to the employees, then in both administrative and developmental corrective actions should be applied to improve performance.

2.1.1 Performance

As in Atakpa, Ocheni, & Nwankwo, (2013) noted that performance is multidimensional. Its elements include effectiveness, economy, efficiency, productivity, quality and behaviour. Performance can thus be tangible or behavioral (Gbeja, (1983). According to Ducker (1964), to an employee “Performance is the consistent ability to produce results over a prolonged period of time and in a variety of assignments”. There is, however a school of thought amongst modern management scholars which argues that ability is neither performance nor result/outputs (Kerman & Durham, 2009). According to the scholars, ability is an input like such factors/traits as initiative, penetration, foresight, loyalty, integrity, leadership, etc. They have also pointed out that where these factors/traits/qualities are the basis for assessment, subjectivity becomes a significant problem.

There are different views on what performance is. As noted by Armstrong, (2006), Performance is often defined simply in output terms the achievement of quantified objectives. But performance is a matter not only of what people achieve, but how they achieve it. *The Oxford English Dictionary* confirms this by including the phrase ‘carrying out’ in its definition of performance: ‘The accomplishment, execution, carrying out, working out of anything ordered or

undertaken.’ High performance results from appropriate behaviour, especially discretionary behaviour, and the effective use of the required knowledge, skills and competencies. Performance management must examine how results are attained because this provides the information necessary to consider what needs to be done to improve those results. The concept of performance has been expressed by Brumbrach (1988) as follows:

Performance means both behaviours and results. Behaviours emanate from the performer and transform performance from abstraction to action. Not just the instruments for results, behaviours are also outcomes in their own right the product of mental and physical effort applied to tasks and can be judged apart from the results.

This definition of performance leads to the conclusion that when managing performance both inputs (behaviour) and outputs (results) need to be considered (Michael Armstrong 2006).

2.1.2 Employee performance

Employee performance means employee productivity and output as a result of employee development. Employee performance will ultimately affect the organizational effectiveness (Hameed & Waheed, 2011). In the organizational context, performance is usually defined as the extent to which an organization member contributes to achieving the goals of the organization. Employees are a primary source of competitive advantage in service-oriented organizations (Luthans and Stajkovic, 1999; Pfeffer, 1994). In addition, a commitment performance approach views employees as resources or assets and values their voice. Employee performance plays an important role in organizational performance. Employee performance is originally what an employee does or does not do. The Performance of employees could include the quantity of output, quality of output, timeliness of output, presence at work, cooperativeness (Güngör,2011). Macky and Johnson pointed out that improved individual employee performance could improve organizational performance as well (Zhang, 2012).

Good employee performance has been linked with increased consumer perception of service quality, while poor employee performance has been linked to increased customer complaints and brand switching. To conclude, employee performance could be simply understood as the related

activities expected of a worker and how well those activities were executed. Then, many business personnel directors assess the employee performance of each staff member on an annual or quarterly basis in order to help employees identify suggested areas for improvement (Ibid).

It indicates that the employee performance measurement needs performance standard based on an organizational goal before starting any activities.

2.1.3 Performance standard

According to (Makovic & Newman, 1987). Cited by Atakpa, Ocheni, & Nwankwo, (2013) A standard performance is a statement of the results that will exist when a job is satisfactorily performed in the eyes of the team leader. In a sense, standards are negotiated, exactly how well they perform: they give one (assessor) a way of measuring performance instead of measuring people (i.e. A way of controlling work instead of people). In the professional approach to management, the expected result written down after discussion with the subordinates is called standards of performance. Towards this end, measurement terms like “how much”, “how well”, “When” and “in what way”, are often employed. What is being said, in effect is that performance standards are set by specifying: quantity of output (expected of an employee/machine); quality of output (expected of an employee/machine); timelines of output; effectiveness in use of resources; manner of performance and method of performance assignment.

Such standards must satisfy the basic condition of being consistent and relevant. They must also be seen to be fair, just reasonable and attainable. In addition, the performance standards must be amenable to the objectives of the organization and it must not be subjectively set.

2.1.4 Performance appraisal

According to Murphy and Cleveland (1990) cited by Kim, (2014) Performance appraisal is an important management tool that has two important functions: to support administrative decisions, and support employee development. Monday et al. (2002) define performance appraisal as a

system of review and evaluation of an individual's (or team's) performance. The emphasis in the area of performance appraisal has changed over the years. The research used to focus on accuracy of (supervisory) performance ratings and other such limited and measurement focused issues, but has broadened and currently also addresses social and motivational aspects of the appraisal. Fletcher defines PA more broadly as "activities through which organizations seek to assess employees and develop their competence, enhance performance and distribute rewards" (p. 473). Defined as such, PA is an important part of the PM. Fletcher holds that as a set of practices (and in the form of PM), PA has now become part of a more strategic approach to integrating human resource (HR) activities and business policies (Fletcher, 2001).

Some of the common descriptions include performance appraisal/evaluation, merit rating, behavioural assessment, employee evaluation, personnel review/appraisal, progress report, service rating and fitness report. Some personnel specialists use the concept interchangeably while others attach special interpretations to some of these appraisal phrases (Atakpa, Ocheni, & Nwankwo, 2013).

2.1.5 Performance management

Performance management is a continuous process of "identifying, measuring, and developing the performance of individuals and teams and aligning performance with the strategic goals of the organization" (Aguinis, 2013, p. 2). According to Mahapatro (2010) cited Armstrong and Baron define PM as "a process which contributes to the effective management of individuals and teams in order to achieve high levels of organizational performance. As such, it establishes shared understanding about what is to be achieved and an approach to leading and developing people which will ensure that it is achieved".

PM can be defined as 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 (Armstrong 2006).

2.2 The comparison of PM and PA

It is sometimes assumed that performance appraisal is the same thing as performance management. But there are significant differences. PA can be defined as the formal assessment and rating of individuals by their managers as, usually, an annual review meeting. In contrast, the PM is a continuous and much wider, more comprehensive and more natural process of management that clarifies mutual expectations, emphasizes the support role of managers who are expected to act as coaches rather than judges, and focuses on the future (Armstrong, 2006). In some situations, performance management is confused with one of its component parts performance appraisal. The PM is a series of activities designed to ensure that the organization gets the performance it needs of its employees. PA is the process of determining how well employees do their job relative to a standard and communicating that information to the employee (Mathis & John, 2008).

PA has been discredited because too often it has been operated as a top-down and largely bureaucratic system owned by the HR department rather than by line managers. It has been perceived by many commentators such as Townley (1989) as solely a means of exercising managerial control. PA tended to be backward looking, concentrating on what had gone wrong, rather than looking forward to future development needs. PA schemes existed in isolation. There was little or no link between them and the needs of the business. Line managers have frequently rejected PA schemes as being time consuming and irrelevant. Employees have resented the superficial nature with which appraisals have been conducted by managers who lack the skills required, tend to be biased and are simply going through the motions. As Armstrong and Murlis (1998) assert, PA too often degenerated into 'a dishonest annual ritual'(Armstrong, 2006).

The PM is a much broader term in comparison with PA as it deals with a range of activities which PA never deal with. This system is a strategic and an integrated approach which aims at building successful organizations by developing high performance teams and individuals and improving the performance of people. This process starts when a job is defined. PM emphasizes on front end planning instead of looking backward unlike PA and the focus is on ongoing

dialogue instead of appraisal documents and ratings. Thus, the PM may be regarded as a continuous process.

2.3 The purpose of performance appraisals

Organizations generally use performance appraisals in two potentially conflicting ways. One use is to provide a measure of performance for consideration in making pay or other administrative decisions (Compensation, Promotion, Disciplinary action, Dismissal, and Downsizing) about employees. This *administrative* role often creates stress for managers doing the appraisals. The other use focuses on the *development* (Identifying Strength, Identifying areas for change, Training/development, Coaching, and Career planning) of individuals. In this role, the manager acts more as a counselor and coach than as a judge, which may change the tone of the appraisal. The developmental PA emphasizes identifying current training and development needs, as well as planning employees' future opportunities and career directions (Mathis & John, 2008). The purpose of performance appraisal is to maximize employee performance. By assessing the strengths and weaknesses of its employees, an organization can create goals to develop the most effective, highly skilled, productive, and satisfied workforce (Gilley, Quatro, & Dixon - 2009).

Appraisal of employees serves several useful purposes:

- 1) Compensation decisions:** as noted it can serve as a basis for pay raises. Managers need a performance appraisal to identify employees who are performing at or above expected levels. This approach to compensation is at the heart of the idea that raises should be given for merit rather than for seniority. Under merit systems, employee receives raises based on performance (Rao, 2012).

- 2) Promotion decisions:** it can serve as a useful basis for job change or promotion. When merit is the basis for reward, the person doing the best job receives the promotion. If relevant work aspects are measured properly, it helps in minimizing feelings of frustration of those who are not promoted (Ibid).

- 3) **Training and development programs:** as in Rao, 2012 noted it can serve as a guide for formulating a suitable training and development program. PA can inform employees about their progress and tell them what skills they need to develop to become eligible for pay raises or promotions or both.
- 4) **Feedback:** performance appraisal enables the employee to know how well he is doing on the job. It tells him what he can do to improve his present performance and go up the 'organizational ladder' (Ibid).
- 5) **Personal development:** according to Rao, 2012 PA can help reveal the causes of good and poor employee performance. Through discussion with individual employees, a line manager can find out why they perform as they do and what steps can be initiated to improve their performance.

2.4 Performance appraisal methods

There are two types of measures are used in PA: Objective measures which are directly quantifiable and Subjective measures which are not directly quantifiable Aggarwal & Thakur (2013). According to Shaout & Yousif, (2014) and Aggarwal & Thakur, (2013), PA can be generally categorized into two groups: Traditional (Past oriented) methods and Modern (future oriented) methods.

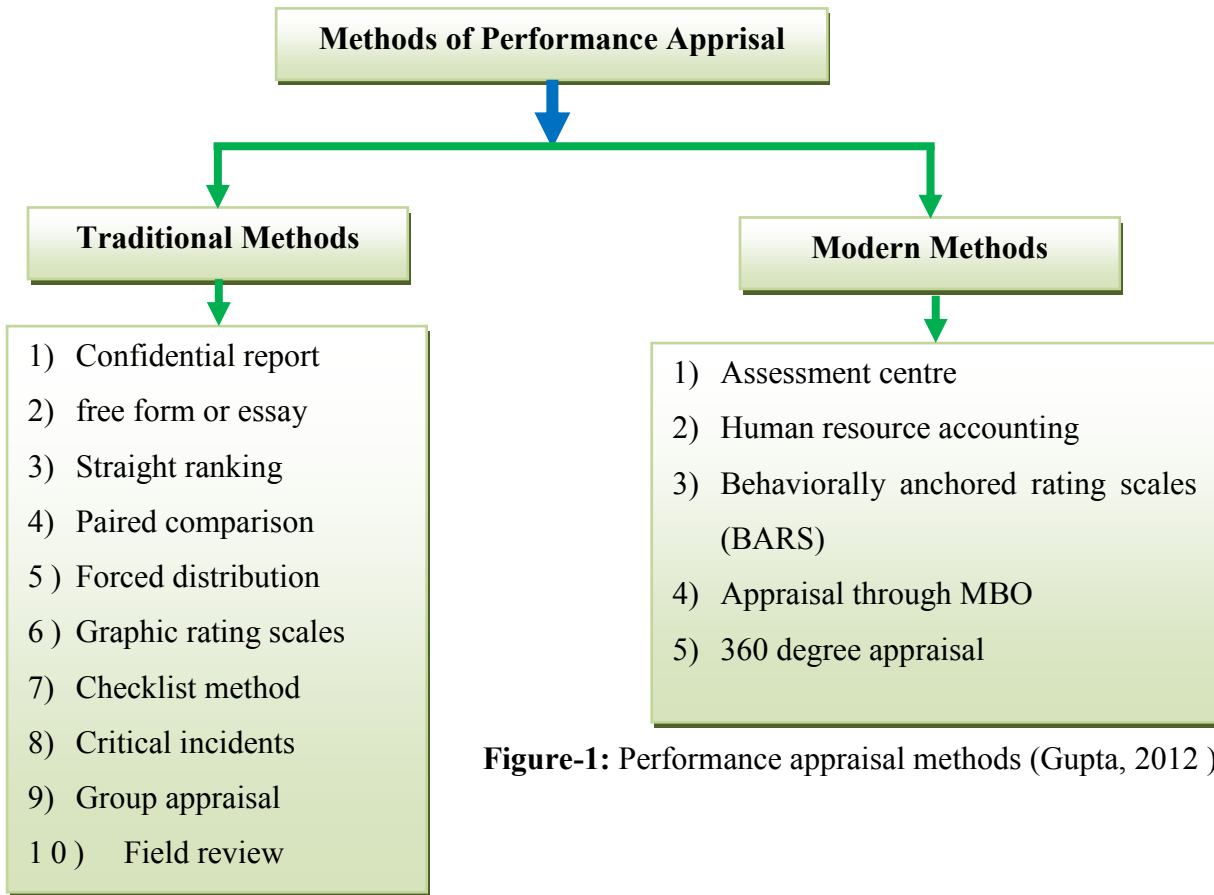


Figure-1: Performance appraisal methods (Gupta, 2012)

2.4.1 Traditional (Past oriented) methods

The traditional or conventional methods of PA are still widely used (Ikemefuna, Chidi, 2012). Traditional methods are comparatively older methods of performance appraisal. These methods were past oriented approaches which concentrated only on the past performance. The following are the topical traditional methods that were used in the past (Shaout & Yousif, 2014):

- 1) **Confidential report:** It is highly secretive and confidential in which the employees' performance will be presented in the form of annual confidential reports (Khan, 2013). Khanna and Sharma (2014) stated that this type of appraisal is usually used in government departments and the ratings may be with respect to attendance, self expression, teamwork, leadership, initiative, technical ability, reasoning ability, originality and the like (Getachew, 2016).

2) Free form or essay: In this method the administrator writes an explanation about employee strength and weakness points for improvement at the end of evaluation time. This method primarily attempts to concentrate on behaviour [4]. Some of the evaluation criterion are as follows: overall impression of performance, existing capabilities & qualifications, previous performance, and suggestions from others (Shaout & Yousif, 2014).

Some organizations require every rater to respond to specific open-ended questions, whereas others allow more flexibility. Compared to employee comparison methods, the essay method is time-consuming and difficult to quantify. Variations in the writing skills of raters are another limitation. Some organizations have combined the graphic and essay methods by providing space for comments on the graphic rating scale (Lunenburg, 2012).

3) Straight ranking: An alternative method for graphic rating scales involves managers ranking their subordinates in order of their performance effectiveness from best to worst. The usual procedure requires the rater to write the name of the best subordinate on the top of a list, then the name of the worst at the bottom and continue this sequential procedure until all subordinates are listed. Ranking is most frequently used to making decisions such as promotions or the merit salary increase each employee will receive (Ibid).

4) Paired comparison: A modification of the ranking procedure is the *paired comparison* technique. The method overcomes the problem associated with differentiating between subordinates in the middle range of the distribution. Under paired comparisons, raters compare only two subordinates at a time until all two-way comparisons have been made between all employees. After rating all pairs, the manager can put the subordinates into a rank order by counting up the number of times each employee has been judged superior (Lunenburg, 2012).

5) Forced distribution: “Grading on a curve” is a good example of the forced distribution method of performance appraisal. With this technique, the rater places a predetermined percentage of rates in four or five performance categories. For example, if a

five-point scale is used, the manager might decide to distribute employees as follows: 5 percent in the “unacceptable” category, 25 percent in the “needs improvement” category, 40 percent in the “acceptable” category, 25 percent in the “commendable” category, and 5 percent in the “outstanding” category. The usual procedure for accomplishing such a distribution is to record each employees' name on a separate index card. Then, for each dimension being appraised (leadership, management, etc.), the employees' index card is placed in one of the five categories (Ibid).

- 6) Graphical rating scales:** In 1922, Paterson working with the employees of the Scott Company developed a graphic scale to provide the reliability, consistency over time, usefulness and practicality. Bradshaw in 1931 discussed improvements to the graphic rating scale that included “behaviorism” to anchor the scales and help better illustrate the trait. In 1972, Flynn told that the five to nine scale points result in the highest quality of ratings. According to Dessler et al. (2011), Graphic Rating Scale is a scale that lists a number of traits and a range of performance for each. The employee is then rated by identifying the score that best describes his or her level of performance for each trait (Aggarwal & Thakur, 2013).

Each employee characteristic is rated on a scale that has several points ranging from poor to excellent. It assesses a person on the quantity and quality of his job performance on a variety of factors such as punctuality, leadership, initiative, dependability, decisiveness, emotional stability, maturity, coordination and co-operation. These traits are then evaluated on a continuous “scale from unsatisfactory to outstanding, where in the rater puts his mark somewhere along this scale based on his judgment of that particular trait (Ikemefuna, Chidi, 2012).

- 7) Checklist method:** checklists tend to be more behaviorally based than either graphic rating scales or other employee-comparison methods. Specific weights are assigned to a list of work behaviors in the *weighted checklist*. A *forced choice checklist* consists of job-behavior statements with two to five response items in each set that correlate with high and low performing employees. The end result is a single numerical rating that is useful for personnel

decisions such as salary and promotion. Rothwell, (2012) cited by Lunenburg, (2012). The evaluator uses a list of behavioral descriptions and checks off those behaviours that apply to the employee. The evaluator merely goes down the list and gives yes or no responses. This is similar to the forced choice method and lists a number of questions relating to the job and the worker which require answers in the form of Yes or No. The rater is more of a reporter. The rater indicates whether the answer to a given question is positive or negative about the given worker (Ikemefuna, Chidi, 2012).

- 8) Critical incident:** The work of John Flanagan in 1954 became the landmark critical incident technique, after his title entitled “The Critical Incident Technique” appeared in the psychological bulletin. Flanagan (1954) defined the critical incident technique as a set of procedures designed to describe human behavior by collecting description of events having special significance and meeting systematically defined criteria. Flanagan originally used trained observers to collect critical incident identification. Identification of the critical incidents during task performance can be an individual process or a mutual process between the user and evaluator. According to Dessler et. al. (2011), the Critical Incident method is keeping a record of uncommonly good or undesirable examples of an employees' work related behavior and reviewing it with the employee at predetermined times Aggarwal & Thakur, (2013).

The critical incidents technique begins by identifying job requirements for successful performance. Job requirements are those behaviors that determine whether the job is being done effectively or ineffectively. The manager keeps a log, for each subordinate, of both effective and ineffective “incidents” of on-the-job behaviors. The incidents are then and refined into a composite picture of the required essentials in a particular job. From this a checklist is developed, which constitutes the framework against which the subordinate is evaluated. During the evaluation conference, the manager can refer to the critical incidents to correct work deficiencies, identify training needs, or praise successful performance (Lunenburg, 2012).

- 9) Group appraisal:** This is simply the appraisal of a worker by a group of people (generally

three), rather than a single rater and a general consensus or a majority decision is accepted. Even though the technique is highly time consuming, it is more comprehensive and free of bias since it involves multiple judges (Ikemefuna, Chidi, 2012).

10) Field review: This is an appraisal done by someone outside employees' own department usually from corporate or HR department. Advantages-useful for managerial level promotions, when comparable information is needed, disadvantages-outsider is generally not familiar with employees work environment, observation of actual behaviors not possible (Dagar, 2014). According to Ramasamy, (1998) cited by Elias, (2018). When this method is adopted a skilled representative of personnel management assists supervisors with their ratings. An employees' performance is appraised through interview between the rater and the immediate supervisor of a concerned employee. The rater asks the supervisor questions about the performance of an employee the success of this type of appraisal method is based on the competence of the interviewer.

2.4.2 Modern (future oriented) methods

According to Ikemefuna, Chidi, (2012) Emerging performance appraisal methods include the 360 degree feedback mechanism, upward or reverse appraisal, potential appraisal, assessment centers and management by objectives (MBO). Shaout & Yousif, (2014) Modern Methods were formulated to enhance the conventional methods. It tried to enhance the shortcomings of the old methods such as biasness and subjectivity. The following presents the typical modern methods:

1) Assessment centre: An assessment center is a central location where managers may come together to have their participation in job related exercises evaluated by trained observers. It is more focused on observation of behaviours across a series of select exercises or work samples. Appraisees are requested to participate in in-basket exercises, work groups, computer simulations, fact finding exercises, analysis/decision making problems, role playing and oral presentation exercises [9] (Shaout & Yousif, 2014). According to Aggarwal & Thakur, (2013) The assessment center method, in its modern form, came into existence as a result of AT & T Management Progress Study by Bray, Campbell & Grant in 1974.

Common job simulations used in assessment centers are in basket exercises, group discussions, simulations of interviews with “subordinates” or “clients”, fact finding exercises, analysis/decision making problems, oral presentation exercises, written communication exercises[4].

This technique is designed to identify the managerial potential for future performance. Potential executive candidates from different departments are brought together into a common assessment centre for 2-3 days where they are given similar assignments to what they will be expected to handle at the higher positional level if they were promoted. The judgment of these activities is pooled and ranked. This continuous observation of candidates gives a much better and comprehensive ideas about their potential (Ikemefuna, Chidi, (2012).

- 2) **HR Accounting:** The concept of human resource accounting (HRA) was first developed by Sir William Petty in 1691. But research into true HRA began in the 1960 by Rensis Likert. Prof. Flamholtz defines HRA for people as an organizational resource. The main theory underlying the HRA is: The people are valuable resources of an organization or enterprise, information on investment and value of HR is useful for decision making in the organization[15]. In 1966, Grojer and Johnson embrace both HRA and UA, suggest the concept of HRCA [8]. Another method of HRA is human resource value accounting (HRVA) (Aggarwal & Thakur, 2013). According to Shaout & Yousif, (2014) In this method, the performance is judged in terms of cost and contribution of the employees. Johnson [8] incorporate both HRA models and utility analysis models (UA) to form the concept of human resource costing and accounting (HRCA).
- 3) **Behaviorally Anchored Rating Scales (BARS):** According to Lunenburg, (2012) A newer and somewhat related approach to the critical incidents technique is the behaviorally anchored rating scale (BARS). Hence, the BARS define scale points with specific behavior statements that describe varying degrees of performance. The form for a BARS generally covers six to eight specifically defined performance dimensions. A BARS should be developed for each dimension. The scale anchors define the particular response categories for the evaluator. The response made by the evaluator is specific enough to be used as feedback

in an appraisal interview with the industrial psychologists and is meaningful to the subordinate (Fletcher, 2009). The appraiser rates the employees based on items along a continuum, but the points are examples of actual behaviour on the given job. These behavioral examples are then retranslated into appropriate performance dimensions (Ikemefuna, Chidi, 2012).

BARS were introduced by Smith and Kendall in 1963 with the attention of researchers concerned with the issue of reliability and validity of performance ratings. BARS are more informative than simple numbers. Behaviorally anchored performance dimensions can be operationally and conceptually distinguished from one another [12]. Rater will act as observer not the judge. BARS help rater focus on specific desirable and undesirable incidents of work behavior which can serve as examples in discussing a rating. BARS use behavioral statements or concrete examples to illustrate multiple levels of performance for each element of performance [6] (Aggarwal & Thakur, 2013).

- 4) Appraisal through MBO:** According to Aggarwal & Thakur, (2013) and Shaout & Yousif, (2014) MBO includes three main processes; object formulation, execution process and performance feedback. Wehrich proposed the system approach to management by objectives. It consists of seven components; strategic planning and hierarchy of objects, setting objectives, planning for action, implementation of MBO, control and appraisal, subsystems and organizational and management development. This involves “setting specific measurable goals with each employee and then periodically reviews the progress made” (Dessler, 2008, p.353). According to Ikemefuna (2005), this is a PA method that includes mutual objective/goal setting and evaluation based on the attainment of specific objectives or goals. It divides organizational objectives into individual objectives. It seeks to measure employee performance by examining the extent to which predetermined work objectives have been met. This is a result oriented process, rather than activity oriented, and is based on the premise that performance can best be measured by comparison of actual results to plan or expected results (Ikemefuna, Chidi, 2012).

This method basically consists of the following phases: the superior and subordinate get

together and jointly discuss the objectives to be accomplished during a predetermined appraisal period and the performance standards needed to reach those objectives. During the appraisal period, continuous communication occurs between the superior and the subordinate for frequent discussion about problems and areas of progress and if modifications are needed either in the goals or the performance standards they are made. At the end of the period, the actual results are compared with the pre-determined objectives to see if these have been met or not. If these have not been met, then the causes for the deviation are traced and corrective action taken. Because the objectives are set in advance and related to the job, the appraisal is fundamentally job related, and therefore more objective. Also, the method enhances feedback, since there is periodic review of problems, resources and methods (Ibid).

- 5) **360 degree appraisal:** It is a popular PA technique that includes evaluation inputs from a number of stakeholders like immediate supervisors, team members, customers, peers and self [4]. 360 Degree provides people with information about the influence of their action on others (Shaout & Yousif, 2014). It provides a notion of behavioral change might be elicited through a process of enhanced self-awareness [6] (Aggarwal & Thakur, 2013).

2.5 The Process of Performance Appraisal

While the objectives of the appraisal process may be quite clear, two requirements must be met before any objective can be achieved. According to Heneman, Schwab, Fossum and Dyer (1980), the measurement system must result in the identification of positive employee contributions to the organization. Second, the system must establish standards of contributions for each performance dimension. In other words, the system must be set up to identify which employees are performing well and which are performing poorly on performance dimensions critical to job success (Huber, 1983). The PA process follows a set pattern and it consists of the following steps:

2.5.1 Establishing performance standards

This stage begins with each manager conducting a job expectation session with each staff person. Together, they analyze the staff member's job in light of the work unit and internal customers' needs. The discussion should cover five areas: 1. What is currently done by the person in the work position. 2. How the work is done (process goals). 3. What assistance is necessary (equipment, work aids, information). 4. What is the expected work output (performance goals). 5. What knowledge, skills, and ability are required to do the job. It is critical that the supervisor and staff member set process goals at the same time that they discuss work methods. The process goals are linked to performance output goals Antonioni, (1994).

The appraisal process begins with the setting up of criteria to be used for appraising the performance of employees. The criteria is specified with the help of job analysis which reveals the contents of a job. This criteria should be clear, objective and in writing. It should be discussed with the supervisors to ensure that all the relevant factors have been included. Where the output can be measured the criteria is clear. If work performance cannot be measured, the personal characteristics which contribute to employee performance must be determined. These characteristics include work quality, honesty, and reliability, cooperation and team work, job knowledge, initiative, leadership, safety consciousness, attendance, learning ability, adaptability, judgment, sense of responsibility, health and physical condition, etc. These standards should be indicated on the appraisal form. Appraisal forms should be carefully designed and printed. In addition, who is to do the appraisal and how frequently appraisal is to be done should also be decided. In fact performance standards will depend up on the objectives of the appraisal., i.e. to apprise actual performance on the present job or to judge potential for higher jobs (Gupta, 2012).

A performance standard definition takes the form of a statement that performance will be up to standard if a desirable, specified and observable result happens. It should preferably be quantified in terms, for example, of level of service or speed of response (Armstrong, 2009).

2.5.2 Communicating the standards

The performance standards specified in the first step are communicated and explained to the employees so that they come to know what is expected of them. The reactions of employees to the standards should be obtained. If necessary the standards may be revised or modified in the light of feedback obtained from the employees and the evaluators (Gupta, 2012).

2.5.3 Measuring Performance

Once the performance standard is specified and accepted, the next stage is the measurement of actual performance. This requires choosing the right technique of measurement, identifying the internal and external factors influencing performance and collecting information on results achieved. Personal information, written reports and face to face contacts are the means of collecting data on performance. The performance of different employees should be so measured that it is comparable. What is measured is as important as how it is measured (Gupta, 2012).

2.5.4 Comparing the actual performance with the standard

Actual performance is compared with the predetermined performance standards. Such comparison will reveal the deviations which may be positive or negative. Positive deviations occur when the actual performance exceeds the standards. On the other hand, excess of standard performance over the actual performance represents a negative deviation (Gupta, 2012).

2.5.5 Discussing the appraisal result

The results of the appraisal are communicated to and discussed with the employees. Along with the deviations, the reasons behind them are also and discussed. Such discussion will enable an employee to know his weakness and strength. Therefore, he will be motivated to improve himself. The impression the subordinate received about his performance has an impact on his subsequent performance. The impact may be positive or negative depending how the appraisal feedback is presented and discuss with the employee (Gupta, 2012).

2.5.6 Taking corrective action

Through mutual discussions with employees, the steps required to improve performance are identified and initiated. Training, coaching, counseling, etc. are examples of corrective actions that help to improve performance (Gupta, 2012). Encourage managers to praise employees for good performance, but also get them to provide regular, informative and easily interpreted feedback performance problems should be discussed as they happen in order that immediate corrective action can be taken; (Armstrong, 2008).

2.6 Types of performance information

Managers can use three different types of information about how employees are performing their jobs:

Trait-based information: identifies a character trait of the employee, such as attitude, initiative, or creativity and may or may not be job related. Because traits tend to be ambiguous, and favoritism of the raters can affect how traits are viewed, court decisions have generally held that trait based performance appraisals are too vague to use when making performance-based HR decisions such as promotions or terminations (Mathis & John 2008).

Behaviour-based information: focuses on specific behaviours that lead to job success. For a salesperson, the behaviour “verbal persuasion” can be observed and used as information on performance. Behavioral information clearly specifies the behaviours management wants to see (Ibid).

Results-based information: considers employee accomplishments. For jobs in which measurement is easy and obvious, a results-based approach works well. However, that which is measured tends to be emphasized, and that emphasis may leave out equally important but un-measurable parts of the job (Mathis & John 2008). According to Rarick, (2011) cited by Atakpa, Ocheni, & Nwankwo, (2013), The result of PA should serve as the

basis for regular evaluation of the performance of the members of an organization. Whether an individual is judged to be competent, effective or ineffective, promotable or un-promotable, etc. are based upon the information generated by the PAS.

2.7 Who Conducts Appraisals?

The appraiser may be any person who has through knowledge about the job content, contents to be appraised standards of contents and who observes the employee while performing a job. The appraiser should be capable of determining what is more important and what is relatively less important. He should prepare reports and make judgments without bias (Rao, 2012). Possible combinations include: (1) Supervisors rating their employees; (2) Employees rating their superiors; (3) Team members rating each other; (4) Employees rating themselves (5) Outside sources rating employees, and (6) A variety of parties providing multisource, or 360°, feedback (Mathis, & John 2008). Training is a crucial factor to conducting effective performance appraisals. Companies must train their managers on how to conduct performance appraisals and managers must know how to set proper goals and objectives at the beginning of the calendar or evaluation year (Huber, 1983).

2.7.1 Supervisory Rating of Subordinates

The most widely used means of rating employees is based on the assumption that the immediate supervisor is the person most qualified to evaluate an employees' performance realistically and fairly (Ibid).

2.7.2 Employee Rating of Managers

The concept of having the superiors rated by subordinate is being used in most organizations today, especially in the developed countries. For instance, in most US universities, students evaluate a professor's performance in the classroom (Rao, 2012). PA ratings also are used for management development purposes (Mathis, & John, 2008). Such a novel method can be useful in other organizational settings too, provided the relationships between superior and

subordinates are cordial. Subordinates' ratings in such cases can be quite useful in identifying component superiors (Rao, 2012).

Having employees rate managers provides three primary advantages. First, in critical manager/employee relationships, employee ratings can be quite useful for identifying competent managers. Second, this type of rating program can help make a manager more responsive to employees. This advantage can quickly become a disadvantage if the manager focuses on being "nice" rather than on managing; people who are nice but have no other qualifications may not be good managers in many situations. Finally, employee appraisals can contribute to career development efforts for managers by identifying areas for growth. A major disadvantage of having employees rate managers is the negative reaction many superiors have to being evaluated by employees. Also, the fear of reprisals may be too great for employees to give realistic ratings. This may prompt workers to rate their managers only on the way the managers treat them, not on critical job requirements. The problems associated with this appraisal approach limit its usefulness to certain situations, including managerial development and improvement efforts (Mathis, & John 2008).

2.7.3 Peer Rating

Having employees and team members rate each other is another type of appraisal with potential both to help and to hurt. Peer and team ratings are especially useful when supervisors do not have the opportunity to observe each employees' performance, but other work group members do (Mathis, & John 2008). Peers appraisal may be reliable if the work group is stable over a reasonably long period of time and performs tasks that require interaction (Rao, 2012).

2.7.4 Self-Rating

Self appraisal works in certain situations. As a self development tool, it forces employees to think about their strengths and weaknesses and set goals for improvement (Mathis, & John, 2008). If individuals understand the objectives they are expected to achieve and the standards by which they are to be evaluated, they are, to a great extent, in the best position to appraise their

own performance. Also, since employee development means self development, employees who appraise their own performance may become highly motivated (Rao, 2012). However, employees may not rate themselves as supervisors would rate them; they may use quite different standards. Evidence showing whether people tend to be more lenient or more demanding when rating themselves is mixed, with a self rating frequently higher than supervisory ratings. Still, employee self ratings can be a useful source of performance information for development (Mathis, & John, 2008).

2.7.5 Outsider Rating

Employees' performance in service organizations relating to behaviors, promptness, speed in doing the job and accuracy can be better judged by the customers or users or services (Rao, 2012). The customers or clients of an organization are obvious sources for outside appraisals. For sales and service jobs, customers may provide very useful input on the performance behaviors of employees. One firm measures customer service satisfaction to determine bonuses for top marketing executives. Use of such input has led to multi-source ratings (Mathis, & John, 2008). Sometimes consultants may be engaged for appraisal when employees or employers do not trust the supervisory appraisal and management does not trust the self-appraisal or peer appraisal or subordinate appraisal. In this situation, consultants are trained and they observe the employee at work for sufficiently long periods for the purpose of appraisal (Rao, 2012).

2.7.6 Multi-source, or 360°, feedback

Multi-source rating, or 360° feedback, has grown in popularity. Multi-source feedback recognizes that for a growing number of jobs, employee performance is multi dimensional and crosses departmental, organizational, and even global boundaries (Mathis, & John, 2008). According to Brett and Atwater (2001), the 360 degree feedback appraisal mechanism is the process in which subordinates, peers, customers, and bosses provide anonymous feedback to managers on an employees' performance (Cyril & Christopher, 2012).

The 360-degree feedback appraisal entails the systematic collection of performance data and feedback on an individual or group derived from a number of the stakeholders on their performance. The data are usually fed back in the form of ratings against various performance dimensions. 360-degree feedback is also referred to as multi source assessment or multi rater feedback. Performance data in a 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 (Armstrong, 2006).

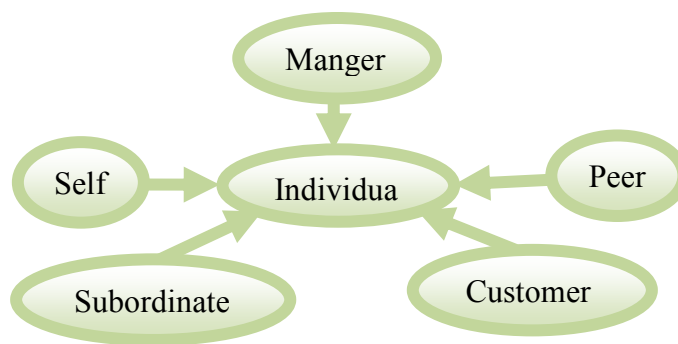


Figure-3: Multisource appraisal model (Mathis, & John, 2008).

2.8 Effects of performance appraisal on employees' performance

Competent appraisal of individual performance in an organization or company serves to improve the overall effectiveness of the entity. Kane and Lawler, 2009, indicated that, the three main functional areas of performance appraisal systems are administrative, informative, and motivational. Appraisals affects the administration in that it serves the role of facilitating an orderly means of determining salary increases and other rewards, and of delegating authority and responsibility to the most capable individuals. The informative function is fulfilled when the appraisal system supplies data to managers and appraises about individual strengths and weaknesses. Finally, the motivational role entails creating a learning experience that motivates workers to improve their performance. When effectively used, performance appraisals help employees and managers establish goals for the period before the next appraisal (Mwema & Gachunga, 2014).

Appraises, appraisers (managers), and companies all reap benefits from effective performance appraisals. Appraises benefit in a number of ways; for example, they discover what is expected of them and are able to set goals. They also gain a better understanding of their faults and strengths and can adjust behavior accordingly. In addition, appraisals create a constructive forum for providing feedback to workers about individual behavior, and for allowing workers to provide input to their managers. Finally, appraises are (ideally) given assistance in creating plans to improve behavior, and are able to get a better grasp on the goals and priorities of the company (Ibid).

2.9 Conceptual Framework of the study

PA result of an individual employee leads to administrative and developmental uses. The conceptual framework is based on PA process; as I mentioned in this chapter, the process of PA begins with the setting up of criteria and it's communicated and explained to the employees so that they come to know what is expected of them. Once the performance standard is specified and accepted, then the actual performance measured and compared with the predetermined performance standards. The results of the appraisal are communicated to and discussed with the employee, then the final steps are corrective actions. That the performance appraisal also helps the managers for administrative and developmental decision making and corrective actions based on employees' performance result.



Figure-4: Conceptual framework

Source: Own development model, Model (2019)

CHAPTER THREE

METHODOLOGY OF THE RESEARCH

As it is raised in the objective part the major objective of the study is to determine the effects of PAS on employees' performance in AAAE. To achieve this objective the researcher has designed the methodology as follows. This part includes research method and design, target Population, sample and sampling technique, type and source of data, instrument for data collection, pilot test, reliability and validity, ethical consideration, and data analysis.

3.1 Methods and design of the research

A quantitative research design method was used as there is an existence of objective reality out there and a numerical measurement is done. According to Abiy, Alemayehu, Daniel, Melese, & Yilma, (2009). Quantitative research is the systematic and scientific investigation of quantitative properties and phenomena and their relationships. The objective of quantitative research is to develop and employ mathematical models, theories and hypotheses pertaining to natural phenomena. The process of measurement is central to quantitative research because it provides the fundamental connection between empirical observation and mathematical expression of an attribute.

3.2 Target population

The target population of this study was employees of the AAAE, who have experience of more than or equal to two years. These employees were selected as respondents because they at least face performance appraisal process three times in organization and it is believed that they have enough knowledge about appraisal practice of the company. Thus, the study excluded those employees who have less than two years of experience.

No.	Name of Departments in AAAE	Man Power based on Structure	Current Manpower			Sample drawn		
			M	F	Total	M	F	Total
1	Managing director	30	14	8	22	3	2	5
1.1	Managing director's office							
1.2	Project research & implementation office							
1.3	Information & public relations office							
1.4	Information & communication technology service							
1.5	Internal audit services							
2	Akaki branch abattoir (ABA)	128	99	5	104	24	1	25
3	Slaughtering and meat distribution work process	876	642	21	663	159	5	164
4	Byproduct processing work process	139	99	3	102	24	1	25
5	Marketing work process	26	11	7	18	3	2	5
6	Technique and maintenance work process	176	147	4	151	37	1	38
7	Plan, budget and finance work process	38	12	18	30	3	4	7
8	HRD & administration work process	49	16	16	32	4	4	8
9	Procurement and property administration work process	28	123	14	27	3	3	6
	Total	1490	1053	96	1149	260	23	283

Table-1: AAAE staff of each department by sex and sample drawn from each department.

3.3 Sampling technique and sample size

A stratified sampling was used to collect the necessary data from the Addis Ababa Abattoirs Enterprise. Stratified sampling is a method by which the researcher stratified his sample by departments and then chooses a random sample of pupils from each department. Sample selected were doing according to simple random sampling. Therefore, by considering these issues sample

sizes to collect data through questionnaire for this research was determined by using Yamane's (1967) formula. According to Yamane (1967: 886) cited by Israel, (1992), Yamane provides a simplified formula to calculate sample sizes. $n = \frac{N}{1+Ne^2} =$

Where:

n = the sample size,

N = the population size, and

e = the level of precision.

We get an equation $n = \frac{N}{1+Ne^2} =$ which is considered to be representative of this study.

(e²) = The standard error with 95% confidence level

The sample size calculated for the confidence level of 95% using the formula: confidence level of 95% means that e = 1-0.95=0.05.

Total number of manpower is 1149 out of this 179 employees having less than two years experience. Therefore, the target population for this study is equal to 1149-179 = 970 (N= 970).

$$n = \frac{N}{1+Ne^2} = \frac{970}{1+970 \times (0.05)^2} = \frac{970}{1+970 \times 0.0025} = \frac{970}{1+2.425} = \frac{970}{3.425} = \underline{\underline{283}}$$

The total number of sample size n equals to 283. This means that n is 29.17% of the total population (970)

3.4 Type and source of data

The research was used primary data, that was collected using questioner.

3.5 Instrument for data collection

Primary data were collected by a well-structured questionnaire given to employees within a selected sample from AAAE located in Addis Ababa, the main office in Kirkos sub-city and ABA in Akaki Kaliti sub-city.

3.6 Pilot test

In this study, to ensure reliability of the instrument, the questionnaires were pilot tested to make sure that the questionnaire items were understandable and free of ambiguity. Pilot test was carried out on thirty five respondents have been selected, those different from sample size of the main study. They were randomly selected from different departments of AAAE employees. The questionnaire was personally given to each employee. To measure the reliability of the instruments used, Cronbach's alpha was employed. The pilot test shows the following Cronbach's alpha result;

Variables	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No. of Items
Setting performance standards	.857	.864	6
Communicating standards	.818	.817	5
Measure performance	.799	.799	6
Comparing the actual performance with standards	.745	.754	3
Discussing the result with employee and giving feedback	.822	.824	5
Indicate corrective action	.760	.759	6
Employees' Performance	.957	.957	6

Table 2: Reliability Statistics

The reliability coefficient for the pilot test in the above table was greater than 0.70 which indicated that the research instruments were reliable, thus enabling the data collection to continue.

3.7 Reliability and Validity analysis

According to Golafshani, N. (2003). The definitions of reliability and validity in quantitative research reveal two strands: Firstly, with regards to reliability, whether the result is replicable. Secondly, with regards to validity, whether the means of measurement are accurate and whether they are actually measuring what they are intended to measure. However, the concepts of reliability and validity are viewed differently by qualitative researchers who strongly consider these concepts defined in quantitative terms as inadequate. In other words, these terms as defined in quantitative terms may not apply to the qualitative research paradigm. The question of replicability in the results does not concern them (Glesne & Peshkin, 1992), but the precision (Winter, 2000), credibility, and transferability (Hoepf, 1997) provide the lenses of evaluating the findings of a qualitative research. In this context, the two research approaches or perspectives are essentially different paradigms (Kuhn, 1970).

Data were collected from the reliable sources, from respondents who are employees of AAAE work at the head office and ABA. The questionnaires were printed, duplicated and dispatched. In this study, each statement was rated on a 5 point Likert response scale which included from strongly agree, to strongly disagree. Based on this an internal consistency reliability and validity test was conducted.

3.7.1 Reliability

According to Drost, E. A. (2011), reliability is the extent to which measurements are repeatable; when different persons perform the measurements, on different occasions, under different conditions, with supposedly alternative instruments which measure the same thing. In sum, reliability is the consistency of measurement (Bollen, 1989), or stability of measurement over a variety of conditions in which basically the same results should be obtained (Nunnally, 1978).

Reliability refers to whether data collection and analytic procedures would reproduce reliable results if they were repeated at another time or if they were repeated by another researcher. The data collected was coded, keyed into SPSS, organized and checked for any errors that may have

occurred during data collection. Thereafter, the questionnaire was subjected to statistical testing using Cronbach's alpha. According to Saunders *et al.*, (2007), an instrument with a reliability coefficient (alpha value) of more than 0.7 is assumed to be reliable. If the coefficient is ($\alpha \geq 0.7$) the reliability is better and if the coefficient ($\alpha \leq 0.60$) the reliability is poor. Regarding reliability, Cronbach's alpha scores was being applied to check the reliability of the measurement instruments under each variable and the results had fell within the acceptable range of 0.711 to .953 as follows:

Variables	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No. of Items
Setting Performance Standards	.865	.866	6
Communicating Standards	.823	.823	5
Measure performance	.779	.780	6
Comparing the actual performance with standards	.816	.815	3
Discussing the result with employee and giving feedback	.778	.779	5
Indicate corrective action	.711	.712	6
Employees' Performance	.953	.953	6

Table-3: Cronbach's alpha table

3.7.2 Validity

According to Winter, (2000), 'validity' definitions are concerned, two common strands begin to emerge: Firstly, whether the means of measurement is accurate. Secondly, whether they are actually measuring what they are intended to measure. The traditional criteria for validity find their roots in a positivist tradition, and to an extent, positivism has been defined by a systematic theory of validity. Within the positivist terminology, validity resided amongst, and was the result and culmination of other empirical conceptions: universal laws, evidence, objectivity, truth, actuality, deduction, reason, fact and mathematical data to name just a few, (Winter, 2000).

Correlations

		PAS implemented in AAAE is helpful in improving employees' communication.	Performance appraisal in an organization increases employees productivity	Performance appraisal building positive interactive relationships between employees and customers	The performance appraisal enhance job satisfaction of an employees	Performance appraisal is supporting the overall competitiveness of the organization.	Performance appraisal appraising potential of employees
PAS implemented in AAAE is helpful in improving employees' communication.	Pearson Correlation	1	.794**	.800**	.758**	.637**	.843**
	Sig. (2-tailed)		0.000	0.000	0.000	0.000	0.000
	N	35	35	35	35	35	35
Performance appraisal in an organization increases employees productivity	Pearson Correlation	.794**	1	.833**	.762**	.811**	.843**
	Sig. (2-tailed)	0.000		0.000	0.000	0.000	0.000
	N	35	35	35	35	35	35
Performance appraisal building positive interactive	Pearson Correlation	.800**	.833**	1	.826**	.779**	.811**
	Sig. (2-tailed)	0.000	0.000		0.000	0.000	0.000

relationships between employees and customers	tailed)						
	N	35	35	35	35	35	35
The performance appraisal enhance job satisfaction of an employees	Pearson Correlation	.758**	.762**	.826**	1	.802**	.800**
	Sig. (2-tailed)	0.000	0.000	0.000		0.000	0.000
	N	35	35	35	35	35	35
Performance appraisal is supporting the overall competitiveness of the organization.	Pearson Correlation	.637**	.811**	.779**	.802**	1	.705**
	Sig. (2-tailed)	0.000	0.000	0.000	0.000		0.000
	N	35	35	35	35	35	35
Performance appraisal appraising potential of employees	Pearson Correlation	.843**	.843**	.811**	.800**	.705**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	
	N	35	35	35	35	35	35

** . Correlation is significant at the 0.01 level (2-tailed).

Table-4: Correlation table, for Dependent variable questions.

Validity means that correct procedures have been applied to finding answers to a question. The result in the table-4 indicates a statistical summary of correlation analysis between each employee performance questions. It show that, ($r=$ from 0.637 to 0.843 and $P < 0.05$), are significant and valid. The remaining of validity results indicated in Appendices-5.

To ensure validity, the questionnaire was evaluated by the researcher advisor before distribution and necessary amendments have been made. The majority of employees (around 64%) in the organization were not well educated and not capable of understanding and answering the questioner in English language; because of that it was translated to Amharic before distributing the questionnaire for a pilot test.

3.8 Ethical consideration

All the research participants in this study are appropriately informed about the use of the research and their interest and permission will be secured before the beginning of distributing questionnaires. Regarding the right to privacy of the respondents, the study maintained the confidentiality of the identity of each participant.

3.9 Data Analysis

To analyze the raw data collected from the abattoirs, the quantitative analysis would be used to look at the effects of performance appraisal system on employees' performance in AAAE. Data collected from respondent employees through questionnaires are and interpreted so as to arrive at meaningful findings. SPSS was used to code and analyze the collected responses from questionnaires. After proper editing, data were coded, and entered into the software and then they were made ready for analysis. Quantitative techniques were adopted for analysis of data collected from questionnaire respondents. In so doing frequency tables and percentages used. This helps the researcher thoroughly and interpreted the questions one by one in order to reach meaningful results. Hence, the results were easily interpreted to analyze the effects of performance appraisal system on employees' performance in AAAE.

The collected data was processed with the help of Statistical Package for Social Sciences (SPSS) Version 25. The necessary steps such as questionnaire checking, editing, coding, transcribing, and data cleaning statistical adjustment of data were done before analyzing the data. Specifically, descriptive statistics (Mean and Standard deviation) and inferential statistics (correlation and regression) were used as a tool.

Descriptive and Inferential Statistics: Numeric data collected in a research project can be quantitative and using statistical tools in two different ways: **Descriptive analysis** refers to statistics describing, aggregating, and presenting the constructs of interest or associations between these constructs. **Inferential analysis** refers to the statistical testing of hypotheses (theory testing). Inferential statistics are the statistical procedures that are used to reach conclusions about associations between variables. They differ from descriptive statistics in that they are explicitly designed to test hypotheses (Bhattacharjee A., 2012).

In most organizational research, at the very minimum, it is of interest to know how frequently certain phenomena occur (frequencies), and the mean or average score of a set of data collected, as well as the extent of variation in the set (i.e., the central tendencies and dispersions of the dependent and independent variables). These are known as **descriptive statistics** (statistics that describe the phenomena of interest). Beyond this, we might want to know how the variables relate to one another, whether there are any differences between two or more groups, and the like. These are called **inferential statistics** (i.e., statistical results that let us draw inferences from a sample to the population). Both descriptive and inferential statistics can be obtained by using PC software programs designed to enter data, edit and analyze them, and produce results for various types of data analyzes (Sekaran, U., 2003).

The researcher used SPSS designed to enter data, edit and analyze them, and produce results for various types of data analysis. In this study, Mean, Standard deviation, correlation and regression, were used to compare the relation between PAS and EP based on demographic data and variables.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter deals with data presentation, analysis, and interpretation of the data collected through questionnaires. The data were collected from employees by questionnaire and then discussed, and interpreted to land at meaningful results.

4.2 Demographic information

In this research from a total of **283** questionnaires distributed, **277 (97.88%)** responses were collected and the remaining **6 (2.12%)** were not collected due to different reasons. From this, concluded that an adequate number of questionnaires were returned that enabled the researcher to analyze the effects of performance appraisal system on employee performance in AAAE.

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	221	79.8	79.8	79.8
	Female	56	20.2	20.2	100.0
	Total	277	100.0	100.0	

Table-5: Gender of respondents

In this section, the analysis tries to provide information related to the respondents' general profile; which includes age category, gender, level of education and service year in the AAAE. As can be seen from Table-5, the majority of the respondents are male that is 79.8% and 20.2% are female.

Age in year					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	< 25	20	7.2	7.2	7.2
	25-35	88	31.8	31.8	39.0
	36-45	89	32.1	32.1	71.1
	46-55	65	23.5	23.5	94.6
	> 55	15	5.4	5.4	100.0
	Total	277	100.0	100.0	

Table-6: Age of the respondent

The majority 32.1% of employees are in the category of between 36 and 45 years age. And the second majorities 31.8% of employees are in the category of between 25 and 35 years age. Other employees who are in the categories of below 25, 46 to 55 and above 55 years are 7.2%, 23.5% and 5.4% respectively. Generally, 71.1% of the respondents are below the age of 45. As can be seen from the table, many of the employees are youngsters which are under the age of 45.

Level of education					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Primary education	76	27.4	27.4	27.4
	Higher education	94	33.9	33.9	61.4
	Level 1-4	42	15.2	15.2	76.5
	Diploma	34	12.3	12.3	88.8
	Degree	27	9.7	9.7	98.6
	Masters and above	4	1.4	1.4	100.0
	Total	277	100.0	100.0	

Table-7: Educational Status

It is possible to understand from the above table that the majority 33.9% of work forces are in the category of high school completion, additionally the table above shows the second category is

primary education that is 27.14% and other level 1 to 4 complete category is 15.2%, diploma, first degree, and second degree holders are 12.3%, 9.7% and 1.4% respectively.

How many years have you been working in AAAE?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2-5	45	16.2	16.2	16.2
	5-10	129	46.6	46.6	62.8
	>10	103	37.2	37.2	100.0
	Total	277	100.0	100.0	

Table-8: Employees Year of Experience

The majority 46.6% of employees are in the category of between 5 to 10 years of experience. The second category of 37.2% is above 10 years, whereas year of experience of 2 to 5 are 16.2%. This means most of the respondents has experience of between 5 to 10 years.

4.3 Assumptions of Linear Regression

Most statistical tests rely upon certain assumptions about the variables used in the analysis. When these assumptions are not met, the results may not be trustworthy or, resulting over or underestimation of significance or effect size (Osborne & Waters, 2002).

Linear regression is an analysis that assesses whether one or more predictor variables explain the dependent variable. The key regression assumptions are as follows:

4.3.1. Linearity

Checking the linearity between x and y variables can be done by plotting the independent variables against the dependent variable. Using a scatter plot, we can then assess whether there is some type of non-linear pattern. The straight line indicates a linear relationship. The linearity of

the relationship between dependent and independent variables represents the degree to which the change in the dependent variable is associated with the independent variable.

The concept of correlation is based on a linear relationship, thus making it a critical issue in regression analysis. When examining residuals, some form of standardization is recommended to make the residuals directly comparable (Hair et al, 2014).

In their original form, larger predicted values naturally have larger residuals. The most widely used is the standardized residual, whose values correspond to t-values (Hair et al., 2014). Looking at the scatter plots produced by SPSS for the relationship between the dependent and each independent variable, the relationship was found linear (Scatter plots are annexed with **Appendices-2**). More to the point, it can be seen from the scatter plot (Figure - 5) used to diagnose the relationship as a whole; the residuals points are scattered or distributed around zero showing linearity rather than curvilinear. This shows that the relationship between the dependent variable and independent variables is reasonably linear (Field, 2013; Hair et al., 2014).

Therefore, the assumption of linearity is met. Although there are few outlier points they are not extreme cases.

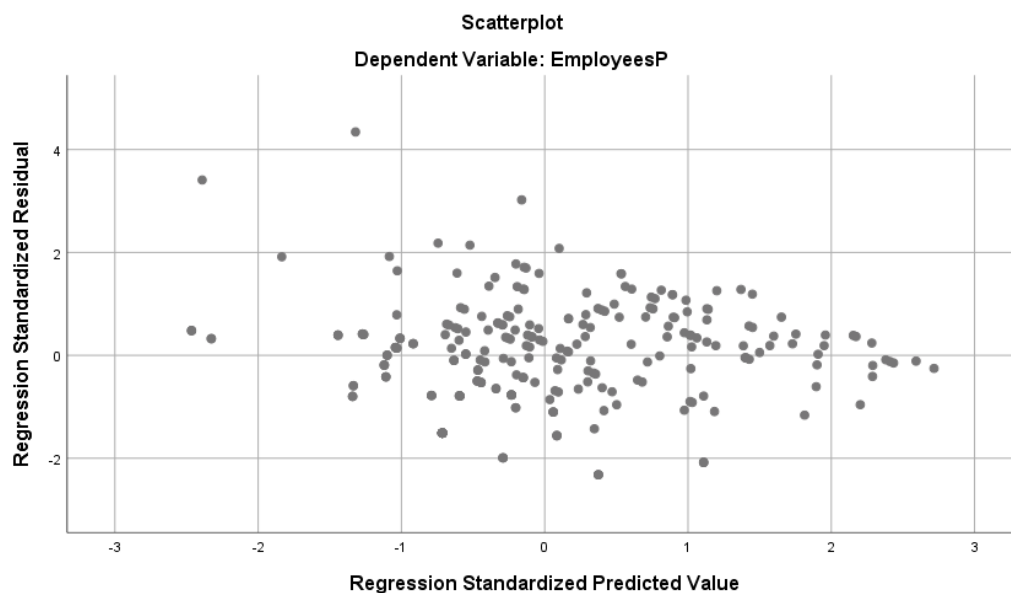


Figure -5: Standardized Residual Plots Source: Own Survey (2020)

4.3.2. Normality

The assumption of normality was used for determining whether the residuals are normally distributed. To say the normality assumption of this study is achieved, P-P Plot dots should be closer to the diagonal line. Normal P-P plot–points should lie in reasonably straight diagonal line from the bottom left to top right. Besides, the P-P plot the dots are almost drawn closer to the diagonal line, it indicates as the assumption of normality is achieved.

As it can be seen from figure - 6, the residuals show close to a diagonal line. Thus, as it indicates the assumption of normality is achieved. Furthermore, histogram showing normality of residuals is annexed with **Appendices-2**.

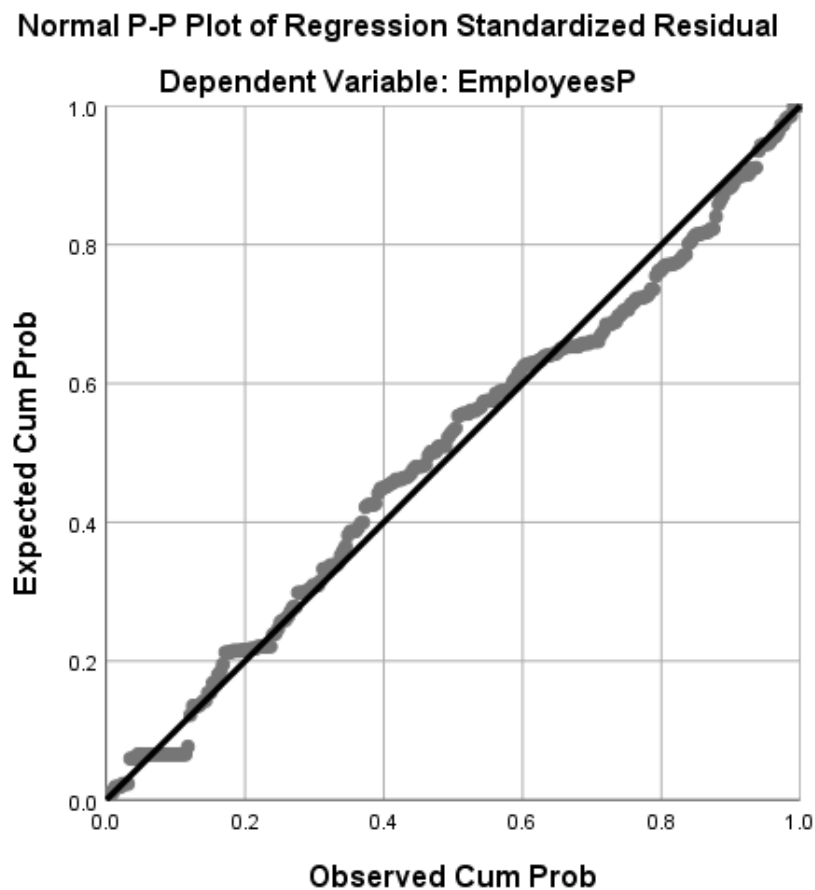


Figure -6: P-Plot Regression Source: Own Survey (2020)

4.3.3. Constant Variance of Residuals (Homoscedasticity)

Running a test without checking for assumption of homoscedasticity (i.e. equal variances) can have a significant impact on regression results. The assumption of equal variances assumes that different samples have the same variance. Homoscedasticity is the assumption that the variation in the residuals (or amount of error in the model) is similar at each point across the model. In other words, the spread of the residuals should be fairly constant at each point of the predictor variables (or across the linear model). To test this assumption, SPSS was used to plot the standardized values the study model would predict, against the standardized residuals obtained. As it can be visually checked from figure-7 hereunder, the residuals plot shows a random scatter of points with constant variability rather than having a funnel shape. In other words, residuals are distributed around 0 or the horizontal line, so that the assumption of homoscedasticity of the study is met.

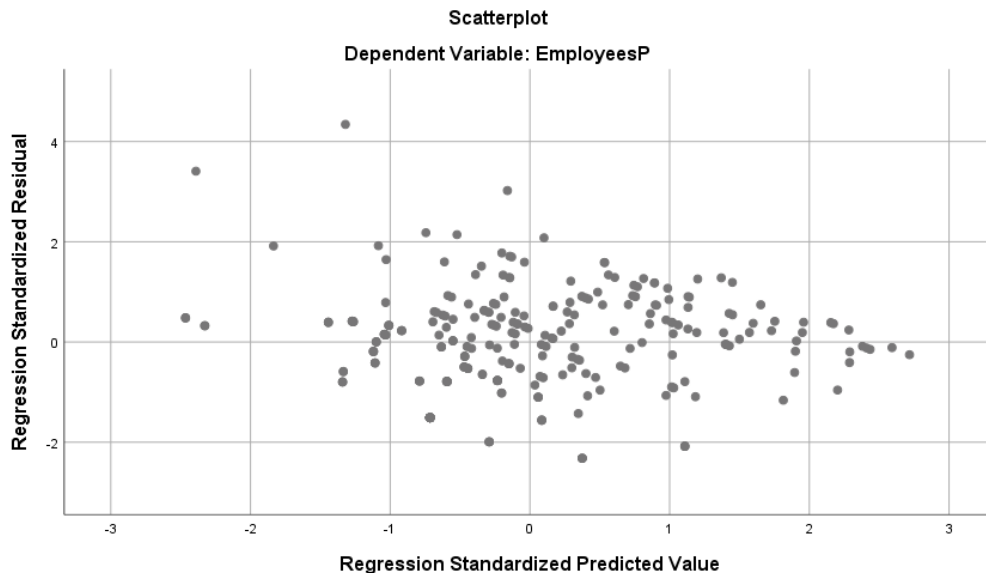


Figure -7: Scatter plot Showing Homoscedsticity Source: Own Survey (2020)

4.3.4. Multicollinearity

In regression, "multicollinearity" refers to predictors that are correlated with other predictors. Multicollinearity occurs when your model includes multiple factors that are correlated not just to

your response variable, but also to each other. In other words, it results when you have factors that are a bit redundant.

Multicollinearity, is the extent to which a variable can be explained by the other variables in the analysis. As multicollinearity increases, it complicates the interpretation of the variety because it is more difficult to ascertain the effect of any single variable, owing to their interrelationship (Hair et al., 2014).

The two most common measures for assessing both pair wise and multiple variable collinearity are tolerance and its inverse, the variance inflation factor(VIF). Tolerance is proportion of the variation in the independent variables not explained by the variables already in the model function. Variance Inflation Factor (VIF), an indicator of the effect that the other independent variables have on the standard error of a regression coefficient. VIF is a metric computed for every X variable that goes into a linear model. If the VIF of a variable is high, it means the information in that variable is already explained by other X variables present in the given model, which means, more redundant is that variable. A common cutoff threshold is a tolerance value of 0.10, which corresponds to a VIF value of 10 (Hair et al., 2014). The tolerance coefficient of the independent variables for this study ranges from 0.279 to 0.516 while the VIF ranges from 1.939 to 3.729. Thus, multicollinearity level is within the acceptable cutoff threshold.

Coefficients^a			
Model		Collinearity Statistics	
		Tolerance	VIF
1	SettingPS	.370	2.702
	CommunicateMean	.279	3.581
	Measure	.268	3.729
	Comparing	.459	2.180
	Discussing	.516	1.939
	CorrectiveA	.487	2.055
a. Dependent Variable: EmployeesP			

Table - 9: Test for Multicollinearity Source: Own Survey (2020)

4.3.5. Reliability

Reliability refers to the extent to which a scale produces consistent results, if the measurements are repeated a number of times. Reliability analysis is determined by obtaining the proportion of systematic variation in a scale, which can be done by determining the association between the scores obtained from different administrations of the scale. Thus, if the association in reliability analysis is high, the scale yields consistent results and is therefore reliable. There are different types of reliability measures. Among, this study focused on internal consistency. Internal consistency is used to measure the reliability of a summated scale where several items are summed to form a total score. This measure of reliability in reliability analysis focuses on the internal consistency of the set of items forming the scale. Based on this, the internal consistency of the study was checked using Cronbach Alpha Coefficient.

According to Saunders *et al.*, (2007), an instrument with a reliability coefficient (alpha value) of more than 0.7 is assumed to be reliable. If the coefficient is ($\alpha \geq 0.7$) the reliability is better and if the coefficient ($\alpha \leq 0.60$) the reliability is poor. Regarding reliability, Cronbach's alpha scores was being applied to check the reliability of the measurement instruments under each variable and the results had fell within the acceptable range of 0.561 to 0.865 as follows:

Reliability Statistics			
	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No. of Items
Setting performance standards	.865	.866	6
Communicating standards	.823	.823	5
Measuring performance	.779	.780	6
Comparing actual performance with standards	.561	.568	3
Discussing results and giving feedback	.778	.779	5
Taking corrective actions	.711	.712	6

Table - 10: Reliability Analysis Source: Own Survey (2020)

4.4 Data Analysis Pertaining to the Study

4.4.1 The effects of PAS on employees' performance

Enacting performance appraisal system in an organization enhances performance of employees. The respondents' views concerning the same are as summarized in the following table.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	277	100	100	100
	Total	277	100.0	100.0	

Table-11: Distribution measure on conduction of performance appraisal.

The above table indicates that out of 277 respondents those who agreed that they complete a performance appraisal process was 277 (100%).

How frequently your performance is appraised?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Monthly	9	3.2	3.2	3.2
	Quarterly	25	9.0	9.0	12.3
	Semiannually	203	73.3	73.3	85.6
	Yearly	40	14.4	14.4	100.0
	Total	277	100.0	100.0	

Table-12: Distribution of appraised performance frequency

The above table shows that the majority of respondents 203 (73.3%) from the total sample size responded performance is appraised semiannually. The remaining respondents said monthly, quarterly and annually; 9 (3.2%), 25 (9%) & 40 (14.4%) respectively.

4.4.2 Descriptive statistics of employees' perception of PAS on EP

The summary of the descriptive statistics is shown below in the table-13, mean of PAS on EP. It indicates that all variables are evaluated based on a 5-point scale (1 being strongly disagreed with 5 being strongly agreed).

Variables	Mean
Setting Performance	3.1137
Communicating	2.8412
Measuring	2.9940
Comparing	3.0313
Discussing	3.0785
Corrective Action	3.0433
Employees' Performance	2.8008

Table-13: Mean of PAS on EP (*Source: researcher survey, 2018*)

The result of employee perception of setting performance standards shows that the mean score of setting performance standards is 3.1137. An employees' perception that setting performance standards in this study rated as medium. The result show that the mean score of communicating the standards 2.8412 was below moderate. The mean score of employees' perception towards measuring performance indicated by the respondents 2.9940 was below medium.

According to Gupta, 2012. Actual performance is compared with the predetermined performance standards. Such comparison will reveal the deviations which may be positive or negative. Positive deviations occur when the actual performance exceeds the standards. On the other hand, excess of standard performance over the actual performance represents a negative deviation. An employees' perception that comparing the actual performance was 3.0313 in this study rated as medium as rated setting performance standards. An employees' perception towards discussing performance appraisal results within their organization with a mean score of 3.0785 is medium.

Taking corrective action happens at the end of the performance period after discussing evaluation results with employees. It evaluates the effectiveness of the whole process and its contribution to overall organizational performance to allow changes and improvements to be made, and also provides the feedback to the organization and to individual staff about their actual performance. The effectiveness of any organization is dependent on the quality of its employees. An efficient performance appraisal system is a crucial cornerstone in this process, as it provides the data needed for most of the required corrective action in administrative decisions. Accordingly, employees' perception of taking corrective action in the performance appraisal process within organization with a mean score of 3.0433 is moderate.

According to GÜNGÖR, (2011), cited by Zhang, (2012), Employees' performance is originally what an employee does or does not do. The performance of employees could include the quantity of output, quality of output, timeliness of output, presence at work, and cooperativeness. Employees' performance plays an important role in organizational performance. As indicated in table-12 the perception of employees in an employees' performance in their organization is low with a mean score of 2.8008. As one of the antecedents of PAS, the perception of an employees' performance among both head office and ABA staffs of the enterprise below average.

4.4.3 Association between PAS and employees' performance

Correlation is a technique for investigating the relationship between two quantitative variables. It is a statistical technique that shows how strongly two variables are related to each other or the degree of association between the two. Correlation quantifies the extent to which two quantitative variables, X and Y, “go together.” It is a statistical measurement of the relationship between two variables. Possible correlations range from +1 to -1. A zero correlation indicates that there is no relationship between the variables. A correlation of -1 indicates a perfect negative correlation, meaning that as one variable goes up, the other goes down. A correlation of +1 indicates a perfect positive correlation, meaning that both variables move in the same direction together. Correlation is measured by the correlation coefficient. Pearson's correlation coefficient (r) is a measure of the strength of the association between the two variables. Correlation provides the platform for regression to predict the values of the dependent

variable based on the known relationship that exist between the independent variable and the dependent variable (Maiwada Samuel and Lawrence Ethelbert Okey, 2015). Therefore, in order to determine whether there are significant relationships between perceived performance appraisal system and employees' performance the researcher has used Pearson correlation coefficient analysis. According to Money, AH, Samouel, P. and Page, M.(2007), cited by R Kumar, KG Eng-2012, this provided correlation coefficients (r) which indicated the strength and direction of a linear relationship as shown below table-13.

Coefficient Range	Strength / Are said to be
± 0.91 to ± 1.00	Very strong
± 0.71 to ± 0.90	High
± 0.41 to ± 0.70	Moderate
± 0.21 to ± 0.40	Small but definite relationship
± 0.00 to ± 0.20	Slight, almost negligible

Table-14: Coefficient Range (Source: R Kumar, KG Eng - Journal of global business and economics, 2012.)

Correlation research has had and will continue to have an important role in quantitative research in terms of exploring the nature of the relations among a collection of variables. In part, unrelated variables can be eliminated from further consideration, thereby allowing the researcher to give more serious consideration to related variables.

Correlation

	Setting performance standards	Communicate standards	Measuring performance	Comparing actual performance with standards	Discussing results and giving feedback	Taking corrective actions	Employees' performance
Setting performance standards	1						
Communicate standards	.730**	1					
Measuring performance	.687**	.804**	1				
Comparing actual performance with standards	.678**	.611**	.635**	1			
Discussing results and giving feedback	.481**	.571**	.656**	.550**	1		
Taking corrective actions	.568**	.658**	.664**	.525**	.564**	1	
Employees' performance	.618**	.694**	.661**	.598**	.535**	.618**	1
**. Correlation is significant at the 0.01 level (2-tailed).							

Table-15: A Statistical Summary of Pearson correlation between PAS and EP

The result in the table above indicates a statistical summary of correlation analysis between each independent variable and dependent variable. These correlation coefficients show, which independent variables are highly correlated with the dependent variable and with each other. Therefore, the association dependent variable (employees' performance) with independent variables {setting performance standards ($r=0.618$, $P < 0.05$), communicating standards ($r=0.694$, $P < 0.05$), measuring performance ($r=0.661$, $P < 0.05$), comparing the actual performance with standards ($r=0.598$, $P < 0.05$), discussing appraisal results ($r=0.535$, $P < 0.05$) and taking corrective action ($r =0.618$, $P < 0.05$)} are significant which indicates that there was moderate positive relationship between performance appraisal system and employees' performance.

4.5 Regression analysis of PAS and employees' performance

Regression is primarily used for prediction and causal inference. It is important to recognize that regression analysis is fundamentally different from determining the correlations among different variables. Correlation determines the strength of the relationship between variables, while regression attempts to describe the relationship between these variables in more detail. More specifically, regression analysis helps one understand how the typical value of the dependent variable changes when any one of the independent variables changed, while the other independent variables constant. To further explore the association between each independent variable and the dependent variable as well as to look at the aggregate effect of performance appraisal system on employee performance, standard multiple regressions were employed. To this end, regression analysis model summary, analysis of variance and β -coefficient, were used to interpret the results.

Model Summary ^b									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.755 ^a	.570	.560	.77469	.570	59.599	6	270	.000
a. Predictors: (Constant), CorrectiveA, Comparing, Discussing, SettingPS, CommunicateMean, Measure									
b. Dependent Variable: EmployeesP									

Table-16: Regression analysis model summary

Table-16 displays R is the correlation between the observed and predicted values of the employees' performance. The values of R range from -1 to 1. The sign of R indicates the direction of the relationship (positive or negative). The absolute value of R indicates the strength, with larger absolute values indicating stronger relationships. In the above table R is about 0.755 which is a positive correlation between independent variables and dependent variables.

The R^2 is the proportion of variation in the dependent variable (EP) that is explained by the six independent variables. It measures how much of the variability in the dependent variable is accounted for the set of independent variables. The R^2 value of the study model is 0.570. In terms of percentage, 57 % of the variation in overall EP can be explained jointly by the six independent variables (setting performance standards, communicating standards, measuring performance, comparing actual performance with standards, discussing results and giving feedback and taking corrective actions) in the model. The rest 43% of variance of EP could be explained by variables other than the six variables considered by the study model. This shows that performance appraisal system has a positive effect on employee performance. Beside R^2 as presented above, we can use ANOVA (Analysis of variance) to check how well the model fits the data. Look at the following table:

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	214.612	6	35.769	59.599	.000 ^b
	Residual	162.040	270	.600		
	Total	376.652	276			
a. Dependent Variable: Employees P						
b. Predictors: (Constant), Corrective A, Comparing, discussing, SettingPS, CommunicateMean, Measure						

Table-17: ANOVA^a of regression analysis

The above ANOVA table determines whether the model is significant enough to determine the outcome. The value of F illustrates the extent of association between performance appraisal system and employees' performance. Thus, in this model F value is found 59.599. With the P-value of 0.000 compared to the alpha level of 0.05 it can be concluded that, the independent variables predict the dependent variable and also performance appraisal system had a significantly positive effect on employees' performance.

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.832	.213		-3.906	.000
	Setting performance standards	.121	.084	.094	1.437	.152
	Communicating standards	.376	.098	.291	3.854	.000
	Measuring performance	.123	.111	.086	1.112	.267
	Comparing actual performance with standards	.221	.080	.164	2.775	.006
	Discussing results and giving feedback	.089	.072	.069	1.249	.213
	Taking corrective actions	.287	.086	.191	3.334	.001

a. Dependent Variable: EmployeesP

Table-18: Coefficients of regression analysis

In table-18, The Standardized Beta Coefficients give a measure of the contribution of each variable to the model. Accordingly, setting performance standards has not a significant effect on EP ($\beta=.094$) that is positive and t-value = 1.437 and p value = 0.152 that is greater than 0.05 significant level. A large value indicates that a unit change in this predictor variable has a large effect on the criterion variable. Hence, communicating standards shows the highest Beta value and the most significant compared to other dimensions of PAS with ($\beta=.291$), that is positive and t-value = 3.854 Similarly, p value = 0.000 that is less than 0.05 significant level. Whenever a higher level of communicating standards is exhibited by the employees of AAE, the higher EP will be exhibited. Numerically; when communicating standard is increased by one unit, EP increases by .291 while other five independent variables remain constant.

Measuring performance with ($\beta=.086$) that is positive and t-value = 1.112 and p value = 0.267 that is greater than alpha value 0.05 significant level. Therefore, measuring performance has not a significant effect on EP. On the other hand, comparing actual performance with standards with ($\beta = .164$) that is positive and t-value = 2.775 and p value = 0.006 that is less than 0.05

significant level. It has a significant effect on the EP. This indicates that when there is a change of one unit in the comparing actual performance with standards, it will result in a .164 unit increase in the EP.

Discussing results and giving feedback has not a significant positive effect on EP ($\beta = .069$), t – value = 1.249 and P value = 0.213 that is above 0.05 significant level. Taking corrective actions has a significant positive effect on employees' performance with ($\beta = .191$), t – value = 3.334 and P value = 0.001 that is below 0.05 significant level. This implies, whenever, a higher level of taking corrective actions is exhibited by the employees of the company; the higher EP will be exhibited. Numerically explained; when taking corrective actions increase by one unit, EP increases by .191.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION, RECOMMENDATION, AND FUTURE RESEARCH DIRECTIONS

5.1 Summary of the major finding

The summary of the major finding was designed to address the research questions which were in place to answer the objectives of the study. The major objective of this study is to determine the effects of the performance appraisal system on the employees' performance and the relationship between PAS and EP in AAAE using head office and ABA employees as a sample. Based on the findings of the study, the following summary of finding is drawn:

As can be seen that there is a low number and unequal distribution of sex with only few females are employed at AAAE, and many of the employees are youngsters. A minority of the employees in the organization are well educated. The majority of employees have experience of above 5 years, they are capable of understanding the day to day activities performed in the organization. All respondents agreed that they complete a performance appraisal process and the majority of respondents (73.3%) respond semi-annually the performance appraised.

The employee perception of setting performance standards, comparing the actual performance, discussing performance appraisal and taking corrective action in this study rated as a medium in the performance appraisal process within their organization. On the other hand, communicating the standards and measuring performance indicated by the perception of respondents was below medium. The perception of employees in an employees' performance in their organization is also below medium.

The correlation analysis result designates the association between dependent variables with each independent variables are significant, which indicates that there was a moderate positive relationship between performance appraisal system and employees' performance. Regression analysis model summary R is a positive correlation between independent variables and

dependent variables and also R^2 indicated that 57% of the variance in the employees' performance is explained by the performance appraisal system. The F value of this model is 59.599, with the P-Value of less than 0.05 compared to the alpha level. It can be concluded that the independent variables predict the dependent variable and also performance appraisal system has a significant positive effect on the employees' performance.

Beta-coefficient shows the effect of performance appraisal system on employees' performance. The three PAS dimensions (setting performance standards, measuring performance, discussing results and giving feedback and) has not a significant effect on EP with ($\beta=.094$, $.086$ and $.069$ respectively) that is positive and (t-value = 1.437, 1.112 and 1.249 respectively) and (p value = 0.152, $.267$ and $.213$ respectively) that is greater than 0.05 significant level. On the other hand the remaining three PAS dimensions (communicating standards, comparing actual performance with standards and taking corrective actions) significantly affect on employees' performance with ($\beta=.291$, $.164$ and $.191$ respectively) that is positive and (t-value = 3.854, 2.775 and 3.334 respectively) and (p value = 0.000, $.006$ and $.001$) that is less than 0.05 significant level.

5.2 Conclusions

The major target of the performance appraisal system is to improve organizational performance, by improving individual performance. The study was designed to explore the influence of the performance appraisal system on the employees' performance in Addis Ababa Abattoirs Enterprise. In conclusion those respondents who agreed that they complete a performance appraisal process were 100% and the majority of respondents (73.3%) said performance is appraised semi-annually. From this point we conclude that the remaining 26.7% employees in an organization are not being introduced the process of performance appraisal system. The employee perception of setting performance standards, comparing the actual performance with standards, discussing on appraisal result and giving feedback, and taking corrective actions rated as a medium in the performance appraisal process within their organization; On the other hand, in terms of communicating the standards and measuring performance perception of respondents was below medium. Similarly, perception of employees about employees' performance in their organization was also below medium. This indicates that the performance standards was not

properly specified, communicated and explained to the employees, and some of the raters do not measure the actual performance of employees by choosing the right technique of measurement. In this study, the association between EP with each PAS dimensions are significant, which indicates that there was a moderate positive relationship between PAS and EP. Regression analysis model summary R is a positive correlation between PAS and EP and also R^2 was indicated that 57% of the variance in the employees' performance is explained by the performance appraisal system. From the F value, it can be concluded that the PAS predict the EP and also performance appraisal system has a significant positive effect on the employees' performance.

The regression results of Beta-coefficient indicates that performance appraisal system dimensions (setting performance standards, measuring performance, discussing results and giving feedback) has not significant influence on employees' performance. On the other hand, the remaining three PAS dimensions (communicating standards, comparing actual performance with standards and taking corrective actions) significantly influence employees' performance. A large value indicates that a unit change in this predictor variable has a large effect on the criterion variable. Hence, communicating standards shows the highest Beta value and the most significant compared to other dimensions of PAS. Thus, communicating standards has the highest effect on EP. This indicates that when there is a change of one unit in the communicating standards, it will result in a .291 unit increase in the EP. When we see the results of the present research, setting performance standards, communicating standards, measuring performance, comparing actual performance with standards, discussing results and giving feedback and taking corrective actions dimensions of PAS have a positive effect on EP. In general, the organization couldn't establish an appropriate PAS and implement it properly. Therefore the performance appraisal system used by an enterprise was not able to improve organizational performance by improving the employees' performance as expected.

5.3 Recommendations

On the basis of the finding and conclusions drawn with regard to the performance appraisal system and employee performance in AAAE, the following recommendations are made with the

hope that the implementation would increase the perception of employees towards PAS to improve EP.

- 1) The study recommends that 360 degree feedback was deemed to be the best performance appraisal system for AAAE. It involves employees receiving feedback from people whose views are considered helpful and relevant and the management should strive to make their employees aware of the role of the performance appraisal system and encourage them to embrace it fully.
- 2) Setting the performance standard is regarded as the assurance that must be the appraisal process begins with the setting up of criteria to be used for appraising the performance of employees. This criteria should be clear, objective and in writing.
- 3) The enterprise is recommended to work hard in communicating performance expectations/ goals to employees at the beginning of the evaluation period; it has to communicate the performance standards to employees clearly and regularly respective to the performance expected from them.
- 4) The company is recommended to make sure if there is the practice of having a file in every unit on what employees have made during the appraisal period. The researcher believes this will help appraisers to make an accurate evaluation and explain the rating decision clearly for the period, to employees.
- 5) The performance appraisal results should be discussed with the employees. It will help an employee to know his/ her strengths and weakness. Also, motivated to improve himself/ herself.
- 6) In order to increase employee performance by encouraging strong areas and modifying the weak ones through necessary training, to evaluate working conditions if there is any to be raised during the discussion and to come up with the achievement of organization's goal by having a great employee productivity, the Enterprise is recommended to implement timely and regular feedback on performance status of

employees.

- 7) In addition to using performance appraisal for the purpose of promotion, salary raise/ bonus rewards, the enterprise is highly recommended its existing PA purpose to include; HR planning and to provide training and development for employees who have performed below the standard to help them in carrying out job related duties and responsibilities and to boost up their future performance.
- 8) The majority of employees are not well educated. The researcher strongly recommended the organization to hire professionals, that will help to improve organizational performance by increasing individual performance and for better productivity and to increase profitability.
- 9) Companies must train their managers on how to conduct performance appraisals and managers must know how to set proper goals and objectives at the beginning of the calendar or evaluation year

5.4 Limitations and Future Research Directions

This research has its own contribution in determining the effect of performance appraisal system on the employees' performance. However, it has the following limitations:

- ✚ **First**, there is no prior study exists on performance appraisal system in the area.
- ✚ **Second**, there is no organized statistical data about human source management of AAEE.
- ✚ **Thirdly**, comparative study might give some insights about the subject matter.

Therefore, for the forthcoming studies, the researcher proposes that the future research should be able to look in detail on other important variables like satisfaction level, motivation, leadership commitment to improve the employees' performance, in order to determine the effects of performance appraisal system on the performance of the employees. In this study, research questionnaire were used to collect data as primary sources for analysis. Therefore, in the future research, it is advisable to use interview and focus group discussion to get more accurate data for analysis.

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Appendices

Appendices-1: Charts

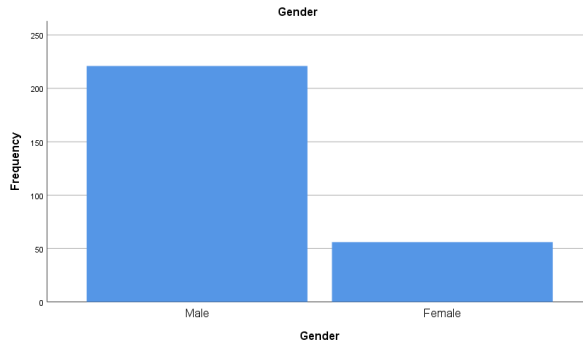


Chart-1: Gender of the respondent

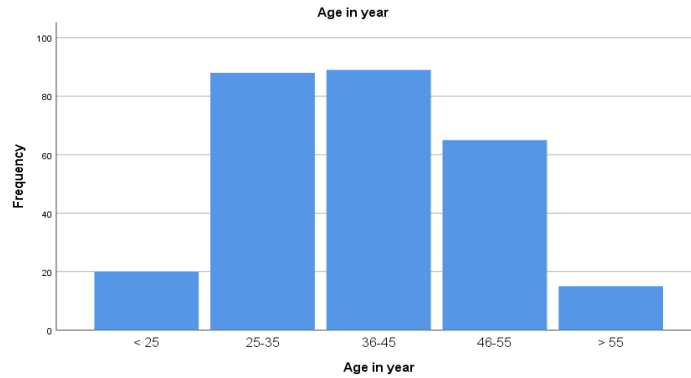


Chart-2: Age of the respondent

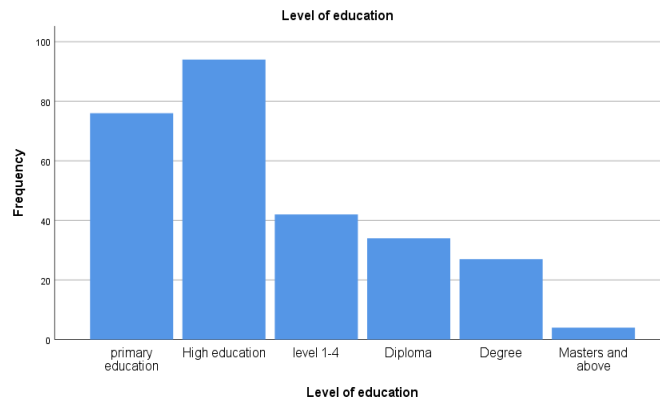


Chart-3: Educational Status

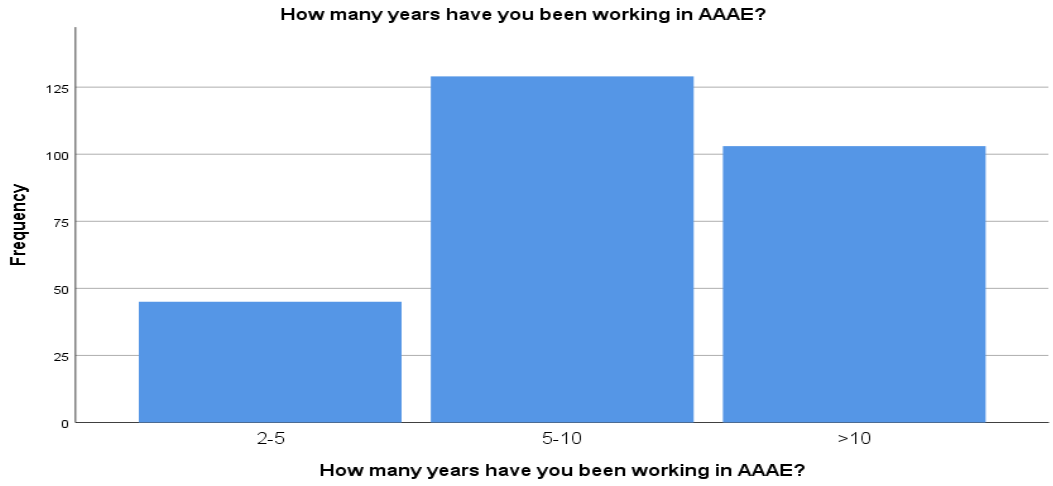


Chart-4: Employees Year of Experience

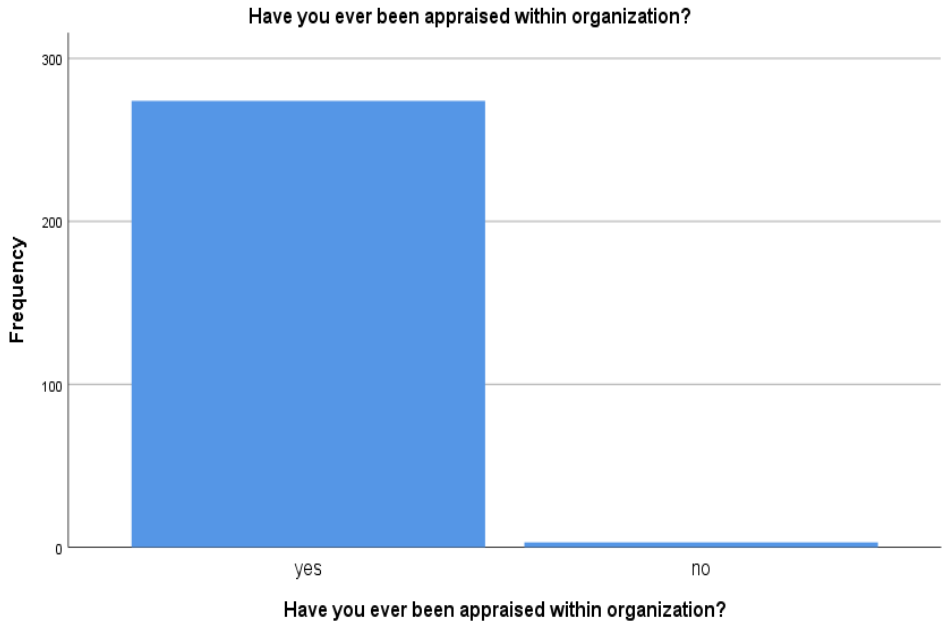


Chart-5: Distribution measure on conduction of performance appraisals

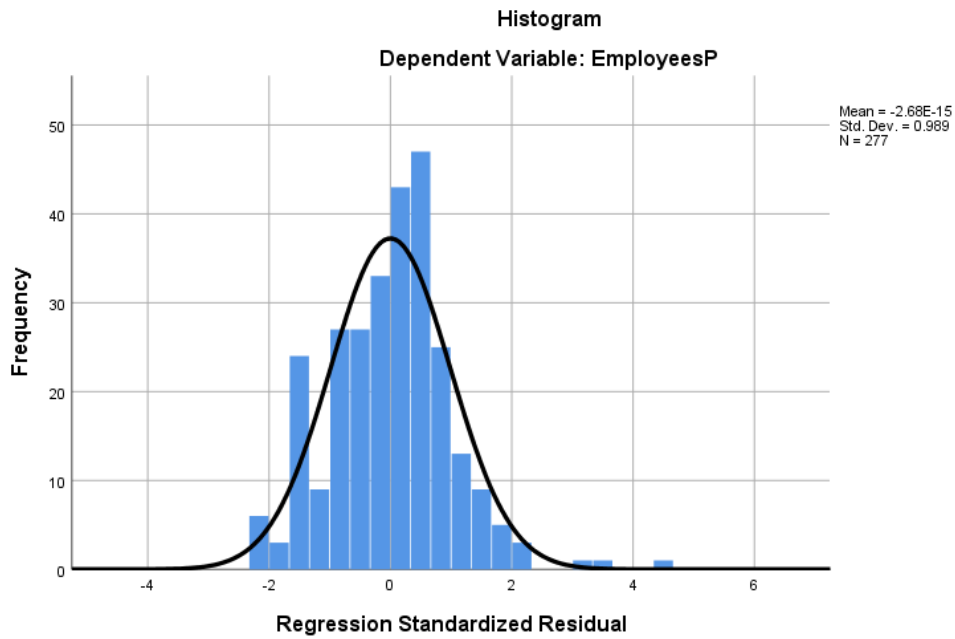
Appendices-2: SPSS Outputs

1) Correlation

		Setting performance standards	Communicate standards	Measuring performance	Comparing actual performance with standards	Discussing results and giving feedback	Taking corrective actions	Employees' performance
Setting performance	Pearson Correlation	1	.730**	.687**	.678**	.481**	.568**	.618**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	N	277	277	277	277	277	277	277
Communicate standards	Pearson Correlation	.730**	1	.804**	.611**	.571**	.658**	.694**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000
	N	277	277	277	277	277	277	277
Measuring performance	Pearson Correlation	.687**	.804**	1	.635**	.656**	.664**	.661**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000
	N	277	277	277	277	277	277	277
Comparing actual performance with standards	Pearson Correlation	.678**	.611**	.635**	1	.550**	.525**	.598**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000
	N	277	277	277	277	277	277	277
Discussing results and giving feedback	Pearson Correlation	.481**	.571**	.656**	.550**	1	.564**	.535**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000

	N	277	277	277	277	277	277	277
Taking corrective actions	Pearson Correlation	.568**	.658**	.664**	.525**	.564**	1	.618**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000
	N	277	277	277	277	277	277	277
Employees' performance	Pearson Correlation	.618**	.694**	.661**	.598**	.535**	.618**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	277	277	277	277	277	277	277
**. Correlation is significant at the 0.01 level (2-tailed).								

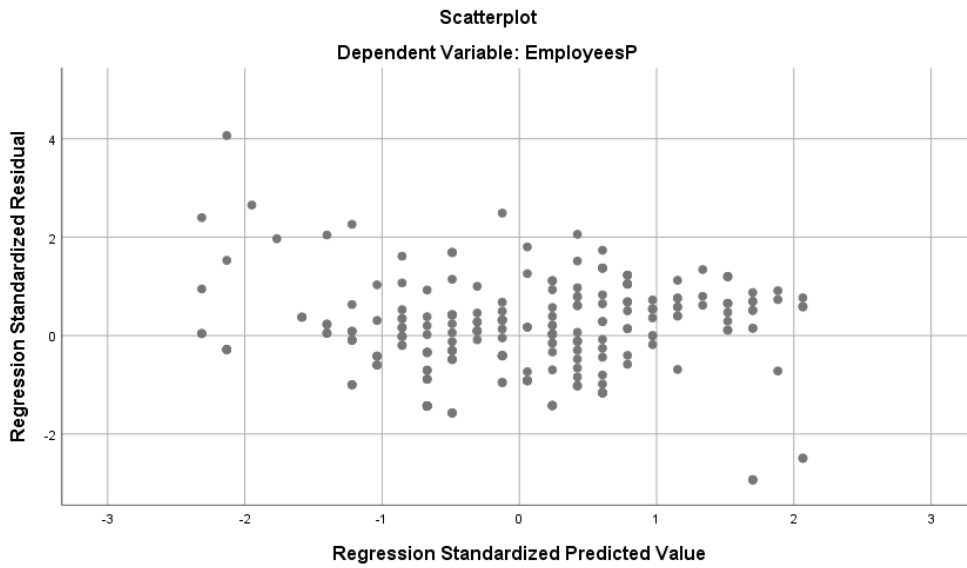
2) Normality Histogram



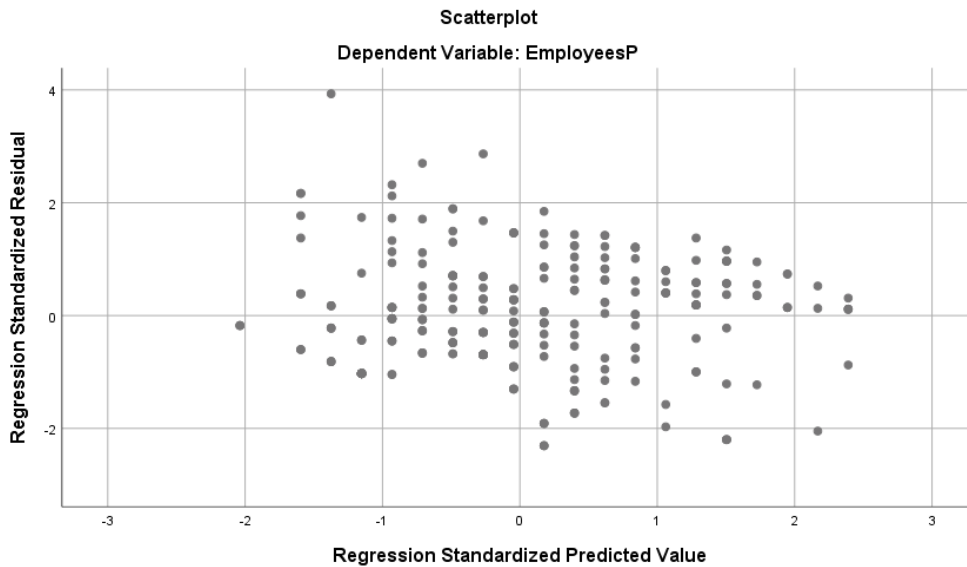
3) Scatter Plots

Scatter Plots: Showing Linear Relationship between Independent Variables with Dependent Variable (Employee Performance).

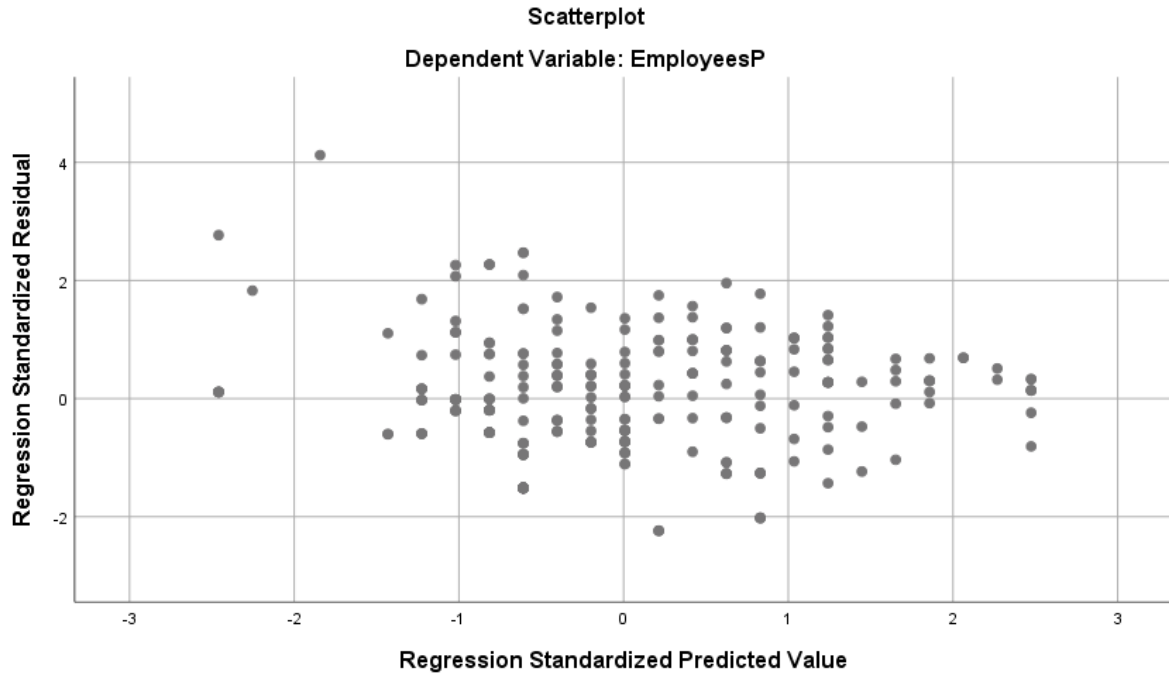
A) Setting performance standards Vs Employee Performance



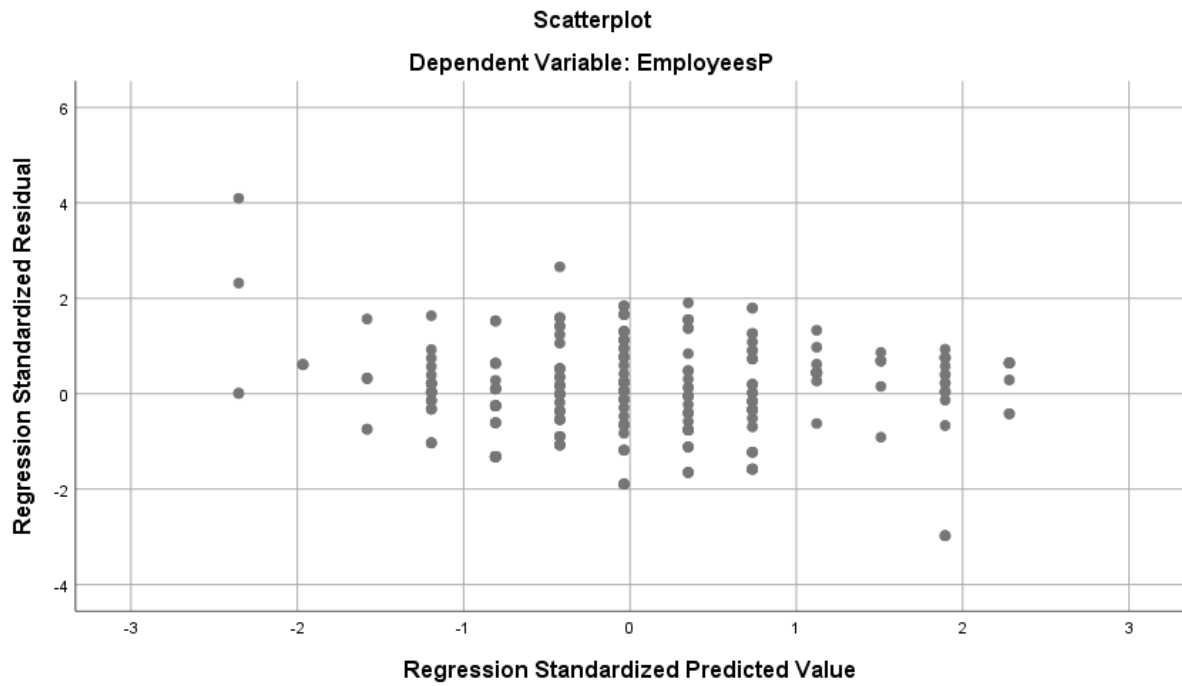
B) Communicating standards Vs Employees' Performance



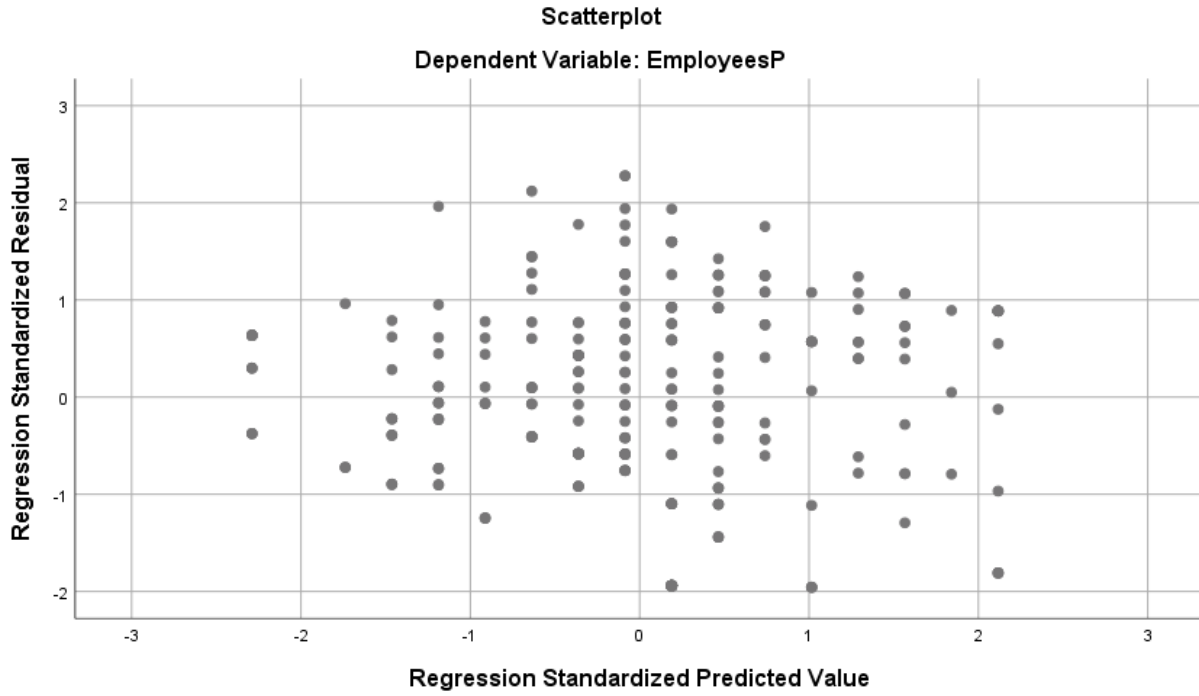
C) Measuring performance Vs Employees' Performance



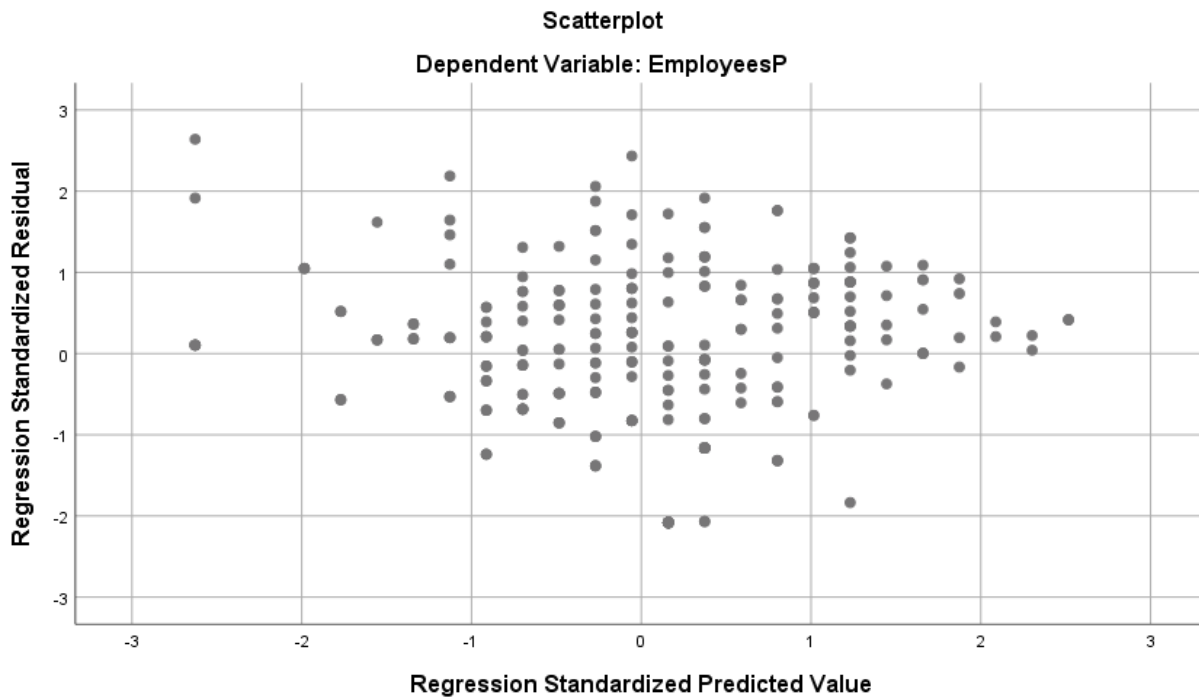
D) Comparing actual performance with standards Vs Employees' Performance



E) Discussing results and giving feedback Vs Employees' Performance



F) Taking corrective actions Vs Employees' Performance



Appendices-3: Questionnaire in English



College of Business and Economics

Department of Management

EMBA Program

Questionnaire

Dear respondent,

My name is Mekonnen Getachew, prospective graduating student of EMBA at Addis Ababa University. The purpose of this questionnaire is to collect first hand information for a study being conducted on the topic, *"The effect of Performance Appraisal Process on Employee Performance at Addis Ababa Abattoirs Enterprise"* as partial fulfillment of Executive Master's of Business Administration (EMBA). To this end, I kindly request you to provide me genuine information, to the best of your knowledge, so that the findings of the study would be legitimate. The study is purely academic research. Therefore, for sure, all your responses will be kept confidential. I would like to thank you for your willingness, effort and sharing precious time to fill the questionnaire and returning it the earliest possible.

Instruction: Please circle to choose from the options given and answer in writing where appropriate. You don't have to write your name.

Part I: Respondent's Profile

1 Gender: A) Male B) Female

2 Age in year: A) Below 25 B) 25-35 C) 36-45 D) 46-55 E) Above 55

3 Level of education: A) Primary education B) High education

C) Level 1 to 4 D) Diploma E) Degree F) Master's and above

4. How many years have you been working in AAAE?

A) 2-5 years B) 5-10 years C) above 10 years

Part II: General Information on Performance Appraisal

5. Have you ever been appraised within organization?

a) Yes b) No

6. How frequently your performance is appraised?

a) Monthly b) Quarterly c) Semi annually d) Yearly

On the basis of your prior experience regarding PAS, Please tick (√) the option which you feel is right. The equivalent weight for the answer is

<i>INTERPRETATION</i>	<i>EQUIVALEN</i>
<i>STRONGLY AGREE</i>	<i>5</i>
<i>AGREE</i>	<i>4</i>
<i>UNCERTAIN</i>	<i>3</i>
<i>DISAGREE</i>	<i>2</i>
<i>STRONGLY DIS AGREE</i>	<i>1</i>

No.	Question statements	Rate				
		5	4	3	2	1
1	Setting performance standards					
1.1	In AAAE performance appraisal process begins with the setting of performance expectations or standards.					
1.2	The standards for appraising employees' performance, align to the enterprise goal.					
1.3	Goal setting processes are carried out jointly by the employees and their immediate supervisor.					

No.	Question statements	Rate				
		5	4	3	2	1
1.4	The criteria in performance appraisal formats are objective, clear, easy to understand and interpret.					
1.5	The performance evaluation criteria used to evaluate my performance are customized based on the characteristics of my job					
1.6	The criteria's for the evaluation is based on observable and measurable characteristics of the behaviour of the employee					
2	Communicating Standards					
2.1	While setting a goal my supervisor clearly tell me the expectation he/she has from my performance.					
2.2	My supervisor and I reached to an agreement how my performance will be measured.					
2.3	My company provides me sufficient resources to execute my job properly.					
2.4	I am always informed about changes in organizational goal and the initial goal stated by me and the supervisor is also updated accordingly.					
2.5	My supervisor communicates with me frequently about my Performance.					
3	Measure performance					
3.1	The performance appraisal process taking place in the organization exactly evaluate the employee performance against predetermined performance standards.					
3.2	My rater usually keeps a file on what I have done during the appraisal period to evaluate my performance.					
3.3	Ratings are accurate and reflect the actual performance					
3.4	In order to avoid anger and rivalry supervisor gives equivalent rate for Employees.					
3.5	Employee and Employer interpersonal relationships can influence performance appraisal results					
3.6	The appraiser appraises both the results and how they are achieved					

No.	Question statements	Rate				
		5	4	3	2	1
4	Comparing the actual performance with standards					
4.1	The performance appraisal process of the organization allows to compare the actual performance of employees with predetermined standards.					
4.2	Production standards and performance standards are not on par with the standards set by the organization.					
4.3	The comparison tells the deviations in the performance of the employee from the standards					
5	Discussing the result with employee and giving feedback					
5.1	The result of the appraisal is communicated and discussed with the employees on one to one basis					
5.2	There is no transparency in a way, performance appraisal result is implemented.					
5.3	I can challenge a performance rating if I think it is unfair					
5.4	My performance rating can be changed if I can show that it is incorrect or unfair.					
5.5	I receive specific and accurate feedback on my past performance					
6	Indicate corrective action					
6.1	Performance appraisal is used as a decision making tool for termination and layoff.					
6.2	Performance results affect promotional opportunities.					
6.3	Appreciation and being praised by your supervisor for high performer employees increase their success at work.					
6.4	Managers are not applying performance appraisal results for employee promotion, demotion and/or termination purposes.					
6.5	Supervisors recommend training for low performers.					
6.6	Supervisors recommend demotion for frequently below average performer.					
7	Employees' Performance					

No.	Question statements	Rate				
		5	4	3	2	1
7.1	PAS implemented in AAAE is helpful in improving employees' communication.					
7.2	Performance appraisal in an organization increases employee productivity					
7.3	Performance appraisal building positive interactive relationships between employees and customers					
7.4	The performance appraisal enhances job satisfaction of an employee					
7.5	Performance appraisal is supporting the overall competitiveness of the organization.					
7.6	Performance appraisal appraising potential of employees					

If you have any suggestion s/comments on the performance appraisal process of the AAAE, please specify. _____

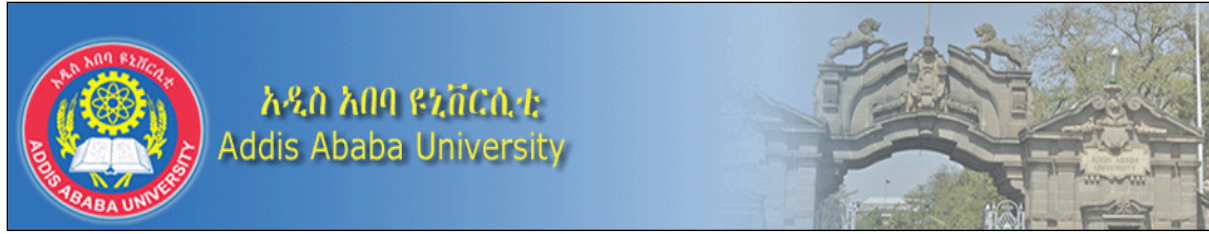
Thank you for your time!

Mekonnen Getachew

Phone: 09-8208-6292

E-mail Address: mweldetsadike0@gmail.com

Appendices-4: Amharic Questionnaire



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መጠይቅ

ውድ መላሾች

ስሜ መኮንን ጌታቸው ሲሆን በአዲስ አበባ ዩኒቨርሲቲ በ"EMBA" ፕሮግራም የምመረቅ ተማሪ ነኝ። የዚህ መጠይቅ ዓላማ “በአዲስ አበባ ቁራዎቹ ድርጅት የሥራ አፈፃፀም ግምገማ ሂደት በሠራተኞች አፈፃፀም ላይ ያስከተለው ውጤት” በሚል ርዕስ ላይ ለሚደረግ የመመረቂያ ጽሑፍ ዝግጅት የሚያገለግል መረጃ ለመሰብሰብ ነው። በመሆኑም ተአማኒና በእውነት ላይ የተመሰረተ ድምዳሜ ላይ መድረስ ይቻል ዘንድ የሚያውቁትን ያህል እውነተኛ መረጃ እንዲሰጡኝ በትህትና እጠይቅዎታሁ። ጥናቱ ሙሉ በሙሉ ለትምህርት ዓላማ የሚውል ነው። ስለሆነም የእርስዎ ምላሽ በሚስጢር የሚጠበቅ መሆኑን ላረጋግጥልዎ እወዳለሁ። ውድ ጊዜዎን ሰውተው ይህንን መጠይቅ ለመሙላትና ቶሎ ለመመለስ ስላሳዩት ቀናነትና ፈቃደኝነት እጅግ በጣም አመሰግንዎታለሁ።

መመሪያ:- እባክዎ ከተሰጡት አማራጮች በመክበብ ይምረጡ እንዲሁም መፃፍ ባለቦት ቦታ ላይ በጽሁፍ መልስ ይስጡ። ስምዎን መፃፍ የለብዎትም።

ክፍል 1:- የመላሾች መግለጫ።

1 ያታ:- ሀ) ወንድ ለ) ሴት።

2 ዕድሜ:- ሀ) ከ 25 በታች ለ) 25-35 ሐ) 36-45 መ) 46-55 ሠ) ከ 55 በላይ።

3 የትምህርት ደረጃ:- ሀ) የመጀመሪያ ደረጃ ትምህርት ለ) የሁለተኛ ደረጃ ትምህርት
 ሐ) ከደረጃ 1 እስከ 4 መ) ዲፕሎማ ሠ) ድግሪ ረ) ማስተርስ

እና ከዛ

በላይ።

4. በአዲስ አበባ ቁራዎች ድርጅት ውስጥ ስንት ዓመት አገልግለዋል?
 ሀ) ከ2-5 ለ) ከ5-10 ሐ) ከ10 ዓመት በላይ።

ክፍል II የሥራ አፈፃፀም ግምገማን በተመለከተ አጠቃላይ መረጃ።

5. በድርጅቱ ውስጥ ተገምግመው ያውቃሉ?

ሀ) አዎ ለ) አላውቅም

6. አፈፃፀምዎ በምን ያህል ጊዜ ይገመገማል?

ሀ) በየወሩ ለ) በየሩብ ዓመቱ ሐ) በየግማሽ ዓመቱ መ) በየዓመቱ

ከሥራ አፈፃፀም	ተመጣጣኝ ክብደት
በጣም እስማማለሁ	5
እስማማለሁ	4
መካከለኛ	3
አልስማማም	2
ፈጽሞ አልስማማም	1

ቁጥር	የጥያቄ መግለጫዎች	Rate				
		5	4	3	2	1
1	የመገምገሚያ መስፈርቶችን ማዘጋጀት፤					
1.1	በአዲስ አበባ ቁራዎች ድርጅት የአፈፃፀም ግምገማ ሂደት የሚጀምረው የሚጠበቁ ውጤቶችን ወይም የመመዘኛ መስፈርቶችን በማዘጋጀት ነው።					
1.2	የሰራተኞችን አፈፃፀም ለመገምገም የተቀመጡ መመዘኛዎች ከድርጅቱ ግብ ጋር የተጣጣሙ ናቸው።					
1.3	የግብ ዝግጅት ሂደት የሚከናወነው ሠራተኞችና የቅርብ አለቃቸው በጋራ					

ቁጥር	የጥያቄ መግለጫዎች	Rate				
		5	4	3	2	1
	በመሆን ነው።					
1.4	በአፈፃፀም ግምገማ ፎርማት የተቀመጡት መመዘኛዎች ተጨባጭ ግልጽ፣ ለመረዳት እና ለመተርጎም ቀላል ናቸው።					
1.5	የእኔን አፈፃፀም ለመገምገም ያገለገሉ የአፈፃፀም ምዘና መመዘኛ መስፈርቶች በሥራዬ ባህሪዎች ላይ በመመርኮዝ እንዲዘጋጁ ተደርጓል።					
1.6	የግምገማው መመዘኛ መስፈርቶች በሚታዩ እና ሊለኩ በሚችሉ የሠራተኛው ባህሪዎች ላይ የተመሠረቱ ናቸው።					
2	በመለኪያዎች ላይ መግባባት					
2.1	የቅርብ አለቃዬ ግብን በማቀናጀት ላይ እያለ/ች ከአፈፃፀሜ የሚጠበቀው ውጤት በግልፅ ይነገረኛል።					
2.2	እኔና የቅርብ አለቃዬ አፈፃፀሜ እንዴት እንደሚለካ በቅድሚያ ስምምነት ላይ ደርሰናል።					
2.3	ድርጅቱ ሥራዬን በአግባቡ ለመፈፀም የሚያስችለኝን በቂ ሀብት ያቀርብልኛል።					
2.4	በድርጅታዊ ግብ ውስጥ ስላሉ ለውጦችና በእኔ የተዘጋጀው የመነሻ ግብ በቅርብ አለቃዬ ከተሻሻለ ለውጡን እንዳውቅ ይነገረኛል።					
2.5	የእኔ የቅርብ ኃላፊ ስለ አፈፃፀሜ በተደጋጋሚ ያሳውቀኛል።					
3	አፈፃፀምን መለካት					
3.1	በድርጅቱ ውስጥ የሚተገበረው የአፈፃፀም ግምገማ ሂደት የሰራተኞችን የሥራ አፈፃፀም ቀደም ሲል ከተዘጋጁ መመዘኛ መስፈርቶች ጋር በትክክል ያወዳድራል።					
3.2	የቅርብ አለቃዬ ብዙውን ጊዜ የእኔን አፈፃፀም ለመገምገም ክትትል በሚያደርግበት ወቅት ያከናወንኳቸውን ተግባራት አደራጅቶ ይይዛል።					
3.3	የግምገማ ውጤቶች ትክክለኛ እና ትክክለኛውን አፈፃፀም የሚያሳዩ ናቸው።					
3.4	የሠራተኞችን ቁጣ እና ተቃውሞ ለማስቀረት የቅርብ አለቃዬ ተቀራራቢ					

ቁጥር	የጥያቄ መግለጫዎች	Rate				
		5	4	3	2	1
	ውጤት ይሰጣል።					
3.5	በሠራተኛና የቅርብ ኃላፊ መካከል የሚፈጠሩ ግላዊ ግንኙነቶች በአፈፃፀም ግምገማ ውጤት ላይ ተጽዕኖ ያሳድራል።					
3.6	የሥራ አፈጻጸም ገምጋሚው የተገኙትን ውጤቶች እና ውጤቱን እንዴት ማምጣት እንደተቻለ ይገመግማል።					
4	ትክክለኛውን አፈፃፀም ከመመዘኛዎች ጋር ማወዳደር።					
4.1	የድርጅቱ የአፈፃፀም ግምገማ ሂደት የሰራተኞችን ትክክለኛ አፈፃፀም ቀደም ሲል ከተዘጋጁ የመመዘኛ መስፈርቶች ጋር ለማነፃፀር ያስችላል።					
4.2	የድርጅቱ የምርት እና የአፈጻጸም ደረጃዎች ድርጅቱ ካስቀመጣቸው የመመዘኛ መስፈርቶች ጋር እኩል አይደሉም።					
4.3	የሰራተኛውን አፈፃፀም ከመመዘኛ መለኪያዎች ጋር ማነጻጸር ልዩነቱን ለማወቅ ያስችላል።					
5	የአፈጻጸም ውጤትን ከሠራተኛው ጋር መወያየት እና ግብረ-መልስ መስጠት።					
5.1	የግምገማ ውጤት ላይ እያንዳንዱ ሠራተኛ በተናጠል ከቅርብ ኃላፊው/ ከገምጋሚው ጋር ይወያይበታል።					
5.2	የአፈፃፀም ግምገማ ውጤት የሚተገበርበት አግባብ ግልጽነት ይጎድለዋል።					
5.3	የተሰጠኝ የአፈጻጸም ውጤት ፍትሃዊ አይደለም ብዬ ካሰብኩ መቃወም እችላለሁ።					
5.4	የአፈጻጸም ውጤቱ የተሳሳተ ወይም ፍትሃዊነት የጎደለው ከሆነ ሊለወጥ ይችላል።					
5.5	ላለፉት አፈፃፀሞቹ ትክክለኛ ግብረ-መልስ ተቀብያለሁ።					
6	የማስተካከያ እርምጃ ይግለጹ፤					
6.1	የአፈፃፀም ግምገማ የሥራ ውል ለማቋረጥ እና ለቅነሳ እንደ የውሳኔ አሰጣጥ መሳሪያ ሆኖ ያገለግላል።					
6.2	የአፈፃፀም ውጤት በደረጃ ዕድገት ወቅት ተዕዕኖ ያሳድራል፤					

ቁጥር	የጥያቄ መግለጫዎች	Rate				
		5	4	3	2	1
6.3	ከፍተኛ አፈጻጸም ያላቸው ሠራተኞች በቅርብ ኃላፊ አድናቆትና ምስግና ስኬታማነታቸውን ያሳድጋሉ፤					
6.4	አመራሮች የአፈጻጸም ውጤትን ሠራተኞችን ለማሳደግ፣ ከደረጃ ዝቅ ለማድረግ እና ወይም ለማሰናበት አይተገብሩትም፤					
6.5	ኃላፊዎች ዝቅተኛ የሥራ አፈጻጸም ላላቸው ሠራተኞች ሥልጠናን ይመክራሉ።					
6.6	ኃላፊዎች በተደጋጋሚ አፈጻጸሙ ከአማካይ በታች የሆነ ሠራተኛ ከደረጃው ዝቅ እንዲል ይመክራሉ።					
7	የሰራተኞች አፈጻጸም					
7.1	በአዲስ አበባ ቁራዎች ድርጅት ውስጥ እየተተገበረ ያለው የአፈጻጸም ግምገማ ስርዓት የሰራተኞችን ግንኙነት ለማሻሻል ጠቅሟል።					
7.2	በተቋሙ ውስጥ የአፈጻጸም ግምገማ የሠራተኞችን ምርታማነት አሳድጓል።					
7.3	የአፈጻጸም ግምገማ በሠራተኞች እና በደንበኞች መካከል መልካም መስተጋብራዊ ግንኙነትን እያሳደገ ነው።					
7.4	የአፈጻጸም ግምገማ የሰራተኞችን የሥራ እርካታ አሻሽሏል፤					
7.5	የአፈጻጸም ግምገማ የድርጅቱን አጠቃላይ ተወዳዳሪነት እየደገፈ ነው።					
7.6	የአፈጻጸም ግምገማው የሰራተኞችን ዕምቅ አቅም እየገመገመ ነው።					

እባክዎ ተጨማሪ ሃሳብ/ አስተያየት በአዲስ አበባ ቁራዎች ድርጅት የአፈጻጸም ግምገማ ሂደት ላይ ካለዎት ይግለጹ _____

ሰጊዜዎት አመሰግናለሁ!

መኮንን ጌታቸው

ስልክ: 09-8208-6292

የኢ-ሜይል አድራሻ-mweldetsadike0@gmail.com

Appendices-5:Correlation tables, for validity analysis.

		In AAAE performance appraisal process begins with the setting of performance expectations or standards.	The standards for appraising employees' performance are aligned to the enterprise goal.	Goal setting process is carried out jointly by the employees and their immediate supervisor.	The criteria in performance appraisal formats are objective, clear, easy to understand and interpret.	The performance evaluation criteria used to evaluate my performance is customized based on the characteristics of my job	The criteria's for evaluation is based on observable and measurable characteristics of the behavior of the employee
In AAAE performance appraisal process begins with the setting of performance expectations or standards.	Pearson Correlation	1	0.291	.632**	.485**	.527**	.531**
	Sig. (2-tailed)		0.090	0.000	0.003	0.001	0.001
	N	35	35	35	35	35	35
The standards for appraising employees' performance are aligned to the enterprise goal.	Pearson Correlation	0.291	1	0.183	.532**	.434**	.341*
	Sig. (2-tailed)	0.090		0.292	0.001	0.009	0.045
	N	35	35	35	35	35	35
Goal setting process is carried out jointly by the employees and their immediate supervisor.	Pearson Correlation	.632**	0.183	1	.493**	.700**	.529**
	Sig. (2-tailed)	0.000	0.292		0.003	0.000	0.001
	N	35	35	35	35	35	35
The criteria in performance appraisal formats are objective, clear, easy to understand and interpret.	Pearson Correlation	.485**	.532**	.493**	1	.692**	.583**
	Sig. (2-tailed)	0.003	0.001	0.003		0.000	0.000
	N	35	35	35	35	35	35
The performance evaluation criteria used to evaluate my performance is customized based on the characteristics of my job	Pearson Correlation	.527**	.434**	.700**	.692**	1	.767**
	Sig. (2-tailed)	0.001	0.009	0.000	0.000		0.000
	N	35	35	35	35	35	35
The criteria's for evaluation is based on observable and measurable characteristics of the behavior of the employee	Pearson Correlation	.531**	.341*	.529**	.583**	.767**	1
	Sig. (2-tailed)	0.001	0.045	0.001	0.000	0.000	
	N	35	35	35	35	35	35

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

A. Correlation table, for Setting performance standards

		While setting a goal my supervisor clearly tell me the expectation he/she has from my performance.	My supervisor and I reached to an agreement how my performance will be measured.	My company provides me sufficient resources to execute my job properly.	I am always informed about changes in organizational goal and the initial goal stotted by me and the supervisor is also updated accordingly.	My supervisor communicates with me frequently about my Performance.
While setting a goal my supervisor clearly tell me the expectation he/she has from my performance.	Pearson Correlation	1	.490**	.478**	.424*	.416*
	Sig. (2-tailed)		0.003	0.004	0.011	0.013
	N	35	35	35	35	35
My supervisor and I reached to an agreement how my performance will be measured.	Pearson Correlation	.490**	1	.353	.545**	.450**
	Sig. (2-tailed)	0.003		0.037	0.001	0.007
	N	35	35	35	35	35
My company provides me sufficient resources to execute my job properly.	Pearson Correlation	.478**	.353*	1	.621**	0.326
	Sig. (2-tailed)	0.004	0.037		0.000	0.056
	N	35	35	35	35	35
I am always informed about changes in organizational goal and the initial goal stotted by me and the supervisor is also updated accordingly.	Pearson Correlation	.424*	.545**	.621**	1	.611**
	Sig. (2-tailed)	0.011	0.001	0.000		0.000
	N	35	35	35	35	35
My supervisor communicates with me frequently about my Performance.	Pearson Correlation	.416*	.450**	0.326	.611**	1
	Sig. (2-tailed)	0.013	0.007	0.056	0.000	
	N	35	35	35	35	35

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

B. Correlation table, for Communicating performance standards,

		Performance appraisal process taking place in the organization exactly evaluate the employees performance against predetermined performance standards.	My rater usually keeps a file on what I have done during the appraisal period to evaluate my performance.	Ratings are accurate and reflect the actual performance	In order to avoid anger and rivalry supervisor gives equivalent rate for	Employee and Employer interpersonal relationships can influence performance appraisal results	The appraiser appraises both the results and how they are achieved
Performance appraisal process taking place in the organization exactly evaluate the employees performance against predetermined performance standards.	Pearson Correlation	1	.589**	.360*	0.313	.426*	0.302
	Sig. (2-tailed)		0.000	0.034	0.067	0.011	0.078
	N	35	35	35	35	35	35
My rater usually keeps a file on what I have done during the appraisal period to evaluate my performance.	Pearson Correlation	.589**	1	.664**	.547**	.400*	0.137
	Sig. (2-tailed)	0.000		0.000	0.001	0.017	0.433
	N	35	35	35	35	35	35
Ratings are accurate and reflect the actual performance	Pearson Correlation	.360*	.664**	1	.675**	0.275	0.276
	Sig. (2-tailed)	0.034	0.000		0.000	0.109	0.109
	N	35	35	35	35	35	35
In order to avoid anger and rivalry supervisor gives equivalent rate for	Pearson Correlation	0.313	.547**	.675**	1	.456**	0.132
	Sig. (2-tailed)	0.067	0.001	0.000		0.006	0.449
	N	35	35	35	35	35	35
Employee and Employer interpersonal relationships can influence performance appraisal results	Pearson Correlation	.426*	.400*	0.275	.456**	1	.422*
	Sig. (2-tailed)	0.011	0.017	0.109	0.006		0.012
	N	35	35	35	35	35	35
The appraiser appraises both the results and how they are achieved	Pearson Correlation	0.302	0.137	0.276	0.132	.422*	1
	Sig. (2-tailed)	0.078	0.433	0.109	0.449	0.012	
	N	35	35	35	35	35	35

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

C. Correlation table, for Measuring performance

		The performance appraisal process of the organization allows to compare the actual performance of employees with pre determined standards.	Production standards and performance standards are not on par with the standards set by the organization.	The comparison tells the deviations in the performance of the employee from the standards
The performance appraisal process of the organization allows to compare the actual performance of employees with pre determined standards.	Pearson Correlation	1	.471**	.622**
	Sig. (2-tailed)		0.004	0.000
	N	35	35	35
Production standards and performance standards are not on par with the standards set by the organization.	Pearson Correlation	.471**	1	.423*
	Sig. (2-tailed)	0.004		0.011
	N	35	35	35
The comparison tells the deviations in the performance of the employee from the standards	Pearson Correlation	.622**	.423*	1
	Sig. (2-tailed)	0.000	0.011	
	N	35	35	35

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

D. Correlation table, for Comparing actual performance with standards

		The result of the appraisal is communicated and discussed with the employees on one to one basis	There is no transparency in a way performance appraisal result is implemented.	I can challenge a performance rating if I think it is unfair	My performance rating can be changed if I can show that it is incorrect or unfair.	I receive specific and accurate feedback on my past performance
The result of the appraisal is communicated and discussed with the employees on one to one basis	Pearson Correlation	1	.619**	.515**	.466**	.655**
	Sig. (2-tailed)		0.000	0.002	0.005	0.000
	N	35	35	35	35	35
There is no transparency in a way performance appraisal result is implemented.	Pearson Correlation	.619**	1	0.295	0.233	.366*
	Sig. (2-tailed)	0.000		0.085	0.177	0.031
	N	35	35	35	35	35
I can challenge a performance rating if I think it is unfair	Pearson Correlation	.515**	0.295	1	.537**	.440**
	Sig. (2-tailed)	0.002	0.085		0.001	0.008
	N	35	35	35	35	35
My performance rating can be changed if I can show that it is incorrect or unfair.	Pearson Correlation	.466**	0.233	.537**	1	.710**
	Sig. (2-tailed)	0.005	0.177	0.001		0.000
	N	35	35	35	35	35
I receive specific and accurate feedback on my past performance	Pearson Correlation	.655**	.366*	.440**	.710**	1
	Sig. (2-tailed)	0.000	0.031	0.008	0.000	
	N	35	35	35	35	35

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

E. Correlation table, for Discussing the result with employee and giving feedback

		Performance appraisal is used as a decision making tool for termination and layoff.	Performance result affects promotional opportunities.	Appreciation and being praised by your supervisor for high performer employees increase their success at work.	Managers are not apply performance appraisal results for employees promotion, demotion and/or termination purposes.	Supervisors recommend training for low performers.	Supervisors recommend demotion for frequently below average performer.
Performance appraisal is used as a decision making tool for termination and layoff.	Pearson Correlation	1	0.143	.449**	.395*	.652**	.576**
	Sig. (2-tailed)		0.412	0.007	0.019	0.000	0.000
	N	35	35	35	35	35	35
Performance result affects promotional opportunities.	Pearson Correlation	0.143	1	.360	0.229	0.132	0.208
	Sig. (2-tailed)	0.412		0.034	0.187	0.449	0.230
	N	35	35	35	35	35	35
Appreciation and being praised by your supervisor for high performer employees increase their success at work.	Pearson Correlation	.449**	.360	1	0.087	0.242	0.147
	Sig. (2-tailed)	0.007	0.034		0.620	0.161	0.400
	N	35	35	35	35	35	35
Managers are not apply performance appraisal results for employees promotion, demotion and/or termination purposes.	Pearson Correlation	.395*	0.229	0.087	1	.427*	.395*
	Sig. (2-tailed)	0.019	0.187	0.620		0.010	0.019
	N	35	35	35	35	35	35
Supervisors recommend training for low performers.	Pearson Correlation	.652**	0.132	0.242	.427*	1	.718**
	Sig. (2-tailed)	0.000	0.449	0.161	0.010		0.000
	N	35	35	35	35	35	35
Supervisors recommend demotion for frequently below average performer.	Pearson Correlation	.576**	0.208	0.147	.395*	.718**	1
	Sig. (2-tailed)	0.000	0.230	0.400	0.019	0.000	
	N	35	35	35	35	35	35

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

F. Correlation table, for Taking corrective actions.