



**SCHOOL OF GRADUATE STUDIES  
COLLEGE OF BUSINESS AND ECONOMICS**

**DEPARTMENT OF MANAGEMENT**

**AN ASSESSMENT OF THE PRACTICES AND CHALLENGES OF EMPLOYEES'  
PERFORMANCE APPRAISAL SYSTEM IN OROMIA URBAN DEVELOPMENT  
AND HOUSING BUREAU**

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**ID NO=GSR/3363/10**

**A THESIS SUBMITTED TO THE DEPARTMENT OF MANAGEMENT IN  
PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF  
MASTERS OF SCIENCE IN MANAGEMENT SPECIALIZATION IN  
INNOVATION MANAGEMENT AND ENTERPRENEUR SHIP**

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**January, 2020  
Addis Ababa, Ethiopia**

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As members of the examining Board of the final MSc open defence, we certify that we have read and evaluated the thesis prepared by Shumi Lemi Motuma entitled “Practices and Challenges of employees Performance Appraisal System in oromia Urban Development and Housing Bureau ”, and recommend that it can be accepted as fulfilling the thesis requirement for the Degree of Masters of Science in Management, specialization in innovation management and entrepreneurship.

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## STATEMENT OF CERTIFICATION

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## DEDICATION

First and for most, I would like to dedicate this research work to the **Almighty God** who has protected, and sustained my life in making it possible for me to reach this height on the academic ravel . Secondly, to my beloved wife **w/o Kibinesh Gobu Maskele** for her insistent supporting and encouragement during my study.

### STATEMENT OF THE AUTHOR (DECLARATION)

I, Shumi Lemi, declare that this thesis entitled Practices and Challenges of Employees' Performance Appraisal System in Oromia Urban Development and Housing Bureau is my own original work. I have produced it independently except for the guidance and support of the research advisor. Any sources of materials used for the study have been properly acknowledged. Moreover, this study has not been submitted for the award of any degree in this University or any other Universities so far, and it is offered for the partial fulfilment of the degree of MSc in management, specialization in innovation management and entrepreneurship.

Researcher: Shumi Lemi Motuma Signature \_\_\_\_\_ Date \_\_\_\_\_

## ACKNOWLEDGEMENTS

First, and above all I would like to acknowledge the Almighty God to whom I owe all of my life's achievement. I would also greatly acknowledge my advisor, **Dr. Gemachu Waktola**, for his constructive invaluable comments, advices, and motivated professional guidance to successfully complete this study.

Also, I would like to acknowledge some of the respondents who devote their golden time to respond to the questionnaire timely and enable me the completion of my thesis.

I also extend my deepest gratitude to my wife **W/o Kibinesh Gobu Maskale** with whom I share all ups and downs of life and acknowledge her concern about my education and initiation she took to let me go to the university, from idea generation to covering all the necessary costs regarding my education.

Moreover, I would like to extend my genuine thanks to my daughters, **Wolebuma and Fira'ol**, for their moral support, encouragement, patience and understanding during my study time.

Finally, I would like to acknowledge all my lecturers at Addis Ababa University, School of Business, and Economics, Department of Management, who inspired me to go through the courses in innovation management and entrepreneurship specialization that led to my research work.

**Thank you !!**

**Shumi Lemi Motuma**

**Jaunary , 2020**

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## **LIST OF ABBREVIATIONS AND ACRONYMES**

**BARS:** Behaviourally Anchored Rating Scale

**HRM:** Human Resource Management

**MBO:** Management by objectives

**OUDEB:** Oromia Urban Development and Housing Bureau

**PA:** Performance Appraisal

**PAS:** Performance Appraisal System

**PM:** Performance Management

**SPSS:** Statistical Package for Social Sciences

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## ABSTRACT

*This study was designed to assess the practices and challenges of employees' performance appraisal system in Oromia Urban Development and Housing Bureau. The study employed descriptive survey research design and mixed research approach. The study used a total of 104 employees as a sample size, and employed judgemental sampling technique. Survey questionnaires, semi structured interview, and documentary analysis were used to collect data in the study. Quantitative data were analysed by SPSS using frequency, percentage, and mean, whereas qualitative data were analysed qualitatively. The results of the study revealed that employees' awareness of the performance appraisal system was low ; performance feedback has not been given to employees; Performance appraisal process was not clearly communicated to all employees before its implementation; Performance appraisal criteria were not designed according to employees' job description; the purpose of performance appraisal system in the Bureau was to periodically evaluate the work performance of employees, and to provide educational opportunities for employees ; Lack of employees' participation in the formulation of performance appraisal criteria, and lack of follow up and observing and documenting employees' job performance were the inherent challenges of performance appraisal system in the Bureau. The findings of the study also revealed that involving employees in the design of performance appraisal system, and appraising employees relative to performance standards could be the most success factors for effective implementation of performance appraisal system in the Bureau. On the basis of the findings, it was recommended that: awareness creation training on performance appraisal system should be given for employees to increase their awareness about the performance appraisal system; employees should be given performance feedback; the appraisal process should be communicated to all employees before its implementation; Performance appraisal criteria should be customized according to employees' job description; employees should be participate in the formulation of performance appraisal criteria, and the Bureau should develop a good habit of observing and documenting employees' job performance regularly.*

**Key words:** *Performance Appraisal System, Oromia Urban Development and Housing Bureau, and Employees' job Performance.*

## **CHAPTER ONE**

### **1. INTRODUCTION**

#### **1.1. BACKGROUND OF THE STUDY**

Performance Management (PM) is the systematic process of raising an organization's performance to more eminent prospects by developing its employees' performance (Armstrong, 2009). Armstrong (2006) also witnessed that PM is a continuous process of identifying, measuring, and developing the performance of employees and colligating the performance with the overall goals of an organization and makes the contribution of employees to an organization very clear.

Employees are the most critical element, and valuable resources that supply talent, skill, knowledge, and efforts which enable an organization to survive and utilize all other resources efficiently (Khanka, 2013). Armstrong (2006) also noted that employees are an organization's back bone as well as the most valued assets who are working either individually or collectively together to contribute for the effective achievement of organizational objectives.

Accordingly, Karak, and Sen (2019) witnessed that the success and survival of an organization predominately depends on the way in which employees are developed, and managed, and on its ability to accurately measure whether its employees are on the right track of best performer or not on a given job.

Performance Appraisal (PA) is the the part of PM that objectively measure employees' performance in terms of quality, quantity, and cost and time (Frimpomaa, 2014). Asamoah (2012) posited that PA is a systematic continuous evaluation of employees' job performance by evaluators who are mainly familiar with their performance, during a given period of time, against certain pre-established PA criteria.

Mathis and Jackson (2010) stated that employees' PA could be conducted either formally or informally. Formal appraisal is the appraisal process conducted at regular time interval to measure employees' job performance level, and is used when the contact between a manager and an employee is formal, whereas informal appraisal is the continuous evaluation of employees' performance by her/his superior during the work process (Mathis and Jackson, 2010).

Gomez-Mejía, Balkin, and Cardy (2012) stated that Performance Appraisal System (PAS) is the navel of Human Resource Management (HRM) practice which can be designed, and implemented in an organization mainly for development and administrative purposes that can benefit both an organization, and an employee whose performance is being appraised.

As of Decenzo, and Robbins (2010) an effective PAS should be designed through mutual agreement of managers and the employees, participatory, bias free, continuous appraisal, and able to provide sustainable performance feedback to employees.

In most organizations, the implementation of PAS is not effective in most cases and is not used as it is intended for the organizations as it is hampered by unclear performance standards, untrained appraisers, lack of performance feedback, subjectivity of the appraisal criteria, and evaluators' errors and biasness ( Siaguru, 2011). Even though PAS confronts many challenges from different angles, it has become mandatory in an organization to objectively evaluate employees' performance over a period of time, and to motivate them so as to obtain their optimum contribution to the better achievement of the overall organizational objectives (Khanka, 2013).

## **1.2. STATEMENT OF THE PROBLEM**

The practice of PAS is the most significant, and non-separable part of organizations' life (Laura, 2012). Khanka (2013) witnessed that PA is the key tool used to assess employees' performance in an organization as it provides useful information in making decisions regarding: employees' promotion, transfer, salary and wage increment, and identifying employees' strengths, and weaknesses, determining employees' training and development needs as well as planning their future opportunities, and career directions. Moreover, if PAS is properly designed and effectively implemented then it : provides a good chance to formally recognize employees' achievement and contribution to the organization (Bintu , 2014) ; can provides accurate assessments of employees' productivity and quality of work, and can motivates employees to higher levels of performance by giving them effective feedback (Dagmawit, 2013); brings well-being and growth of the organization, development, and motivation of employees (Mengistu, 2018), and enhances the quality of organizational productivity through improving employees' morale, and job satisfaction (Solomon, 2016). But, on the contrary, if PAS is not well designed and executed it will create great

dissatisfaction among employees, and highly hinders their motivation to ward works (Bintu , 2014).

The researcher suspects that there are some challenges in the practice of employees' PAS in an organization including Oromia Urban Development, and Housing Bureau (OUDHB) that need to be assessed and addressed. Some of the challenges which may impede the implementation of PAS were misuse of PAS, poor PAS development, and lack of communicating PA results to employees (Samuel , 2014) ; lack of leadership support for the appraisal process, clear performance standards , and lack of training provided to appraisers (Flaniken , 2014) , and subjectivity of PA criteria, raters' errors and judgmental bias (Demes , 2017).

OUDHB has implemented PAS since it started operation in order determine the extent to which employees are performing their jobs effectively in line with the objectives of the Bureau. However, the murmuring of employees of the Bureau indicated the PAS currently practiced in the Bureau is not effective, and employees are not satisfied with it as the appraisal system lacks standardized performance measurement, fairness, and transparency. Moreover, as it was heard from some employees of the Bureau some components of the PAS are not related with their daily practices, the appraisal system does not identify good performers from the poor performers, and employees are not given proper performance feedback regularly. If such conditions would be continue to persist for a long time without being solved, employees' morale and motivation toward work would be deteriorated. This may ultimately lead the Bureau not to achieve its intended objectives effectively and efficiently.

Therefore, this study was designed to assess the practices, and challenges of employees' PAS in Oromia Urban Development, and Housing Bureau.

### **1.3 OBJECTIVES OF THE STUDY**

#### **1.3.1 General Objective of the Study**

The General objective of the study was to assess the practices and challenges of employees' PAS in OUDHB

#### **1.3.2. Specific objectives of the Study**

Specifically this study was intended to:

1. examine the nature and practice of employees' PAS in OHDHB

2. assess the main purposes of employees' PAS in OUDHB
3. assess major challenges in the practice of employees' PAS in OUDHB
4. identify factors for the successful implementation of employees' PAS in OUDHB.
5. recommend alternative measures that should be taken based on the findings of the study.

#### **1.4. BASIC RESEARCH QUESTIONS**

This study would be designed to find out answers for the following research questions.

1. What is the nature and practice of employees' PAS in OUDHB?
2. For what purposes the PAS services in OUDH?
3. What are the major challenges in the practice of employees' PAS in OUDHB?
4. What are the factors for the successful implementation of employees' PAS in OUDHB?

#### **1.5. SIGNIFICANCES OF THE STUDY**

The findings of the study would be significant in various aspects: in the first place, it will help the managements of the Bureau to take proactive measures to make them aware of the relevance of the need for the appraisal, and to improve the appraisal system in the Bureau. It helps employees of the Bureau to know about how they are evaluated .Besides, it assists the readers to simply understand how the PA practice is undertaken in the Bureau, and for what purposes does the result of evaluation is used. The study would also provide the researcher the chance to gain intense knowledge, and skills in current practice of PAS and its challenges, and it serves as a source of reference for those researchers who want to conduct their study in the related area afterwards.

#### **1.6. DELIMITATION OF THE STUDY**

This study is more valid, reliable, and conclusive if it is carried out in some selected Bureaus of Oromia national regional state. However, to make the research manageable, it was delimited to the study of the practices and challenges of employees' performance appraisal system in OUDHB. The study was also delimited to examine the nature and practices of PAS, assess the main purposes of employees' PAS, assess major challenges of employees' PAS, and identify factors for the successful implementation of employees' PAS in OUDHB.

#### **1.7 LIMITATION OF THE STUDY**

The major limitation encountered while conducting the study was that a few respondents were not easily cooperative, have no willingness, and commitment to fill the questioners and return back it on time. This makes the researcher to stay many days to collect the questioners.

The unwillingness of interviewees to devote their time to provide the researcher with the relevant information was also the other constraint faced by the researcher while conducting this study. Besides, the lack of related work done and the inaccessibility of the required document regarding PAS in the Bureau were another limitation faced by the researcher during this study. However, the researcher would make his own all possible efforts and used different techniques to handle the above mentioned constraints and finalized this thesis successfully.

### **1.8 OPERATIONAL DEFINITION OF KEY TERMS**

**Appraisers:** - refers immediate bosses or supervisors of employees who are in opposition to rate the job performance of employees.

**Appraises:** Refers to employees whose performance is rated by their immediate bosses

**Bureau:** An administrative unit of government.

**Challenges:** obstacles that hinder the implementation of PAS.

**Employees:** workers who are hired in an organization to perform a job according to their field of specialization.

**Performance:** is the degree of the achievement of predetermined organizational objectives.

**Performance Appraisal:** the process of periodically evaluating employees' performance.

### **1.9. ORGANIZATION OF THE STUDY**

The study incorporates five chapters. Chapter one begins with background of the study, and it focuses on defining the research problem. It further deals with and research objectives and basic research questions. Next, it discusses significances, delimitation, and limitation of the study as well as operational definition of key terms. Chapter two deals with the theoretical review of related literatures on PAS, conceptual framework of the study, and empirical studies on PAS.

Chapter three contains the research design and methodologies where target population, sampling size, sampling techniques, types of data, data collection methods, data collection procedure, and method of data analysis were discussed. This chapter also includes pilot reliability and validity test of the research instrument and ethical consideration of the study. Chapter four comprises data presentation, analysis, and interpretation of findings of the study. Chapter five deals with summary of findings, conclusions and recommendations by the researcher based on the findings of the overall study.

## **CHAPTER TWO**

### **2. REVIEW OF THE RELATED LITERATURE**

In this chapter of the study, an overview of the theoretical literature reviews regarding the concept of PA, nature of PA practices, purposes of PA, challenges of PAS, and successful factors for PA implementation, and empirical literature reviews were presented. Besides, the conceptual frame work of the study was formulated.

#### **2. 1.THEORETICAL LITERATURE REVIEW**

##### **2.1. 1. MEANING AND CONCEPT OF PERFORMANCE APPRAISAL**

PA is the very broad concept in the field HRM, and different scholars of HRM conceptualize the term PA in different ways at different time based on the purpose, and their understanding of the concept. Accordingly some definitions of PA, by different scholars, are as follows: Armstrong (2006) defined PA as the periodical judgment of employee's job performance on the basis of job content, job requirements, and personal behaviour. According to Mathis, and Jackson (2010), PA is defined as the process of evaluating how well employees do their job relative to a pre-set standard and then giving them feedback to correct their performance. Laura (2012) also described PA as an objective way of measuring the job performance of employees, and a planned system in which formal performance feedback would be given for employees.

According to Saylor (2012), PA is a continuous process that should be executed in an organization to encourage positive performance, and behaviour of employees, and to satisfy them as to how well they are performing in their job. Besides, according to Ahmad, and Bujang (2013) PA is a process of evaluating employees' behaviour in the workplace, and providing regular feedback to them on their performance and progress.

PA is a formal system of evaluating employees' job performance by subordinates, peers, immediate managers, customers, and even the employees themselves (Khan, 2013). Likewise, Sogra, Shahid , and Najibullah (2009) described PA as the process that managers use to evaluate their employees' job performance with formal rating instruments on an annual or semi-annual basis.

From the above definitions, it possible to infer that PA is a systematic, and objective way of periodically evaluating employees' job performance by evaluators against pre-determined

standards with the aim to identify weakness and strengths as well as the chances for improvement and skill development of employees.

### **2.1.2. THE PERFORMANCE APPRAISAL SYSEM**

khanka (2012) stated that PAS is the formal system that deals with all processes and procedures governing employees' PA in an organization. According to Gomez-Mejía, Balkin, and Cardy (2012), PAS is the process of finding, examining, and recording relevant information about employees' job performance for specific period of time in an organization, and involves the following three steps: identification of what is to be measured, measuring employees' performance, and managing performance.

#### **2. 1.2.1. Performance Appraisal Process**

Employees' PA is the process that aimed at measuring employees' job performance over a period of time (Rusu, Avasilcai, and Hutu, 2016). PA process is the procedure that an organization should be followed in order to determine the level of its employees' job performance (Wonnia , and Yawson ,2015).

According to Decenzo, and Robbins (2010) the appraisal process that evaluates employees' job performance by measuring progress toward goals involves identification of specific performance goals, establishing performance standards, communicating performance standards, measuring actual performance, comparing actual performance with the desired performance (performance standards), providing feedback, and finally taking corrective action.

#### **2. 1.2.2. Methods of Performance Appraisal System**

PA methods are methods that can be used to measure employees' job performance (Khanka, 2013). According to Dessler (2015), PA methods can be classified as traditional methods and, modern methods.

##### **2.1.2.2.1. Traditional Performance Appraisal Methods**

Dessler (2015) noted that traditional Methods of PA are based on rating an individual's personality traits and embodies graphic rating scale, ranking method, critical incidents method, and forced distribution method.

**Graphic Rating Scale:** The graphic rating scale is the PA method that rates performance on a continuum such as excellent, good, average, fair, and poor. The continuum often involves a numerical scale from 1 (lowest performance level) to 5 (highest performance level).

**Ranking Method:** The ranking method is a performance appraisal method in which the evaluator ranks all employees from a group in order of overall performance from best to worst. Accordingly, the best employee in the group is ranked highest, and the poorest is ranked lowest.

**Critical Incidents Method:** The critical incidents method is the PA method that requires keeping written record of positive and negative performance of employees throughout the performance period, and is taken into consideration while conducting employees' performance evaluation.

**Forced Distribution Method:** This method of PA is based on the idea that employee's job performance conforms to the normal frequency distribution curve in which the evaluator is required to assign employees in a work group to a limited number of categories.

#### **2.1.2.2.2. Modern Performance Appraisal Methods**

According to Dessler (2015), modern PA methods are designed to improve the traditional PA methods, and include human resource accounting method, behaviorally anchored rating scale, and management by objective, and 360 degree appraisal method.

**Human Resource Accounting Method (HRAM):** This method evaluates employee's performance from the monetary benefits the employee affords to his/her organization. This is determined by launching a relationship between the cost involved in evaluating employees' performance and the benefits that an organization derives from the employees.

#### **Behaviorally Anchored Rating Scale (BARS)**

Mwema ,and Gachunga (2014) noted that BARS consists of a pre-determined critical areas of job performance qualities as good or bad. They also stated that in BARS method, employee's work behaviour is assessed against the desired behaviour by recording and comparing the behaviour with BARS.

#### **Management by Objective (MBO)**

MBO is a process in which immediate superior and employees jointly formulate objectives for employees, and define each employee's main areas of responsibility in terms of the results expected of him/her. In this method, employees' job performance is judged by their immediate superior against the objectives set for them. According to Khanka (2013), MBO consists of four main steps: goal setting, development of performance standards, comparison, and periodic review.

**Goal-setting:** The appraisers and appraisees jointly formulate goals.

**Development of Performance Standards:** Specific, and measurable standards of performance must be mutually developed by both the superior, and employees. This enables the employees to know what is to be done, what has been done, and what remains to be done.

**Comparison:** In this step, the actual levels of goals attained are compared with the goals agreed upon. This helps the appraiser to find out reasons for the variation between the actual and standard performance of the employees.

**Periodic review:** In this step, corrective measure is initiated when actual performance deviates from the standards formulated in the goal-setting step.

### **360 Degree Appraisal Method or Multi-Rater Performance Appraisal Method**

360 Degree appraisal method is the PA method that involves evaluation input from multiple levels within the organization as well as external sources (Mathis, and Jackson, 2010). Khanka (2013) noted that 360-degree appraisal method is the performance measurement method that integrates information from employee's immediate supervisor, peers, subordinates, customers, and even an employee him /herself.

#### **2.1.2.3. Performance Appraisal Period**

Mathis and Jackson (2010) stated that, in any organization, formal PA has its own time to be conducted, usually twice a year. As of Banerjee (2018) organizations use two basic appraisal periods for most employees: the anniversary date (the date the employee entered the current job), and a common review date appraisals.

**The Anniversary Date Appraisal:** In some organization appraisals are most often conducted once a year, usually near the employee's anniversary dates or the employee's date of hire (Banerjee, 2018). He also contended that new employee's first appraisal may occur at the end of a probationary period, anywhere from 60 to 90 days after his / her employment, again at six months, and annually thereafter.

**The Common Review Date Appraisal System:** Under a common review date system, all employees are evaluated and compared so that decisions regarding promotions, merit pay increases etc have a common period of being covered for all employees (Banerjee, 2018).

#### **2. 1.2. 4. Performance Appraisal Criteria.**

Mathis, and Jackson (2010) stated that PA criteria are statements of standards against which employee's competence in accomplishing specified work is measured.

According to Siaguru (2011), the most common employee PA criteria are traits, behaviours, and result (goal achievement) based criteria. Aswathappa (2005) as cited in Demes (2017) also noted that there are six PA criteria that should be used related to employees 'job performance.

**Quality:** This refers to how well employees are expected to perform their assigned work, and the accuracy of the ultimate result.

**Quantity:** This indicates the amount produced and expressed in monetary terms as well as numbers of units.

**Timeliness:** This is the degree to an employee complete his / her assigned activity at the earliest possible time.

**Cost effectiveness:** This addresses savings or cost control on specific resource levels such as money, personnel, or time.

**Need for supervision:** This is the degree to which job performer can carry out a job function without any supervisory guidance.

#### **2. 1.2.5. Evaluators of Employees' Job Performance**

According to Khan (2013) an evaluator may be any person who has enough knowledge about the job content, and contents to be evaluated. He contended that evaluators of employees' job performance are immediate manager or supervisor, co-workers, subordinates, customers, and even the employees themselves .

#### **2. 1.2. 6. Purposes of Performance Appraisal system**

PAS being administered in an organization so as to : assesses employees' performance, enhance employees' productivity, determine employees' training needs to strengthen their skills, and to improve those weak performance areas of employees (Ikramullah , Shah, Khan , Hassan, and Zaman , 2012). Chen (2011) also posited that the main purposes of good PAS are to review employee's performance over a given period of time ; strengthen the relationship between management and employees ; identify well performer employees from under performer ones , and to provide constructive performance feedback to employees.

Similarly, Lakshmi (2012) stated that PAS would be conducted in an organization to: promote employees on the basis of their performance; facilitate the relationship between superior and subordinate; identify the strengths and weaknesses of employees ; analysis the

success and failure of employees, and the assessment of their suitability for training and promotion in the future.

Furthermore, the Ethiopian Federal Civil Service proclamation No 1064 /2017 stated that the purpose of performance evaluation shall be to: enable a civil servant to effectively discharge his/her duties according to the expected quantity , quality, time and cost ; continuously evaluate the job performance of a civil servant ; identify the strength and weakness of a civil servant with the aim to improving his /her future performance; identify training and improvement needs of a civil servant; provide incentives for a civil servant based on his / her PA results, and to enable the government institution to make its personnel administrative decisions based on relevant evidence.

### **2.1.2.7. Challenges of Performance Appraisal System**

#### **2.1.2.7.1. Challenges with the Design and operation of the system**

As of Gomez-Mejía, Balkin, and Cardy (2012) the design and operation of a system of PA can be blamed if its purpose , and criteria are not clearly defined, specified, and communicated to the concerned bodies , and if its process fails to operate effectively.

#### **2.1.2. 7. 2. Challenges Emanating from the Ratees**

Lidetu (2017) stated that the problems of PA can also be attributed to the ratees, For example their attempt to create unnecessary impression, and work area ingratiation is one of the major challenges of PA with respect to ratees.

#### **2. 1.2.7.3. Raters' Errors**

A rater error is an error in performance appraisal that reflects consistent biasness on the part of the rater (Gomez-Mejía, Balkin , and Cardy, 2012). Below are the most prominent rater errors that impede the objectivity of performance appraisal:

**Halo error:** This is an evaluation error that occurs when the appraiser tends to take a single aspect of the employees performance to influence the entire appraisal ( Dessler , 2013).

**Central tendency error:** Central tendency error is an evaluation error that occurs when the rater appraises all the employees near the middle of the scale without discriminating as superiors or inferiors (Dessler, 2013). This error seems to discourage best performers while encouraging poor performers.

**Contrast error:** Contrast error occurs when the performance of an employee is taken as a reference to rate the performance of other (Dessler, 2013). As of Mathis, and Jackson (2010)

contrast error occurs when the employee's performance is evaluated relative to other than against performance standards.

**The recency effect (Recent behaviour bias) :** The recency effect occurs when the evaluators undermined past performance of employees, rather they tend to appraise employees on the basis of recent work performance (Dessler , 2013).

**Personal bias (Stereotyping) :** Stereotyping is the tendency in which an evaluator may systematically evaluate certain workers lower or higher than others on the basis of race, national origin, sex, age, or other factor ( Dessler , 2013).

**Similar- to-me error:** similar- to-me error is an erroneous tendency in which an evaluator judges the job performance of employees who are similar in behaviour to him/ her (Mathis, and Jackson, 2010).

**Leniency error:** This error occurs when the rater gives high rating to all employees without measuring their actual job performance (Mathis, and Jackson, 2010).

**Severity error:** this error occurs when the rater gives low rating to all employees without appraising their actual job performance (Mathis, and Jackson, 2010)

#### **2.1.2.8. Factors for Successful Implementation of Performance Appraisal System**

##### **The Design of the Appraisal System**

The PAS that has been customized on the basis of the characteristics of employees' job, and periodically and continually reviewed makes the implementation of PAS more successful (Chemed, 2012).

According to Mutai (2012) an effective PAS should provide a link between employees' performance and organizational goals through individual objectives, and performance criteria. He also argued that good PAS should help to create motivated and committed employees, and should have a framework to provide appropriate timely training for the appraisers and appraisees. These make the implementation of appraisal system more successful.

##### **Performance Feedback**

In the processes of formal performance evaluation, feedback refers to the communication between managers, and subordinates (Abraham Zewdie, Assegid Demissie , and Assefa Tsegay ,2014). According to Raymond, John, Hollenbeck, and Patrick (2016), performance feedback is a continuous process that incorporates up to date information on how to improve

performance along with the information about which areas of performance needs improvement. They also stated that providing the employee with constructive feedback encourages and enables self-development of employees.

Similarly, Dessler (2013) stated that performance feedback is designed to improve the effectiveness of employees, and directs employees to the organization missions and objectives. Good performance feedback will encourage employees' discussion with their manager (Dessler 2013). As the result employees will have a chance to comment on their performance appraisal results. This condition creates a positive attitude in the mind of employees and resulting in the improvements of employees' future performance, and consequently encourages the relationship between managers and employees.

Moreover, Sendoro (2013) witnessed that openness and transparency, participation of employees in the PAS, accountability, ownership, and opportunity to appeal disagreement on PA results are factors that contribute for the successful implementation PAS in an organization.

**Openness and transparency:** This allows employees and their employer to discuss and agree on the organizational and individual objectives to be achieved during the year, and makes the implementation of PAS more successful.

**Participation of employees in the PAS:** Involving employees in the PAS such as in the process of setting PA objectives, performance targets, and criteria make the implementation of PAS more successful.

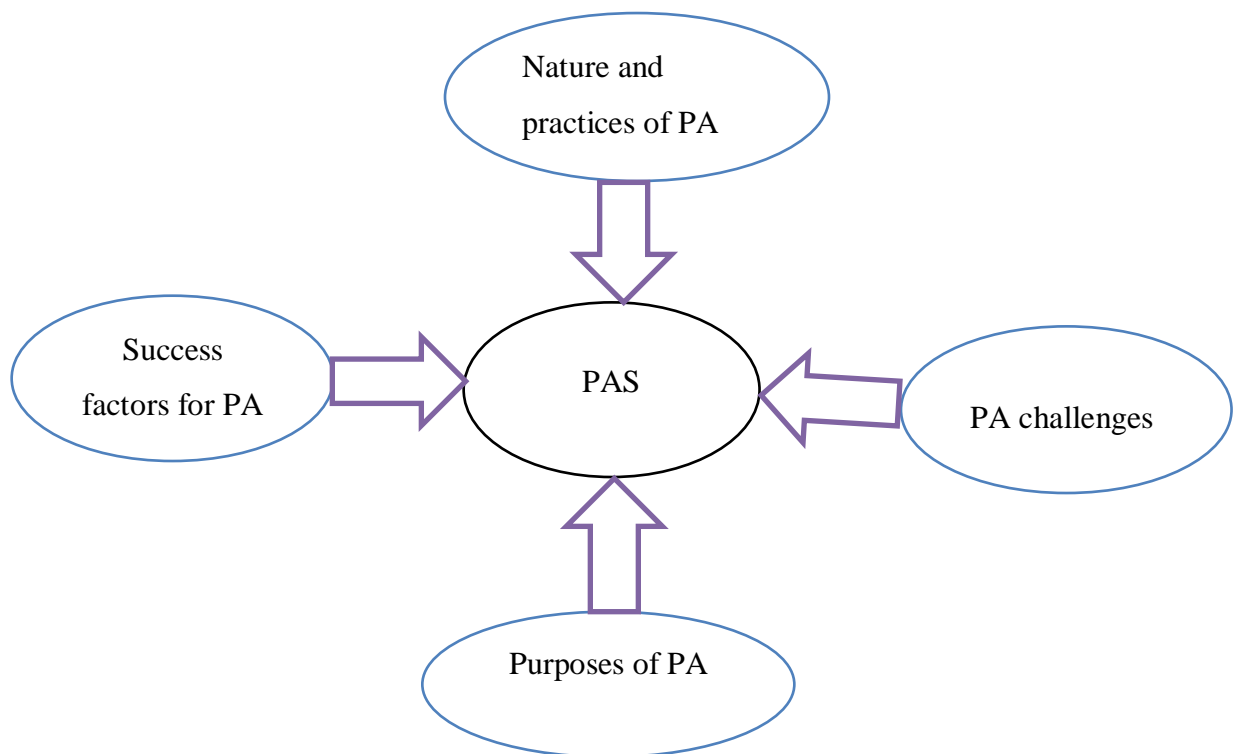
**Accountability:** The accountability in which employees are required to sign annual performance agreements and account for performance against agreed targets, and resources allocated for each activity make the implementation of PAS more successful.

**Ownership:** The owner that shows the linkage between individual objectives, and the overall organizational objectives in a given period of time makes the implementation of PAS more successful.

**Opportunity to appeal disagreement on PA results:** The chance to appeal the disagreement between employees, and their evaluators on employees' evaluation result also makes the implementation of PAS more successful.

## 2.2. CONCEPTUAL FRAMEWORK OF THE STUDY

Conceptual framework is a research tool aimed to assist a researcher to develop awareness and understanding of the situation under the study and to communicate this (Kothari, 2004). The conceptual framework of this study illustrated in figure 2.1 below shows that the nature and practices of PA, purposes of PA, challenges of PA, and factors for successful implementation of PA are taken into consideration towards the PAS practices in the context of OUDHB. The nature and practices PA are taken in to consideration as an accurate and a reliable data will be generated when the systematic PA practices are followed. Likewise, the purposes of PA are taken in to consideration since PA is crucial tool for an organization as it provides very useful information for decision making regarding promotions, salary increment, transfer, training and development , and rewarding etc of the work force of an organization. In addition, factors for successful implementation of PA are taken in to consideration since they have grate contribution to PAS to be successfully implemented in an organization. Also, challenges of PAS are taken in to consideration as they obstruct its effective implementation.



**Figure 2.1: Conceptual frame work of the study**

Source: Own survey, 2019

## **2.3. EMPIRICAL STUDIES ON PERFORMANCE APPRAISAL**

### **2.3.1. National Empirical Studies on Performance Appraisal**

From Ethiopian context, Adeba (2014) conducted study on practices and challenges of employees' PA in the ministry of culture and tourism. The study employed descriptive research design and qualitative and quantitative approaches for data analysis, and used simple random sampling as well as purposive sampling techniques to select respondents.

The findings of the study indicated that the major objective of the appraisal in the ministry of culture and tourism was to identify weakness and strength of the employees; PA standard of the Ministry was not appropriate to measure performance, and job related behaviour of the employees; employees have no clear information about when evaluation is conducted, and the criteria against which their performance will be evaluated. The findings of the study also showed that the problems of PA in the ministry were subjectivity of appraisal criteria, lack of employees' participation in the appraisal process, non-alignment between performance standards and employees' job, recency error, lack of transparency, and lack of training both for the appraisers and appraisees.

The study recommended that the PAS should be expressed in terms of a set of principles which people will need to follow; the objective of appraisal should be made clear to all employees before appraisal takes place, and employees should accept it, and should be inclusive of all dimensions like for promotion, developing training program, salary recommendation, and for transfer. The study has also suggested that employees should be participate in the formulation of the appraisal system like in development of employee job expectation, and establishment of evaluation standards or development of appraisal format.

Likewise Balaraman, Tsega Gebremeskel , and Priya (2018) conducted cross-sectional survey research design on PA fundamentals, practices and challenges in public sectors of Adigrat town. The study employed both qualitative and quantitative research approaches .and utilized proportionate sampling techniques to select respondents.

The key findings of this study were as follows: The objectives of PA for employees of public sector was to let employees know how they were performing, to clear vague responsibilities, to motivate and assist the employees in growing within his/her job, to provide a record of employees growth patterns and to identify training needs, to improve employee-management communication and to identify individual skills being used in the employees present position.

PA criteria and standards of the sectors were established based on the job description of employees and criteria are associated with the objective and goal of the office. Employees were evaluated with co-workers and allowed to evaluate themselves, and also there was an open discussion between appraisee and appraiser. The majority of employees are evaluated with the same criteria, and it becomes difficult to know individuals' performance regarding their knowledge, skill and other aspects as they differ in weight age due to varied job duties and responsibilities. Some of the PA criteria are quality of work, timeliness, quantity and finance, and employees were evaluated on the basis of these four perspectives at the moderate level. PA was not conducted fairly and free from biases because there were some subjective criteria and supervisors, team coordinators, and managers were not well trained in assessing and giving performance feedback. The major PA challenges raised from interviewees were not having computer skill, no consistent training for appraiser and appraisee, and subjective evaluation criteria.

The study recommended that evaluators should give due attention to PA and the appraisees could be benefited based on their performance and the strategy for career development should give the opportunity for all employees of the sectors as required. The study also recommended that PA criteria should be designed according to organization goals and objectives and employee's job duties and responsibilities. Besides, the study recommended that the public sectors should develop methods of recording both negative and positive performance and evaluation result should be revised by responsible authority. Furthermore, the study suggested that managers should always be communicating with their subordinates about how they are performing and they should not wait until the final result, giving regular feedback, providing training to managers, doing evaluation on time, doing more on behavioural change shall result in effective performance evaluation.

### **2.3.2. International Empirical Studies on Performance Appraisal**

Ikramullah, Shah, Khan, Hassan, and Zaman (2012) carried out a perceptual survey research study on the purposes of performance appraisal system of civil servants in Dera Ismail Khan district in Pakistan. The findings of the study revealed that civil servants were not very much clear about the purposes of PAS to aid employee's transfer decisions, effective PAS does not exist and it has failed to operate according to modern HRM practices, appraisees perceive that PAS is not being used for recording their performance accurately, and PAS has no role in

termination of officer from the post. The study also noted that PA reports are not prepared regularly at the end of each year to record employees' performance during the year under review, appraisals have no clear perceptions about the role of PAS in performance feedback, and they were unable to get adequate performance feedback. Likewise, they were unable to know where they stand with respect to pre-set goals or targets achievement. In addition, the findings of the study revealed that in eyes of civil servants PAS was not performing optimally and incapable to achieve the expected results, and PAS has not been given due attention by its users.

The study has recommended that upper level management in the civil service should take serious steps to ensure that the PAS fulfil its purposes. The study should also provide necessary support in making critical human resource decisions in the civil service. This will develop appraisals' perceptions that the system is used for accomplishing specified purposes.

Wonnia, and Yawson (2015) also conducted the research on an assessment of PAS of the University for Development Studies in Ghana. The study employed descriptive survey research design method. The findings of the study indicated that appraisers and appraisals were aware that their performance was evaluated, had a clear idea of what specific behaviour, traits or results that are expected of them and that appraisals were not involved in the formulation of targets of performance in the university as the targets were pre-determined by RH department. The findings of the study also show that the nature of the PA system at the university was an annual activity. Moreover, the findings of the study indicated that staff level of awareness and understanding of the PAS in the university is poor. Most of the staffs have not received training on how PA is conducted in the university even though they will like to be given refresher training or orientation on PA.

The study has recommended that both appraisers and appraisals should be given training on PA. The study also recommended that the appraisals should be involved in the setting of performance target, and there must be an organised periodic refresher course to help both appraisers and appraisals to maintain the necessary skills and understanding in PA.

## **CHAPTER THREE**

### **3. RESEARCH METHODOLOGY**

This chapter basically deals with the methodology through which the research was conducted to answer the basic research questions listed in chapter one of this same paper in order to meet the research objectives. Accordingly, the research design, research approaches, target population, sample size and sample techniques, types of data and data collection methods, validity and reliability test of the instruments, Data collection procedure, Method of data analysis, and Ethical consideration of the study were discussed here under.

#### **3.1. RESEARCH DESIGN**

Research design is the procedural plan, conceptual structure, and strategy of investigation adopted by the researcher to answer basic research questions validly, objectively, and accurately (Kumar, 2011). In this regard, the research design which the researcher employed to conduct this study was descriptive survey research design since this research design enables the researcher to obtain detailed current information about the practices, and challenges of employees' PAS in the Bureau. This research design is also relevant to collect detailed and a variety of data concerning the issue under study by interviewing or administering survey questionnaire to a sample of individuals (Kumar, 2011). It also enables the researcher to gather data at a particular point in time and use it to describe the nature of the existing conditions (Kothari, 2004).

#### **3.2. RESEARCH APPROACH**

Research approach is the procedural plan for the research that spans the steps from broad assumptions to detailed method of data collection, analysis, and interpretation (Creswell, 2014). This study employed mixed research approach which enables the researcher to see the issue under study from qualitative and quantitative research approaches.

A quantitative research approach was selected for this study because it enables the researcher to collect large data through survey closed ended questionnaires in the form of numbers at a specified period of time, and to analyse the data using descriptive statistics (Kothari, 2004). Also, the qualitative research approach was selected for this study based on the idea that it enables the researcher to generate meanings and phenomena within the real context of the research participants, and to fill the gap that was not filled by the quantitative research approach (Kothari, 2004). It also explores people's attitudes, behaviour, and subjective

experiences through interviews, and aims to achieve an in depth understanding of a situation under investigation from research participants through open ended questionnaires (Creswell, 2014).

Therefore, the mixed research approach involves the consolidation of qualitative and quantitative data in a research study in order to make the study more reliable through triangulation (Creswell, 2014).

### **3.3. TARGET POPULATION, SAMPLE SIZE, AND SAMPLING TECHNIQUES.**

#### **3.3.1. Target Population**

Target population is the sum total of all people from which the sample is to be selected (Kothari, 2004). The target populations of this study were all 143 permanent employees who were working in the Bureau.

#### **3.3.2. Sample size**

Sample size is the appropriate number of respondents determined from the total target population of the study to constitute the sample Kothari (2004). Accordingly, the sample size of this study was determined from 143 permanent employees of the Bureau using Krejcie , and Morgan (1970) sample size determination formula.

$$S = \frac{X^2 NP (1-P)}{d^2 (N-1) + X^2 P (1-P)}$$

Where S = the required sample size

$X^2$  = the table value of chi-square for one degree of freedom at the desired confidence level (1.96 X 1.96=3.84)

N = the population size

P = population proportion (assumed to be .50)

d = degree of accuracy expressed as a proportion (.05)

$$S = \frac{3.84 \times 143 \times .50 (1 - .50)}{.0025 (143-1) + 3.84 \times .50 (1 - .50)} = \frac{137.28}{1.315} = 104$$

Therefore, a sample size of 104 was selected from a total population of 143 employees.

#### **3.3.3 Sampling Technique**

Sampling is the process of selecting sample from defined study population so as to generalize the characteristics of the sample to the entire population (Zikmund, Babin, Carr, and Griffin, 2009).

In this study the researcher employed purposive sampling / judgmental sampling technique. According to Zikmund, Babin, Carr , and Griffin ( 2009) purposive / judgemental sampling

is a non-probability sampling technique in which the researcher relies on his/her own judgment to select individuals to be included in the sample based on the fact that these individuals are knowledgeable about the topic under study, and also have willingness to participate in the research. Accordingly, this sampling technique was applied to select survey questionnaire respondents' and interviewees or key informants who have in depth knowledge about the practice of PAS in the Bureau.

### **3.4. TYPES OF DATA, AND DATA COLLECTION METHODS**

#### **3.4.1 Types of Data**

To address the research objectives, this study used both qualitative and quantitative data.

#### **3.4.2. Data Collection Methods**

##### **3.4.2.1. Primary Data Collection Methods**

Primary data are those data which are collected for the first time directly from the respondents (Kothari, 2004). They help the researcher to get first-hand information about the research problem. In this study, the researcher used survey questionnaires, and interview guide to collect primary data from primary sources (sample employees in the Bureau).

##### **Questionnaire Survey**

The researcher employed this instrument because it has advantages of collecting large data from large number of respondents within the time limit, and is also important to allow the respondents the chance to answer the questions at their convenience time and in the comfort of their office. Both open-ended and close-ended structured questions were developed and administered for sample employees. The questionnaire was designed from the concept of literature review, and adapted from similar researches which have been done so far.

##### **Interview Guide**

Interviewing is a commonly used method of collecting data from key informants. This data was used in clarifying the data collected by structured questionnaires since it involves face to face interaction. Thus, semi structured interview questions were prepared and administered for 1 HR directorate, 2 deputy heads and 1 head of the Bureau to make them be more free and flexible, and express their feelings about the situation. They were taken purposefully because they are the key bodies of the Bureau under study.

### **3.4.2.2 Secondary Data Collection Method**

Secondary data are those data which have been already collected and recorded by someone else and provide the researcher with second-hand information about the research problem (Kothari, 2004). These data were collected through documentary review.

#### **Documentary Review**

In this study, to supplement the primary data, secondary data were collected through extensive review of documents like Bureau' plan for employees' PA, Performance appraisal report, and other relevant documents related to PA. These documents are secondary sources of data.

### **3.5. PILOT VALIDITY AND RELIABILITY TEST OF THE RESEARCH INSTRUMENT**

Reliability and validity is ensured by pre-testing the research instrument in a pilot study.

#### **3.5.1. Validity Test**

Validity is the extent to which an instrument measures what it is intended to measure (Kothari, 2004). To ensure validity, survey questionnaires were evaluated by the research advisor before distribution, and then necessary amendments have been made. His feedback was used to verify the content and format of questionnaires developed for an actual survey. Issues which were suggested to be improved were then re-phrased, whereas others were scrapped from the list of items. On the top of this, questionnaire papers were modified according to literatures within the specific topic, and were reviewed by the researcher.

#### **3.5.2 Reliability Test**

According to Kothari (2004), reliability is the consistency with which a measuring instrument yields a certain result when the entity being measured has not changed. The reliability of research instrument was tested using Cronbach alpha method. Cronbach's coefficient alpha is the most common measure of internal consistency of research instrument. Zikmund, Babin, Carr, and Griffin (2009) noted that the research instruments with coefficient alpha between 0.60 and 0.699; 0.70 and 0.799, and above 0.80 are respectively considered to have fair, good, and very good reliability.

In the first instance the total of 20 Pilot questionnaires were distributed to 20 respondents who were not included in the actual part of the study. The 20 pilot instruments were returned and coded, and then a Cronbach's Coefficient Alpha test was conducted using SPSS. The

SPSS output was summarized in table 3.1 below. The reliability measure shows that the coefficient alpha result (0.783) was between 0.70 and 0.80. This suggested that the reliability of the instrument of this study was signified to be good so that the items of the questionnaires were accepted.

**Table 3.1: Reliability Statistics**

No	variables	Number of respondents	Number of items	Overall Cronbach Alpha
1	Nature and practices of PA	20	16	0.720
2	Purposes of PA	20	5	0.829
3	Challenges of PA	20	5	0.736
4	Success factors for PA	20	5	0.846
Over all item			31	<b>0.783</b>

**Source:** Own survey data, 2019

### 3.6. DATA COLLECTION PROCEDURE

To begin data collection process, supportive letter was requested from management department master's program coordinator office by the researcher. The request letter was submitted to the Bureau in order to get the necessary support. Research questionnaires were developed by researcher on the basis of basic research questions, and their validity was checked by the research advisor.

Likewise, only close ended pilot questionnaires were prepared, and administered to 20 respondents who were not participated in the actual part of the research to ensure the objectivity and clarity of the items. The returned pilot questionnaires were pretested using cronbach alpha method so as to ensure their reliability. The researcher, then, administered the pre- tested questionnaires to 100 respondents personally, and through consultation of respondents' directorates who were selected on the basis of their experience. This enhanced the speed of data collection, and in order to facilitate the response rate of the respondents, the questionnaire has the cover letter explaining the purpose of the study, and the guarantee of the respondents' confidentiality. Furthermore, face to face interview was conducted with 4 key informants to ascertain their view on how PAS was practiced in their Bureau.

### **3.7. METHODS OF DATA ANALYSIS**

The study involves both quantitative and qualitative data analysis methods. The quantitative data which were collected through close ended questionnaire from respondents were organized, coded, entered into computer, and analysed quantitatively by SPSS software version 25 using descriptive statistics such as frequency, percentage, and mean and displayed in the table. The qualitative data which were collected from respondents through interview, and open-ended questions , and from documentary review were analysed qualitatively or narrated in words in order to supplement the data collected through closed ended questionnaires (Triangulation was made).

### **3.8. ETHICAL CONSIDERATION**

In research, ethical consideration is one of the most important points that need great attention. With regard to this research, the aim and objectives of the study were conveyed to the relevant authority in the Bureau under study during the process of acquiring permission to conduct research.

Likewise, to protect individuals from any consequences due to their reply to the questionnaire, their personal identities had not been exposed publically. At the beginning of the survey, and as part of the survey questionnaire, necessary awareness as to the objective of the study was communicated to those involved in the survey. Thus, respondents clearly understood that the study was merely intended for academic purpose, and hence their responses would be kept confidential and only dedicated for the stated objective.

Moreover, the researcher maintained scientific objectivity throughout the study, recognizing the limitations of his competence. The information obtained was held in strict confidentiality by the researcher. All assistance, collaboration of others, and the sources from which information was drawn is acknowledged.

## CHAPTER FOUR

### 4. DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter deals with the analysis and interpretation of data collected from respondents through questionnaire, interview, and from documentary review. A total of 31 closed ended, 3 open ended, and 9 interview items were prepared and employed to obtain information from respondents. 100 questionnaires were distributed to respondents, and face to face interviews were conducted with 4 key informants. Out of 100 questionnaires distributed to respondents, 89 of them were correctly answered and collected successfully, and hence the rate of return was 89 %. Open-ended questionnaires, interview and documentary review were used to triangulate the research.

The quantitative data that has been collected from respondents via closed ended questionnaires were analysed quantitatively through SPSS software version 25 using descriptive statistics, and displayed in the table. The qualitative data obtained from respondents through open ended questionnaires, interviews, and from documentary review were analysed qualitatively. This chapter was divided into two sections: section one deal with the demographic characteristics of the respondents, and section two deals with study's main findings.

#### 4.1. DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS

This section of the study was concerned with the analysis of the demographic characteristics of the respondents which was mainly focused on four demographic variables such as gender, age, level of education, and service years of work. Accordingly, the findings were presented in the preceding table 4.1 below and discussed in terms of the frequency, and percentage of the respondents participated in the research work.

##### **Gender**

As it has been shown in the table 4.1 below, out of the 89 respondents involved in the research work 54 (60.7 %) were males, whereas 35 (39.3 %) of them were females. This result suggested that the majority of the respondents involved in the study were males. This implies that the Bureau has more proportion of male employees than females.

##### **Age**

Regarding the age of respondents, the table 4.1 below also reveals that 24 (27 %) of the respondents were within the age group 20-30 years, and 40 (44.9%) of them were within the

age group 31-40 years, while 19 (21.3 %) of them were within the 41-50 age range. But, only 6 (6.7 %) of the respondents were 51 years and above. This shows that the majority the respondents were above 31 years old

**Table 4.1: Gender, Age, Qualification, and Service years of respondents.**

S. No	Demographic Variables	Frequency	Valid percent	
1	Gender	Male	54	60.7
		Female	34	39.3
		Total	89	100
2	Age in years	20-30	24	27
		31-40	40	44.9
		41-50	19	21.3
		51and above	6	6.7
3	Qualification	Diploma	6	6.7
		BSc/ BA	56	62.9
		MSc/ MA	27	30.3
		Ph.D	0	0
		Total	89	100
4	Service in years	1-5	14	15.7
		6-10	39	43.8
		11-20	25	28.1
		21and above	11	12.4
		Total	89	100

Source: Own Survey data, 2019

### Qualification

In terms of their qualification, the above table 4.1 shows that 56 (62.7%) of the respondents were first degree (BA/BSC) holders, 27 (30.7 %) of them had the second degree (MA/ MSc), and 6(6.7%) of them were diploma holders. But, none of the respondents had Ph.D. This signifies that the majority of the respondents were first degree holders who have the potential

to understand what asked, and were capable enough to provide information on the issues raised concerning the PA currently in use in the Bureau.

### **Service Years**

As to the service years of respondents, the above table 4.1 illustrates that 14(15.7%) of the respondents had served for 1 to 5years in the Bureau. Following 39 (43. 8%) of them had served between 6 to10 years. The remaining 25 (28.1%) and 11(12.4%) of the respondents respectively have the work experience of between 11 to 20 years, and 21 and above years. This shows that the majority of the respondents were relatively experienced to see how the PA process in the Bureau was under took and, hence they were credible enough to provide information in this research study.

## **4.2. FINDINGS OF THE STUDY**

This section of the study deals with the analysis, and interpretation of data relating to four major issues: nature and practice of employees' PAS, purposes of PA, challenges of PAS, and factors for the successful implementation of PAS in the context of OUDHB. The survey questionnaire had been constructed in line with the above mentioned issues, and for each issue quantitative data was presented in table and discussion was held based on the responses of the respondents through frequency, percentage, and mean using SPSS version 25. But, qualitative data was analyzed qualitatively.

In this section, the researcher sought respondents' opinion regarding employees' awareness of PAS, Frequency of PAS, Implementation of PA method, PA measurements, participation of evaluators in the evaluation of employees' performance, and Performance feedback through different options.

The researcher also sought respondents' opinion regarding the PA process, nature of PA criteria, Purposes of PA, challenges of PA , and success factors of PA to show the level of disagreement , neutrality and agreement to the statements in the Likert scale of between of 1 to 5 (1= Strongly Disagree ; 2= Disagree; 3=Neutral; 4= Agree, and 5= Strongly Agree). For the purpose of interpretation, whenever the Likert scale is employed, the calculated mean scores were interpreted as [1.00 - 1.49] = strongly disagree; [1.50 -2.49] = disagree; [2.50-3.49] = undecided; [3.50- 4.49] agree, and [4.50 – 5.00] = strongly agree (Tigist, 2015).The detail analysis of the study was presented as follows.

#### 4.2.1. The nature and practice of employees' PAS in OUDHB

The first objective of the study was to examine the nature and practice of employees' PAS in OUDHB. The nature and practice of the PAS in the Bureau was described in terms of frequency and percentage distribution of the respondents regarding employees' awareness of PAS, Frequency of PAS, Implementation of PA method, PA measurements, participation of evaluators in the evaluation of employees' performance, and Performance feedback. But, it was described in terms of frequency and, percentage distribution as well as the mean of the respondents regarding PA process and the nature of PA criteria.

##### 4.2.1.1 Employees' Awareness of PAS, and Frequency of PA

Here, to obtain relevant information on PAS, the researcher asked the respondents to reflect their level of agreement for the questions on awareness of employees on PAS, and the results were disclosed in the table 4.2 below

**Table 4.2: Respondents' Response on awareness of' PAS, and Frequency of PA.**

Items	Options	Respondents' response	
		Frequency	Valid%
To what level do you rate your awareness of the PAS currently in use in your Bureau?	High	15	16.9
	Moderate	14	15.7
	Low	60	67.4
	Total	89	100
How often should PAS conducted?	Once in a year	2	2.2
	Twice a year	87	98.8
	Three times a year	0	0
	Four times a year	0	0
	Total	89	100

**Source:** own survey data, 2019

#### Employees' Awareness of' PAS

At first employees were asked to rate their awareness of the PAS currently in use in the Bureau. Accordingly, as it can be seen from the above table 4.2, 15 (16.9%) of the respondents rated their awareness of the PAS currently in use in the Bureau at high level, whereas 14 (15.7%) of them rated their awareness of the PAS currently in use in the Bureau at moderate level. But, 60 (67.6 %) of them rated their awareness of the PAS currently in use

in the Bureau at low level. Moreover, According to the interview conducted with the key informants, somehow employees have an awareness of the PAS currently in use in the Bureau. Hence, from the responses of the respondents and informants, it is possible to infer that employees' awareness of the PAS currently in use in the Bureau was low.

### **Frequency of PA**

Concerning the frequency of PA, respondents were asked to indicate how often PA should be conducted in the Bureau. Accordingly, as indicated in the above table 4. 2, almost all of the respondents, 87 (98.8%), confirmed that it was held twice in a year, whereas only 2(2.2%) of the respondents argued that it was conducted once a year. But, none of the respondents said that PA was conducted three times or four times a year. Moreover, results from the interview conducted with the key informants shows that the Bureau carried out PA for all employees twice a year in January (for the period July 1 to December 30) and in July (for the period January 1 to June 30).This implies that PA was conducted twice a year in the Bureau. The documentary analysis made regarding the Bureau's plan for PA also revealed that the Bureau has a schedule to carry out PA activity semi – annually or twice a year.

#### **4.2.1.2. Implementation of PA method,**

The table 4.3 below indicates respondents' opinion on implementation of PA method, and the result was disclosed in the table 4.3 below.

**Table 4.3 Respondents' Response on implementation of PA Method**

Items	Options	Respondents' response	
		Frequency	Valid %
Do you think that the PA method currently in use in the evaluation of your performance properly implemented in your Bureau?	Yes	12	13.5
	No	77	86.5
	Total	89	100

**Source:** own survey data, 2019.

#### **Implementation of PA Method**

As described in chapter two of this same paper, PA methods are methods that used to measure employee's work performance. As it has been shown in the above table 4.3 , regarding the question on implementation of the PA method currently in use in the evaluation of employees' performance in the Bureau ,12 (13.5 %) of the respondents confirmed that it was properly implemented ,whereas 77 (86.5%) of the respondents argued

that it was not properly implemented. Moreover, the information solicited from the interview conducted with the interviewees revealed that the PA method currently in use in the evaluation of employees' performance in the Bureau was poorly implemented.

As of the responses of the majority of the respondents, and the information obtained from the key informants, the PA method currently in use in the evaluation of employees' performance in the Bureau was not properly implemented. This means that the performance of the employees was not accurately evaluated. This situation discourages the morale of employees, and consequently the Bureau's achievement of its intended objectives.

#### **4.2.1.3. PA Measurements, and participation of evaluators in the evaluation of Employees' job Performance**

The table 4.4 below indicates respondents' opinion on PA measurements, and participation of evaluators in the evaluation of employees' job performance and the results were indicated in the table 4.4 below.

**Table 4.4: Respondents' Response on PA measurements, and Participation of evaluators in conducting employees' PA**

Items	Options	Respondents' response	
		Frequency	Valid %
Do you believe that PA measurements are always based on your work plan and work performance?	yes	13	14.6
	No	76	85.4
	Total	89	100
Do you think that evaluators are always effectively participating in the evaluation of your performance?	Yes	13	14.6
	No	76	85.4
	Total	89	100

**Source:** own survey data, 2019

#### **PA Measurements**

According to Armstrong (2009) performance measurement is the measurement used to measure employees' job performance periodically to ascertain that they can perform according to the objectives of an organization. As indicated in the above table 4.4, respondents were asked whether the PA measurements are always based on their work plan and work performance or not. Accordingly, only 13 (14.6%) % of the respondents conformed

that PA measurements were always based on their work plan and work performance, whereas the majority the respondents, 76 (85.4 %), argued that PA measurements were not always based on their work plan and work performance. The information obtained from the interview conducted with the interviewees showed that employees' performance measurements were not always based on their work plan, and work performance. Likewise, the documentary analysis made regarding employees' PA report indicated that employees' performance measurements were not based on their work plan, and work performance.

From the majority of the respondents' response, and the result from the interview conducted with key informant as well as documentary analysis, it is possible to say, PA measurements were not always based on employees' work plan and work performance in the Bureau.

#### **Evaluators' Participation to evaluate Employees' work Performance**

As all knows PA is the most significant activity of an organization. If the right evaluators are not effectively participate in the process of PA activities, the performance of employees is not properly evaluated, and consequently the intended objectives of organization are not achieved. To this effect, as of the above table 4.4, respondents were asked whether evaluators are always effectively participating in the evaluation their performance or not. Accordingly, only 13 (14.6 %) of the respondents replied that evaluators were always effectively participating in conducting their PA, while 76 (85.4%) of them argued that evaluators were not always effectively participating in conducting their PA. Moreover, the results from the interview conducted with the interviewees revealed that evaluators were not always effectively participating in carrying out the appraisal activity in the Bureau.

From the above respondents' response, and the information obtained through interview conducted with the key informants it is possible to infer that, evaluators were not effective to conduct employees' PA. This implies that the performance of employees was not properly evaluated by evaluators in the Bureau.

#### **4.2.1.4. Performance Appraisal Feedback.**

According to Dessler (2013) feedback means informing the employees on their achieved levels of performance and progress. Feedback to employees generally aims at improving performance effectiveness through stimulating behavioural change. Thus the success and effectiveness of PA could be determined by the manner in which employees receive feedback on their job performance (Khanka, 2013). The respondents were asked to respond by saying

either yes every time, often but not always, only when required, or never to the question on whether do they get performance feedback or not, and the result was depicted in the table 4.5 below.

**Table 4.5: Respondents’ Response on to performance appraisal feedback**

Item	Options	Respondents’ response	
		Frequency	Valid %
Do you get accurate feedback about your Performance after formal appraisal?	Yes, every time	0	0
	Often, but not always	8	9
	Only when required	6	6.7
	Never	75	84.3
	Total	89	100

**Source:** survey data, 2019

The results present in the above table 4.5 revealed that none of the respondents replied yes every time, 8 ( 9%) of them said often ,but not always, 6(6.7.% ) of them said only when required, and 75 ( 84.%) of the respondents argued that they did never get feedback on their performance after formal appraisal. Moreover, the documentary analysis of the Bureau’s plan for PA depicts that the Bureau has no plan to give feedback to employees regarding their past performance. This is unhealthy condition which negatively affects the implementation of PAS in that if constructive feedback is not given to employees on their past performance, they cannot correct their wrong behaviours, and cannot be motivated to perform better to meet the intended objectives of the Bureau.

#### **4.2.1.5. PA process**

PA process is the process that involves specific steps that an organisation will follow in developing the appraisal system in order to measure employee’s behaviour and accomplishments over a specific period (Khanka, 2013). In assessing the PA processes of the Bureau, respondents were asked to state their level of agreement with five different statements relating to PA process using Likert scale method with five point scale with 1: Strongly Disagree (SD); 2: Disagree (DA); 3: Neutral (N); 4: Agree (A); and 5: Strongly Agree (SA), and their responses were presented in the table 4.6 below, and discussed using frequencies, percentage, and mean.

**Table 4.6: Respondents' Response on PA process**

PA process	Total number of respondents(89 )	Level of Agreement					Mean
		SD	D	N	A	SA	
PA process begins with setting of clear, and specific performance standards	Frequency	6	58	12	11	2	2.38
	valid %	6.7	65.2	13.5	12.4	2.2	
	<b>Total %</b>	<b>71.9</b>		<b>13.5</b>	<b>14.6</b>		
PA process is clearly communicated to all employees before its implementation	Frequency	30	42	10	4	3	1.97
	valid %	33.7	47.2	11.2	4.5	3.4	
	<b>Total %</b>	<b>80.9</b>		<b>11.2</b>	<b>7.9</b>		
Employees' performance is evaluated against pre-established standards	Frequency	8	56	10	11	4	2.40
	valid %	9	62.9	11.2	12.4	4.5	
	<b>Total %</b>	<b>71.9</b>		<b>11.2</b>	<b>16.9</b>		
PA is always conducted by both the appraisers and the employees sitting together	Frequency	30	40	6	8	5	2.08
	Valid %	33.7	44.9	6.7	9	5.6	
	<b>Total %</b>	<b>78.7</b>		<b>6.7</b>	<b>14.6</b>		
PA is conducted regularly and fairly without any bias	Frequency	37	42	3	4	3	1.81
	valid %	41.6	47.2	3.4	4.5	3.4	
	<b>Total %</b>	<b>88.8</b>		<b>3.4</b>	<b>7.9</b>		

**Source:** own survey data, 2019

As it is seen in the above table 4.6, 64 (71.9%) of the respondents were disagreed with the idea that PA process begins with setting of clear and specific performance standards , 12 (13.5%) of them were neutral, and 13 (14.6%) of the respondents were agreed with the idea. The mean value 2.38 also indicates disagreement of the majority of the respondents with the idea that PA process begins with setting of clear and specific performance standards. This depicts that PA process did not began with setting of clear and specific performance standards in the Bureau. From the above table 4.6 it can also possible to infer that 72 (80.9%) of respondents disagreed that PA process was clearly communicated to all employees before its implementation, while 10 (11.2%) of them were neutral. But, 7 (7.9 %) of the respondents

were agreed to it. The mean value 1.97 also shows disagreement of the respondents with the claim that PA process is communicated to all employees before its implementation. This indicates that the PA process had not been clearly communicated to all employees before its implementation in the Bureau.

Likewise, the above table 4.6 also indicates that 64 (71.9%) of the respondents were disagreed with the statement employees' performance is evaluated against pre-established standards, whereas 10 (11.2%) of them were neutral. But, 15 (16.9%) of the respondents agreed that their performance was evaluated against pre-established standards. The mean value 2.40 also revealed that disagreement of the majority of the respondents with the claim that employees' performance is evaluated against pre-established standards. This result shows that employees' PA was not conducted against pre-established standards. This discourages the morale of employees, and consequently deteriorates the Bureau's achievement of its intended objectives.

On the other hand, with regard to the claim that PA is always conducted by appraisers and the employees sitting together, the results from the above table 4.6 revealed that 70 (78.6%) of respondents were disagreed, 6 (6.7%) neutral, and 13 (14.6%) of them were agreed to it. The mean value 2.08 also depicts disagreement of the respondents with the claim that PA is conducted by the appraisers, and the employees sitting together. This implies that PA was not always conducted by appraisers and the employees sitting together in the Bureau.

Furthermore, the results from the above table 4.6 indicates that 79 (88.8 %) of the respondents were disagreed with the statement PA process is conducted regularly and fairly without any bias, whereas 3 (3.4 %) of them were neutral. But, only 7 (7.9%) of the respondents were agreed to it. Furthermore, the mean value 1.81 signifies disagreement of the more of the respondents with the statement PA process is conducted regularly and fairly without any bias. This indicates that PA process was not conducted regularly and fairly, and hence there was biasness in measuring employees' performance.

#### **4.2.1.6. The nature of PA criteria**

PA criteria should be reliable and objective to measure employees' job performance in order to create reliability and trust between superiors and subordinates (Armstrong, 2009). In assessing the nature of PA criteria in the Bureau, respondents were asked to state their level of agreement with five different statements relating to the nature of the criteria using Likert

scale method with five point scale where 1: Strongly Disagree (SD); 2: Disagree (DA); 3: Neutral (N); 4: Agree (A), and 5: Strongly Agree (SA), and their responses were discussed as presented in the table 4.7 below.

**Table 4.7: Respondents' Response on the nature of PA criteria**

Nature of PA criteria	Total Number of respondents (89 )	Level of Agreement					Mean
		SD	D	N	A	SA	
PA criteria are designed based on employees' job description.	Frequency	18	46	8	14	3	2.30
	Valid%	20.2	51.7	9	15.7	3.4	
	<b>Total%</b>	<b>71.9</b>		<b>9</b>	<b>19.1</b>		
PA criteria are aligned with the objectives and goal of the Bureau.	Frequency	18	40	8	17	6	2.47
	Valid%	20.2	44.9	9	19.1	6.7	
	<b>Total %</b>	<b>65.1</b>		<b>9</b>	<b>25.8</b>		
Employees are participating in the formulation of the PA criteria.	Frequency	29	50	4	3	3	1.65
	Valid%	32.6	56.2	4.5	3.4	3.4	
	<b>Total %</b>	<b>88.8</b>		<b>4.5</b>	<b>6.8</b>		
The appraisal criteria are relevant to the purposes of PAS	Frequency	19	43	18	4	5	2.25
	Valid%	21.3	48.3	20.2	4.5	5.6	
	<b>Total %</b>	<b>69.7</b>		<b>20.2</b>	<b>4.5</b>		
PA criteria are specific, objectively, and accurately measure employees' actual performance.	Frequency	35	43	3	5	3	1.76
	Valid%	39.3	48.3	3.4	5.6	3.4	
	<b>Total %</b>	<b>87.6</b>		<b>3.4</b>	<b>5.6</b>		

**Source:** own survey data, 2019

As it can be seen from the above table 4.7, 64 (71.9%) of respondents disagreed that PA criteria were established based on employees' job description, while 8(9 %) of them were neutral. But, 17 (19.1 %) of the respondents agreed that PA criteria were established based on employees' job description. The mean value 2.30 also clearly denotes disagreement of more of the respondents with the idea that PA criteria are established based on employees' job description. The results from documentary analysis of employees' PA report also depicts that

PA criteria were not formulated on the basis of employees' job description. Hence, this finding clearly indicates that PA criteria were not developed based on employees' job description.

In the same way, the results from the above table 4.7 indicates that 58 (65.1%) of the respondents were disagreed with the statement PA criteria are aligned with the objectives and goal of the Bureau, while 8 (9%) of them were neutral. But, 23 (25.8%) of the respondents were agreed to it. The mean value 2.47 also indicates disagreement of the majority of the respondents with the statement PA criteria is aligned with the objectives and goal of the Bureau. Hence, from this finding it is possible to conclude that PA criteria were not aligned with the objectives and goal of the Bureau.

Regarding the statement employees are participating in the formulation of the PA criteria, the table above 4.7 indicates that 79 (88.8%) of the respondents disagreed that they were participating in the formulation of the PA criteria, whereas only 4(4.5%) of them were neutral. But, 6(6.8% of the respondents were agreed to it. The mean value 1.65 also indicates disagreement of more of the respondents with the statement employees are participating in the formulation of the PA criteria. Therefore, as of this finding, employees have no access to participate in the formulation of the appraisal criteria. This implies that the formulation of the appraisal criteria was left to the management of the Bureau, and hence the Bureau did not encourage the participation of the employees in the formulation the appraisal criteria.

From the above table 4.7, it is also possible to infer that 62( 69.6%) of the respondents disagreed that appraisal criteria were relevant to the purposes of the PAS , whereas 18 (20.2% ) of them were neutral , and only 9(10.1%) of the respondents agreed that the appraisal criteria were relevant to the purposes of the PAS. Also, the mean value 2.25 signifies disagreement of respondents with the idea that the appraisal criteria are relevant to the purposes of the PAS. This result implies that the appraisal criteria were not relevant to the purposes of the PAS in the Bureau.

With regard to the claim that the appraisal criteria are specific, objective, and accurately measure employees' actual performance, the results in the above table 4.7 also shows that 78 ( 87.6% ) of respondents were disagreed, while 3 ( 3.4% ) of them were neutral. But, 8(9%) of the respondents were agreed to it. The mean value 1.76 also indicates disagreement of the respondents with the statement the appraisal criteria are specific, objective, and

accurately measure employees' actual performance. Thus, this finding revealed that the appraisal criteria were not specific, objective, and accurately measure employees' actual performance in the Bureau

#### **4.2.2. Purposes of Performance Appraisal System in OUDHB**

As described in the literature section of this same paper, PAS can serve many purposes that benefit both the organisation and the employee whose performance is being appraised. The second objective of this study was to assess the purposes of employees PAS in OUDHB. On the top of this, the researcher identified statements indicated in the table below as the main purposes of PAS in the Bureau. Accordingly, respondents were asked to state their extent of agreement with five different statements relating to the purposes of PA using Likert scale method with five point scale where 1 = Strongly Disagree (SD), 2= Disagree (DA), 3 = Neutral (N), 4= Agree (A) and 5=Strongly Agree (SA) and their responses were presented in the table 4.8 below and discussed using frequencies, percentage, and mean.

The results in the table 4.8 below indicated that 73 (82 %) of the respondents disagreed that the purpose of PA was to distinguish high performer from low performers, whereas 4 (4.5%) of the respondents were neutral. But, only 12 (13.5%) of the respondents agreed that PA was used to distinguish high performers from low performers. Also, the mean value 2.11 indicates disagreement of more of the respondents with the claim that PAS is used to distinguish high performer from low performers in the Bureau.

The results from the table below 4.8 also revealed that 78 (87.6%) the respondents were disagreed with the statement the purpose of purpose of PA was to diagnose the strengths and weaknesses of employees, while 4(4.5%) of the respondents were neutral. But, only 7(7.9 %) of the respondents agreed that the purpose of purpose of PA was to diagnoses the strengths and weaknesses of employees. The mean value 2.04 also indicates disagreement of the majority of the respondents with the claim that PA is used to diagnoses the strengths and weaknesses of employees in the Bureau.

The result presented in the table 4.8 below also illustrates 77 (86.5 %) of the respondents disagreed that the purpose of PA was to identify employees' training and development needs of the future, whereas 6(6.7 %) of them were neutral But, only 6(6.7 %) them agreed that the purpose of PA was to identify employees' training and development needs of the future. The mean value 1.92 also clearly shows that there was disagreement of more of the

respondents with the statement PA is used to identify employees' training and development needs of the future in the Bureau.

**Table 4.8: Respondents' Response on the Purposes of PA**

Purposes of PA	Total number of respondents (89 )	Level of agreement					Mean
		SD	D	N	A	SA	
To distinguish high performer from low performers.	Frequency	22	51	4	8	4	2.11
	Valid %	24.7	57.3	4.5	9	4.5	
	<b>Total %</b>	<b>82</b>		<b>4.5</b>	<b>13.5</b>		
To diagnose the strengths and weaknesses of employees.	Frequency	18	60	4	3	4	2.04
	Valid %	20.2	67.4	4.5	3.4	4.5	
	<b>Total %</b>	<b>87.6</b>		<b>4.5</b>	<b>7.9</b>		
To identify employees' training and development needs of the future.	Frequency	27	50	6	4	2	1.92
	Valid %	30.3	56.2	6.7	4.5	2.2	
	<b>Total %</b>	<b>86.5</b>		<b>6.7</b>	<b>6.7</b>		
Provide clarity of expectations and responsibilities of the functions to be performed by the employees.	Frequency	14	52	11	5	7	2.31
	Valid %	15.7	58.4	12.4	5.6	7.9	
	<b>Total %</b>	<b>74.2</b>		<b>12.4</b>	<b>12.5</b>		
To determine appropriate salary increment, and reward for employees based on their performance result.	Frequency	33	40	7	4	5	1.89
	Valid %	37.1	44.9	7.9	4.5	5.6	
	<b>Total %</b>	<b>82</b>		<b>7.9</b>	<b>10.1</b>		

**Source:** own survey, 2019

From the above table 4.8, it is also possible to infer that 66 (74.2%) of the respondents disagreed that the purpose of PA was to provide clarity of expectations and responsibilities of

the functions to be performed by the employees, while 11 (12.4%) of them were neutral. But, only 12 (13.5) of the respondents agreed that the purpose of PA was to provide clarity of expectations and responsibilities of the functions to be performed by the employees. The mean value 2.31 also signifies disagreement of more of the respondents with the idea that the purpose of PA is to provide clarity of expectations and responsibilities of the functions to be performed by the employees in the Bureau.

Finally ,the result in the above table 4.8 revealed that 73 (82%) of respondents were disagreed to the statement the purpose of PAS is to determine appropriate salary increment, and reward for employees based on their performance result, whereas only 7(7.9% ) of them were neutral. But, 9(10.1%) of the respondents agreed that the purpose of PAS was to determine appropriate salary increment, and reward for employees based on their performance result. The mean value 1.89 also indicates disagreement of the respondents to the statement the purpose of PA is to determine appropriate salary increment, and reward for employees based on their performance results in the Bureau. On the contrary, the results elicited from the respondents via open ended questions and key informants reveals that the purpose of PAS was to make periodic evaluation of employees' work performance, to provide education opportunities for employees, and to keep a record of employees' PA result in the Bureau.

#### **4.2.3. Challenges of PAS in OUDHB**

The third objective of this study was to assess major challenges of employees' PAS in the context of OUDHB. In line with this, the researcher identified statements indicated in the table below to be the major challenges of PAS in the Bureau. Accordingly, to obtain the information, the researcher asked the respondents to tick indicators of the major challenges using likert scaling system from 1 to 5 where 1 = Strongly Disagree (SD), 2= Disagree (DA), 3 = Neutral (N), 4= Agree (A), and 5=Strongly Agree (SA) and their responses were discussed using frequencies, percentage and mean as presented in the table 4.9 below.

As indicated in table 4.9 below, 8 (9%) of the respondent were disagreed with the statement rater bias was a challenge of PAS implementation, whereas 10 (11.2%) of them were neutral. But, the majority of the respondents, 71(79.8 %), agreed to it. The mean value 3.83 also clearly indicates agreement of the majority of respondents with the statement rater bias was the challenge of PAS implementation in the Bureau.

**Table 4.9: Respondents' Response on challenges of PAS**

Indicators of challenges	Total number of respondents ( 89 )	Level of Agreement					Mean
		SD	D	N	A	SA	
Rater bias in evaluating employees' performance	Frequency	5	3	10	55	16	3.83
	Valid %	5.6	3.4	11.2	61.8	18	
	<b>Total %</b>	<b>9</b>		<b>11.2</b>	<b>79.8</b>		
Lack of skill and Knowledge evaluators	Frequency	6	10	10	49	14	3.62
	Valid %	6.7	11.2	11.2	55.1	15.7	
	<b>Total %</b>	<b>18</b>		<b>11.2</b>	<b>70.8</b>		
Lack of the link between evaluation criteria and employees' job.	Frequency	4	5	7	60	13	3.82
	Valid %	4.5	5.6	7.9	67.4	14.6	
	<b>Total %</b>	<b>10.1</b>		<b>7.9</b>	<b>82%</b>		
Lack of follow up on Employees' job performance	Frequency	2	5	5	65	12	3.89
	Valid %	2.2	5.6	5.6	73	13.5	
	<b>Total %</b>	<b>7.9</b>		<b>5.6</b>	<b>86.5</b>		
Lack of employee participation in setting of PA criteria	Frequency	4	6	2	57	20	3.94
	Valid %	4.5	6.7	2.2	64	22.5	
	<b>Total %</b>	<b>11.2</b>		<b>2.2</b>	<b>86.5</b>		

**Source:** own survey data, 2019

As it can be seen from the above table 4.9, 16 (18%) of the respondents were disagreed with lack of skill and knowledge of evaluators as a challenge of PA implementation, whereas 10 (11.2%) of them were neutral. However, 63 (70.8%) of the respondents agreed that lack of skill and knowledge and evaluators was a challenge of PAS implementation in the Bureau. Also, the mean value 3.62 indicates agreement of more of the respondents with the claim that lack of skill and knowledge of evaluators is the challenge of PAS implementation in the Bureau.

The results from the above table 4.9 also indicates the disagreement of 9 (10.1%) of the respondents with the lack of the link between evaluation criteria and employees' job as a challenge of PAS implementation, while 7 (7.9%) of them were neutral. But, 73 (82%) of the

respondents were agreed with the statement the lack of the link between evaluation criteria and employees' job was a challenge of PAS implementation in the Bureau. In addition, the mean value 3.82 reveals that agreement of the majority of the respondents with the idea that lack of the link between evaluation criteria, and employees' job is the challenge of PA implementation in the Bureau.

The result presented in the above table 4.9 also revealed that 7 (7.8%) of the respondents disagreed that the lack of follow up on the job performance of employees was a challenge of PAS implementation, whereas 5 (5.6%) of them were neutral. However, 77 (86.5%) of the respondents agreed that the lack of follow up on the job performance of employees was a challenge of PA implementation in the Bureau. Likewise, the mean value 3.89 clearly shows that agreement of the majority of the respondents with the lack of follow up on employees' job performance as the challenge of PAS implementation in the Bureau.

On the other hand, the above table 4.9 shows that 10 (11.2%) of the respondents witnessed that the absence of employee participation in setting of PA criteria was not a challenge of PAS implementation, whereas 2(2.2%) of them were neutral. But, 77 (86.5%) of the respondent argued that the absence of employee participation in setting of PA criteria was a challenge of PAS implementation in the Bureau. The mean value 3.94 also depicts that agreement of the majority of the respondents with the lack of employee participation in the formulation of PA criteria as the challenge of PAS implementation in the Bureau.

The results from respondents' response via open ended questions also indicates that the intensive challenges of PAS implementation in the Bureau were lack of transparency when conducting the PA, subjectivity of PA criteria, and lack of training of the appraisers and appraise, lack of commitment, and weak coordination PA activity form the Bureau side. Furthermore, the results from the interview conducted with key informants revealed that the major challenges that encounter them in the implementation of PA in the Bureau were central tendency, poor habit of frequently observing, and documenting of employees' performance.

#### **2.2.4 Factors for the Successful Implementation of PA in OUDHB**

To address the fourth objective of the study which was to identify factors for the successful implementation of PAS, the researcher identified statements to be indicators of factors for the successful implementation of PAS in the context of the Bureau. Accordingly, respondents were asked to tick indicators of the factors using likert scaling system from 1 to 5 where 1:

Strongly Disagree (SD), 2: Disagree (DA), 3: Neutral (N), 4: Agree (A) and 5: Strongly Agree (SA) and their responses were discussed using frequencies, percentage, and mean.

**Table 4.10: Respondents’ response on factors for successful implementation of PA**

Indicators of Factors	Total number of respondents ( 89 )	Level of Agreement					Mean
		SD	D	N	A	SA	
Involving employees in the design of PA format	Frequency	3	5	7	53	21	3.94
	Valid %	3.4	5.6	7.9	59.6	23.6	
	<b>Total %</b>	<b>9</b>		<b>7.9</b>	<b>83.2</b>		
Clarifying and defining the job of an employee being appraised	Frequency	5	5	5	60	14	3.82
	Valid %	5.6	5.6	5.6	67.4	15.7	
	<b>Total %</b>	<b>11.2</b>		<b>5.6</b>	<b>83.1</b>		
Customizing PA format on the basis of employees’ job characteristics	Frequency	4	7	3	55	20	3.89
	Valid %	4.5	7.9	3.4	61.8	22.5	
	<b>Total %</b>	<b>12.4</b>		<b>3.4</b>	<b>84.3</b>		
Assessing employees’ performance relative to performance standards	Frequency	4	6	3	54	22	3.94
	Valid %	4.5	6.7	3.4	60.7	24.7	
	<b>Total %</b>	<b>11.2</b>		<b>3.4</b>	<b>85.4</b>		
Effective communication between employees and their superior.	Frequency	5	6	3	54	21	3.89
	Valid %	5.6	6.7	3.4	60.7	23.6	
	<b>Total %</b>	<b>12.4</b>		<b>3.4</b>	<b>84.3</b>		

**Source:** survey data, 2019

The results in the above table 4.10 indicates that 8(9%) of the respondents disagreed that involving employees in the design of PA format could be a factor for the successful implementation of PAS in the Bureau, whereas 7 (7.9%) of them were neutral. However, 74(83.2%) of the respondents agreed that involving employees in the design of PA format could be a factor for the successful implementation of PAS in the Bureau. The mean value 3.94 also indicates that agreement of more of the respondents with the claim that involving employees in the design of PA format could be considered as the factor for the successful implementation of PAS in the Bureau.

The result presented in the above table 4.10 also shows that 10 ( 11.2%) of the respondents disagreed that clarifying and defining the job of employees being appraised could be a factor for the successful implementation of PAS, while only 5 (5.6%) of them were neutral. But, 74(83.1%) of the respondents agreed that clarifying and defining the job of employees being appraised could be a factor for the successful implementation of PAS. The mean value 3.82 also indicates agreement of the majority of the respondents with the idea clarifying and defining the job of employees being appraised could be the factor for successful implementation PAS in the Bureau.

The above table 4.10 also shows that 11(12.4%) of the respondents conformed that customizing PA format on the basis of the characteristics of employees' job could not be a factor for the successful implementation of PAS, whereas only 3 (3.4%) of them were neutral. However, 75 (84.3%) of the respondents agreed that customizing PA format on the basis of the characteristics of employees' job could be a factor for the successful implementation of PAS. Moreover, the mean value 3.89 revealed that agreement of respondents with customizing PA format on the basis of employees' job characteristics could be taken as the factor for the successful implementation of PAS in the Bureau.

Likewise, the result presented in the above table 4.10 revealed that 10 ( 11.2 %) of the respondents disagreed that assessing employees 'performance relative to performance standards could be a factor for the successful implementation of PAS, while 3 (3.4%%) of them were neutral. But, 76(85.4%) of the respondents agreed that assessing employees' performance relative to performance standards could be a factor for the successful implementation of PAS in the Bureau. Besides, the mean value 3.94 indicates that agreement the majority of the respondents with the idea that assessing employees' performance relative to performance standards could be considered as factor for the successful implementation of PAS in the Bureau.

Moreover, as it is seen from the above table 4.10, 11 (12.4%) of the respondents disagreed that an effective communication between employees and their immediate manager could be a factor for the successful implementation of PAS, whereas 3(3.4%) of them were neutral. However, 75 (84.3%) of the respondents agreed that an effective communication between employees and their immediate manager could be a factor for the successful implementation of PAS. Likewise, the mean value 3.89 indicates agreement of the majority of the

respondents on an effective communication between employees, and their immediate manager as a factor for the successful implementation of PAS in the Bureau.

According to the information obtained from respondents through open ended questions providing training for appraises and appraisers, honesty and transparency in the implementation of PAS, giving timely performance feedback to employees could be the most important factors for the successful implementation of PAS in the Bureau. The results from key informants also indicated that motivating high performer employees, conducting PA on non-judgemental or unbiased manner, and periodically and continually reviewing the PAS to ensure its effectiveness could be success factors for the implementation of PAS in the Bureau.

## CHAPTER FIVE

### 5. SUMMARY, CONCLUSIONS AND RECOMENDATION/ IMPLICATION

In the previous chapter, analysis and interpretation of the study was made based on the data obtained through questionnaire distributed to employees and an interview conducted with key informants, and documentary analysis. Based on the analysis and interpretation, summary of the findings, conclusion, and recommendations of the study were made as follows.

#### 5.1. Summary key findings

The main objective of this study was to assess the practices and challenges of employees' PAS in OUDHB. To meet the objectives of this study, the following basic research questions were formulated: 1.what is the nature and practice of employees' PAS in OUDHB? 2. For what purposes employees' PAS serves in OUDHB? 3. What are the major challenges in the practice of employees' PAS in OUDHB? 4. What are the factors for the successful implementation of employees' PAS in OUDHB?

This study employed descriptive survey research method. The target populations of this study were 143 permanent employees of the Bureau, and the study used a total 104 employees as the sample size. Purposive / judgmental sampling technique was employed so as to select both survey questionnaire respondents and key informants. About 100 questionnaires were distributed to the respondents, and the response rate was 89 %. The quantitative data collected from respondents through closed ended questionnaires were analysed by SPSS using frequency, percentage, and mean, and disclosed in the table. But, the qualitative data collected through open ended questionnaires, interviews, and from documentary analysis were analysed quantitatively. The key findings of the study were her under.

#### **Nature and practice of PAS in OUDHB**

The finding of the study showed that 67.6 % of the respondents witnessed that employees' awareness of the PAS currently in use in the Bureau was low. Study result of Wonnia, and Yawson (2015) on an assessment of PAS of the University for Development Studies in Ghan was consistent with this finding in that staff level of awareness and understanding of the PAS in the university was poor. The finding of the study also indicated that 98.8% of the respondents and all the key informants stated that PA was conducted twice a year in the Bureau. Likewise, the result of the study depicted that 85.4% of the respondents and all the

key informants argued that PA measurements were not based on employees' work plan and work performance in the Bureau. Also, the finding of the study showed that 80.9 % of the respondents and all the key informants stated that PA method was not properly implemented in the Bureau. With respect to the participation of evaluators in the evaluation of employees' performance, the finding of the study indicated that 74.2% of the respondents and all the key informants argued that evaluators were not always effectively participating in the evaluation of their performance. The finding of the study, regarding the provision of performance feedback, also depicted that the 84.3% of the respondents conformed that feedback was not provided to employees on their performance after formal appraisal. This finding was supported by study result of Ikramullah , Shah , Khan, Hassan, and Zaman (2012) on the purposes of PAS of civil servants in Dera Ismail Khan district in Pakistan in that adequate performance feedback has not been given for employees of the district.

Concerning the PA process, the following findings were obtained: 80.9% of the respondents argued that performance appraisal process was not clearly communicated to all employees before its implementation. Likewise, 78.6%) of respondents argued that PA was not always conducted by appraisers, and the employees sitting together. Moreover, 88.8 % of the respondents said that PA process was not conducted regularly and fairly without any bias. This last finding was concordant with study result of Balaraman, Tsega Gebremeskel , and Priya (2018) on PA fundamentals, practices and challenges in public sectors of Adigrat town in that PA was not conducted fairly , and freely without biasness in public sectors of the town .

With regard to the nature of PA criteria, the findings of the study revealed that 71.9% of the respondents argued that PA criteria were not established based on employees' job description. Besides, 88.8% of the respondents conformed that employees were not participating in the formulation of the PA criteria, and 87.6% of respondents said that the appraisal criteria were not specific, objective, and accurately measure employees' actual work performance.

### **Purposes of PAS in OUDHB**

With respect to the purpose of PAS, the following key findings were obtained: 82% of the respondents stated that PA was not used to distinguish high performer from the low once. Likewise, 87.6% of the respondents argued that PA was not used to diagnose the strengths

and weaknesses of employees. Besides, 82% of the respondents witnessed that in their Bureau PA was not used to determine appropriate salary increment, and reward for employees. But, the information elicited from respondents through open ended questions, and the key informants revealed that PAS was being used to make periodic evaluation of employees' performances', to provide education opportunities for employees and, to keep record of employees' PA result in the Bureau.

### **Challenges of PAS in OUDHB**

Concerning the challenges of PAS, the following key findings were obtained: 79.8% of the respondents argued that rater bias was a challenge of PAS in the Bureau. Also, 86.5% of the respondents agreed that lack of follow up on employees' performance, and the absence of employee participation in setting of PA criteria were the potential challenges that hinder the implementation of PAS in the Bureau. The result from respondents via open ended questions also indicated that the potential challenges that impede the implementation of PAS in the Bureau were lack of transparency, subjectivity of PA criteria, and lack of commitment and weak coordination of PA activity from the Bureau side. Moreover, the results from key informants revealed that the inherent challenges of PAS implementation in Bureau were central tendency, and poor habit of frequently observing and documenting employees 'job performance. These findings of the study were agreeable with study results of Adeba (2014) on the practices and challenges of employees PA in the ministry of culture and tourism in that the problems of PA in the ministry were subjectivity of appraisal criteria, lack of employees' participation in the appraisal process, and lack of transparency.

### **Factors for successful implementation of PAS in OUDHB**

With respect to factors for successful implementation of PAS in the Bureau, the findings of the study showed that 83.2% of the respondents agreed that involving employees in the design of PA could be a success factors for the effective implementation of PAS. Likewise, 84.3% of the respondents conformed that customizing PA format on the basis of the characteristics of employees' job could also be a success factors for effective implementation of PAS. More over 85.4% of the respondents confirmed that assessing employees' actual performance relative to performance standards could be a success factors for effective implementation of PAS in the Bureau.

The information from respondents through open ended questions also revealed that transparency in conducting PA, and giving timely performance feedback to employees could be success factors for effective implementation of PAS in the Bureau. Moreover, the results from key informants indicated that motivating high performer employees and conducting PA on non-judgmental or unbiased manner could be success factors for the implementation of PAS in the Bureau.

## **5.2. Conclusion**

The following major conclusions were drawn based on the key findings of the study summarized in the previous section.

The findings of this study indicated that employees' awareness of the PAS currently in use in the Bureau was low, and PA activity was conducted twice a year ; PA measurements were not based on the work plan and work performance of employees ; the PA method currently in use in the evaluation of employees' performance in the Bureau was not properly implemented ; evaluators were not effectively participating in the evaluation of employees' performance, and feedback was not provided to employees on their performance after formal appraisal.

The findings also demonstrated that PA process was not clearly communicated to all employees prior to its implementation; PA was not always conducted by appraisers and the employees sitting together, and the appraisal process was not conducted regularly and fairly without any bias.

Also, the findings of this study indicated that PA criteria were not: developed based on employees' job description, specific, objective, and accurately measure employees' actual performance, and employees were not participating in the formulation of PA criteria.

The findings of the study also depicted that the purpose of performance appraisal in the Bureau was not to: distinguish high performer from low performers, diagnose the strengths and weaknesses of employees, and determine appropriate salary increment, and reward for employees. But, it was being used to periodically evaluate the work performance of employees, to provide education opportunities to employees based on their PA results and to keep a record of each employee's PA result in the Bureau.

As per findings of the study, the potential challenges that impede the implementation of PAS in the Bureau were: rater bias /central tendency, the absence of employees' participation in

setting of PA criteria, lack of transparency, subjectivity of PA criteria, weak coordination of PA activity from the Bureau side, and poor habit of observing and documenting employees' job performance.

Success factors for effective implementation of PAS in the Bureau were: involving employees in the design of PA, customizing PA format on the basis of the characteristics of employees' job, assessing employees' actual performance relative to performance standards, transparency in conducting PA, giving timely performance feedback to employees, motivating high performer employees, conducting PA on non-judgmental or unbiased manner could be the inherent factors for successful implementation of PAS in the Bureau.

### **5.3. Recommendations / Implication of the study**

As per the findings, and conclusions of the study the researcher has forwarded the following recommendations which help the Bureau to have more effective PAS.

1. Since employees' awareness of the PAS currently in use the Bureau was low, awareness creation training on PAS should be given for employees so as to increase their awareness about the PAS.
2. It is advisable that PA measurements should be based on employees' work plan and work performance in the Bureau. This because the PA measurements that based on employees' work plan and work performance will enable the employees to know their responsibilities of functions, and to effectively perform their job duties. This will improve the performance of the Bureau, and encourage the attainment of its intended objectives.
3. Effective PA method should always be properly implemented: if PA method is properly implemented, employees' actual work performance will be accurately and objectively measured with clear and specific performance standards that describe what the employees are expected to do in terms of behaviors and results. This will initiate the employees to effectively accomplish their tasks and achieve their objectives.
4. The appraisers should give due attention to PA, and should always be effectively participate in the evaluation of employees' job performance. This makes the PAS more effective, and encourages the employees to effectively carry out their work, and consequently improves the performance of the Bureau.

5. Accurate, constructive, and timely feedback should be given for employees regarding their past performance, and the manner of giving feedback should have a motivating effect on the employees' future performance.
6. Efforts should be made by the Bureau to begin the appraisal process with the setting of clear and specific performance standards and employees' performance should always be evaluated against predetermined standards. This is because the PA process that begins with the setting of clear, and specific performance standards will objectively evaluate the actual job performance of the employees.
7. PA Process should be clearly and early communicated to all employees before its implementation, and PA should always be conducted by appraisers and the employees sitting together. This would prevent conflict situation, and promotes the discussion, and trust between employees, and their appraisers, and makes the PAS to be effectively implemented in the Bureau in a healthy working environment.
8. Appraisers should be fair when appraising employees' job performance. They should regularly conduct employees' PA based on facts, and tangible data without any bias.
9. PA criteria should be customized according to employees' job description, the objectives of the Bureau, and should be relevant to the purposes of the PAS. The more the criteria of evaluation are related to employees' job description, the objective of the Bureau, and to the purposes of the PAS, the more it will be clear, specific, objective, and accurately measure employees' actual job performance.
10. The Bureau should design and implement the PAS that used to identify high performer from low performers, diagnose the strengths and weaknesses of employees, and employees' training and development needs of the future, and used to determine appropriate salary increment, and reward for high performer employees.
11. In order to strengthening appraisers' skill and knowledge which enable them to conduct an objective PA effectively, adequate and timely training should be given for them. This will avoid problems related with evaluators' errors and biasness in the PAS, and should also be maintained as the Bureau's culture.
12. Employees' participation in the formulation of PA criteria should be encouraged. This can create transparency, and promote good trusts among the employees and their immediate manager or supervisor.

13. The Bureau should need to do more to minimize the risk of the existing scenario of weak coordination PA activity by strictly following the day to day performance of employees, and developing effective methods of observing and documenting of both positive and negative performances of employees regularly. This practice helps the evaluators to be free from doing errors when conducting employees' PA.

#### **5.4. Suggestions for Further Research**

The purpose of the study was to assess the practices and challenges of employees' PAS in OUDHB. It is suggested that similar study should be conducted in other Bureaus of Oromia national regional state so as to generalize the findings. In addition, at OUDHB, more research needs to be done regarding the effect of PAS on organization performance as well as on employee motivation.

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**Proclamation**

Ethiopian Federal Civil Servants proclamation No 1064 /2017

## APPENDICES

ADDIS ABABA UNIVERSITY  
SCHOOL OF GRADUATE STUDIES  
COLLEGE OF BUSINESS AND ECONOMICS  
DEPARTMENT OF MANAGEMENT

### APPENDIX I: INTRODUCTORY LETTER.

#### Dear Respondent:

The purpose of this questionnaire is to collect primary data for the study being conducted on the topic: An assessment of Practices and Challenges of Employees' Performance Appraisal System (PAS) in Oromia Urban Development and Housing Bureau (OUDHB) as partial fulfilment of Master of Science in Management at Addis Ababa University. In this regard, I kindly request you to provide me reliable information that is to the best of your knowledge so that the findings of the study would meet the intended purpose. I strongly assure you that the information you provide will be used only for academic purpose and will be kept confidential. I would like to extend my deep-heart thanks in advance for being a volunteer to devote your valuable time to fill this questionnaire and returning it the earliest possible.

### APPENDIX II: QUESTIONNAIRE TO BE FILLED BY EMPLOYEES

NB: NO NEED OF WRITING YOUR NAME

#### Part I. Demographic profile of the respondents (Personal Information)

**Direction:** Kindly tick (√) in the box provided where applicable.

1. Gender: M  F
2. Age: A. 20-30 yr  B. 31- 40yr  C.41-50yr  D. 51 and above
3. Your qualification: A. Diploma  B. BA//BSc  C. MA/MSc  D/ PhD
4. Your work experience in the Bureau under study  
A.1-5 yr  B. 6-10yr  C. 11-20 yr  D. 21yr and above

#### Part II. Opinion Survey on the nature and practices of Employees' PAS in OUDHB

**Direction:** Circle the letter that indicates your choice

5. To what level do you rate your awareness of the PAS currently in use in your Bureau?  
A. High B. Moderate C. Low
6. How often does PAS take place in your Bureau?  
A. Once a year B. Twice a year C. Three times a year D. Four times a year

7. Do you think that the PA method that is currently in use in evaluation of your work performance properly implemented in your Bureau? A. Yes B. No

8. Do you believe that PA measurements are always based on your work plan and work performance? A. Yes B. No

9. Do you think that evaluators are always effectively participating in the evaluation of your Performance? A. Yes B. No

10. Do you get accurate feedback about your performance after a formal appraisal?

A. Yes, every time B. often, but not always C. only when required D. Never

**Opinion survey on PA Process, and nature of PA criteria.**

**Direction:** Below are lists of statements that may be used to describe the practices of PAS in OUDHB in terms of Process, and nature of PA criteria. Please indicate the extent to which you agree with the statement by placing “√” in a box from 1 to 5, where 1= Strongly disagree, 2= Dis Agree, 3= Neutral, 4= Agree , and 5 =Strongly Agree

No	Items on PA process	Measurement				
		1	2	3	4	5
11	The PA process begins with setting of clear and specific performance standards					
12	PA is clearly communicated to all employees before its implementation					
13	Employees’ performance is evaluated against pre-established standards					
14	PA is always conducted by the appraises and the employees sitting together					
15	PA is conducted regularly and fairly without any bias					
	<b>Items on the nature of PA Criteria</b>	1	2	3	4	5
16	PA criteria are established based on employees’ job description					
17	PA criteria are aligned with the objectives and goal of the bureau					
18	Employees are participating in the formulation of the PA criteria					
19	PA criteria are relevant to the purposes of employees’ performance appraisal system					
20	PA criteria are specific ,objective , and accurately measure employees’ actual performance					

**Part II: Opinion survey on the purposes of employees' PAS in OUDHB**

**Direction:** Below are lists of statements that may be used to describe purposes of PAS in OUDHB. Please indicate the extent to which you agree with the statement by placing “√” in a box from 1 to 5, where 1= strongly disagree, 2= Dis Agree, 3= Neutral, 4= Agree, and 5 =Strongly Agree

No.	Items	1	2	3	4	5
21	Distinguish high performer from low performers					
22	Diagnose the strengths and weaknesses of employees					
23	Identify employees' training and development needs of the future.					
24	Provide clarity of the expectations and responsibilities of the functions to be performed by the employees					
25	Determine appropriate salary increment, and reward for employees based on their performance result					

**Part III. Opinion Survey on the Challenges of Employees' PAS in OUDHB**

**Direction:** Below are lists of statements that may be used to describe challenges of employees' PAS. Please indicate the extent to which you agree with the statements by placing “√” in a box from 1 to 5, where 1= strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, and 5 =Strongly Agree

No	Items	1	2	3	4	5
26	Rater bias in evaluating employees' performance					
27	Lack of skill and Knowledge of evaluators					
28	Lack of the link between evaluation criteria and employees' job					
29	Lack of follow up on employees' job performance					
30	Lack of employee participation in setting of PA criteria					

**Part IV: Opinion survey on the Success Factors for Implementation of PAS in OUDHB**

**Direction:** Below are lists of statements that may be used to describe success factors for implementation of employees’ PAS. Please indicate the extent to which you agree with the statements by placing “√” in a box from 1 to 5, where 1= strongly disagree, 2= Dis Agree, 3= Neutral, 4= Agree, and 5 =Strongly Agree

No	Items	1	2	3	4	5
31	Involving employees in the design of PA format					
32	Clarifying and defining the job of an employee being appraised					
33	Customizing PA format on the basis of the characteristics of employees’ job					
34	Assessing employees ‘ performance relative to performance standards.					
35	Effective communication between employees, and their superior.					

**Part VI. Give your answer briefly for the following question.**

36. What are the main purposes of PA in OUDHB?

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37. What are the major challenges that you observe regarding the practices of PAS in OUDHB?

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38. What should be done for successful implementation of PA in OUDHB?

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**This is the End of The Questionnaire.**

**DDIS ABABA UNIVERSITY**  
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**DEPARTMENT OF MANAGEMENT**

**APPENDIX III: INTERVIEW GUIDE WITH HR DIRECTORATE, DEPUTIES, AND HEAD OF THE BUREAU**

1. To what level do you rate employees' awareness of the PAS currently in use in your Bureau?
2. How often PA should be conducted in your Bureau?
3. Do you think that the PA method that is currently in use in evaluation of employees' job performance properly implemented in your Bureau?
4. Do you believe that PA measurements are always based on employees' work plan and work performance?
5. Do you think that appraisers are always effectively participating in the evaluation of employees' performance in your Bureau?
6. For what purposes PA result serves in you Bureau?
7. What are the challenges that you encounter in conducting PAS in your Bureau?
8. What should be done for successful implementation of PA in in your Bureau?
9. Is there any idea you want to add about PA practices in your Bureau?