



**Assessment of Performance Appraisal Practices with special
focus on International Non-Governmental Organizations in
Ethiopia**

Prepared By: Betelehem Negatu

**A research thesis submitted to the School of Graduate Studies of Addis
Ababa University School of Commerce in partial fulfillment of the
Requirements for the Award of Master of Arts in Human Resource
Management**

Advisor: Fisseha Afework (Asst. Professor)

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Declaration

I hereby declare that this work entitled: “Assessment of Performance Appraisal practices with special focus on International Non-Governmental Organization in Ethiopia”, is outcome of my own effort and study and that all source of materials used for the study, to the best of my knowledge, have been duly acknowledged. I have produced it independently except of the guidance and suggestion of my research advisor.

This study has not been submitted for any degree in this university or any other university. It is offered for the partial fulfillment of Degree of Masters in Human Resources Management.

Declared by: Betelehem Negatu

Signature: _____

Date: _____

Advisor: Ass. Professor Fisseha Afework

Signature: _____

Date: _____

Addis Ababa University School of Commerce

Postgraduate Program

This is to certify that the thesis prepared by Betelehem Negatu, entitled: “**Assessment of Performance Appraisal practices with special focus on International Non-Governmental Organization in Ethiopia**” and submitted in partial fulfillment of the requirements for the Degree of Masters of Human Resources Management complies with the regulations of the university and meets the accepted standard with respect to originality and quality.

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Abstract

The study focused on a survey of the performance appraisal practices with special focus on International Non-Governmental Organization in Ethiopia. Besides it covers surveying the level of employees understanding of the purposes of conducting a performance appraisal and how much employees valued the feedback they received in terms of improving their future performance. The study obtained information from two hundred seventy two (272) respondents working in selected International Non Governmental Organizations in the country through the use of questionnaires. The results indicated that, the current performance appraisal practices are fostering fair and communicative environment, employee participation, future orientation, and ongoing feedback. Moreover, the study revealed that employees duly understand the purpose of having a performance appraisal within an organization and that they value the feedback they received from their supervisors in terms of helping them improve their performance for future. The study suggested that organizations should ensure the effectiveness of their performance appraisal and feedback systems. Moreover organizations should ascertain that every employee of the organization has a clear understanding of the purpose of having a performance appraisal process.

Key Words: Performance Appraisal, Feedback, Performance Appraisal Practices

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List of Abbreviation

PA:	Performance Appraisal
ChSA:	Charities and Societies Agency
iNGO:	International Non-Governmental Organizations
USAID:	United States Aid for International Development

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Chapter One

Introduction

1.1 Background of the Study

Developed countries have been providing support to developing countries in the form of aid to help support the growth and development of those countries. Part of this support comes in the form of financial fund from developed countries via direct or indirect money transfer. Ethiopia being among the developing countries has been getting financial aid from these countries' donor agencies through organizations that operate for non-profit purpose called International Non-Governmental Organizations (here in afterwards referred as iNGOs). Similar to other sectors these iNGOs are in constant competition to secure funds from donor agencies and are always put under strict scrutiny towards their previous and current performance records. This leads to the endless pressure of seeking to attain performance targets set by the local government and donor agencies.

According to Gilley, Gilley, Quatro, & Dixon (2009), the success of an organization is directly linked to the performance of those who work for that business. With every passing day iNGOs are required to improve productivity, performance, and quality in order to maintain their competitive advantage. One of the most important ways used to ascertain this is conducting regular (monthly, quarterly, semiannual, or annual) performance appraisals (PAs) with every employee, giving managers the opportunity to judge the adequacy and quality of employees' performance useful in adjusting compensation levels and create professional development plans aimed at improving future performance leading to employee motivation.

Gilley, Gilley, Quatro, & Dixon (2009) defined the principal purpose of Performance Appraisal as being to assess the employee's strengths and weaknesses. In this way, it provides managers with opportunities to analyze employees' knowledge, skills, and attitudes, and to determine those areas of excellence or needing improvement (Gilley, Gilley, Quatro, & Dixon, 2009). Most importantly, PAs are a vehicle for discussion of

future growth and development activities that will enhance employees' abilities and competencies as well as advance their careers.

At the core of every PA lie the concept of feedback, defined as the sharing of observations about job performance or work-related behaviors (Gilley, Gilley, Quatro, & Dixon, 2009). Armstrong and Appelbaum (2003) argued that among others one of the reasons to conducting a PA is to provide a two-way performance feedback. In addition, Armstrong, M. (2009), stated that among the objectives of PA is communication which serves as a two-way channel for communication about roles, expectations (objectives and competency requirements), relationships, work problems and aspirations.

According to Armstrong, M. (2009), feedback is important for it can enhance self - awareness by highlighting strengths and can facilitate growth by pointing out areas in need of development. We learn from the outcomes of our behavior, and feedback is an important factor in helping us improve our performance (Armstrong , 2009). The goal is to achieve work objectives by reinforcing or changing behavior. Without these corrective and meaningful feedback needed to make appropriate performance adjustment, employees will be "flying blind" without any kind of assistance from their manager or the organization (Armstrong , 2009). Receiving feedback is an important motivational factor that can lead to increased satisfaction (Armstrong , 2009).

In general Performance Appraisal is one of the important components in the rational and systematic process of human resource management. The information obtained through performance appraisal provides foundations for recruiting and selecting new hires, training and development of existing staff, and motivating and maintaining a quality work force by adequately and properly rewarding their performance. Without a reliable performance appraisal system, a human resource management system fails apart, resulting in the total waste of the valuable human assets an organization has (Armstrong & Baron 1998).

It is beneficial for employees to be involved in the decisions that affect them (Cheminais et al., 1998:158). It is the researcher's understanding that the supervisor and supervisee relationship must have benefits for both parties. Both will better understand each other's needs by effectively communicating and ensuring that decisions made are largely for the benefit of the organization as well as the employees.

1.2 Statement of the problem

Around the world, organizations are taking steps to meet the challenges of the ever-changing global marketplace (Woodford & Maes, 2002). The role of human resource management is one area in which many multinational organizations are focusing in making the organization more productive, cost-effective, and customer service oriented (Woodford & Maes, 2002).

In order for iNGOs to secure funding from year to year they are expected to attain the performance targets they have been provided with from respective donor agencies. Many scholars and experts of Human Resource Management have stated that organizations can only excel their competitors through their human resource. To achieve this, organizations should possess the ability and skill to tap into available resources both human and non human and create a system which leads to motivation of their employees to help attain the organizational objective. As stated by Falcone & Sachs (2007) PA is used to define the extent to which an employee performs his/her work effectively. It is a process of assessing individual employee performance and how it can be improved to contribute overall organization performance.

Meanwhile Rowland and Hall (2012) confirmed in their study that if PA is to contribute to the achievement of an organization's goals, then the organization needs to be clear about why appraisal is in place and how it fits with strategy, culture and philosophy. Appraisal has to be fair and above all, it needs to be seen to be fair.

To the contrary though, the process is frequently counterproductive, or viewed merely as perfunctory, almost as an aside probably because most don't know how to do PAs well (Armstrong & Appelbaum, 2003). Rather than an ongoing process, or number of mini-meetings, PAs have become an annual event, one that strikes at the vulnerable cores of supervisors and employees alike.

However, per Armstrong (2009) despite its potential to bring about positive behavioral changes and to develop leadership across organizations, feedback remains a rare commodity in day - to - day organizational life. This is because people generally don't like to provide feedback to others, especially if it is negative.; they often consider conducting performance

reviews, often the only feedback some employees receive about their work, as one of the most difficult and unpleasant aspects of their jobs (Armstrong, 2009).

In addition, from the long years of work experience in the iNGO sector, the student researcher has personally observed that most employees and managers tend to circumvent the existing PA process on a yearly basis. There are many reasons that explain why employees do not prefer doing Performance Appraisal; one of the most important and common reason remains the lack of understanding regarding the purpose of having Performance Appraisal. Secondly, Employees often feel that their manager or supervisor do not write their appraisals on the basis of performance but write it on the basis of personal relations with employee's, the next reason is that employees consider Performance Appraisal to be time consuming and interruption to their routine work, and the last reason for lack of interest in doing appraisals is because they never get feedback from their managers where many companies fail to provide the feedback; they just conduct the appraisal and keep it in their records. Once the appraisal is done the employees would want to know how they have performed, if a company does not use this step then the whole Performance Appraisal would be considered as a waste of time, energy and money.

Over the years, several researches have been conducted in assessing the Performance appraisal practices of organizations in business, public and private sectors. Senior student researchers of Addis Ababa University School of Commerce, Samuel Arega (2012), Yohannes Gudeta (2013) and Bethelhem Tsegaye (2014), studied the practices of performance appraisal in different organization engaged in the business, public and private sectors in the country. However, no one study was conducted in this area in relation with the iNGOs in the country.

Hence, putting the aforementioned facts as basis, this study is aimed at assessing the performance appraisal practice of these iNGOs in the country via empirical research method.

1.3 Research Questions

Based on the above mentioned problem, the following specific research questions will be addressed:

1. How clearly do employees understand the purpose and outcome of the PA process?

2. What are the current PA practices of the organizations?
3. How often do the employees receive feedback?
4. How clear enough is the feedback being given?
5. How well do employees value the feedback from their supervisors?

1.4 Objective of the study

1.4.1 General objective

The main objective of the study is to assess the PA practices of selected iNGOs in the country.

1.3.2 Specific Objective

In addition to the aforementioned general objective, the research entails the following specific objectives:

1. To assess if employees clearly understand the purpose and outcome of the PA process;
2. To assess the current PA practices of the organizations;
3. To assess how frequently employees receive feedback;
4. To investigate whether if the feedback being given is clear enough to the employees;
5. To assess to what extent employees value the feedback they receive from their supervisors.

1.5 Significance of the Study

This study was new for the sector and on the basis of the findings of the study the report drew some conclusions and identified the gaps in the current PA practices and gave signal to HRM of iNGOs to take remedial actions to minimize the gaps. Moreover, results from this research can be applied by management in the iNGOs to understand the way their respective employees understand the PA system, and how each sees the feedback given contributing to the awakening of the necessary motivational attitudes.

Secondly the study finding would be a contribution to the current knowledge in the practice of PA in the sector. Thirdly, it gave the researcher the opportunity to gain deep knowledge in the current practice PA being implements in the different study organizations.

1.6 Definition of terms

The following definitions are provided to ensure uniformity and understanding of these terms throughout the study.

Feedback - Ivanovic & Collins (2003) define feedback as information especially about the result of an activity which allows adjustments to be made to the way it is done in future. Armstrong M. (2009) also defined feedback as positive or negative information provided to an organization or individual that is used to shape behaviors and that should closely follow an action for maximum result.

Performance - as per Ivanovic and Collins (2003) performance is the way in which someone or something acts. It is any recognized accomplishment; a process or manner of functioning or operating; management execution. In other words, Performance can be defined as efforts along with the ability to put efforts supported with the organizational policies in order to achieve certain objectives.

Performance Appraisal - an assessment of the quality of a person's work in a job (Ivanovic & Collin, 2003). According to DeNisi and Griffin (2008), Performance Appraisal is the specific and formal evaluation of an employee conducted to determine the degree to which the employee is performing his or her job effectively.

1.7 Delimitations/Scope of the Study

1. The main limitation of this study was that it couldn't cover all iNGOs in the country, rather only focused on selected ones. The inclusion/exclusion criteria were those iNGOs receiving funding from USAID and working on health sector, those implementers in the four major regions of the country, with more than five years of service in the area and with more than fifty employees. As a result the conclusions derived from this study might not necessarily be the real reflection of the situation in all the other organizations as a whole.
2. The study is limited on assessing the current PA practices, quality and frequency of feedback being provided to individuals as a way of enhancing employee understanding of the PA purposes.

3. The study is focusing on receiving responses from employees who have been with the organization for more than one year to ensure that each respondent has at least experienced the performance appraisal practice within the organization.

1.8 Limitations of the Study

1. Due to the lack of face-to-face contact between the researcher and respondents response rate might be low.
2. Due to the large number of respondents low response rate might hinder the generalizability of the result beyond the specific population from which the sample was drawn.
3. The study is also limited only to the pieces of information that the respondents are willing to disclose.
4. There may be information also that may not be disclosed because of its confidentiality.

1.9 Organization of the Study

This research study entitled: “Assessment of Performance Appraisal practices with special focus on International Non-Governmental Organization in Ethiopia” is organized in the following manner;

Chapter One is the introduction of the study. This chapter will present detailed discussion on the background of the study, the problem statement, the research question, the objective of the study, definition of terms, significance of the study and the delimitation/scope and limitation of the study.

Chapter Two will be the Literature Review where the theoretical background of the study is presented. In addition, it will thoroughly discuss the concept of feedback as well as identify related research to the problem being investigated.

Chapter Three discusses about the methodology adopted to conduct the research. In the chapter the design and methodology will be discussed in detail. More over the population and sampling, research instrument to be used, data collection techniques and data analysis procedures will be stated.

Chapter Four will be presentations and discussion of the findings & data analysis. It will answer all the research questions.

Chapter Five will deliver the student researcher's recommendations, conclusions and summary of the research based on the findings. In addition, future suggestions will be part of this chapter.

Chapter Two

Literature Review

Over the years scholars have been stating the fact that PA is a key tool for organizations to make the most of their human resources and its widespread use. In this section we provide a brief literature review of the concepts used in this study, we begin with defining PA, assess its historical background, its purposes as well as the qualities of effective PA. Then we look into feedback which is central to the PA process. Finally the chapter will conclude by presenting related empirical studies.

Theoretical Grounding

2.1 Definition of PA

PA is defined as a mechanism developed to enhance the functioning of an employee, a group of employees working together and the company as a whole to meet the organization's objectives and targets. It is a system of review and evaluation of an individual or team's job performance. Organizations use appraisal systems to decide promotions, training and wage adjustments. It is felt that a good performance management system will motivate employees and enhance performance, will help to build a strong performance culture and will discourage poor work performance and behavior.

As defined by to Martin (2010) PA is assessment process that seeks to assess the overall capabilities and potential of an individual or team based on past and current work behavior and performance.

According to DeNisi and Griffin (2008), PA is the specific and formal evaluation of an employee conducted to determine the degree to which the employee is performing his or her job effectively.

Grote (2002), cited in Martin, (2010), describes Performance Appraisal as a formal management tool that helps evaluate the performance quality of an employee. Schneier and Beatty as cited in Patterson (1987) define it as a process which apart from evaluating also identifies and develops human performance.

According to Karol (1996), cited in Brudan (2010) Performance Appraisal includes a communication occasion planned between a manager and an employee for the main purpose of assessing that employee's previous performance and establishing ways for further improvement.

2.2 History of Performance Appraisal

As per Prowse and Prowse (2009) the historical development of performance feedback has developed from a range of approaches. Formal observations of individual work performance were reported in Robert Owens's factory in New Lanark in the early 1800s, hanging a piece of colored wood over machines to indicate the superintendent's assessment of the previous day's conduct (white for excellent, yellow, blue and then black for poor performance) (Cole, 1925 cited by Prowse & Prowse, 2009).

According to Armstrong and Appelbaum (2003), in the beginning PA as a distinct management procedure came as pay-for-performance where workers got paid for measureable output. "Piece rate" pay systems compensated workers in proportion to their productivity. As incentive schemes emerged, and while standards of output could be defended on a more systematic basis and pay could be more clearly linked to an individual's performance there remains a key question of why employees persist in certain traditional practices and not respond to the cash incentive?(Armstrong & Appelbaum, 2003). Following this, behavioral science came into prominence in the mid-1950s, which is a more modern model of PA that paid attention to morale and self-esteem, and appraisals grew in promises as tools of motivation and development. As most scholars have repeatedly tried to state that pay raises or cuts do not necessarily improve or even sustain job effectiveness where for instance employees with roughly equal capabilities can receive the same pay and yet perform at very different levels.

Strong advocates of PA view the process as potentially "...the most crucial aspect of organizational life" while the opponents of appraisal suggest the process is so inherently flawed it may be impossible to perfect and there are those in between that endorse the use of PAs, but wide-ranging disagreement on how (Armstrong & Appelbaum, 2003).

2.3 Performance Appraisal as part of the Performance Management System

Most people think that “performance management” and “Performance appraisal” are one and the same thing. PA is the process by which an individual’s job performance is assessed and evaluated. It answers the question, “How well has the employee performed during the period of time in question?” Thus it is only a part of performance management (Bacal, 1999). Thus, it is advisable that organizations exercise performance appraisal as one of these ongoing communication process so that they can reap the benefits associated with it. It is also when performance appraisal is looked at in this way that employees’ perception of it as a developmental tool, rather than merely an evaluative instrument, can be enhanced. As per Roberts (2001), performance management involves the setting of corporate, departmental, team and individual objectives (sometimes labeled “policy deployment”, the cascading down of strategic objectives to a meaningful set of targets for every individual involved); the use of performance appraisal systems; appropriate reward strategies and schemes; training and development strategies and plans; feedback, communication, and coaching; individual career planning; mechanisms for monitoring the effectiveness of performance management system and interventions and even culture management. Thus performance management involves the day-to-day management, as well as the support and development of people.

2.4 Purpose of PA

At the center of this research is the relationship of employee motivation with PA. As per Gilley, Gilley, Quatro, & Dixon (2009) PA is defined as the evaluation of an individual’s work performance in order to arrive at objective personnel decisions where employees and their supervisors interact to examine the performance of the former by the latter to identify strengths and weaknesses with the view to improving future performance.

According to Gilley, Gilley, Quatro, & Dixon (2009), the purpose of PA 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, Gilley, Quatro, & Dixon, 2009).

And hence Millmore, Biggs, & Morse (2007) stated that PA is an important dimension of human resource management and can play a pivotal role in determining the life chances of employees. In their research Millmore, Biggs, & Morse (2007) described the two main purposes as follows: first, PA is used by the management as a source of information to make decisions about promotions, salaries, training needs and training support, and second it is used as a feedback tool for employees, facilitating personal improvement and development. Meanwhile, Armstrong and Appelbaum (2003) and Gilley, Gilley, Quatro, & Dixon, (2009) share the idea that conducting PA for managers and individual employees as well as their departments and the organization as a whole has the below benefits or prospects of PA:

1. Two-way performance feedback;
2. Recognition for individual performance;
3. Motivational tool when used effectively;
4. Identification of training needs;
5. Heightened sense of accountability, empowerment, teamwork, and loyalty;
6. Goal-setting for next review period in context of organizational/departmental needs;
7. Opportunity to reinforce and document personnel decisions as well as documentation of ongoing performance issues for legal reasons;
8. Increased promotion and retention rates;
9. Validation for rewards/pay increases;
10. Opportunity to demonstrate organizational fairness to all employees;
11. Opportunity to support individual needs;
12. Opportunity to reinforce continuing open communication/strengthen rapport;
13. Opportunity to spur independent thinking plus avenues of teamwork;
14. Opportunity to encourage employees to take responsibility for their work;
15. Opportunity to contribute to organizational effectiveness;
16. Opportunity to discover untapped potential...on both sides of the desk.

Meanwhile, Armstrong M. (2009) tried to summarize the goals of PA as in the following;

- a. **Communication**: an effective PA allows a two-way communication between manager and employee. Management uses this process to clearly state what is expected from

employees, how they have performed towards attaining the set goals, and what needs to be improved for better performance. Meanwhile employees take the opportunity to state the support they require from the organization in order for them to achieve the goals, what worked for them, what needs to be improved from the management side for future. According to DeCenzo, Robbins & Verhulst (2010), many organization today have recognized that involving employees in decisions that affect them, listening to employees, and implementing their suggestions where appropriate leads to their motivation.

- b. Decision making:** management uses the information gathered through annual PAs to make administrative decisions concerning the workforce such as pay raises, promotions, demotions, training and development, and termination. Valid and reliable information concerning each individual employee enables management to make decisions which enhances the productivity of employees.
- c. Motivation:** an effective PA provides motivation to employees towards improving the way they work for developmental purposes which in turn leads to improve organization productivity over all. A given manager needs to provide an employee with the motivational opportunity; in other words tell the employee on how to fix the problem, provide tools and training leading to improvement.

2.5 Qualities of Effective PA

In the previously stated purposes of PA all scholars mentioned effective PA provides motivation to employees. According to DelPo (2005), an effective PA system provides to a solid foundation for all aspects of the employer/employee relationship and in his book he has tried to outline some of the basic qualities of an effective PA system:

- 1. A fair and communicative enviroment:** most researchs have shown that however majority of employees want to perform well the key is to provide them with the right enviroment in which to do so. Such enviroment includes things like support, communication, collaboration, and fair treatment.
- 2. Respect for the employee:** Employees who feel respected are more likely to buy into the appraisal system—to participate fully and sincerely in the goal setting and to strive hard to perform to the standards you set.

- 3. Future orientation:** The past can inform your ideas about the future, but it shouldn't be the sole focus of the appraisal process. This doesn't mean that looking at past performance has no place in the process; indeed, at each evaluation you should discuss whether and how the employee met the goals set at the previous evaluation. But you should look to the past with the goal of learning from it, so that the look backward is developmental and helpful to the employee, rather than punitive.
- 4. Employee Participation:** Bringing employees into the loop, giving them power and responsibility for directing and assessing their own performance will increase their job satisfaction and engender their trust in the appraisal system. This satisfaction and trust leads employees to accept the company's appraisal process and make a commitment to their own development. Research has shown that when employees are involved in goal setting, the goals they set are higher and more demanding than goals that managers set alone.
- 5. Ongoing Feedback:** Studies have shown that without feedback, a Performance Appraisal system alone will not improve employee performance. Positive feedback, often particularly neglected, is important: Providing positive feedback whenever appropriate gives employees a sense of accomplishment and appreciation, while highlighting standards for how they should continue to perform.
- 6. Documentation:** Documentation spanning the entire appraisal period ensures that your review will be fair and accurate and gives you rock solid support in case of a lawsuit. In addition, good documentation provides continuity should the employee change departments or managers.

2.6 Methods of PA

According to Martin (2010) and Gilley, Gilley, Quatro & Dixon (2009), there is a wide range of methods that can be used separately or in combination to appraise performance including:

- 1. Rating scales:** these approaches involve the predetermination of a number of factors against which performance will be evaluated and the identification of a 'quantity' measure of performance for each one.

2. **Performance-based:** the manager rates specific job related requirements associated with an employee's position. Identifying where an employee falls on a "below expectations" to "exceeds expectations" scale is a quick way to accurately assess performance. It involves filling out a standard rating-scale form, making the process fairly fast and simple. The job-related requirements that are measured must be the same for all employees who hold the same position, to be fair and equitable.
3. **Behaviorally anchored rating scale (BARS):** Similar to standard rating scales but based on factors that reflect behaviors identified as necessary for the achievement of high performance in the job in question.
4. **Ranking and forced distribution methods:** These seek to compare the performance achievement between all the employees being considered. In its simplest form, ranking seeks to provide a list of all employees from the highest performer to the lowest performer. Forced distribution seeks to categories all employees into performance bands based on set proportions in each band.
5. **Critical incidents:** Assessing performance using this approach requires the boss to identify important events (critical incidents) that demonstrate effective and ineffective performance by the individual. These would then form the basis of the discussion about performance during the appraisal review.
6. **Essay approach/Narrative:** This approach simply presents the boss with a blank sheet of paper and requires them to describe in their own words the performance of the subordinate. This would then be discussed with the individual during the appraisal meeting. This can be a very subjective means of evaluation, with the writer often discussing more personality based traits of the individual versus measurable job skills. It can be used as a way to "soften the blow" of a less than favorable appraisal. The effectiveness of a narrative is directly related to the writing skills of the manager. If used alone, it does not allow for a rating comparison of several employees.
7. **Management by objectives:** This approach involves the identification of key tasks, projects and other objectives that the individual has to achieve during the review period. At the end of that period the achievement of each objective would be used to identify the performance implications.

8. **Top-down:** Several management-level members rate the performance of an employee.
9. **Upward:** The employee rates the performance and effectiveness of the manager.
10. **Peer review:** Peers and team members rate the employee's performance. Care must be taken in choosing unbiased peers, and the manager must decide how much weight is given to each peer's feedback in order to reach a fair result. This method can be used when a manager has limited contact with the employee.
11. **Self-assessment:** Employees rate their own performance. A self-assessment can be implemented into all Performance Appraisal methods.
12. **360-degree review:** This method relies on feedback gathered from people throughout an organization, and at varying professional levels, who have worked with the employee. This includes the manager, peers, and customers (both internal and external).
13. **Continuous feedback:** The appraisal process is conducted more than once per year (usually 2–4 times). This allows for constant monitoring, communication, feedback, and modification of performance and goals.
14. **Follow-up reviews:** Continuation of the appraisal process when training/development opportunities are scheduled, short-term goals are evaluated/changed, and progress is discussed. These are often conducted within several weeks of the main appraisal meeting.

2.7 Criteria of Performance Criteria

What aspect of a person's performance should an organization evaluate? In practice, the most common sets of appraisal criteria are traits, behaviors, and task outcomes (Gilley, Gilley, Quatro, & Dixon, 2009).

- A. **Traits:** Many employees in organizations are evaluated on the basis of certain traits such as attitude, appearance, initiative, etc.
- B. **Behaviors:** When an individual's task outcome is difficult to determine, it is common to evaluate the person's task-related behavior.
- C. **Task Outcomes:** If ends are considered more important than means, task outcomes become the most appropriate factor to evaluate.

D. Improvement Potential: Some attention must be given to the future and the behaviors and outcomes that are needed to not only develop the employee, but also to achieve the firm's goals. This involves an assessment of the employee's potential.

2.8 Problems in PA

Many PA methods have been severely criticized. Many of the problems commonly mentioned are not inherent in the method but, rather, reflect improper usage.

- A. Lack of Objectivity:** A potential weakness of traditional methods of Performance Appraisal is that they lack objectivity. Some subjectivity will always exist in appraisal methods. However, the use of job-related factors does increase objectivity.
- B. Halo Error:** Occurs when the evaluator perceives one factor as being of paramount importance and gives a good or bad overall rating to an employee based on this factor.
- C. Leniency/Strictness:** The giving of undeserved high or low ratings.
- D. Central Tendency:** Occurs when employees are incorrectly rated near the average or middle of the scale.
- E. Recent Behavior Bias:** It is only natural to remember recent behavior more clearly than actions from the more distant past. However, performance appraisals generally cover a specified period of time, and an individual's performance should be considered for the entire period.
- F. Personal Bias:** Supervisors doing performance appraisals may have biases related to their employees' personal characteristics such as race, religion, gender, disability, or age group.
- G. Manipulating the Evaluation:** In some instances, supervisors control virtually every aspect of the appraisal process and are therefore in a position to manipulate the system.

2.9 Feedback

Feedback is the sharing of observations about job performance or work-related behaviors. The goal is to achieve work objectives by reinforcing or changing behavior (Gilley, Gilley, Quatro, & Dixon, 2009).

Feedback can be given upward, downward, and laterally, by an employee to his/her manager, direct reports, or peers. One of a manager's most important responsibilities is to provide actionable feedback to his/her direct reports to enable them to build on their strengths, address areas in need of development, and achieves their performance goals (Gilley, Gilley, Quatro, & Dixon, 2009).

According to Armstrong M. (2009), feedback is the provision of information to people on how they have performed in terms of results, events, critical incidents and significant behaviors. Feedback guides, motivates, and reinforces effective behaviors and reduces or stops ineffective behaviors (London, 2003). Giving feedback should be a common practice, not an unusual occurrence that seems to have momentous implications; it should be timely so that the recipient knows just what behaviors and performance outcomes are in question (London, 2003).

It can either be positive, constructive, or negative; positive when it tells people that they have done well, constructive when it provides advice on how to do better and negative when it tells people that they have done badly (Armstrong M. , 2009). According to London (2003), feedback is constructive when it offers concrete information that can be used that is the intent is to help maintain, correct or improve behavior. Constructive feedback can be considered as negative when the errors of judgment from employees' side are being used for blaming and punishment. However, had these mistakes been treated as opportunities for learning they could lead to future development. In addition, London (2003) stated that destructive feedback is the obverse, including general comments about performance, an inconsiderate tone, attribution of poor performance to internal factors, and possibly threats. Feedback can be a useful tool for development, especially if it is specific and behaviorally oriented, as well as both problem-oriented and solution-oriented (Armstrong M. 2009). As mentioned earlier, one of the basic purposes of formal appraisal process is the provision of clear and performance based feedback to employees. If feedback is given appropriately, it can lead to substantial improvements in future performance.

As per Prowse and Prowse (2009), the key objective of appraisal is to provide employees with feedback on their performance provided by the line manager. There are three key questions for quality of feedback:

1. What and how are observations on performance made?

2. Why and how are they discussed?
3. What determines the level of performance in the job?

It has been argued that this process cannot be performed effectively unless the line manager or person providing feedback has the interpersonal interviewing skills to provide that feedback to people being appraised. This has been defined as the ‘Bradford Approach’, which places a high priority on appraisal skills development (Randell, 1994 cited by Prowse & Prowse, 2009). This approach identifies the linkages between involving, developing, rewarding and valuing people at work.

2.10 Benefits of Effective Feedback

Providing timely and actionable feedback to the employee has many benefits (Gilley, Gilley, Quatro, & Dixon, 2009). Feedback:

1. Reinforces appropriate behaviors;
2. Aids an employee in correcting inappropriate or ineffective behaviors;
3. Ensures the employee has a clear understanding of his/her manager’s expectations;
4. Provides clear direction to the employee for improving his/her work performance;
5. Encourages and supports employee development;
6. Promotes constructive communication between the manager and the employee.

Commentators argue that performance feedback increases job satisfaction and motivation and many decision-making and career development models include a feedback loop emphasizing that individuals learn on the basis of receiving feedback on their performance. Thus, performance feedback plays an important role in numerous organizational activities such as career development, motivation, job satisfaction, and performance management (McCarthy and Garavan, 2001 as cited by Palaiologos, Papazekos, & Panayotopoulou, 2011).

From their research Palaiologos, Papazekos, & Panayotopoulou (2011) found out that the significant relation that existed between interactional justice and satisfaction with rater supports the importance of the supervisor’s role in the employees’ satisfaction. Apparently, the appraisers’ role in the interactional justice is fundamental, as they seem to be the basis of the satisfaction that employees receive through the PA system. Our results once again highlight the importance of training for PA. Organizations should invest in training

appraisers to act in a just way regarding interactional justice, but also encourage employees to receive everyday informal feedback, relevant to the nature of their job.

2.11 Aspects of Effective Feedback

According to Martin (2010) , in order for feedback to have a meaningful and positive impact on the recipient, it is important that the giver of the feedback follow some general guidelines.

1. Provide feedback as close to the performance event as possible.
2. Feedback focused on behaviors and actions, not personality and where good is balanced with bad.
3. Ensuring the intent of feedback is towards improvement and not of punitive nature.
4. Specific, concrete and actionable feedback.
5. Provide feedback with appropriate performance examples and avoid making sweeping generalizations.
6. Review the downside of continuous poor performance.
7. Check for agreement/understanding and establish a commitment for next steps.
8. Express confidence in the employee's ability to improve.

Empirical Grounding

Smith and Rupp (2003) explored the effects of receiving a low performance rating and high merit increase or a high performance rating and a low merit increase and empirically investigate its impact on knowledge workers' motivational and general morale. Their research finding showed that long years of tenure and age leads to a positive attitude towards a low performance rating and high merit increase as well as increased motivation. To the contrary newer and young aged employees may not feel as much loyalty to the company. Women were found to be more positive than men when presented with a high performance rating and low merit increase; implying that women are not primarily motivated by money rather "Recognition" is an important factor.

Palaiologos, Papazekos, & Panayotopoulou (2011) aimed to explore the Performance Appraisal (PA) aspects that are connected with organizational justice, and more specifically three kinds of justice, namely distributive, procedural and interactional justice. Jawahar

(2007), cited by Palaiologos, Papazekos, & Panayotopoulou (2011), supported the success of appraisal systems may well depend on ratees' perceptions of fairness and reactions to important aspects of the appraisal process.

From their study Palaiologos, Papazekos, & Panayotopoulou (2011) confirmed that the administrative purpose of PA is related to distributive justice and procedural justice. Meanwhile, the developmental purpose of PA is related to interactional justice, indicating a positive connection between employees' personal development and good interpersonal relationships. At the same time, employees' perceptions of various criteria used for their PA were found to be positively related to procedural justice. In addition, these criteria are positively related to the three kinds of organizational justice, with more significant relationship to procedural justice. It seems that having clear-cut criteria of evaluation that are known and understood by employees, makes them feel that the PA process is fair. When we come to employee satisfaction with ratings, it was positively related to procedural justice a positive relationship between the procedural justice and satisfaction with feedback.

Palaiologos, Papazekos, & Panayotopoulou (2011) found a significant relationship between the distributive justice and satisfaction with feedback indicating the importance of feedback and explaining the PA outcomes as well as its consequences of individuals in organizations. In addition, the significant relation found between interactional justice and satisfaction with rater supports the importance of the supervisor's role in the employees' satisfaction. Apparently, the appraisers' role in the interactional justice is fundamental, as they seem to be the basis of the satisfaction that employees receive through the PA system.

Brown, Hyatt, & Benson (2010) examined the role of low quality performance appraisals (PA) on three human resource management outcomes (job satisfaction, organizational commitment and intention to quit). And from their finding employees with low quality PA experiences (relative to those with mixed and high quality PA experiences) were more likely to be dissatisfied with their job, be less committed to the organization and more likely to be contemplating leaving the organization. It is depicted in this research that when employees have low quality PA experiences the organization will likely incur a penalty in terms of lower job satisfaction and organizational commitment and higher intentions to quit.

Kuvaas (2011) conducted a research with the purpose of testing the relationship between PA reactions and employee outcomes in terms of affective organizational commitment and

work performance. This study found that positive PA reactions need to be accompanied by high levels of perceived regular feedback in order to be positively related to work performance. Accordingly, even though perceived regular feedback is unrelated to work performance, it may represent a necessary condition for PA to result in increased work performance. While satisfaction with PA is associated with employee commitment, perceived helpfulness of PA was positively related to affective organizational commitment in the current study. This particular finding highlights the importance of positive PA reactions as the point of departure in positively influencing employee attitudes.

Flynn (2011) stated that the more we try and manage employee motivation directly, the more it will elude us. Motivation is personal and internal. It is not manageable directly – we cannot “do” motivation to employees. As managers and employers we should work on the “environmental management,” put meaning back into work and leave employees to their own motivational devices.

Chapter Three

Research and Methodology

This study attempted to assess the Performance Appraisal practices of iNGOs in the country. Under this chapter: the research design, target population and sampling techniques, the data collection instrument, the procedures to be followed during data collection, and method of data analysis that will be used are discussed as follows.

3.1 Research Design

Reduced to the simplest of terms, “research design is a mapping strategy. It is essentially a statement of the object of the inquiry and the strategies for collecting the evidences, analyzing the evidences and reporting the findings” (Singh, 2006). This is a descriptive type of study as its main aim was finding out the current practices of Performance Appraisal being experienced by employees of iNGOs in Ethiopia. To this effect, the study applied a survey strategy for it easily allowed the researcher to collect large amount of quantitative data from a sizable population in a highly economical way and analyze using descriptive statistics. Data was collected by administering a standardized set of questionnaires to the sample where these data were cross sectional data providing the experiences of employees from the different iNGOs at a particular time.

3.2 Target Population and Sampling Techniques

3.2.1 Target Population

The target population of this study was employees of iNGOs in the country. According to the Charities and Societies Agency there exit 353 legally registered foreign charities also known as iNOGs operating in the country. For the purpose of this study among the total 353 organizations some were selected according to the below inclusion criteria to make up the study organizations. These particular criterions were used to ensure the homogeneity of study population;

- 1. Funding source** – USAID; where USAID has rules and regulations governing the HRM practices and policies of iNGOs receiving funding form it’s side.

2. **Sector** – Health to ascertain that organizations under study are operating with in the same sector for the employees engaged in executing the goals and objectives of the organization possess health education.
3. **Focus area** - Maternal and Child Health to ensure that the employees are coming from similar focus area.
4. **Work region** - in addition to Addis Ababa, those working in Amhara, Oromia, South, and Tigray regions.
5. **Years of experience** – more than five years of service in the sector to ensure that the organizations under study have enough experience in the sector.
6. **Staff size** – more than fifty employees so as the HRM unit of the organizations is well organized and has at least the basic operating procedures at hand.

Table 3.1: List of iNGOs

Organizations	Number of Employees
Clinton Health Access Initiative	154
ACDI-VOCA	196
International Medical Corps	131
PSI	146
Marie Stops International	206
Engender Health	166
PATH	151

Data Source: Researches own list, 2015

3.2.2 Sampling Technique & Sample Size

According to Kotari (2004), a sample design is a definite plan for obtaining a sample from a given population. The study of the total population is not possible and it is also impracticable (Singh, 2006). The practical limitation: cost, time and other factors which are usually operative in the situation stand in the way of studying the total population (Singh, 2006).

As per Singh (2006), generalizability of the research findings is, of course, dependent upon the sampling procedures followed. In order to determine the sample size, this research has used the formula developed by Jeff Watson (2001) who is research assistant, Cooperative Extension and Outreach at University Park. This formula which is copyrighted by The Pennsylvania State University is indicated below:

$$n = \frac{\left[\frac{P [1-P]}{A^2 + \frac{P [1-P]}{N}} \right]}{R}$$

Where:

n = Sample size

N = Population size = 1150

P = Estimated variance in population = 50%

A = Desired precision = 5%

Z = Based on confidence level = 95% (1.96)

R = Estimated response rate = 95%

Therefore by using the above formula, the sample size of this research was calculated to be 304 iNGO employees from the target organizations. The total sample size (304) proportioned in each organization as shown in the following table:

Table 3.2: Sample Size Proportion in each

Organizations	Number of Employees	Sample Size Proportion
Clinton Health Access Initiative	154	(154/1150)*304=41
ACDI-VOCA	196	(196/1150)* 304=52
International Medical Corps	131	(131/1150)* 304=35
PSI	146	(146/1150)* 304=39
Marie Stops International	206	(206/1150)* 304=54
Engender Health	166	(166/1150)* 304=44
PATH	151	(151/1150)* 304=40

Data Source: Researches own list, 2015

Once the total study sample size was determined, a systematic probability sampling method, which gives the probability that our sample is representative of population, (Singh, 2006) has been used to select the respondents from each organization. This method required complete information about the population and this information was gathered from the Human Resource Department of each organization involved in the research. Hence if we sample size “n” and population size “N”, then N/nth individual will be selected from the list

(Singh, 2006), which in this particular study meant that every 4th individual has been part of the study sample.

By applying this method the student researcher has reduced the field cost, ensured the application of inferential statistics and ensured generalizability of findings from the gathered data.

3.3 Instrument of Data Collection

A set of questionnaire have been used to collect data. This questionnaire was self developed by the student researcher in reference from different related research studies conducted in previous years as well as from survey monkey's question bank and pre tested before it was used to collect data so as to ascertain that the questions made sense to respondents and identified the problem with the questionnaire that might lead to biased answers. There were 15-20 people selected from the student researcher's current organization which was of a similar iNGO that was close to the target group in order to help alleviate the resource limitation both in time and cost. During pre testing it is advised for the researcher to observe the testers complete the survey to pin point for places where they hesitate or make mistakes etc and this complements the previously mentioned justification of selecting the testers from an accessible and close source.

The questionnaire is divided into four parts: the first part of the questionnaire consisted of respondent's demographic characteristics, second part of the questionnaire addressed the employees level of understanding of PA purposes, the third section measured feeling of employees in relation with the PA process put in place in their organization, and the fourth part of the questionnaire measured the frequency and type of feedback that employees receive and how employees feel about the feedback they receive from their supervisors. The questionnaire had a 5 point Likert Scale ("Strongly Agree" = 1, "Agree" = 2, "Neither Agree nor Disagree" = 3, "Disagree" = 4, and "Strongly Disagree" = 5) where 1 was the highest rank and 5 the lowest, yes-no questions and a few open ended questions.

3.4 Procedure of Data Collection

As the ground work for the survey managers of the sample organizations had been provided with a letter clarifying the purpose of the study and that information gathered will be kept in confidence. Once the researcher made sure that the management was willing to let the researcher contact the respondents then the survey continued.

The questionnaire was built into an online survey page and circulated to all respondents. Four different emails were circulated to respondents where the first was a short advance-notice stating the purpose of the study. After one week, respondents received a second email with the actual questionnaire along with detail instructions to help them address the questions properly. Since there was large number of respondents involved in the study it was anticipated that this will result in low response rate. As a way of alleviating this probability follow up emails and reminders were circulated to respondents between four to eight days of the initial questionnaire. A fourth email was sent three weeks after the second email to all non respondents so as to insure their participation in the survey.

The application of online survey provided the researcher with great advantage in terms of ensuring data quality for respondents first hand data were used for analysis. Moreover it made it easy for the questionnaire to be distributed to the large sample where there is easy access of internet in their respective organizations.

3.5 Method of Data Analysis

The respondents' data was statistically analyzed using Statistical Package for Social Science (SPSS) version 20. As stated in the aforementioned section the first hand data entered into the online survey by each respondent was directly used for data analysis for the system required all fields in the questionnaire to be completed by individual respondents.

Representations like tables and charts were used to ensure easy and quick interpretation of data. Descriptive statistics was used to analyze all data gathered in the form of frequencies, percentages, mean and standard deviations. According to Huysamen (1990 cited in Luddy, 2005), descriptive statistics allow researchers to display the data acquired in a structured, accurate and summarized manner. "They also allow comparisons to be made between

different sets of data in terms of their typical scopes and how the data is distributed”, (Kerr, Hall & Kozub, 2002).

3.6 Reliability and Validity

Kotari (2004) the questionnaire’s internal validity refers to its ability to measure what we intend it to measure. In other words what we find with our questionnaire actually represents the reality of what we are measuring. As stated the previous paragraphs the study instrument was per-tested to ascertain that the questions made sense to respondents and identified the problem with the questionnaire that might lead to biased answers. There were 15-20 people selected from the student researcher’s current organization which was of a similar iNGO that was close to the target group in order to help alleviate the resource limitation both in time and cost. In addition, validity of the research instrument for this study was assured by giving to professionals, HR Advisors, managers and specialist for their review and finally given to the advisor to validate.

As per Kotari (2004), reliability refers to consistency, where internal consistency involves correlating the responses to each question in the questionnaire with those other questions in the questionnaire. The student researcher used Cronbach’s alpha to calculate the internal consistency of the instrument where alpha was computed for the three scales as in the below:

Table 3.3: Scale measurement summary

Scale	Cronbach’s Alpha
Overall understanding of PA Purpose	0.898
Assessment of Current PA in the organizations	0.944
Assessment of Feedback in the organizations	0.982

Therefore the scale used in this study has internal reliability because the alpha value exceed the minimum accepted level of (0.7) suggested by scholars. This also confirms that the references used for questionnaire were credible.

Chapter Four

Data Analysis, Interpretation and Discussion of Results

In this chapter, an overview of the data obtained in the study are analyzed, presented, interpreted and discussed. In order to clearly show the existing similarity and differences among demographic and some categorical data, pie charts and bar charts are widely used.

Three hundred four questionnaires were distributed to the respondents from the seven iNGOs employees (41 for Clinton Health Access Initiative, 52 for ACIDI-VOCA, 35 for International Medical Corps, 39 for PSI, 54 for Marie Stopes International, 44 for Engender Health and 40 for PATH). Out of these 304 questionnaires, 272 of them were collected which accounts for 89.47% response rate. Accordingly, the analysis of this study is based on the number of questionnaires collected.

4.1 Demographic and Personal Information of Respondents

The first section of the questionnaire required the respondents to provide their basic personal information. These questions include: sex, age, educational qualification, tenure and current position in their respective organizations.

Table 4.1: Summary Respondent’s Demographic Data

Variable	Category	Percentage
Gender	Male	63.60%
	Female	36.40%
Age	30-39	54.41%
	20-29	20.96%
	40-49	20.22%
	49+	4.41%
Education Qualification	Master’s Degree	48.53%
	BA/BSc Degree	37.50%
	College Diploma	9.93%
	MD, MPH	1.08%
	MD	0.74%
	PHD	0.74%
Years of Service	Specialist	0.74%
	2-4 Years	61%
	5-7 Years	21.7%
	8-10 Years	13.6%
Current Positions	11+ Years	3.6%
	Program Level Position	33.09%
	Technical Level Position	25%
	Support Level Position	15.81%
	Director Level Position	3.65%

As indicated the above table 4.1, Male respondents comprised of 63.60% compared to 36.40% female respondents. Meanwhile, 36.4% of the respondents fall under the 30-39 age groups, 20.96% are in the 20-29 age groups, while 20.22% of the respondents are in between 40-49 years of age and 4.41% were above 49 years of age. This shows that the sample represents male and female where all age groups have been part of the study allowing this study to provide all rounded response from all age groups.

When coming to their current education qualification majority of the respondents 48.53% have Masters Degree while BA/BSc Degree holders with 37.50%, take the second largest portion of the sample. In addition, it is evident that respondents at least possess a College Diploma, 9.93%, and 1.08% have MD/MPH level education, while the rest 2.22% of the respondents either have MD, PH or specialization level education. Hence, this demonstrates that respondents possess to the minimum a College Diploma and would have the required capability to effectively respond to the questions provided in the questionnaire.

Meanwhile, 61% of the respondents have served their current organization for 2-4 years, 21.7% have been with their employer organization between 5-7 years, 13.6% were working for their organization from 8-10 years and the rest 3.6% have been with their organization for more than eleven years. This result ascertains that respondents have enough experience with the PA practices being undertaken in their respective organizations and this would allow each to share their experiences, understandings and knowledge of the practices via the questionnaire.

In terms of the current positions respondents are having in their organizations, majority of them, 33.09% are from the program level position, 25% are from technical level position, 15.81% are from support level position and 3.65% are from director level position. This shows that all positions have been well represented in the study allowing the results to be all rounded by tapping into the different perspectives of respondents coming from this wide range of positions.

4.2 Employees understanding of the purposes of PA

The second section of the study instrument was designed to assess the level of Employees' understanding of the purpose of Performance Appraisal in an organization.

Table 4.2: Results of employees understanding of the purpose of Performance Appraisal

Indicator	N	Min	Max	Mean	Std. Deviation
Two-way communication between supervisor and employee	272	5	1	1.52	.782
To provide feedback towards employee performance	272	5	1	1.67	.942
To increase employee motivation	272	5	1	1.94	.959
To recognize individual performance	272	5	1	1.90	.900
To penalize poor performing employee	272	5	1	1.80	1.285
To identify individual training and development needs	272	5	1	1.97	1.043
To set goals for the upcoming performance period	272	5	1	1.68	.903
To encourage employees to take responsibility for their work	272	5	1	1.75	.946
Promotion	272	5	1	2.11	1.055
Reward/pay increase	272	5	1	2.08	1.047
To contribute to organizational effectiveness	272	5	1	2.11	1.067
To demonstrate organizational fairness to all employees	272	5	1	2.03	1.074
Documentation	272	5	1	2.18	1.150

Data Source: Own Survey, 2015

As Table 4.4 above shows, among the #13 purposes of Performance Appraisal, respondents strongly agreed with the purpose of provision of two-way communication between supervisor and employee (mean=1.52 & Standard deviation =0.782), feedback provision towards employee performance (mean=1.67 & standard deviation=0.942), goal setting for upcoming performance period (mean=1.68 & standard deviation=0.903), encouraging employees to take responsibility for their work (mean=1.75 & standard deviation=0.946), not to penalize poor performing employee (mean=1.80 & Standard deviation=1.285), recognition of individual performance (mean=1.90 & standard deviation=0.900), increasing

of employee motivation (mean=1.94 & standard deviation=0.959), and identification of individual training and development needs (mean=1.97 & standard deviation=1.043).

Meanwhile, respondents agreed with the purpose of Performance Appraisal being for demonstration of organizational fairness to all employees (mean=2.03 & standard deviation=1.074), reward/pay increase (mean=2.08 & standard deviation=1.047), promotion (mean=2.11 & standard deviation=1.055), contribution to organizational effectiveness mean=2.11 & standard deviation=1.067), and documentation (mean=2.18 & standard deviation=1.150).

Table 4.3: Summarized response of understanding the Performance Appraisal purposes

Response	Frequency	Percent
Positive	241	88.6%
Neutral	19	7.0%
Negative	12	4.4%
Total	272	100.0%

Data Source: Own Survey, 2015

In summary, the from the data analysis and above table it can be seen that respondents have good understanding of the purposes of using a Performance Appraisal within a given organization. Majority of the respondents, 88.6% possess positive opinions regarding the indicators of performance appraisal purposes, 7% have neutral opinion about the thirteen listed indicators of purposes of performance appraisal while the remaining 4.4% fall in the extreme end with negative opinions.

Table 4.4: Employees opinion towards frequency of performance appraisal

Q2. How frequent do you think Performance Appraisal should be conducted in an organization?	Response	Percent
	Quarterly	47.8%
	Annually	41.9%
	Bi-annually	10.3%
	Total	100.0%

Data Source: Own Survey, 2015

As can be seen in the above, 47.8% think that a Performance Appraisal should be conducted quarterly in a given organization while 41.9% responded that the Performance Appraisal should be conducted annually and the remaining 10.3% think that it should be conducted bi-annually.

Larger organizations often conduct performance appraisals once or twice a year, and many smaller organizations follow suit. Appraisals meant for reward purposes are often conducted once a year. This ties in with budgets and for many people is the only type of appraisal that is important. Because of the way in which budgets are set, it is unlikely that this will take place more than once a year. Meanwhile appraisals used for development purposes, take place quite often, perhaps four or more times in a year where this may be nothing more than a check to see how the needs of the employee are fitting in with the work that they are carrying out on behalf of the organization.

Hence, from the survey it is indicated that majority of the respondents give focus towards a developmental appraisal where they focus on developing themselves towards attaining the organization’s objectives and goals.

Table4.5: Employees insight of Performance Appraisal’s contribution for organizational success

	Response	Percent
Q3. Do you think Performance Appraisal is an integral part of a Company’s success?	Yes	87.13%
	No	12.87%
	Total	100.0%

Data Source: Own Survey, 2015

As can be seen from the above, majority of the respondents 87.13% agreed that Performance Appraisal is an integral part of a company’s success while 12.87% replied as they don’t agree that Performance Appraisal to be an integral part of a company’s success.

To further strengthen their responses, respondents were asked the following as a follow up to the above question **“Q4. If you believe it is an integral part of success, how?”** From the responses of the 273 respondents who agreed with the fact that Performance Appraisal being an integral part of company’s success it was evident that they all shared a common point that Performance Appraisal if conducted appropriately it will help employees grow professionally and personally for it will identify strengths and areas of development of each employee which in turn contribute to the bottom line, overall success of the company. The respondents also mentioned that Performance Appraisal provides details of the organization’s objectives and goals at the beginning of every performance year to help individuals guide their performance towards the achievement of these goals and objectives at their levels. On the other hand, Performance Appraisal helps supervisors have a realistic

expectation of employees' performance based on the performance standards. Some replied that if conducted effectively, Performance Appraisal motivates staff to take responsibility of their work better. In addition, some responded that Performance Appraisal motivates them for better professional development and encourage for better result oriented achievement.

In general term they also responded that Performance Appraisal helps them focus on their objectives, and keep track of their performance while based on the results from the Performance Appraisal the company can motivate employees in the form of incentives thereby. In turn employees put their maximum efforts for the success of the company's goals. Not only that but also based on the performance of individual employees remedial action is proposed if there is any weakness to be improved in the form of coaching, mentoring, providing short and long term trainings, with close follow up and guidance. With this said, the respondents indicated that individual employee performance is inferential to the overall performance as well as success of the organization; individual and organizational successes are inseparable.

Employees understanding of the purposes of a performance appraisal increase their involvement and awareness of the whole process. They develop positive awareness towards employee self-evaluations than just another tedious step that adds more work and paper to an already onerous performance appraisal process. Rather than simply being the recipient of feedback from managers employees are given voice and can inform or shape their performance appraisal and ratings. As employees understanding of the purposes of a performance appraisal increases the two-way discussion between manager and employee will also increase and this dialogue will avoid the top down evolution and foster a communicative environment.

4.3 Assessment of the current Performance Appraisal practices of the organizations

In the study instrument the third section dealt with assessing of the current Performance Appraisal methods within the organization and the first question forwarded to the respondents was about the type of Performance appraisal practice in their respective organizations. Following this respondents were asked about the frequency of the performance appraisal being conducted in their organization. As indicated below the

responses indicated four types of Performance Appraisal methods currently put in place within their respective organizations where this method was being used on a yearly, half-yearly or quarterly basis.

Table 4.6: Summary results of type and frequency of current Performance Appraisal Practice

Q1. What type of Performance Appraisal method does your organization use?	Response	Frequency of application	%
Q2. How often is Performance Appraisal conducted in your current organization?	360 Degree	Yearly basis	44.85%
	Performance Based	Half yearly basis	25.0%
	Rating Scale	Yearly basis	17.28%
	Management by Objective	Quarterly basis	12.87%
	Total		100.0%

Data Source: Own Survey, 2015

It is evident that 360 degree review takes up the 44.85%, the large share, being conducted on a yearly basis, followed by Performance-based being the second leading 25.00% where it is being used. Meanwhile, rating scales accounts for 17.28% being conducted on a yearly basis and last was management by objectives with 12.87% conducted on a quarterly basis. Hence in summary, 62.1% of the respondents replied that Performance Appraisal is conducted on a yearly basis while 25.0% said that the organization conducts Performance Appraisal every six months and the rest 12.9% responded that they undergo a Performance Appraisal process on a quarterly basis.

Under 360 – degree appraisal, performance information such as employee’s skills, abilities and behaviors, is collected “all around” an employee, i.e., from his/her supervisors, subordinates, peers and even customers and clients. This review method offers a more comprehensive view towards the performance of employees, improves credibility of performance appraisal, feedback from colleagues will help strengthen self-development, increases responsibilities of employees to their customers, the mix of ideas can give a more accurate assessment, opinions gathered from lots of staff are sure to be more persuasive, and people who undervalue themselves are often motivated by feedback from others. In general this method involves everyone become part of the review and if more staff takes part in the process of performance appraisal, the organizational culture of the company will become more honest.

Performance Appraisal feedback given frequently and closer to the action would be more effective in correcting employee performance problem timely. However, handling the

formal appraisal task frequently would not be possible at no cost. It requires a great deal of supervisor's time, effort and complicates the decision process due to bulky information apart from the cost of stationary that may rise with added frequency. Hence, though the formal appraisal shall be aggregated twice a year supervisors should be engaged in giving continuous feedback to their subordinates. The existing practice of yearly and semi-annual evaluation may be enough if supervisors introduce frequent feedback to employees informally and then formally summarize performance at evaluation time.

The third questions of this section required respondents to express their feelings towards the current performance appraisal practice in their organization by rating thirteen indicators.

Table 4.7: Results of employees' assessment of the Performance Appraisal practice of the organization

Indicators	N	Min.	Max.	Mean	Std. Deviation
The organization has clarified the purpose of doing appraisal to its employees.	272	5	1	1.94	1.095
The organization communicates its goals and strategies to its employees.	272	5	1	1.96	1.023
I have a clear understanding of why the organization is dedicating time, effort, and energy to appraisal process.	272	5	1	1.99	1.038
I have a clear understanding of what is expected from me during the performance period/year.	272	5	1	1.83	.892
I am involved in the annual objective planning process.	272	5	1	2.01	1.080
I clearly understand the performance evaluation criteria.	272	5	1	2.04	.918
Everyone involved in the process clearly understand their roles and responsibilities in terms of how they should be engaged or operate during the formal review.	272	5	1	2.33	1.006
The organization provides training to all (employee and supervisors) before the appraisal commences.	272	5	1	2.93	1.195
The Performance Appraisal allows me to clearly see how I am actually contributing towards the goal achievement and overall organizational performance.	272	5	1	2.10	1.056
The Performance Appraisal in my organization provides me with fair reflection of my performance.	272	5	1	2.18	1.145
The Performance Appraisal in my organization contains a self-appraisal component.	272	5	1	1.96	1.069
The Performance Appraisal in my organization motivates me to perform well in my work.	272	5	1	2.36	1.167
Overall, I feel satisfied with the recognition I received for doing a good job.	272	5	1	2.26	1.206

Data Source: Own Survey, 2015

As Table 4.7 above shows, among the #13 indicators Performance Appraisal practice that exists within their respective organizations, respondents strongly agreed with the fact that they have a clear understanding of what is expected from them during the performance period/year with mean of 1.83 and standard deviation of 0.892. Moreover, they also strongly agreed that the organization has clarified the purpose of doing appraisal to its employees (mean=1.94 & Standard deviation =1.095), the organization communicates its goals and strategies to its employees (mean=1.96 & Standard deviation =1.023), the Performance Appraisal in their organization contains a self-appraisal component (mean=1.96 & Standard deviation =1.069), and they have a clear understanding of why the organization is dedicating time, effort, and energy to appraisal process (mean=1.96 & Standard deviation =1.023).

In addition to the above, the respondents also agreed with the fact that they are involved in the annual objective planning process (mean=2.01 & standard deviation=1.080), they clearly understand the performance evaluation criteria (mean=2.04 & standard deviation=0.918), the Performance Appraisal allows them to clearly see how they are actually contributing towards the goal achievement and overall organizational performance (mean=2.10 & standard deviation=1.056), the Performance Appraisal in their organization provides them with fair reflection of their performance (mean=2.18 & standard deviation=1.145), overall, they feel satisfied with the recognition they received for doing a good job (mean=2.26 & standard deviation=1.206), everyone involved in the process clearly understand their roles and responsibilities in terms of how they should be engaged or operate during the formal review (mean=2.33 & standard deviation=1.006), the Performance Appraisal in their organization motivates them to perform well in their work (mean=2.36 & standard deviation=1.167), and the organization provides training to all (employee and supervisors) before the appraisal commences (mean=2.93 & standard deviation=1.195).

Table 4.8: Summary of employees’ assessment of the Performance Appraisal practice of the organization

Response	Frequency	Percent
Positive	208	76.5%
Neutral	44	16.2%
Negative	20	7.4%
Total	272	100.0%

Data Source: Own Survey, 2015

Hence in summary 76.5% of respondents responded positively to the listed indicators under the current performance appraisal practice, 16.2% of them gave neutral responses towards the indicators and 7.4% gave negative assessment towards the current practice. The above summary indicated that the performance appraisal practices of the organizations are effective in terms of involvement, communication, feedback, motivating and satisfying employees. However, the organizations are not practicing providing all involved with the necessary training to equip them with the proper performance appraisal conduction skills every year before the commencement of the process. This training is crucial in maintaining the quality of the appraisal results as well as effectiveness of the appraisal in general.

The final question for this section was raised to assess how much respondents felt rewarded for their hard work. Figure 4.7 shows the details of the responses received as follows:

Table 4.9: Response summary of rewards of hard work

	Response	Percent
Q5. Do you think you have been rewarded for your hard work?	Yes, I think so	40.81%
	Not sure	19.49%
	Yes, I completely agree	15.81%
	No, I completely disagree	13.97%
	No, I don't think so	9.93%
	Total	100.0%

Data Source: Own Survey, 2015

It is evident from Figure 4.9: that majority of the respondents (40.81%) think they have been rewarded for their hard work, while 19.49% of the respondents are not sure if whether they have been rewarded for their hard work or not. At the third level 15.81% of the respondents completely agreed that they have been rewarded for their hard work and on the extreme end 13.79% of the respondents replied that they completely disagreed with the fact that they were rewarded for their hard work. Finally 9.93% responded as they didn't think that they felt they were being rewarded for their hard work.

Hence, majority of the respondents, think that they have been rewarded for their hard work.

4.4 Results of the Feedback related questions

The fourth section of the study instrument aimed at assessing the feedback system that existed within the study organizations. To this end, the first question was about the existence of a regular formal or informal feedback regarding ones work performance.

100.0% of the respondents replied that there is a formal or informal feedback regarding their performance within the organization.

Following this respondents were asked to assess the performance review and feedback they received from their last review. The summarized responses are displayed in the following table:

Table 4.10: Response on respondents' review of their last Performance Appraisal and Feedback

Q2. According to you, your last performance review and feedback was:	Responses	Frequency	Percent
	Constructive	174	64.0%
	De-motivating	26	9.6%
	Ineffective	30	11.0%
	Inspiring	42	15.4%

Data Source: Own Survey, 2015

As Table 4.10 showed, 64.0% (n=174) of the respondents replied that their last Performance Appraisal and feedback was constructive while the 15.4% (n=42) said that their last review was inspiring. To the contrary however, 11.0% of the respondents responded that their last review was ineffective while the remaining 9.6% of the respondents reported back that their last review was de-motivating.

There are two forms of feedback that you can provide: positive feedback and constructive feedback. Positive feedback is used to reinforce desired behavior. Constructive feedback addresses areas in need of improvement. It is important to provide employees with both forms of feedback in order to improve and maintain quality performance. The survey revealed that majority of the respondents received constrictive feedback. It is more about giving an overall view of things: what's going well, what could be improved upon, etc.

Different people have different perspectives and knowledge about the way the world works. Each person brings a unique perspective to the table. If we listen and try to understand their perspective, we can apply that perspective to our work to make it better. Giving constructive feedback shows employees that managers value his or her work where the result is an increased level of respect between the two.

The third part of this section was posed as a set of follow on questions to the first one which required respondents to rate the working relationship they had with their supervisor and the feedback they received from their supervisor regarding their performance. The answers to these questions are summarized in the below table:

Table 4.11: Results of respondents’ assessment of the working relationship with their supervisor and the feedback they received from their supervisors

Indicators	N	Min.	Max.	Mean	Std. Deviation
The feedback I receive from my immediate supervisor aids me in correcting ineffective behaviors.	235	5	1	2.14	1.197
My immediate supervisor gives me feedback that helps me improve my performance in a timely fashion.	235	5	1	2.24	1.238
I receive coaching from my immediate supervisor.	235	5	1	2.61	1.287
My immediate supervisor provides me with clear direction for improving my work performance.	235	5	1	2.38	1.204
My immediate supervisor involves me in creating a vision and strategy for my area.	235	5	1	2.49	1.265
My supervisor encourages and supports my performance development.	235	5	1	2.31	1.224
My immediate supervisor follows through on commitments.	235	5	1	2.39	1.219
My supervisor has reasonable expectations of my work.	235	5	1	2.23	1.133
My immediate supervisor tries to understand my point of view when he/she discusses problems or projects with me.	235	5	1	2.18	1.262
I feel well respected by my immediate supervisor.	235	5	1	2.20	1.250
I receive credit from my immediate supervisor for a job well done.	235	5	1	2.30	1.297
I feel my job performance is fairly evaluated.	235	5	1	2.18	1.170

Data Source: Own Survey, 2015

As illustrated in Table 4.11, among the listed #12 indicators respondents agreed with the fact that the feedback they received from their supervisor aids them in correcting ineffective behaviors with mean and standard deviations of 2.14 and 1.197 respectively. Similarly they responded their agreement with the fact that their immediate supervisor tries to understand their point of view when he/she discusses problems or projects with them (mean=2.18 & standard deviation=1.262), they feel their job performance is fairly evaluated (mean=2.18 & standard deviation=1.170), feel well respected by their immediate supervisor (mean=2.20 & standard deviation=1.250), their supervisor has reasonable expectations of their work (mean=2.23 & standard deviation=1.133), their immediate supervisor gives them feedback that helps them improve their performance in a timely fashion (mean=2.24 & standard deviation=1.238), they receive credit from their immediate supervisor for a job well done (mean=2.30 & standard deviation=1.297), supervisor encourages and supports my performance development (mean=2.31 & standard deviation=1.224), their immediate supervisor provides them with clear direction for improving their work (mean=2.38 & standard deviation=1.204), their immediate supervisor follows through on commitments (mean=2.39 & standard deviation=1.219), and that their immediate supervisor involves them in creating a vision and strategy for their area (mean=2.49 & standard deviation=1.265). However, getting coaching from immediate supervisor received a very low positive rate from respondents with mean of 2.61 and standard deviation of 1.287 which is approximately close to neutral.

Table 4.12: Summary of respondents’ assessment of the working relationship with their supervisor and the feedback they received from their supervisors

Response	Frequency	Percent
Positive	207	76.1%
Neutral	28	10.3%
Negative	37	13.6%
Total	272	100.0%

Data Source: Own Survey, 2015

As indicated in the above paragraph and summary table respondents showed an affirmative opinion towards the feedback practice and their work relationship between their immediate supervisors; 76.1% gave positive responses, 13.6% negative responses and the remaining 10.3% were neutral about the work relationship with their supervisor and the feedback

practice in the organization. Moreover, the availability of coaching and training from immediate supervisors received a low affirmative response in comparison with the rest of the variables in the set.

Many leaders and managers may not realize the importance of providing feedback to their employees to enhance organizational growth and development. ***When correctly given, feedback helps improve job performance while promoting professional and personal growth in employees.*** Often this is not something that many of think about during the hectic daily business lives. Providing feedback offers many benefits, and when given at the right time with the right constructive and positive message, it can yield great results.

It can also improve employee morale and reduce confusion regarding expectations and current performance. Feedback is a guidance that will enable an employee to learn as well as improve the quality of his or her work. It will also enhance the interpersonal relationship with the supervisor and supervisee.

Overall the current feedback practice of the organizations is allowing employees to receive immediate feedback in terms of correcting ineffective behaviors, providing communicative environment as well as involvement. But the system is missing an important aspect, coaching from supervisors, which is a developmental tool for employees.

Chapter Five

Summary, Conclusion, and Recommendations

Introduction

The purpose of this chapter is to round off the study with summary of findings, conclusion and recommendations. The conclusion would be made from the analysis and the objectives of the research.

5.1 Summary of Findings

This study was conducted to investigate the effect of Performance Appraisal on employee motivation based on the data collected from seven different iNGOs in Ethiopia. Moreover, it attempted to assess employees' level of understanding towards the purpose of Performance Appraisal and how much they value the feedback they receive from their supervisors regarding their performance. The study was conducted through questionnaire data collected from 272 employees of the seven organizations.

The sample consisted majority of male respondents (n=173) than female (n=99). Most of the respondents are in the age category of 30-39 years (n=148), possess Masters Degree (n=132), and have been with their organization between 2-4 years. Meanwhile, the respondents come from different positions in the organization comprised of various levels starting from lower level to the highest, clerk to director, respectively.

The study revealed that there exists a formal Performance Appraisal system put in place in the study organizations and majority of the respondents (47.8%) felt that the process should be conducted at least every four months. And this demonstrates the value being given to frequent follow up from the employees' perspective towards addressing their needs to help them attain the organizations goal.

Meanwhile, 87.13% (n=273) agreed that Performance Appraisal is an integral part of a company's success. These respondents shared a common idea that individual employee

performance is inferential to the overall performance as well as success of the organization where individual and organizational successes are inseparable.

On the other hand the study revealed that respondents have a good understanding of the purpose of having a Performance Appraisal in an organization where all of their responses inclined to an affirmative opinion. Majority of the respondents concurred that Performance Appraisal is used for: provision of a two way communication between supervisor and employee, provision of feedback towards employee performance, it paves the way towards goal setting for upcoming performance period, it encourages employees to take responsibility for their work, recognition of individual performance, increasing of employee motivation, and identification of individual training and development needs

The study revealed that 360 degree type of Performance Appraisal was being used in majority of the respondents' organizations on a yearly basis.

On the other hand, the study findings also showed that respondents strongly agreed on the facts that they have a clear understanding of what is expected from them during the performance period/year, the organization has clarified the purpose of doing appraisal to its employees, the organization communicates its goals and strategies to its employees, the Performance Appraisal in their organization contains a self-appraisal component, and they have a clear understanding of why the organization is dedicating time, effort, and energy to appraisal process.

Meanwhile, the statistics data depicted that 40.81% of the respondents think they have been rewarded for their hard work, while 19.49% of the respondents are not sure if whether they have been rewarded or not. On the extreme end 13.79% of the respondents completely disagreed with having been rewarded and 9.93% don't think they were rewarded.

In regards with feedback, the descriptive statistics from the majority respondents revealed that there exists a feedback system in their organization where 64.0% of these felt that their last performance review and feedback was constructive, 15.4% felt it was inspiring while 11.0% and 9.6% lie on the extreme end with ineffective and de-motivating respectively.

Respondents also portrayed an affirmative opinion about the feedback they received from their supervisor and that it aids them towards correcting ineffective behaviors. In addition, they positively responded that their immediate supervisor tries to understand their point of view when he/she discusses problems or projects with them, that they feel their job performance is fairly evaluated, they feel well respected by their immediate supervisor, that their supervisor has reasonable expectations of their work, their immediate supervisor gives them feedback that helps them improve their performance in a timely fashion, that they receive credit from their immediate supervisor for a job well done, that their supervisor encourages and supports their performance development, he/she provides them with clear direction for improving their work, that their immediate supervisor follows through on commitments and their immediate supervisor involves them in creating a vision and strategy for their area. However, in comparison with the rest of the variables under this set provision of coaching and training by supervisors received the lowest number of affirmative responses from respondents.

5.2 Conclusion

The main purpose that this study tried to achieve was to provide an insight about current performance appraisal practices in iNGOs. To this end, the current Performance Appraisal existing in their organization was assessed. In addition, their level of understanding of the purposes of Performance Appraisal were thoroughly assessed. Also employees feeling towards their working relationship with their supervisor was also assessed so as to understand the feedback process that exists in the organization.

With regards to the PA practices it was concluded that all of the organizations have a formal practice where based on the employees assessment there exists a fair and communicative environment, involvement of employees, future orientation, and ongoing feedback.

In terms of the level of employees understanding of purposes of having a performance appraisal in an organization employees possess a good understanding. Moreover, besides understanding the purposes they also believed that performance appraisal is an integral part of an organization's success.

Moreover, this study has made it evident that majority of the employees felt that the feedback they received from their supervisors were constructive which helped them towards

correcting ineffective behaviors. Furthermore, the employees showed high interest in frequent follow up as they suggested if an organization conducts its Performance Appraisal process on a quarterly basis.

5.3 Recommendations

Depending on the empirical findings, the student researcher has forwarded the following recommendations for the concerned practitioner and decision makers in the industry.

Management and HR practioners should pay due attention towards insuring the effectiveness of their respective Performance Appraisal processes being used in their organziation. The Performance Appraisal process used in an organization should ensure that employees will be able to clearly see how much they are contributing towards the goal achievment and overall organizational performance, the organization must inform its employees why it is dedicating time, effort and engery to appraisal process, the management should communicate its goals and strategies to its employees at the beginning of the year, and supervisors should let employees have a clear understanding of what is expected from them during the performance period. It should also ensure that employees take responsibility to their individual work, where at the beginning of the performance period employee and supervisors/mangers work together to identify potential performance and development goals for the employee to ensure that all are properly selected, aligned to the business strategy and goals which in a way communicates to the employee what is expected from him/her during the period.

As indicated in the previous chapter, the study findings clearly pointed out that having a clear understanding of why the organization is really dedicating resources to conduct appraisal has received strong positive responses from respondents, meanwhile the study findings also showed that employees have affirmative opinions towards the purpose of having a performance appraisal system in an organizaiton. Hence, taking the aforementioned findings it is recommended that organizations ascertain that every employee of the organization has a clear understanding of the purpose of having a perormance appraisal process by allocating resources for training sessions and inductions for new hires as well. As per DeCenzo, Robbins & Verhulst (2010), new employee orientation covers the activities involved in introducing a new employee to the organization where this particular session

covers introducing of organization's objectives, history, philosophy, procedures, and rules as well as communicate relevant HRM policies and procedures. Hence, having this orientation system in place will ensure that employees are well aware of the organization's goals, objectives, HRM policies and procedures at the time of joining.

Meanwhile, Armstrong and Appelbaum (2003) argued that among others one of the reasons to conducting a PA is to provide a two-way performance feedback. As discussed in the previous chapter, respondents strongly agreed with this particular purpose. Hence, it is recommended by the student researcher that organizations really invest in their Performance Appraisal process to ensure the effectiveness of their feedback component to contribute towards increased employee motivation.

On a related note, according to Armstrong, M. (2009), feedback is important for it can enhance self - awareness by highlighting strengths and can facilitate growth by pointing out areas in need of development. The goal is to achieve work objectives by reinforcing or changing behavior. As indicated by the research findings, feedback is given great value among employees and therefore, organizations should pay due attention in strengthening the system for it has a paramount effect on employee motivation and future performance. In addition, organizations should ensure that supervisors provide actionable feedback to their direct reports so as to enable them to build on their strengths, address areas in need of development, and achieve their performance goals.

However, the statistical data regarding the working relationship between employee and their supervisors in terms of feedback showed that employees don't feel they receive coaching from their immediate supervisors. As indicated by Gilley, A., Gilley, J. W., Quatro, S. A., & Dixon, P. (2009), coaching is a partnership that equips individuals with the tools they need to succeed. It is a developmental process in which all employees grow and develop, improve their performance, and advance their careers. In general managers partner with employees in straightforward, honest, and collaborative exchanges regarding performance that focus on expanding excellence through individual learning, growth, and development (Gilley, A., Gilley, J. W., Quatro, S. A., & Dixon, P., 2009) . Hence, organizations should ensure that managers/supervisors are properly equipped with coaching skills so as to help their supervisees in terms of development.

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Appendix

Questionnaire

Dear Sir/Madam,

I am a Post Graduate student in Addis Ababa University School of Commerce, Department of Human Resources Management. I would like to express my earnest appreciation for your time, honest and prompt response.

I am conducting a research on “Assessment of Performance Appraisal practices with special focus on iNGOs in Ethiopia” meant to address the research question “What is the current Performance Appraisal Practice of iNGOs?” Your participation in this survey is very critical for addressing the research question. Therefore, I kindly request you to provide reliable information with utmost clarity and sincerity. I would like to assure you that all information you provide will be used only for research purpose and all responses will be kept in STRICT CONFIDENTIALITY.

The questionnaire will take approximately 10-15 minutes. Should you have any questions about this survey, please feel free to contact me at +251-911-417-498 or via my email address:betlehem.negatu@gmail.com.

With best regards,

Betelehem Negatu
MA Student, Addis Ababa University School of Commerce

Section I: Personal Data

1. Sex:

Male

Female

2. Age category?

20-29

40-49

30-39

49+

3. Your current highest level of Educational Qualification?

High school

Technical School Graduate

College Diploma

BA/BSc Degree

Masters Degree

PHD

4. Years of service in your current organization?

2-4yrs

8-10yrs

5-7yrs

11+yrs

5. What is the current position you are assuming?

Section II: Employee understanding of purposes of Performance Appraisal

1. Please rate the following statements by ticking “√” only one box on the right side with the response that in your understanding represents main purposes of having a Performance Appraisal system in an organization.

The response scale for the questions is as below:

1= Strongly Agree, 2= Agree, 3= Neither Agree nor Disagree, 4= Disagree, 5 = Strongly Disagree

Questions	1	2	3	4	5
1. A two-way communication between supervisor and employee and reinforce continuing open communication.					
2. To provide feedback towards employee performance.					
3. To increase employee motivation.					
4. To recognize individual performance.					
5. To penalize poor performing employee.					
6. To identify individual training and development needs.					
7. To set goals for the upcoming performance period.					
8. To encourage employees to take responsibility for their work.					
9. Promotion.					
10. Reward/pay increase.					
11. To contribute to organizational effectiveness.					
12. To demonstrate organizational fairness to all employees.					
13. Documentation.					

2. How frequent do you think Performance Appraisal should be conducted in an organization?

- a) Quarterly
- b) Bi-annually
- c) Annually

3. Do you think Performance Appraisal is an integral part of the Company's success?

Yes No

4. If you believe it is an integral part for success, how?

Section III: Performance Appraisal related questions

1. What type of Performance Appraisal method does your current organization use?

2. How often is Performance Appraisal conducted in your current organization?

- a) Monthly
- b) Quarterly (every 3 months)
- c) Half-yearly (every 6 months)
- d) Yearly basis (once in a year)

3. Please rate the following Statements by ticking “√” only one box on the right side with the response that you think best represent your feeling about the Performance Appraisal process in your current organization.

The response scale for the questions is as below:

1= Strongly Agree, 2= Agree, 3= Neither Agree nor Disagree, 4= Disagree, 5 = Strongly Disagree

Questions	1	2	3	4	5
1. The organization has clarified the purpose of doing appraisal to its employees.					
2. The organization communicates its goals and strategies to its employees.					
3. I have a clear understanding of why the organization is dedicating time, effort, and energy to appraisal process.					
4. I have a clear understanding of what is expected from me during the performance period/year.					
5. I am involved in the annual objective planning process.					
6. I clearly understand the performance evaluation criteria.					
7. Everyone involved in the process clearly understand their roles and responsibilities in terms of how they should be engaged or operate during the formal review.					
8. The organization provides training to all (employee and supervisors) before the appraisal commences.					

9. The Performance Appraisal allows me to clearly see how I am actually contributing towards the goal achievement and overall organizational performance.					
10. The Performance Appraisal in my organization provides me with fair reflection of my performance.					
11. The Performance Appraisal in my organization contains a self-appraisal component.					
12. The Performance Appraisal in my organization motivates me to perform well in my work.					
13. Overall, I feel satisfied with the recognition I received for doing a good job.					

4. Do you think you have been rewarded for your hard work?
- a) Yes, I completely agree
 - b) Yes, I think so
 - c) Not sure
 - d) No, I don't think so
 - e) No, I completely disagree

Section IV: Feedback related questions

1. There is a regular formal or informal feedback regarding ones work performance in the organization?

Yes No Don't Know

2. According to you, your last performance review and feedback was:

- a) Inspiring
- b) Constructive
- c) Ineffective
- d) De-motivating

3. If your response to question no. 1 is "Yes" then how would you rate the working relationship you had with your supervisor and the feedback you receive from your supervisor regarding your performance?

The response scale for the questions is as below:

1= Strongly Agree, 2= Agree, 3= Neither Agree nor Disagree, 4= Disagree, 5 = Strongly Disagree

Questions	1	2	3	4	5
1. The feedback I receive from my immediate supervisor aids me in correcting ineffective behaviors.					
2. My immediate supervisor gives me feedback that helps me improve my performance in a timely fashion.					
3. I receive coaching from my immediate supervisor.					
4. My immediate supervisor provides me with clear direction for improving my work performance.					
5. My immediate supervisor involves me in creating a vision and strategy for my area.					
6. My supervisor encourages and supports my performance development.					
7. My immediate supervisor follows through on commitments.					
8. My supervisor has reasonable expectations of my work.					
9. My immediate supervisor tries to understand my point of view when he/she discusses problems or projects with me.					
10. I feel well respected by my immediate supervisor.					
11. I receive credit from my immediate supervisor for a job well done.					
12. I feel my job performance is fairly evaluated.					

Thank you very much for your cooperation!