

Performance Appraisal Practice and its Effect on Employees' Motivation: A Study of an Agro- Based Organization

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ABSTRACT

Human Resource Management (HRM) is concerned with the people and management. Since every organization comprises people, acquiring their services, developing their skills, motivating them to higher levels of performance and ensuring that they continue at the same level of commitment to the organization are essential to achieving organizational goal. Organizations realize their motto through effective and efficient utilization and management of employees. If PA is conducted appropriately and its result is communicated to the employees it will improve the overall performance of the organization. This study was designed to assess the performance appraisal practice and its impact on employee's motivation. Moreover, PA was not strictly meeting its intended purposes, due to this employee become de-motivated and working with low moral. In addition to this, there is high rate of employee turnover and weak human power, poor customer service delivery was revealed on the findings.

Keywords: Performance Appraisal, Performance Appraisal System, Motivation.

INTRODUCTION:

Human Resource Management (HRM) is concerned with the people dimension of management, since every organization comprises of people, acquiring their services, developing their skills, motivating them to higher levels of performance and ensuring that they continue at the same level of commitment to the organization and are essential to achieving organizational goals according to Decenzo and Robbins (1989), This is true, regardless the type of organization: viz. government, business, education, health, recreation, or social action. Human resource management is one of an evolving science concerned with the management of people and people constitute the principal asset of any organization.

Different organizations will have different goals and objectives to be achieved. Some of the major goals or objectives are to produce quality product or rendering quality service, which enables them to satisfy their customers need. As a result, they can achieve their organizational goals too. Organizations realize their motto through effective and efficient utilization and management of employees. Employees are said to be the lifeblood of organizations, because, through people that organizations can achieve their missions and visions. Therefore, its employees determine the destiny of a given organization and it can be agreed, an organization is as good as its people.

As human resource (HR) is one of the most important resources in the organization, so it should be managed well. One way of managing the HR is conducting performance measure and analyzing the role of performance measure upon services to the employees. If Performance Appraisal (PA) is conducted appropriately and its result is communicated to the employees it will improve the overall performance of the organization. The skill to conduct performance appraisal relies on the ability to assess an employee's performance in a fair and accurate manner. To do so, organizations must design a performance appraisal system (PAS) that can accurately measure the overall performance of the employees.

Performance Appraisal (PA) is the most important requirements for successful business and human resource policy. The ability to conduct PA relies on the ability to assess an employee's performance in a fair and accurate manner. To do so, an organization must design a Performance Appraisal System (PAS) that can accurately measure the performance of its employees. PAS provides valuable performance information to a number of critical human resource activities, such as allocation of rewards, e.g. merit pay, promotion, feedback on development and assessment of training needs, and others.¹

Since performance appraisal is one of the most significant requirements for success of business and human resource, organizations must design proper PAS in order to achieve the goals and objectives of the organization. The key component of the Performance Appraisal Process (PAP) is the creation of specific performance criteria or competencies. These performance standards (PS) must developed, defined and communicated to the incumbent with performance monitored against those standards throughout the year. Without equitable and objective standards, questions will continue to arise about how performance is measured and how compensation decisions are made.

One of the most important concerns of a manager is to motivate employees to make their optimum contribution to the achievement of organizational goals. Therefore, it becomes important for him/her to understand what motivates employees to be had as they do. Since the needs of employees and the organization are not always the same, the managers can better integrate these two sets of needs by gaining an insight in to the needs of his employees and then persuade them in to the direction of organizational goals, because motivation is what drives a person into doing something. (Cole 1997).

For PA to meet its desired objective appropriate techniques must be in place. Hence, there is a need to match appraisal techniques to different PA situation in the organization.

THE PROBLEM STATEMENT:

The success of every institution depends on the quality and commitment of its human resources. In order to ensure continued efficiency and effectiveness of members of staff each organization has to carry out employee performance appraisal from time to time to keep them in check and replace, motivate, retrain or take any other appropriate action. Proper undertaking of PA will have positive impact for both the organization and its employees.²

Performance Measurement and Performance Management:

Pradeep, (2005) explained significant ideas related to performance appraisal, as a tool for achieving desired organizational effectiveness. These are performance measurement and performance management.

Performance Measurement:

It is based on the belief that performance can be measured by objective indices. Stress is not so much on behavior and activities as ends, of behavior and activities. Behavior or activities are seen rather as mean to the important results. Performance measurement is necessary to enforce accountability to results.

Performance Management:

It is a result-oriented exercise. It brings into focus all organizational and sectional results, links them, into perspective, relates them in terms of the larger picture, measures them, set up monitoring and feedback mechanisms, and finally, institutes development plans to improve upon results procured thus.

Process of Performance Appraisal:

Performance appraisal comprises the following steps:

1. Select performance factors (based on job description) to be evaluated and set the standards to be achieved,
2. Set the performance review period,
3. Measure actual performance,
4. Compare performance with set standards and rate it with a suitable scale
5. Communicate the rating to the appraisee,
6. Use the performance appraisal for the desired purpose.(Pattanayak, 2009)

¹<http://forebpx/vt/edu/users/soc/> retrieved on 2nd October, 2017

² www.aibama.org retrieved on 23rd Nov., 2017

Benefits of Performance Appraisal:

Appraisal is believed to enhance managerial and organizational performance as well as positively contributing to employee motivation Randell (as cited by Colling,2010). Conducted effectively, they credited with a number of positive benefits:

1. Performance planning and goal setting
2. Providing feedback and coaching
3. Employee development
4. Linking employee performance to compensation and promotion decision

In addition to these, Pattanayak, (2009), stated the benefits of PA. PA is a formal exercise carried out for all executives and workers with respect to their contributions made towards the growth of the organization. The aim is to measure the overall performance of an employee over a period, usually one year by his/her immediate supervisor to provide a feedback to the employees and aid the management. The benefits of successful appraisal system can be summed up as follows:

For appraise:

- i. Better understanding of the role in organization what is expected and what needs to be done to meet those expectations
- ii. Clear understanding of his/her strengths and weaknesses so as to develop himself/herself into a better performer in future
- iii. Increased motivation, job satisfaction, and self esteem
- iv. Opportunity to discuss aspirations and any guidance, support or training needs to fulfill these aspirations
- v. Improved working relationships with the superiors

For the Management:

- i. Identification of performers and non-performers and their development towards better performance
- ii. Opportunity to prepare employees for assuming higher responsibilities
- iii. Opportunity to improve communication between the employees and the management
- iv. Identification of training and development needs
- v. Generation of ideas for improvements
- vi. Better identification of potential and formulation of career plans

For the organization:

- i. Improved performance throughout the organization
- ii. Creation of a culture of continuous improvement and success
- iii. Conveyance of message that people are valued

The above benefits will be realized only if performance appraisal is considered as a process of management.

Relationship between Performance Appraisal and Motivation:

In the growing age of business and markets, human resource is the big asset of the organization; if the organization is not keeping well with its labor work force then it might get into trouble. Employees are the main features of the progress of the organization. In order to have productivity, employee should be motivated and should be satisfied with their job and have loyalty with the organization. HR professionals are making it possible to motivate the employees with the performance appraisal systems by giving them fair appraisals, as per their performance over a period of time. It has been noticed that there is a strong relationship between performance appraisal and motivation, job satisfaction and loyalty. Keeping aside the main objectives of performance appraisal, it can be use as a mechanism to create a completion between employees to get the job done with all the linked targets and benchmarks (Robert, 1984).

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METHODS OF PERFORMANCE APPRAISAL:

There are different systems and methods for measuring performance and appraising the employees. These methods and systems are categorized as the traditional methods and the modern methods. According to George (2004, pp.361-362), the choice of method should be based largely on the purpose of the appraisal.

TRADITIONAL METHODS:

Trait Method. It is inexpensive to develop and use. The disadvantage of this method is that it has high potential for rating error and it is not useful for employee counseling.

Behavioral Method. It uses specific performance, acceptable to employee and supervisor; useful for providing feedback; are fair for reward and promotion decision. The disadvantage is that it is time consuming and can be costly to develop.

Result Method. It has less subjectivity. It is acceptable to employees and supervisor; links individual performance to organizational performance, encourage mutual goal setting; are good for reward and promotion decisions. The disadvantage of this method is time consuming to develop or to use; may encourage short-term perspective; may use contaminated criteria; may use deficient criteria.

Forced distribution:

One such change has been the use of systems of forced distribution. Forced distribution forces the appraiser to rate a certain proportion of employees in different categories.

Performance appraisal methods can be broadly classified as measuring trait, behaviors, or results. Trait approaches continue to be the more popular system despite their inherent subjectivity. Behavioral approaches provide more action oriented information to employee and therefore may be best for development. The results oriented approach is gaining popularity because it focuses on the measurable contributions that employees make to the organization.

The simplest and least expensive techniques often yield the least accurate information. However, research has not always supported a clear choice among appraisal method. While researchers and human resource managers generally believe that the more sophisticated and more time-consuming methods offer information that is more useful, this may not always be the case. Managers must make cost benefit decisions about which method to be use. (Ibid).

Modern Methods:

There are different methods of performance measurement in the modern times, 360 Feedback System and Management By Objectives (MBO), Balanced Score Card (BSC).

Management by Objective (MBO):

This method is based on the principle of management by objective where the appraiser and the appraisee lay down standards or target to be achieved. Appraiser's actual performance is measured against the standards or target set at the end of a specific period. This system serves as motivation to influence appraisee to achieve the target or standard set because it is noted to raise the morale of employees and for that matter the appraisee since he is involved in the whole processes of appraisal.(Ibid)

Balanced scorecard:

The Balanced Scorecard is a strategic planning and management system used to align business activities to the organization's vision and strategy, improve internal and external communications, as well as monitor organizational performance against strategic goals.(Ibid)

360-degree feedback:

A 360-degree feedback is credited with providing a more holistic and effective source of feedback on individual performance. Essentially, it involves getting feedback from multiple sources, including peers, supervisors, colleagues and so on.

The 360 Feedback systems can be an ongoing process throughout the year to keep an eye on the performance and other's perception about the employees and also it can be measured that how well employee is keeping with its required tasks and responsibilities. (Ibid)

There are four main parts of 360 feedback appraisal system:

- a. Self-appraisal
- b. Superior's appraisal
- c. Subordinate's appraisal
- d. Colleagues' appraisal

The success of organizations depends largely on the performance of its human resources. To determine the contributions of each individual, it is necessary to have a formal appraisal program with clearly stated objectives. Carefully defined performance standards that are reliable, strategically relevant, and free from either criterion deficiency or contamination are essential foundations for evaluation. Appraisal system must also comply with the law. Appraisal should be treated with the same concern for validity, as are selection tests.

International Perspective of Performance Appraisal:

Research reports indicate that there is widespread use of performance appraisal in work organizations all over the world. This widespread use of performance appraisal system can be attributed to human resource specialists, academics and consultants who proclaim that performance appraisal is a critically needed tool for effective human resource management. Performance appraisal dates from the time of World War II. In a broader sense, however, it is one of the oldest professions with origins in Frederick Winslow Taylor's 1911 Time and Motion work, which used the scientific method to assess and improve worker productivity.³

Result Oriented Performance Management Change Initiative:

Performance management is a systematic and strategic approach which works on continuous improvement of teams and individuals performance so as to achieve organizational goals (Armstrong and Angela, 1998).

How often should Appraisal be Done:

Organizations use two basic timing periods for most employees. They are referred to as the anniversary date (the date the person entered the current job or a common review date). Under a common review date system, all employees are evaluated and compared so that such decisions as promotions, and merit pay increases have a common period being covered for all employees.

Researchers have found that feedback on performance should be given frequently and the closer the feedback to the action, the more effective it is. However, only few firms evaluate frequently. One way to reconcile the ideal with the reality in this respect is for the manager to give frequent feedback to employees informally and then formally summarize performance at evaluation time.

Another reason that some managers resist frequent subordinate evaluations is that they produce stress, especially if a rater has to use a system in which he/she has little faith or confidence. There is also the stress associated with having to inform another person that he/she is not performing at acceptable levels (Srinivas & Motowidlo, 1987, as cited in Ivancevich & Glueck 1989, pp. 338-339). Researchers have found that raters under stress tend to notice and recall negative information about those being evaluated.

Based on the employees' nature of work the researcher used stratified sampling technique to choose respondents. Stratification factors such as position of respondents were used. It was categorized into two group Managerial and Non Managerial.

The total number of population of the Office are (278) permanent employees. Since the population was homogenous, the researcher specified the sample size to be 30% of the total population, which is 30% of 278 = 83 sample, was included.

Among 83 sample size 10.7 were managerial and 89.3 were none managerial employees. Due to their small size, the proportion of the Managerial respondents is less than that of the Non Managerial employees.

And the employees who were included in the data collection are determined by the formula: $278/83 = 3.34 \approx 3$ therefore, by using the systematic random sampling methods, No. 2 is selected and every 3rd employee were selected from the list of total population up to the 83 sample size is satisfied.

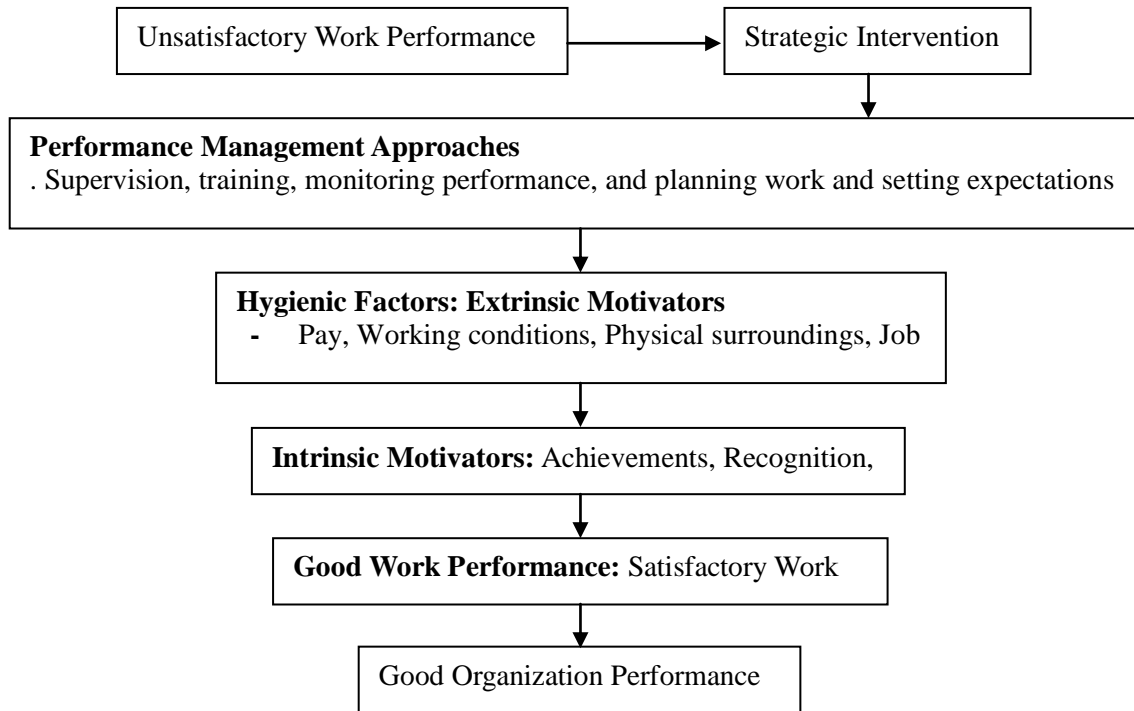
CONCEPTUAL FRAMEWORK:

The employer chooses an appraisal approach or a mix of approaches to appraise the performance of employees. The employee is either motivated or de-motivated to perform depending on how the appraisal was administered. Whether employees are motivated or de-motivated, it affects their level of performance, which in turn affects

³ <http://www.zenithresearch.org.in>

output (productivity). The employer receives this output as feedback on the effectiveness or otherwise of the appraisal process.⁴

Figure 1: Conceptual Framework



ANALYSIS OF DATA:

The data gathered through questionnaires were coded, entered into computer and analyzed and presented in the form of charts, diagrams, and tables using SPSS. For analysis purpose the responses under Likert scale were grouped in to three major categories: agree, neutral, and disagree.

Depending upon the nature of the basic questions and the data collected of this research, the researcher used simple statistical tolls like percentage, table, charts, and figure.

The results of the interview questions were integrated to the responses of employees through questionnaires and were analyzed accordingly.

As to the age composition of the respondents, the majority of the respondents 50.7% were between 25-34 years, 28% were between 35-44 years. About 12% of respondents were between age 45-54, 8% of respondents were below 25 years old and the rest 1% respondent were above 55 years old. Regarding the sex of respondents, the majority of the respondents 55% were males while 45% of them are females. The proportion of females is lesser in all age groups.

Regarding educational qualification Table 2 reveals the majority of the respondents 49% are first-degree holders and 23% of the respondents are diploma holder. Those who have masters’ degree are 12% and 11% of the respondents are technical and vocational school graduates, the rest of the respondents 5% are completed 12th grade. Regarding specialization area, majority of the respondents 31% specialized in the field of management, followed by 19% in the field of accounting and finance. From those who specialize in the field of management 19 % have BA, 7 % have college diploma, 5% have masters degree.

Regarding work experience, the above figure shows the largest groups of respondents 48% have a working experience of 5-15 years on the current job followed by 23% have a work experience below 25 years, 21% of respondents have a work experience in the range of 16-25 years, and 8% of the respondents have a work experience of 26-35 years.

Based on the responses gathered from the employees of the Mayor’s Office, I have tried to discuss the employees’ perception of the appraisal method, process, criteria and technique of the office of the Mayor’s. These questionnaires were designed using multiple-choice questions and under Likert scale were grouped in to three major categories: agree, neutral, and disagree.

⁴ www.thesis.eur

Performance Appraisal method:

Table 1: Response Regarding Performance Appraisal Method

Which one of the following PA methods is currently applied in your organization?		Position of respondents		Total
		Managerial	Non Managerial	
BSC	Count	0	18	18
	(%)	(.0%)	(24.0%)	(24.0%)
Ranking	Count	0	1	1
	(%)	(.0%)	(1%)	(1%)
There is no clearly defined appraisal method	Count	5	48	53
	(%)	(11%)	(64%)	(75%)
Total	Count	8	67	75
	(%)	(11%)	(89%)	(100%)

As we can see from Table 4, the largest no of the respondents 71% replied there is no clearly defined appraisal method. Among these respondents 64% were from none managerial position and 7% respondents were from managerial position. Those who answered BSC were 24%. Thus, it can be concluded that there is no clearly defined appraisal method in the Office of Mayor. This may have negative impact on employees motivation. Even though 24% answered BSC, the large number of respondents reveals that there is no clearly defined method of PA in the office. As the majority response, currently there is no a practice of measuring employees performance.

Interview was conducted with the Human Resource Department Head (HRDH), in order to gather additional information on: method used to measure performance of employee; contribution by HRMD to establish a system of appraisal; efforts made to improve practice of PA.

According to HRDH, there is no clearly defined method to conduct appraisal of employees in the office. For the last ten years CGAA is trying to implement the BSC strategies but, due to many reasons this strategies are not implemented, for this reason appraising of employee performance is pending. As a matter of fact, HRMD is responsible for the start and achievement of such major personnel issues as human resources planning, recruitment and selection, placement, training & development, determination of employee compensation schemes, performance appraisal, promotion, demotion, transfer and layoff, of course with continuous assistance and feedback from top management wherever necessary. Therefore efforts have been to enhance the over all activities of HRM functions.

Performance Criterion and Process:

The first step in the performance evaluation process is the specification of the standards against which the performance of employees will be judged. According to Mondy (1999), the criteria used for appraising employee performance must be job related. More specifically, job information should be determined through job analysis.

Table 2: Summary of Respondents Attitude towards the Criteria of PA

Which steps are included in the process of appraisal in your organization?		Position	
		Non Managerial	
Establishing Standards	Count	7	7
	%	10%	10%
Communicating standards with employees	Count	4	4
	%	6%	6%
Measuring actual performance and comparing it	Count	7	7
	%	11%	11%
Discussing appraisal with employees	Count	4	4
	%	6%	6%
Appraisal steps or process are not clearly stated	Count	45	45
	%	67%	67%
Total	Count	67	67
	%	100%	100.0%

As we have seen Table 5, this question was presented only for non-managerial employees to check whether there is appraisal criteria/process or not in their office. As indicated above the majority 67% respondents replied appraisal steps or process are not clearly stated. 11% respondents answered that their office established standards, and those who answered measuring actual performance and comparing it were 10%.

The rest of the respondents answered communicating standards with employees and discussing appraisal with employees are 6% respectively. Hence, on the basis of the response of majority respondents it is likely inferred there is no clearly defined criteria for appraisal.

In the absence of such clearly laid down goals, personal goals may control over organizational goals, in which case organizational productivity would be negatively affected.

Job Description:

Job is a collection of task, duties, responsibilities, which as a whole from the establishment to an individual employee at a specific position. And job description is a formal, written explanation of a specific job, usually including the job title, task, relationship with other jobs, physical and mental skills required, duties responsibilities and working conditions; a part of the job evaluation process wherein a review of the nature of work occurs in relation to other jobs, working conditions, the degree of responsibility required. In addition, the appraisal should measure how well the various parts of the job are being performed. It should identify the employee’s strengths, as well as the aspect of the job where improve, performance is needed. When this has been identified and agreed on between managers and employees, a performance improvement plan should be developed and implemented.

Table 3: Summary of Respondents about Job Description

Do you provide those employees working under your supervision with job description and clear performance expectations?		Managerial	Total
Yes	Count	2	2
	(%)	(25%)	(25%)
No	Count	6	6
	% of Total	75%	75%
Total		8	8
		(100%)	(100%)

As we can see majority of the managerial employee 75% said no, the rest 25% employees said yes. As we can observe from the respondents, response there is no practice of providing employees with job description.

Table 4: Summary of Respondents Attitude towards Job Description

For Non Managerial		
Performance goals are clearly communicated to you by your supervisors via job descriptions or other statements of performance expectations	Frequency	Percent
Disagree	39	58%
Neutral	15	22%
Agree	13	11%
Total	67	100%

As we can see from Table 7, the majority of the employees 58% of the respondents disagreed and were not provided with job descriptions and hence were not well aware of the performance level that was expected of them. 22% of the respondents are neutral.

From both managerial and non managerial response it can be concluded that there is no the practice of providing job description to employees in the office.

In the absence of job descriptions, defining standards or criteria of performance appraisal would be difficult, employees may loose sight of the most important and challenging job activities while concentrating on the less important ones that contribute little to the effective performance of the individual or his/her work unit. However, well designed job descriptions, are the instruments that form the standards (criteria) against which employees’ performance would be measured.

Working Environment:

The working environment includes: work process management styles (the way managers act while they are leading others); teamwork (to generate positive synergy through coordinated effort); culture (that binds members of an organization together through shared values); affect the implementation of PA either positively or negatively depending on the prevailing conditions i.e., whether or not the work environment allows to implement the system without breakdowns in the process of undertaking objectives in the organizations.

Table 5: Summary of Respondents Attitude towards Working Environment

For Non Managerial		Frequency	Percent
Are you are satisfied with working environment in your organization			
Disagree		57	(85%)
Neutral		4	(6%)
Agree		6	(9%)
Total		67	(100%)

As indicates on Table 8, majority respondents (85%) were not satisfied with the working environment. 9% were satisfied and 6% are neutral.

Thus, it can be concluded that, on the bases of the response of the majority of the respondents, the working environment in the Office of Mayor was not good for them. Their level of satisfaction will not lead them to work hard and put their full efforts at work. If the employees are not, satisfied with their working environment they become de-motivated and they have to force to looking for another job. In addition to this, some employees explained that their office does not consider administration work rather it focuses only on the political issue.

Employees Attitude towards Performance Appraisal:

It has long been recognized that performance appraisal plays an important role in organizations. It serves a variety of purposes such as providing the basis for making selection decisions, determining salary increases, and provides a vehicle for feedback between the supervisor and employees and can be used as a powerful tool for managerial control.

Table 6: Summary of Respondents attitude towards the purpose of Performance Appraisal

Degree of Agreement	My Office is open, transparent, and communicates well		I have got the opportunity to participate in the design of PA form	
	Count	(%)	Count	%
Disagree	44	(66%)	49	(73%)
Neutral	5	(8%)	2	(3%)
Agree	18	(27%)	16	(24%)
Total	67	(100%)	67	(100%)

As Table 9 indicates 66% of respondents disagree with the statement my Office is open, transparent, and communicate well and 27% agreed with it. The rest 8% were neutral. Even if there is different perception among respondents in this regard, as the majority respondents response, can be conclude the level of openness and communication process was poor.

As cited by McCourt and Eldridge (2003) asserted that the success of PA depends on participation of employees. Nevertheless, transparency and continuous follow up is also weak. If employees are not allowed to participate and communicate openly with their appraiser, they do not have the chance to know about their strength and weaknesses.

From the above table, the majority (73%) of respondents did not get the opportunity to participate in the design of PA and 24% of respondents got the opportunity. The rest 3% were neutral. According to the finding of majority respondents have no access to participate in the preparation of PA. This implies that the design of the evaluation form and its content is left to the managers of the Office and it does not encourage participation of the employees in the design of the form

As one major purpose of PA, is creating open relationship among evaluatees and evaluators to increase the

motivation and commitment of employees and feel fairly treated, to develop their abilities of planning, and provide the opportunities for individuals to express their aspiration about their work should be highly encouraged.

Table 7: Summary of Respondents towards Feedback

Degree of Agreement	I am satisfied with the way my organization provides me with feedback.		The feedback I receive on how I perform my job is highly relevant.	
	Count	(%)	Count	(%)
Disagree	57	(85%)	41	(61%)
Neutral	3	(5%)	4	(6%)
Agree	7	(10%)	22	(33%)
Total	67	(100%)	67	(100%)

As indicated Table 9.1 the respondents were not satisfied with the way their organization provides them feedback, majority of the respondents 85% said disagree, followed by 10% respondents agreed with the way that their office provides feedback on performance. Those who said neutral were 5%.

As it is revealed, there is big difference between agreed and disagreed. Hence, from the bases of the response of majority respondent, it can be concluded that there is no feedback on the performance of employees since there is no properly established system of PA.

People want to know how they are doing on the job, and it is the responsibility of the managers to tell them. This requires the managers to evaluate their performance and communicate the appraisal to them. This process of appraisal and communication should be regular and on going.

As it is noticed in Table 7 the statement “The feedback I receive on how I do my job is highly relevant” was posed to the respondents so that they could forward their level of agreement. Thus, the majority 61% of the respondents disagreed, and 33% respondents agreed. The rest 6% respondents replied neutral. As we can observe from the attitude of the majority respondents indicate they are not happy with the feedback. So it can be concluded that there is no a practice of giving feedback in the office.

Table 8: Summary of Respondents Towards their attitude on purpose of PA

Do you think that the performance appraisal is meeting its intended purposes of determining employees' compensations, promotion, demotion, transfer and identification of employees' training needs?		Position			
		Managerial		Non Managerial	
			Total		Total
Yes	Count (%)	2 (25%)	2 (25%)	52 (22%)	52 (22%)
No	Count (%)	6 (75%)	6 (75%)	15 (78%)	15 (78.6%)
Total	Count (%)	8 (100%)	8 (100%)	67 (100%)	75 (100%)

From the above table we can observe the majority 75% of managerial and 78.6% of non-managerial respondent replied No, where as 25% of managerial and 22% of non-managerial respondents said Yes.

The respondents did not believe that the performance appraisal system of the Office is meeting its intended purposes. The performance appraisal has no significance in determining employees' future in the Office, the responses from the respondents indicated that one or a combination of the following might have accounted for their perception of the system:

- Lack of clearly defined criteria for conducting PA. For effective implementation of PA the first process is setting criteria of appraising the performance of employees.
- Lack of clear connection between performance and reward. So long as employees could not observe their efforts being accompanied by positive performance that eventually leads to rewards (which may be in the form of promotion, salary increase, or training & development) in a reasonably short period, they wouldn't be motivated and consequently their attitude towards the system's effectiveness would be distorted.
- Absence of clear and transparent communications between the Human Resources Department and the different work units on how employees' performance would be valued and what administrative decisions would be taken on that basis might have a negative implication on employees perception.

From this it can be conclude the PA did not achieve its intended purpose in order to determine employees' compensations, promotion, demotion, transfer and identification of employees; training nee. Therefore, it is highly advisable the office must revise its HRM manual.

Table 9: Summary of Respondents Attitude towards Training

In your office there is on job training program	Frequency	Percent
Disagree	52	(78.6%)
Neutral	1	(2%)
Agree	14	(21%)
Total	67	(100%)

The distribution of percent in Table 9.3 reveals the majority 78%, and 21% of employees were report that disagree and agree respectively. 2% employees were neutral. According to the majority response this distribution, there is no on job training program to enhance employees ability. Some respondents explained that training has given for some employees is unfair but that training was not job related and that does not build their capacity for a better product or better quality service.

Skill can be acquired through training and practice on an intervention. Its aim is to enable such employees to perform their current and future role effectively. No matter how well the person matches the job, some training is always necessary. Training includes the teaching of knowledge, skills, and attitudes.

Benefits of PA:

Appraisal is believed to enhance managerial and organizational performance as well as positively contributing to employee motivation. Conducted effectively, they credited with a number of positive benefits: performance planning and goal setting; providing feedback and coaching; employee development; linking employee performance to compensation and promotion decision.

the majority of respondents 75% agreed and 25% respondents disagree with the statement performance appraisal is valuable to me as well as to my organization. From this we can infer that PA is very crucial for the employees. If the appraisal conducted in effective manner, it benefits the employee, the manager and the organization as a whole. Hence, on the bases of the response of the majority of the respondents it is highly advisable to the Office to conduct PA to get the benefit from this. Conducting performance evaluation helps organizations to reward and promote effective performers and identify ineffective performers to developmental programs or other personnel actions that are essential to the effectiveness of HRM.

indicates the majority of respondents 84% disagree and 17% respondents agree the statement, there is a strong link between performance and reward in your office.

Employees Attitude towards the Linkage between PA and Employee Motivation:

Motivated employees are needed for an organization's survival in a highly competitive world. Motivated employees are more productive hence; managers need to understand what motivates employees. One of the managerial functions is employee motivation. However, this function is rather complex since what motivates an employee today may not necessarily motivate them tomorrow.

Therefore, well-motivated employees are those who work along clearly defined goals and who take action, which will result in these goals being met. Employees who manage to motivate themselves seek, find and carry out work that satisfies their needs. However, majority of employees need to be motivated by the management through pay, praise, promotion, transfer, training and development in order to improve their performance.

the majority of the respondents 65% disagreed, followed by 20.% were replied agree. 4% of the respondents were neutral. It could then be concluded that, the respondent disagree on the claim that performance appraisal does not determine pay and promotion decisions. A good promotion system is useful to employees individually as well as to the administration as a whole. From the majority respondents response the office must establish a system how motivate employees.

Impact of PA on Employee Motivation:

For getting maximum effort and performance from employees is to reward for performance, not on the basis of years of services, favoritism, or any thing else. Reward can be monetary, such as wage incentives, merit salary increases, bonuses, profit sharing, and prizes. Alternatively, they can be non-monetary, such as praise, special job assignment,

more responsibility delegated task, asking for ideas better working condition status symbol and authority. The respondents were asked to respond whether it is essential to conduct performance appraisal in your Office? The majority of the respondents about 95% from managerial and non managerial answered 'yes'. Findings of the responses showed that PA is conducted for a number reasons including:

- To measure the actual performance of employees' against tasks assigned to them;
- To enable employees to know their strengths and weaknesses with the view to motivate them to do better or warn them on the consequence of their weaknesses;
- To follow up the subordinates as well as to praise workers who works hard as long as it is conducted in a right judgment.
- To minimize employees' carelessness and negligence and to reward and punish them.
- To correct employee's behavior or to take corrective action whenever employees are in the wrong way or truck and if their performance is extremely below the expected performance standard.
- Performance appraisal is essential to the organization, as the employee performed well should be rewarded whereas the employee with poor performance should be known and to be informed to improve his/her performance.
- To identify training needs, staff development and to properly and fairly undertake staff promotion.

Table 10: Summary of Respondents Perception about PA Problem

Which of the following problems apply to the appraisal system of your organization?	Managerial		Non Managerial	
	Count	%	Count	%
A. Lack of rater ability (training) to evaluate your performance	Count	1	1	2
	%	1%	1%	3%
B. Absence of employee participation in setting performance evaluation criteria	Count	2	15	17
	%	3%	20%	23%
C. There is no clear criteria to measure	Count	3	27	30
	%	4%	40%	44%
D. No link between some evaluation criteria and employee job	Count	2	1	3
	%	3%	1%	4%
E. B, C and D	Count	0	23	23
	%	.0%	31%	31%
Total	Count	8	67	75
	%	10.7%	89%	100.0%

As indicated in the above table the majority 44% of the respondents from managerial and non-managerial replied that, there is no clear criteria to measure. 31% of respondents replied or chosen three of the above choices B. Absence of employee participation in setting performance evaluation criteria, C. There is no clear criteria to measure D. No link between some evaluation criteria and employee job and 23% of respondents from managerial and non-managerial said employees participation in setting performance evaluation criteria and 4%, 3% replied the link between employee performance evaluation criteria and rater bias respectively. Appraisal has to be against certain criteria. If a discrepancy between expected and actual performance is pointed out, the question is whether the expected was fully defined and communicated to the employee. In the absence of such an attempt, the appraisal reports can be questioned.

Table 11: Summary of Respondents Attitude towards Rater

In your opinion, who should evaluate an employee's performance? You may choose more than one.		Position of respondents		Total
		Managerial	Non-managerial	
Immediate supervisor	Count	0	33	33
	% of	.0%	44%	44%
Colleagues	Count	0	4	4
	%	.0%	5%	5%
Subordinates	Count	1	1	2
	%	1%	1%	3%
The employee	Count	0	9	9

In your opinion, who should evaluate an employee's performance? You may choose more than one.			Position of respondents		Total
			Managerial	Non-managerial	
himself/herself	%		.0%	12%	12%
	Count		1	1	2
Customer	%		1%	1%	3%
	Count		6	19	25
Customer and Immediate supervisor	%		8%	25%	33%
	Count		67	75	
Total	Count	8	67	75	
	%	11%	89%	100.0%	

The above question was raised to know their view on who should evaluate appraisal about appraiser, as revealed in the above table 44 % of respondents answered immediate supervisor followed by 33% respondents answered customer and immediate supervisor. Those who said employee him/herself are 12% and those who said colleagues are 5% and 3% respondents said subordinates and customers respectively.

When we see the managerial respondents' majority of them replied both customer and immediate supervisor, whereas the majority of non-managerial respondents replied immediate supervisor.

As the office is service render organization many customers have come to get services, therefore it is better that both customer and immediate supervisor to be rate appraisal of employees.

PA and Motivation:

- Majority of respondents 65.4% indicated regarding promotion, as the finding revealed, there is no promotion as a result of good work. Promotion was not facilitated for those who perform well. Motivated employees are those who work along clearly defined goals. The reason for this might be failure in conducting PA. As the finding revealed there is no motivational factor that motivate employees. And there is no financial and non financial rewards based on job and there is a practice of recognition of good performer. As a result the initiation of employees for work is weak and has a negative implication.
- The result of the findings indicates, the office has made efforts to conduct PA in a best possible way. Majority respondents (94.7) indicated it.
- Regarding the problem, as indicated all problems are available except rater bias. In the finding the major problem of PA is criteria for effective appraisal was not established as 44.3% indicated, in addition to this 30% of respondents reported both absence of employees participation in the preparation of setting goals and objectives and criteria setting are another major problem.
- The finding revealed majority of the non-managerial respondents 44% favored that appraisal only by immediate supervisor whereas majority of managerial respondents 33.1% favored both immediate supervisor and customer.

CONCLUSION:

As it was explained in the introduction part of this study, in today's era of competition, organizations should provide accessible and quality services, and meet customer needs in order to survive. To make certain the survival of the organization requires providing quality services for customers and satisfying their needs. The organizations must go through the process of change. In other words, the organizations should have committed, motivated, self-confident, and high performance leaders and employees. Having these types of personnel, the organizations amongst others, ought to have effective performance appraisal and motivational system. Based on the above major findings the researcher concluded the study in the following way:

- The presence of unclear appraisal system in the organization did create common performance appraisal problem.
- The appraisal standards lack relevance. There is no strong link between the standard and the individual job description. As a result employees become dissatisfied and de-motivated.
- The appraisal system failed to distinguish the outstanding, good and average performers.
- Employees were not consistently participating in the design of standard performance appraisal systems and motivational decision.
- This situation would result in employees de-motivation, dissatisfaction and lack of commitment. These drawback would result negative impacts on the productivity and service delivery of the employees.

RECOMMENDATION:

- To establish performance appraisal system with clearly defined standards and criteria in relation to the objectives of the organization. However, research has not always supported a clear choice among appraisal method.
- To provide job description for all employees in order to identify what employees are expected to do on the job and indicate exactly what employees do, how they do it, and the conditions under which the duties are performed.
- To create conducive environment for work as it is one of the most essential tool which leads employees in the right direction. A positive working environment increase motivation of employees and is used in retaining experienced and talented employees for a longer period.
- A well-designed communication system can help achieve data that are potentially valuable for use in numerous human resource functional areas: human resource development, career planning and development, compensation program, internal employees' relations and assessment of employee's potential.
- To arrange substantial training and development programs for the employees and introducing best ways of performance appraisal methods along with designing employee motivational schemes.
- The organization should encourage the participation of its employees while setting goals, objectives, standards and process of designing the form and other materials required for Performance Appraisal Systems in order to make them more responsible and to create the spirit of ownership.
- To be successful one significant criterion that has to be fulfilled and promoted in the organization is the culture of openness and transparency. Continuous communication should take place in the organization in order to be aware what is being planned, what is expected to happen, what has happened, and what corrective actions are being taken. Therefore, the Office should establish open and transparent culture to influence behavior, attitude and beliefs of the staff.
- Motivated employees are needed for an organization's survival in a highly competitive world. Motivated employees are more productive hence; managers need to understand what motivates employees. Every employee within a company is different and, therefore, is motivated to perform well for different reasons. Due to the differences within an organization, it is important for a manager to get to know its employees and understand what motivates their performance. If you are going to be successful in motivating people, you have to begin by accepting and trying to understand individual differences.
- HRM is the utilization of the firm's human resources to achieve organizational goals. It is widely acknowledged that employees are the most important and most valuable asset. Effective human resource management is about enabling each member a key contribution towards organization survival and growth in an increasingly competitive world. Therefore, it is highly recommended to the Office to revise its human resource manual and give due consideration human power.
- The human resource managers, officials, managers and the administrative body in the organization are not exerting their maximum effort to enhance the human capital management hence; care should be taken into consideration regarding this. Turnover, absenteeism, tardiness and poor customer service delivery would be the result of poor management of human power.
- To conclude, the organization should appreciate and value individual employees or team participation in its entire move to introduce a new performance appraisal system since the employees are the subjects of performance and any system cannot be expected to be effective without first involving all the parties that have a stake in it.

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