



DEBRE MARKOS UNIVESITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

POSTGRADUATE PROGRAM

MBA

**THE EFFECT OF PERFORMANCE APPRISAL PRACTICE ON EMPLOYEE
PERFORMANCE: THE CASE OF JABI TEHINAN WOREDA**

**A THESIS SUBMITTED TO DEBRE MARKOS UNIVERSITY; COLLEGE OF
BUSINESS AND ECONOMICS; DEPARTMENT OF MANAGEMENT IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR MASTERS DEGREE IN BUSINESS
ADMINISTRATION (MBA)**

BY: TAZEBEW ATINAFU BELAY

ADVISOR: - DEREJE M. (PhD CANDIDATE)

SEPTEMBER, 2022 G.C

BURIE, ETHIOPIA

DECLARATION

I, the undersigned, declare that this thesis is my original work and not been presented for a degree in any other university, and that all sources of materials used for the thesis have been duly acknowledged.

Name: Tazebew Atinafu Belay

Signature: _____

Place: Debre Markos University, College of Business and Economics

Date of Submission: Septmber, 2022

ADVISOR’S APPROVAL SHEET

This is to certify that the thesis prepared by Tazebew Atinafu Belay, entitled “Effect of Performance Appraisal practice on the Employee performance: in the case of Jabitehinan Woreda.” Prepared and submitted in fulfillment of the requirements for the Degree of Master of Business Administration and has been under my supervision. Therefore I recommended that the student has fulfilled the requirements and hence here by can submit the thesis to the department for defense.

Advisor-----Signature -----Date-----

EXAMINERS' APPROVAL SHEET

We the examiners' board approve that this thesis has passed through the defense and review process.

Name of Chairperson of Board of Examiners Signature Date

Name of External Examiner Signature Date

Name of Internal Examiner Signature Date

ACKNOWLEDGMENTS

First and for most, I would like to provide gratitude to my advisor Dereje (PhD candidate) for his guidance and comments in this research. Without his assistance this study would not have been realized.

Secondly, My heart full thanks to my dears Yibeltal Birhanie and co-workers of my office members for their fruitful advise and material support, who were a source of immense moral and also technical assistance during their work, in order to make this thesis successful.

Lastly, I would like to extend my appreciations to Jabitehinan Woreda administrative office public sector organizations' employees and team supervisors who helped me in collecting data for this study.

Table of Contents

DECLARATION.....	i
ADVISOR’S APPROVAL SHEET.....	ii
EXAMINERS’ APPROVAL SHEET.....	iii
ACKNOWLEDGMENTS.....	iv
LIST OF TABLES.....	vii
LIST OF FIGURES.....	viii
LIST OF ACRONYMS.....	ix
ABSTRACT.....	x
CHAPTER ONE.....	1
INTRODUCTION.....	1
1.1 Background to the Study	1
1.2 Statement of the Problem	3
1.3 Basic Research questions	6
1.4 Objectives of the study	6
1.4.1 General Objective.....	6
1.4.2 Specific Objectives.....	6
1.5 Significance of the study	7
1.6 Scope of the study	7
1.7 Limitation of the study	7
1.8 Definition of key terms	8
1.9 Organization of the study.....	9
CHAPTER TWO.....	10
2. Literature Review.....	10
2.1 Introduction.....	10
2.2 Performance Management and Performance Appraisal	10
2.2.1 Definition of Employee Performance.....	10
2.2.2 Definition of Performance Appraisal.....	11
2.2.3. Performance appraisal system.....	12
2.2.4 Types of performance appraisal system.....	13

2.2.5 Purposes of performance appraisal.....	13
2.2.6. Performance Appraisal Process.....	14
2.2.7 Methods for Appraising Employee Performance.....	14
2.2.8 Challenges involved in Performance Appraisal.....	20
2.3 Theory of performance management and Performance appraisal.....	21
2.3.1 Management by Objectives Theory (MBO).....	21
2.3.2 Procedural Justice Theory.....	21
2.3.3 The Goal Setting Theory.....	22
2.4 Objective setting and Employee Performance.....	23
2.5 Rater Accuracy and Employee Performance.....	24
2.6 Feedback and Employee Performance.....	25
2.7 Appraisal Method and Employee Performance.....	26
2.8 Empirical Review of the study.....	27
2.9 Research Hypothesis.....	28
2.10 The Conceptual framework.....	28
CHAPTER THREE.....	30
RESEARCH METHODOLOGY.....	30
3.1 Research Approach.....	30
3.2 Research Design.....	30
3.3 Population and Sampling Frame.....	30
3.4 Sampling and Sampling Techniques.....	31
3.5 Data Sources and Methods of Collection.....	33
3.5.1 Data Sources and Types:.....	33
3.5.2 Data Collection Methods.....	33
3.5.3 Data Collection Procedure.....	33
3.6 Methods of Data Analysis.....	34
3.7 Model specification.....	34
3.8 Validity and Reliability.....	35
3.9 Ethical Consideration:.....	35
ANALYSIS AND INTERPRETATION OF DATA.....	36
4.1. Response Rate.....	36
4.2 Demographic profile of respondents.....	36

4.3 Descriptive analysis of performance appraisal practice based on measurement variables.....	39
4.4 The Relationship between performance appraisal and employee performance.....	42
4.6. Regression Analysis and Hypothesis Testing.....	44
4.6.1. Regression Model Diagnosis.....	44
4.6.2 Model summary.....	49
4.6.3 ANOVA (Analysis of Variance).....	50
4.6.4 Regression Coefficient Analysis.....	51
4.7 Discussion of hypotheses.....	52
4.9. Summary of Hypotheses Tested.....	54
CHAPTER FIVE.....	56
Conclusions; Recommendations and Suggestions.....	56
5.1. Summary.....	56
5.2 Conclusions.....	57
5.3 Recommendations.....	58
5.4 Suggestion for Further research.....	60
Appendix1 English version Questionnaire.....	xii
Part One- Questions related to the research objectives.....	xiii
Part two Amharic Question.....	xvi
Part Three: Interview Questions.....	xxi

LIST OF TABLES

TABLES	PAGE
Table 3.1. Population of sample and sample size of the study.....	23
Table 3.2 Reliability statistics.....	26
Table 4.1. Response Rate of respondents.....	27
Table 4.2 Demographic profiles of respondents.....	28
Table 4.3 Descriptive statistics.....	30
Table 4.4 One-Sample Statistics.....	31
Table 4. 5: Rules of Correlation Coefficients.....	33
Table 4.6 Relationship between performance appraisal practices and employee performance....	34
Table 4.7 Multicollinearity Test.....	36
Table 4.8. model summary.....	40
Table 4.9 Summary of ANOVA ^a	41
Table 4.10. Regression coefficients.....	41
Table 4.11: Summary of Hypotheses Tested.....	46

LIST OF FIGURES

FIGURES	PAGE
Figure 2.2 conceptual framework of the study.....	20
Figure 4.1: Scatter Plot Regression.....	37
Figure 4.2. Histogram for Residual Normality Test.....	38
Figure 4.3: - normal P-P plot of regression standardized residual.....	39

LIST OF ACRONYMS

OS = Objective setting

RA = Rater accuracy

FB = Feedback

AM = Appraisal method

EP = Employee Performance

Std. deviation = Standard deviations

SPSS = Statistical package for social science

HRM = Human resource management

HR = Human resource

MBO = Management by objective

DMU = Debre Markos University

ABSTRACT

This study was aimed at investigating the effects of performance appraisal practices on employee performance in Jabi tehinan Woreda. To this end mixed research method and descriptive and explanatory research design were employed in which 318 questionnaires were administered to participants selected by stratified random sampling technique from twenty three (23) public sector organizations. Questionnaires contain both close and open ended items targeting for both qualitative and quantitative data, an interview were also conducted as a means of data collections. Both employee performance and performance appraisal practices were measured by Likert scale and appraisal methods, feedback , objective setting, rater accuracy and employee performance adopted as an operational variable to measure performance appraisal practices and its effects on employee performance. Descriptive and inferential statistics were used for data analysis. In descriptive analysis frequency, percentage, mean and standard deviations were applied to assess the current practices of performance appraisal practices in Jabi Tehinan Woreda public sectors and in inferential analysis Pearson's correlation and multiple regressions were used to investigate both relationship and effects of performance appraisal practices on employee performance as per the objective of this study. The findings from inferential statistics indicated that performance appraisal practices has positive relationship and can significantly affects in employee performance of Jabi Tehinan Woreda the plans and goals of sectors should be able to go down from the bottom up as well as from the top down, evaluators should be evaluates based on adequate knowledge and skills, regular feedback should be given by employees based on performance and it is expected to increase decision-making by increasing the participation of employees in the evaluation process.

Key Words: objective setting, rater accuracy, appraisal methods, feedback and employee performance

CHAPTER ONE

INTRODUCTION

This chapter provides an overview of the study. It would help to capture the whole picture of the research, such as the background of the study, statement of the problem, research questions, research hypothesis and objectives of the study, significance of the study, scope (delimitation) of the study and operational definition of key terms.

1.1 Background to the Study

In the modern world now days, the importance of high performing and motivated employees is very high on the performance of an organization. The traditional way of measuring employee performance maybe once or twice a year doesn't bring the necessary result in motivating and stretching the expectation of the employees to escalate their performance accordingly. Employee performance as defined by Ibeogu and Ozturen (2015) is a goal-oriented process to ensure that the employee, team and organizational objectives are met. Most organization considers maximizing performance as critical priority and hence it is important to achieve that through the employees. Some of the employee performance systems to be used are training, appraisal, and rewards which are incorporated as HR functions with a common goal of having competent and performing employees (Kariuki & Murimi, 2015).

Performance appraisal is defined as a systematic process that helps to evaluate past and current employees' performance and identifying employee's potential for further growth and advancement within the organization's career ladder (Igbojekwe and Ugo-Okoro, 2015). Performance appraisal systems is supposed to be job related, have a rationale where employees and the management collectively discuss improvement and encourage employees to participate in the process. If not well planned, this process can be a negative process of mere form filling where the managers only receive negative feedback and hence don't spent time giving the employees feedback and in other cases, managers discrediting the process.

Effective performance management in the public service requires specific tools and deliberate measures. The aim of performance management is to improve service delivery through effective and efficient application of resources. Employees' performance determines company's success,

conducting employee performance appraisal ought to be done appropriately and regularly in order to improve quality of work, reduce employee dissatisfaction and decline in work performance. (Shrestha, S. & Chalidabhongse, J.2006).

In order for an organization to achieve its objectives, planning of the appraisal process is an important subject who should be undertaken to enable it achieves the objectives like work force development, including improvements, promotions and assignments in managerial positions, persuasion and punishment, salary increase, personnel's performance feedback and determining their educational needs (Ilgen & Schneider, 2014).

Therefore, an appraisal can be considered as an important factor in identifying the people's talents and capacities and its results can make them aware of advancements, plans and goals. An organization, itself, needs to detect the employee's efficiency to improve the manpower's status, for the purpose of increasing the volume of the production and services and making positive changes in its trend (Kavussi Shal, 1999).

Performance appraisal measurements that accurately and purposely reflects employee performance is not an easy. The rater systems should thus be tailored to match employee and organizational expectations and characteristics. In most organizations, performance ratings are based on rater evaluations, which are subjective to human judgments, personal factors and attitudes which most likely can influence the rating outcome (Prowse & Prowse, 2015). According to Levy and Williams (2014), the results of the appraisal will define the reaction of the subordinates towards the ratings. As observed by Johnson (2015), evaluators' fairness on appraised subordinates as well as the attributions concerning their behaviors, mediates a good relationship between employees and the performance appraisal raters. Poor performance evaluations which are subjective and bias in ratings will not have the desired effect leading to an overall poor performance of an employee. It is recommended that there should be frequent meetings between the rater and rate, held in order to develop time action plans and ensure that performance appraisal used is effective efficient.

The informational factors on employee appraisal as asserted by Fletcher and Williams (2016), depicts the quality of interactions and communication between the rater and the employee during the appraisal exercise influences the effectiveness of performance appraisal practices. According

to Longenecker (2017), employees need to be informed back on their areas of competency and the overall progress their overall progress in the organization. The feedback need to be specific, at the right time and should be against the pre-determined expectations from the performance. Every employee has the right to know how they are progressing and performing their duties assigned to them. The feedback need to be given continuously and in accordance to the time period; either annually, quarterly, monthly or weekly (Lee, 2015). When giving feedback, organizations should focus on developing staff to improve their morale, progress in their carrier fields and ultimately enhance the organization performance Rewards should represent important mechanisms by which employee behaviors can be aligned with the interests of the organization, (Eisenhardt, 2015). The effectiveness of any organization is dependent on the quality of its employees. The right people must be originally selected into the organization, motivated to works; and sound personnel promotion and training decisions must be made in filling non-entry level. An effective personnel performance evaluation system is a crucial cornerstone in this process, as it provides the data needed for most of the required administrative decisions.

1.2 Statement of the Problem

Many research has been done about the linkage between human resource management (HRM) and an organizations performance management as well as the effects and the relationship of performance appraisal with that of employee performance both in an international level of research as well as in Ethiopian academic institutions (mostly for thesis purpose). However the question of how, has received much less attention.

The main challenge to that faces managers in many organizations is how to get highest performance from their employees. Performance appraisal, therefore, seems to be expected. In the absence of a carefully structured system of appraisal, people will tend to judge the work performance of others, including subordinates, naturally, informally and subjectively. The human liking to evaluator without a structured performance management system can create serious motivational, ethical and legal problems in the employees as well as on workplace (Bob Cardy, 1997). In these case, without a structured performance management system, there is little chance of ensuring that the judgments made will be legal, fair, justifiable and accurate. Maximizing the performance of organizations is the main issue for an organization (Bob Cardy, 1997).Good

organization performance refers to the employee's performance. Satisfactory performance of employees does not happen automatically.

One of the major concerns of any organization is to attain maximum performance. Employees' performance is determined by a number of factors like managerial standards, Knowledge and Skill, Commitment and Performance appraisals effecting employee's performance (Lillian & Sitati 2011).

To appraise effectively, managers must spot problems, but management is required to provide constructive feedback, and take proper corrective actions to improve employee performance Longenecker (2017). Unfortunately, management often finds it extremely difficult to make appraisers' to disentangle individual contributions from those of the work team while avoiding judgments based on a personality bias. Issues such as being a strict or lenient appraiser, having likes and dislikes, as well as having a political agenda make a mess of the appraisal system and frequently lead to De motivation and low employee performance (Prowse & Prowse, 2015). Another challenge of performance appraisal is that most organizations conduct appraisals half-yearly or quarterly, in such cases, they are unable to capture the real employee performance because of time lag and other inconsistencies (Lee, 2015). Almost always, on half- yearly appraisals, what is done is based on the appraisers' subjective judgment rather than based on objective indicators of performance. It has been argued initially that performance appraisal is an important component in measuring and improving organizational performance and consequently employee performance. However, it has also been argued that when the appraisal is done devoid of proper appraisal criteria, feedback and a reward system; staff morale, motivation and performance may be significantly negatively affected (Kariuki & Murimi, 2015).

Three notable and recent studies have been done on performance appraisal and employee performance. The first study was done by Jocelyn, Kimanichege, and Musiega (2013) on the effects of performance appraisal on employee productivity of Mumias Sugar Company in Kenya. The study found out that there is a significantly positive influence of performance appraisal on organizational efficiency. However, the study did not consider the important and particular constructs of performance appraisal that are rewards, feedback and appraisal criteria and how they influence performance of employees as this study did. The second study was much recently done by Zafrullah, Khan, and Irfanullah (2017) on the influence of performance appraisal on

employee performance with a moderating consideration reward systems of motivating employees working in commercial banks in Pakistan. The study found out that aspects of feedback and appraisal criteria had a positive effect on employee performance. The above mentioned studies focused in most cases on other organizations apart from public sector organizations. Also, all the above-mentioned studies and many others have looked at the private sector but none in the public sector and hence this study was very important. Thus, the study sought to establish the influence of performance appraisal on employee performance in public sector organization of Jabi Tehinan Woreda, West-Gojjam zone, Amhara regional state.

As per the study cited on (Belete G. et.al, 2014) Performance appraisal system has many or multidimensional problems in Ethiopian institutions context; there is no written policy about the performance appraisal system and the objective of performance appraisal & there is no standard set to which the performance appraisal result is to be compared with it. Again there is no training given for both appraisers and appraisees about how to conduct performance appraisal and its objective (Belete G. et.al, 2014). According to the research findings, most institutions have not been using the performance appraisal procedures and standards Meseret Yazachew (2007, p. 77). Decenzo & Robbins, (2010) indicated that performance appraisals must convey to employees how well they have performed on established objectives. It's also desirable to have these objectives and performance measures mutually set between the employee and the supervisor. Without proper two-way feedback about an employee's effort and its effect on performance, we run the risk of decreasing his or her performance. From the researcher's experience and observation in public organizations of Jabi Tehina Woreda, implementing performance appraisal procedures and standards, rater knowledge and skill, giving timely and relevance feedback, consider the reward system of employees performance and objectives of the institutions in line with employees performance is too limited. Therefore, this study will be designed to investigate the effects of performance appraisal practice in employee performance of Jabi Tehinan Woreda. To this end, the study will mainly employed descriptive research design approach while this study also tested for relationships through inferential statistics of correlation and regression to show how component variables of performance appraisal practice effects such as like objective setting, rating accuracy, appraisal methods, and feedback that influences on employee performance in Jabi Tehinan Woreda. The study will focused on answering the following basic research questions.

1.3 Basic Research questions

In order to address the stated research problems, the following research questions were developed:-

1. How does an appraisal method affect the level of employee performance in the case of jabi tehinan woreda public sectors?
2. How does feedback affect the level of employee performance in the case of jabi tehinan woreda public sectors?
3. What is the effect of objective setting practice of performance appraisal on employee performance in the case of jabi tehinan woreda public sectors?
4. Does the accuracy of rating have an impact on employee performance in the case of jabi tehinan woreda public sectors?

1.4 Objectives of the study

1.4.1 General Objective

The main objective of this study is to assess the effect of performance appraisal on employee performance practice in the case of jabi tehinan woreda public sectors.

1.4.2 Specific Objectives

The study has the following specific objectives:-

- ❖ To examine the effects of appraisal methods on performance of an employees in Jabi Tehinan Woreda Public Sectors.
- ❖ To investigate the impact of feedback on employee performance in Jabi Tehina Woreda public sectors.
- ❖ To investigate how objective setting affect the performance of employees in Jabi Tehinan Woreda Public Sectors
- ❖ To examine the effects of raters accuracy on performance of an employees in Jabi Tehinan Woreda Public Sectors.

1.5 Significance of the study

This study brings into light employees understanding and appreciation of the employee performance management and the relevance of an appraisal method, objective setting, rater accuracy, and feedback for the effectiveness of employee performance.

Although the primary purpose of this study is for academic use it is expected that findings from this study will be important to the management and Jabi Tehinan Woreda Public Sectors.

As well as to other organizations especially those who are found in the same Public Sectors, to understand how performance management should be managed and its importance for the improvement of employee performance if a well-structured performance management is exercised. Advantage the findings of the study would contribute to knowledge and literature and can also serve as a stepping stone for future researchers who will be interested in related studies.

1.6 Scope of the study

Even though many researches were conducted on the effect of performance appraisal practice on employee performance existed in many areas, the study will be delimited in Amhara regional state, West Gojam Zone Jabi Tehinan Woreda. To study the effect of performance appraisal practice on employee performance the researcher will take twenty three (23) public sectors in Jabi Tehinan Woreda. In order to minimize little time, materials and efforts the researcher will use random sampling techniques. Besides this, the content of the study would delimit to the performance appraisal practice the effects on (Setting objective, Rater accuracy, feedback and appraisal methods) on the employee performance.

1.7 Limitation of the study

The thesis was concentrated on the effect of performance appraisal on employee performance related to objective setting, appraisal methods, rater accuracy and feedback thus, this brought questions about other factors that will have an impact in this context. In addition this study will be complete based on jabi tehinan woreda public sectors which also raise a question of generalization in to other woreda public sectors organizations.

In addition data will be collected from individual employees using questionnaires and the main findings is only based on these employees perception on the performance appraisal system of the public sectors. As a result, the generalizability of the findings in to other similar areas will be an issue.

1.8 Definition of key terms

Performance Appraisal: is a measurement of work and its results by using the scale and index so that we can measure the desired quantity and quality with precision and free of personal judgments and vague criteria of evaluation. Measurement of an activity is done by activity and comparison of its results with a criterion that we can evaluate the desired quantity and quality precisely. Performance is the way through which employees perform their duties and the evaluation is judging the performance of employees. (Scott, 2009)

Employee Performance: is job related activities expected of a worker and how well those activities were executed. Performance criteria are standards for employee behavior at work. This criteria contains much more than how an employee does the work. Employees are rated on how well they do their jobs compared with a set of standards determined by the employer.

Performance Management: is a systematic process for improving organizational performance by developing the performance of individuals and teams. It is a means of getting better results by understanding and managing performance within an agreed framework of planned goals, standards and competency requirements. Processes exist for establishing shared understanding about what is to be achieved, and for managing and developing people in a way that increases the probability that it will be achieved in the short and longer term. It is owned and driven by line management. (Armstrong, 2009)

Objective Setting: Objectives or goals define what organizations, functions, departments and individuals are expected to achieve over a period of time. It results in an agreement on what the role holder has to achieve and is an important part of the performance management processes of defining and managing expectations.

Rater Accuracy: on its dictionary term accuracy is the degree to which the result of a measurement, calculation, or specification conforms to the correct value or a standard. Rater

accuracy related with perceived fairness, consistency of measuring employee contribution to the job, removing error/biasness.

Feedback: This is the information about the employee's past experience and outcomes that the manager gives to the employees (Solmon and Podgursky, 2010).

Appraisal method: Performance appraisal is a formal, structured system that compares employee performance to established standards. Valuation of job performance is shared with employees being appraised through one of the several primary methods of performance appraisal. Elements in performance appraisal methods are associated to the organizations employees, jobs, and structure. Mahapatro (2010) showed that for an appraisal method to be successful, it should have a clearly defined and explicitly communicated standards or expectations of employee performance on the job.

1.9 Organization of the study

The study was organized in to five chapters. The first chapter dealt with the problem and its background as well as objectives of the study. The second chapter contained review of related literatures while the third chapter provides readers the research design, methodologies and tools of the study. The fourth chapter is concerned with presentation, analysis and interpretation of data while summary of findings, conclusion and recommendations are covered under chapter five.

CHAPTER TWO

2. Literature Review

2.1 Introduction

Employee performance is originally what an employee does or does not do. Performance of employees could include: quantity of output, quality of output, timeliness of output, presence at work, cooperativeness (Gungor, 2011).

The effectiveness of any organization is dependent on the quality of its employees. The right people must be originally selected into the organization, motivated to works; and sound personnel promotion and training decisions must be made in filling non-entry level. An effective personnel performance evaluation system is a crucial cornerstone in this process, as it provides the data needed for most of the required administrative decisions. This system plays a key role in motivating people to utilize their abilities in pursuing the organization's goals (Musgrove & Creighton, 2015). Organizations are mostly interested in high performance of its employees that leads to attainment of their goals and a competitive advantage (Frese, 2016). High employee's performance leads to organization success and has greater opportunities for employees than those who have low performance (Vans, 2016). Performance appraisal should emphasize on the performance variables not on personal traits, employees must believe that in performance appraisals their efforts can be highly recognized and rewarded, hence creating great opportunity for them in the organization (Weick, 2016).

These human resources can be a source of competitive strength if managed effectively". Performance appraisals are one of the most important HRM processes (Kauhanen 2010; Sumelius et.al. 2014).

2.2 Performance Management and Performance Appraisal

2.2.1 Definition of Employee Performance

Performance means both behaviors and results. Behaviors emanate from the performer and transform performance from abstraction to action. Not just the instruments for results, behaviors

are also outcomes in their own right the product of mental and physical effort applied to tasks and can be judged apart from results (Armstrong, 2006).

From (Deadrick & Gardner, 1997) points, employee performance could be defined as the record of outcomes achieved, for each job function, during a specified period of time. If viewed in this way, performance is represented as the distribution of outcomes achieved, and performance could be measured by using a variety of parameters which describe an employee's pattern of performance over time. Borman and Motowidlo (2015) differentiate between work and performance. Work relates to the abilities through which employee performs activities that contribute to the technical core. Performance is not related to the technical core characteristics but it cares about the organization psychological environment and social environment which organizations achieve objectives. It involves behaviors such as helping colleagues or being a reliable member of the organization (Frese, 2016). Performance is not only related to the actions but also involves judgment and evaluation process (Ilgen & Schneider, 2014). The activities that can be examined and measured are reflected as performance (Campbell, 2015). The general Performance Characteristics includes; communication ability which refers to the effectiveness with which the employee presents accurate information both verbally and in writing (Borman & Motowidlo, 2015). Relationships with others involve the extent to which the employee establishes positive interactions with co-workers (example, being a good team worker, philanthropic, being tactful and courteous with co-workers). Ability to Work without Supervision is also a characteristic that shows the extent to which the employee can work by himself/herself; requiring very little supervision and is self-sufficient in assuming the duties of the job (Frese, 2016) Some characteristics include accuracy of work, which entails the degree to which the employee makes mistakes or errors that require correction.

2.2.2 Definition of Performance Appraisal

A performance appraisal refers to the comparison of an employee's actual delivery against the expectations in order to determine their contribution to the organization's overall performance as well as make administrative decisions regarding promotions, remunerations and job rotations. Previously it was being conducted annually but in the modern era, it is a practice being conducted frequently (Karuja & Mukuru, 2013).

In the modern era, the managers are providing employees with continuous real time feedback in order to improve their skill development and job performance. Some of the information used to rate an employee are job incidents, sales reports and ratings. According to Karuja and Mukuru (2013) most organizations are considering the evaluative aspects of performance appraisal which overlooks the role of facilitative employee development, training and salary administration. Kelemba, Chepkilot and Zakayo(2017) places performance management as a crucial task for not only the managers, but also individuals in the modern labor setting. It is a common practice among companies especially at the management level. In the process, there have however been conflicts between the evaluative role and development role of the approach. A good performance appraisal approach should therefore be able to relate to the strategic goals of the organization, focus on organizational output as well as provide a basis for feedback for improvement.

2.2.3. Performance appraisal system

Performance appraisal is a formal, structured system that compares employee performance to established standards. Valuation of job performance is shared with employees being appraised through one of the several primary methods of performance appraisal. Elements in performance appraisal methods are associated to the organizations employees, jobs, and structure. They include objective criteria with the purpose of scaling employee performance and ratings that summarize good the performance of employee is. Mahapatro (2010) showed that for an appraisal method to be successful, it should have a clearly defined and explicitly communicated standards or expectations of employee performance on the job.

He further indicted that performance appraisal includes encouraging risk taking, demanding innovation, generating or adopting new tasks, peer evaluation, frequent evaluations, and auditing innovation processes. He believes, this strategy appraises individual and team performance so that there is a link between individual innovativeness and company profitability. It is also important to consider, which tasks should be appraised and who should assess employees' performance.

Similarly, Cleveland, Murphy, & William, (1989) believe Performance appraisal establishes reward system that will combine the effort of leaders and the worker of organization to the common goals of their organizations. They indicated, performance appraisal is very important

Component of human resource management in order to attain high performance goal of organization.

2.2.4 Types of performance appraisal system

Traditional and non-traditional forms are the different techniques that are used for performance appraisal. IJBMR (2012) reported that the traditional form of appraisal is involved in overseeing and description of employee performance by the boss or superior. Since last few years the non-traditional form of appraisal is becoming more common in practices (Coens and Jenkins, 2000; Lawler, 2000). Assessment center involves the informal events, tests and assignment that are given to the group of employees to evaluate their competencies (Ijbmr, 2012). On the other hand, Dargham (2000) defined that Anchored Rating Scales is new method that comprises predetermine critical areas of performance or it is set of behavior statements that describe important job qualities what is good and what is bad. Furthermore, in Human resource accounting method the performance of employee is evaluated based on the contribution and cost of employees (Ijbmr, 2012). According to Sharma (2012) 360 degree involves the feedback of employee's performance by anyone who has contact with employee in the organization. In 360-degree Self-appraisal, Superior appraisal, Subordinate appraisal, Peer appraisals are included. This method is less structured compared to the traditional method which focuses on the rankings and ratings less, and more on arranging meetings between employees and supervisors (Sharma, 2012).

2.2.5 Purposes of performance appraisal

A study carried out by Migiyo, S. & Taderera, M. (2010) shows that Performance appraisals have administrative and motivational purposes. They are intended to serve several purposes. These purposes include:

- (1) Let subordinates know formally how their current performance is being rated;
- (2) Identify subordinates who deserve merit raises;
- (3) Locate individuals who need additional training;
- (4) Identify candidates for promotion;
- (5) Identify the scope for performance improvement and the means to achieve it;

- (6) Serve as a source of information for management to make decisions about promotions, salaries, training needs, and training support
- (7) As a means of managerial control, through the setting of objectives; and
- (8) Facilitate personal improvement and development.

However, Becker et al. (2001) argues that performance appraisal systems are incoherent in terms of what is measured and what is important. Human resource managers need the knowledge of how people contribute to a company's results by being valuable and how to measure this contribution.

2.2.6. Performance Appraisal Process

Peter (1994) categorizes a four- step process of the performance appraisal system. Performance appraisal systems comprises of established performance standards, a method of determining individual performance, comparison against standards and an evaluation of performance based on the comparison. The first step of establishing performance standards outlines the employees' job responsibilities. The job standards are set against the worker performance. The second step involves pegging the worker performance (such as traits approach, behavioral approach, ranking methods, alternation ranking, and results methods, productivity measures, 360 degrees evaluation and Management by Objectives (MBO). Thirdly, there is comparison against standards. At some point, the individual work record is compared with the standards set for the job. Fourth, an evaluation of performance is made pegged on the comparison.

2.2.7 Methods for Appraising Employee Performance

Performance can be appraised by a number of methods. The various methods are categorized into four major groups: category rating, comparative, narrative and special methods (Mathis and Jackson, 1997, p.352).

2.2.7.1. Category Rating Methods

The simplest methods for appraising performance are category rating methods, which require a manager to mark an employee level of performance on a specific form. The graphic rating scale and checklist are common category rating methods while the other is forced choice method (Mathis and Jackson, 1997, p.352).

A. Graphic Rating

Graphic Rating Scale allows the rater to mark an employee performance on a continuum. Because of its simplicity, this method is the one most frequently used. It is also the oldest method in which the rater checks the appropriate place on the scale for each duty listed. More detail can be added in the space for comments following each factor rated (Stephen and Coulter, 2002).

There are some obvious drawbacks to the graphic rating scale. Separate traits or factors are grouped together, and the rate is given only one box to check. Another drawback is that the descriptive words sometimes used in such scales may have different meaning to different raters. Terms such as initiative and cooperation are subject to many interpretations, especially in conjunction with words such as outstanding, average and poor. This method in many forms used widely because they are easy to develop; but for the same reason, they encourage errors on the part of the raters, who may depend too heavily on them.

B. Checklist

Checklist is composed of a list of statements or words. Raters check statements most representative of the characteristics and performance of employees. The following are typical check list statements presented by Mathis and Jackson (1997, p.354)

The checklist can be modified so that varying weights are assigned to the statements or words. The results can then be quantified. Usually, the weights are not known by the rating supervisor and are tabulated by someone else, such as a member of HR unit. There are different difficulties with the checklist as with the graphic rating scale. The words or statements may have different meanings to different raters; raters cannot readily discern the rating results if a weighted checklist is used and raters don't assign the weights to the factors. These difficulties limit the use of the information when a rater discusses the checklist with the employee, creating a barrier to effective developmental counseling. According to Ivancevich (2004), the checklist is a set of objectives or descriptive statements .If the rater believes that the employee possesses a trait listed, the rater checks the item; if not, the rater leaves it blank. A rating score from the checklist equals the number of checks.

C. Forced Choice

This method was developed at the close of World War II. Under this method, a large number of statements in groups are prepared. Each group consists of four descriptive statements (treated) concerning employee behavior. Two statements are most descriptive (favorable) and two are least descriptive (unfavorable). Sometimes there may be five statements in each group out of which one would be neutral. The actual weightings of the statements are kept secret. The appraiser is asked to select one statement that that mostly describes employee's behavior out of the two favorable statements are kept secret. The appraiser is asked to select one statement which is mostly describes employee's behavior out of the two unfavorable statements. The items are usually a mixture of positive and negative statements. The intent is to eliminate or greatly reduce the rater's personal bias, specially the tendency to assign all high or low ratings. The items are designed to discriminate effective from ineffective workers as well as reflect valuable personal qualities described by Mathis and Jackson (1997). Ivancevich (2004) has argued that the forced choice method was developed to avoid the problems faced in graphic rating scale which allowed supervisors to rate high. This creates difficulty in distinguishing poor and good performance, as sensitivity is one necessary characteristics of a good criterion.

2.2.7.2. Comparative Methods

These methods, unlike the other methods, require managers or supervisors to compare performance appraisals of employees having same job description (Mathis and Jackson, 1997). For example, an accountant's performance can be compared with that of other accountants. Comparative techniques of evaluation methods include ranking, paired comparison and forced distribution.

A. Ranking

Ranking is listing of all employees from highest to lowest or ranked from best to worst in performance. Rankings require a supervisor to generate a list of subordinates in order of some overall criterion. This is very difficult to do if the supervisor is asked to rank the best and worst employees in a reliable way than it is to rank the average ones. In this approach, the evaluators

pick the top employee first, and then the bottom employees next until all employees are ranked (Ivancevich, 2004). The drawback of this method is that the difference among individuals is not well defined. This drawback can be overcome to some extent by assigning points to indicate the size of the gaps. Ranking also means that someone must be last. It is possible that the last ranked individual in one group would be the top in a different group. Further, ranking becomes very unmanageable if the group to be ranked is very large (Mathis and Jackson, 1997).

B. Paired Comparison Method

Paired Comparison method was designed to make the ranking process easier for the supervisor and perhaps more reliable, especially when there are many people to rank. The supervisor uses a series of cards which show the strength and weakness of each pair of employees simultaneously, selects one of the two, continues until all employees are paired and compared, and the final ranking is determined by counting how many times a given employee is chosen as the better performance of all of the comparisons made (Ivancevich, 2005). Mathis and Jackson (1997, p.355) have defined paired comparison as a formal comparison of each employee with every other employee in the rating group one at a time. The number of comparisons can be calculated using the following formula:

$n * (n-1) / 2$, where n is the number of employee rated.

Both Ivancevich and Mathis and Jackson agreed that larger number of comparisons that must be made is the major drawback of this method.

2.2.7.3. Narrative Methods

Some managers and HR specialists are required to provide written appraisal information. Mathis and Jackson (1997, p.356) divided these methods into: critical incident, essay and field review methods. Documentation and description are the essences of these methods. These records describe an employee actions rather than indicating an actual rating.

A. Critical Incident

This method requires listing down good and bad performance actions of the employees. When a critical incident involving an employee occurs, the manager writes down. A listing of critical incidents is kept during the entire rating period for each employee. The critical incident method

can be used with other methods to document the reasons why an employee was rated in a certain way. The critical incident method also has its unfavorable aspects. First, what constitutes a critical incident is not defined in the same way by all supervisors. Next, producing daily or weekly written remarks about each employee performance can take considerable time. Further, employees may become overly concerned about what the supervisor writes and begin to fear the manager's black book (Mathis and Jackson, 1997, p.356). According to Ivancevich (2004), this technique requires raters to maintain a log of behavioral incidents that represent either effective or ineffective performance for each employee being rated. These incidents are critical incidents. Because these incidents might not be directly comparable for different rates, lists of standardized incidents can be prepared by a HR specialist in consultation with operating managers. The rating task then becomes one of logging each time a subordinate engages in one of these behaviors. An example of a good critical incident for a salesclerk is the following: listened patiently to the customers complaint, answered the woman's questions, and then took back the merchandise, giving the customer full credit for the returned product. He was polite, prompt, and interested in her problem. On the other hand, a bad critical incident might read as follows: stayed eight minutes over on his break during the busiest part of the day. He failed to answer three store managers' calls on the intercom and to report to cash register immediately.

B. Essay Evaluation

The essay or free-form appraisal method requires the manager to write a short essay describing each employee performance during the rating period. The rate is usually given a few general headings under which to categorize comments. The intent is to follow the raters more flexibility than other methods do. As a result, the essay method is often combined with other methods (Stephen and Coulter, 2002). In this method, the rater may be asked to describe the strong and weak aspects of the employee behavior. In some organizations, the essay technique is the only one used; in others, this method is combined with another form such as a graphic rating scale. In this case, the essay summarizes the scale, elaborates on some of the ratings, or discusses additional dimensions that are not on the scale. In both these approaches, the essay can be open-ended, but in most cases there are guidelines on the topics to be covered, the purpose of the essay, and so on.

The essay method can be used by raters who are superiors, peers, or subordinates of the employee to be evaluated (Ivancevich, 2004, p.267). There are criticisms about the accuracy and relevance of essay evaluations. However, they do offer flexibility, and in an organization that emphasizes customer satisfaction, an evaluator can specifically address the rate's achievements in this area. This flexibility to discuss what the organization is attempting to accomplish is one strength of essays. On the other hand, comparing essays written by the same or different raters is difficult. Skilled writers can paint a better picture of an employee than can unskilled writers.

C. Field Review

In the field review, the HR unit becomes an active partner in the rating process. A member of the unit interviews the manager about each employee performance. The HR representative then compiles the notes from each interview into a rating for each employee. Then the rating is reviewed by the supervisor for needed changes. This method assumes that the representative of the HR unit knows enough about the job setting to help supervisors give more accurate and thorough appraisals. The major limitation of the field review is that the HR representative has a great deal of control over rating. Although this control may be desirable from one view point, the supervisors may see it as a challenge to their managerial authority. In addition, the field review can be time consuming, particularly if a supervisor has to rate a large number of employees (Mathis and Jackson, 1997 p.356).

2.2.7.4 Special Methods

A. Behavioral Rating

One attempt to overcome some of the difficulties of the methods just described is several different behavioral approaches. Behavioral approaches hold promise for some situations in overcoming some of the problems with other methods. Mathis and Jackson have divided this method into: behaviorally anchored rating scales, behavioral observation scales and behavioral expectation scales. Behaviorally Anchored Rating Scales match descriptions of possible behaviors with what the employee most commonly exhibits.

Behavioral Observation Scales are used to count the number of times certain behaviors are exhibited. Behavioral Expectation Scales order behaviors on a continuum to define outstanding, average, and unacceptable performance.

B. Management by Objectives (MBO)

MBO specifies the performance goals that an individual hopes to attain within an appropriate length of time. The objectives that each manager sets are derived from the overall goals and objectives of the organization, although MBO should not be a disguised method for a superior to dictate the objectives of individual managers or employees. Although not limited to appraisal of managers, MBO is most often used for this purpose. Other names for MBO include appraisal by results, targeting, coaching, work planning and review, performance objectives, and mutual goal setting (Mathis and Jackson, 1997, p. 357).

Implementing a guided self-appraisal system using MBO is a four-stage process (Mathis and Jackson, 1997, p. 358). These are:

- Job review and agreement
- Development of performance standards
- Guided objective setting
- Continuing performance discussions.

It can be deduced that in theory MBO promotes success in each employee because, as each employee succeeds, so do the manager, the department and the organization. However, this happens if all stakeholders have compatible goals (Cascio, 2003). Additionally, as no management tool is perfect, MBO is not appropriate for all employees or for all organizations (Mathis and Jackson, 1997).

2.2.8 Challenges involved in Performance Appraisal

Robinson and Fink (2006) explain that there are a number of flaws in the evaluation process, even though evaluating employees on relevant job criteria sounds reasonable and logical. Yet a number of literatures show that in practice formal performance appraisal programs have often resulted unsatisfactory and disappointing results (McGregor, 1957; Thompson and Dalton, 1970; Schrader, 1969). Until a better technique comes along, organizations should use some form of appraisal to cover any potential risks. Most managers should be familiar with obstacles to the success of formal performance appraisal programs which can be gained from either a personal experiences or from the available literatures on the matter. One cause for a failure is that

companies often select indiscriminately from the available performance appraisal techniques without figuring out which particular technique is best suited to a particular appraisal objective.

2.3 Theory of performance management and Performance appraisal

2.3.1 Management by Objectives Theory (MBO)

Through his question why in both the classical as well as human relations schools of management effectiveness was automatically considered to be natural and expected outcome, Ducker (1954), stated that effectiveness took upper hand to efficiency and happened to be the foundation of every organization. He further developed and popularized for the first time the Management by Objectives Theory (MBO). Drucker believes performance Appraisal involves a careful study and understanding of the goals and objectives of an organization. This requires individual employees and managers to set targets, discuss them, and reach into an agreement before implementing them. Which therefore implies that performance appraisal is monitored, evaluated and reviewed based on the principles of management. Yet, a very important aspect of Management by Objectives Theory is the measurement and comparison of the employee's actual performance with the standards set. Theoretically, when employees have been involved in goal setting, they are more likely to carry out their responsibilities and therefore meet the expectations. Performance Appraisal therefore requires managers and individual coworkers to agree on objectives and targets throughout the year through a partnership where responsibilities are shared and expectations defined. Because such partnership enables appraisal to be more objective, transparent, its conceptual frame work includes studying and understanding the objectives of the organization, setting performance targets and agreeing upon the set targets, frequent performance reviews to monitor progress, giving feedback and rewarding. This leads to a conclusion that MBO to be the process of employers/supervisors managing their subordinates by introducing a set of specific goals that both the employee and the company want to execute. It further more takes as a principle that the employees understand their roles and responsibilities in order they understand how their activities relate to the achievement of the organizations goals.

2.3.2 Procedural Justice Theory

Formulated by Thibaut and Walker in (1975), the Theory is concerned with the perceived fairness and equality of the procedures used to make decisions on the distribution of outcomes in

an organization as reiterated by George and Jones (2016). Procedural decision pertains on how performance levels are viewed and evaluated how differences (disputes) are handled and how the outcomes are distributed among employees in the organization. In the Procedural Justice Theory, the employee perceptions are considered to be key and the employees' reactions to the set organizational procedures depends on how they perceive such procedures and what the procedures are actually are (Ibdi, 2017). The theory holds that employees can get motivated to better performance if their perception on the procedures use to make decisions on appraisal on the outcomes are fair and exhaustive. Employees will be more motivated if their feel that their performance will be accurately, without biasness, assed and appraised equitably. Consequently, if the employees feel and think that their performance will not be accurately assessed, for instance, the supervisor may not be not be aware of the or recognize their contributions in the work that they do or wrong attitudes by the supervisor, they will not be positively motivated to achieve high goals set for them (Ibdi, 2017).

According to Levy and Williams (2014), the results of the appraisal will define the reaction of the subordinates towards the ratings. The major concern for the utilization of rating to make decisions is how and whether raters are sufficiently trained on or have sufficient expertise so as to assign accurate, rather than inaccurate, ratings (Wolfe, 2014). Performance appraisal emphasizes that the rater should objectively and inclusively draw a conclusion about employees' ability as stipulated and constituted in the measurement standards (Brown et al., 2015). Most organization's performance ratings are based on rater evaluations which are subjective to personnel judgments, personal factors and prejudices which most likely can influence the ratings outcome (Prowse & Prowse, 2016).

2.3.3 The Goal Setting Theory

Goal Setting Theory as postulated by Locke in 1968, suggested that an individual goal set by an employee's plays an important role in motivating him for the realization of the better performance in the department which are noted during the performance appraisal since employees normally remains loyal to personal goals. Salama (2015) in the application of the theory noted that if an individual set goals are nor achieved, the employee will either work harder to improve or modify the goals to be realistic and achievable. Research by Lock and

Latham (2015) showed an inductive connection (relationship) between employee (individual) goal setting and improved performance in an organization. The researches (Lock & Latham, 2015) posited that a well set goal becomes the desire motivating the action for the achievement. Goal setting involves the conscious process of establishing levels of performance in order to obtain desirable outcomes. The goal setting theory implies that the source of motivation is the desire and intention to reach an objective (Eisenberger, 2016). If individuals or teams find that their current performance is not achieving desired goals, then they may basically become motivated to increase their effort or change the tactics (Lock & Latham, 2015).

A review of the Theory by O'Neil and Drillings, (2016) noted that human actions are purposeful and are always based on the achievable goals or objectives since the decision to set a goal is as a result of a dissatisfaction by the current situation (performance level). Achievable goals should be set based on a structure that directs the intended behavior and action of the employees in an organization with the view of improving performance. Coyle-Shapiro and Shore, (2017) on analyzing Goal Setting Theory, stated that employees channel their efforts towards achievement of the set goals which in turn improves an individual and organizational performance. There is a direct linear relationship goals, effort involved and the level of performance in an organization as contributed by the employees (Coyle-Shapiro & Shore, (2017). Finally, it was found out by O'Neil and Drillings (2016) that Goal Setting Theory enhances successful goal achievements by the employees through acceptance and commitment based on the employee feedback.

2.4 Objective setting and Employee Performance

Objective setting is a motivational technique used widely in organizations as a method of directing individuals' efforts at work and providing a standard against which performance can be assessed (Lunenburg, 2011). Furthermore, objective setting is a key component for effectively coaching employees as well (Locke & Latham, 2002). If these objectives are not achieved, they either improve their performance or modify the objectives and make them more realistic (Salaman, 2005). Based on many studies, the major findings of objective setting is that individuals who are provided with specific, difficult but attainable goals perform better than those given easy, nonspecific, or no objectives at all (Latham, 2003). Therefore, setting

objectives can be measured as more specific, challenged, realistic, and attainable with respect to employee performance.

2.5 Rater Accuracy and Employee Performance

For the performance appraisals to be effective, the rater should be objectively and purposely draw a conclusion about employee's performance as stipulated in the measurement standards in an organization. Prowse and Prowse, (2015) asserted that the dilemma of a performance appraisal process has been always used to developed performance measurement systems. This is because developing performance appraisal measurements that accurately and purposely reflects employee performance is not an easy. The rater systems should thus be tailored to match employee and organizational expectations and characteristics. In most organizations, performance ratings are based on rater evaluations, which are subjective to human judgments, personal factors and attitudes which most likely can influence the rating outcome (Prowse & Prowse, 2015). In addition, rater training, rater monitoring, and the structure of the rating task may facilitate accuracy by providing a suitable rating environment (Wolfe, 2016).

According to Levy and Williams (2014), the results of the appraisal will define the reaction of the subordinates towards the ratings. As observed by Johnson (2015), evaluators' fairness on appraised subordinates as well as the attributions concerning their behaviors, mediates a good relationship between employees and the performance appraisal raters. Poor performance evaluations which are subjective and bias in ratings will not have the desired effect leading to an overall poor performance of employees. Similarly, Brown (2015); Caruth and Humphreys (2015) indicated that the main rater's factors that affects the effectiveness of an appraisal are factors like the halo effect - which describes the influence of a rater's overall perception on specific rating qualities. It tends to occur when an evaluation rates an employee high on all jobs criteria, even if he has performed well only in one area. For the Contrast error, the rating is always based on performance standards. Contrastingly, the contrast error may occur if the rater rates the employee without much consideration to the standards of performance. This can also occur if a rater compares an employee's present performance with their past performance. For the rater biasness, the rater's prejudices and biasness can also influence rating. For example, a supervisor can underrate an employee based on race, sex, religion, appearance and favoritism issues.

2.6 Feedback and Employee Performance

Feedback gives important information to employee how he or she is performing which in turn helps employee to set goals and attain goals that are set earlier. Because of that, feedback is in an important role also when there are some other rewards (Rynes et al., 2005).

In their empirical study Stajkovic and Luthans (2001) found that feedback increased performance 20 per cent. Moreover Perry et al., (2006) found that feedback affect specifically intrinsic motivation. Increased intrinsic motivation in turn led to improved performance. When Rynes et al. (2005) combined earlier studies of feedback they noticed that overall positive effect of feedback on performance is quite modest. Besides Kluger and DeNisi (2006) found that feedback has quite variable effect on performance although on average feedback have positive effect. Sometimes feedback can improve performance, sometimes decrease and sometimes there is no effect.

In order for a feedback system to be successful, Beary (2003) asserts that four concerns must be addressed. First and foremost, he stresses that feedback must be honest and tactful and warns managers to not let too much tact get in the way of honesty. Secondly, managers need to be as objective as possible when giving feedback and not let personal motives such as favoritism, jealousy or vindictiveness interfere. Thirdly, Beary emphasizes communication – don't talk at an employee, let them explain their position as well. Finally, Beary concludes that the manager's competency in giving feedback should be developed and recommends managers learn counseling techniques. Study findings revealed that, though supervisors conduct quarterly reviews, employees sometimes do not get feedback on their performance.

Feedback helps employees attain their performance objectives and is critical in order for goals to remain effective and retain commitment (Redmond, 2015). Without feedback, people are unconscious of their progression; it also becomes difficult to measure the level of effort needed to pursue the objective effectively (Sorrentino, 2006). Many empirical studies that had tested how well feedback interventions worked come up with an overall result that indicated a self-effacing, but positive effect of feedback on performance and the study recommended that all feedback interventions should:

- ❖ Focus on the task and task performance only, not on the person or any part of the person's self-concept.
- ❖ Include information about how to improve performance.
- ❖ Include a formal goal-setting plan along with the feedback

Feedback accompanying objective attainment may also enhance a workers job performance and ability to become more innovative and creative on the job (Fincham and Rhodes, 2015). Based on these, feedback may influence on the performance of employees with respect to sectoral tasks in line with objectives and employees behavior.

2.7 Appraisal Method and Employee Performance

Evans and Bae (2018) found out that effect of system dynamics and system structures on the outcome of employees and suggested that decreasing the number of a rater's subordinates has a significant effect on the accuracy of the performance appraisal method, however, the study advances a framework in assessing effect of system dynamics and system structures and the extent to which it enhances the accuracy of organization performance appraisal system. Mutunge (2013) established that the performance appraisal system does not seem to involve all the staff during the process of development. It also had a number of loopholes that encourage subjective evaluation of the staff some of the loopholes includes lack of clarity on the parameters used, lack of knowledge of the appraise, personal differences between appraise and appraiser among others. Nyaoga (2010) established that performance appraisal tool that performance appraisal is the only tangible metric way an organization can know the level of staff performance of its diverse employees. According to Nyaoga (2010) the effectiveness of performance appraisal in private universities were only based on training on the staff involved in the rating process and are multi rating system. Awori (2007) established that the corporations use performance appraisal tools and the preferred choice was management by objectives as opposed to the balance scorecard; self-reviews, upward and peer review.

2.8 Empirical Review of the study

Performance appraisal is considered as the most critical human resource function in organizations whereby the performance of an employee is measured (Levy, 2015). In this regard, performance appraisal system has been widely researched within organizations to assess its effectiveness and a considerable literature stream suggests that there exists dissatisfaction in employees regarding performance appraisal system in terms of unfairness, inaccuracy and political outcomes (Rao, 2014; DeNisi and Pritchard, 2016).

Literature has identified several indicators that affect the outcomes of performance appraisal system. One critical factor is the appraisal source. This factor suggests that employee performance can be evaluated through multiple sources such as supervisors, managers, self, peers and even customers (Wood & Marshall, 2016). Another important characteristic of performance appraisal is the purpose for which performance has been appraised or evaluated (Thurston, 2015). Feedback richness is also an effective indicator that may affect the outcomes of performance appraisal. It elaborates the specific appraisal environment by which frequent, specific and timely feedback is provided by employees to employers regarding their job (Kinicki *et al.*, 2014). There is need for discussions which will enhance performance at the individual, Departmental and organizational levels since there will be continuous flow of idea. The top management also needs to wholly support Performance Appraisals if the system is to be effective. Mathooko and Sitati, (2015) studied the effects of performance appraisal system on civil servants job performance and motivation in Kenya (a case study of ministry of state for public service). From the findings of this research, the author (Mathooko & Sitati, 2015) concluded that employees were given feedback to enable them improve their performance. This shows that PA has a positive impact on the employee's performance which leads to motivation. Prior studies suggest that if employee perceive that appraisal outcomes are accurate, they are more likely to recognize these results and act on them (Roberson & Stewart, 2016). On the other hand, employee perception of fairness also measures effectiveness of performance appraisal outcomes (Youngcourt *et al.*, 2017).

2.9 Research Hypothesis

The researcher formed the following basic hypotheses which were tested to support the findings of this study.

H1: Performance Appraisal method has a significant and positive effect on employee performance.

H2: Performance feedback has a significant and positive effect on employee performance.

H3: Performance objective setting has a significant and positive effect on employee

H4: performance. Performance rater accuracy has a significant and positive effect on employee performance.

2.10 The Conceptual framework

According to scholars like Risher (2005), Meyer (1991), Lee (2005), Furnham (2004), Deming(1986),Henderson (1984), Erdogan (2002), Longenecker (1998), Cleveland and Murphy(1992) and Ivancevich (2001) inaccurate ratings can stigmatize performance of an employee and cause unnecessary resistance to the acceptance of feedback. They also indicate that the validity and accuracy of the most commonly used performance, supervisory ratings, has always been a major concern. These measures are also likely to suffer from both deficiency and contamination problems, including subjectivity, personal bias, deliberate distortion, and various other intentional and unintentional rating errors (eg halo, contrast, central tendency).

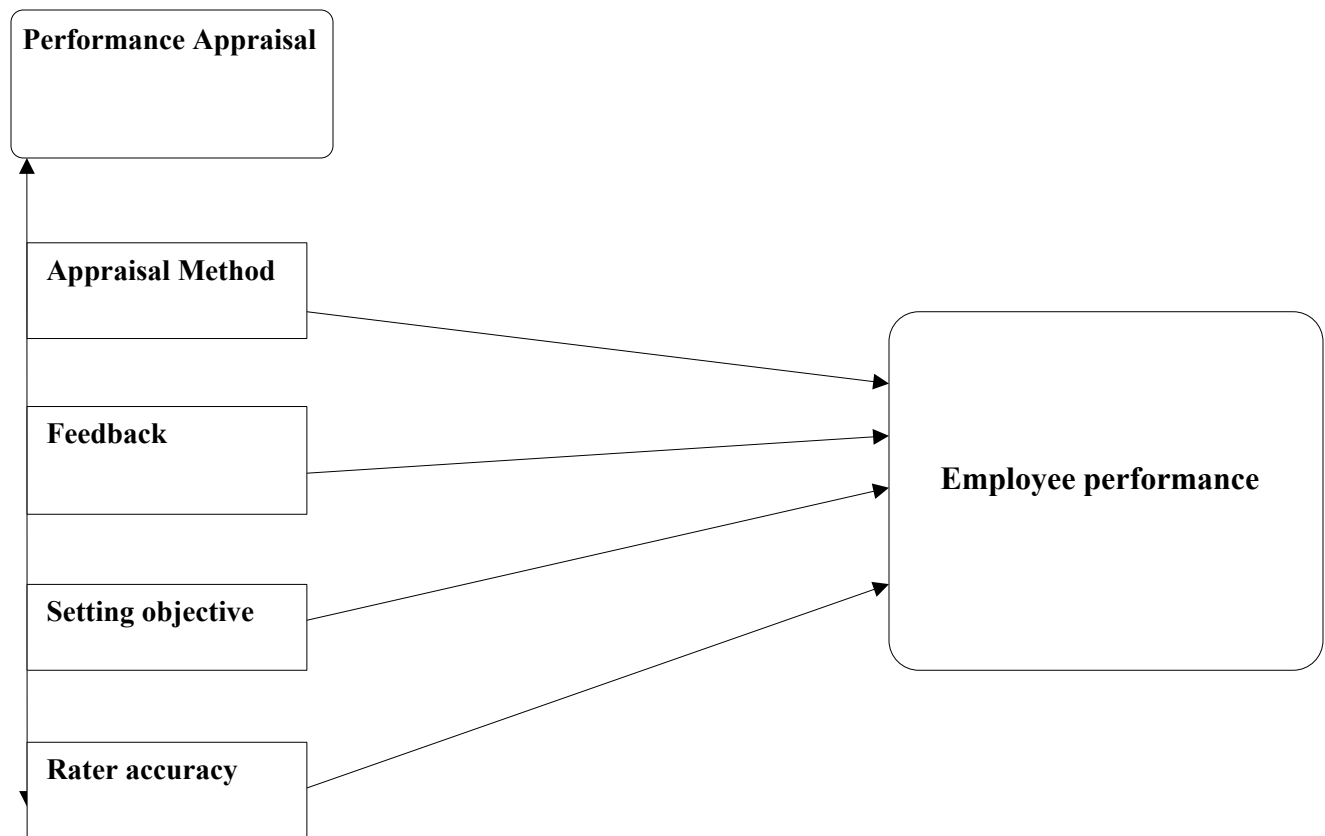
As discussed in the reviews, there is substantial empirical research that supports the argument that performance appraisal practice plays a crucial role in influencing employees performance. However, there does not seem to be a clear research based insight into a situation where performance appraisal practice effects are not properly outlined and implemented or where there does not seem to be articulated and specifically addressed as (Setting objective , Interpersonal factor, Rater accuracy, feedback and reward) to begin with; which could mean exercising in different organizational managers and supervisors. With this respect, each and every sector to be provided imitative rewards and recognition to achieve high performer employees in the form of financial and non financial means of rewards which are influenced on employees performance. Therefore, this research study will be developed based on the following conceptual framework below. The study will apply independent and dependent

variables in order to put the research into practice. The variables under study as represented on the below diagrammatically show the relationship between them by illustrating the influence of the independent variables on the dependent variable.

Conceptual frame work for the effect of performance appraisal practice and employees performance

Independent Variable

Dependent Variable



Source: Adapted Judy Waithira Kagotho (2018), Trsit G/Egziabher (2018) and Yohannis Siyoum (2016)

CHAPTER THREE

RESEARCH METHODOLOGY

In this part, research design, sources of data, population, sample size and sampling techniques, data gathering tools, methods of data analysis, validity and reliability and ethical considerations are discussed very well.

3.1 Research Approach

The researcher was employed both quantitative and qualitative technique which was stated pragmatist paradigm values to both objective and subjective knowledge are given (Creswell&Clark,2007). Quantitative method in this study is applied since it helps the researcher to examine the relationship between variables, uses stratified random sampling technique to collect and analyze quantitative data to find out more credible results through self-administered questionnaires, whereas qualitative method is applied because to explore performance appraisal practices, attitudes, opinions and experiences on the basis of interpretation and depth interview small group of respondents.

3.2 Research Design

To this end, descriptive design and explanatory design were employed. The researcher selected descriptive design because it is appropriate to examine the relationship that exists among variables (effects of performance appraisal practice and employee performance),flexible and rapid collection of data & cost saving as well as the variables identified are collected used instrument like self administered questionnaire and used explanatory design because of to prove the independent variables influenced on dependent variables through use the instrument of interview.

3.3 Population and Sampling Frame

The population of this study consists of 1565 employees who are working in these sectors in JabiTehinan Woreda through stratified random sampling in order to gather reliable information.

3.4 Sampling and Sampling Techniques

In Jabi Tehinan Woreda there are 23 public sectors. From these public sectors the researcher was taken as total population of 1565 employees who are working from all sectors listed above to obtain data for the study. The researcher was use stratified random sampling technique because every member of a study population has an equal chance of selection and remove biases on the selection process. As a result, the researcher was take all Jabi Tehinan woreda public sectors 1565 employees total population, the researcher selected 318 sample employees who worked permanently was make a self administered question in a lottery system. In this respect, Sampling is the statistical process of choosing a subset (a sample) from a population of interest for the purposes of making observations and statistical inferences about that population. We cannot study whole populations because of feasibility and cost constraints, and hence, we must select a representative sample size from the population of interest for observation and analysis (Anol, 2012). The researcher assumed to be collect real/accurate data from employees since they are well aware about the performance appraisal practice effect with respect to Jabi Tehinan Woreda public sector employee performance.

For determining the sample size in this study a mathematical formula provided by Yamane (1967) was used to determine the required sample size at 95% confidence level.

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

Where **n** is the sample size, **N** is the total population and **e** is an error. (The total employees of Jabi Tehinan Woreda public sectors), N= 1565

$$\text{Thus, } e = 0.05 \quad n = \frac{1565}{1 + 1565(0.05)^2} \quad n = 318$$

Therefore, the sampling size determination is expressed as follows:

Respondents	Total population	Number of sample	Sampling Techniques
Employees	1565	318	Use Stratified random sampling and select proportional samples from different strata

Table 3.1 :- Population of sample and sample size of the study

Public sectors	Total population	Ratio total population	Number of sample	Sampling Techniques
Administration	86	86/1565	$0.05 \times 318 = 17$	R/sampling
Agriculture	145	145/1565	$0.1 \times 318 = 33$	R/sampling
Animal production	92	92/1565	$0.06 \times 318 = 18$	R/sampling
Road	23	23/1565	$0.01 \times 318 = 5$	R/sampling
Sport	18	18/1565	$0.01 \times 318 = 4$	R/sampling
TVET	38	38/1565	$0.02 \times 318 = 8$	R/sampling
Trade	33	33/1565	$0.02 \times 318 = 7$	R/sampling
Water	24	24/1565	$0.01 \times 318 = 5$	R/sampling
Women	38	38/1565	$0.02 \times 318 = 8$	R/sampling
Health	435	435/1565	$0.3 \times 318 = 87$	R/sampling
Finance	72	72/1565	$0.05 \times 318 = 14$	R/sampling
H/speaker	7	7/1565	$0.004 \times 318 = 1$	R/sampling
C/tourism	8	8/1565	$0.004 \times 318 = 1$	R/sampling
Land Admin	69	69/1565	$0.04 \times 318 = 13$	R/sampling
Education	151	151/1565	$0.1 \times 318 = 31$	R/sampling
Cooperative	57	57/1565	$0.04 \times 318 = 12$	R/sampling
Communication	27	27/1565	$0.01 \times 318 = 5$	R/sampling
C/service	37	37/1565	$0.02 \times 318 = 8$	R/sampling
Revenue	36	36/1565	$0.02 \times 318 = 7$	R/sampling
Court	71	71/1565	$0.04 \times 318 = 14$	R/sampling
Police	58	58/1565	$0.03 \times 318 = 12$	R/sampling
Justice	22	22/1565	$0.01 \times 318 = 4$	R/sampling
Security	18	18/1565	$0.01 \times 318 = 4$	R/sampling
Total	1565		318	

Source: Jabi Tehina Woreda civil service office, 2022 R/sampling= Random sampling

3.5 Data Sources and Methods of Collection

3.5.1 Data Sources and Types:

The researcher was used primary and secondary data in order to get a picture of the present situations regarding the practices of performance appraisal in Jabi Tehina Woreda and its effect on employee Performance. The primary sources were team leaders and employees of public sectors Whereas, the secondary sources were collected from JabiTehinan Woreda civil service annual report 2021and 2022.

3.5.2 Data Collection Methods

A data collection method was standard questionnaires which were prepared in English. Questionnaires were designed as a framework for the collection and analysis of data that is suited for testing the hypothesis. A survey collects data from a group of people via self-report, in which the participants answer to a set of questions asked by the researcher (Polit & Hungler, 1993). In this study, the information collected through interview and self administered questionnaires was distributed to the subjects by the researcher. Questionnaires which were prepare in English were translate to Amharic as the proposed participants might not all better qualified in English; cannot simply understand it.

3.5.3 Data Collection Procedure

The data collection method being used in this research was well organized through self administered questionnaires and interview. The research instrument that which were employed to collect primary data was a five point likert-Scale and open ended questionnaires as well as semi structured interviews which aim to collect the essential data from respondents. The questionnaire was divide into three parts Part-I of the questionnaire were consist of demographic profile of the respondents, part-II of the questionnaire were consist of measurements of performance appraisal practice effects and part III interview questions to gather in-depth information.

3.6 Methods of Data Analysis

The data was analyzed through quantitative type of descriptive analysis in order to mention mean, percentage, frequency and standard deviation of variables. In addition, inferential statistics was also be used in order to allow the researcher to facilitate the identification of important patterns, to identify the possible associations among variables, to evaluate the extent to which the effect of performance appraisal practice on employees performance and also to make the data analysis more meaningful. In this case, Pearson Correlation and multiple regression analysis were employed. Correlation is a statistical method for determining whether or not there is a relationship between variables, determining whether or not two or more variables are related, and determining the intensity of the relationship between or among variables. The research was identifying the relationship between performance appraisal practice and perceived employees performance at Jabi Tehina Woreda. Multiple regressions are a family of techniques that can be used to obtain critical information, such as the overall significance of the model, the influence in the dependent variable that comes from the set of independent variables in the model, and the statistical significance of each individual independent variable (controlling for the other independent variables) (Pallant, 2005).

3.7 Model specification

Thus, in a regression equation, an interaction effect is represented as follows: The general form of the multiple regression equation with X independent variables is

$$Y=b_0+b_1 x_1+ b_2x_2 +b_3x_3+b_4x_4+e$$

Where: Y = the Predicted Variable (employees Performance), b_0 = Constant, b_1 , b_2 , b_3 & b_4 un standardized regression coefficients;

Let X_1 = Appraisal Method

X_2 = Feedback

X_3 = objective Setting

X_4 = Rater accuracy

Source: Adapted Judy Waithira Kagotho (2018), Trsit G/Egziabher (2018) and Yohannis Siyoum (2016)

3.8 Validity and Reliability

Validity: - the researcher was used criterion validity and face validity. In order to improve validity, the questionnaire were built based on previous research, a study by face validity/observing reality and from the previous study/ relevant literature in order to measure validity.

Reliability: - According to (Kothari, 2004), reliability refers to consistency, where internal consistency referring to the correlation of responses to each question in the questionnaire with the responses to the other questions in the questionnaire. Cronbach's alpha coefficient is one of the most widely used measures of internal accuracy. The Cronbach's alpha coefficient of scales should be at least 0.70, according to Pallant (2005), and the higher the better. As a consequence, according to (Dube, 2019) the Cronbach's Alpha Coefficients reliability test results are above 0.7. Based on the above evidences the researcher was measured each variable can be assumed to be a reliable and true construct.

1. Table 3.2 Reliability statistics

Scale	Number of items	Cronbach's alpha result	Remark
objective setting	5	.740	Accepted
rater accuracy	5	.766	Accepted
Feedback	5	.787	Accepted
appraisal method	5	.797	Accepted
employees Performance	5	.837	Accepted

Source: Own Survey (2022)

3.9 Ethical Consideration:

In this research permission was obtained from all respondent after the necessary explanation about the objective of the study was given to each of them. Respondents were treated with dignity and were inform about the purpose of the questionnaire and interview, and was assured of secrecy and confidentiality of the information that they were supply. They were also be informed verbally as well as in writing that any information obtained through questionnaire and interview were purely used for academic purpose and were handled with the highest order of confidentiality and do not affect their life in any way and anytime.

CHAPTER FOUR

ANALYSIS AND INTERPRETATION OF DATA

Data analysis and interpretation is a process of bringing order, structure and meaning to the mass of information collected (Mugenda, 2003). As a result, in this chapter the researcher gave an account for the analysis and interpretation of data collected through questionnaire and interview techniques. This chapter presents response rate, demographic descriptions of samples; effects of performance appraisal practices on employee performance, Pearson's correlation and regression analysis as well as discussion of results. Data analysis and interpretation was made using statistical packages for social science (SPSS) version 23.

4.1. Response Rate

In this study 318 questionnaires were distributed to sample participants targeting 318 employees, all are working in Jabi Tehina Woreda public sectors. Out of those 318 questionnaires, 309 filled and returned the other 9 questionnaires were not returned. As a result, 309 respondents were given their responses and 97.2% of response rate. Beyond this response rate, interviews were also made with organizational/public sector supervisors.

Table 4.1. Response Rate of respondents

No	Data collection tool	Participants	Number of respondent	Number of answered	Response rate/%age/
1	Questionnaire	Employees	318	309	97.2%
2	Interview	Supervisors	15	15	100%

Source: Own Survey (2022)

4.2 Demographic profile of respondents

The study sought to find demographic characteristics of respondents to indicate from whom the data were collected. Variables in demographic characteristics of sample were including gender, age, education, experience and positions in the organization. These demographic variables were analyzed using frequencies and percentages.

Table 4.2 Demographic profiles of respondents

Demographics	Category	Frequency	Percent
Gender	Male	207	67.0
	Female	102	33.0
	Total	309	100.0
Age	30&below	18	5.8
	31-35	166	53.7
	36-40	96	31.1
	41-45	18	5.8
	46&above	11	3.6
	Total	309	100.0
Educational level	Diploma &below	46	14.9
	Degree	221	71.5
	Master &above	42	13.6
	Total	309	100.0
Work Experience	1-4years	26	8.4
	5-10years	189	61.2
	11-15years	70	22.7
	16-20years	19	6.1
	above 21years	5	1.6
	Total	309	100.0
Job Position	Employees	236	76.4
	Supervisor	73	23.6

Source: Own Survey (2022)

With regard to gender composition of sample respondents as to the finding of the study indicated in the above table 4.2 shows that 67.0% of participants were male and 33.0% were females demonstrating uneven demonstration of sample. However the data collected from both men and women were equally important for the purpose of this study.

The researcher in this study requested respondents to provide data about their age to understand age distributions. It was found that age of participants' ranges from 25- 46 and above years.

One can understand from the table 4.2 that the largest majority of participants fall under the age category of 31 – 35 years constituting 53.7% of respondents. Table 4.2 also shows that 5.8% of participants were in the age range of 30 and below years while 31.1% of respondents were between 36 – 40 years, whereas 41- 45 and 46 and above years of respondents are accounted 5.8% and 3.6% respectively. From this it can therefore be possible to conclude that the majority of respondents were the young stage and more productive age.

Respondents were requested to indicate their educational level to be sure that whether they have the potential to use and assimilate information about the practice of performance appraisal in line with appraisal method, feedback , objective setting and rater accuracy in providing answers to the given data collecting tools.

Table 4.2 illustrates that 71.5% of respondents were degree holders while 14.9% respondent's acquired college diploma & below and the remaining 13.6% were master and above. From this the researcher agreed that sample organizations have qualified employees who can adequately understand questionnaires concerning effect of performance appraisal practice on the employee performance of public sector organization.

Participants were asked to reply their experience (work experience) whether they have sufficient information about practice of performance appraisal on the employee performance of their organization. Table below 4.5 depicts distribution of respondents by length of service in their organizations.

From the finding of the study shown in table 4.5, 8.4% of respondents served for about 1 – 4 years and 61.2% of them provided service for about 5 – 10 years. On the other hand, 22.7% of subjects of this study have worked from 11 – 15 years. Those who served for 16 -20 years and 21 and above years comprise 6.1% and 1.6% of respondents respectively. This implies that the majority of the respondents in selected public sector organizations of Jabi Tehina Woreda had worked for a considerable period of time enabling them to provide credible information related to this study.

The study requested participants to indicate giving credible information from employees in the public sector organization. The findings presented in table 4.2 showed that all of respondents, i.e.

100% were employees of participants in public sector organizations. These findings revealed that the relevant staffs in sample organizations were represented in this study.

4.3 Descriptive analysis of performance appraisal practice based on measurement variables

The mean and standard deviation of the respondent score are descriptive statistics and analysis has been done through this mean and standard deviation among respondents. The reason for using descriptive statistics is to compute different factors affecting performance appraisal practice towards public sector employee performance in Jabi Tehina Woreda by using mean and standard deviation values. The most popular measures of central tendency are the mean, which is calculated by dividing the sum of the values of all the items in a sequence by the total number of items. Accordingly, the study was employed mean and standard deviation as the best measures for analysis based on the mean range developed.

In this section presents the result of the analysis of practice of performance appraisal (appraisal method, feedback , objective setting and rater accuracy on the public sector employee performance based on five point likert scales were assessed. Descriptive statistics including mean, Std. deviations, close ended responses were made to establish respondents' understanding of the extent to which their supervisors contribution towards the employee performances.

Table 4.3 Descriptive statistics

Variables	N	Mean	Std. Deviation
employee performance	309	19.33	2.846
appraisal method	309	19.68	2.395
Feedback	309	19.30	3.731
objective setting	309	19.36	2.483
rater accuracy	309	18.11	3.017

Source: Own Survey (2022)

In five point likert scale surveys, according to Moidunny(2009) the mean score between 1.00-1.80 was considered as strongly disagree, the mean score from 1.81-2.60 was considered as dis

agree the mean score between 2.61 and 3.20 was taken as neutral mean score, the mean score from 3.21-4.20 was considered as agree mean score and the mean score between 4.21 and 5 considered as strongly agree mean score. Therefore, this is shown in the following table 4.3 and 4.4.

Table 4.4 One-Sample Statistics

Variables	N	Mean	Std. Deviation
Appraisal method	309	19.68	2.395
Feedback	309	19.30	3.731
Objective setting	309	19.36	2.483
Rater accuracy	309	18.11	3.017
Employee performance	309	19.33	2.846

Source: Own Survey (2022)

As it is shown in the above table 4.3 and 4.4 the mean value of descriptive statistics and one-sample statistics is the same. Therefore, the computed mean value for the variables is correct.

Even though, all the appraisal method, objective setting, feedback and rater accuracy affect the public sector employee performance, this does not necessarily mean that all factors have equal impact. The above table clearly compares the overall effects of all key factors and descriptive summary indicates about mean and standard deviations of the four independent variables and dependent variable. From the above table appraisal method with the grand mean of 19.68 have the great potential to affect the public sector employee performance, objective setting, feedback and rater accuracy are the mean values of 19.36, 19.30 and 18.11 respectively, these indicates that agreements of the respondents. Moreover, the mean value of public sector employee performance is 19.33. Therefore, the effect of appraisal method is higher than the other three factors in affecting employee performance based on their mean values.

Qualitatively the study in objective setting perspectives requested participants to reply to open ended question whether their supervisors in their organizations involved in planning activities. Majority of respondents replied that

“The fact that the plans and goals of sectors are given from the top down does not take into potentials the sectors and employees and the favorable conditions. However, almost all activities are carried out through the mutual support between supervisors and employees. This also shows the direct or indirect effects of goal setting given on employee performance.”

Whereas in rater accuracy in open ended questions the majority of participants responded that

“The supervisors and the authorized body that evaluates the employees of each sector have sufficient knowledge and skills in the evaluation process. However, the evaluation process is conducted relatively uninterrupted by goodwill or tolerance evaluations by the raters and rate staff.”

Feedback also another measuring variable for employee’s performance and the results in open ended questions respondents were requested to

“Feedback is rarely given to employees. However, they do not perceive that they deliver quantity and quality in the timely and consistent execution of tasks. This has an impact on the effectiveness of the performance of the employees”.

On the other hand, the practice of appraisal method results in the open ended questions respondents were requested supervisors strategies to support appraisal method in their organizations were

“All employees, supervisors and managers of sectors will be evaluated based on their performance. However, the fact that the appraisal method or evaluation criteria have limited transparency and are conducted with the best view or perspective of supervisors affects the performance of employees”.

4.4 The Relationship between performance appraisal and employee performance

To investigate the relationship between performance appraisal practices (appraisal method, feedback , objective setting and rater accuracy) and the dependent variables (public sector organization employee performance) of this study correlative analysis based on Pearson

correlation coefficient was computed at 5% significance level. To know at what extent there is a relationship between independent and dependent variables, the correlation coefficient was examined. Pearson correlation coefficient is a method that measures the strength of the linear relationship between two variables. It also indicates the direction, strength, and significance of the relationship among all variables. Pearson's correlation coefficient can range from 0.00 to 1.00. A value of 0 indicates that there is no correlation, while 1.00 indicates that there is a perfect correlation. To know the strength and type of correlation between variables, the following table was set as a rule of Correlation Coefficients for discussion of this study.

4Table 4. 5: Rules of Correlation Coefficients

Coefficient Range	Strength of Association
= 0	None/No Correlation
0.1<r<0.3...	Small/Weak Correlation
0.3<r<0.5...	Medium/Moderate Correlation
0.5<r...	Large/Strong Correlation

Source: (Cohen, 1988)

r= correlation value

To measure the effect of performances appraisal practices on the employee performance, Pearson correlation analysis at 0.05 and 0.01 levels was employed on both variables and an overall summary of correlation tests was given below in table 4.6.

Table 4.6 Relationship between performances appraisal practices and employee performance

Correlations

	O S	R A	F B	A M	EP
--	-----	-----	-----	-----	----

Objective Setting	Pearson Correlation Sig. (2- tailed) N	1 309				
Rater Accuracy	Pearson Correlation Sig. (2- tailed) N	.237** .000 309	1 309			
Feed back	Pearson Correlation Sig. (2- tailed) N	.247** .000 309	.335** .000 309	1 309		
Appraisal Method	Pearson Correlation Sig. (2- tailed) N	.383** .000 309	.478** .000 309	.481** .000 309	1 309	
Employee Performance	Pearson Correlation Sig. (2- tailed) N	.442** .000 309	.507** .000 309	.608** .000 309	.758** .000 309	1 309

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

Source: Own Survey (2022)

The evidence from table 4.6 indicates that appraisal method has positive and strong correlation to the employees performance which is equal to .758** and the significance is .000 which is less than 0.05. When Sig value is less than significant level ($0.000 < 0.05$) therefore this shows that variables are correlated. Therefore it is possible to conclude that there is statistical positive correlation appraisal method between public sectors employees performance in Jabi Tehinan Woreda.

Table 4.6 also reveals that Rater Accuracy have positive correlation to the employees performance with coefficient of .507** and the significance is $.000 < 0.05$. When Sig value is less

than significant level ($0.000 < 0.05$) it indicates that variables are correlated and the correlation between Rater Accuracy and employees performance is significant.

Table 4.6 also shows that Feed back has positive correlation with employees performance with coefficient score of .608** with significance value ($.000 < 0.05$). It leads to confirm that there is positive relation between Feedback and employees performance in Jabi Tehina Woreda public sector organizations.

Table 4.6 also shows that there is positive correlation between Objective Setting to employees performance on public sectors of Jabi Tehina Woreda confirmed by correlation coefficient .442** with Sig. value .000 less than 0.05 (significant value). The correlation statistics in the above table 4.6 generally indicated that performances appraisal practices has significant positive relationship with employee's performance. Because all explanatory variables the sign of correlation is positive meaning that an increase or decrease in the above explanatory variables have the same increase or decrease effect in employee's performances.

4.6. Regression Analysis and Hypothesis Testing

This section mainly focused on regression analysis to identify the effect of performances appraisal practices on the employee's performances. Mainly linear regression analysis was used to determine the effect of independent variables. Model diagnosis tools including Multicollinearity, Heteroscedasticity, normality and linearity were conducted and analyzed in detail in order to ensure that the study was done based on scientific method that fulfills basic assumptions of the regression analysis.

4.6.1. Regression Model Diagnosis

The study engaged multiple linear regressions to examine the effect of performances appraisal practices on the employee's performances. In this case, the dependent variable is employee's performances, while independent variable includes: appraisal method, feedback , objective setting and rater accuracy. Before proceeding to the analysis of regression results, it is vital and recommended to check whether regression analysis assumptions are fulfilled or not.

4.6.1.1. Test for Multicollinearity

The diagnostics variance inflation factor (VIF) and tolerance were used to test the multicollinearity of the independent variables. Multicollinearity is present when the VIF for at least one of the independent variable is large. As a result, many of the explanatory variables could be judged as not related to the dependent variables. According to the rule of thumb, if the VIF of a variable exceeds 10 or tolerance of 0.1 or less, the variable is said to be highly collinear (Murray et. al, 2012). Generally, when VIF greater than 10 and tolerance is less than 0.10 indicates the presence of multicollinearity. As the results indicated below in table 4.7, the tolerance and variance inflation factor (VIF) scores for each of the four independent variables were provided. Therefore, there is no multicollinearity problem since VIF is less than 10 and tolerance is greater than 0.1. Thus, the explanatory variables which have been incorporated in this study were the basic factors in affecting performances appraisal practices towards employee's performances in JabiTehinanWoreda. This of course enhanced the reliability of regression analysis.

Table 4.7Multicollinearity Test

Moel	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Obejective Setting	.846	1.183
Rater Acuracy	.755	1.325
FeedBack	.751	1.332
Appraisal Method	.608	1.646

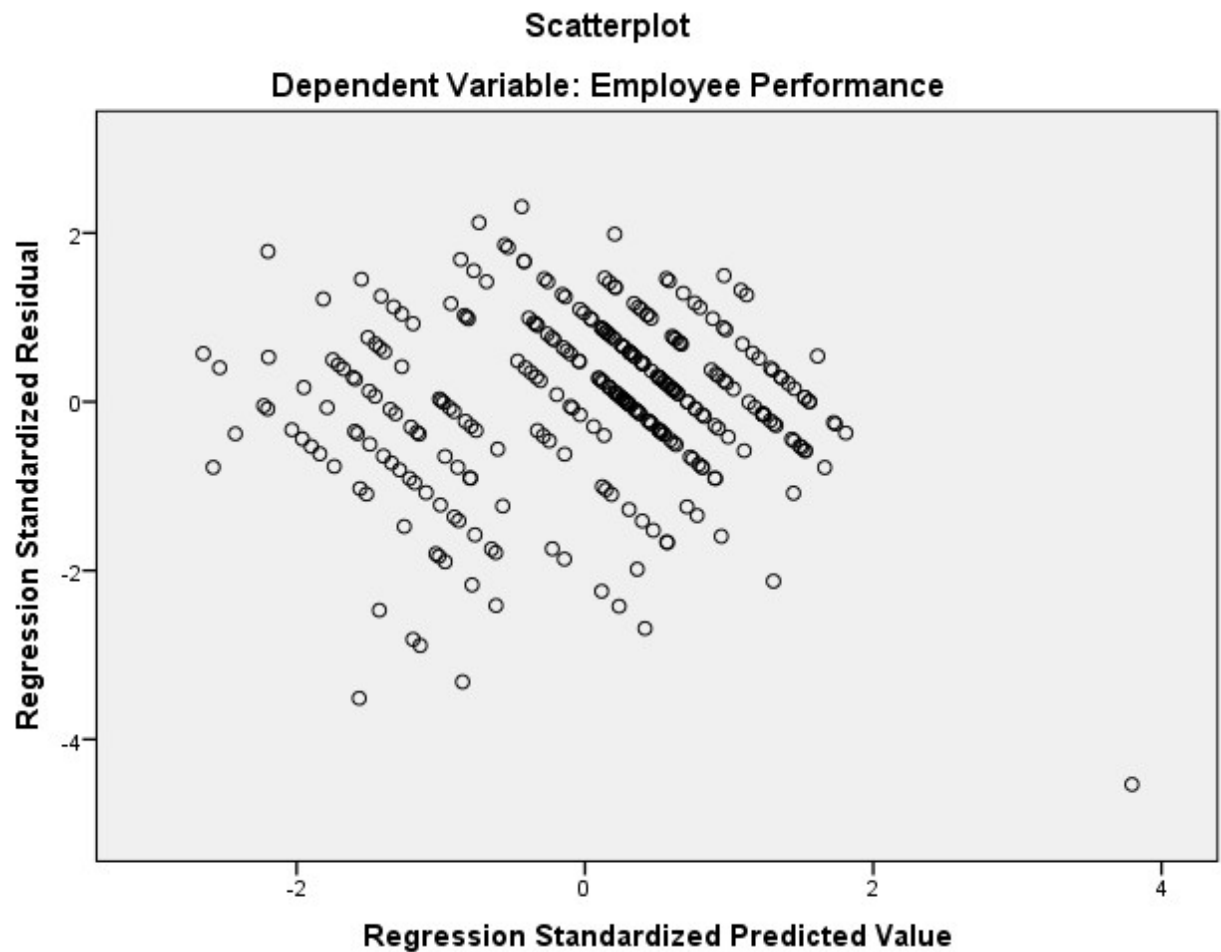
Source: Own Survey (2022)

Based on table 4.7.the finding indicated that no serious multicollinearity problem (Hair et al., 1998). From these analyses, the results were no tolerance value found below 0.1and VIF values are also below 10. It can be concluded that multiple regression model of this study met the assumptions required to ensure validity of its significance test

4.6.1.2. Homoscedasticity test

In the linear multiple regression models, homoscedasticity is the basic assumptions states as the probability distribution of the disturbance term remains the same for all observations. It has been assumed that the variance of the errors is constant. If the disturbance terms do not have the same variance, this condition of non-constant variance or non-homogeneity of variance is known as heteroscedasticity (Hair et al , 1998). Therefore, as the result shown in figure 4.1 below, we can be assured that the points are random and evenly throughout the scattered diagram and no evidence of funnel-like shape of points on one side than the other are observed, so no heteroscedasticity in this data was confirmed.

1Figure 4. 1: Scatter Plot Regression

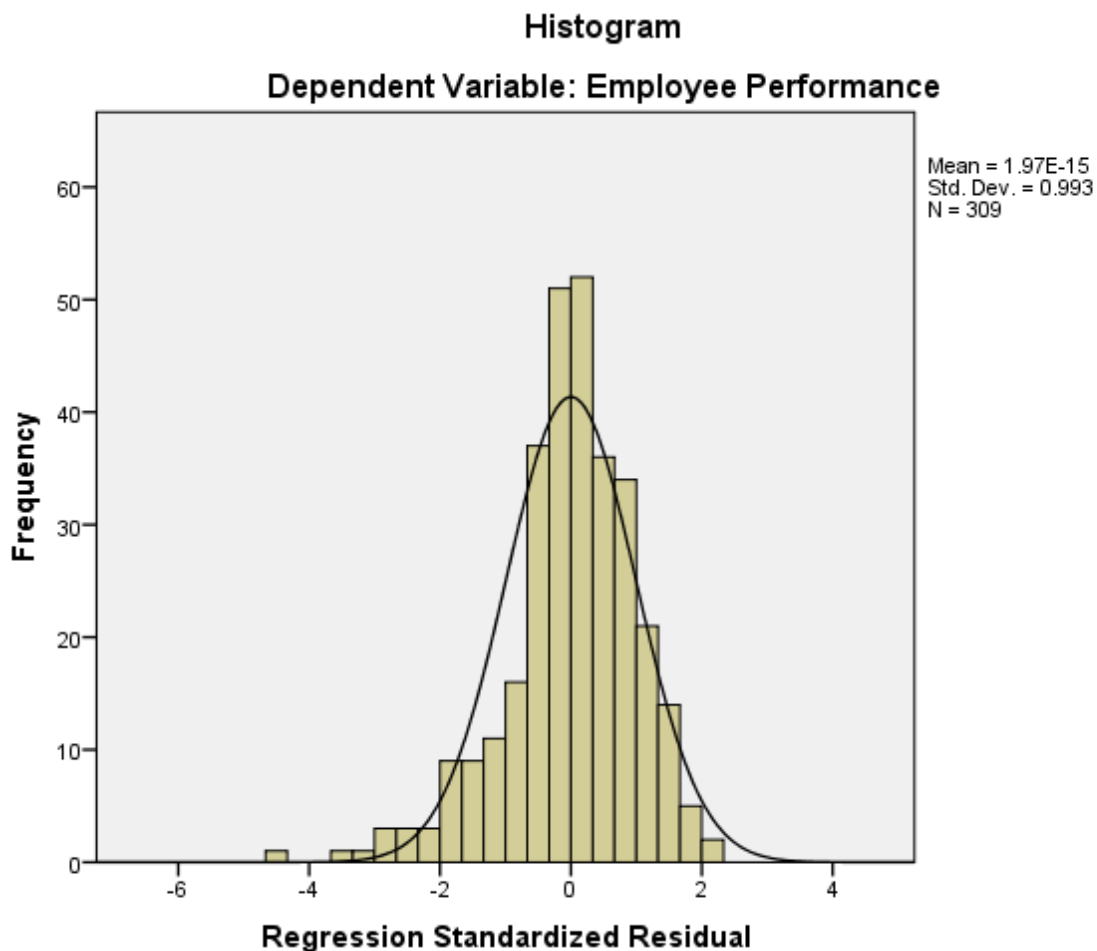


Source: Own Survey (2022)

4.6.1.3. Normality Test

The distribution of score on the dependent variables should be “normal” describing symmetric, bell-shaped curve, having the greatest frequency of score around the mean, with smaller frequency towards the two extremes. According to (Ghozali, 2006.), the normality can be seen on the data distribution when the curve does not pass through either the left or the right.

2Figure 4.2. Histogram for Residual Normality Test



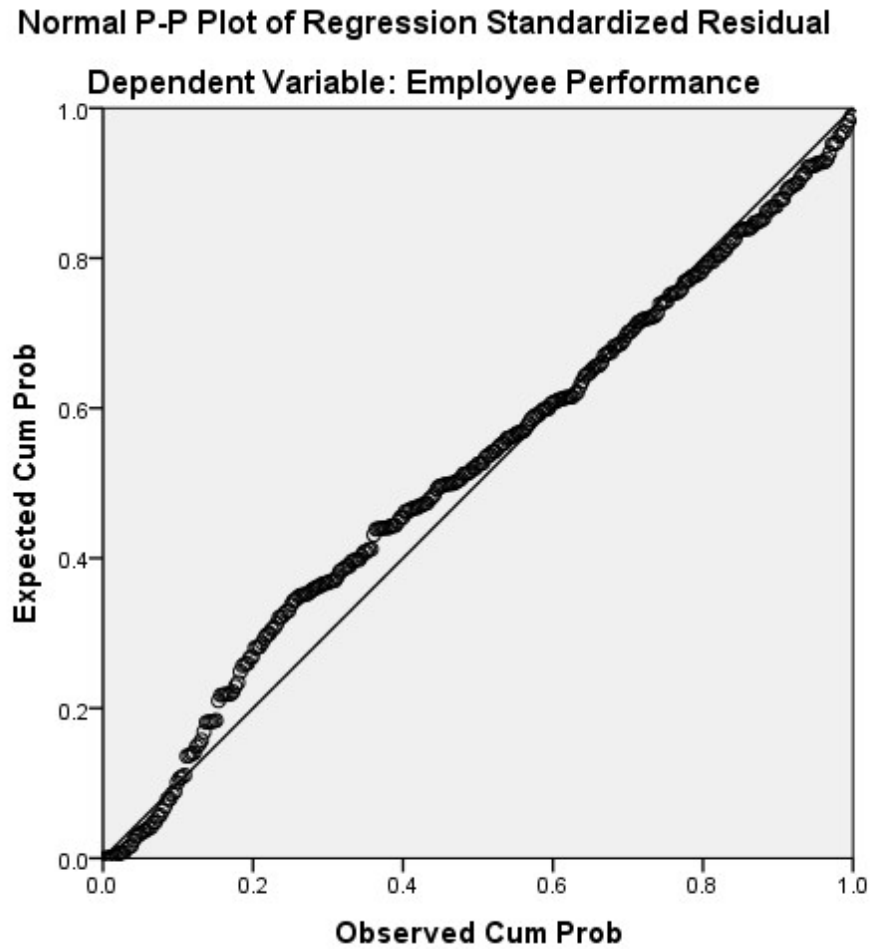
Source: Own Survey (2022)

In the above figure 4.2 revealed that, the data were distributed symmetrically around the center of all scores. As such, if we drew a vertical line through the center of the distribution, then it looks the same on both sides. This is known as a normal distribution and is characterized by the bell-shaped curve. This shape basically implies that the majority of scores lie around the center

of the distribution (so the largest bars on the histogram are all around the central value). Therefore, in the population, the data on the dependent variable are normally distributed for each of the possible combinations of the level of the independent variables; each of the variables is normally distributed.

4.6.1.4. Linearity test

Linearity assumption of multiple regressions was tested by scattered plot. Linearity means that the amounts of rate of change, between scores on two variables are constant for the entire range of scores for the variables. An underlying assumption of regression analysis is that the relationship between the variables is linear, meaning that the points in the scatter plot must form a pattern that can be approximated with a straight line. The plots below figure 4.3 shows that almost strong linear relationship. The points are evenly distributed on either side of the regression line.



3Figure 4.3: - normal P-P plot of regression standardized residual

Source: Own Survey (2022)

4.6.2 Model summary

The summary of the model about R , R^2 , adjusted R^2 and the standard error of the estimate, which can be used to determine how much percent of dependent variable is explained by predicting variables under the study.

Table 4.8 Model summary

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.828 ^a	.686	.682	1.604	1.928

a. Predictors: (Constant), Appraisal Method, Feedback, Rater Accuracy, Objective Setting

b. Dependent Variable: Employee Performance

Source: Own Survey (2022)

R is the correlation coefficient which shows the relationship between the study variables. From the findings shown in Table 4.8 which appraisal method, feedback, objective setting and rater accuracy had a strong positive relationship between Employee Performance as shown by 82.8%.

The regression model showed that the coefficient of determination i.e. R^2 value is 0.686, which representing that 68.6% variation of the observed variability in Employee Performance is explained by performances appraisal practices (appraisal method, feedback, objective setting and rater accuracy). Thus, 68.6% of the variation in Employee Performance could be explained by the four selected performances appraisal practices dimensions. The Adjusted R^2 value = 0.682 reveals that the independent variables contributed for under representation of employee performance which is 68.6%, /31.4 % explained by other variables.

4.6.3 ANOVA (Analysis of Variance)

Analysis of variance shows whether the regression model is significantly better at explaining the dependent variable than using the mean as the best predictor. The table below shows the statistical significance of the independent variables in predicting the dependent variable.

Table 4.9 Summary of ANOVA^a

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1711.845	4	427.961	166.338	.000 ^b
	Residual	782.142	304	2.573		
	Total	2493.987	308			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Appraisal Method, Feedback, Rater Accuracy, Objective Setting

Source: Own Survey (2022)

The overall significance of the independent variables is tested using ANOVA as illustrated in table 4.9 above the overall multiple regression relationship is significant with $F(4) = 166.338$ and $p/\text{sig} = .000$. It shows that the significance p – value 0.000 is less than 0.05 indicating that the model was statistically significant in predicting how performances appraisal practices (appraisal method, feedback, objective setting and rater accuracy) influences employee performance in JabiTehinaWoreda public sector organizations. Therefore, this shows that the model used is appropriate.

4.6.4 Regression Coefficient Analysis

The regression coefficient is the constant 'b' in the regression equation that tells about the change in the value of dependent variable corresponding to the unit change in the independent variables. The following table displays the estimated coefficients of the multiple regression of Employee Performance against the independent variables for the sample of 309 employees.

Table 4.10. Regression coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	-2.162	.907		-2.383	.018	-3.947	-.377
Obejective Setting	.169	.040	.148	4.235	.000	.091	.248
Rater Accuracy	.131	.035	.139	3.748	.000	.062	.199
FeedBack	.218	.028	.286	7.705	.000	.162	.273
Appraisal Method	.591	.049	.498	12.078	.000	.495	.688

Source: Own Survey (2022)

The result of unstandardized coefficient in Table 4.10 above indicated how much the dependent variable varies with an independent variable, when all other independent variables are constant.

As the tables indicate the Appraisal Method increase by1, Employee Performance level will increase by 0.591, Feed Back increase by1, Employee Performance level will increase by 0.218. Objective Setting increase by1, Employee Performance level will increase by 0.169. Similarly, Rater Accuracy increase by1, Employee Performance level will increase by 0.131.

Generally demonstrated that of the four independent variables under the study, Objective Setting ($B=0.169$, $P<1\%$), Rater Accuracy ($B=0.131$, $P<1\%$), Feedback ($B=0.218$, $p<1\%$) and Appraisal Method ($B=0.591$, $p<1\%$) were found to have statistically significant and positive influence on public sector Employee Performance. The beta coefficient of the study further shows that among the four explaining variables the largest influence on public sector Employee Performance comes from Appraisal Method ($B=0.591$). Hence other factors are also the influencing factors of public sector Employee Performance in Jabi Tehinan Woreda.

4.7 Discussion of hypotheses

The objective of this study was to investigate the effect of performances appraisal practices on employee performance. To this end, the quantitative data were collected and analyzed. Effect of performances appraisal practices on employee performance were measured by Likert scale and Appraisal Method, Feedback, Rater Accuracy, and Objective Setting were adopted as an operational variable to measure performances appraisal practices and its effects on employee performance. The study sought to understand whether performances appraisal practices were effective in the public sectors and conducted correlation and regression analysis to determine how independent variable (effect of performances appraisal practices) was related with the dependent variable (employee performance) and the results of the study were discussed below.

H₁: Appraisal Method has a significant effect on employee performance

Different scholars suggested different techniques of performances appraisal practices influence on employee performance. Studies supports the findings such as Pettijohn and Taylor (2009) established that if performance appraisal are properly conducted the outcome have positive impacts. Omusebe, Gabriel and Douglas (2013) found out that there was a positive and significant effect between employee efficiency and performance appraisal in mumias Sugar Company. Walsh (2008) established that respondents perceived that the performance appraisal tools to be fair as nine out of ten scales used for measuring reaction. If PA system is successfully

used in the banks of Dera Ghazi Khan, the employees would be able to know how well they are performing and what is expected to them in future in terms of their work performance and effort. For instance in researches done by (Fakharyan, Jalilvand, Dini, and Dehafarin, 2012), (Lillian and Mathooko, 2011), (Peti Johann et al, 2001), the relation between Performance appraisal and employee's performance has been confirmed too.

Findings of the study revealed that, Appraisal Method have positive and significant effect on performance of public sector employee's performance at beta coefficient of 59.1% with p value 0.000 of significance level. Thus, the null hypothesis is rejected and the researcher hypothesis (alternative hypothesis) is accepted.

H₂: Feedback has a significant effect on employee's performance

According to Caruth & John (2008) the feedback should be given with a positive attitude as this can have an effect on the employees' future performance. Effective performance feedback has the potential to enhance employee engagement, motivation, and job satisfaction (Aguinis, Gottfredson and Joo, 2011). Moreover, Performance feedback is a critical component of all performance management systems. Performance feedback is effective in changing employee work behavior and enhances employee job satisfaction and performance.

Feedback gives important information to employee how he or she is performing which in turn helps employee to set goals and attain goals that are set earlier. Because of that, feedback is an important role also when there are some other rewards (Rynes et al., 2005).

In their empirical study Stajkovic and Luthans (2001) found that feedback increased performance 20 per cent. Moreover Perry et al., (2006) found that feedback affect specifically intrinsic motivation. Increased intrinsic motivation in turn led to improved performance. When Rynes et al. (2005) combined earlier studies of feedback they noticed that overall positive effect of feedback on performance is quite modest. Besides Kluger and DeNisi (2006) found that feedback has quite variable effect on performance although on average feedback have positive effect. The performance appraisal feedback may increase employee competencies on changing needs at work and increase span of control on knowledgeable workers hence job satisfaction. The findings were in line with Walsh (2003) who argued that employees perceive performance appraisal system as fair which enhances their job satisfaction This study indicated that a one-unit increase in Feedback on the performance of employee's increase by 21.8% with p value 0.000

significant level (table 4.10).Therefore, alternative hypothesis of the research which suggested that Feedback has significant effect on performance of employee's were accepted by rejecting the null hypothesis.

H₃: Objective Setting has a significant effect on employee performance

Based on the survey conducted by Armstrong & Baron (2004), 62% the organizations that have been surveyed have used objective setting for the purpose of aligning individual and organizational objective, to improve organizational performance as well as employee performance, to provide the basis for personal development and to inform performance pay decisions. According to Latham & Locke (2006) who developed the concept of goal (objective) setting in 1997 also indicated setting an objective for employee will also increase performance and subjective well-being of that employee. This study also revealed that a one-unit increase in Objective Setting on the performance of employees increase by 16.9 % (table 4.10).Therefore, alternative hypothesis of the research which suggested that Objective Setting has significant effect on performance of employees were accepted by rejecting the null hypothesis.

H₄: Rater Accuracy a significant effect on employee's performance

According to Levy and Williams (2014), the results of the appraisal will define the reaction of the subordinates towards the ratings. As observed by Johnson (2015), evaluators' fairness on appraised subordinates as well as the attributions concerning their behaviors, mediates a good relationship between employees and the performance appraisal raters. Referring back to regression table (4.10) indicated that a unit change on Rater Accuracy has significant positive effect on performance of employees by a coefficient of 0.131 (13.1 %) with p value of 0.000. Thus, the null hypothesis is rejected and the researcher hypothesis is fully accepted since Rater Accuracy a significant positive effect on performance of employees.

4.9. Summary of Hypotheses Tested

In this study, multiple regression was used to test the research hypotheses. The table below shows summarized results of the hypotheses tested.

Table 4.11: Summary of Hypotheses Tested

Hypothesis	Alternative hypothesis	Beta (β)	Sig. Value	Decision	Implication
H1	Appraisal Method has a significant effect on employees performance	0. 591	0.000	Alternative hypothesis accepted	Appraisal Method affects employee performance.
H2	Feedback <i>has a significant effect</i> on employees performance	0. 218	0.000	Alternative hypothesis accepted	Feedback affects employee performance.
H3	Objective Setting <i>has a significant effect</i> on employees performance	0. 169	0.000	Alternative hypothesis accepted	Appraisal Method affects employee performance.
H4	Rater Accuracy <i>has a significant effect</i> on employees performance	0.131	0.000	Alternative hypothesis accepted	Rater Accuracy affects employee performance.

Source: Own Survey (2022)

This chapter presents summary, conclusion and recommendation of the study. It clearly states major findings, generalizations and relevant suggestions forwarded by the researcher.

CHAPTER FIVE

Conclusions; Recommendations and Suggestions

5.1. Summary

The main objective of this study was to investigate the effects of performances appraisal practices on employees' performance in JabiTehinanWoreda. Based on the analyzed data the major findings were summarized as follows. The results of descriptive analysis in this study shown that performances appraisal practices were an influence in employee performance. The average mean score of Appraisal Methods, Feedback , Objective Setting and Rater Accuracy was 19.68, 19.36, 19.30, 18.11 and respectively, these affects public sector employees performance . Open ended questions and interview results also shown that supervisors were participating in planning review or evaluation and made decisions to those problems raised from employees. Participants responded that supervisors were promote teamwork i.e, raters with employees and other concerned sector partners especially listen towards different ideas, involve employees in suggesting new ideas and enhance problem solving skill, but there were limitations in terms of exchanging experiences to bring performance closer among employees and clear sharing of information secured.

The other finding in this study proved that performances appraisal practices have positive relationship with employee's performance in JabiTehinanWoreda. The correlation statistics ($AM = 0.758^{**}$, $FB = 0.608^{**}$, $RA = 0.507^{**}$) and $OS = 0.442^{**}$ all at Sig value of 0.000 ($0.000 < 0.05$) indicated that Appraisal Methods, Feedback, Rater Accuracy and Objective Setting were positively and significantly correlated with employees performance.

The finding of this study revealed that Appraisal Method, Feedback, Objective Setting and Rater Accuracy have statistically significant and positive effect on employee performance. Appraisal Method was the most determinant factor that affected the employee's performance with a Beta (β) value of 0.591 followed by Feedback, Objective Setting and Rater Accuracy with a value of 0.218, 0.169 and 0.131 respectively. Any increase in Appraisal Methods, Feedback Objective Setting and Rater Accuracy leads to an increase employee performance by 59.1%, 21.8%, 16.9% and 13.1% respectively.

5.2 Conclusions

Based on the discussion and summary of major findings made above the researcher have drawn the following conclusions. Conclusions were made based on the specific objectives of the study. The findings indicated that the average mean scores of effect of performances appraisal practices (Appraisal Methods, Feedback , Objective Setting and Rater Accuracy) were ranged between 19.68 and 18.11 indicating agreements of participants that supervisors were contributed their own role on performances appraisal practice that influenced on public sector employees performance. On the other hand, the results in open ended and interviews in terms of explanatory variables Objective Setting Majority of respondents replied that

“The fact that the plans and goals of sectors are given from the top down does not take into potentials the sectors and employees and the favorable conditions. However, almost all activities are carried out through the mutual support between supervisors and employees. This also shows the direct or indirect effects of goal setting given on employee performance.”

Whereas in rater accuracy, majority of participants responded that *“The supervisors and the authorized body that evaluates the employees of each sector have sufficient knowledge and skills in the evaluation process. However, the evaluation process is conducted relatively uninterrupted by goodwill or tolerance evaluations by the raters and rate staff”*.

Feedback also another measuring variable for performances appraisal practice and the results in open ended questions respondents were requested to

“Feedback is rarely given to employees. However, they do not perceive that they deliver quantity and quality in the timely and consistent execution of tasks. This has an impact on the effectiveness of the performance of the employees”.

On the other hand, the practice of Appraisal Methods results in the open ended questions respondents were requested

“All employees, supervisors and managers of sectors will be evaluated based on their performance. However, the fact that the appraisal method or evaluation criteria have limited transparency and are conducted with the best view or perspective of supervisors affects the performance of employees”.

This study was aimed at investigate the relationship that exists between performances appraisal practice and employees performance in public sectors of Jabi TehinaWoreda. The correlation statistics between effect of performances appraisal practice (Appraisal Methods, Feedback , Objective Setting and Rater Accuracy) and employees performance at Sig value of 0.000 ($0.000 < 0.05$) were scored between the range of 0.758** and 0.442** which shown significant positive relationship. From these findings it is possible to conclude that performances appraisal was positively related with employee performance in Jabi Tehina Woreda public sector organizations.

The study found that Appraisal Methods is the most contributing practice in the prediction of employee performance of public sector organizations. Feedback and Objective Setting are the second and third highest predictors that have shown significant effect to determine the employee performance of public sector organizations. Rater Accuracy is the least contributing predictor of employee performance of public sector organizations.

Therefore, it can be concluded that more connection between performances appraisal that increases the employees performance of the public sector organizations. In general, among the four independent variables identified in the research as influencing factors; Appraisal Methods, Feedback, Objective Setting and Rater Accuracy were the most affecting factors and a better predictor of employee performance public sector organization in Jabi TehinanWoreda.

5.3 Recommendations

This study established that performances appraisal positively affected employee performance. Based on the findings and conclusions drawn the researcher forwarded the following recommendations. The study was conducted on effect of performances appraisal on the employee performance concerned on the operational variables such as Appraisal Methods, Feedback, Objective Setting and Rater Accuracy. The results of the study based on these variables were appropriate. However, there were some limitations that influenced employee performance. To minimize these limitations the JabiTehinanWoreda management members, supervisors and civil service office needs in Jabi Tehinan Woreda regarding to the study variables such as:

Objective setting

- ❖ The plans and goals of sectors should be able to go down from the bottom up as well as from the top down.
- ❖ The goal setting given should be taken into potentials the ability and opportunities of the sectors and employees.
- ❖ A common understanding or clarity should be created on the goals to be given and achieved.
- ❖ The activities of sectors and employees should be aligned.

Rater Accuracy

- ❖ Evaluators should be evaluates based on adequate knowledge and skills.
- ❖ To increase the capacity of the evaluators, the authorized body should be empowered them.
- ❖ An objective or visible criterion should be developed. This also lays the foundation for actual change, not tolerance.
- ❖ Clarity should be created between raters and rate workers.
- ❖ Employees should be measured by the quantity and quality of their results, which means that it should not be through intimacy and personal communication with others.

Feedback

- ❖ Regular feedback should be given by employees based on performance.
- ❖ Feedback should be given to employees in an accurate and fair manner.
- ❖ It is expected to improve the performance of the employees by taking mutual understanding and learning from the supervisors and employees on the feedback given.

Appraisal Method

- ❖ Supervisors and employees should have a complete and clear understanding of evaluation methods.
- ❖ Evaluation methods should be carried out independently from the influence of immediate officials.
- ❖ It is expected to increase decision-making by increasing the participation of employees in the evaluation process.
- ❖ As clearly shown in the analysis part of the study, Appraisal Methods, Feedback, Objective Setting and Rater Accuracy were made an influence on public employee performance and

Appraisal Methods is the most dominant effect on public sector employee performance, where as Rater Accuracy has a relatively small impact on public sector employee performance. However, this does not mean that Jabi Tehinan Woreda public sectors performances appraisal practices shouldn't focus much on a single variable rather they should focused on all the explanatory variables in order to improve their employees performance.

5.4 Suggestion for Further research

This study looked at the effects of performances appraisal practice on public sector employees performance by taking Appraisal Methods, Feedback, Objective Setting and Rater Accuracy as an operational variables. The above four operational variables of performances appraisal explains employees performance 0.682 (68.2%) in this study. From this the researcher recommended that further research should be carried out to investigate other factors affecting employee performance. Similarly further research should be conducted to ascertain whether the findings of study are universal or not.

REFERENCES

- Aguinis, H., Joo, H., & Gottfredson, R. K. 2011. *Why we hate performance management and why we should love it*. *Business Horizons*, 54, 503-507.
- Anol Bhattacharjee. (2012). *Social Science Research: principles, methods, and practices*.
- Anstey, E. Fletcher, C. & Walker, J. (1976). *Staff Appraisal and Development*. Riytkedge Library Editions; Human Resource Management; Riytledge Taylor & Francis Group, London and New
- Armstrong, M. (2006). *A Handbook of Human Resource Management Practice*, London: Kogan. York
- Borman, W. C. (2015). *Individual differences correlate of accuracy in evaluating others'* performance effectiveness. *Applied Psychological Measurement*, 3, 103–115.
- Boswell, W. R., & Boudreau, J. W. (2014). *Separating the developmental and evaluative performance appraisal uses*. *Journal of Business & Psychology*, 16(3):391-412.
- Brown, M. and Benson, J. (2003). *Rated to Exhaustion Reaction to Performance Appraisal*
- Brown, M., Hyatt, D., & Benson, J. (2010). *Consequences of the performance appraisal experience*. *Personnel Review*, 39(3):375-396. *Processes*. *Industrial Relations Journal*, 34(1), 67-81.
- Brown, M. and Heywood, J.S. (2005). *Performance Appraisal System: Determination and Change*, *British Journal of Industrial Relation*, 43(4), 656-679.
- Campbell, J.P. (1990). *Modeling the Performance Prediction Problem in Industrial and Organization Psychology*, In M.D. Dunnette and L.M. Hough (Eds). *Handbook of Industrial and Organizational Psychology*, 687-732. Palo Alto, C.A., Psychologists Press, Inc.
- Cascio, W. F. (1987). *Applied Psychology in Personnel Management*. New Jersey: Prentice Hall
- Caruth, W & John, P 2008. *Performance Appraisal: maintaining system effectiveness*. New Delhi. Practice hall plc.
- Caruth, D. L & Humphreys, J. H. (2015). *Performance Appraisal: Essential Characteristics for Strategic Control*. *Measuring Business Excellence*, 12(3), 24-32.

- Cleveland, J. N., & Murphy, K. R. (2015). *Analysing performance appraisal as a goal directed behaviour*. Research in Personnel and Human Resources Management, (10), 121-185.
- Cleveland, J. N., Murphy, K. R., & Williams, R. E. (2014). *Multiple uses of performance appraisal: Prevalence and correlates*. Journal of Applied Psychology, 74(1), 130–135.
- Claybaugh, (2020). *Research Guides: Organizing Academic Research Papers: Types of Research Designs*". library.sacredheart.edu.
- Coens, T. and Jenkins, M. 2000. *Abolishing Performance Appraisals*, San Francisco, CA, Berrett-Koehler Publishers, Inc.
- Creswell et al (2012). *Designing and Conducting Quantitative Methods Research*, (2nd ed.) Thousand Oaks: Sage.
- Deadrick, D. L. & Gardner, D. G. (1997). *Distributional rating of performance levels and Variability*: an examination of rating validity in a field setting. Group and Organization Managment, Volume 22, pp. 317-342.
- De Cenzo, D. and Robbins, S. (1996). *Human resource management: concepts & practices*. (4th Ed.) New York: John Wiley & Sons Inc.
- DeNisi A. & Pritchard R. (2016). *Performance Appraisal, Performance Management and Improving Individual Performance*: A Motivational Framework, Management and Organization Review, 2(2), 253–277.
- DeNisi, A. S. & Kluger, A. N. (2015). *Feedback effectiveness*: Can 360-degree appraisals be improved? Journal of Academy of Management Executive, 14(1): 29–39.
- Dube(2019). *The content validity index*: are you sure you know what's being reported? Critique and recommendations. 489-497.
- Erdogan, B. (2002), *Human Resource Management*: Antecedents and consequences of justice perceptions in performance appraisals, Human Resource Management review (12).
- Evans, L., & Bae, K. (2018). *Simulation based analysis of forced distribution performance appraisal system*. Journal of defence Analytics and Logistics <https://doi.org/10.1108/JDAL-10-2017-0022>.

- Fletcher, C. & Williams. (2016). *Managing Performance Systems*, Blackwell. The International Journal of Public Sector Management, 13 (1), 19-37.
- Ghozali,(2006). *Aplikasi Analysis Multivariate dengan program spss* (Edisi ke4). semarang:Badanpenerbituniversitas Diponegoro
- Greenberg, J. (1993), *The Social Side of Fairness*: Interpersonal and Informational Classes of Organizational Justice. In R. Cropanzano (Ed.) Justice In The Workplace: Approaching Fairness In Human Resource Management, Hillsdale, NJ: Lawrence Erlbaum Associates
- Hair Jr, J., & WC, A. R. T. R. B. (1998). *Multivariate data analysis*. (5th ed). Prentice Hall Upper Saddle River: NJ.
- Herberg, Frederick(1966) .*work and the nature of man* .Cleveland :world publishing
- Ibeogu, P. H. & Ozturen, A. (2015). *Perception of Justice in Performance Appraisal and Effect on Satisfaction*: Empirical Findings from Northern Cyprus Banks. Procedia Economics
- Igbojekwe, Polycarp A. and Ugo-Okoro, Chigozie P. 2015. *Performance Evaluation of Academic Staff in Universities and Colleges In Nigeria*: The Missing Criteria. International Journal of Education and Research Vol. 3 No. 3). and Finance, 23, 964-969.
- Ivancevich, J. (2004). *Human Resource Management*. (9th ed.) New Delhi: Tata McGraw-Hill Companies.
- Johnson, P. (2015). Liking and attributions of motives as mediators of the relationships between individuals' reputations; behaviors and raters' reward decisions. *Journal of Applied Psychology*, 87(4): 808-815.
- Kariuki, A. & Murimi, C. (2015). *Employee empowerment and organizational performance of Tata Chemicals*, Magadi Limited, Kenya. European Journal of Business and Management, 7(8), 78-98
- Karuja, E. & Mukuru, E. (2013). *Effect of motivation on employee performance in public middle level technical training institutions in Kenya*. International Journal of Advances in Management and Economics, 2 (4), 73-82.

- Kelemba, J.K Chepkilot, R. & Zakayo, C. (2017). Effect of Personal Attributes on Employee Performance in the Public Service in Kenya. *Journal of Management and Business Administration*, 2(8), 19-35.
- Kinicki A.J., Prussia G.E., Bin W., & McKee-Ryan F.M. (2014). A Covariance Structure Analysis of Employees Response to Performance Feedback, *Journal of Applied Psychology*, 89(6), 1057–1069.
- Kothari, C. R. (2004). *Research Methodology: Methods and Techniques*. (2nd Ed.). . New Delhi: New Age International publishers
- Kressler, H. W. (2003). *Motivate and Reward: Performance Appraisal and Incentive Systems for Business Success*. Translated from German by Simon Pearce. [e-book] Houndmills: Palgrave Macmillan.
- Latham, G. P. (2003). *Goal setting: A five-step approach to behavior change*. Organizational Dynamics, 32(3), 309-318.
- Levy,P.E. and J.R. Williams, (2004). *The social context of performance appraisal*: A review and framework for the future. J.Manage., 30: 881-905.
- Levy, P. E., & Williams, J. R. (2016). *The social context of performance appraisal*: A review and framework for the future. Journal of Management, 30 (6):881-905.
- Longenecker, C. O. & Goff, S. J. (1992). *Performance appraisal effectiveness*: A matter of perspective. Advanced Management Journal.
- Longenecker, C.O. (1997). *why managerial performance appraisals are ineffective*: causes and lessons.
- Locke, E.& Latham, G. (2012). *Building a practically useful theory of goal setting and task motivation*. American Psychologist, 57(5), 705-717. Career Development International
- Lunenberg, F. C. (2011). *Goal-Setting Theory of Motivation*. International Journal of Management, Business and Administration, Vol. 15, Issue 1, pg. 203- 211.
- Luthans, F. & Stajkovic, A. D. (1997). *Reinforce for performance*: the need to go beyond pay and even reward. Volume 13, pp. 49-57.

- Mathis, R.L. and Jackson, J.H. (1997). ***Human Resources Management***. (8th Ed.) Minneapolis: West Publishing Company.
- McGregor, D. (1957), ***The human side of the enterprise***. McGraw-Hill; New York
- Meyer, H. (2015). ***Split Roles in Performance Appraisal***, Harvard Business Review, January-February 9(4), 60
- Migiro S. O. and Taderera M. M. (2010), Evaluating the performance appraisal system in the bank of Botswana, ***African Journal of Business Management*** Vol. 5 (10), pp.3765-3776.
- Mutunge, S. M. (2013). ***An investigation of staff perception on the effectiveness of performance appraisal system at Teachers service commission in Nairobi Kenya***. : Unpublished MBA thesis UoN.
- Omusebe, J. M., Gabriel, K., & Douglas, M. (2013). Effects of performance appraisal on employee productivity a case study of Mumias Sugar Company. ***International Journal of Innovative research and development*** volume 2 issue 6, 35-42.
- Pallant, (2005). ***SPSS Survival Manual***. Second edition, Ligare Pty Ltd, Sydney.
- Pauwe, J. (2004). ***HRM and performance***. london, England : Oxford University Press.
- Peter, A. (1994). ***Designing and implementing an effective performance appraisal system***.
- Pettijohn, L., & Taylor, A. (2009). An Empirical investigation of the relationship between retail sales force performance appraisals, performance and turnover. ***Journal of Marketing theory and practice*** volume 7 issue 1, 39 - 54.
- Prowse, P. & Prowse, J. (2015). The dilemma of performance appraisal. ***Journal of Measuring Business Excellence***, 13 (4): 69-77.
- Salaman, Graeme; Storey, John; Billsberry, Jon. 2nd Edition. 2005. ***Strategic Human Resource Management: Theory and Practice***. Sage Publications Ltd.
- Scott, S.G. & Einstein, W.O. (2001). ***Strategic Performance Appraisal in Team-based Organizations***: one size does not fit all. Academy of Management Executive. 15(2):

- Walsh, M. B (2003). *Perceived Fairness of and Satisfaction with Employee Performance Appraisal*, Louisiana State University, Louisiana.
- William, A. N. (2010). "*Employee Motivation and Performance*."
- Wood, R.E., & Marshall, V. (2016). *Accuracy and Effectiveness in Appraisal Outcomes*: The Influence of Self-Efficacy, Personal Factors and Organizational Variables, Human Resource Management Journal, Vol. 18, (3), pp. 295–313.
- Yamane, T. (1967). *Statistics: An Introductory Analysis*, (2nd Ed). New York: Harper and Row.
- Zachary, D. (2010). *Effective Performance Appraisal* - a study into the relation between employer satisfaction and optimizing business results Resumes University Rotterdam

Appendix1 English version Questionnaire

DebreMarkos University

Masters program

Department of management

My name is Tazebew Atinafu Belay. I am a second year MBA student. Dear respondent, first I would like to thank you for your willingness to cooperate and devote your precious time in filling this questionnaire. The survey will take no longer than 10-15 minutes to complete. The questionnaire primarily constructed to collect relevant, vital and truthful information to address concerns in the study entitled **“The effects of performance appraisal practices on the employee performance of public sector organization in the case of JabiTehinanWoreda.”** and to suggest possible recommendations based on the findings. To this end, the research reliability and fruit fullness is highly depends on the information provided by you, to this understanding please feel free to answer honestly for the following questions. Your answers to the survey are completely confidential and operate under the ethical standards of the research. Once again, I would like appreciate your responsiveness and taking the time to complete the questionnaires. For any further clarifications and comments you can contact me through Tel no. 0913355423.

Thank you in advance for your cooperation!

You are not required to indicate your name

Part one- Demographic Information of Respondents

1. Sex: Male ☐ Female ☐
 2. Age in years: under 30 ☐ 31-35 ☐ 36-40 ☐ 41-45 ☐ Over 45 ☐
 3. Educational level : Diploma and below ☐ Degree ☐ Masters Degree and above ☐
 4. Work experience: Below 1 year ☐ 1- 4 years ☐ 5-10 years ☐
11-15 years ☐ 16-20 years ☐ 21and above years ☐
-

Part One- Questions related to the research objectives

Please see instructions below.

1. For each of the statements below, put (✓) under the number that indicates the degree to which you agree or disagree about the performance appraisal practice in Jabi Tehinan Woreda.
2. Give your immediate impressions. There is no right or wrong answers.

Note: Indicate your answer by choosing from: Strongly Disagree(1-SD,) Disagree(2-DA), Undecided (3-U), Agree(4-A), Strongly Agree (5-SA).

The following section discusses performance appraisal practice tasks exhibited by supervisors on the effects of employees performance. Statements starting from 1 to 25 represent five different activities with the first fifths statements for employee performance ; the second fifths statements are Objective Setting; the third fifths statements are Rater Accuracy, the fourth fifths statements are Feedback and the last fifths statements are Appraisal Methods. Try to judge genuinely and indicate the level of your agreement or disagreement and put in the questionnaire.

1. Measures indicating employee performance

No	Item	Strongly disagree 1	Disagree 2	Undecided 3	Agree 4	Strongly Agree 5
1	The current level of the employee performance is high?					
2	I work to the best of my skills and abilities?					
3	I achieve my work target/setting objectives?					
4	The quality of the services in the organization is high?					
5	The organization encourages employees to work to the best of their abilities					

2. Measures indicating Objective Setting

No	Item	Strongly disagree	Disagree 2	Undecided 3	Agree 4	Strongly Agree 5
1	Goal setting in the organization carried out with discussion between the Employee and the supervisor?					
2	I know the organization's mission, strategic goal and objective					
3	My individual goals are aligned with the organization goal					
4	I participate in the setting of my goals/targets prior to the performance period.					
5	I clearly understand my duties and responsibilities in the organization.					

3. Measures indicating Rater Accuracy

No	Item	Strongly disagree 1	Disagree 2	Undecided 3	Agree 4	Strongly Agree 5
1	My performance is measured based on the agreement I reached with my supervisor?					
2	The performance rating, I receive is accurate?					
3	I believe that the performance management system is fair and transparent					
4	My rater evaluates my performance based on my accomplishment and achievement					
5	Performance standards in my organization are clearly set and easily understandable					

4. Measures indicating Performance Feedback

No	Item	Strongly disagree 1	Disagree 2	Undecided 3	Agree 4	Strongly Agree 5
1	Performance appraisal feedback is implemented in your organization					

2	I receive regular, accurate and timely performance feedback.					
3	Performance appraisal feedback is used for improving staff performance?					
4	I get constructive feedback from my supervisor in a continuous basis?					
5	Current performance feedback in the company is fair and Unbiased?					

5. Measures indicating Performance Appraisal Methods

N o	Item	Strongly disagree 1	Disagree 2	Undecided 3	Agree 4	Strongly Agree 5
1	Performance appraisal method used in my organization is easily understood by staff?					
2	Performance appraisal method is used as decisions making tool for increasing my performance.					
3	The organizations performance appraisal practice allows high Employee participation?					
4	I'm satisfied with the current organizations performance appraisal system?					
5	Do you agree that performance appraisal system adopted in your organization is effective					

Part two Amharic Question

መጠይቅ

ደብረ-ማርቆስ ዩኒቨርሲቲ

የማስተርስ ፕሮግራም

የአስተዳደር ክፍል

ታዘበው አጥናፉ በላይ እባላለሁ የሁለተኛ አመት የ MBA ተማሪ ነኝ። ውድ የጥናቱ ተሳታፊ ምላሽ ሰጪዎች በመጀመሪያ ይህንን መጠይቅ ለመሙላትና ለመተባበር እንዲሁም ውድ ጊዜዎን ለመስጠት ፈቃደኛ ስለሆኑ ለመሰግንዎ እወዳለሁ። ጥያቄዎችን ለመሙላት ከ10-15 ደቂቃ በላይ አይፈጅም። መጠይቁ በዋናነት "የስራ አፈጻጸም ምዘና ስርዓት በጃቢጣህናን ወረዳ የመንግስት ሴክተር መስሪያ ቤቶች የሰራተኛ አፈጻጸም ላይ የሚያሳድረው ተፅእኖ" በሚል ርዕስ ላይ ሲሆን በጥናቱ የተነሱ ችግሮችን ለመፍታት ጠቃሚ እና እውነተኛ መረጃዎችን ለመሰብሰብ ታስቦ የተዘጋጀ ነው እንዲሁም በግኝቶቹ ላይ በመመርኮዝ ሊጠቅሙ የሚችሉ ምክሮችን ለመጠቀም፣ የምርምሩ አስተማማኝነት እና ፍሬያማነቱ በከፍተኛ ሁኔታ የሚወሰነው እርስዎ በሚሞሉት መረጃ ላይ የተመሰረተ ነው። በዚህ ግንዛቤ እባክዎን ለሚከተሉት ጥያቄዎች በሐቀኝነት ለመመለስ ነፃነት ይሰጣል። ለዳሰሳ ጥናቱ የሚሰጡት መልሶች ሙሉ በሙሉ ሚስጥራዊነት የሚያዙ ናቸው። በጥናቱ የስነ-ምግባር መርሆዎች መሰረት ስራ ላይ ይውላሉ። በድጋሚ ምላሽ ለመስጠትና እና መጠይቆችን ለመሙላት ጊዜ ወስደው ላድጉልኝ ትብብር ለመሰግንዎት እወዳለሁ። ለተጨማሪ ማብራሪያ እና አስተያየት በስልክ ቁጥር 0913355423 ሊያገኙኝ ይችላሉ።

ስለ ትብብርዎ በቅድሚያ እናመሰግናለን!

ስምዎን መፃፍ አስፈላጊ አይደለም

ክፍል አንድ - አጠቃላይ የጥያቄ መላሸች መሰረታዊ መረጃ

1. ፆታ: ወንድ ሴት

2. እድሜ በዓመታት: ከ30 በታች 31-35 36-40 ከ45 በላይ

3. የትምህርት ደረጃ: ዲፕሎማ እና በታች በዲ ማስተርስ ዲግሪ ያ በላይ

4. የስራ ልምድ: ከ1 አመት በታች 4 አመት 10 አመት ከ10 አመት በላይ

16-20 ዓመታት 21 እና ከዚያ በላይ ዓመት

ክፍል ሁለት

ከምርምር ዓላማዎች ጋር የተያያዙ ጥያቄዎች

እባክዎ ከታች ያሉትን መመሪያዎች ይመልከቱ

1. ከዚህ በታች ለተዘረዘሩት መጠይቆች በጃቢ ጠህናን ወረዳ ተግባር ላይ ያለውን የስራ አፈጻጸም ምዘና ስርዓት ላይ ምን ያህል እንደሚስማሙ ወይም እንደሚስማሙበት በሚያመለክተው ሳጥን (v) ያስቀምጡ።

2. እንደመጣልዎ የሚሰማዎትን መልስ ይስጡ ትክክለኛ ወይም የተሳሳተ መልስ የለም።

ማሳሰቢያ፡ ከሚከተሉት አማራጮች ውስጥ በመምረጥ መልስዎን ያመለክቱ፡ በጣም አልስማማም(1) ፣አልስማማም(2)፣ ያልተወሰነ (3)፣ እስማማለሁ(4)፣ በጣም እስማማለሁ (5)።

የሚቀጥለው ክፍል በሰራተኞች አፈጻጸም ውጤቶች ላይ በቅርብ ተጠሪዎች የሚታዩ የአፈጻጸም ምዘና ተግባራትን ያብራራል ከ 1 እስከ 25 የተዘረዘሩት መጠይቆች አምስት የተለያዩ ተግባራትን ይወክላሉ የመጀመሪያዎቹ አምስቱ መጠይቆች ስለሠራተኛው አፈጻጸም፣ ሁለተኛ አምስቱ መጠይቆች የዓላማ ትስስር፣ ሦስተኛ አምስቱ መጠይቆች የገምጋሚዎች ትክክለኛነት ፣ አራተኛ አምስቱ መጠይቆች የግብረ-መልስ አስጣጥ ሲሆኑ የመጨረሻዎቹ አምስት መጠይቆች የግምገማ ዘዴዎች ናቸው። በትክክል ለመምረጥ ይሞክሩ እና የእርስዎን ስምምነት ወይም አለመስማማት ደረጃ ያመልክቱ እና መጠይቁን ይሙሉ።

1. የሰራተኛ አፈጻጸምን የሚያመለክቱ መለኪያዎች

ተ. ቁ	ዝርዝር መጠይቆች	በጣም አልስማማም(1)	አልስማማም (2)	ያልተወሰነ (3)	እስማማለሁ(4)	በጣም እስማማለሁ (5)
1	አሁን ያለው የሰራተኛው አፈጻጸም ከፍተኛ ነው?					
2	በክህሎቴ እና በችሎታዬ ልክ ጥሩ ስራ እሰራለሁ?					
3	ለእኔ ሥራ የተቀመጡ ግቦችን እና አላማዎችን አሳክቻለሁ ?					
4	በተቋሙ ውስጥ ያለው የአገልግሎት አሰጣጥ ጥራት ከፍተኛ ነው?					
5	ተቋሙ ሰራተኞችን አቅማቸው					

	በፈቀደ መጠን እንዲሰሩ ያበረታታል?					
--	------------------------	--	--	--	--	--

2. የዓላማ ትስስርን የሚያመለክቱ መለኪያዎች

ተ. ቁ	ዝርዝር መጠይቆች	በጣም አልስማማም(1)	አልስማማም(2)	ያልተወሰነ(3)	እስማማለሁ(4)፣	በጣም እስማማለሁ(5)
1	በተቋሙ ውስጥ ባለው የግቦች ትስስር ላይ በሰራተኛው እና በቅርብ ሃላፊው መካከል ውይይት ይካሄድበታል?					
2	የተቋሙን ተልዕኮ፣ ስልታዊ ግብ እና አላማ አውቃለሁ?					
3	ለእኔ የተሰጡ ግቦች ከተቋሙ ግቦች ጋር የተጣጣሙ ናቸው?					
4	ከአፈጻጸም ጊዜ በፊት በግቦች እና በኢላማዎች ትስስር ላይ በሚካሄዱ ውይይቶች እሳተፋለሁ?					
5	በተቋሙ ውስጥ ያለኝን ተግባራት እና ኃላፊነቶች በግልፅ ተረድቻለሁ?					

3. የገምጋሚውን ትክክለኛነት የሚያመለክቱ መለኪያዎች

ተ. ቁ	ዝርዝር መጠይቆች	በጣም አልስማማም(1)	አልስማማም(2)	ያልተወሰነ(3)	እስማማለሁ(4)	በጣም እስማማለሁ(5)
1	አፈፃፀሜ የሚለካው ከቅርብ ሃላፊዎች በነበረን ስምምነት መሰረት ነው?					
2	የማገኘው የአፈጻጸም ደረጃ ትክክል ነው?					
3	የአፈጻጸም ምዘና ስርዓቱ ፍትሃዊ እና ግልፅ ነው ብዬ አምናለሁ?					
4	ገምጋሚው የሰራ ክንውን እና የስራ ውጤት አፈፃፀሜ ላይ በመመስረት ይገመግማል?					
5	በተቋሜ ውስጥ ያሉ የአፈጻጸም ደረጃዎች በግልጽ የተቀመጡ እና በቀላሉ ሊረዱ የሚችሉ ናቸው?					

4. የአፈጻጸም ግብረ-መልስን የሚያመለክቱ መለኪያዎች

ተ. ቁ	ዝርዝር መጠይቆች	በጣም አልስማማም(1)	አልስማማም(2)	ያልተወሰነ (3)	እስማማለሁ(4)	በጣም እስማማለሁ (5)
1	የአፈጻጸም ግምገማ ግብረ-መልስ በተቋም ውስጥ ተተግብሯል?					
2	መደበኛ ትክክለኛ እና ወቅታዊ የአፈጻጸም ግብረ-መልስ እቀበላለሁ?					
3	የአፈጻጸም ግምገማ ግብረ-መልስ የሰራተኞችን አፈጻጸም ለማሻሻል ጥቅም ላይ ይውላል?					
4	ቀጣይነት ባለው መልኩ ከቅርብ ሃላፊዎ ገንቢ ግብረ-መልስ አገኛለሁ?					
5	በተቋሙ ውስጥ ያለው የአፈጻጸም ግብረ-መልስ አሰጣጥ ፍትሃዊ እና ከአድሎ ነፃ ነው?					

5. የአፈጻጸም ግምገማ ዘዴዎችን የሚያመለክቱ መለኪያዎች

ተ. ቁ	ዝርዝር መጠይቆች	በጣም አልስማማም(1)	አልስማማም(2)	ያልተወሰነ (3)	እስማማለሁ(4)	በጣም እስማማለሁ (5)
1	በእኔ ተቋም ውስጥ ጥቅም ላይ የዋለውን የአፈጻጸም ግምገማ ዘዴ ሠራተኞች በቀላሉ ተረድተውታል?					
2	የአፈጻጸም ምዘና ዘዴ የእኔን አፈጻጸም					

	ለመጨመር እንደ የውሳኔ አሰጣጥ መሰረድ ሆኖ ያገለግላል?					
3	የተቋሙ የስራ አፈጻጸም ግምገማ የሰራተኞችን ከፍተኛነት ይፈቅዳል?					
4	አሁን ባለው የተቋሙ የአፈጻጸም ግምገማ ሥርዓት ረክቻለሁ?					
5	በተቋምህ ውስጥ ባለው የስራ አፈጻጸም ምዘና ስርዓት ውጤታማነትና ተቀባይነት ያለው እንደሆነ ትስማማለህ?					

Part Three: Interview Questions

1. Does the employee use best of their abilities and skill to achieve work target with in specific quality and timely?
2. Does an individual goal are aligned with the organization goal and are they participate prior to the performance period?

3. Does the employee performance rating accurate, fair and transparent based on standards, accomplishment and achievement with their agreement of tasks?
4. Does the performance feedback implemented fairly and continuous basis to improving staffs performance within your organization?
5. Does the Performance appraisal method easily understood and satisfied by staff for decisions making tool, high employee participation to encourage employee performance?

