



**Addis Ababa University College of Commerce
Department of Human Resource Management**

**Effects of Performance Appraisal on Employees Motivation:
A case of National Bank of Ethiopia**

**A thesis submitted to the Department of Human Resource Management of
Addis Ababa University College of Commerce in partial fulfilment of the
requirements for the Degree of Masters in Human Resource Management**

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**EFFECTS OF PERFORMANCE APPRAISAL ON EMPLOYEE
MOTIVATION A CASE OF NATIONAL BANK OF ETHIOPIA**

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DECLARATION

I hereby declare that this work entitled “**Effects of Performance Appraisal on Employees Motivation.**” is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person nor material which has been accepted for the award of any other degree or diploma of the university or other institute of higher learning, except where due acknowledgment has been made in the text.

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This research project has been submitted to Addis Ababa University, school of Commerce, Department of Human Resource Management for examination with my approval as an advisor.

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Abstract

Employees' performance appraisal is one of human resource management practices and the result gained from performance appraisal helps management to pass an administrative and developmental decision which can create a motivation to employees to perform better. Apart from this, this research paper wanted to find out how the process of performance appraisal system by itself determines or influences the level of employees' motivation in the National Bank of Ethiopia (NBE). To do so, the objective setting process, the performance evaluation standards, the level of feedback, the nature of the evaluation (whether it is subjective or not), and on the other hand, the level of employee motivation was analyzed using self-administered questionnaire and strategies, procedures and guideline was assessed and presented using explanatory and descriptive research methods. NBE's Strategies, procedures and guideline shows that the bank uses 360 degree feedback technique which increases the involvement of employees in the appraisal process, objectives and standards are aligned with the Banks Strategic plan. The primary data was analyzed using Statistical Package for Social Science (SPSS) and presented as tables and for analysis, regression and correlation techniques were used and the reliability analysis Cronbach's Alpha was used to check the reliability of questionnaire. Result of the correlation shows that all independent variables are positively and significantly related to the dependent variable, employee motivation except subjective evaluation system. The result of regression analysis shows that 34.4% of variation in employees' motivation can be explained by performance appraisal (Objective Setting, Performance Evaluation Standards, Continuous Feedback and Subjective Evaluation and highly influenced ty performance Evaluation Standards. The findings of this research help the organization to work for the effectiveness of the performance appraisal system and improve employees' motivation by knowing the variables relation and influence to employees' motivation

Key Words: *Objective Setting, Performance Appraisal Standards, Continuous Feedback, Subjective Evaluation, Employees Motivation, Performance Appraisal,*

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LIST OF ACCRONYMS

NBE – National Bank of Ethiopia

BSC- Balanced Score Card

SPSS- Statistical Package for Social Science

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CHAPTER - I

1. Introduction

1.1 Background of the Study

Organizations established with stated vision, mission, and goals. To achieve its goals, organizations use resources such as tangible resources, information resources, financial resources and human resources. Out of which, the effective utilization of employees is measured in different performance appraisal techniques. However, performance appraisal is sometimes assumed as performance management but performance appraisal is a review of how employees complete their work by rating them which focus on accomplishment most often linked to pay on the other hand, performance management is more of strategic, focuses on building future performance of a person, team, and organization and it is a continuous career development. Armstrong (2006:498), describes the difference between performance management and performance appraisal as follows: "...performance appraisal perceived as the same thing as performance management. But there are significant differences. Performance appraisal can be defined as the formal assessment and rating of individuals by their managers at, usually, an annual review meeting. In contrast, performance management is a continuous and much wider, more comprehensive and more natural process of management that clarifies mutual expectations, emphasizes the support role of managers who are expected to act as coaches rather than judges, and focuses on the future."

According to Bratton & Gold (1999:213), performance appraisal is one of the key components of performance management which links or basis with the corporate strategy. Appraisal acts as an information-processing system providing vital data for rational, objective, and efficient decision making regarding improving performance, identifying training needs, managing careers and setting levels of reward.

Performance management and Performance appraisal have four common steps as stated by Boxall, Purcell & Wright (2007: 213), these are:

1. Desired job performance must be defined.

2. An individual's performance on the job must be observed. For example is the person or team's performance excellent, superior, satisfactory, or unacceptable?
3. Feedback is provided and specific challenging goals are set as to what the person or team should start doing, stop doing, or be doing differently.
4. A decision is made regarding retaining, rewarding, training, transferring, promoting, demoting, or terminating an individual.

Therefore, the decision made prior to, during and after performance appraisal process has an impact on employees motivation.

Tyson (2006:11) define motivation as "it is an inner force that impels human beings to have in a variety of way and is, therefore, a very important part of the study of human individuality. Another author Armstrong (2006:252) also define motivation as "motivation is concerned with the factors that influence people to behave in certain ways.

The types of motivation identified by Herzberg are intrinsic motivation-the self-generated factors that influence people to behave in a particular way. These factors include responsibility (feeling that the work is important). The other motivation type is extrinsic motivation-what is done to or for people to motivate them. These include rewards such as increased pay, praise or promotion and punishments such as disciplinary action, withholding pay or criticism Armstrong (2006).

Armstrong also states, people are motivated when they expect that a course of action is likely to lead to the attainment of a goal and a valued reward-one that satisfies their needs. Hence, when an effective performance appraisal system is in place, employees' actual performance and the gap that the organization expects will be identified, the result gained from the performance appraisal helps to made decision and influence/ motivate employees to behave towards a desired goals. Therefore, purpose of this study is to examine the effect of performance appraisal on employees' motivation in the National Bank of Ethiopia (NBE).

1.2 Statement of the Problem

National Bank of Ethiopia (NBE) uses several performance appraisal techniques for the last decade and since the first half of 2016/17 fiscal year, the bank have been using 360 degree

evaluation techniques and use the performance appraisal result for promotion, training and development opportunity and for financial rewards and so on. But there are a number of misunderstandings about evaluators' feedback. Hence, it becomes a source of dissatisfaction and there is an execution process gap due to lack of awareness from the evaluator and the individual performer side and unclear standards for evaluating performance which ignores its impact on employees' motivation.

Central Banks need employees with specialized skill for the key duties that the bank undertakes unlike other commercial banks. Hence, to assess the performance level of employees are at the expected level, effective performance appraisal system is mandatory. There are several researches that examines the effect of performance appraisal on employees' motivation but as far as my knowledge, no researches has been conducted to show the relationship between performance appraisal and employees motivation in the National Bank of Ethiopia

1.3 Research Questions

The main question of the research is **“Is the current performance appraisal system has a motivation effect?”**

This research question can be addressed through the under mentioned specific issue: -

1. What is the effect of involving employees in the objective setting on their motivation?
2. What is the effect of appropriate performance evaluation standard on employees' motivation?
3. What is the effect of continuous feedback on employees' motivation?
4. What is the effect of subjective performance evaluation on employees' motivation?

1.4 Research Objectives

1.4.1 General Objective

The general objective of the study was to examine or identify the relationship between performance appraisal and employees' motivation in the National Bank of Ethiopia

1.4.2 Specific objective

The study had the following specific objective:

1. To show the relationship between performance appraisal and employee motivation

2. To understand the current performance appraisal system of National Bank of Ethiopia
3. To examine employees perception on the current performance appraisal system
4. To find out how employees' involvement in objective setting process affect employees motivation.
5. To understand the contribution of continuous feedback on employees motivation
6. To examine how the appropriateness of performance evaluation standard affect the level of employee motivation
7. To find out how subjectivity affects employee motivation

1.5 Hypothesis

Ho1: Involving employees in objective setting process has no effect on employees' motivation.

Ho2: Presence of appropriate performance evaluation standard has no effect employees' motivation.

Ho3: The presence of continuous feedback has no effect on employees' motivation.

Ho4: Minimizing subjective performance evaluation system has no effect on employees' motivation

1.6 Significance of the Study

The research findings will benefit the human resource practitioners in the National Bank of Ethiopia to identify the appropriate approach to appraise employees' performance which suit with the corporate strategy. Concerning the relationship between employee performance appraisals on employees' motivation, the level of significant relationship that the research find out will be a good input for management to exert an effort to focus on the effectiveness of performance appraisal process and will have a contribution to the existing body of knowledge.

1.7 Scope and limitation of the Study

This research has been studying the effect of performance appraisal on employees' motivation in the National Bank of Ethiopia. Even if there are other factors that can affect the level of employees' motivation, the scope is limited to find out the influence

that a performance appraisal system has on the level of employees' motivation. The study is geographically delimited to one organization, National Bank of Ethiopia.

1.8 Definition of Terms

Performance Management: -

It is a systematic process for improving organizational performance by developing the performance of individuals and teams. (Armstrong, 2006)

Performance Appraisal: -

It is a formal assessment and rating of individuals by their managers. (Armstrong, 2006)

Motivation: -

It is concerned with the factors that influence people to behave in certain ways (Armstrong, 2006)

1.9 Organization of the Study

The research document has five chapters. The first chapter has the introduction part that comprises the background of the study, statement of the problem, research questions and objectives, significance of the study, scope, and limitation of the study, definition of terms and lastly organization of the study. The second chapter presents the review of related literatures from books, journals, and articles that are related to the research topic. The third chapter presents the methodology that describes the research design, approach, and sampling techniques i.e., how research data are collected, presented and analyzed. The fourth chapter shows the analysis part of the collected data. Finally, the fifth chapter presents the conclusion and recommendation part.

Chapter II- Review of Related Literatures

2.1 Theoretical Literature

2.1.1 Performance Appraisal an Overview

According to Armstrong (2006:500) performance appraisal has been defined as it is a formal assessment and rating of individuals by their managers. Now a day where human resources can be a source of a key competitive advantage to an organization, performance appraisal has an important role in managing productivity or efficiency of employees.

In order to measure employees' performance, one should have to know the desired goals and what the organization expects from them to achieve those goals. Decenzo & Robbins (2010:232), saying this regard that performance appraisal must communicate to employee how they are performing comparing to the pre-setting goals. They also stressed that, the two-way feedback about the efforts that an employee made the effects on performance is mandatory otherwise there will be a risk in decreasing on employees' motivation. The other important issue raised by Decenzo and Robins is that the feedback will be useful for development which employees' has a deficiency or weakness to improve performance.

2.1.2 Uses of Performance Appraisal

Performance appraisal has several purposes in organizations such as to identify the status of employees in order to have a feedback to make a proper decision which could have an administrative or developmental purpose. Mathis& Jackson (2011) describe two types of use of performance appraisal i.e. an administrative use and developmental use of appraisals and how to improve such decisions:

1. Administrative Use of Appraisals:

The result of an appraisal could have three types of an administrative use. Those are:

a. To determine a pay adjustments-

Organizations that use performance based compensation provide a pay raise based on performance accomplishments rather than based on length of services or grant the same percentage for all employees. In this regard, the important points that require

attention is that if the appraisal process fails, the failed system may reward the wrong employees instead of rewarding better-performing employees which will cause a negative effect than the intentioned objective.

b. Making job placement decisions on promotions, transfer and demotion

Mathis & Jackson states that if an organization used a performance appraisals result for promotion and demotions, documentation of performance appraisal related issues is a must to avoid legal claims.

c. Disciplinary action up to and including termination of employee

2. Developmental use of Appraisals:

The second use of the appraisal is developmental use. In respect to employees' development, performance appraisal result which identifies employees' weakness, potential and training needs through performance appraisal feedback can be a primary source of information to build their future capacity as stated by Mathis and Jackson. On the basis of performance results, a supervisor can inform the employee the performance status; the progress they have made, areas in which additional training may be important and future developmental plans.

Marthis and Jackson also give emphasis about the importance of performance appraisal meetings parallels with that of coach because employees do not know where and how to improve, and managers should not expect improvement in the absence of developmental feedbacks.

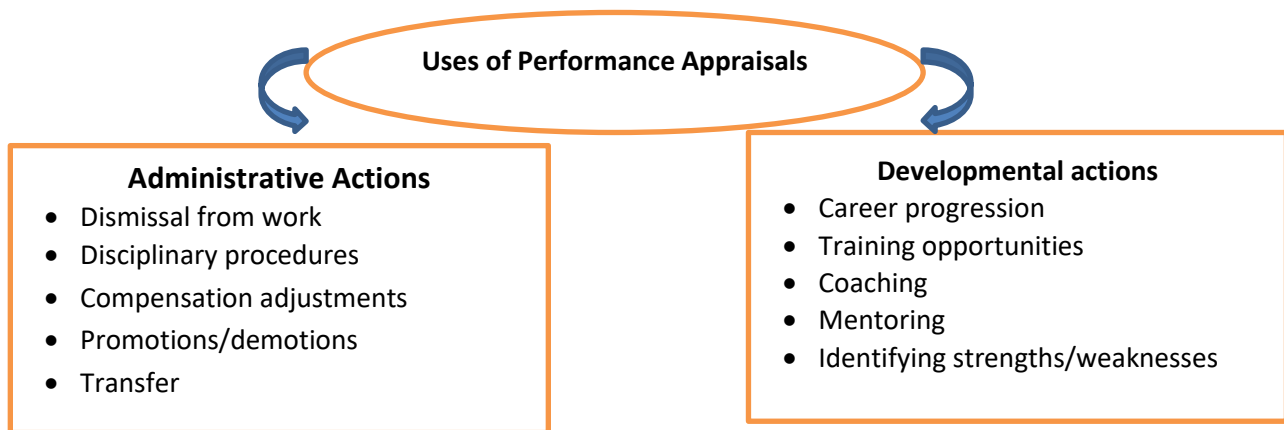


Fig. 1 Uses of Performance Appraisals

Source: Mathis & Jackson (2011)

1. Performance Appraisal Process

The process of performance appraisal begins by setting standards for evaluation and then communicating with employees about the expectation to be achieved. At the end of the performance period, the evaluator measures the performance as per the prior established standards. After evaluation the direct supervisor has a discussion on the results to make any corrective actions. Decenzo & Robbins (2010, P. 236), stated six performance appraisal processes as:

2. Establish Performance Standards

Establishing of performance standards is the beginning of the performance appraisal processes which basis the organization's goals comprises the job analysis and job description. The standards should be clear and objective enough to measure and communicate employees about the expectation and later appraise employee performance against the established standards.

3. Communicate Expectations

Employees should have to know organization's expectation and the established performance standards. Because most of the jobs have vague performance standards, the employees' inputs will reduce the problem arises from such vague standards and the communication must be two ways.

4. Measure Actual Performance

In this stage, the evaluator should have to be concerned with how to measure, what to measure. There are four common sources of information frequently used:

personal observation, statistical reports, oral reports and written reports. The sources have its strength and weaknesses but using the source in combination increases the reliability of information that the raters uses. The criteria we use for the jobs must be examined carefully because selecting the wrong criteria can produce serious consequences.

5. Compare Actual Performance with Standards

In this step, the divination between standards for performance and actual performance identifies. The performance appraisal form should include explanations of performance standard, the degree of acceptability against the standards. The presence of all of this contributes a valuable feedback tool for the manager to move to the next step, discuss with employees.

6. Discuss the Appraisal with the Employee

Presenting an accurate assessment to employees and have a discussion on the appraisal result is the most challenging tasks facing the appraisers. The discussion that the appraiser has with the employee involves negative as well as positive motivational consequences. Conveying a good result and having a discussion with employees is an easier task for both the appraiser and the employee.

7. Initiate Corrective Action if Necessary

It is a final step of the performance appraisal process. The corrective action can be of two types as stated by Armsrong: the first one is immediate and deals mainly with symptoms and the second corrective action is basic and investigate into causes. The immediate corrective action deals with short term solutions, whereas basic corrective action find a solution for the cause of the deviation and gives final solution.

2.1.3 Methods of Performance Appraisals

Employee can be appraised by three general categories namely absolute standards, relative standards or outcomes based as stated by Decenzo& Robbins (2010, P. 237)

1. Evaluating absolute Standards

This method compares employees' performances with standards and the result is independent of other employees. This method includes the critical incident appraisal, the checklist, the graphic rating scale, forced choice, and behaviorally anchored rating scales

2. Relative Standards Methods

The method compares individual against other individuals. The method has a relative standard rather than absolute measuring units. The popular methods are order ranking, individual ranking and paired comparison.

3. Using Achieved Outcomes to Evaluate Employees

By this method of performance appraisal, employees are evaluated on how well they accomplish a specific set of objectives. This approach referred as goal seeking but commonly referred to as management by objective (MBO)

2.1.4 360 Degree Feedback

2.1.4.1 Definition of 360 degree feedback

Armstrong (2006), defines 360 degree feedbacks as: it is a systematic collection and feedback of performance data on an individual or group derived from a number of the stakeholders on their performance. It also referred to as multi-source assessment or multi-rater feedback.

2.1.4.2 Sources of 360 degree feedback

According to Armstrong, the performance data can be generated from individuals from the person to whom they report, the direct report, their peers and the internal and external customers

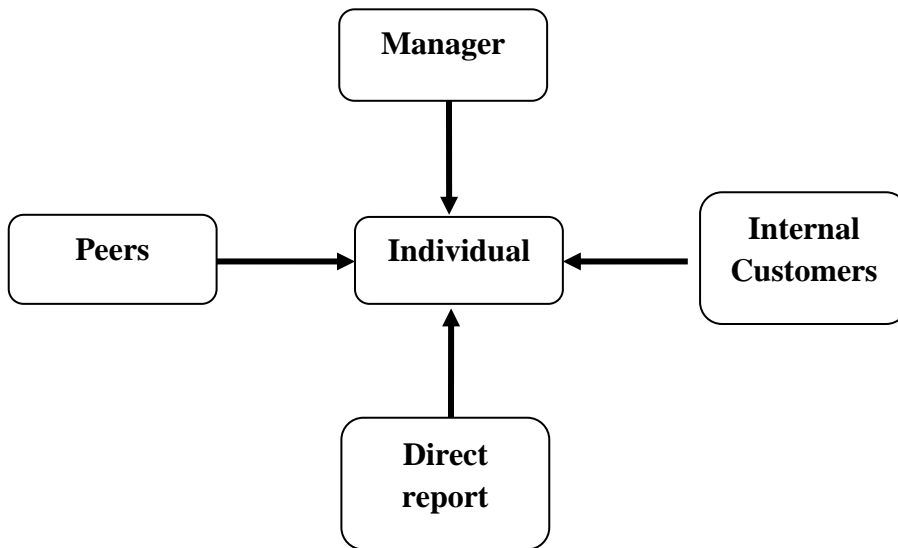


Fig. 2 360 –degree Feedback Model

Source: Armstrong (2006)

2.1.5 Employees Motivation

2.1.5.1 Definition of Motivation and overview

Arnold (1991), defined motivation as: motive is a reason for doing something. Motivation is concerned with the factors that influence people to behave in certain ways. The three components of motivation are: (cited in Armsrong 2006):are direction-what a person is trying to do, effort- how hard a person is trying, and persistence- how long a person keeps on trying.

Motivation can be defined in several perspectives. Tyson (2006) defined motivation as: it is an inner forces that impels human beings to behave in a variety of ways and is, therefore, a very important part of the study of Human individuality.

Motivation can be sourced from intrinsically or extrinsically and it is about the work environment created from the job design, the job matching process the training provided to equip the employee. According to Decenzo& Robbins (2010), motivation is not just what the employee exhibits, but a collection of environmental issues surrounding the job. It has been proposed that one’s performance in an organization a function of two

factors: ability and willingness to do the job. Thus, from a performance perspective, employee need the appropriate skills and abilities to adequately do the job and Decenzo& Robbins add on this issues that poorly designed jobs by itself can be the source of low performance than employees' capability.

2.1.5.2 Theories of Motivation

Since the concept of motivation in respect to human resource management is a complex subject to generalize or to understand it perfectly, it has been a subject to continued research for several years and there are theories developed by different authors such as instrumentality theory, content theory, process/cognitive theory,

1. Instrumentality Theory

The theory was emerged in the 2nd half of the 19th century and the theory developed by F.W. Taylor (1911), states that people only work for money. Hence there should be a rewards and penalty which should be tied directly to his/her performance. The theory based on a system of external controls and fails to recognize a number of other human needs and it also fails to appreciate the informal relationship exists between works.

2. Content (Need) Theory

The theory originally developed by Maslow (1954), and the basis for this theory is that a satisfied need is no longer a motivation and all behaviors will therefore motivate by unsatisfied needs. Maslow's hierarchy of needs has given major need categories, which are:

- a. Physiological needs
- b. Safety needs
- c. Social needs
- d. Esteem needs
- e. Self-fulfillment (self-actualization) needs

3. Process/ Cognitive Theory

This theory emphasis on the psychological processes or forces that affect motivation and on basic needs. The theory concerns on people's perception of their working environment and the way they interpret and understand it.

The theory is more helpful to managers than need theory because it provides more realistic guidance on motivation techniques.

Types of Process/Cognitive Theory

1. Expectation(Expectancy Theory)

Developed by Porter and Lawler (1968), in to a model and follows Vroom's ideas. There are two factors destemming the efforts people put in to their jobs:

- A. The value of the reward to individuals in so far as they satisfy their needs for security, social esteem, autonomy and self-actualization
- B. The probability that rewards depend on efforts in other words, their expectations about the relationship between effort and reward.

According to Porter and Lawler, an effective effort is mandatory to produce the desired performance, not mere effort. The two additional variables to effort which affect achievement are ability and role perception

- ▶ Ability is individuals intelligence, manual skill and know-how
- ▶ Role perception is what the individual wants to do or thinks he/she required to do.

If the view of the organization and individual on not conduced, achieving the desired performance is difficult and efforts are enhanced when the values of rewards are higher and the probability that rewards depends up on effort.

2. Goal achievement (Goal Theory)

Developed by Latham and Locke (1979), and states that motivation and performance are higher when individual are set specific goals, when goals are difficult but accepted, and there is a feedback on performance. Participation in goal setting is important as a means of getting agreement to the setting of higher goals

3. Feelings about equity (Equity Theory)

Developed by Adams (1965) and concerned with the perceptions people have about how they are being treated compared with others.

There are two types of equity as suggested by Adams:

- A. Distributive Equity- concerned with the fairness with which people feel they are rewarded in accordance with their contribution and in comparison with others.
- B. Procedural Equity-concerned with the perceptions employees have about the fairness with which procedures, in such areas as performance appraisal, promotion, and discipline are being operated.

2.1.6 Performance appraisal and employees motivation

In every process that the performance appraisal system passes, it affects employee motivation force in two alternative directions; positively or negatively. Most of the literatures show that involving employees in the process of objective setting initiate them to accomplish the stated goal because employees are more effective when they know what the organization expects from them.

The standards sated for the jobs must be objective enough to have an accurate performance evaluation result and to avoid dissatisfaction caused by invalid or inappropriate standards. The literatures also show that the absence and presence of continuous feedback and corrective action made in the process of performance evaluation has an effect on employees' motivation.

2.1.7 Empirical Literatures

Sharma and Rao (2018) conducted a research on the impact of performance appraisal on employees' motivation in the Indian steel Industry. The researchers used questionnaires and interview schedules as an instrument for data collection. For data analysis, the researchers use descriptive analysis and inferential statistics, i.e. regression analysis and t-test were used. The research result revealed that there was a positive and significant effect between performance appraisal and employee efficiency in the Indian steel industry.

The Indian Industrial relation conducted a study on employee reactions to performance appraisals systems in Indian Banks on April 2014. The study assesses and compares the level of performance appraisal reactions among managers of public sector, private sector and foreign banks operating in India. In their review, there are literatures that Bernardin & Beatty, 1984; Bobbins, Cardy and Platzvieno, 1990 shows that there is a critical link between satisfaction with appraisal processes and appraisal effectiveness (cited in Sheelam & Ravindia 2014).

The researchers considers seven dimensions performance appraisal system namely performance improvement, employee development, fairness in performance appraisal ratings, accuracy of performance appraisal ratings, providing feedback, explaining rating decisions and overall satisfaction with performance appraisal. The research finds out that the reaction of managers of selected banks operating in India indicates a moderate extent. The analysis through Karl Pearson's coefficient of correlation (r) shows all the variables of performance appraisals are positively and strongly related with one another. The research also finds out that the performance appraisal systems in the selected bank are not gender biased.

2.1 Conceptual Framework

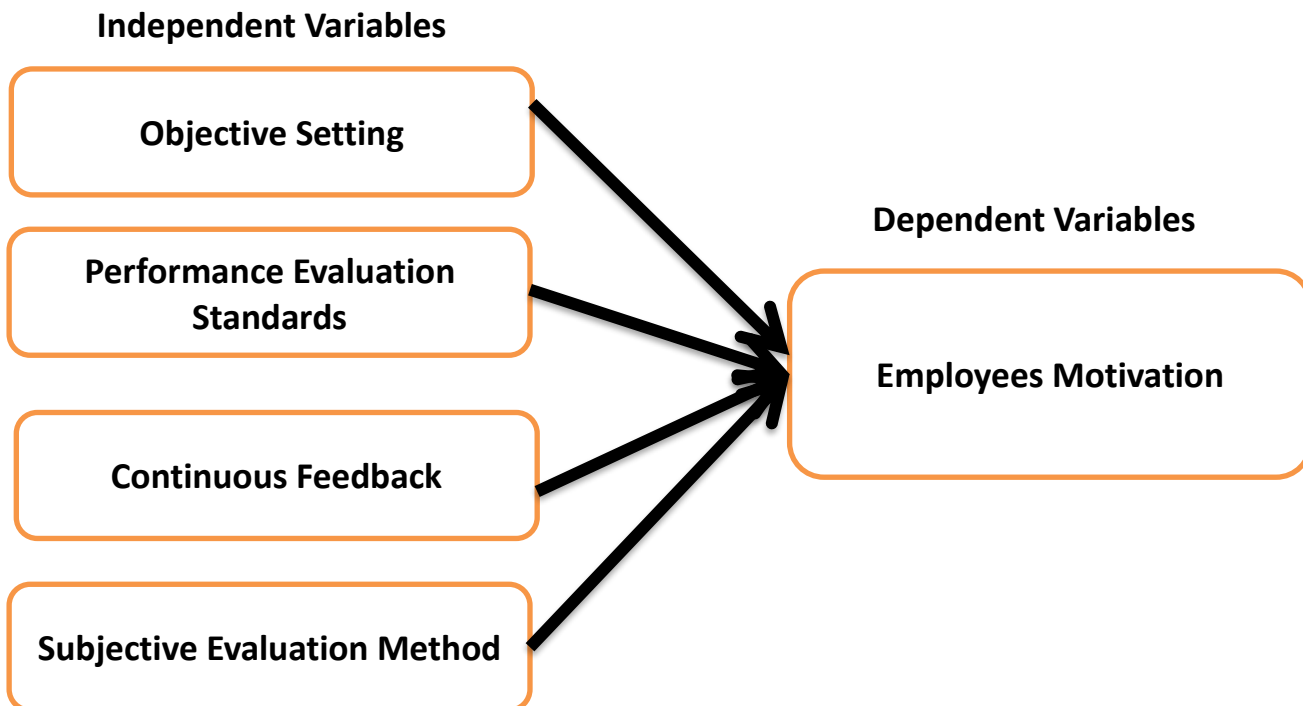


Fig 3: Conceptual Framework
Source: adopted from theoretical literatures

CHAPTER - III

3. Research Methodology

3.1 Description of the Study Organization

National Bank of Ethiopia established in 1963 by proclamation No. 206 of 1963. The main mandates of the bank are to: maintain price stability, maintain exchange rate stability, foster economic growth and to maintain financial system stability. To carry out its mandate, currently the bank has 998 employees as per the staff strength report of the bank as of October, 2018 and this research i.e. the effect of performance appraisal on employees' motivation was conducted on this study organization.

3.2 Research Approach

To study the effect of performance appraisal on employees' motivation at NBE, quantitative data will be collected from a reasonable sample of employees using questionnaire. In addition to quantitative data, to assess the consistency of standards set

for tasks performance evaluated, secondary data, i.e. documents related to the performance appraisal standards and other procedures related to performance appraisal used by NBE were examined.

3.3 Research Design

To find a relationship between performance appraisal and motivation, an explanatory research method were employed. To measure the attitude of the employee, the study used a survey research method of collecting information from a sample of people using questionnaires. In addition to that the descriptive research approach will also be employed.

3.4 Population

The total population of the banks' staff is 998. Out of this, senior executives, higher level and middle level management employees are 79, professional staff are 420, clerical staff are 134 and technical and other employees are 365.

3.5 Sample size

In order to determine the sample size (Yamane1967) develop a formula (as cited in Tigist 2017) were used. Out of the total employees, 162 employees are excluded because they have one and less year of experience so they didn't have the adequate knowledge for the perspective of performance appraisal. Due to this, 120, 11 and 31 employees are excluded from professional, clerical and other & technical employees respectively. Therefore, the population size is $998-162=836$

$$n = \frac{N}{1+N(e)^2}$$

Where:

n = sample size

N =population size= 836

e = error limit or level of precision= 5%

3.6 Sampling Technique

Based on the above formula, the sample size of a population were 271 employees. The researcher used a probability sampling techniques to give an equal chance for being selected of all the four units in the population. Among the probability sampling, the researcher used proportionate stratified sampling technique to address a proportionate sample size from each category.

Table 3.1 Proportional sample size

Name of Category	No. of Employees	Sample Size
Senior executives, higher level and middle level management	79	$79/836 \times 271 = 26$
professional staff	$420-120=300$	$300/836 \times 271 = 97$
Clerical	$134-11=123$	$123/836 \times 271 = 40$
technical and other	$365-31=334$	$334/836 \times 271 = 108$
Total Sample Size		271

3.7 Data Sources and Types

Primary and secondary data were used to conduct this research and the primary data are gathered through questionnaire from National Bank of Ethiopia Permanent staff and the questionnaire was adopted from previous literatures and related researches which was customized to fit in to this research. Human resource procedures, manuals and published and unpublished material also were additional sources for this research.

3.8 Data Collection Procedures

The instrument used to collect primary data were questionnaire and secondary data like performance appraisal standards and related issues was collected from HR department. The questionnaire was developed in English and Amharic and commented by the advisor. The questionnaire has two parts which are the general information question and the

question that involve in the issues of performance appraisal and employee motivation using five level likert scale to state their level of agreement on the statements.

3.9 Ethical Consideration

Prior to any activity commenced, consent of the bank was requested. I used an optimum sample size to have a reasonable data for conclusion and recommendations and the data that I was collected from respondents kept confidential.

3.10 Validity and Reliability

3.10.1 Validity

The instrument i.e the questionnaire was develop by considering different related sources and organized by the depended and independent valuables. The questionnaire was commented by the advisor in order to fit to answer the research questions.

3.10.2 Reliability

In order to measure the internal consistency and find out how a set of items as a group are closely related reliability of the questions comprises in the questionnaire, the questionnaire was distributed in sample bases i.e. for 50 employees. The CronbachAlpa test was conducted for the Performance Appraisal and Employee motivation questions and the questions exceed the threshold of 0.7 and resulted .753, and 0.720 respectively. The result of the Cronbach Alpa table is appendixes.

3.11 Data Analysis

Quantitative data through structure questionnaire distributed to the employees of NBE. These data were coded, entered in to the computer system SPSS and Microsoft Excel. To measure the strength and direction of the linear relationship, person's correlation 'r' was conducted. Due to having more than one independent variables (objective setting, performance standard, continuous feedback and minimum subjective evaluation), multiple regressions is used to predict the value of the dependent available, Employee Motivation.

Independent Variables

Variable 1: Objective Setting

Variable 2: performance standard

Variable 3: continuous feedback

Variable 4: subjective evaluation

Dependent Variable

Employee Motivation

The model for multiple regressions will be:

$$M=a+b_1OS+b_2PS+b_3CF+b_4SE+e$$

Where:-

M= Motivation (the predicted value of the dependent variable)

a= Constant

OS= Objective Setting

b₁= Slope of OS

PS= Performance Standard

b₂= Slope of PS

CF= Continuous Feedback

b₃= Slope of CF

SE= Subjective Evaluation

b₄= Slope of SE

e= Error term

Chapter IV

Data Presentation, Analysis and Interpretation

4.1 Introduction

This chapter deals with the analysis and interpretation of all data collected to answer the research question. The questionnaires which are presented using Likert scale were distributed and the data are entered into SPSS for the analysis.

Out of 271 questionnaires distributed, 232 were collected which is 85.6% of the questionnaires. From the distributed questionnaires, 32 questionnaires were not returned and the rest 7 were not used because the respondents were not answering the questions clearly.

4.2 Respondents Profile

The respondents profile for this study comprised of the respondents gender, age, education level, years of experience and their position in the National Bank of Ethiopia.

Table 4.1 Background of Respondents

S.No.	Variables	Type	Frequency	%	Cumulative %
1.	GENDER	MALE	133	57.3	57.3
		FEMALE	99	42.7	100.0
TOTAL			232	100.0	100.0
2.	AGE	18-25	52	22.4	22.4
		26-35	124	53.4	75.9
		36-45	31	13.4	89.2
		46-50	4	1.7	90.9
		Above 50	21	9.1	100.0
TOTAL			232	100.0	100.0
3.	EDUCATION LEVEL	Below High School	8	3.4	3.4
		High School Complete	4	1.7	5.2
		Certificate	36	15.5	20.7
		Diploma	47	20.3	40.9
		First Degree	108	46.6	87.5
		Second Degree	29	12.5	100.0
TOTAL			232	100.0	100.0
4.	JOB EXPERIENCE	1 – 2 Years	47	20.3	20.3
		Above 2 -5Years	58	25.0	45.3
		Above 5 - 10 Years	84	36.2	81.5
		Above 10 Years	43	18.5	100.0
TOTAL			232	100.0	100.0
5.	POSITION CATEGORY	High and Middle Lev. Managers	35	15.1	15.1
		Professional Staff	99	42.7	57.8
		Clerical	49	21.1	78.9
		Technical and Other	49	21.1	100.0
TOTAL			232	100.0	100.0

From Table 4.1 we can observe that the proportions of male respondents are 57.3% and female respondents are 42.7%. Out of the total respondents, 22.4% of employees are categorized under the age 18-25, 53.4% of the employees' are in the age group between 26 to 35, 13.4% of the respondents' are in the age group of 36-45 1.7% and 9.1% of employees are categorized in the age group of 46-50 and above 50 respectively.

Regarding respondents education status, 3.4% of the respondents have below high school education level, 1.7% respondents complete their high school, 15.5% of respondents' have certificate level education status, 20.3% of the respondents have diploma level and 46.6% and 12.5% of the respondents have their first and second degree respectively.

According to employees' response about their experience in the Bank, 20.3% of the respondents are categorized in to 1-2 years of experience, one fourth or 25% of the respondents have 2 – 5 years of experience, 36.2% of respondents serve the bank above 5 and up to 10 years and 18.5% of respondents' work in the bank above 10 years.

Both Clerical and Technical and Other respondents position category counted 21.1% each, 42.7% of respondents are categorized in the professional staff category and the rest 15.1% of respondents' are high and middle level managers

4.3 Descriptive Analysis

To find out the effects of performance appraisal on employees motivation, four independent variables (objective setting, performance evaluation standard, continuous feedback and minimum subjective evaluation) which contribute for the level of employee motivation (dependent variable) were assessed and analyzed.

The questioner mainly prepared considering the process of performance appraisal and other issues related to performance appraisal. Then questions were constructed by four independent variables which this research paper primarily planned to find out the level of effect on employees' motivation (the dependent variable).

The first independent variable, objective setting process, incorporated the question that how employees are involved in the process and in what level they know the expectation of their organization.

The second independent variable, performance evaluation standard, is the first step in the process of performance appraisal, Deconzo et.al (2010). From these questions, the researcher wanted to find out how respondents rates the appropriateness, the alignment and involvement, in general, their awareness about the established standards.

The third variable, continuous feedback, seek an answer from respondents that how the evaluator observed the activity of employees and communicate through reports, which could be oral or written and this leads to correct and guide employees. Hence, requesting respondents answer in this issue assures how much accurate and reliable information that rater use and keeps employees informed and from the side of the performer i.e. the respondent, examine the rate of acceptance of performance result.

The fourth variable, subjective performance evaluation, the researcher attempts to find out the content (being subjective or not) of the items that incorporated for evaluation purpose and its effect on the individual performer perception.

4.3.1 Variables under Performance Appraisal

4.3.1.1.1 Independent Variable 1- Objective Setting

Table 4.2 Goal Setting for Each Rating Period

		Frequency	Percent	Valid Percent	Cumulative Percent
MUTUALLY SET GOALS FOR EACH RATING PERIOD	Strongly Disagree	13	5.6	5.6	5.6
	Disagree	69	29.7	29.7	35.3
	Neutral	51	22.0	22.0	57.3
	Agree	74	31.9	31.9	89.2
	Strongly Agree	25	10.8	10.8	100.0
	Total	232	100.0	100.0	

As literatures states, motivation and performance is higher when individuals are involved in setting specific goals, knowing the status of employees' involvement in the goal setting process for each rating period helps to observe the level of employee motivation. From the above table, we can observe that respondents level of agreement in regard to their involvement in the objective setting process. Therefore, as per the above Table 4.2 result, 42.4 % (31.9% & 10.8%) employees agree and strongly agree about their involvement in the goal setting process while 22% state neutral response for the statement and the rest 29.7% and 5.6% of the employees

disagree and strongly disagree respectively. This shows that almost half of the respondents involve in the objective setting process which is an encouraging status to enhance employees' effectiveness.

Table 4.3 -Objective Setting * Position Category- Cross tabulation

		MUTUALLY SET GOALS FOR EACH RATING PERIOD					Total
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
POSITION CATAGORY	High and Middle Lev. Managers	5	14	2	7	7	35
	Professional Staff	0	23	27	45	4	99
	Clerical	3	9	10	15	12	49
	Technical and Other	5	23	12	7	2	49
Total		13	69	51	74	25	232

From Table 4.3, we can see that the involvement of employees in the objective setting process becomes less and lesser towards their position category from manager level to technical and other position. Hence, from this trend, we can conclude that the Bank's system overlooks lower level employees' involvement.

Table 4.4 Practicality and Attainability of Goals

		Frequency	Percent	Valid Percent	Cumulative Percent
GOALS ARE REALISTIC AND ATTAINABLE	Strongly Disagree	3	1.3	1.3	1.3
	Disagree	65	28.0	28.0	29.3
	Neutral	71	30.6	30.6	59.9
	Agree	82	35.3	35.3	95.3
	Strongly Agree	11	4.7	4.7	100.0
	Total	232	100.0	100.0	

The above two Table 4.4 shows that, according to respondents level of agreement, 35.3 and 4.7 percent of respondents are agree and strongly agree that goals are realistic and attainable but 30.6 percent of employees shows neutral on this statement. 28% and 1.7% of respondents disagree and strongly disagree about this statement.

		Frequency	Percent	Valid Percent	Cumulative Percent
KNOWING ORGANIZATIN EXPECTATION	Disagree	27	11.6	11.6	11.6
	Neutral	32	13.8	13.8	25.4
	Agree	131	56.5	56.5	81.9
	Strongly Agree	42	18.1	18.1	100.0
	Total	232	100.0	100.0	

According to Table 4.5, 55.5 percent of them are agreeing that they know what their organization expects from them and 18.1% of the respondents are strongly agree on their knowledge of organization expectation. 13.8% of respondents show neutral response while 11.6% of the respondents disagree on their knowledge about organization expectations. From respondents' status, we can conclude that most of NBE's employee knows what their organization expects from them.

Table 4.6 Objective Setting Process * Know Organization Expectation-Cross Tabulation

		KNOWING ORGANIZATIN EXPECTATION				Total
		Disagree	Neutral	Agree	Strongly Agree	
INVOLVE IN OBJECTIVE SETTING PROCESS	Strongly Disagree	10	6	4	0	20
	Disagree	15	7	41	0	63
	Neutral	2	11	16	7	36
	Agree	0	8	65	21	94
	Strongly Agree	0	0	5	14	19
Total		27	32	131	42	232

When we examine the relationship between the level of involvement in objective setting process and their knowledge of the organization expectation, we can conclude by seeing Table 4.6 that

involving employees in objective setting process, helps employee to know what the organization expect from them which in turn encourages employee for better performance.

4.3.1.1.2 Independent Variable 2- Performance Appraisal Standards

Table 4.7 Alignment of Performances Standard with organization objective

		Frequency	Percent	Valid Percent	Cumulative Percent
STANDARD ARE ALIGNED WITH ORGANIZATION OBJECTIVE	Strongly Disagree	1	.4	.4	.4
	Disagree	15	6.5	6.5	6.9
	Neutral	54	23.3	23.3	30.2
	Agree	155	66.8	66.8	97.0
	Strongly Agree	7	3.0	3.0	100.0
	Total	232	100.0	100.0	

The above Table 4.7 shows 66.8% agree and 3% strongly agree totally 69.8% of the respondents' show positive response with the statement that standards are aligned with organization objective. Even if most of the respondents compared to other level of agreement, agree with the alignment of organization objective with that of performance standard, the number of respondents who replies neutral (23.3%) implies there is an information gap about organization objective and the standard employed to measure employees performance.

Table 4.8 Measurability, Reliability and Appropriateness of Standards

		Frequency	Percent	Valid Percent	Cumulative Percent
STANDARDS ARE REALISTIC AND MEASURABLE AND APPROPRIATE FOR THE TASK I PERFORM	Strongly Disagree	1	.4	.4	.4
	Disagree	28	12.1	12.1	12.5
	Neutral	72	31.0	31.0	43.5
	Agree	99	42.7	42.7	86.2
	Strongly Agree	32	13.8	13.8	100.0
	Total	232	100.0	100.0	

According to employees' responses, Table 4.9 shows that 42.7% and 13.8% of respondents are agreed and strongly agree that the standards employed to measure performance are measurable reliable and appropriate for the tasks assigned to employees. 31% of respondents show that they are neutral about the appropriateness, measurability and how realistic is the performance standards while 12.1 and 4 percent of respondents are disagree and strongly disagree respectively about the performance standards

Table 4.9 Standards and Capacity

		Frequency	Percent	Valid Percent	Cumulative Percent
STANDARDS ARE NOT BEYOND MY CAPACITY	Strongly Disagree	1	.4	.4	.4
	Disagree	35	15.1	15.1	15.5
	Neutral	33	14.2	14.2	29.7
	Agree	133	57.3	57.3	87.1
	Strongly Agree	30	12.9	12.9	100.0
	Total	232	100.0	100.0	

Table 4.9 shows, how far the standards assigned for a specific job to their capacity of job accomplishment. Hence, 57.3 percent of the respondents agree on the statement that the standards are not beyond their capacity and 12.9 percent of employees also strongly agree on this statement. On the other hand 33 percent of the respondent shows neutral response and the rest 15.1 percent and 4 percent of respondents are disagreeing and strongly disagree respectively on this statement. From the overall result we can conclude that most of the standards assigned to a particular task are not beyond the employees capacity to accomplish the organization achievement expectation.

4.3.1.1.3 Independent Variable 3- Continuous Feedback

Table 4.10 Direction and Corrective Feedback

		Frequency	Percent	Valid Percent	Cumulative Percent
DIRECTION & CORRECTIVE FEEDBACK ARE GIVEN FROM	Strongly Disagree	3	1.3	1.3	1.3
	Disagree	34	14.7	14.7	15.9
	Neutral	71	30.6	30.6	46.6
	Agree	103	44.4	44.4	90.9

SUPERVISORS	Strongly Agree	21	9.1	9.1	100.0
	Total	232	100.0	100.0	

According to the survey result, Table 4.10 shows, totally 53.3% has a positive response (44.4% agree and 9.1% strongly agree) that they receive continuous and constructive feedback from their evaluator. The rest 30.6 % neutral, 14.7% disagree and 1.3% strongly disagrees about the statement. Therefore, from employees response, we can conclude that more than half of the respondents receive continuous feedback form their immediate supervisor.

Table 4.11 Employees' say about evaluators' feedback

		Frequency	Percent	Valid Percent	Cumulative Percent
MY SAY ABOUT THE EVALUATORS' FEEDBACK IS RECOGNIZED	Disagree	61	26.3	26.3	26.3
	Neutral	63	27.2	27.2	53.4
	Agree	82	35.3	35.3	88.8
	Strongly Agree	26	11.2	11.2	100.0
	Total	232	100.0	100.0	

Regarding employees' response about consideration of the evaluator of the individual performers opinion about their evaluator's feedback, Table 4.11 shows that 26.3% Disagree and 27.2% neutral. About 35.3% and 11.2% of the respondents are agreeing and strongly agree that their say about the evaluator feedback is recognized. This shows that totally 46.5% of respondents have suitable two-way communication with the evaluator.

Table 4.12- 360 Degree Feedback Method

		Frequency	Percent	Valid Percent	Cumulative Percent
360 DEGREE FEEDBACK METHOD PROVIDE RICHER FEEDBACK	Strongly Disagree	7	3.0	3.0	3.0
	Disagree	49	21.1	21.1	24.1
	Neutral	80	34.5	34.5	58.6
	Agree	77	33.2	33.2	91.8
	Strongly Agree	19	8.2	8.2	100.0
	Total	232	100.0	100.0	

Concerning a multi-source appraisal i.e. a 360 degree appraisal technique, based on the above Table 4.12 we can say that most of the respondents are neutral (34.5%) about the statement but 41.4% of employees are agree (33.2%) and strongly agree (8.2%) that the technique provides a better and richer feedback for the evaluator.

Table 4.13 Recognition for Well Performed Work

		Frequency	Percent	Valid Percent	Cumulative Percent
I AM RECOGNIZED FOR THE WORK I PERFORM WELL	Strongly Disagree	8	3.4	3.4	3.4
	Disagree	38	16.4	16.4	19.8
	Neutral	33	14.2	14.2	34.1
	Agree	116	50.0	50.0	84.1
	Strongly Agree	37	15.9	15.9	100.0
	Total	232	100.0	100.0	

Feedbacks can be given by the recognitions of successful jobs. From the above Table 4.13, most of the respondents agree (50%) and strongly agree (15.9%) that they are recognized for the work they performed well. 14.2 percent of the respondents show neutral about the statement and 16.4 percent and 3.4 percent of the respondents shows they are not recognized for the work they perform well. This confirms that, most of the respondent employees are encouraged to do a better job and this creates a suitable work environment, it is a key input for rewarding employees financially and non-financially for the work they perform well.

4.3.1.1.4 Independent Variable 4- Subjective Judgment

Table 4.14 Subjective Performance Measurement

		Frequency	Percent	Valid Percent	Cumulative Percent
MORE SUBJECTIVE PERFORMANCE MEASUREMENT INVOLVE THE MORE BIASED RESULT	Strongly Disagree	8	3.4	3.4	3.4
	Disagree	21	9.1	9.1	12.5
	Neutral	48	20.7	20.7	33.2
	Agree	86	37.1	37.1	70.3
	Strongly Agree	69	29.7	29.7	100.0

	Total	232	100.0	100.0
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Respect to subjective performance measurement, Table 4.14 shows 37.1% agrees and 29.7% strongly agree that the more subjective performance measurement results biased information about individual information. On the other hand, 20.7 percent of respondents are neutral about the issue while 9.1 and 3.4 percent of employees disagree and strongly disagree that performance measurement being subjective doesn't make the performance result biased.

Table 4.15 Reliability on Performance result which involve subjective judgment

NOT RELIABLE ENOUGH ON THE PERFORMANCE RESULT I GET WHICH INVOLVE SUBJECTIVE JUDGEMENTS	Strongly Disagree	10	4.3	4.3	4.3
	Disagree	24	10.3	10.3	14.7
	Neutral	31	13.4	13.4	28.0
	Agree	119	51.3	51.3	79.3
	Strongly Agree	48	20.7	20.7	100.0
	Total	232	100.0	100.0	

Table 4.15 also shows that performance measurements which involve subjective judgment, 51.3 % of respondents agree and 20.7% strongly agree that they have no confidence on the result's reliability. The above table, confirms that if the evaluators criteria is more subjective, the result becomes biased or influenced by the evaluator.

4.3.2 Dependent Variable-Employee Motivation

Table 4.16 Degree of willingness to Work in National Bank of Ethiopia

		Frequency	Percent	Valid Percent	Cumulative Percent
STATING DEGREE OF WILLINGNESS TO WORK FOR NATINAL BANK OF ETHIOPIA	Very Low	3	1.3	1.3	1.3
	Low	26	11.2	11.2	12.5
	Moderate	122	52.6	52.6	65.1
	High	73	31.5	31.5	96.6
	Very High	8	3.4	3.4	100.0
	Total	232	100.0	100.0	

Based on the data collected, Table 4.16 confirms that 52.6% of employee of National Bank of Ethiopia rate their willingness to work in the future in the organization as moderate, 31.5% as high, and 3.4% as very high. On the other hand respondents rate their willingness to work in National Bank of Ethiopia as low (11.2%) and very low (1.3%). The overall condition of employees regarding their willingness to work in the future shows a moderate status.

Table 4.17 Degree of Willingness to Accomplish Job

		Frequency	Percent	Valid Percent	Cumulative Percent
EVALUATE DEGREE OF WILLINGNESS TO ACCOMPLISH JOB ASSIGNMENTS BY EXERTING THE REQUIRED LEVEL OF EFFORT	Low	13	5.6	5.6	5.6
	Moderate	62	26.7	26.7	32.3
	High	101	43.5	43.5	75.9
	Very High	56	24.1	24.1	100.0
	Total	232	100.0	100.0	

Table 4.17 shows, 43.5% of the respondents' degree of willingness to accomplish job assignments by exerting the required level of effort shows high degrees, 24.1% rate very high, and 26.7 as moderate whereas 5.6% of respondents rate their willingness as low. In general, we can conclude from this result that employees' effort to accomplish their duty as high level.

4.3.2 Correlation Analysis

A correlation is a statistical device which measures the strength or degree of association between two or more variables. To do so, a Bivariate Pearson Correlation moment were conducted and the result or the linear relationship between all the independent variable of performance appraisals (Objective Setting, Performance Standards, Continuous Feedback, minimized Subjective Evaluation) and the dependent variable, employee motivation.

Table 4.18 -Correlations

		Objective Setting	Continuous Feedback	Performance Evaluation Standard	Subjective Evaluation	Employee Motivation
Objective Setting	Pearson Correlation	1	.545**	.392**	-.140*	.444**
	Sig. (2-tailed)		.000	.000	.033	.000
	N	232	232	232	232	232
Continuous	Pearson Correlation		1	.228**	-.012	.405**

Feedback	Sig. (2-tailed)			.000	.854	.000
	N		232	232	232	232
Performance Evaluation Standard	Pearson Correlation			1	-.108	.482**
	Sig. (2-tailed)				.102	.000
	N			232	232	232
Subjective Evaluation	Pearson Correlation				1	-.057
	Sig. (2-tailed)					.386
	N				232	232
Employee Motivation	Pearson Correlation					1
	Sig. (2-tailed)					
	N					232

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

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

According to Table 4.18, an objective setting process is positively and significantly related to all independent variables and dependent variable (employee motivation) except it is negatively related to subjective evaluation. The dependent variable, employee motivation, is significantly and positively related ($r=.444$, Sig. at.001) to the objective setting process.

The other independent variable, performance evaluation standard, significantly and positively related to the dependent variable, employee motivation, ($r=.482$, Sig. at.001). Continuous feedback (independent variable) also significantly and positively related to employee motivation ($r=.405$, Sig. at.001).

The collected data shows that subjective evaluation system is negatively related with the dependent variable, employees' motivation and to the two independent variable, performance evaluation standards and continuous feedback, but didn't meet the level of confidence. On the other hand, objective setting process has a negative relation and show a confidence interval of 0.95.

The strength of the relation can be assessed the guidelines that if the result is $.1 < |r| < .3$ considers it has a weak correlation, if the result is $.3 < |r| < .5$, considers as it has a moderate correlation, and if the result is $.5 < |r|$ --- the independent variable has a strong correlation with the dependent variable. Therefore, the correlation result shows that objective setting process, performance evaluation standards, continuous feedback process has a moderate correlation to the

dependent variable, employee motivation, but subjective evaluation method has a weaker correlation with employee motivation.

To sum up, based on the data collected, there is enough statistical evidence to accept the alternative hypothesis for the independent variables except subjective evaluation system. Hence, we can conclude that we have no enough evidence against the null hypothesis in favor of the alternative hypothesis, for one of the independent variable, subjective evaluation system.

4.3.3 Regression Analysis

According to Hair Jr. et.al. (2007), multiple regressions, a form of general linear modeling, are an appropriate statistical technique when examining the relationship between a single dependent (criterion) variable and several independent (predictors) variables. Prior to run a regression analysis, checking the assumption becomes important. Hence;

- Linear relationship among the independent variables and with the dependent variable have been checked;
- To make sure the independent variables are not too close to each other, making sure there are no multicollinearity problem by running collinearity diagnosis in the SPSS and the Tolerance result is above .2 and VIF is under 3 i.e. the result assures no multicollinearity problem;
- Making sure the data show homoscedastisity which is the variances along the line of best fit remain similar as to move along the line.
- To make sure there is an independent observation on the predictive variable and no underlined relationship in the independent variable, the Durban-Watson analysis was conducted resulted 1.572 and we can conclude that we have an independent observation.

Note: - All tables that show the result of assumptions for regression analysis are appendixes

Table 4.19 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.587 ^a	.344	.333	.57651

a. Predictors: (Constant), Subjective Evaluation, Continuous Feedback, Performance Evaluation Standards, Objective Setting

Table 4.20 ANOVA^a

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	39.630	4	9.907	29.809	.000 ^b
	Residual	75.447	227	.332		
	Total	115.077	231			

a. Dependent Variable: Employee Motivation

b. Predictors: (Constant), Subjective Evaluation, Continuous Feedback, Performance Evaluation Standards, Objective Setting

As stated by Field (2005), the R^2 tell us how much of the variance in Y (dependent variable) is accounted for by the regression model from our sample and the adjusted value tell us how much variance in Y would be accounted for if the model had been derived from the population from the sample was taken.

Form the above Table 4.19, the R^2 and adjusted R^2 value are .344 and .333 respectively. From the analysis result, 34.4% of variation on employee motivation can be explained by performance appraisal variables (Objective Setting, Performance Evaluation Standards, Continuous Feedback, and Minimized Subjective Evaluation). Therefore, 34.4% of changes in the employee motivation variables could be attributed to the combined effect of the predictor variables of appraisal process or there was 34.4% of variation in employee motivation is due to performance appraisal process. The model also indicated that the remaining 66 percent of variation on employees' motivation can be explained by other predictors that are not covered by this research. As can be seen in the above Table 4.20, the F-value is 29.809 and is significant at .000. This indicates that the independent variables are good to explain the variation in the dependent variable. Therefore, there was a high degree of goodness of fit of the study regression model.

Table 4.21 Coefficients^a

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.885	.302		2.928	.004
	Objective Setting	.163	.061	.183	2.675	.008
	Continuous Feedback	.231	.067	.223	3.464	.001

Performance	.367	.060	.360	6.155	.000
Evaluation Standards					
Subjective Evaluation	.007	.039	.010	.181	.856

a. Dependent Variable: Employee Motivation

To measure the relative influence of each independent variable, the researcher analyzed the unstandardized coefficients result. An independent variable that has a higher value of coefficient means it is a more important determinates of the dependent variable. Table 4.21 shows $\beta=.163(16.3\%)$, $\beta=.231(23.1\%)$, $\beta=.367(36.7)$, and $\beta=.007(0.7\%)$ are the independent variable of objective setting, continuous feedback, performance evaluation standard, and minimized subjective evaluation respectively. From the result, a one unit change in performance evaluation standards results a 36.7% change in the dependent variable, a one unit change in the continuous feedback process results a 23.1% change in the dependent variable, employee motivation. A one unit change in the objective setting process results a 16.3 % change in the dependent variable. On the other hand the change in the subjective evaluation system affects the dependent variable by 0.7% but has no significant relation.

From the overall multiple regression result, one can conclude that performance evaluation standard has a higher influence in changing the level of employees motivation and the continuous feedback method employed and involving employees in the objective setting process also has an influence on the level of employees motivation. The presence of subjective evaluation method in the organization has no significant level of influence on the level of employees motivation.

4.3.4 Findings from NBE Performance appraisal Practices

4.3.4.1 Current Practice of Performance Evaluation Technique

Currently National Bank of Ethiopia uses BSC for the direct report and use 360 degree feedback of performance data since the first half of 2016/2017 fiscal year and the evaluation conducted bi-annually.

According to the banks 360 degree evaluation guides, the evaluation conducted by the evaluatee (self), the peers, the stakeholders and the immediate supervisor (BSC based). This approach used for individual performer, a team, a directorate, a cluster or the Bank itself.

Individual performers evaluate by BSC weighted 78%, 11% for self and peer evaluation each, totally it comprises 100%. In case of team evaluation, the approach is different i.e. the team evaluated based on output weighted 60% and 40% in respect of objective achievement, by parallel team and by stakeholders.

4.3.4.2 Strategic Plan of National Bank of Ethiopia

The Bank's five year corporate strategic plan (2015/16 – 2019/20) shows that the bank has 5 strategic thematic areas cascaded to clusters with associated corresponding objectives and weights. The weights are distributed to four perspectives namely Stakeholders, Finance, Internal Business Process, and Learning and Growth.

Directorates which are structured below clusters share those thematic areas and under the five themes, there are 21 strategic objectives shared by all directorates on the basis of the shared themes. A particular directorate who adopt a strategic objective out of 21 objectives, cascade that shared objective to teams under the directorate and the team leader share the directorate objective and plan individual performers BSC for the evaluation period. Like objectives' all weights are cascaded up to individual level.

From the Bank's strategic plan document, we can observe that objectives are aligned up to individual performers' level including the Weight the objective has and the stated KPI's for the objectives are measurable.

4.3.4.3 Process of Performance Evaluation

Using a 360 degree feedback technology requires full engagement of all members in the directorate or team because the technique encourages the individual performers to rate themselves and receive feedback from peers/others.

At the starting date of the evaluation period, a team leader prepares a plan which is cascaded from the directorate's objectives and set standards/key performance indicators (KPI's) adopted from the strategic plan of the Bank. After doing so, the team leader will conduct a discussion on the stated plan and about the standards with the individual performer and when they reach in to consensus, both of them will sign and have an agreement for that specific evaluation period. In the course of the evaluation period, they communicate weekly, monthly

and quarterly and review the performance status. At the evaluation period, peers are evaluating each other and the expected output will rate as per the stated standards.

The content of the evaluation items that the peer and self-evaluation formats majorly focuses is on the employees respectation of rules and regulation, how creative he/she was, about ethics, the initiative of self-development, sharing of knowledge with others and the team spirit an employee has in the evaluation period. The evaluation items are more subjective unlike the BSC base plan.

The Bank's evaluation system shows that employees are involved in the objective setting process which allows them to know the expectation of the organization. There is a continuous feedback from both sides and performers are able to say about themselves by evaluating their status.

4.3.4.4 Procedures related to Performance Evaluation Results

According to the Banks internal procedure, Training and Education Selection Procedure, when an employee is applying for long term education and training opportunity, his/her performance appraisal result weighted 75% for the selection criteria. This implies that the appraisal result has a huge effect for employees training and development opportunity which in turn motivates employees to stay in the organization.

According to the Banks promotion internal procedure, an employee who competes for a vacant position, his/her appraisal result has a weight of 45% for the competition. This indicates that the performance appraisal result contributes for employees' promotion and or retention.

The annual bonus and salary increment basis the bank's annual performance and an employee will be entitled for the bonus and salary increment when he/she at least score satisfactory. Therefore, salary and bonus payments basis employees performance result.

Chapter V

Summary, Conclusion and Recommendation

4.1 Summary

The research was aimed to find out the effect of performance appraisal system comprises objective setting, performance evaluation standard, continuous feedback and minimum subjective evaluation on employees motivation focused on the National Bank of Ethiopia. In doing so, the components that could affect employees' motivation were assessed.

4.1.1 Summary of Findings

- ▶ To answer the research question, the researcher distributes a questioner to employees of NBE and 232 respondents were responded.
- ▶ Out of the total 232 respondents, male respondents were 133 and female respondents were 99.
- ▶ Major respondents are categorized in the age of 26-35, first degree holders (46.6%), 142 (58+85) respondents job experiences fall under 2-10 years and 42.7% of them are professional staff.
- ▶ From the correlation analysis, all independent variables except one (subjective evaluation), are positively and significantly related to each other and with the dependent variable, employee motivation.
- ▶ From the regression analysis, 34.4% of variations on employee motivation are explained by performance appraisal (R^2). In addition to that, the independent variables are good to explain the variation in the dependent variable.
- ▶ The components of independent variable except subjective evaluation affect the dependent variable (employee motivation) and highly influenced by performance evaluation standard (36.7%)
- ▶ Form secondary data, found out that NBE's objectives are cascaded from the banks five years strategic plan up to individual level.
- ▶ NBE use 360 degree feedback technique to evaluate its employees.
- ▶ NBE's internal procedures shows that performance evaluation results are used for training and development and other incentives.

4.2 Conclusion

Human resources are the key to achieve organization goal and through performance appraisal process, organization asses the performance level of their employees. The result could be a useful input for many human resource management practices and the way organizations practice performance appraisal affect the result or the level of motivation. Hence, assessing the effect of all the components that involve in the process of performance appraisal which contributes to the performance result and the influence of performance result on the decision making process that might directly influence employees motivation is necessary.

From the analysis carry out, how the performance appraisal practice affect employees performance were discovered and the following conclusions are drawn from the result gained from descriptive analyses, correlation analysis and multiple regression analysis captured from primary and secondary data.

4.2.1 Conclusion from the descriptive analysis:-

- ◆ There was a higher rate of neutral responses from employees of National Bank of Ethiopia which indicates that employees awareness about performance appraisal system is inadequate,
- ◆ Employees willingness to work in their organization was moderately rated and their willingness to accomplish duties with higher level of effort was higher
- ◆ Employees involvement in objective setting process becomes less and lesser towards their position category from manager level to technical and other position
- ◆ When employees' involvement increases in the objective setting process, employees are more knowledgeable about organization expectation from them.

4.2.2 Conclusion from correlation and regressing analysis

4.2.2.1 Correlation Analysis

- ◆ An increase in the independent variable (objective setting, performance evaluation standard, continuous feedback, and minimum subjective evaluation) results to an increase in the dependent variable (employee motivation)
- ◆ Out of the performance appraisal variables, Performance evaluation standards influence is high on employees' motivation.
- ◆ The researcher failed to reject the null hypothesis i.e. minimizing subjective evaluation has a negative effect on employees' motivation due to inadequate evidence in favor of the alternative hypothesis.

4.2.2.2 Regression Analysis

- ◆ The change in the independent variable, influence a change in employees motivation by 34.4%. It is confirmed that performance appraisal system influence employees motivation. But other factors that are not covered by this research also influence employees' motivation.

- ◆ Each of the independent variables has an influence on the employees' motivation except subjective evaluation.

4.2.3 Conclusion from Secondary Data

- ◆ From the Bank's objective setting system, all objectives are aligned with the five year strategic plan of the Bank and its KPIs or standards are measurable.
- ◆ Since the Bank uses 360 degree evaluation technique, employees are involved in the objective setting process and it is more participatory and follows continuous feedback mechanisms
- ◆ From the Internal Procedures, we can conclude that the performance appraisal result influence employees to continue working in the organization because of the opportunity employee will have by staying in the organization.

4.3 Recommendation

Based on the findings, the following recommendations are given for the effectiveness of performance appraisal system:

- ▶ Management of the bank should understand the impact of performance appraisal on the effectiveness of employee performance and focus on creating awareness about the importance of performance appraisal and its components' contribution for the enhancement of employee motivation.
- ▶ The appropriateness, measurability of standards that are stated to evaluate the performance of employee are more influential for employees motivation, hence, management and team leaders should give priority for its effectiveness.
- ▶ Providing continuous feedback and give employees the opportunity to be heard has a valuable influence in the performance of employees and therefore, it needs adequate follow-up
- ▶ Involving employees in objective setting process positively related to employees motivation in the way that knowing what an organization expects creates an encouraging sprit for accomplishment.

- ▶ Even if factors other than performance appraisal system has higher influence on employees' motivation, the impact of an appraisal system is not an issue that we should ignore, because other factors like financial incentives and training and development opportunities also rely on performance appraisal system effectiveness. Hence, management should be committed enough to work for the effectiveness of performance appraisal system because effective appraisal system improve the level of motivation and also will be an input for other extrinsic and intrinsic motivation factors.

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Appendix 1- Questioner prepared in English

ADDIS ABABA UNIVERSITY
COLLEGE OF COMMERCE
HUMAN RESOURCE MANAGEMENT DEPARTMENT
QUESTIONNAIRS TO BE FILLED BY EMPLOYEES OF NBE

Dear participant:

My name is **BetelehemFekaduAmde** and I am a post graduate student at Addis Ababa University College of commerce. In partial fulfillment of the requirements for Master of Arts in Human Resource Management, I am examining the effects of performance appraisal on employees' motivation in National Bank of Ethiopia. Because you are an employee of the National Bank of Ethiopia, and your response regarding performance appraisal and employees' motivation is valuable for answering my research question, I am inviting you to participate in this research study by completing the attached surveys.

The following questionnaire will require approximately 30 minute. There is no compensation for responding nor is there any known risk. In order to ensure that all information will remain confidential, please do not include your name. Copies of the project will be provided to School of Commerce distance program office. Please answer all questions as honestly as possible and I will collect the completed questionnaires personally. Participation is strictly voluntary and you may refuse to participate at any time.

Thank you for taking the time to assist me in my educational endeavors. The data collected will provide useful information regarding the effect of performance appraisal on employee' motivation. If you require additional information or have questions, please contact me at the number listed below.

Sincerely,

BetelehemFekadu

Phone Number: +251973982494

Instruction:

Please put a tick “ ✓ ” mark for those questions that are followed by choices

Part I: General Information

1. Gender

Male

Female

2. Age

18 – 25 26 – 35 36 – 45 46 – 50 Above 50

3. Educational Level

1 Below High School 2 High School Complete

3 Certificate 4 Diploma

5 First Degree 6 Second Degree

7 Above 2nd degree

4. Experience

1. 1 – 2 Years 2. Above 2 – 5 years

3. Above 5 – 10 years 4. Above 10 years

5. Position Category

1. Senior Executive 2. High and Middle Level Management

3. Professional Staff 4. Clerical 5. Technical and Other

Part II: Effects of performance appraisal on employees' motivation

Please answer the following questions on the scale that indicate the level of agreement or disagreement you have regarding each statements. (1=Strongly Disagree, 2=Disagree, 3=Neutral 4=Agree, 5=Strongly Agree).

No	Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
OBJECTIVE SETTING PROCESS						
6.	I am involved in the objective setting					

No	Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
	process for each rating period					
7.	Goals are realistic and attainable					
8.	I know what my organization expects from me					
PERFORMANCE EVALUATION STANDARDS						
9.	Standard are aligned with the organization objective					
10.	Standard applied for the goals are realistic and measurable and appropriate for the tasks I perform					
11.	The standards are not beyond my performance capacity					
CONTINUOUS FEEDBACK						
12.	Directions and corrective feedbacks are given from supervisors					
13.	My say about the evaluators' feedback is recognized					
14.	The current 360-degree feedback method used in National Bank of Ethiopia provide richer feedback during evaluation					
15.	I'm recognized for the work I perform well					
SUBJECTIVE PERFORMANCE EVALUATION						
16.	The more subjective performance measurement involved, the more biased result I get					
17.	I'm not reliable enough on the					

No	Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
	performance result I get which involve subjective judgments					

Part III - Level of Employees Motivation

Please answer the following questions on the scale that indicate the level of agreement or disagreement you have regarding each statements. (1=Very Low, 2=Low, 3=Moderate 4=High, 5=Very High).

No	Statements	Very Low	Low	Moderate	High	Very High
		1	2	3	4	5
18.	How do you state your degree of willingness to work for National Bank of Ethiopia at present?					
19.	Currently, how do you evaluate (state) your degree of willingness to accomplish your job assignments by exerting the required level of effort?					

Appendix 2- Questioner prepared in Amharic

አዲስ አበባ ዩኒቨርሲቲ
የንግድ ሥራ ትምህርት ቤት
በሰው ሀብት አስተዳደር የድህረ ምረቃ ፕሮግራም

የጥናት መጠይቅ

በሠራተኞች የሚሞላ

የተከበሩ ተሳታፊ

ስሜ ቤተሰብም ፍቃዱ አምዴ ይባላል። በአዲስ አበባ ዩኒቨርሲቲ የንግድ ሥራ ትምህርት ቤት በሰው ኃይል አስተዳደር የሁለተኛ ዲግሪ ተመራቂ ተማሪ ነኝ። ይህ መጠይቅ የተዘጋጀው የሥራ አፈፃፀም ምዘና በሠራተኛ የሥራ እርካታ ላይ የሚያመጣውን ተጽእኖ በተመለከተ በኢትዮጵያ ብሔራዊ ባንክ ላይ ጥናት ለማካሄድ መረጃ ለመስጠት ነው። ይህን መጠይቅ በመጠቀም የሚሰበሰበው መረጃ የሚያገለግለው ሙሉ በሙሉ ለትምህርት ዓላማ መሆኑን ላረጋግጥ እወዳለሁ።

እርሶዎ በእውነተኝነት በሙሉ ልብ እና በሰዓቱ ምላሽ መስጠት ለጥናቱ ከፍተኛ ዋጋ ያለው በመሆኑ ሙሉ ፍላጎት መጠይቁን እንዲሞሉልኝ በማክበር እጠይቃለሁ። በዚህ ጥናት ላይ በመሳተፊዎ የሚደርስበት የታወቀ ችግር እንደሌለና የሚሰጡት ምላሽም በሚስጥር የሚጠበቅ ይሆናል። ተሳትፎዎ ሙሉ በሙሉ በፍቃደኝነት ነው።

ስለትብብርዎ በቅድሚያ አመሰግናለሁ!

የበለጠ ማብራሪያ የሚፈልጉ እንደሆን ከዚህ በታች ባለው አድራሻ ሊያገኙኝ ይችላሉ።

ቤተሰብም ፍቃዱ
ሞባይል - +251973 982494

ከፍል አንድ: አጠቃላይ መረጃ

1. ፆታ:

- 1 ሴት 2 ወንድ

2. በየትኛው የእድሜ ክልል ውስጥ ነዎት?

- 1. 18 – 25 2. 26 – 35 3. 36 – 45 4. 46 – 50
- 5. Above 50

3. የትምህርት ደረጃ

- 1 ከሁለተኛ ደረጃ ትምህርት በታች 3 ሰርተፊኬት
- 2 ሁለተኛ ደረጃ ትምህርት ያጠናቀቀ 4. ዲፕሎማ

5 የመጀመሪያ ዲግሪ

6 ማስተርስ ዲግሪ

7 ከማስተርስ ዲግሪ በላይ

4. የአገልግሎት ዘመን

1) 1 – 2 ዓመታት

2) ከሁለት በላይ እስከ 5 ዓመታት

3) ከአምስት በላይ እስከ 10 ዓመታት 4) ከ10 ዓመታት በላይ

5. በባንኩ ውስጥ በምን የሥራ ደረጃና ኃላፊነት ይገኛሉ?

1) የበላይ አመራር

2) ከከፍተኛ እስከ መካከለኛ አመራር

3) ንግድ ስራ ሠራተኛ

4) ከለሪካል

5) የእጅ ሞያና ሌሎች

ክፍል ሁለት: የሥራ አፈፃፀም ምዘና በሠራተኛ የሥራ እርካታ ላይ የሚያመጣውን ተጽእኖ በተመለከተ በኢትዮጵያ ብሔራዊ ባንክ ሠራተኞች የሚሞላ መጠይቅ

የሥራ አፈፃፀም ምዘና በሠራተኛ የሥራ እርካታ ላይ የሚያመጣውን ተጽእኖ ለማወቅ ይረዳ ዘንድ ከዚህ በታች በሠንጠረዥ ውስጥ በተገለፁት እያንዳንዱ ዓረፍተ ነገር ትይዩ የቲክ "✓" ምልክት በማድረግ የስምምነትዎን ደረጃ ያሳዩ።

ለስምምነት ደረጃው የተሰጠው ነጥብ 5 = በጣም እስማማለሁ 4 = እስማማለሁ

3 = ገለልተኛ 2 = አልስማማም

1 = በጣም አልስማማም

ተ.ቁ.	ዓረፍተኛ ነገር	በጣምአልስማማም	አልስማማም	ገለልተኛ	እስማማለሁ	በጣምእስማማለሁ
		1	2	3	4	5
ዓላማን የማስፈፀም ሂደት						
6.	በእያንዳንዱ የምዘና ጊዜ በአፈፃፀም ኢላማ ላይ ተሳታፊ ነኝ					

ተ.ቁ.	ዓረፍተኛነር	በጣምአልሰማ	አልሰማም	ገለልተኛ	እስማማለሁ	በጣምእስማ
		1	2	3	4	5
7.	ለሥራ የሚቀመጡ ግቦች መፈፀም የሚችሉ ናቸው።					
8.	መሰሪያ ቤቱ ከእኔ ምን እንደሚጠብቅ አውቃለሁ					
የሥራ ምዘና መለኪያዎች						
9.	የሥራ ምዘና መለኪያዎች ደረጃውን በጠበቀሁኔታ ከድርጅታዊ ዓላማ ጋር የተጣጣመ ነው					
10.	ለዓላማዎቹ የተዘጋጁት የሥራ መመዘኛ መለኪያዎች በተጨማሪም ሊለካ የሚችል እና ከተሰጠኝ ሥራ ጋር የተጣጣመ ነው።					
11.	የሥራ ምዘና መለኪያዎች ለመፈፀም ከምችለው በጣም እርቀው የተቀመጡ አይደሉም					
ተከታታይ ግብረ-መልስ						
12.	ለሥራ ተገቢ የሆነ አቅጣጫና ግብረ-መልስ ከቅርብ አለቃ አገኛለሁ።					
13.	ከመዛኙ በሚሰጠኝ ግብረ መልስ ላይ የራሴን እይታ እንድንገልፅ እበረታታለሁ					
14.	በአሁኑ ወቅት የኢትዮጵያ ብሔራዊ ባንክ የሚጠቀምበት የ360 ዲግሪ የምዘና መንገድ የሥራ አፈፃፀም ውጤቱን የተሻለ ገላጭ ያደርገዋል።					
15.	ለማሳየው ጥሩ የሥራ አፈፃፀም ከቅርብ አለቃ እንዲሁም በመ/ቤቱ እውቅና አገኛለሁ።					
የግል እይታና ግምገማን የሚጠይቁ የአፈፃፀም መመዘኛዎች						
16.	በመዛኙ የግል እይታ እና ግምገማ የሚሠጡ የአፈፃፀም ውጤቶች በአብዛኛው የተዛባና ትክክለኛ ያልሆነ ውጤት አንዲኖር ያደርጋል።					
17.	በመዛኙ የግል ግምገማና እይታ ላይ በመመሥረት የሚሠጥ ውጤት ትክክለኛነት ላይ መተማመን የለኝም					

ክፍል ሦስት፡ በኢትዮጵያ ብሔራዊ ባንክ ውስጥ ያሉትን የእርካት መጠን ከዚህ በታች በተቀመጡት ዓረፍተ ነገር የቲክ "✓" ምልክት በማድረግ ምላሽዎን ይሰጡ

ተ.ቁ.	ዓረፍተኛ	በጣምዘቅተኛ	ዝቅተኛ	መካከለኛ	ከፍተኛ	በጣምከፍተኛ
		1	2	3	4	5
የሠራተኞች እርካታ						
18.	በመስሪያቤት ውስጥ ቆይተው ለመሥራት ያለውን ፍላጎት እንዴት ይለኩታል?					
19.	በአሁኑ ሰዓት የተሰጥዎትን ሥራ በሙሉ ፈቃደኝነትና ተገቢ ችሎታዎን ተጠቅመው ለመስራት ያለውን ተነሳሽነት እንዴት ይገመገሙታል?					

Appendix 3- Cronbach Alpha result

Result of Independent Variables

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.753	.766	12

Item Statistics

	Mean	Std. Deviation	N
MUTUALLY SET GOALS FOR EACH RATING PERIOD	3.1250	1.12310	232
GOALS ARE REALISTIC AND ATTAINABLE	3.1422	.92654	232
KNOWING ORGANIZATIN EXPECTATION	3.8103	.86704	232
STANDARD ARE ALIGNED WITH ORGANIZATION OBJECTIVE	3.6552	.66585	232
STANDARDS ARE REALISTIC AND MEASURABEL AND APPROPRIATE FOR THE TASK I PERFORM	3.5733	.88946	232
STANDARDS ARE NOT BEYOND MY CAPACITY	3.6724	.89998	232
DIRECTION & CORRECTIVE FEEDBACK ARE GIVEN FROM SUPERVISORS	3.4526	.89607	232
MY SAY ABOUT THE EVALUATORS' FEEDBACK IS RECOGNIZED	3.3147	.98480	232

360 DEGREE FEEDBACK METHOD PROVIDE RICHER FEEDBACK	3.2241	.97222	232
MORE SUBJECTIVE PERFORMANCE MEASUREMENT INVOLVE THE MORE BIASED RESULT	3.8060	1.06959	232
NOT RELIABLE ENOUGH ON THE PERFORMANCE RESULT I GET WHICH INVOLVE SUBJECTIVE JUDGEMENTS	3.7371	1.03815	232
I AM RECOGNIZED FOR THE WORK I PERFORM WELL	3.5862	1.04917	232

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.720	.724	2

Item Statistics

	Mean	Std. Deviation	N
STATING DEGREE OF WILLINGNESS TO WORK FOR NATINAL BANK OF ETHIOPIA	3.2457	.74728	232
EVALUATE DEGREE OF WILLINGNESS TO ACCOMPLISH JOB ASSIGNMENTS BY EXERTING THE REQUIRED LEVEL OF EFFORT	3.8621	.84665	232

Appendix 4- Assumptions result for Regression Analysis

1. Multicollinearity Test

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	Objective Setting	.685	1.460
	Continuous Feedback	.699	1.431
	Subjective Evaluation	.975	1.026

a. Dependent Variable: Performance Evaluation standards

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	Continuous Feedback	.948	1.055
	Subjective Evaluation	.988	1.012
	Performance Evaluation standards	.937	1.067

a. Dependent Variable: Objective Setting

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	Subjective Evaluation	.977	1.023
	Performance Evaluation standards	.844	1.185
	Objective Setting	.837	1.195

a. Dependent Variable: Continuous Feedback

Coefficients^a

Model	Collinearity Statistics	

	Tolerance	VIF
1 Performance Evaluation standards	.846	1.181
Objective Setting	.628	1.593
Continuous Feedback	.703	1.423

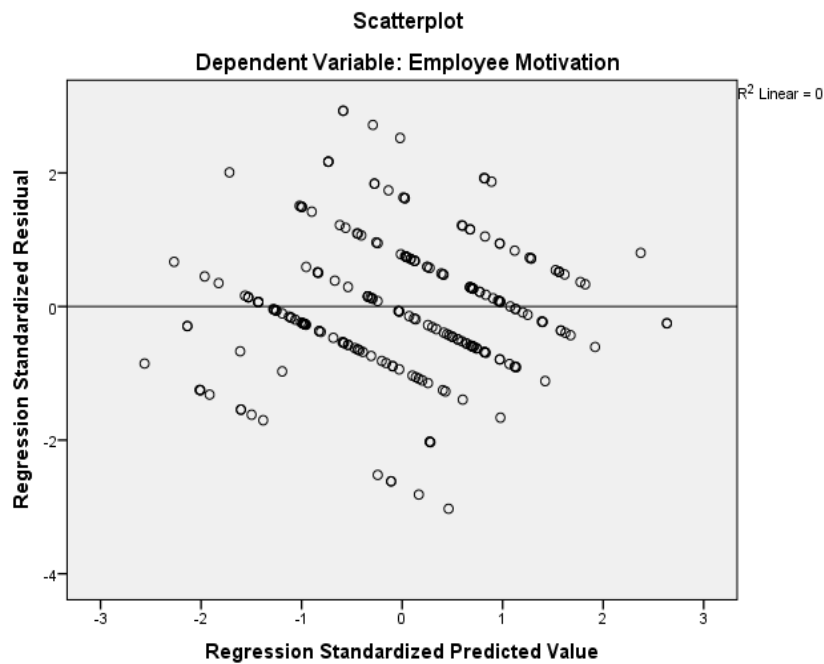
a. Dependent Variable: Subjective Evaluation

2. Homoscedasticity Test

Model	Variables Entered	Variables Removed	Method
1	Performance Evaluation standards, Subjective Evaluation, Continuous Feedback, Objective Setting		Enter

a. Dependent Variable: Employee Motivation

b. All requested variables entered.



3. Independent Observation Test

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.587 ^a	.344	.333	.57651	1.572

a. Predictors: (Constant), Performance Evaluation, Subjective Evaluation, Continuous Feedback, Objective Setting

b. Dependent Variable: Employee Motivation