JIMMA UNIVERSITY
FACULTY OF BUSINESS
DEPARTMENT OF MANAGEMENT

ASSESSMENT OF PERFORMANCE APPRAISAL
AND ITS IMPACT ON EMPLOYEES MORAL AND SATISFACTION

"ACASE OF FINCHAA SUGAR FACTORY

A RESEARCH PAPER SUBMITTED IN PARTIAL FULFILMENT OF
THE COURSE RESEARCH IN MANAGEMENT

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May 27, 2002
JIMMA
ABSTRACT

Most Business and industrial organizations use systematic performance appraisal procedures for both non supervisors and managerial employees.

Performance Appraisal is important in organization because use of numerous purpose for which it is employed and its impact on individual as well as organizations.

Non industrial Organization such as military services government agencies hospitals and Universities also use such procedures intensively performance appraisal has been mandatory in most federal agencies since congress passed the civil service Reform act of 1978.

Most employees worry of performance appraisal in an organizations. This is driving force behind my study. The search for performance appraisal can help us to know the over all organizational and individual effectiveness and efficiency more over performance appraisal can be necessary for an organization because it helps the organization to maintain conducive work environment in addition it helps the organization to make administrative decisions relating to promotions, fringes lay of and merit, pay increases performance appraisal information can also provide needed input for determining both and individual and organizational training and development needs. Above all performance appraisal helps the employees for performance improvements.
ACKNOWLEDGMENT

FIRST OF ALL I WOULD LIKE TO FORWARD MY HEART FELT GRATITUDE TO WARDS THE BUSINESS FACULTY OF JIMMA UNIVERSITY THE CBE OFFICE OF JIMMA UNIVERSITY FOR THEIR CONTINUOUS SUPPORT AND FACILITATION FOR THE DEVELOPMENT OF THIS MANUSCRIPT.

ALSO I WOULD LIKE TO EXTEND MY HEART FELT APPRECIATION TO WARDS MY ADVISOR ATO MELAKU DEMISIS FOR HIS VALUABLE SUPPORT IN THE DEVELOPMENT OF THIS RESEARCH PAPER.

LAST BUT NOT LEAST I WOULD LIKE TO THANK W/SELAM KETEMA FOR HER COOPERATION IN WRITING THIS PAPER.
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CHAPTER 1

Introduction

Performance appraisal may be defined as structured formal interaction between subordinate and supervisors that usually takes the form of periodic interview annually or semiannually in which the work performance of subordinate is examined and discussed with a view of identifying weaknesses and strength as well as opportunities for improvement and skills Development.

In many Organizations but not all appraisal results are used either directly or indirectly to help determining reward outcomes that is the appraisal results are used to identify the better performing employees who should get the majority of available merit, pay increase bonuses and promotions.

A basic human tendency to make judgment about those one is working with as well as about oneself appraisal it seems is both inevitable and universal in the absence of carefully structured system of appraisal people will tend to judge the work performance of other including subordinates naturally informally and arbitrarily.

The human inclination to judge can create serious motivational, ethical and legal problems in the workplace without structured appraisal systems there is little chance of ensuring that the judgments made will be lawfull, fair defensible and accurate.

In Ethiopia many Organizations and different institution used the graphic scale and rating mechanism of performance appraisal Evaluation. In this method of Evaluation techniques predetermined standards are set and based up on that standards employees are Evaluated. in each predetermined standards points are assigned it is based up on that point one is assumed to be good fair and satisfactory performance in relation comparison. As distinct and formal management procedure used in the evaluation of work performance appraisal really dates from time of the second world war not more than 60 years ago yet in abrader sense the practice of appraisal is very ancient art in the scale of historical if might well lay claim to being the world's second oldest profession.
Employees are likely to feel more satisfied with their appraisal result if they have the chance to talk freely and discuss their performance, it is also more likely that such employees will be better able to meet future performance goals (eg Nemeroff and Weasley 1979).

Employees are also more likely to feel that the appraisal process is fair if they are given a chance to talk about their performance, this especially so when they are permitted to challenge and appeal against their evaluation (Greenberg 19660).

It is very important that employees recognize that negative appraisal feedback is provided with a constructive intention that is to help them overcome present difficulties and to improve future performance employees will be less anxious about criticism, and more likely to find of use ful, when they believe that the appraisers intention are helpful and constructive (Fed or et al-1989).

In Contrast destructive criticism which is vague ill informed, unfair or harshly presented will lead to problems such as anger, resentment, tension and workplace conflict, as well as increased resistance to improvement, Denial of problems and performance (Baron 1988).

The main objective of finchaa sugar factory (FSF) is to produce sugar with several secondary objectives to meet these objectives the vital importance second to none is cane agriculture since virtually sugar is made in the field and processed in the factory. Agriculture may be defined as the human activity that produces useful organic material by means of plants and animals with the sun as the source of energy (Dewit et al 1978).

A good system of agriculture is required to produce qualified quantity of sugar from the land at reasonable cost with out impairing its fertility since many semi arid and arid areas are naturally well provided with most plant foods there should be good system of management which must ensure that the nutrient status of the soil is maintained and that all factor directly or indirectly harmful to plant growth are absent and or minimized and the soil particles them selves remain in place and are neither washed nor blown away to this effect several problem areas should be identified and sufficient agricultural research must be carried on. This is because research work and experiments carried out in the finchaa valley pilot farm are sound basis for the organization of plant production on large hectares.
To implement those facts knowledge of environmental resources and expected conditions from below the soil surface through the soil/air interface to the lower atmosphere provides guidance for strategic decisions in the long range planning of crop production. This paper is there for designed to highlight the geographical position and background information of Finchaa Valley and to give a birds eye-view of Finchaa Valley weather conditions with emphasis to cane agriculture it indicates neither detail information nor absolute solution. However it can be used as a mini reference and small guidance for a person who wishes to know the climatic factors of the project area in relation to agriculture more over the paper is considered as preliminary information on which one could step on for his or her future investigation.
Statement of the problem

Performance appraisal can have many problems in organization in this study my primary interest is to identify this major serious problems of performance appraisal and to assess its impact on employees moral and satisfaction the underling reason which initiates me to select this topic and study is that because of the fact that many talent and qualified employees can be demorivated as a result of in apperoperate performance evaluation and they are subjected to moral dissatisfaction this is because there may be subjectivity, biasness, poor performance evaluation staderds or design.

The appraisal methods used and the manner in which results are communicated can have postive are negative effect on employees moral and statisfaction that is why I am focusing my study around this area.

One of the problems of performance appraisal problems with evaluation staderds this arise because of perceptual differences in meaning of the words used to evaluate employees thus good, Adequate, satisfactory and excellent may mean different thing to different evaluators so subjective performance evaluation may cause biasness, favouring one subordinate and ignoring the other this is because of informal communication and the like.

Another problems of performance appraisal is errors in ratings of performance of employees this errors may be the halo errors in the rater assigness ratings for several dimension of performance on the basis of an over all general impression of the rate the central tendency error is another in which the rater avoids using high or low ratings and assigns average ratings and also the litimacy or harshness erre errors etc are errors in evaluation technique

In addition to the above problems many factors have an impact on the appraisal system three factors that are especially importants are leadership style organizational climate and training an appraisal proceaures leadership styles in terms of the amount of criticism that is used greatly impact the out comes of appraisal systems in most cases participative leadership are required in many aspects of the appraisal systems.
Organizational climate affects the outcomes of appraisal if the organization wants fairing high employee satisfaction with the appraisal system the overall company climate must move towards such elusive goal as increased trust, openness and support and towards a developmental approach to dealing most employees performance evaluation perhaps the most common fear is of subjectivity on the part of the rate. Subjctive bias and favorism are real problems that create opposition to most performance evaluation systems this fears are hidden. However and more general arguments are provided

Performance appraisal systems also have problems incase poorly designed the design can be blamed if the criteria for evaluation are poor the technique used is cumbersome or the system is more form than substance if the criteria used focus solely on activity rather than output personality traits rather than performance the evaluation may not be well received.
Objective of the study

The General Objective of the study is to assess what performance appraisal looks like how it is applied in organizations. What benefits and draw backs (impacts) does it have on employees working in an organization.

Specific Objective

The specific objective of the study is to identify what techniques are used by organizations to Evaluate the performance of employees

- to investigate who evaluate employees (top management), immediate supervisors peers) etc
- to investigate who was evaluated (individual employee, department) etc
- to determine what predetermined standards are used to evaluate employees and to prove weather this criteria or standards are valid or not in satisfying employees appraisal mechanisms
- to investigate the role of performance appraisal
- to find out the draw back of performance appraisal
Scope of the study

The scope of the study is limited to the assessment of performance appraisal in Fincha Sugar Factory. The scope of the study ranges from identifying the underlined problem of appraisal in the factory, assessing the impact that would have on employees moral and satisfaction, and finally to give possible suggested solutions and recommendation in my view, since the study is based on sample survey (survey of selected individuals) rather than (census survey) survey of all individuals, the percussion and accuracy of the study is limited to the extent of respondents answers to the questionnaires offered.

Significance of the Study

The study enable one to know about the role and draw back of performance appraisal in organization, it also enables why organizations used to appraise their employees, what are the methods and techques used to evaluate employees and on what standards and criterias organizations evaluate their employees. More over it enables to know weather this Evaluation standardds or criaterias are valid or not as compared to employees performance.

The study also help ful because of the fact that it enables one to know who are goinings to evaluate employees and who are goinings to be Evaluated. In addition to this the study is very important for the organizations, because, it helps the management to know about the work performance of his employees by identifying their weakness and strengths and it also helps the manager to motivate employees who are good performer even to reward and to advice and to take corrective measures on employees who have some deficiencies in some areas of skills and developments.

Above all the significance of the study is to create awarness among the organization to use standardized way of performance appraisal mechanism which is based up on perdetermine standerd format set by the organization as agreed up on it this helps the organizations to have smooth relation ship and perfect harmony in avoiding errors in evaluation of the performance of employees.

The study also help the senior manegment student to conduct his research in order to finish the course seminar in management and it creates awarness and creativety among the student to tink more to identify problems and solve in his /her future career.
Methods and methodologies

The study was conducted in South Western Part of Ethiopia in Estern Wollega Zone on Fincha Sugar Factory located approximately 296 k.m far away from the countries Capital City Addis Abeba.

Data will be collected using questionnaires and interviews questionnaires are designed and offered to respondents were advised and expected to answer the questions accordingly. Questionnaires can be open ended or closed ended in the case of closed ended questionnaires respondents should have to tick the boxes. It can be yes or No questions or multiple choice where as open ended questions can be answered by writing the necessary information on the space provided clearly and neatly also formal structured interview can be conducted with the top management of the factory.

Data will be analyzed using descriptive and inferential analyses in order to furthermore analyze the data both quantitative and qualitative methods of data analysis technique are incorporated and used.

Employees are selected from different managerial levels of hierarchy top, middle and first level management. For top and middle level of managerial hierarchy the stratified sampling technique are used and for those lower level employees random selection are used. The sampling techniques used are sample survey rather than census survey this is because the number of individuals going to respond to the questionnaire are limited. Both primary and secondary data are used to support the literature review of the research proposal. Sample size can be determined by taking 20% of the individual employees working in that particular organization (sugar factory).

To update the research properly it will take 4-6 months including the data collection analysis and designing processes.
LIMMATION OF THE STUDY.

Since the study was limited to sample survey (survey of selected employees) rather than census survey (survey of all employees) there may be in accuracy especially it is impossible to be absolute on the sample survey of selected employees to make judgments more over it is very difficult to generalize and include the study based up on the sample survey of the selected employees in addition respondents may exaggerate or under mine while they are responded to the questionnaires.
CHAPTER 2

Background information

Geographical position and General information on the Finchaa sugar project site.

The Finchaa sugar project is situated in horo guduru provice, eastern wollega zone. Wollega is situated in oromia region which is the western part of Ethiopia and border to Gojjam, Shoa, Illuababor. The capital city of the estern wollega zone is Nekemente which lies about 330 km to the west of Addis Abeba. Finchaa valley project area is located at 9° 30' to 10° 00' and 37° E at elevation of between 1350 and 1600 m above sea level and about 332 km North-West of Addis Abeba. It borders on guduru in the east and south, Abayi-choma in the west, and Horo in the north. The project area can be reached via the main high way from addis to Gedo (192km west of Addis Ababa and there after by means of an all weather gravel road from Gedo to Finchaa dam (95 km to the North West of Gedo).

The Finchaa sugar project area is situated 47 km and 69 km away from Finchaa town ship and shambo (main town of Horo Guduru province respectively) the route from Finchaa town down in to the valley consist of a gravel road which runs along the top of the escarpment before it descends very steeply to enter the project area form the west. This road is subject to occasional closure when sections are damaged due to land slide or submerges and gulley formation. For instance, closure due to land sub marge and gulley formation, for instance, closure due to land sub marge and gulley formation was observed between June and September in 1994. The Finchaa valley is surrounded by almost parallel near vertical escarpment which rises approximately 700 to 850 above the valley floor on the east, west and south directions. The valley floor around the project area is gently undulating with a general slope of 1 to 8% extending from south to North. The main recipient in the project area is Finchaa river and this divides the project area in to western (Horo) and eastern (Guduru) bank. The valley progressively widens from the south to the North where eventually the Finchaa river is joined by the Amarti Nashe river before the combined rivers finally enter the blue nile. There also exists a small number of water these seasonal streams, thus the Finchaa river has by itself some tributaries.
Before the establishments of the state farm there were indigenous inhabitants in the valley. According to interviewed local elders there were many inhabitants involved in herding cattle, collecting honey, and ploughing, in such mixed forming they also produce cotton, millet, maize, test, nug and sorghum in the early 1900s there was sufficient food supply and one man owned an average of forty to sixty cows (personal communication). Though there were thousands of cattle in the valley they easily differentiated their own by the brand on the skin of the cattle which was peculiar to specific clan. There was no backbiting cheating theft or deliberate offense, they assembled occasionally under an ever green tree called odaa for a moment of tank giving to their God waqaa. Latter an around 1920 there was a remarkable migration of people to this valley. The drought prevailing in the surrounding high lands areas was so serious that it resulted in the destruction of domestic life and forced them to push down to the valley. This period was known as the period of jeejjee starvation the name of Jeejjee was derived from the oromo language which is known as strip. The starved people used to eat the stripped roasted animal skin and hence called jeejjee starvation (Bara Bella jeejjee).

For ther more the mineral water (hora) in the valley was found to be more suitable for their cattle production than the surrounding high lands from south to North the sorga, sonsa Omachoo and Hora-Abaya are some of the mineral water found in the Finchaa valley. A hora is aspring of mineral water to which people bring their cattle for drink and it is used to fatten their cattle. Hence they settled in the valley and obtained their food staff by hunting games, boiling plant leaves (lamu) collecting roots and stem of some plants (Buri & Boroda) harvesting test resembling plant called muri and collecting honey. The area of the valley was almost covered by dense forests some of the important trees are given in Oromo language. However, through time most of their cattle were reduced due to trypnomasis (gandi because of epidemic malaria. Because of all these factors the migrated people and the original inhabitants out fluxed to the surrounding high lands and permanently settled there. Even after that they come to the valley for hunting and collecting honey from time to time.

At the end of 1975 the form was established by fetan under the ministry of agriculture and started clearing of land thus the removal of the natural vegetation cover in the project area was built and The farm was equipped with some modern equipment it was intensified when the farm was handed over to the ministry of state form in 1980 However forest fire by the local people of or collecting honey
shifting cultivation charcoal production, fire wood and timber collection etc have been exercised and is still practiced. Even though the destruction of natural vegetation was not significant since the number of local people per unit area were minimal along with the establishment of state farm the original name of different places and streams were changed to cite few example the now seventh camp was known as arbu – Danbi and the fakare river as laga oda in spite of this changing of names, the original people still call the places by its orginal name.Further more the ex- state changed the whole name of the Finchaa valley to lemlem bareha which was and is called by the local people Gamoji Agul. Agul is the name of the river that flow from south to north of the valley and the same river called as choman in guduru distirict and around Finchaa town. Gamoji indicates the climate of the valley which means arid thus arid areas of the valley generally called Agul.In April 1977 G.C out of the four identified potential sugar cane producing areas namely Finchaa, Angelele, Bolahamo, gambela and Amaro, Finchaa valley was selected as the most suitable site for sugar cane production. One year latter the Ethiopian sugar corporation under took the task of preparing a complete feasibility study of the Finchaa valley including land and soil capability studies. Around 1980 the Ethiopian sugar Grporation also started clearing of land to establish some research trials the removal of natural variation has been identified by Finchaa sugar project since 1990. Most Business and industrial organizations use systematic performance appraisal procedures for both non supervisory and managerial employees. Performance appraisal is important in organization because use of numerous purpose for which it is employed and its impact an individual as well as organizations.
CHAPTER 3 –
LITERATURE REVIEW

Fincha sugar factory

Appraisal score sheet

Name of employee  --Division  --service in present job

Job title  --department  --service in factory

Age  --section  --unit

The appraisal covers the period from  to  

<table>
<thead>
<tr>
<th>S.No</th>
<th>Appraisal factor</th>
<th>Non-supervisory</th>
<th>Supervisory</th>
<th>Paint score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Quality of work</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Quantity of work</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Costconsciouness</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Punctuality and attendance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Attitude and interest</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Motivation and effort</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Adoptability</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Communication and understanding</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Innovation and initiative</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Job knowledge</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Leadership ability</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Administrative ability</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Signature of appraiser

Signature of employee

Employee name

Job title
Employee potential appraisal __________ Division ______________ has the employee potential for promotion? yes ________ No __________

if employee has potential for promotion which job do you see him being promoted to?
Is the employee read for promotion now or does he need training and experience?
If the employee needs training or experience indicate the type of training or the kind of experience needed?
If the employee has any skill or aptitude not used in his present job please indicate this?

Completed by reviewed by training requirement noted by
Name ______________ Name________________________ Name ______________________
Job title ______________ Job title________________________ Job title________________________
Signature ______________ Signature ______________ Signature ______________
Date ______________ Date ______________ Date ______________

Appraisal summary
Employees name ______________________
Comment on the degree to which
integrity ______________________
Maturity and self discipline
Physical and mental energy ______________________
Reliability and consistency
Other comments

Summary of appraisal
Having complete the points factor, place a tick in the box which corresponds to the total points scored.

For non-supervisors use these forms

<table>
<thead>
<tr>
<th>Points Range</th>
<th>Un satisfactory</th>
<th>Learning</th>
<th>Satisfactory</th>
<th>Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 250</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

For the supervisors use these figures

<table>
<thead>
<tr>
<th>Points Range</th>
<th>unsatisfactory</th>
<th>satisfactory</th>
<th>outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 250</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>250 - 343</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>343 - 530</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>530 - 624</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
If the overall performance rating of the employees is unsatisfactory or outstanding given specific examples and comment fully on the reasons for ratings the employees performance as unsatisfactory or outstanding.

What is your recommendation to improve the employees present performance?

This appraisal was discussed with the employee on and his reaction / comments are as follows

________________________
Signature of appraiser

________________________
Signature of the employee
CHAPTER 4
DATA ANALYSIS AND INTERPRETATION

Results of the study

The appraisal methods used and the manner in which results are communicated can have positive and negative impact on employees moral and satisfaction. This is the motive which entitles me to conduct this research on the title performance appraisal employees selecting finchaa sugar factory for the case study. Performance appraisal may be defined as structured formal interaction between subordinate and supervisors that usually takes the form of periodic interview annually or semi annually in which the work performance of subordinate is examined and discussed with a view of identifying weaknesses and strengths as well as opportunities for improvement and skills developments.

According to the data collected, the finchaa sugar factory uses performance appraisal that can be conducted semi annually 84%. The evaluation can be carried out by the top management and immediate supervisions in which the performance appraisal by the immediate supervisor can predominate 79% the study clearly shows that the graphic rating scale is the most widely used performance appraisal technique that can be used by the factory 50%. In this technique of performance appraisal the rater assesses and employee on factors such as quantity of work, dependability, job knowledge, attendance accuracy of work and cooperativeness. Graphic rating scales, include both numerical ranges and written descriptions. There are so many techniques of performance appraisal but not all techniques and methods are appropriate for an organization to use it.
Sample items on a Graphic rating scale Evaluation form used by Finchaa sugar factory

<table>
<thead>
<tr>
<th>Quantity of work</th>
<th>the amount of work an employee does in a work day</th>
</tr>
</thead>
<tbody>
<tr>
<td>( )</td>
<td>( )</td>
</tr>
<tr>
<td>Does not meet</td>
<td>Does just</td>
</tr>
<tr>
<td>Minimum requirement</td>
<td>enough to get by</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Dependability</td>
<td>the ability to do required jobs well with a</td>
</tr>
<tr>
<td></td>
<td>minimum of supervision</td>
</tr>
<tr>
<td>( )</td>
<td>( )</td>
</tr>
<tr>
<td>Requires close</td>
<td>Sometimes</td>
</tr>
<tr>
<td>Supervision</td>
<td>requires</td>
</tr>
<tr>
<td>Is unreliable</td>
<td>promoting</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Promptness</td>
<td></td>
</tr>
</tbody>
</table>

Job knowledge-- information an employee should have on work duties for satisfactory job.

| ( )              | ( )                                           | ( )                                      |
|                  | is poorly                                     | lacks knowledge                          |
|                  | informed                                      | is moderately                            |
|                  | about work                                    | understands                              |
|                  |                                               | has complete mastery of all phases of job|
| attendance-- faithfulness in coming to work daily and conforming to work hours.

| ( )              | ( )                                           | ( )                                      |
|                  | is often absent                               | is lax in attendance                     |
|                  | with out good excuse                          | is usually present                       |
|                  | or frequently reporting for work              | is very prompt                           |
|                  | or frequently reporting for work              | and on time                              |
|                  | reports for work                              | regularly attendance                     |

Accuracy -- the correctness of work duties performed

| ( )              | ( )                                           | ( )                                      |
| Makes frequent   | coreless often                                | usually accurate                        |
| Errors           | makes errors                                  | makes only                               |

Average number of mistakes

Of mistakes most of the time accurate
The graphic rating scale method is subject to some serious weaknesses. One potential weaknesses is that evaluators are unlikely to interpret written descriptions in the same manner due to differences in background, experience, and personality. Another potential problems relates to the choice of ratings categories. It is possible to choose categories that have significant influence on job performance.

<table>
<thead>
<tr>
<th>Performance appraisal techniques used</th>
<th>No of workers who respond to the questions</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graphic rating scale</td>
<td>58</td>
<td>58%</td>
</tr>
<tr>
<td>Essay appraisal</td>
<td>20</td>
<td>20%</td>
</tr>
<tr>
<td>Work slandered approach</td>
<td>10</td>
<td>10%</td>
</tr>
<tr>
<td>Check list</td>
<td>12</td>
<td>12%</td>
</tr>
<tr>
<td>Critical incident approach</td>
<td>Null</td>
<td>Nil</td>
</tr>
</tbody>
</table>

Table- 1 types of performance appraisal
The survey conducted shows that the Finchaa sugar factory uses quality of work, quantity of work, cost consciousness, punctuality and attendance, attitude and interest, motivation and effort adaptability, communication and understanding, innovation and initiative, job knowledge, leadership ability, administrative ability as appraisal factors (standards). The evaluation technique used and the appraisal factors (standards) employed can be the same for both the evaluators (bosses) and the employees to be evaluated as a result both the subordinate and management agreed up on the manner performance appraisal conducted in the factory 68% of the respondents.
According to the survey the performance appraisal conducted in Finchaa sugar factory can have draw backs 78% this draw back can be on the standards used the standards used for appraisal may be irrelevant, unrealistic and unclear because should not be established by analyzing the job output to ensure that standards are job related.

<table>
<thead>
<tr>
<th>Types of performance appraisal draw backs</th>
<th>No of employees responded to the question</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Errors in rating</td>
<td>30</td>
<td>30%</td>
</tr>
<tr>
<td>Subjectivity</td>
<td>26</td>
<td>26%</td>
</tr>
<tr>
<td>Bias/Ness</td>
<td>38</td>
<td>38%</td>
</tr>
<tr>
<td>Problem in interpretation</td>
<td>6</td>
<td>6%</td>
</tr>
</tbody>
</table>

Table 2  performance appraisal and its draw backs

Pin – chart – showing performance appraisal and its draw backs
The survey also clearly shows that performance appraisal can have both positive and negative impact on employees moral and satisfaction. 81% even if an employee perform well the manner in which it is communicated and interpreted can be matter their moral and satisfaction. According to the data collected most of the respondents answer that if an employee performance feedback is satisfactory enough they expect promotion, pay increase, reward and moral satisfaction this all can be viewed as positive impact of performance appraisals in another case if an employee's performance feedback is not as such satisfactory enough as compared to its actual performance level the manager may take actions such as demotion, discipline, pay reduction and the employee may get depressed and morally dissatisfied but may know his deficiencies and try to improve more in his skills and developments however the case may be such actions and feelings can be viewed as negative impact of performance appraisal below is the result of each case.

<table>
<thead>
<tr>
<th>Employees expectations if their performance appraisal feedback is good</th>
<th>No of employees who respond to the question</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion</td>
<td>35</td>
<td>35%</td>
</tr>
<tr>
<td>Reward</td>
<td>10</td>
<td>10%</td>
</tr>
<tr>
<td>Pay increase</td>
<td>40</td>
<td>40%</td>
</tr>
<tr>
<td>Moral satisfaction motivation</td>
<td>15</td>
<td>15%</td>
</tr>
</tbody>
</table>

Table – 3 employees expectation if their performance appraisal is satisfactory.

From the table we can observe that 35% of the employee expectation is promotion, 10% of the employees expectation is reward and 40% of the employee expectation is pay increase where as 15% of the employee expectation is moral satisfaction regardless of any thing they offered in return.
The study also shows that performance appraisal is really necessary for an organization because employees do not work well motivating themselves if there is no performance appraisal 78%, more over performance appraisal helps the organization to fix salaries of employees and to give promotion, training and development and reward employees. According to the data most of the employees in the factory worry of the performance appraisals because performance appraisal can have drawbacks since there is bias/Ness, subjectivity and errors in rating that is why most employees complain performance appraisals. The survey conducted also shows that employees can be in need of hearing their performance appraisal indirectly in written form this in turn can have advantage for employees as well as for the
organization because it is filed and used when needed (maintain accurate and clear information) for the future generation. If there is misunderstanding between the subordinate and supervisor it is kept as documentation for evidences.

**Discussion part of the study**

The discussion part of this study magnifies the scope of the survey conducted in analysis and interpreting thoroughly turn by turn elaborating the result of the study, comparing past studies with current survey and evaluating the findings that can be included on this part of the study. Detail statistical data can be discussed and analyzed meanings can be given through the process of interpretation this widens and makes the research more practical and useful. So in the discussion part of this research paper all the necessary details about performance appraisal can be carried on to be listed and explained here the advantages and disadvantage, the strength and weakness, the opportunity and threats can be highlighted. The performance appraisal process is the ongoing of evaluating employee performance. Performance appraisal is also called performance evaluation, performance review, merit rating and performance audit, regardless of the name, bosses hate to give them and workers hate to get them. Performance appraisal is one of the manager is most important, yet most difficult, functions and is becoming even more demanding. Handled properly, it can increase productivity motivation and morale and decrease absenteeism and turn over. But handled poorly of can decrease performance.

**Types of performance appraisal**

There are two types of performance appraisal used world wide these are developmental and evaluative. Performance appraisal has two separate but related uses based on whether developmental or administrative decision is being made. They are related because the developmental plans are away based on an evaluative performance appraisal. However, the primary purpose of PA should be to help employees improve their performance.

Developmental performance:- appraisal is used to make decisions and plans for performance improvements to improve future performance, appraisers must give employees feedback on how well they are doing their jobs. Areas of strength and improvement must be clear, and a plan for improvement
must be developed so that the employee knows what it takes to get a higher evaluation rating on the next performance review.

**Evaluative performance:** - appraisal is used to make administrative decisions including pay raises, transfer, promotions, and demotions and terminations. Managers are held legally accountable for administrative decisions because they must meet the equal employment opportunity contract (EEOC). Uniform Guidelines on employee selection procedures, managers are not completely free to promote or discharge anyone they please. Administrative decisions should not be discriminatory. Effective performance appraisal can prevent company litigation. Decisions should be based on objective job performance criteria. Employers must know exactly where they stand, what their responsibilities are, and the standards of performance they are expected to achieve. When both the developmental and evaluative performance appraisals are conducted together, which they commonly are, the development is often less effective, especially when the employee disagrees with the evaluation. Most managers know how to be both a judge and a coach. The evaluative performance appraisal (PA) focuses on the past, where as the two uses are clear and can help the manager be both a judge and a coach.

**Performance appraisal: Definition and uses**

Performance appraisal is the process of determining and communicating to an employee how he or she is performing on the job and ideally establishing a plan of improvement. When properly conducted, performance appraisals not only let employees know how well they are performing but also influence their future level of effort and task direction. Effort should be enhanced if the employee is properly reinforced. The task perception of the employee should be clarified through the establishment of a plan for improvement.

**Uses**

One of the most common uses of performance appraisal is for making administrative decisions relating to promotions, firings, layoffs, and merit pay increases. The present job performance of an employee is often the most significant consideration for determining whether to promote the person while successful performance in the present job does not necessarily mean an employee will be an effective performer in a higher level job. Performance appraisals do provide some predictive information. Performance appraisal information can also provide needed input for determining both individual and organizational training and development needs. This information can be used to identify
individual employees strength and weaknesses. This information can then be used to help determine the organizations over all training and development needs. For an individual employee, a completed performance appraisal should include a plan outlining specific training and development needs. Another important use of performance appraisal is to encourage performance improvement. In this regard performance appraisals are used as a means of communicating to employees how they are doing and suggesting needed changes in behavior, attitude, skills, or knowledge. This type of feedback clarifies for employees the job expectations held by the manager often this feedback must be followed by coaching and training by the manager to guide an employee's work efforts. The development of a performance improvement plan is discussed in more depth. Finally, two other important uses of information generated through performance appraisals are input to the validation of selection procedures and input to the validation of selection procedures and input to human resource planning.

A concern in organizations is how often to conduct performance appraisal these seems to be no real consensus on how frequently performance appraisals should be done but in general the answer is as often as necessary to let employees know what kind of job they are doing and if performance is not satisfactory, the measures that must be taken for improvement, for many employees, this can not be accomplished through one annual performance appraisal. Therefore, it is recommended that for most employees; informal performance appraisals be conducted two or three times a year in addition to an annual formal performance appraisal.

**Understanding performance**

Performance refers to the degree of accomplishment of the tasks that make up an employee's job. If reflects how well an employee is fulfilling the requirement of the job. Often confused with effort, which refers to energy expended, performance is measured in terms of results. For example, a student may exert a great deal of effort in preparing for an exam and still make a poor grade in such a case the effort expended was high, yet the performance was low.

**Determinates of performance**

Job performance is the net effect of an employee's effort as modified by abilities and role or task perception. Thus performance in a given situation can be viewed as resulting from the inter relationship among effort, abilities and role perceptions.
Effort, which results from being motivated, refers to the amount of energy (physical and mental) an individual uses in performing a task. Abilities are personal characteristics used in performing a job. Abilities usually do not fluctuate widely over short periods of time. Role (task) perceptions refer to the direction in which individuals believe they should channel their efforts on their jobs. The activities and behaviors people believe are necessary in the performance of their jobs define their role perceptions. To attain an acceptable level of performance, a minimum level of proficiency must exist in each of the performance components. Similarly, the level of proficiency in any one-performance component can place an upper boundary on performance. If employees put forth tremendous effort and have excellent abilities but lack a clear understanding of their roles, performance will probably not be good in the eyes of their managers. Much work will be produced but it will be misdirected like wiss, an employee who puts forth a high degree of effort and understands the job but lacks ability probably will rate low on performance. A final possibility is the employee who has good ability and understanding the role but is lazy and expends little effort. This employee can compensate up to a point for a weakness in one area by being above average in one or both of the other areas.

Environmental factors as performance obstacles other factors beyond the control of the employee can also stifle performance. Although such obstacles are sometimes used merely as excuse, they are often very real and should be recognized. Some of the potential performance obstacles include a lack of or conflicting demands on the employee's time, inadequate work facilities and equipment, restrictive policies that affect the job, lack of cooperation from others, type of supervision, temperature, lighting, noise, machine or equipment pacing, shifts, and even luck. Environmental factors should be viewed not as direct determinants of individual performance but as modifying the effects of effort, ability, and direction of poor ventilation or worn out equipment may well affect the effort an individual expends. Unclear policies or poor supervision can also produce miss directed effort. Similarly, a lack of training can result in under utilized abilities. One of management's greatest responsibilities is to provide employees with adequate working conditions and supportive environment to eliminate or minimize performance obstacles. How performance appraisal is conducted can have a decided impact on employees motivation, moral, and plans for improvement. Appraisals can be conducted by the immediate supervisors, the employee, the employees peers, customers or other outside appraisals, committees, or the employees subordinate or combination of this. There are several reasons to appraise performance appraisals provide

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information up on which promotion and salary decisions can be made second they provide an opportunity review the subordinates work related behavior, this intern allows both of them to develop a plan for correcting any deficiencies the appraisal might have strength and right finally the appraisal can and should be central to your firms career planning process because of provides a good opportunities to review the persons career plans in light of his/her exhibited strengths and weaknesses.

The supervisors role in appraisals

The supervisor usually does the actual appraising and must be familiar with the appraisal technique understand and avoid problems that can cripple on appraisal and conduct the appraisal fairly. The human resource department serves as policy making and advisory role in one survey for example about 80% of the firms responding said the human resource department provides advice and assistance regarding which appraisal tool to use but leaves final decisions on appraisal procedures to operating division heads, in the rest of the firms the personnel office prepares detailed format and procedures and insists that all department use them personnel is also responsible for training supervisors to improve their appraisal skills. Finally personnel is responsible for monitoring the use of the appraisal system, particularly in regard to ensuring that the format and criteria being measured comply with equal employment opportunity (EEO) laws and do not of become out dated.

Steps in appraising performance

Performance appraisal involves three steps define the Job, appraise performance, and provide feed back defining the Job means making sure that you and your subordinate agree on his/her duties and Job standards. Appraising performance means comparing your subordinate actual performance to the standards set in step one; this usually involves some type of rating form. Third, performance appraisal usually requires one or more feed back sessions during which the subordinates performance and progress are discussed and during which plans are made for any development that is required.
Performance appraisal problems

Some appraisal fail because subordinates are not told ahead of time exactly what is expected of them in terms of good performance or the appraisal fail because of problems in the forms or procedures used to actually appraise the performance; a lenient supervisor might rate all subordinates "high" for instance, although many are actually unsatisfactory. Still other problems arise during the interview feedback session problems that include arguing and poor communications problems can occur at any stage in the evaluation process.

Some of the pitfalls to avoid performance appraisals are

1. Lack of standards without standards there can be no objective evaluation of results, only subjective feelings about performance.
2. Irrelevant or subjective standards- standards should be established by analyzing the job output to ensure that standards are job related.
3. Unrealistic standards are goals with motivating potential. These are reasonable but challenging have the most potential to motivate.
4. Poor measures of performance objectivity and compression require that progress to words standards or accomplishment of measurable standards include quantifiable
5. Rater error- rater errors include rater bias or prejudice, halo effect, constant error, central tendency and fear of confrontation.
6. Poor feedback to employee standards and/or ratings must be communicated to the employee in order for the performance evaluation to be effective.
7. Negative communications- the evaluation process is hindered by communication of negative attitudes such as inflexibility defensiveness, and a non developmental approach.
8. Failure to apply evaluation data failure to use evaluations in personnel decision making and personnel development neglects the primary purpose of performance evaluations. The use and weighting of multiple criteria as well as the frequency of evaluation also present problems.
Appraising performance problems and Issues dealing with the main Graphic rating scale appraisal problems

There are five main problems that can undermine appraisal tools graphic rating scales some of them are unclear standards halo effect, central tendency, leniency or strict ness and bias

Unclear standards

Un clear performance standards are one problem. It would probably result in unfair appraisals. This is because the traits and degrees of merit are open to interpretation. Eg different supervisor probably define' good‘ performance ‘fair’ performance and so on differently these aim is true of traits such as ‘ quality of work‘ or ‘creativity‘’There are several ways to rectify this problem. The best way is to develop and include descriptive phrases that define each traits. There the form specified what management by this result in appraisals that are more consistent and more easily explained.

Halo effect

The halo effect means that your rating of a subordinate on one traits such as ‘ gets along with others‘ biases how you rate that person on other traits ( such as ‘ quantity of work this problems often occurs with employees who are especially friendly ) or unfriendly/wards the supervisor for example an unfriendly employee will often be rated unsatisfactory for all traits rather that just for the trait ‘ gets along well with others’ Being aware of this problem is a major step to words avoiding of supervisor training can also alleviate the problem.

Central tendency

Many supervisors have a central tendency when filling in rating scales for example if the rating scale ranges from 1 to 7, they tend to avoid the higher 6 and 7 and lower (1 and 2 ) and rate most of their people between 3 and 5. If you use a graphic rating scale, this central tendency could mean that all employs are simple rated ‘ average such a restriction can distort the evaluation making them less useful for promotion, salary increment or counseling groups ranking employees instead of using a graphic rating scale can avoid this central tendency problem because all employees must be ranked and thus can not all be rated average. This is the main advantage of the ranking approach.
Leniency or strictness

Some supervisors tend to rate all their subordinates consistently high (or low) just as some instructors are notoriously high graders and others are not this strictness/leniency problem is especially serious with graphic rating scales because the supervisor can conceivably rate all subordinates either high or low when you must rank subordinates you are forced to distinguish between high & low performance.

Bias

Individual differences among rates interms of characteristics like age, value, and sex can affect the ratings they get, often quite apart from cache rate’s actual performance. In one study for instance, researchers found a systematic tendency to evaluate order rates over 60 years of age lower on performance capacity and potential for development than younger employee the rates rate and sex can also affect the persons rating. However here the bias is not necessarily consistently against minorities or women, as it seems to be in the case of older workers in one study high performing females were often rated significantly higher than were high performing males similarly, low performing blacks were often rated significantly higher than were low performing whites an interesting picture of how age can distort evaluations from a study of registered nurses when the nurses were 30 –39 years old they and their supervisors each rated the nurses performance virtually the same in the 21 –29 category, supervisory actually rated nurses performance higher than they rated themselves how ever for the 40 –61 nurses age category, the supervisors rated nurses performance 1 more than the nurses rate their own performance. The conclusion here may be that supervisors are tougher in appraising older subordinates specifically they do not give them as much credit for their success, while attributing and low performance to their lack of ability.

The employees previous performance can also affect the evaluation of his/her current performance the actual error can take several forms. Some times the rater may systematically over estimate improvement on the part of a poor worker or decline on the part of good worker for instance in some situation especially when the change in behavior is more gradual the rater may simple be insensitive to change in the rater behavior in many case, it is important rating performance to do so objectively. Try to block out the influence of things such as previous performance, age or race.
How to avoid appraisal problems

There are at least three things you can do to minimize the impact of appraisal problems such as bias and central tendency. First, be sure to be familiar with the problem understanding the problem can help you avoid it.

Second choose the right appraisal tool each tool such as the graphic rating scale or critical incident method has its own advantage and disadvantages for example the ranking method as avoids central tendency but can cause ill feelings when employees performances are in fact all actual high.

Third training supervisors to eliminate rating error such as halo, leniency and central tendency can help them avoid these problem. In atypical training program, raters are shown a video tape of Jobs being performed and are a need to rate the workers. Ratings made by each participant are than placed on a flip chart and the balloons errors (such as leniency and halo are explained for example if artisans rated all criteria such as quality, quantity etc about the same the trainer night explain that halo error had occurred typically the trainer gives the correct rating and then illustrates the rating errors the participants made. According to one study computer assisted appraisal training improved managers ability to conduct performance appraisal discussions with their subordinates.

Rater training is also no panacea for reducing rating errors or improving the accuracy of appraisals from a practical point of view several factors, including the extent to which pay is tied to performance ratings, union pressures, employee turn over, time constraints, and the need to justify ratings may be more important than training, this means that improving an appraisals accuracy involves not only training but also reducing outside factors such as anion pressure and time constraints.
Who should do the appraising

Who should actually rate an employee's performance? Several options exist to do so.

Appraisal by the immediate supervisor

Supervisors' ratings are the heart of most appraisal systems because getting a supervisor's appraisal is relatively easy and also makes great sense. The supervisor should be and usually is in the best position to observe and evaluate his or her subordinates' performance.

Using peer appraisals

The appraisal of an employee by his or her peers can be effective in predicting future management success. From a study of military officers, we know that peer ratings were quite accurate in predicting which officers would be promoted and which would not. In another study involving more than 200 industrial managers, peer ratings were similarly useful in predicting who would be promoted. One potential problem is "logrolling"—here all the peers simply get together to rate each other high. With more firms using self-managing teams or peer appraisals, it is becoming more popular. At Digital Equipment Corporation, for example, an employee due for an appraisal chooses all appraisals as "chairperson" each year. This person then selects one supervisor and three other peers to evaluate the employee's work.

Using rating committees

Employers use rating committees to evaluate employees. These committees are usually composed of the employee's immediate supervisor and three or four other supervisors. There are several advantages to using multiple raters while there may be a discrepancy in the ratings made by the different supervisors. The composite ratings tend to be more reliable, fair, and valid than those of individual raters. Several raters can help cancel out problems like bias and halo effect on the part of individual raters. Further, when there are differences in raters' ratings, they usually stem from the fact that raters at different levels often observe different aspects of an employee's performance. The appraisal out to reflect these differences even when a committee is not used. It is common to have the appraisal reviewed by the immediately above the one who makes the appraisal.
Self-ratings

Some employees use employees self ratings of performance usually in conjunction with supervisors ratings the basic problem is that most studies show that employees consistently rate themselves higher than they are rated by supervisors or peers self appraisal should thus be used carefully. Supervisors requesting self appraisal should know that there appraisals and the self appraisals may accentuate differences and rigidify positions further more even if self appraisal are not for many requested each employee will enter the performance review meeting with his/her own self appraisal in mind /and thus will usually be higher than the supervisors rating.

Appraisal by subordinates

More firms to day let subordinate anonymously evaluate their supervisor's performance; a process may call up ward feed back. When conducted through out the firm the process helps managers diagnose management styles , identify potential” people” problems and take corrective action with individual managers as required such subordinate ratings are especially valuable when used for developmental rather than evaluative purposes.
Performance appraisal and the law

Title VII of the civil rights act permits the use of a bona fide performance appraisal system performance appraisal systems generally are not considered to be bona fide when their application results in adverse effects on minorities women, or older employees.

A number of count cases have ruled that performance appraisal systems used by organizations were discriminatory and not job related in one case involving lay offs, Brito et al Vzia company Spanish-surnamed workers were re-instated with back pay because the company had used, performance appraisal system of unknown validity in an uncontrolled and unstandardized manner in Misteretta v Sandia corporation, performance appraisals were used as the main basis of lay off decisions affecting a disproportionate number of older employees. The judge awarded the plaintiffs double damages plus all court costs.

In Chamberlain V. Bissel, Inc, and evaluator expressed dissatisfaction with an employees performance but did not inform the employee that his job was in jeopardy. On being terminated, the employee sued the company claiming he had never been warned that he might be dismissed. The Michigan state court ruled the company had been negligent in not informing the employee that he might be fired and awarded the employee $61,354 in damages.

In Price Water House V. Hopkins the plaintiff, Ann Hopkins charged she was denied a partnership at Price Water House because of sexual stereotyping. Although Hopkins had generated noble new business and logged more billable hours than any other candidate for partner, she was denied partnership consideration because the partner concluded she lacked the proper interpersonal skills.

The court ruled that interpersonal skills was a legitimate performance evaluation measure, but it found that some of the evaluations of Hopkins were sexual stereotyping. For example, one number of the firm advised Hopkins to walk talk and dress in a more feminine fashion. In its decision, the supreme court found that Price Water House had violated Title VII of the civil rights act and stated that evaluating employees by assuming or insisting that they match a stereotype was illegal.
Many suggestions have been offered for making performance appraisal systems more legally acceptable. Some of these include (1) deriving the content of the appraisal system from job analysis, (2) emphasizing work behaviors rather than personal traits, (3) ensuring that the result of appraisals are communicated to employees, (4) allowing employees to give feedback during the appraisal interview, (5) training managers in how to conduct proper evaluations, (6) ensuring that employees are written, documented, and retained, and (7) ensuring that personnel decisions are consistent with the performance appraisals.
CHAPTER 5
Conclusion and Recommendation

Conclusion

Generally speaking about performance appraisal it is properly conducted. It is really necessary for an organization because it creates conductive environment among both the subordinate and supervisors since they come in to sit down and discuss among each others about the work performance of employees. There are two types of performance appraisal used world wide this are developmental and evaluative regardless of the types, performance appraisal can be used for administrative decision and to provide information to give individual and organizational training and developments. The appraisal methods used and the manner in which results are communicated can have positive and negative impact on employees, moral and satisfaction.

The Finchaa sugar factory uses performance appraisals that can be conducted some annually (two times a year). In the factory the appraisal can be carried out by the top management and immediate supervisors in which the appraisal by the immediate supervisor can pre dominate (79%). The factory uses the graphic rating scale technique of performance appraisal which uses quality of work, quantity of work, consciousness, punctuality and a men dance, attitude and interest motivation and effort, adoptability, communication and understanding innovation and intuitive, job knowledge, leadership ability, and ministrative ability as appraisal factors (standards). Many employees in the factory worry of performance appraisals this is because the fact that performance appraisal used in the factory does have draw backs especially the appraisal factors (standards used) can be subjected to such draw backs as the case of subjectivity, bias, errossin rating and problem interpretation is among the major draw backs of performance appraisal in the Finchaa sugar factory. Performance appraisal helps the organization to fix salaries of employees and to give promotions, training and development more over employees expect promotion, pay increase, reward moral, satisfaction and the like. If their work performance feedback is satisfactory enough. This can be viewed as positive impact in performance appraisals. In another extreme, demotion, pay reduction moral dissatisfaction discipline etc can be resulted as result of unsatisfactory performance and can be viewed as negative impact of performance appraisals but they can be viewed as a constructive ideas. Since it helps employees who have some deficiencies in some areas of skills and developments in order to perform better than he/she does currently. Employees need to hear their performance appraisals in written form this in turn can have advantage for employees as well as for the organization because it is field and used when needed for the feature generation.
Recommendation

I would like to recommend the Finchaa sugar factory to use standardized way of performance appraisal systems which is based on objective evaluation format rather than using subjective evaluation standards this helps the organization to avoid performance appraisal problems (errors in rating) such as the halo effect, unclear standards central tendency, leniency or strictness and bias.

The factory should have to use standards which is relevant objective this can be archived by analyzing the job output of employees by ensuring that the standards are job related.

The evaluation process is hindered by communication of negative attitudes such as inflexibility, defensiveness and anon developmental approach so the factory should have to overcome this short coming by using mechanisms such as flexibility and the like.

Lastly I would like to recommend the factory to define the all throaty and responsibility of each employee and supervisors should have to tell the subordinate a head of evaluation this in turn avoids miss conception and misunderstanding on the performance appraisal system and hence facilitate the process smoothly.
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ANNEX

JIMMA UNIVERSITY
FACULTY OF BUSINESS
DEPARTMENT OF MANAGEMENT

QUESTIONONES DESIGNED FOR RESEARCH DATA COLLECTION PURPOSE

Title of the Research: Assessment of performance appraisal and Its Impact on employees moral and satisfaction

Case study fincha'a sugar factory

General Direction This question ones are designed for research purpose there is no other purpose. I Expect your willingness and coop rations Tank You!

- react to the specific Questions according to specific instructions
- tick where boxes are
- respond by writing the reason for question why in the Questionnaires.
Questionnaires for top management levels

1. Is there performance appraisal of employees in this factory?
   Yes ☐ No ☐
   If Yes How many times performances of employees evaluated?
   Per year ☐ Annually ☐
   ☐ Semiannually ☐
   ☐ Monthly ☐
   ☐ Quarterly ☐
   ☐ Others specify ___________________________

2. Have you ever been evaluated?
   Yes ☐ No ☐

3. Who evaluate you?
   ☐ Your boss ☐ Your subordinate
   ☐ Peers ☐ Required performance slandered
   ☐ Others specify ___________________________

4. Who are evaluated in your organization?
   ☐ Individual employee ☐ Department
   ☐ The over all organization ☐ Others specify ___________________________

5. What evaluation techniques (Methods) do you use to evaluate your employees?
   ☐ Goal setting or management by objective method
   ☐ Work slandered approach
   ☐ Essay appraisal
   ☐ Canticle incident appraisal
   ☐ Check list
   ☐ Behaviorally anchored rating scale.
6. What standards do you use to evaluate your employees

☐ Skills about tasks to be performed
☐ Knowledge about work
☐ Work experience
☐ Performance accuracy, clarity, Completeness on time
☐ Competence
☐ Others specify ________________________________

7. Which evaluation technique do you choose for this factory in Q No 2 above

Why _________________________________________

Which standards best suite to this techniques?

Why _________________________________________

8. Is there any alternate evaluation technique used by this organization other than those mentioned on Question No 2

Yes ☐ No ☐

If yes specify __________________________________

9. Is the standards used to evaluate top management and employees the same

☐ Yes ☐ No ☐

10. do you think that performance appraisal can have impact on employed moral and satisfaction?

Yes ☐ No ☐

If Yes does It have positive or Negative impact?

☐ Positive ☐ Negative

If positive How ☐ Pay increase
☐ Promotions
☐ Discipline
☐ Morale satisfaction(motivation)
☐ Reward
☐ Others specify ________________________________
If Negative why

- Leads to dissatisfaction
- Leads to pay decrease
- Leads to demotion
- Creates Conflict/Complaining
- Creates disappointment
- Others specify.

11. Do you think that the techniques of performance appraisal used by your organization as mentioned on Q No 2 can have draw bails also do you think that the standards used to evaluate employees can have draw bails

- Yes
- No

If yes What is the draw bails

12. Do you think that both you and your subordinate as well as employees agreed up on this evaluation techniques and evaluation criteria

- Yes
- No
- Partial Agree
- Partial disappear

13. Do you think that performance appraisal can have beneficial for this factory?

- Yes
- No

If yes how

If No why

14. Do you think that performance appraisal is necessary in this organization (factory)

- Yes
- No

If yes why

- because if helps to identify who good performers and who are not good performers
- because helps employees to know about their work performance whether it is good or not and helps employees who have some deficiencies in some areas of skills and development to improve their work performance
- because helps the organization to fix salary and woes of employees etc
15. How do you communicate employees feedback after they are evaluated

☐ Formally (written)
☐ Informally (orally)
☐ Others specify

16. Do you think that the way performance appraisal of employees are interpreted matters employees moral and satisfaction?

Yes ☐ No ☐

17. Do you think that appraisal feedback like

☐ Excellent
☐ very good
☐ good
☐ fair
☐ satisfactory
☐ Unsatisfactory

Mean different meaning for different evaluators

☐ Yes ☐ No

If yes say different evaluators interpret differently ☐

Comments

______________________________________

Supervisors Name_____________________

Signature___________________________

Questionnaires for middle level first level managers and employees as a whole

1. Employee Name______________________________________

Age

Sex_________

Department__________
Level of education

2. Is there performance evaluation in this factory? Yes ☐ No ☐
If Yes How many times performance evaluation undertaken per year?

☐ Annually
☐ Semi annually
☐ Monthly
☐ Quarterly
☐ Others specify

Have you ever been evaluated (Your performance)?

Yes ☐ No ☐

3. Who evaluate You

☐ Top Management
☐ Immediate supervisor
☐ Peers
☐ Others specify

4. What technique of evaluation are used to your performance?

☐ Goal setting or MBO method
☐ Work standard approach
☐ Essay appraisal
☐ Critical incident appraisal
☐ Check list
☐ Behaviorally anchored rating scale
☐ Forced choice rating
☐ Rankly method

5. What standards does this factory uses to evaluate the work of employees?

☐ Quality of work ☐ accuracy, completeness etc
☐ Knowledge about work ☐ Others specify
☐ Skills about work
☐ Experience about work

6. Are you comfortable with the standards and techniques of performance appraisal methods
7. Is this evaluation technique and centuries work for all employees
   □ Yes □ No

8. Is there any draw back on the techniques and criteria's used for evaluation of performance?
   □ Yes □ No

If yes what are the draw backs

If yes again what kind of draw backs?
   □ Biasness □ Subjectivity
   □ Subjectivity □ errors in rating
   □ problems in interpretation
   □ Others specify

9. Which evaluation technique do you feel that good for this factory?
   Why

10. If your performance appraisal is not good what do you feel
    □ become Aggressive □ I try to improve
    □ I blame others □ I complain to evaluators
    □ No thing □ Others specify

11. What do you expect more If your per for appraisal result is good?
    □ Promotion □ pay increase
    □ Morale satisfaction
    □ Reward □ Nothing
    □ I don't know

12. Do you think you perform will if there is No performance appraisal?
    □ Yes □ No

13. Have you ever been complain about your performance evaluation feed back on the past
    □ Yes □ No

If yes why □ Because of poor slandered criteria of evaluation technique and poor design
   □ Because of poor interpretation of appraisal feed back
   □ Because of Informal common function
14. How do you hear your performance appraisal result (feed back)
   ■ directly ■ indirectly
   ■ Others specify

15. In which way if you hear your performance appraisal result is good/ you are interested in?
   ■ formally ■ Informally

16. do you think that performance appraisal really necessary /important for employees?
   ■ Yes ■ No
   If yes ■ why ____________________________________________
   If No ■ why not_________________________________________

   If do you think that performance appraisal can have impact on employees moral and satisfaction?
   Yes | | No | |
   If yes want kind of impact ■ positive ■ Negative
   If positive ■ does if relates pay increase
   ■ Does if relates with promotions
   ■ Does of relates with reward
   ■ Specify _______________________________ 
   If Negative ■ Does if relates with pay cut (decrease)
   ■ Does it relates to demotions
   ■ Does if relates to moral dissatisfaction
   ■ specify