

UNIVERSITY OF CAPE COAST

PERFORMANCE APPRAISAL IN FIRST ALLIED SAVINGS & LOANS LTD

BY

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DECLARATIONS

Candidate's declaration

I hereby declare that this dissertation is the result of my own original work and that no part of it has been presented for another degree in this University or elsewhere.

Candidate's signature..... Joseph A. Mical Date..... 30-6-2008

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Supervisor's declaration

I hereby declare that the preparation and presentation of this dissertation were supervised in accordance with the guidelines on supervision of dissertation laid down by the University of Cape Coast.

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ABSTRACT

The study followed the procedures of a descriptive analysis. It described how a private company appraised the performance of its workers. Among the objectives were the description of a model performance appraisal system, the description of the appraisal system of First Allied Savings & Loans Ltd, the analysis of the weaknesses thereof and suggestions to improve upon the appraisal system of the company.

To achieve the objectives aforementioned, questionnaires were designed to gather relevant information. Upon the administration of the questionnaire and interviews it came to light that the company appraises the performance of its workers using a formally designed performance appraisal system based on the graphic rating method. By comparison with the model appraisal system, it became obvious that though the appraisal system of the company had its strengths, it also had some weaknesses attached to it. For example it was revealed that appraisal interview was virtually non-existent. Also workers are not involved in setting performance targets at the beginning of the appraisal year. Furthermore, the company does not have any policy document on the appraisal of workers.

It was concluded that, among other things the company could take steps to improve upon the way it appraises its workers by documenting the standard procedures that should be adopted by all whose responsibilities include the appraisal of workers, ensuring that feedback is made an essential aspect of the appraisal system, and organizing regular training for both the appraiser and the appraised.

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CHAPTER ONE

INTRODUCTION

Background to the study

Tracking the performance of workers has been a major concern for many stakeholders for quite some time now. This has come about because of increasing pressure to deliver and its resultant emphasis on performance management. No wonder it has been the focus of enormous media and political attention for some time. The organization cannot deliver if its people are not performing at peak. In this regard optimizing team and individual performance is key. Clearly the drive for maximum performance is not going to disappear. If anything, increased economic pressure and the need to satisfy Board and shareholders in tough times will ensure that the issue of performance is given more emphasis now and the future than it has in the past.

The 1980s and 90s saw a performance measurement "revolution" with many leading companies redesigning their performance measurement systems to reflect their changing circumstances. This has resulted in over a decade of experience and research that has provided insight into the ways in which performance measurement can be used most effectively.

With the need to track the performance of workers and to improve upon them becoming a very compelling concern of many managers and Human

Resource professionals many tools have been used to achieve these goals. The most popular amongst them being Performance Appraisal yet probably the most misused and abused and disused management tool in history.

The development of Performance appraisal can be traced to the early 20th century to Taylor's pioneering Time and Motion studies. Today it has become a distinct and formal management procedure used in the evaluation of work performance, and many forms of performance appraisals have evolved, all owing to the importance human resource executives attach to it. That there is a basic human tendency to make judgements about those one is working with, as well as about oneself cannot be contended. Appraisal is obviously both inevitable and universal. In the absence of a carefully structured system of appraisal, people will tend to judge the work performance of others, including subordinates, naturally, informally and arbitrarily. Needless to say, the human inclination to judge can create serious motivational, ethical and legal problems in the workplace. In fact without a structured appraisal system, there is a little chance of ensuring that the judgments made will be lawful, fair, defensible and accurate.

Rationale of the study

Appraising the performance of employees is undoubtedly an unavoidable and in the same measure, a very essential aspect of managing the human resources that an organization has. This makes it very important for companies to look much more closely at their performance management and appraisal systems, since

many are not only useless, but can actually harm productivity and the relationships between employees and managers.

It is therefore very important that organizations pay much attention to its administration. Unfortunately many supervisors encounter a lot of difficulty in discharging this responsibility. Perhaps there is a knowledge gap or that the real value of the exercise is not known.

In the light of the preceding, this study sets out first of all is to find out methods by which organizations appraise their workers (that is appraisal systems that are employed by organizations). Secondly it is to stimulate people's thinking about performance management, and how to begin creating systems that work. Thirdly it is to bring to the fore the importance of having and using an effective appraisal system. It is also expected that this study will throw light on the problems encountered by organizations in appraising workers. Furthermore it is expected that it will contribute to the debate on how best to measure workers' performance and also serve as a basis or spring board for other researches. Finally it is expected that the study will serve as a guide to corporate executives who have a desire to assess and improve upon the methods of performance appraisal in their organizations.

Statement of the problem

In spite of the undoubted importance of Performance Appraisal as a management tool, it is given less attention in most organizations. Its impact is hardly felt in most organizations. It has almost been reduced to a non-performing

annual exercise the intent and purpose of which has been perceived differently by both management and workers alike. One may as well say that it is probably the most misused and abused management tool in management history. Ask any manager or human resource executive whether they think performance appraisal is an important thing to do, and they are unanimous. "Of course it is" is the common response. If you ask why it is important, they will tell you and tell you and tell you. The odd thing is that they often do not get done. Human resource professionals spend a lot of time whipping people into doing them, while managers look for a variety of reasons to delay and delay. They find it uncomfortable to do performance appraisals. But why is it uncomfortable? In fact it has become an annual exercise which is viewed with much suspicion. Many experts think that traditional appraisals do not help in managing performance and may actually backfire. The argument is that most performance appraisal systems neither motivate employees nor guide their development. Indeed it is seen to cause conflict between supervisors and subordinates and eventually lead to dysfunctional behaviours. It is very important that organizations take a critical look at the manner in which they conduct their appraisal.

Despite all the arguments, most organizations operate an appraisal system, whether they acknowledge it or not. The current practice is that formal staff appraisal is not keenly pursued in most organizations because of lack of time and knowledge and for this reason performance appraisal has not been that effective in these organizations.

While the appraised may see it as a witch-hunting exercise those who do the appraisal may see it as an opportunity to get even with their subordinates. In some instances it has succeeded in creating rifts between managers and their subordinates.

- (i) What does performance appraisal entail?
- (ii) What do both the appraiser and the appraised expect to achieve?
- (iii) How should the performance appraisal exercises be conducted to achieve effective results?
- (iv) What factors inhibit effective performance appraisal?
- (v) What are the perceptions of both the appraiser and the appraised regarding performance appraisal and how do these perceptions affect the effectiveness of performance appraisal exercises?
- (vi) How has performance appraisal been done in First Allied Savings and Loans Ltd?
- (vii) How can Performance appraisal be improved in First Allied Savings and Loans Ltd?

Those are the questions this study sought to answer.

Objectives of the study

The Objectives of this study were categorized into general and specific. The general objective of this study was to identify and evaluate the performance appraisal system in First Allied Savings and Loans Ltd in order to be able to provide an improvement on it.

The specific objectives included:

- (i) To define a model best practice performance appraisal system that can be employed for effective results.
- (ii) To describe the performance appraisal system in First Allied Savings and Loans Ltd.
- (iii) To analyse the strengths and weaknesses of the Performance Appraisal system in First Allied Savings and Loans Ltd by comparing it with the model.
- (iv) To identify the knowledge resources needed to remedy the weaknesses in the performance appraisal system of First Allied Savings and Loans Ltd.
- (v) To show the implications of the findings for policy formulation and further research.

Research questions

The study was driven by the following research questions:

- (i) What is the model best practice performance appraisal system?
- (ii) What is the performance appraisal system like in First Allied Savings & Loans Ltd?
- (iii) What strengths and weaknesses exist in the performance appraisal system of First Allied Savings & Loans Ltd?
- (iv) What knowledge resources are needed to correct the weaknesses of the performance appraisal system of First Allied Savings & Loans Ltd?

Organization of the study

The study is divided into 5 chapters. Chapter 1 deals with the introduction of the study, dealing specifically with the rationale of the study, statement of the problem and the objectives for which this study was conducted. In chapter 2 the basic literature existing on performance appraisal is reviewed. Whilst Chapter 3 deals with the method of research adopted for this study, chapter 4 focuses on the discussing of the results obtained from the questionnaire administration and interviews conducted. Finally chapter 5 deals with the major conclusions and the implications of the study.

CHAPTER TWO

LITERATURE REVIEW

Introduction

The subject of performance appraisal has been widely dealt with in the literature. This clearly points to its importance in the field of human resource management. Yet it is one of the issues that usually raise controversy among workers and their supervisors. Indeed performance appraisal is assumed to be a fact of administrative and supervisory life. It is thus very important to understand the principles underlying this very important aspect of organizational life and what can be done to obtain the maximum benefit out of it. The following review looks at what the literature has to say on the key concepts involved.

The concept of performance

Performance can simply be defined as "focused behavior" or "purposeful work". That is, jobs exist to achieve specific and defined results (outputs) and people are employed so that organizations can achieve those results. Thus, performance is what organizations need from employees to achieve their goals. The above definition raises two perspectives about the meaning of performance- performance can be seen as outcomes or behaviour. Performance then, has two aspects – behaviour being the means, and its consequence being the end. However, Armstrong (2005) argues that there are different views on what

performance is. Basically there are two schools of thought. While one school of thought argues that it is simply the record of outcomes achieved, the other views performance as behaviour. In support of the latter school Campbell (1990 p.46) has stated that 'Performance is behaviour and should be distinguished from the outcomes because they can be contaminated by systems factors'. Brumbach (1988, p.387) however gives a more comprehensive definition with the view that performance embraces both behaviour and outcomes. He asserts that 'Performance means both behaviours and results. Behaviours emanate from the performer and transform performance from abstraction to action. Not just the instruments for results, behaviours are also outcomes in their own right- the product of mental and physical effort applied to tasks- and can be judged apart from results'. Behaviour, as defined by the Oxford English Dictionary refers to the manner in which a thing acts under specified conditions or circumstances or in relationship to other things. Behaviour is therefore an observable activity. Indeed Armstrong (2003) has explained that behaviour refers to the way in which organizations, teams and individuals get work done. Behavior often has a large impact in learning/performance environments due to the influence of behaviorism. Although they are different concepts, they do influence each other.

It is important to note that performance differs from activity. The two should not be confused with each other. An activity refers to a thing that is done to achieve a particular aim. In other words it refers to whatever is done to bring about the desired change. For example, meetings, operating machines, etc. are work activities. These activities must be put into context with what the

organization wants employees to do, and how well. Performance, as already intimated above, refers to the manner in which the activity in question is carried out. It focuses on how well or badly an activity is carried out.

Why should performance be measured?

Bates and Holton (1995) have stated that in measuring performance it is important to determine the objective of the exercise. Performance is always targeted at an end or goal. It therefore stands to reason that until performance is executed the targeted goal may not be attained. The quality of the results achieved, however will depend to a very large extent on the quality of performance, hence the need to measure performance. Achieving results alone is not enough, the manner in which it is achieved is equally important and perhaps more important since performance has an impact on the quality of outcomes. For this reason it is important for organizations to pay attention to measuring the performance of workers. Obviously the most important and desirable outcome of human resource is the contribution that they make towards the achievement of organizational goals. Therefore every employer or organization will like to know how well its employees are performing, and justifiably so. One principal reason for measuring performance is the issue of performance gap. As already indicated every performance results from the existence of an activity, and every activity has a targeted goal. To find out whether the goal of an activity has been attained, calls for measurement. Measurement is almost always part of an effort to achieve some goal. It is undertaken in order to find out if the goal for an activity has been achieved. When the "actual" performance does not meet the "optimal"

performance, then a "performance gap" is said to have occurred (optimal - actual = gap). If this gap between "actual" performance and optimal performance starts to have an adverse impact, then it may be thought of as "poor" performance. It should be noted that deviations must be defined and agreed upon by both the evaluator and the performer. Thus a performance gap is the shortfall that occurs when performance does not meet the standard set by the organization as acceptable.

Other reasons for measuring performance are for control, self-assessment, continuous improvement, and management assessment. In terms of control, measurements help to reduce variation. With regards to self-assessment, measurements can be used to assess how well a process is doing, including improvements that have been made. In relation to continuous improvement, measurements can be used to identify defect sources, process trends, and defect prevention, and to determine process efficiency and effectiveness, as well as opportunities for improvement. And for management assessment, it enables organizations to determine whether they are meeting value-added objectives or that they are being effective and efficient.

Ultimately the aim of measuring performance is to improve performance in the organization. A school of thought has it that performance measuring in general is a potentially dangerous business. It indicates that when you measure any indicator of performance, you incur a risk of worsening that performance, thus making the measurement of it dysfunctional. However, considering the

benefits that accrue from measuring performance there is no gain saying that it should occupy a major position in the activities of an organization.

"Measurement" encompasses the assessment of performance and results achieved by individual employees, groups of employees or teams, and entire organizations. Measurement provides a way to determine what has been accomplished and can serve as a basis for deciding when those accomplishments deserve special recognition. Within the performance appraisal process, measuring means determining the level of performance by judging the quality, quantity, timeliness, and or cost effectiveness of the work, against a set of standards. It is worth noting however that one cannot always measure all aspects of progress against the goal, so you settle for some surrogate parameter, one that seems to represent the goal closely and is simple enough to measure. So, for example, if the goal is long-term profitability, you may seek to achieve that goal by measuring and tracking productivity.

Measuring performance in business is hardly new. Companies have been measuring costs, quality, quantity, cycle time, efficiency, productivity, profitability etc., of products, services, and processes as long as ways to measure those things have existed. The same is true of measuring workers' performance. Essentially all the other areas of measurement as stated above revolve around the performance of the employees, hence the need to pay particular attention to measuring the employee. For example the employee's performance affects costs, quality, quantity and profitability.

The basic concept of performance measurement involves planning and meeting established operating goals/standards; detecting deviations from planned levels of performance; and restoring performance to the planned levels or achieving new levels of performance. As a matter of course, the measurement of anything begins first of all, with the establishment of a goal or standard, which becomes a yard stick for the measurement exercise. A goal indicates what is expected to be achieved. Armstrong (2003) defines it as a condition that exists when a job is being performed effectively. They are sometimes referred to as standing objectives. Closely following the goal setting stage is the comparison of actual performance with the standards set. This exercise brings to light any deviations that might have occurred between the expected standards and the actual standards attained when measurement has been effected. Whenever deviations are detected effective actions should be employed to ensure that the expected results are ultimately attained.

Measures of performance

Measures of performance are generally classified as objective or subjective. Objective measures of performance focus on output or results, such as number of units delivered, number of people served, etc. However, these measures may be deceptive; numerical results may be influenced by various factors beyond the control of the worker. For example, the number of people receiving aid in a particular area may be determined by the size of the area, so an evaluation based on numbers alone will not accurately reflect a worker's

performance. Objective measures can also utilize personnel data such as absenteeism, tardiness, turnover, grievance rates and accident frequency. This information is important to have, but it is rarely available in a usable form; if personnel data are to be used fairly and accurately, it is necessary to compile the statistics carefully.

Subjective measures of performance require the use of personal judgment on the part of the evaluator. The performance appraisal is made by comparing one person to another (effort applied on the job, cooperation with co-workers, planning of work, etc.) or by using a rating scale (e.g., 1 = unacceptable to 5 = outstanding). Obviously the effectiveness of subjective measures depends heavily on the evaluator. It requires fair-mindedness, an ability to dispassionately weigh personality and performance factors, and a thorough familiarity with the individuals under appraisal.

Meaning and scope of performance appraisal

The competitive market structure operating within today's society dictates that the survival of any business can only be achieved through the maintenance of maximized output, and minimized expenses. Being that the direct and indirect costs of employing labour remain one of the highest expenses to any business, it is only feasible that a reliable method of optimizing labour output be implemented at all times. By doing so, businesses can almost guarantee their viability within the market system. Performance appraisal is one such method that allows for the optimization of labour output. It is a very important aspect of Human Resource

Management. It is rightly described as an appurtenance of Performance Management. Marchington and Wilkinson (1996) have agreeably described performance appraisal as one of the four main components of performance management. Performance Appraisal is variously referred to as merit rating, performance rating, progress report, performance evaluation, performance assessment among other things. Dilating on its historical development Storr (2003) has indicated that Performance appraisal is a term that was once associated with a rather basic process of a manager completing an annual report on a subordinate's performance. In the early days this would involve giving ratings on a number of scales which focused on attitude and even personality. Progress shifted the focus towards behaviour and performance in relation to goals and competencies. Nowadays the term appraisal has evolved into a general heading for a variety of activities including a system for managing organizational performance, a system for managing the performance of the individual and a system for integrating the two.

Cole (2002) distinguishes between two categories of performance appraisal: informal and formal. The former refers to the continuing assessment of an individual's performance by his manager in the normal course of work. This kind of assessment is of an ad hoc nature and is much determined by intuitive feelings as by factual evidence of results. Formal appraisal on the other hand is altogether rational and orderly. 'Performance appraisal' as used in this review refers to formal appraisal.

Performance Appraisal can be described as the process of determining the extent to which an employee is performing a job effectively. This definition brings to the fore the fact that Performance Appraisal focuses on the individual and serves as a means of finding out the degree of his performance in trying to meet a set objective. It also indicates that it is a process, which suggests a continuous activity. It is a series of activity that aims at finding out how well the employee has done. Giving impetus to the fact that appraising the performance of workers is not a one-time activity but a continuous one, Cole (2002, p.298) has stated that "employee performance appraisal is carried out in a practical context, which is essentially the day-to-day business of the enterprise." The implication is that Performance Appraisal is targeted at some specific activity or activities, and the personalities who perform those activities. A more comprehensive definition is given by Robbins and Coulter (1999) who have defined performance appraisal as the evaluation of an individual's work performance in order to arrive at objective human resource decisions. Evaluation means arriving at a value judgement on the basis of measures (qualitative or quantitative) considered to be valid and reliable, which compare the actual results of a programme or activity with its anticipated results. Cole (2002) states that what is being assessed is the employee's performance in carrying out the general duties of his or her role, together with any specific targets that have been set. It involves assessing qualities (usually intangible) such as knowledge of work, punctuality, initiative, and creativity exhibited by the individual worker whilst discharging his or her job in order to form an opinion about the worker. From the definition Performance

Appraisal is not just about finding out how well one has performed but also to make objective human resource decisions. Such decisions may include promotion, training, rewarding and possibly dismissal. Additionally it aims at discovering areas of skill deficit for further development (through employee feedback), identification of excess potential that could be better utilized, and communication of objectives more accurately to workers. By doing so, businesses move one step closer to the achievement of their set goals and objectives. Included here is also one other factor that is not a direct objective of appraisals, but becomes a valuable asset within itself. This simply is the provision for maintaining records of workers that are legally viable, that can protect the business when dealing with cases of dismissals and demotions. This is especially important in today's society because of the increasing legislation and regulation dealing with victimization and discrimination making employers liable for all their actions. Every performance appraisal exercise involves setting of objective of a goal and gathering credible data on which to base one's appraisal. In brief performance appraisal can be viewed as the process of assessing and recording staff performance for the purpose of making judgments about staff that lead to decisions. The central focus of performance appraisal is on the individual and his past achievement in reaching a set goal.

Referring to an assertion by Douglas McGregor, Cole (2002) has contended that there is a close link between performance appraisal and Theory X. In support of this Vroom and Deci (1989, p.318) have stated that 'even a cursory examination of conventional programmes of Performance Appraisal will reveal

how completely consistent they are with theory X". This theory which is based on assumptions made about people assumes that first of all that, the average human being has an inherent dislike of work and will avoid it if he or she can. In view of this people must be controlled and directed to get them to put in adequate effort. It stands to reason that in measuring the performance of the worker organizations basically are trying to control the behaviour of the worker with the ultimate goal that he or she will not be able to avoid work.

According to Graham and Bennet (1992) Performance Appraisal falls in 3 types. These are identified as performance reviews which analyses employee's past success and failures with a view to improving future performance; potential reviews which assesses subordinate's suitability for promotion or for further training; and reward reviews which are used to determine pay rise. They contend that it is a well established principle that salary assessment should occur well after performance and potential reviews have been completed.

Approaches to performance appraisals

According to Hansen (1984), there are two prevalent approaches to performance appraisal. The first approach has been the traditional approach. This approach has also been known as the organizational or overall approach. The traditional approach is primarily concerned with the organization as a whole and has been concerned with past performance. This approach does not look at the future performance of the individual, and this is seen as a flaw or weakness.

can be done by adopting what he calls the Staff Development Review (SDR). The Staff Development Review is a forward looking process that uses a development plan that places emphasis on the future.

Indeed depending on a company's preference or philosophical orientation it is possible to find it using either of the approaches dilated above or a combination of both. Sometimes, however, as Hansen (1984, p.25) puts it the two approaches "were in conflict with each other".

Who should conduct the appraisal?

Normally performance appraisal is carried out by the employee's immediate supervisor. This is logically so because the manager or supervisor is the person who allocates work, and has the closest knowledge of individual's duties and performance. According to Marchington and Wilkinson (1996), there has been a shift away from relying predominantly on manager's appraisal due to increase in new appraisal systems such as the 360 degree appraisal. Whilst agreeing to the fact that appraising the worker is most often the work of the immediate supervisor, Cole (2002) has indicated that in some management posts however, appraisal may involve a manager's own staff subordinates. This type of appraisal has been termed upward appraisal. The appropriateness of subordinates appraising their managers is aptly supported by Marchington and Wilkinson (1996). The rationale is that subordinates offer a somewhat different perspective on a manager's performance, because they have first hand information on the extent to which a manager for example does or does not delegate, the extent to

which he or she plans and organizes, the type of leadership style he or she is comfortable with and how well he or she communicates. An example of subordinates appraising their boss is the type used by educational institutions which involve students assessing their lecturers. It is advocated that the 'upward appraisal' approach ensures that supervisors appraised in this way become more conscious of the work group's needs and will do a better job of managing. However, anonymity for subordinate evaluators must be guaranteed, otherwise reprisals become possible. Performance Appraisal, in some instance, may also be carried out by outsiders, mostly the customers of the employee's organization. This is more convenient in jobs that require a high degree of interaction with the public, examples of which include sales representatives, bank tellers, and purchasing managers. Although the clients that an organization serves cannot be expected to identify completely with the organization's objectives they can nevertheless provide very useful information. At other times appraisal can be performed by a worker's own colleagues. This kind is technically referred to as Peer appraisal. Proponents of it have long believed that it makes sense for work groups that are stable over a longer period of time and perform tasks requiring a lot of interaction. The rationale for using peer evaluations is based on the assertion that a worker's own colleagues know his performance better than anyone else and can, therefore, evaluate performance more accurately, workers who recognize that peers within the team will be evaluating their work show increased commitment and productivity. Peer pressure can thus be seen as a powerful motivator for team members.

Thus appraisal may as is usually the case, be done by one's immediate supervisor, but at other times it may be done by an employee's peers, or by his subordinates and in some cases by the clients of an employee's organization.

What to appraise

In appraising employees three key elements that come to mind are outcomes, behaviours and traits. The criteria adopted by management are to a very large extent determined by these three elements. And it is important to note that the criteria adopted can have a major influence on the behaviour of employees.

Where the focus is on the outcomes an employee could be assessed using quantity as a criterion. On the other hand where the focus is on behaviour, the emphasis should be on the person's actual behaviour rather than personality matters. It has been suggested that behaviour should form part of the assessment criteria where a person's speed of work negatively affects other members of his work group. Employees could be assessed using criteria such as quantity produced, or scrap generated. Using trait as a criterion involves rating an individual's characteristics such as initiative, dependability, decisiveness, intelligence and loyalty. This type of measure has been described as the weakest set of criteria due to its apparent delineation from actual performance of the job itself.

Indeed the determination of what to measure depends on the demands of the situation. For that matter, it is recommended that a contingency approach which emphasizes the need for flexibility should be adopted by organizations.

Whom to appraise

Research has shown that in the past performance appraisal was restricted to workers at the managerial, administrative and supervisory level. This view is supported by Cole (2002, p.300) who asserts that "the expression 'Performance Appraisal' usually relates to the assessment of staff or managerial performance, and not that of manual workers". However Mullins (2005) thinks that Performance Appraisal should not be restricted to only a selected category of workers but should be applied to all. In another vein it is recommended that appraisal should not be limited to only those who have completed their probation period but should include those still on probation.

In effect every worker, whether of managerial or non-managerial level, on probation or confirmed, should be appraised to determine how well they are doing with respect to pre-determined targets or objectives.

When to appraise/frequency of appraisal

A major concern of appraising the worker has been the question of how often appraisal should be conducted. With regard to this there is no consensus. However, Mullins (2005) has suggested that the nature of the organization is a major determinant of the frequency with which performance appraisal should be

conducted. Other determinants include the purpose and objectives of the performance appraisal scheme, as well as the characteristics of the employees. It is recommended that for organizations operating in a dynamic environment, appraisal should be a regular exercise. The same applies to new staff members recently promoted or appointed to a new position, and most importantly for those whose performance fall below the required standards. Younger staff with potential may need frequent appraisal than staff nearer their retirement. Appraisals may also be based on length of service; recent hires are usually appraised more frequently than older staff. For probationary employees, performance evaluations may be conducted once during probation and once at the end of probation. Thus, an appraisal schedule will depend on the situation and on the purpose of the evaluation.

Appraisal should not be strictly an annual exercise. Institutions who only appraise their workers annually have been described as heavily bureaucratic. It is in this same regard that Armstrong (1994) has suggested that adopting a mid-cycle approach in which appraisal is conducted 2 or 3 times a year is commendable. It should be remembered that if performance appraisals are too far apart or occur too frequently, the worker may not be able to use the feedback received to make improvements.

The process of performance appraisal

Performance appraisal should be viewed as a process, and not simply as the creation of ubiquitous standards. A process can be described as designed

sequence of actions. That is to say that a process consists of actions that are performed in an orderly manner. The New Penguin Compact Dictionary (2001, p.702) defines a process as “ a series of actions or operations designed to achieve an end”. Per this definition a process is not just made up of activities, but it is geared towards a goal. This is the nature of performance appraisal. Indeed performance appraisal is a sequential activity. In other words, it is not a one time event, but one that moves from one stage to another. Moreover it is geared towards the achievement of certain goals.

Cole (2002) has indicated that the process of appraising workers comprises six main components. As presented below (in figure 1), the elements include completing of appraisal forms, conduction of appraisal interview, and agreeing on action.

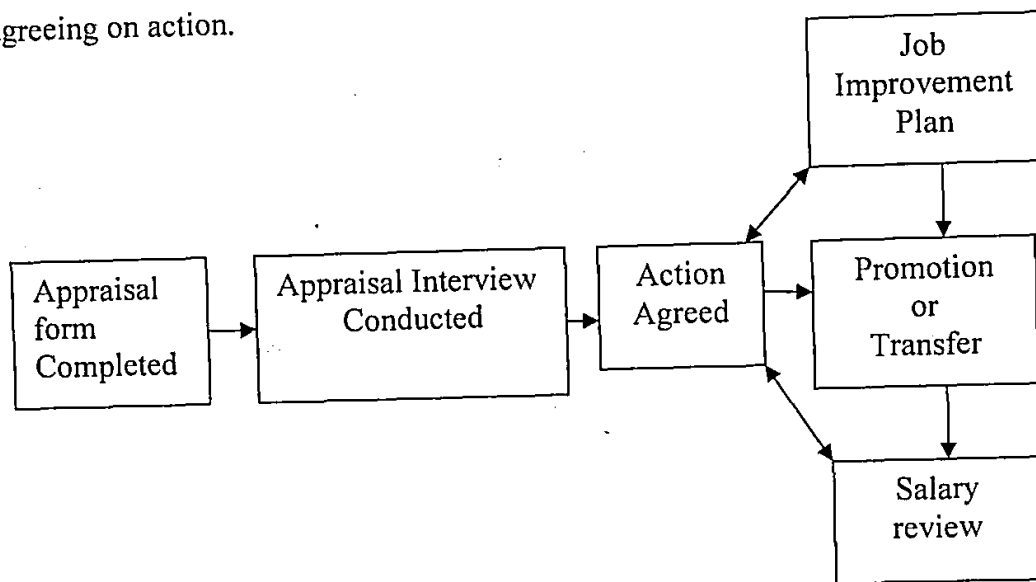


Figure 1: The Performance Appraisal Process

Source: Adapted from Cole (2002)

Appraisal first of all, begins with completion of appraisal forms. This stage which is usually referred to as the preparatory stage involves the filling in of performance appraisal forms by the supervisor. In some instances this stage may involve the filling of pre-appraisal forms. The pre-appraisal form is designed to help the appraised and the appraiser prepare for the appraisal meeting and therefore it is important that it is completed as fully as possible and returned to the appraiser in advance of the appraisal meeting. The information that is provided will help the appraiser to obtain a view of how the worker feels he or she has performed during the past year, together with his or her ideas for the forthcoming year. The appraiser will then be able to discuss these and other matters with the appraised during the appraisal meeting. The actual form which the appraiser fills in at or after the appraisal meeting follows a similar format to the pre-appraisal form. Appraisal forms can be devised in various ways. Cole (2002) however intimates that the key elements should include: the focus of the appraisal- that is the job or the person, the performance criteria selected, and the performance ratings used. He further argues that the performance criteria selected and the performance rating used depends on the focus of the appraisal. Accordingly where the appraisal focuses on the job, the appraisal form is more likely to ask the appraiser to look for success in achieving job targets or objectives than to comment on the job holder's personal attributes. On the other hand where the focus is on the person rather than on the job, the reverse is true, that is, the appraiser is expected to give an account of the job holder's qualities and attitudes rather than of his or her relative success in achieving results. In effect one can

look at the appraisal form of a company to determine where the focus of its appraisal is.

Following immediately after the filling of appraisal forms is the appraisal interview - aptly described as the crowning event of the performance appraisal system (Anderson, 2002). It is in the performance appraisal interview that the opinions and attitudes toward the performance appraisal are capped. The appraisal interview is the formal face-to-face meeting between the jobholder and his manager at which the information on the appraisal form is discussed, after which certain key decisions are made (Cole 2002). Indeed all the performance Appraisal facets are typically established prior to the interview and their distribution and assignment is an outcome of decisions completed and recorded during the performance appraisal interview (Anderson, 2002).

Cole (2002) asserts that the manner in which a manager approaches an appraisal interview will be strongly influenced by his or her understanding of the purpose of the interview. Some of the purposes that appraisal interviews can serve include:

- (i) Evaluating the subordinate's recent performance
- (ii) Formulating job improvement plans
- (iii) Identifying problems and or examining possible opportunities related to the job
- (iv) Improving communication between superior and subordinate
- (v) Providing feedback on the job performance to the employee

Research has shown that many managers do not like conducting appraisal interviews. They feel extremely reluctant and find ways to evade it. Managers may feel uncomfortable about discussing a subordinate's weaknesses or problems, so some suggestions given by Cowan (1975) for preparing and conducting the appraisal interview are given below:

Preparing for the interview:

- (i) Hold a group discussion with employees to be evaluated to describe the broad standards for their appraisals.
- (ii) Clarify any differences in language that may exist between the formal written appraisal and the interview.
- (iii) If you are angry with an employee, talk about it before the interview, not during the interview.
- (iv) Be aware of your own biases in judging people.
- (v) Review the worker's compensation plan and be knowledgeable about his or her salary history.
- (vi) If you have already given the worker a number of negative appraisals, be prepared to take action.

Conducting the interview:

- (i) Focus on positive work performance.
- (ii) Remember that strengths and weaknesses usually spring from the same general characteristics.

- (iii) Admit that your judgment of performance contains some subjectivity.
- (iv) Make it clear that the responsibility for development lies with the individual being evaluated, not with you (the appraiser).
- (v) Be specific when citing examples.

Three basic approaches have been identified as recommendable styles for effective appraisal interview. They are the “tell and sell approach”, the “tell and listen approach” and the “problem solving approach”. The tell and sell approach entails the manager telling his or her subordinate how he or she is doing and endeavouring to persuade the subordinate to accept what has been decided for him or her in terms of improvement. The tell and listen approach involves telling the subordinate how he or she is doing, but then sits back and listens to the individual’s point of view about the appraisal as well as any required follow-up action. The problem-solving approach requires the manager putting aside the role of a judge so that together with the subordinate they will mutually reflect and discuss the subordinate’s progress and the action required (Cole, 2002). Whetten et al (2000) have indicated that with the problem solving approach evaluating the person is no longer the goal. They therefore contend that the focus of this approach unlike the previous two is the development of the employee. Here the appraiser’s role is to help the subordinate develop a plan for improving his or her performance. This perhaps is more acceptable way in view of its emphasis on performance improvement.

Agreeing on actions to be taken is an obvious outcome of performance appraisal, especially due to the fact that performance appraisal results in the identification of performance deficiencies of the employee. The actions may include job improvement plan, promotion or transfer, and salary review. Performance appraisal is thus seen as any personnel decision that affects the status of employee regarding their retention, termination, promotion, transfer, salary increase or decrease, or admission into a training programme.

The process of appraising the workers' performance has been described as cyclical (Bedeian, 1993). This implies that performance appraisal should begin at the start of the year with goal setting, continue with periodic performance reviews, and conclude with the traditional year-end appraisal. Then it begins all over again. This is referred to as the performance appraisal cycle (PAC). PAC offers some clear-cut advantages. First, it instills the idea that "performance" is not busywork; it is effort directed toward predetermined objectives. That's why PAC begins with goal setting.

Second, PAC ensures that the worker's progress will be monitored. If progress is slow or nonexistent, corrective action can be taken at once, while it still makes a difference. Without these periodic progress reviews, year-end appraisals are likely to resemble postmortems — too late to do any good.

Purpose and benefits of performance appraisal

Cole (2002) has identified the following as some of the reasons why organizations carry out Performance Appraisal.

- (i) To identify an individual's current level of performance
- (ii) To identify an employee's strengths and weaknesses
- (iii) To enable employees to improve their performance
- (iv) To motivate employees
- (v) To provide a basis for rewarding employees. This aims at distributing rewards on a fair and credible basis.
- (vi) To identify training and development needs
- (vii) To identify potential performance
- (viii) To provide a basis for rewarding employees in relation to their contribution to organizational goals.

Additional benefits of performance appraisal include the following:

- (i) Increase staff esteem
- (ii) Gain new insight into staff and supervisors
- (iii) Better clarify and define job functions and responsibilities
- (iv) Develop valuable communication among appraisal participants
- (v) Clarify organizational goals so that they can be more readily accepted.

The purpose of performance appraisal can be summarized under three main headings: Administrative decisions, Employee feedback and Evaluation of Human Resource policies and programmes.

Administrative decisions

Primarily organizations use performance appraisal to make administrative decisions about employees. These decisions include salary increases, promotions, and transfers. With regards to this it is also employed to update selection techniques and procedures, as well as the identification of training needs and layoffs.

Employee feedback and development

One important aspect of performance appraisal is feedback, the aim of which is to provide the individual with information about his or her performance. Such feedback has very important consequences on human resource development, and is needed by the individual as well as the organization. Whilst the individual needs it to know how well or badly he is doing, the organization needs it in order to take corrective actions to redirect actions on behaviours through appropriate channels for achievement of goals. In addition feedback enables employees know how they are performing so as to bring to fore their weaknesses and strengths. According to Mullins (2005) a large number of organizations are now abandoning the traditional approach to appraisals in favour of new models which tend to revolve around feed back.

Evaluation of Human Resource Policies and Programmes

Performance measures could be used to evaluate policies and programmes implemented to influence work behaviour. On this basis it could be possible to

evaluate job design policies and programmes. For instance it could be used to find out whether performance is related to job description.

On a whole the overriding purpose of performance appraisal should be to help staff to improve and, thus, to improve organizational effectiveness. Performance appraisal therefore addresses institutional needs as well as staff member needs, abilities, motivation and expectations. For Mullins (2005) the underlying objective is to improve the performance of individuals leading to improvement in the performance of the organization as a whole. An effective appraisal scheme therefore offers a number of potential benefits to both the individual and the organization.

Cole (2002) asserts that the purpose of every organization's performance appraisal system is set by those in the organization who establish the performance appraisal system itself. In view of this the purpose of any organization may vary but may generally include any of those discussed above.

Benefits and uses of performance appraisal

On a much compressed basis however, the benefits of performance appraisal can be categorized into Motivation and Satisfaction, Training and Development, Recruitment and Induction and finally, Employee evaluation.

Motivation and satisfaction

Performance appraisal can have a profound effect on levels of employee motivation and satisfaction - for better as well as for worse. Performance

appraisal provides employees with recognition for their work efforts. The power of social recognition as an incentive has been long noted. In fact, there is evidence that human beings will even prefer negative recognition in preference to no recognition at all. If nothing else, the existence of an appraisal program indicates to an employee that the organization is genuinely interested in their individual performance and development. This alone can have a positive influence on the individual's sense of worth, commitment and belonging. Further to this, appraisals are expected to create learning experiences that motivate employees to develop themselves and improve their performance.

The strength and prevalence of this natural human desire for individual recognition should not be overlooked. Absenteeism and turnover rates in some organizations might be greatly reduced if more attention were paid to it. Regular performance appraisal, at least, is a good start.

Training and development

Performance appraisal offers an excellent opportunity - perhaps the best that will ever occur - for a supervisor and subordinate to recognize and agree upon individual training and development needs. During the discussion of an employee's work performance, the presence or absence of work skills can become very obvious - even to those who habitually reject the idea of training for them! Performance appraisal can make the need for training more pressing and relevant by linking it clearly to performance outcomes and future career aspirations.

From the point of view of the organization as a whole, consolidated appraisal data can form a picture of the overall demand for training. This data may be analyzed by variables such as sex, department, etc. In this respect, performance appraisal can provide a regular and efficient training needs audit for the entire organization.

Recruitment and induction

Appraisal data can be used to monitor the success of the organization's recruitment and induction practices. For example, the question of how well are the employees performing who were hired in the past two years can best be answered by data from appraisal records.

Appraisal data can also be used to monitor the effectiveness of changes in recruitment strategies. By following the yearly data related to new hires (and given sufficient numbers on which to base the analysis) it is possible to assess whether the general quality of the workforce is improving, staying steady, or declining.

Employee evaluation

Though often understated or even denied, evaluation is a legitimate and major objective of performance appraisal. But the need to evaluate (i.e., to judge) is also an ongoing source of tension, since evaluative and developmental priorities appear to frequently clash. Yet at its most basic level, performance appraisal is the process of examining and evaluating the performance of an individual.

While organizations have a clear right - some would say a duty - to conduct such evaluations of performance, many still recoil from the idea. To them, the explicit process of judgment can be dehumanizing and demoralizing and a source of anxiety and distress to employees. It is argued that appraisal cannot serve the needs of evaluation and development at the same time; it must be one or the other yet there may be an acceptable middle ground, where the need to evaluate employees objectively, and the need to encourage and develop them, can be balanced.

Perhaps the most significant benefit of appraisal is that, in the rush and bustle of daily working life, it offers a rare chance for a supervisor and subordinate to have "time out" for a one-on-one discussion of important work issues that might not otherwise be addressed.

Almost universally, where performance appraisal is conducted properly, both supervisors and subordinates have reported the experience as beneficial and positive. Appraisal offers a valuable opportunity to focus on work activities and goals, to identify and correct existing problems, and to encourage better future performance. Thus the performance of the whole organization is enhanced. For many employees, an "official" appraisal interview may be the only time they get to have exclusive, uninterrupted access to their supervisor. This in itself goes a long way to improve inter-personal communication if it is done well.

Performance appraisal systems

All high-performance organizations, whether public or private are, and must be, interested in developing and deploying effective performance appraisal systems, since it is only through such systems that they can remain high-performance organizations. In order to execute performance appraisals, it is necessary to have a performance appraisal system. In essence, such a system refers to the form or method that will be used to gather and appraise data, the job analysis that will be conducted to identify criteria that will be gauged universally, establishing not only the validity but also reliability of data collection methods, selecting who would best suit the position of appraiser and their influence on the over all appraisal, the interviewing processes, the way in which results will be utilized, and how the appraisals system itself will be appraised for quality and usefulness.

In establishing a performance appraisal system, it is important to firstly determine realistic goals that will be expected of workers and then make these goals known so workers have direction. Once set, appraisals can be undertaken, in three steps. The first involves the observation and identification of an employee's work behaviour, and the outcomes and achievements that are a direct result of them. These outcomes then must be compared against the original goal standards that were set for them. The second step revolves around the evaluation and action to be taken to counter the first step. If an employee's performance is lacking, analysis as to the reasons why must be undertaken, and corrected through such means as increasing motivation, training or even termination. If the performance

was as good, or better than requested, then considerations of reward must take place. The last step is fundamentally review and correction of the initial goals, and the development of new ones. In doing so, the person who set up the goals to begin with, must examine them and decide if they were realistic and viable, in contrast to the resources available and other such aspects of the work environment.

In total, appraisal systems fall into four categories, depending on the particular approach taken. These are the comparative standards, absolute standards, objective based approaches, and direct indexes. Within each of these methods, appraisals take on a number of different forms.

Comparative standards

The comparative standards category of appraisal is considered one of the easiest forms, due to the ease with which it is administered. It features a number of systems for comparing and contrasting one individual worker to another, in order to better distinguish their capabilities and efforts. Within this system, exist several comparative methods, the first of which is known as 'Simple' or 'Straight' ranking. It works by rating individuals on their performance from best to worst. This particular method assumes that the appraising party is able to make judgments on over all performance without any criteria or benchmarks to guide them. This generally causes ratings to be based more so on opinions, as opposed to actual figures of output, sales or labour turn over. The second comparative method is known as the 'Alternate', and is similar to the previous in its failings

and design. Appraisal is done by listing the best performer first, then the worst last, once this has been done, the second best and worst performers are selected, and placed accordingly. This process continues until the entire groups of subordinates are ranked. The third method known as the 'Paired Comparison' suffers the same defects as the other two, but allows for slightly more objectivity to be included in comparisons by contrasting two subordinates at a time against all others on a single standard criterion, such as overall performance. Unfortunately, the amount of time taken increases geometrically as the size of the group increases. The fourth form of comparison is that of 'Forced Distribution'. This method subdivides assessment into categories, allowing for more criteria to be used in judging individuals. The subordinates are then selected and placed into these individual groups for comparison. Simply put employees are divided into workforce categories of for example high performance, average performance and low performance. Employees are then distributed into these categories. The problem with this approach is that employees may not naturally fit into the categories they are placed in, possibly causing the creation of artificial results.

Throughout all four comparative standards systems, there exists one undermining factor that is ignored. This is the belief that workers are not capable of identical work standards, and that there is always one person who is better than the rest. This factor is presumptuous and unrealistic.

Absolute standards

The second category of the appraisal systems is absolute standards. This method works in direct contrast to the comparative standards. It evaluates employees independently, whilst at the same time establishing several standards for evaluation. In total, there exist six methods of appraisal under this system, the first of which is known as the 'Essay Narrative'. As its name suggests, it involves the appraiser documenting in written format, some overall impressions about the employee's performance in terms of his strengths, weaknesses, and development needs.

Because of its nature, the task of setting promotions is made more difficult because each document is rarely written in a set format, causing evaluations to vary from one appraiser to the next, through use of language, and comprehension. Also it is the most-time consuming for supervisors because it is least structured. Further limiting this system is its dependence on supervisory event recall. In most cases, events that are closest to evaluation dates are best remembered, and evaluations on these memories are inaccurate because workers tend to make more effort during such periods, hoping that any prior failings might be overlooked. This technique usually works best with a professional or middle-level manager who has a high level of confidence in the supervisor's judgment and with employees who are tolerant of ambiguity. This system requires an ability to think and to write clearly and concisely - ability that supervisors may not have - particularly if the nature of their work requires little writing. One major benefit of

this system unlike others is its ability to freely record unique characteristics of individuals because the appraiser is not boxed in with set questions.

The second method, 'Critical Incident' does not centre on average performance, but instead extreme levels of performance. The only records kept are for "effective or ineffective accomplishments" and the situations surrounding the ratee's behaviour and situation. Although this method requires objectivity in comments about specific events, it does not eliminate appraiser bias or inconsistency. A single incident may be blown greatly out of proportion. It is also susceptible to charges of favouritism because a paper trail of negative comments can be recorded in order to justify a decision that the supervisor has already made about an individual. While this form of appraisal is not quantitative, it is objective, and saves much time for the appraiser who only has to complete notes when events occur. It requires good thinking and writing skills. This system does not allow for comparison between subordinates because it does not differentiate the importance of jobs.

'Weighted Checklists' are the third type of absolute standard, and are developed through the collaboration of information gained from 'critical incidents' reports, and the collection of frequency of events. From this list, it is then possible to see the total failings or outstanding performances of subordinates, and later decide the importance of these happenings on successful job fulfillment. The benefit of such a system lies in time reduction and its characteristics of objectivity.

The fourth method, 'Forced Choice' is designed in a similar fashion to the weighted checklist, but with the ability to overcome the common errors of leniency, strictness and central tendencies that sometimes are present in some evaluations. This is done by requiring the appraiser to select which of two descriptions in a pair which better describe the subordinate. The choice of answers are written in such a way that both seem equally favourable or possibly unfavourable, thus removing to a large degree the possibility of bias. However, because this is based namely on behaviours rather than personal attributes, it does not allow for employee interaction (such as feedback), that can lead to the possible distancing of workers, and completely forgoes any area in which a worker may excel, that is not included in the questionnaire.

The fifth, and most commonly used absolute standard appraisal, is the 'Linear or Graphic Rating Scale'. This is also referred to as the Conventional Rating method. This is used to assess a person's "quality and quantity of work, as well as a variety of personality traits, such as reliability and cooperation". According to Cole (2002) the appraiser is faced with a list of characteristics or job duties and is required to tick or circle an appropriate point on a numerical, alphabetical or other simple scale. Popularity for this system stems from the ease with which it can be developed, administered, and understood by appraisers. "It can also be tailored to a large range of jobs, provided they have an array of common elements", and be as reliable and valid as more complicated forms such as 'Forced Choice'.

The drawbacks here include the standard errors common to all absolute standards, as well as a lack of potential for development, leaving subordinates none the wiser to continue with their mistakes. For the reason that this system's nature attempts to cover a wide variety of areas, it can sometimes fail to see fine detail that needs to be considered. In some instances, companies have incorporated this system with parts from the essay/narrative method to create a more adequate approach. This action would allow for more details to be noted that would normally not be addressed correctly or substantially (it should be noted that by adding the element of essay/narrative, you are also consequently adding the failings associated with that system).

The final method in the chain of absolute standards is the 'Behaviorally Anchored Rating Scales'. This is similar to graphic rating scales but uses specific behaviours to anchor the scale. It usually consists of five to ten vertical scales - one for each important dimension of a job performance anchored by the incidents judged to be critical. Critical incidents occur when employee behaviours result in unusual success or failure on some part of the job (effective and ineffective behaviour). These incidences are then assigned values that have been prearranged by managers (job experts), as to their importance to performance. The most obvious disadvantage with this technique is "the amount of time and professional expertise that is required to develop appropriate anchors". Another problem arises from the fact that observations are of conduct as opposed to the actual results. On the other hand, the main highlight of this system is simply its ability to allow superiors to offer feedback to their workers in order to better their performances.

Variants of the behavioral scales include behavioral observation scales, behavioral expectations scales and numerically anchored rating scales.

Objective based or results oriented approaches

The Objective Based category of appraisals is specifically designed to appraise workers on all levels. The popularity of this system stems from trait of rewarding those people who deserve, because of their accomplishments. This system works in four steps. The first is to develop goals in conjunction with subordinates that will achieve desired outcomes benefiting the business. The second step is that of monitoring subordinate goals, over the set period of time, and modifying them to better suit changes caused by external circumstances. The third step begins at the end of the predetermined period that was allowed for tasks to be completed. At this stage, actual outcomes can be contrasted to planned outcomes. Investigation can then take place as to why certain outcomes were experienced. If less was done than expected, it may be necessary for example, to allocate tasks to different people, or possibly better educating them (if they were the cause). If the performances surpassed expected limits, goal setting processes should be reviewed to find possible failures. If it is found that the outcomes were caused by workers having more capabilities than at first acknowledged, appropriate steps should be taken to place them in a position that their skills are better utilized. The final step is to take overview: outcomes, consider all new factors discovered, and then develop future goals for subordinates based on current and future business needs.

A typical example of this method is Management by Objectives technique. The management by objectives performance appraisal method has the supervisor and employee get together to set objectives in quantifiable terms. This appraisal method has worked to eliminate communication problems by the establishment of regular meetings, emphasizing results, and by being an ongoing process where new objectives have been established and old objectives had been modified as necessary in the light of changed conditions.

Direct indexes

The last category of appraisal systems is known as direct indexes, and differs from the first three categories primarily in how performance is measured. The first three (except for the objective based approach) "depend on a superior evaluating a subordinate's performance. There is a certain amount of subjective evaluation in these cases. However, the direct indexes approach measures subordinate performance by objective, impersonal criteria such as productivity, absenteeism, and turnover". In the case of managers, performance is calculated via the effectiveness of their subordinates, through such means as "scrap rates, the number of defects produced, customer complaints, output per hour, new customers' orders, sales", and other such measures that are directly related to the organization's efficiency. Subjectivity within this system is rather removed, and for such reasons it is rarely ever used solely by itself.

According to studies conducted by Locher and Teel (1977), of all the appraisal techniques the three most common appraisal methods in general use are

rating scales, essay methods and results-oriented otherwise referred to as Management By Objectives method.

One of the world's largest legal publishers of personal management series Commerce Clearing House (CCH) has set out general guidelines for the implementation of performance appraisal systems, stating that each system should be reviewed and weighed up in the light of several factors to best determine which would be the effective. The factors included: resources available to businesses, particularly time and money (there would be no point in taking on a system that generated less than it consumed); the aims and importance of staff appraisals to the businesses overall output (using a system that over appraised individuals beyond the needs of the business would only amount to wasted time and increased expenses); which employees and which jobs would need to be appraised (little or no use would be obtained by appraising jobs that have little or no importance in obtaining the business's main objectives); the size of the organization (once again there would be no need for a in-depth appraisal system if the business had few employees - in such cases, the comparative standards method of appraisal is probably best); training and development; and the ability of present staff in carrying out individual performance appraisals.

Undoubtedly, much debate remains about the effectiveness of even the best thought out appraisal methods. Appraisers are said to be ineffective due to their strictness, leniency, personal biases and prejudices, suffering from central tendencies, unknowingly distorting the truth (halo effect), stereotyping and other such errors. Others will argue that employees leave interviews believing that they

had wasted their time, and in some cases leave feeling hostility that only proves detrimental to the business in the long run. Doubts are also expressed as to the lack of information contained by some appraisal records - allowing for misinterpretations of valuable information that may lead to acts of unfair dismissals, which in turn can cause lengthy and costly legal litigations for unfair dismissal. One final valid debate regarding reliance on performance appraisals lies with the question "what is the point of having bosses if they are not giving their employees regular feedback". It is true that regular interaction and direction maintenance by a superior would help the performance of individuals; this is a managerial job that should never be removed.

With a correct and well implemented appraisal system, small businesses and companies alike may look forward to improved competencies, added value to the organisation, and productivity growth through the development of partnerships between workers and their superiors.

Barriers to effective performance appraisal

As noted earlier on performance appraisal has benefits for both individual workers and the organization as a whole. Unfortunately the benefits outlined above often elude both parties. This issue is the result of factors that can rightly be described as the barriers to performance appraisal.

Rating errors

Among some of these barriers include what has commonly been referred to in Human Resource Management circles as rating errors. Rating errors have been appositely described by Drafke and Kossen (2002, p.139) as 'threats to

appraisal'. In their view they are conscious or sub-conscious biases. Rater biases can significantly decrease the accuracy of an evaluation. Obviously an incorrect evaluation can rob workers of compensation, recognition, advancement or the chance to correct deficiency before being fired. Rater errors are usually the results of using either objective or subjective measures of performance, and are often from some bias on the part of the appraiser.

Common among these rater biases are Halo effect, the Hawthorne effect, Recency error, Leniency error, the Crony effect and Central tendency.

"Halo" effect: This error which has been described as the most pervasive bias in performance appraisal occurs when the appraiser assigns ratings or makes judgements which are influenced by his or her impression of one of the worker's qualities or performance in a single job dimension. A person may also be given a good rating solely because all previous evaluations have been good. On the other side of the coin, a poor rating is given to someone who has had a series of poor rating, even if the employee has improved in recent times (Drafke and Kossen, 2002). The assumption here is that history is repeating itself. It has been suggested that to overcome this barrier every worker should be appraised as if the current appraisal is his first one. Halo errors can also be minimized by clearly defining the various aspects of a job and by evaluating all workers on one aspect before evaluating them on a second, then a third, and so forth. Furthermore, training appraisers to recognize the tendency to make halo errors helps them to avoid them.

The Hawthorne effect: The name originates from the conclusions from a series of studies conducted by Elton Mayo along with associates F.J. Roethlisberger and William J. Dickson on Western Electric Plant in Cicero, Illinois, from 1927 to 1932. According to the theory when people know their behaviour is being monitored, they will change their behaviour to create a favourable impression. By implication the act of measuring something changes that thing, so that one cannot exactly predict anything that relies on the observation alone. In other words if you observe people to evaluate them they will change their behaviour. The result is that the right results may not be obtained. The question that arises naturally is that, in view of the foregoing should the measuring of the performance of workers be halted? To this question, Drafke and Kossen (2002, p.139) say that "some idea of how people work is better than none and we must strive to make the measurements that are taken as accurate as possible".

Recency error: Recent performance of a worker can significantly influence the appraisal. If recent performance takes precedence in the mind of the evaluator over performance during the entire appraisal period, it may bias his/her judgment. Consequently appraisers need to guard against good, average or poor recent performance influencing the appraisal disproportionately. One way of at least minimizing the recency error is to collect and evaluate behaviours over the entire course of the appraisal period.

Leniency error: This barrier rests on the assumption that the manager, as a human observer is capable of some degree of precision and some degree of objectivity. A manager might therefore be classified as either too easy or too harsh in their ratings. The easy rater gives subordinates ratings that are higher than the average performance level of subordinates. On the contrary the harsh rater gives ratings that are lower than the average performance level of subordinates on the rated dimensions. Wayne (1998) suggests that since the manager's ratings are taken to mean something accurate about certain aspects of the worker being assessed, conscious efforts must be made to eliminate this error. The following suggestions are offered to minimize leniency/harshness errors:

- (i) Force the appraiser to rate subordinates so that a given percentage falls into categories such as high, average and low. It is however contended that this technique alone may produce warped evaluations.
- (ii) Reduce the ambiguity of the rating scale by clearly defining the dimensions of the ranking system in terms that are as descriptive and meaningful as possible.
- (iii) Set clear standards for each job function for the appraiser to use as a "yardstick."

The Crony effect: According to Pinnington and Edwards (2000) the crony effect is a distortion that alters the objectivity of appraisal. It is the results from the fear of damaging personal and family relation, in which case the appraiser may not give the appropriate ratings. Research has shown that in some countries

in the Middle East and Asia such as Bahrain and Thailand, appraisal has met with difficulties as a result of complex networks of personal and family relationships in the workplace.

Central tendency: Central tendency error which according to Drafke and Kossen (2002), is also referred to as the 'veblen' effect, is the unwillingness on the part of the appraiser to assign extreme ratings-either high or low. The appraiser tends to stay around the midpoint in evaluating the performance of subordinates. Pinnington and Edwards (2000) describe it as the result of the tendency of the appraiser to rate individual worker as average because it is easier to do so than to discuss and agree a range of ratings from high performance to low performance. According to Wayne (1998) the manager ends up rating the subordinates neither too good, nor too bad. He concludes that by so doing, the manager fails to discriminate either within or between people and thus render the ratings virtually useless as a managerial decision making aid.

The barriers to effective performance appraisal also include what can be described as underdeveloped competencies, poorly designed systems, perceptions, and lack of appraisal feedback.

Underdeveloped competencies

This includes weaknesses such as managers' lack of the required skills to plan and motivate employees through an appraisal system. Buzzota and Beatty

(1999, p.62) have outlined the following as the weaknesses that managers have which do not guarantee a successful performance appraisal:

(i) Failure to prepare data

Performance appraisal too often degenerates into wheel-spinning because managers do not bother to collect hard facts. The vast majority of them give little or no thought to the appraisal process - that is, to all the things that should have happened before, during, and after the appraisal to make it pay off. Since they fail to properly document claims, the appraisal becomes a mixture of impressionistic ramblings and irresolvable disputes.

(ii) Failure to get the worker's views first.

Quite frequently managers make performance appraisals a one man show at the initial stages. It happens with disheartening regularity — the manager speaks first, then asks, "What do you think?" and the staffer cagily replies, "I go along with that." This is no way to get at the facts.

(iii) Failure to probe.

To appraise performance effectively, a manager must know how the employee performed and why. This nearly always requires diligent probing. Many managers do not know how to do this.

(iv) Failure to involve the workers.

Many managers fail to involve workers in the appraisal process. They think that their job is to tally the score, and let the appraisee know the score. They

may know the score, but that does not mean they are planning to improve it. Exclusion and commitment rarely go together.

(v) Failure to devise goals and action plans.

Many a time employees leave an appraisal interview wondering what they should do. It may be because they did not receive improvement goals. Employees should get the answers not only to "How have I been doing?" and "Why?" but also to "How can I improve?" Only goal setting and action planning can answer this third question.

Although managers may be willing to work hard to achieve effective performance appraisal, they may not be sure of how to go about it. It is expected that the system itself should teach the appraiser not only how to go about it but also how to attain the objective of the system, but in many cases, it evidently fails to do so. In fact most appraisers are not given the required training.

Additionally many managers go into the appraisal with mistaken notions about how they should behave. Three mistakes are common:

Self-imposed censorship- In an effort to be kind, some managers censor themselves. They distort or tone down talk of deficient performance. Their intentions are good, but the results are not. By playing games, they deprive workers of insights that could lead to better performance.

Disrespect- Few managers would admit they do not respect their staff, but a surprisingly large number behave as if they do not. Either they refuse to take the appraisal seriously, or they fail to engage the employee in serious discussion.

Misuse of power- For some managers, an appraisal is a chance to show who is boss. Starting out with preconceived ideas, they devote the appraisal to "laying it on the line." The employee, of course, feels beaten down, resentful — and unmotivated. This is the time most managers delve into the archives to dig up the wrongs of the employee so that the ratings they will eventually give to the employee will be justified.

Lack of feedback

The essence of feedback in performance appraisal as already mentioned need not be over-emphasized. Indeed if the intent of the appraisal is to help improve performance, the appraiser should provide formal feedback to the worker. Without feedback, he or she will have difficulty in making the adjustments necessary to improve performance. Giving performance feedback is admittedly an unpleasant activity for the manager. For this reason managers feel reluctant to do it. Robbins and Coulter (1999, p.634) have stated that "unless pressured by organizational policies and controls managers are likely to ignore it". He has identified three reasons that are readily attributable to the reluctance of managers to give performance feedback after appraisal interviews. First of all they feel uncomfortable discussing performance weaknesses directly with their subordinates. The most probable reason is that managers may fear confrontation when presenting negative feedback. Secondly many employees tend to be defensive when their weaknesses are pointed out to them. Instead of accepting the feedback as constructive and a basis for improving performance, some employees

may challenge the evaluation by criticizing the manager or redirecting blame to someone else. Finally employees tend to have an inflated assessment of their own performance. According to Robbins and Coulter (1999) evidence indicates that the average employee estimate of his or her own performance level generally falls around the 75th percentile. As a result of this employees are likely to perceive feedback on performance as not good enough even when they are being provided with good news.

Poorly designed system

Research has shown that performance appraisal does not work in most organizations because they are poorly designed. In some organizations it is exclusively designed by the human resource department without the involvement of the managers who deal directly with the employees. Deficiency in design is often evident in the way appraisal forms are designed. Matters get worst when companies over rely on these forms. In a bid to get the maximum benefit from well designed forms many companies carry on a never-ending search for the "perfect" appraisal form, which, when properly filled out, will boost everyone's productivity. Buzzota and Beatty (1999, p.62) are of the opinion that this is an exercise in futility. They argue that "in the end, effective appraisals depend on people, not paper". Indeed forms may help, but they are no substitute for managers who know how to appraise. A poorly designed appraisal system is also evident in the frequency of appraisal. As already stated appraisal should not be a once a year event, but many managers often see it as something that happens once

a year. "They should, of course, think of it as something that goes on all year long. Appraisal should be a day-in, day-out activity." Buzzota and Beatty (1999).

Perceptions

It is established that there are supervisor and employee cognitive perceptions that will influence the effectiveness of the performance appraisal above and beyond the instrument used or the system facets (Anderson, 2002). It is important to note that perceptions are unique interpretation of a situation, not the exact recording of it. It gives a picture that may be different from reality. Goble and Holloway (1996) reveal that in a study aimed at exploring nurses' perceptions of staff appraisal majority of the participants expected and even eagerly anticipated the implementation of appraisals, but expressed concern that it may be used against them. Buzzota and Beatty (ibid) also share some of the perceptions that people have about Performance Appraisal and conclude that the following views seem to be inherently problematic and thus contribute to the ineffectiveness of performance appraisal:

- (i) Appraisals are confrontational and stir emotions - All too frequently, appraisals turn into encounters between two sides. For the staff member, it's "me" versus "them". For the manager, it is the moment of truth when the worker finds out how he or she "messed up," and that better performance is expected. In this tense atmosphere, everyone forgets that appraisals should educate. Since both participants expect a confrontation, emotions on both

"sides" run high. Whatever the emotions, they re-enforce the image of the appraisal as a "necessary evil."

- (ii) Appraisals are judgemental - Many managers dislike appraising because they are called upon to act as judges and counselors. They dislike both roles. The judge's role requires "distancing," which many managers find discomfiting; the counselor's role requires knowledge and experience that many managers lack.
- (iii) Appraisals are complex - Effective performance appraisals are difficult to do. They require a full understanding of the worker's job and of his or her performance. They demand psychological insight and interactive skills. Even the best appraisers rarely say an appraisal is "simple" or "easy."

It is obvious that many organizations do not fully benefit from performance appraisal apparently because of the barriers discussed above. It is therefore very important that organizations take the appropriate steps to make their Performance Appraisal systems effective. Employee performance appraisals that work share some common characteristics. They tell workers how they have performed and can improve — then motivate them to do so. The process generates understanding and commitment, which, together, should result in increased employee productivity. The link between appraisals and productivity, then, depends on the effectiveness of the appraisals. Yet most of these encounters fall short of expectations.

Conceptual frame work

Many concepts and theories have been applied to the study of the practice of performance appraisal, but much of the research on appraisal has centred on the use of ratings in appraisal and how to make them more objective and accurate in reflecting performance. It would thus be difficult to conclude that it has led to any significant improvements in appraisal practice. In recent times much of the research has shifted from psychometric concerns towards recognition of social and motivational aspects of appraisal. For example there are numerous studies offering new ways of thinking about structuring job performance including Borman and Motowidlo's (1993) contextual performance. Contextual performance deals with attributes that go beyond task competence and which foster behaviours which enhance the climate and the effectiveness of the organisation. Also worth mentioning is the work done by Anderson (2002). In this work he sought to establish a link between development and appraisal. Anderson's work, like other similar works, emphasized the need for performance to be development oriented.

All the conceptual applications mentioned above have helped to bring the subject of performance appraisal into perspective; however, the conceptual framework upon which this study is based is the fundamental concept of 'performance management'. The foremost reason for this choice is the fact that the concept of performance management is significantly fundamental to the issues of performance appraisal. Indeed performance appraisal comes under the broad umbrella of performance management. Performance management is about getting

better results from individuals or teams by understanding and managing performance within agreed framework of planned goals, standards and competence requirements.

According to Armstrong (2003) some of the principles of performance management are that: there should be clarity of goals; it should be continuous and evolutionary in process, leading to improvement over time; it thrives on consensus and cooperation rather than control and coercion; it requires an open and honest management style and an honest encouragement of a two-way communication between superiors and subordinates; It requires a continuous feedback; it should apply to all staff.

In terms of ethics performance management demands that appraisals should be characterized by respect for the individual, mutual respect, procedural fairness and transparency.

All these principles are what performance appraisal is about. It is regarded as an aspect of the broader function of managing performance at the work place.

It is about the measurement of the performance of workers. Although appraising the performance of workers, depending on the perspective that one looks at it, could be classified into many categories there are, however, two main approaches to appraising the performance of workers. These are the traditional or the organizational and the developmental approaches. What ever approach one adopts will require the use of some appraisal technique or method of some form. Popular among these techniques are graphic rating, the behaviourally anchored

scale, the critical incident method etc. Appraisal is conducted by using well designed appraisal forms, appropriately divided into various sections. A worker's supervisor is expected to sit down with him to fill the form on the formal appraisal day. It is at this time that what is referred to as appraisal interview takes place. This point is the main focal point of the appraisal exercise, and can make or mar the whole exercise. At the end of it the worker is expected to have a feedback on his or her performance and what he or she is expected to subsequently do to improve upon it. Depending on the outcome of the appraisal the worker may receive some benefit or discipline.

Performance appraisal is therefore a management activity that takes place between supervisors (appraisers) and their subordinates (the appraised). The norm is that the subordinate's performance is brought under scrutiny by the immediate supervisor, with the latter making conclusions as to whether performance has been satisfactory or otherwise. In other words it is usually the immediate supervisor who appraises his or her subordinate. In recent times however, it will not be surprising to have subordinates appraising their supervisor.

Like all management activities, Performance appraisal comprises closely interrelated and purpose driven activities. These activities include setting performance targets, determining measurement criteria, conducting appraisal interviews, filling of appraisal forms, and determining actions to be taken. Of the latter one can mention warnings, transfers, promotion, financial rewards, training, and other job improvement initiatives.

At the end of it all performance appraisal, when conducted well is expected to among other things help identify training and development needs, enable employees to improve their performance, clarify and properly define job functions and responsibilities, provide a credible and fair basis for rewarding employees, and to provide feedback on human resource policies.

It is sad to say that conducting of performance appraisal has been met with several constraints, thus denying many organizations which practice it the expected benefits. Notable among these constraints is human error which usually manifests itself in the form of perceptions of both the appraiser and the appraised about the exercise as a whole. Also worth mentioning is the way and manner appraisal systems are designed by user organizations. Other constraints include rater errors-which are usually associated with the kind of system adopted, little or virtually non-existing training and lack of feedback.

Despite the existence of numerous constraints, some of which have been mentioned in the preceding paragraph, there are several facilitating factors, which when put in place, can make an institution's performance appraisal system workable. Among these factors is the establishment of policy support for the performance appraisal system, effective follow-up, training and re-retraining of the people who conduct appraisals in the institution.

With time many methods have been designed to facilitate the appraisal of employees. Among these methods are the standard method, the absolute method, objective based approach and the direct indexes. These aforementioned techniques can only be seen as broad classification of several appraisal methods.

Indeed there are numerous variations of the techniques already cited. One can thus hear of techniques such as graphic rating, critical incidents techniques, essay type method and in recent times 360 degree performance appraisal.

In recent times many organizations have resorted to combining a couple of performance appraisal methods, so as to overcome the problems inherent in using singular methods. It must also be appreciated that the problems associated with performance appraisal could also be external. As a result regular reviews are undertaken by many organizations to ensure that the effects of potential problems are brought to the barest minimum if not eliminated completely.

Without doubt the subject of appraising the performance of workers is an unavoidable aspect of organizational life.

A diagrammatic presentation of a conceptual frame on performance appraisal will look as follows:

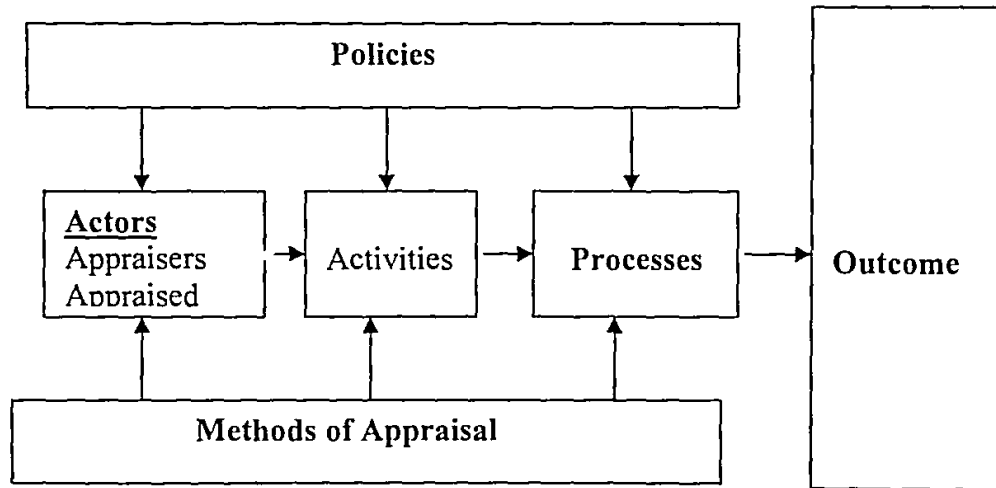


Figure 2: Diagrammatic presentation of a conceptual framework on performance appraisal.

Source: Author's construct, 2007

As depicted in figure 2, the main protagonist of any performance appraisal system are the appraisers who through the support of existing policies conduct their activities on their subordinates, by employing the appraisal methods adopted by the institution in which the appraisal is being conducted. The policy framework is expected to impact positively on all the other elements in the system, and must therefore be strong enough. At the end of it all specific outcomes are expected. The outcomes of the appraisal exercise are as shown above, are subject to the other elements (i.e the policies, actors activities, and processes) in the system. Indeed all the elements interrelate to bring effective results.

Conclusions

Organizations are becoming increasingly knowledge-based, and the pace of technological change demands an adaptive and flexible workforce. The use of appraisal can help to turn an organization in confusion into an effective and focused collection of personnel. After all, it is the people that are a company's most valuable assets. Unfortunately many appraisal systems are beset with a lot of problems

In all fairness, however, many of the problems commonly mentioned are not inherent in the specific method; rather, they reflect improper usage. For example, raters may be inadequately trained or the appraisal criteria used may not be job-related. In some cases, of course, the nature of the organization may not really lend itself to a conventional performance appraisal. How do you go about

evaluating the performance of research scientists, for instance? Still, when properly conceived and set up, performance appraisal systems can contribute to the overall effectiveness of the organization. For human resource management practitioners, the main concern is that they give the right amount of care and attention to performance details to make sure the performance appraisal system truly contributes to organizational effectiveness.

CHAPTER THREE

METHODOLOGY

Introduction

The methodology used in this study was focused on gathering data geared towards describing and analyzing performance appraisal in First Allied Savings and loans Ltd- a non-banking financial institution in the Kumasi metropolis of Ghana. The procedure used is treated under the following sub-headings:

1. Sampling and sample size
2. Data collection methods
3. Data analysis

Sampling and sample size

The target population that formed the focus of this study was staff of First Allied Savings and Loans Ltd (FASL). As at the time of study the records of the institution indicated that there were a total number of 170 people working with the institution in various capacities. Information gathered from the company's record revealed that 90 of the population were males whilst 80 were females.

To obtain the right sample for the study a stratified sampling method was adopted. The process involved grouping members of the population into relatively homogeneous subgroups before sampling whilst ensuring that every member of the population is assigned to only one stratum. This was done by using the

departmental and sectional divisions already existing in the institution as the strata. On this basis a total number of 4 strata were obtained, namely Head Office, Adum, Asafo, and Roman Hill.

Based on the total number of employees in each stratum, a proportional allocation method was adopted to arrive at the percentage sample size in each stratum. The percentage sample sizes were then applied to the total number of employees in each stratum to give the sample size in each stratum. Thus the sample size of each stratum was taken in proportion to the size of the stratum.

Having divided the population into strata and determining the sample size of each stratum, a simple but systematic sampling procedure was used to obtain a sample size for the study. This sampling method was adopted because it ensures that each element in the population has a known and equal probability of selection. It is also much more efficient and much less expensive to do.

Table 1: Sampling

Strata	Sample obtained
Head Office	22
Adum Branch	18
Asafo Branch	13
Roman Hill Branch	12
Total	65

Source: Author's construct, 2007

Consequently as seen in table 1, from a population of 170 a sample size of 65 was obtained. A random start selection of the 2nd person on the list of each stratum was then selected, and then a systematic selection of the 4th person,

followed by the 6th person and so on until a total of 65 respondents were obtained. The respondents were made up of people in managerial positions (those who have the privilege of conducting performance appraisal) and those who are not in managerial position (the appraised).

Data collection methods

The data collection instruments as shown in table 2 below were designed in line with the objectives of the study.

Table 2: Objectives and data collection methods

Specific objective	Data collection method
1. Model performance appraisal system.	Key informant interview and literature search
2. To describe the performance appraisal in First Allied Savings & Loans Ltd.	Questionnaire administration Key informant interview
3. Analysis of strengths and weaknesses in the performance appraisal system of FASL by comparing it to the model.	Questionnaire administration Key informant interview
4. Identification of the knowledge resources needed to remedy the weaknesses in the performance appraisal system in FASL	Interviews Literature search

Source: Author's construct, 2007

The principal instruments used were questionnaires, key informant interviews and interviews.

There were two main types of questionnaire- those for the appraised and those for the appraisers (see appendix 1 and 2 for details of the questionnaires). In view of the qualitative nature of the study the questionnaire were made up of open ended and closed ended questions.

To test the validity and reliability of the questionnaire, a pilot study was conducted with the view to revising the questionnaires where need be. A different population and sample were used for the pilot study. In all 13 questionnaires were distributed to a group of workers made up of appraisers and appraises.

Following from the above, questionnaires were hand delivered to the actual target sample for this study. In all 65 questionnaires were distributed. Respondents to the questionnaire were given one to two weeks grace period to respond to the questionnaires. The administration of the questionnaire was accompanied with interviewing of both appraisers and the appraised.

Data Analysis

It is important to note that the data cleaning process begun even before the final questionnaire were administered. Specifically, this was done after the administration of pilot questionnaire. Indeed responses received from the pilot questionnaire threw light on what could be considered relevant and irrelevant

questions. Subsequently all the questionnaires received from respondents had to be subjected to a cleaning process to ensure that only relevant information applicable to the study was analyzed. This was done for example by separating answered from unanswered questions.

For easy data analysis, the various questions were giving alpha-numeric codes. These codes were designed first of all with the principal objectives in mind, and secondly with the various topics of discussion in mind. For example data were grouped under topics such as frequency of appraisal, participation of parties, perceptions about the Institution's appraisal system, feedback, training etc.

All data received from the administered questionnaire were keyed into a computer using the codes that were allocated to the various questions. It is however important to stress that as per the nature of the questionnaire not all questions could be keyed via the computer terminal. Questions that fell under the latter category were basically open ended questions.

To ensure that the output could be easily analyzed, statistical packages like the SPSS and excel modeling were employed.

Given the context of the study the framework of analyzing the data received was by adopting a comparative analysis approach. This approach was relevant because one of the objectives of the study was to define a model best practice performance appraisal system that can be employed for effective results

and compare it with performance appraisal practices of First Allied Savings & Loans Ltd. This demanded that data received be compared with the model in question.

Techniques of analysis

The techniques of analysis were chosen in relation to the specific objectives of the study. The specific objectives and the techniques used to analyse the data have been outlined in table 3.

Table 3. Specific objectives and technique of analysis used

Specific objective	Technique of analysis used
1. Designing of model of best practiced performance appraisal system.	Content analysis.
2. Describing the performance appraisal system of FASL	Scenario building and content analysis.
3. Analysis of the strengths and weaknesses of the performance appraisal system of FASL vis-à-vis the model best practice performance appraisal system.	Scenario building
4. Identifying the knowledge resource needed to remedy the weaknesses in the performance appraisal system in FASL.	Scenario building

Source: Author's construct, 2007

For the purposes of easy reference and analysis some aspects of the results obtained are presented in the form of tables.

CHAPTER FOUR

ANALYSIS AND DISCUSSION OF RESULTS

Introduction

The focus of this chapter is a discussion of the data obtained, first of all from the questionnaires distributed and then from key informant interviews conducted with some key personalities of First Allied Savings and Loans Ltd. The purpose is in line with the objectives of this study i.e.

- (i) To define a model best practice performance appraisal system that can be employed for effective results.
- (ii) To describe the performance appraisal system in First Allied Savings and Loans Ltd.
- (iii) To analyse the weaknesses of the Performance Appraisal system in First Allied Savings and Loans Ltd by comparing it with the model.
- (iv) To identify the knowledge resources needed to remedy the weaknesses in the Performance Appraisal System of First Allied Savings and Loans Ltd.
- (v) To show the implications of the findings for policy formulation and further research.

The discussion also aims at answering the research question "How has Performance Appraisal been done in First Allied Savings and Loans Ltd?"

The results and discussion are treated under the following sub-headings:

- (i) Model performance appraisal system
- (ii) Analysis of the strengths and weaknesses in the performance appraisal system in First Allied Savings & Loans Ltd
- (iii) Characteristics of the appraisal system of First Allied Savings & Loans Ltd
- (iv) Relevant knowledge resource to remedy the gaps.

Model performance appraisal system

It is indeed important to have a performance appraisal system, but to have a correct one is more important. Perhaps it is because most organizations have not come to this realization that they settle for anything. One sad thing is that the effects of an incorrect system can cause a business to chase its own tail, never solving issues, and quite possibly causing less productivity than before the system was initiated. It is worthy to note that the issue to consider is what is considered as the model performance appraisal system for appraising workers' performance?

A model performance appraisal system would consist of four main components: The Policy, The Actors, The Processes and The Qualities of the model. One could outline many components in a performance appraisal system, but the four components aforementioned should be found in any performance appraisal system. Irrespective of whatever kind of appraisal system an organization adopts, the four aforementioned components should be found in it. It has already been emphasized that performance appraisal is a system and for that matter all the components found therein relate with one another. In the same vein

they impact one another. This relationship is depicted in the model performance appraisal shown as figure 3.

Pictorially, a model Performance Appraisal System will appear as follows:

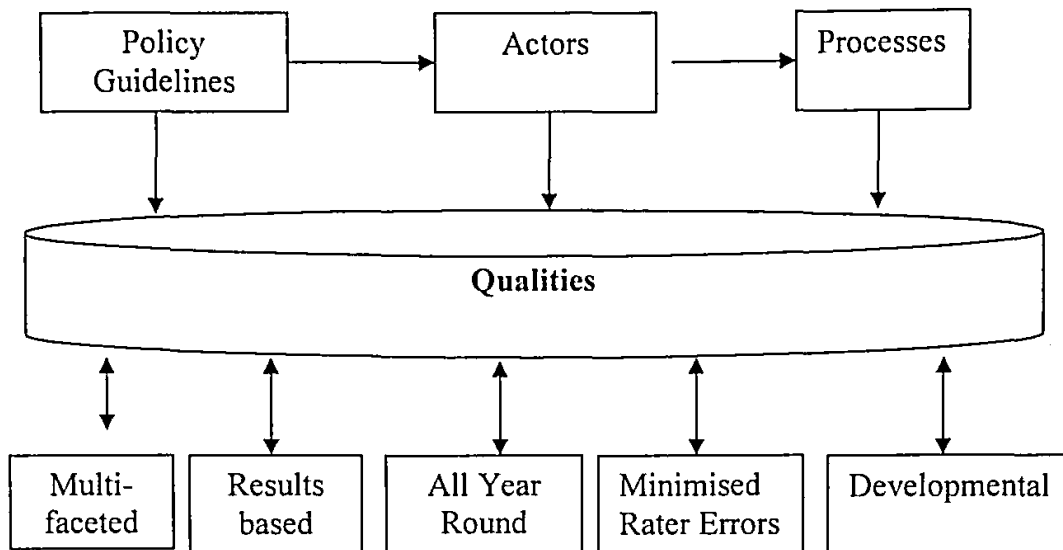


Figure 3: A Model Performance Appraisal System

Source: Author's construct, 2007

Policy guidelines

Every good performance appraisal system is expected to be supported by explicitly and clearly stated policy guidelines. Generally the policy should be seen as the underlining factor that should govern the operation of the appraisal system. It is expected that among other things, the policy guidelines will specify in clear terms, the purpose of the performance appraisal system, the manner in which the appraisal should be conducted, and the frequency of appraisal.

The basic purpose of a performance appraisal system must be to improve the performance of individuals, teams, and the entire organization. However the purpose of an appraisal system may vary from one institution to another. For example purposes may include identifying potential performance, identifying training needs, motivating workers and rewarding high performing workers. Whatever the purpose the system must honestly and clearly inform people how they stand with the organization and what they can do personally to become more successful. A system is said to be effective if it meets its desired purpose.

As far as the frequency of appraisal is concerned, it has been established that a model performance appraisal system should be conducted at least twice a year, since appraisal is by nature, an all year round activity.

Indeed the existence of a policy will help inform both supervisors and subordinates the seriousness management attaches to the exercise. Again it will portray the appraisal system as being core to the main objectives of the organization. Finally it will help reinforce the main functions of the appraisal system, create consistency and reduce dependency on the actions of individual managers.

The actors

A model performance appraisal system will have as one of its key components, those who perform the appraisal exercise and those who are appraised. The former are supervisors, and the latter are subordinates. In some

instances as much as it depends on the kind of organization in question, customers could be involved in the appraisal process. For example it is prudent that in appraising bank cashiers, customers' views are solicited on the attitude of bank cashiers, since cashiers are constantly in touch with cashiers.

As much as possible Performance appraisal should cover all categories of workers irrespective of whether they are on probation or have been confirmed.

Both parties are expected to have basic understanding of the purpose of the appraisal system. This should lead to the existence of a positive attitude towards the system. It is very important to note that the attitude of the actors of a performance appraisal system is directly linked to the effectiveness thereof. That is why it is imperative that those who establish appraisal system work so hard on the perception of the actors. As already noted the perception of supervisors and subordinates towards the appraisal system can make or mar its effectiveness. Having established that the perceptions of the appraiser and the appraisee affect the effectiveness of an appraisal system, it is important to develop in them the quality of appreciating the essence of the system. On the managers' side the following is expected from him when doing performance appraisals:

- (i) Translate organizational goals into individual job objective.
- (ii) Communicate management's expectations regarding employee performance.
- (iii) Provide feedback to the employee about job performance in light of management's objectives.

- (iv) Coach the employee on how to achieve job objectives/requirements.
- (v) Diagnose the employee's strengths and weaknesses.
- (vi) Determine what kind of development activities might help the employee better utilize his or her skills improve performance on the job.
- (vii) Respect the employee.

It is an established fact that if the appraiser will be in the position of performing the tasks above, he will need adequate training. The deficiency of many managers in conducting appraisal lies in the fact that they either do not receive adequate training or have never been trained at all on how to conduct appraisal. The contribution of training to the success of Performance Appraisal need not be overemphasized. It is therefore expected that any effective appraisal system has a provision for training for both the appraiser and the appraised. Such training should not be a one off event but a regular feature.

On the part of the employee he is expected to be co-operative to the appraisal system and avoid looking at it as a managerial witch hunting instrument. Much more the employee should bear in mind that a good performance appraisal is beneficial not only to the organization but to himself or herself.

Both the appraiser and the appraised should be seen to be actively involved in the exercise rather than being passive. In a study by Teel (1980) a significant finding had been that the employee's role in appraisal has been primarily a passive one. One principal reason attributable to this is the fact that most supervisors adopt a judgemental attitude when appraising their subordinates.

When this happens the interests of subordinates are crippled, and the obvious results.

The process

Typically a model performance appraisal system should be seen as a process. This implies that it should not be seen as a one time occurring event, but as a sequence of occurrences directed towards an expected end. Indeed the process of performance appraisal should be an unending process. The main sequences of action should include setting of targets, concurrent completing of appraisal forms and conducting of appraisal interview, giving of feedback, agreeing on actions and follow-up.

(i) Setting of achievable targets

The process of a model performance appraisal system should begin, first of all with the setting of targets for subordinates. Such targets, when set, should be made known to the subordinates as well their supervisors.

(ii) Filling of appraisal forms

Closely following the setting of targets, is the filling of appraisal form. The appraisal form should not be complex, but rather simple and easy to fill. This will enable people who have little training to be able to use it with less or no difficulty at all. It has been established that one of the barriers to effective appraisal systems is too much paper work. This is a complaint often received from appraisers. No matter the way it is structured, form filling should be kept to a

minimum, because in the end, effective appraisals depend on people, not paper. It is commended that if possible, appraisal forms should be attached with definitions and guidelines. Similarly Appraisal forms, should seek information about a person rather than about his performance in the job. The filling of appraisal forms should, ideally, be done during the appraisal interview, which should be regarded as one of the very important part of any good appraisal system. Adhering to the preceding requirements does not only make the filling of appraisal forms quite friendly, but also more effective.

(iii) Conducting effective appraisal interview

The purpose of appraisal interviews is to give a sound two-way effective communication between the supervisors and subordinates. It is through appraisal interview that employees become aware of their strengths and weaknesses. Armed with such information, they can develop their potential and improve their performance. An appraisal interview is therefore a very important aspect of any effective performance appraisal system. Most managers however find the appraisal interview a very uncomfortable process. Certainly, it requires definite skills to conduct the interview well. The manager and his subordinate must sit together to review the subordinate's past performance, set goals for the next time period, and discuss how the manager can help the subordinate overcome problems he or she may face on the job. A successful appraisal interview should be structured in such a way that it allows both the supervisor and the subordinate to view it as a problem-solving rather than a fault-finding session. The supervisor should consider three basic purposes when planning an appraisal interview. The

first is discussing the employee's performance. The second is assisting the employee in setting objectives and personal development plans. The final one is suggesting the means for achieving established objectives, including support to be provided by the manager and the firm.

Similarly just as the holding of an appraisal interview is important, so is the location for appraisal interviews as well as the confidentiality of the process. A good location will help employees to open up and speak of things that may really be bothering them. If it is possible for outsiders to eavesdrop, employees will tend to keep things to themselves, thereby creating the possibility that important personal issues are not aired.

(iv) Giving of feedback

After the interview the appraised should be given the necessary feedback to help him or her know how he fared. Because appraisal systems are designed to improve performance, withholding appraisal results would be unimaginable. Employees would be severely handicapped in their development efforts if denied access to this important information. Additionally, the desired positive impact on motivation and productivity in the work place would be thwarted. It is thus expected that for an appraisal to be deemed effective, it should be one that provides feedback to its employees. Robbins and Coulter (1999) have indicated that some managers feel reluctant to give feedback because they find it very unpleasant. They therefore would not be forth-coming with feedback unless they are pressured by organizational policies and controls, but then if managers do not

give feedback after the appraisal interview then there is no need for undertaking the activity in the first place. Indeed the focus of feedback should be on the job related performance rather than on personality, habits or mannerisms that do not affect job performance. In giving feedbacks it is prudent to allow employees to respond to whatever observations that have been made, thus making the session meaningful. Six specific ways have been prescribed for providing effective feedback by Robbins and Coulter (ibid). First, feedback should focus on specific behaviour. Second, it should be kept impersonal. Third, it should be goal-oriented. Fourth, it should be well timed. Fifth, it should ensure understanding and finally, it should direct negative feedback toward behaviour that the recipient can control.

(v) Deciding on appropriate action plans

One very important aspect of every performance appraisal exercise should lead to making decisions based on the outcome of the exercise. Usually such decisions will include decisions of promotion, transfer, salary review, job improvement plan or at worst dismissal. Such decisions are usually seen as measures to improve the performance of workers.

(vi) Making the necessary follow-up

The last but not least of the process of a model performance appraisal system should be a follow up. It should come as a matter of course that the outcome of an appraisal should stir up a corrective action. If after a performance appraisal session nothing is done by way of correction then the exercise is not complete yet. It may happen that the aftermath of an appraisal exercise will

require certain actions to be taken. These actions, which may be in the form of promotion, upward salary adjustment, counseling or training, should be followed to the letter. It must be emphasized that the success of these actions can only be determined when there is a proper follow up.

Qualities of a model performance appraisal system

Every appraisal system has qualities that make it distinct. These qualities to some extent determine the effectiveness or otherwise of the appraisal system. Whereas some may be common to any performance appraisal system, others may be unique to a particular one. The qualities of a model performance appraisal system would include the following:

(i) Multi faceted appraisal techniques

It is a widely accepted fact that most appraisal systems are fraught with in-built weaknesses. As a result, there is a strong advocacy for the usage of a system that combines two or more appraisal systems. It is therefore a common current trend to see institutions combining for example, the 'essay/narrative' system and 'graphic' method in an attempt to better cope with the limitations of single methods, and thus achieve better goals. Combining a number of appraisal techniques will help to at least minimize the various problems associated with the individual techniques.

concentrating on personality traits but rather on actual results accomplished. Additionally it also ensures that the individual whose performance is being assessed remains committed to the process inasmuch as he is involved in the goal setting process as well as the appraisal process.

Another example of an appraisal approach that can help achieve results is the use of the 360 degree approach. Three hundred and sixty degree appraisals are a powerful developmental method and quite different from traditional manager-subordinate appraisals. This approach does not replace the traditional one-to-one process - it augments it, and can be used as a stand-alone developmental appraisal method. It has been described as a multi-assessor evaluation, and an increasingly popular appraisal method that involves input from multiple levels within the firm and from sources outside the firm. 360-degree feedback, unlike traditional approaches, focuses on skills needed across organizational boundaries. It utilizes feedback from people (named or anonymous) whose views are considered helpful and relevant. These people could range from the worker's own colleagues to the clients he interacts with. For this reason this approach is sometimes referred to as multiple rater approach. In utilizing this approach the responsibility for evaluation is not laid on only one person. Because the responsibility for evaluation shifts from just one key person, many common appraisal errors, including rater bias, are reduced or eliminated. Having multiple assessors also makes the process more legally defensible.

(iii) An all year round activity

As intimated earlier on, an appraisal should not be a once a year activity. A model appraisal system should therefore be a continuing year-round activity. The system itself should be designed in such a way that it should be capable of teaching its managers how to appraise year-round. Progress should be monitored throughout the year and not simply at an annual review. By doing so unsatisfactory performance will be identified and early corrective action taken. This also implies that good performance could be readily recognized and promptly acknowledged as it happens as well as in the annual review.

It has been proposed that every performance appraisal system should be a year round activity with a three-part process feature involving planning, managing, and appraising. Planning involves a situation where at the beginning of the work cycle or at the start of employment, the supervisor and employee meet to develop a work plan. The purpose of the planning meeting is to discuss and record the employee's key responsibilities/results and dimensions (behavior and skills), the expectations that describe successful completion of each one, and the methods and sources for measuring and tracking these results. There must be mutual understanding between the supervisor and the employee of the performance expectations that would equate to "Unsatisfactory," "Good," and "Outstanding" levels of performance. Managing implies that there should be a day-to-day monitoring or tracking of an employee's progress toward achieving the performance expectations established during the planning meeting. The employee and the supervisor track performance using the sources and the frequency of these

sources as agreed upon by both the employæ and supervisor. The managing process should include the interim review and other feedback which is given to the employee through coaching and reinforcement.

(iv) Minimized rater errors

It has been noted that most performance appraisal system are flawed because of the existence of rater errors. Whilst some may argue that some rater errors are unavoidable in performance appraisal, it is established that at least its effects can be minimized if conscious effort is made. As already noted above, one way of minimizing rater errors is by combining different rating techniques.

(v) Developmental

A model performance appraisal system is expected to primarily focus on the individual rather than the organization. This implies that by nature, the appraisal system should aim at improving upon the capabilities of the individual, and this should serve as a conduit to the ultimate development of the organization. Indeed the development of the individual must come first. As mentioned earlier on a performance appraisal system which is developmental in approach will include a staff development review.

In sum the characteristics of a model performance appraisal can be said to contain most or all of the following elements- Developmental in nature, is an all year round activity, being result oriented, has an effective feedback system, depict the active participation of the parties involved (especially of the employee), has a

follow-up system, has an effective appraisal interview, less paper work, and to very large extent has a minimal rater error.

Analysis of the strengths & weaknesses of the performance appraisal system of First Allied Savings & Loans Ltd.

The data gathered indicated that First Allied Savings & Loans Ltd has a performance appraisal system which has been in place since the commencement of its activities. The system is based on the graphic rating method. The appraisal form as shown in appendix III cannot be described as complex but rather simple. The form has three sections. The first part contains bio-data and employment history of the employee, the second part deals with data on the assessment and the latter part deals with the decisions taken on the employee after the appraisal process. Completed appraisal forms are forwarded to the Human Resource Department after they have been duly signed by the parties concerned. After this management sits down to discuss and take decisions based on the information collated from each appraisal form.

In comparing the Performance Appraisal System of First Allied Savings & Loans Ltd with the model Performance Appraisal system described in the review, one is likely to identify some strengths and weaknesses. These strengths and weaknesses have been discussed under Policy, Actors, the Process and the Qualities of the Institution's Performance appraisal system.

The policy

The study revealed that although performance appraisal has been conducted in the company since the establishment, it is not backed by any written policy. The non existence of a policy guideline has brought about inconsistency in the frequency of appraisal. Appraisal has not been a regular feature in the company, and this has an impact on the seriousness that employees attach to the exercise.

One can assert that there is no consistency in the number of times an individual is appraised in the institution. As shown in the Table 4 below, whilst 87.7% of the respondents indicated that they are appraised once a year, 9.2% of the respondents said they are appraised twice and 3.1% said they are appraised three times.

Table 4: Frequency of appraisal

Frequency of appraisal	Frequency	Percentage (%)
Once a year	57	87.7
Twice a year	6	9.2
More than thrice	2	3.1
Total	65	100

Source: Author's construct, 2007

Whilst in some years appraisal has been conducted twice a year, the same cannot be said of recent years. This is in contrast with best practised performance appraisal and of course deviates from the afore-mentioned model. It must be

noted that performance appraisal must be a regular feature, preferably twice a year. This will go a long way to ensure that the workers will be able to use the feedback they receive to make improvements; failure to do so will stifle performance feedback and possibly make the system less effective.

Indeed the frequency by which appraisals are conducted goes a long way to determine the success of that appraisal system. Barring all constraints in terms of needed resources appraisals must not be done once a year, but rather two times or more.

The actors

As already indicated the parties to any performance appraisal exercise are principally the appraiser and the appraisee. It was also indicated that the normal practice is that a person is appraised by his immediate boss. This is what was found to pertain in the institution. The main actors in the Performance Appraisal System in the company are the employees- that is, the supervisors and their subordinates. The duty of coordinating the appraisal exercise falls within the domain of the Human Resource Manager. This involves ensuring that the appraisal forms are prepared and submitted to the various managers, that the managers adhere to the deadlines for the submission of the forms and, finally forwarding the completed appraisal forms to management for the necessary action.

Appraisal in most cases is the responsibility of supervisors. It is in few instances that peers are allowed to appraise themselves. Also on rare occasions subordinates may be given the chance to appraise their supervisors. The study revealed as depicted in table 5 below, that 86.15% of the employees are appraised by their immediate boss, who is usually of managerial rank. 13.5% of the respondents indicated instead of their immediate boss, it is the boss's boss who appraises them. The Subordinates are not given the chance to contribute to the appraisal of their supervisors. Although most of the respondents wished they had the opportunity to contribute to the appraisal of their supervisors, they feared reprisals. This is not surprising, however, reprisals can be prevented by keeping the identity of the 'subordinate evaluators' anonymous.

Table 5: Appraisal of employees

Appraiser	Frequency	Percentage	Cumulative percentage
Immediate Boss	56	86.15	86.15
Peers	0	0	86.15
Boss's Boss	9	13.85	100.00
Self	0	0	100.00
Total	65	100	100.00

Source: Survey, 2007

Principally, the appraisals are conducted by the heads of departments and sections. These people are usually managers who have oversight responsibilities over 5 to 25 subordinates.

The institution also ensures that everyone who has finished serving his probation undergoes a formal appraisal exercise any time the scheduled appraisal times are due. By implication those who have not finished serving their probation are excluded from a formal appraisal exercise. The practice is that managers are required to briefly write as to whether an employee on probation should be confirmed or not confirmed. The decision as to whether an employee who has just completed his or her probationary period be confirmed or not is based on the manager's own criteria, which may not be known by anyone. There are no benchmarks against which that person is assessed.

Participation of the appraisers and the appraised

In determining the extent of participation of the parties involved in appraisal in the company it was found out that the appraisal exercise at the company is one sided i.e. it is principally the work of supervisors, who after filling the appraisal form, ask the appraised to look through and sign, possibly after writing out any comments they may have. The participation of the appraised can aptly be described as passive since they are not given the chance to make any input in the appraisal process. It is thus not surprising that 60% of the respondents indicated that they do not have a clear idea of the specific end results expected of them. This is obviously due to the fact that managers and their subordinates do not sit down at the beginning of the period to discuss what performance targets the latter are expected to achieve and how they should conduct themselves towards the achievement of the set targets. In view of the foregoing 84.6% of the

respondents see their participation as being passive, whilst 15.4% see their participation as being active.

Although most of the employees do not get the opportunity to make input to the appraisal process they get the chance to react somehow to their appraisal rating, albeit after their supervisors have filled their appraisal forms. 71 % of those interviewed indicated that they get the chance to react to their ratings. The remaining 29% indicated that they are not giving the least chance to react to the ratings given them.

The opportunity to react is quite commendable since it has the potential of clearing misunderstandings. It is even more commendable considering the fact that the employee has the chance to put it in writing (indeed the appraisal form makes provision for it). In fact it is at this point that both the appraiser and the appraised can thrash out all points of difference. If this provision is absent one can be sure that conflict could arise between supervisors and their subordinates. For example the potential for the appraised to conclude that he or she has being unfairly appraised cannot be ruled out. This was obvious as 29% of the respondents hold the view that they are not fairly appraised by their supervisors. Although those who hold this view are of the minority it creates a latent danger, because it has the potential of undermining the reliability of the process.

Among some of the reasons given by those who hold the view that they are not appraised fairly are that: their supervisors do not have adequate knowledge of what their jobs entail; their supervisors do not know them much as a result of

frequent employee transfer; supervisors do not discuss the appraisal ratings with them; supervisors have their minds already made up before filling the appraisal forms.

Training of actors

Similarly it came to light that the performance appraisal system is beset with inadequacy of training for both the appraisers and their subordinates. The data collected revealed that supervisors have received little training on how to conduct performance appraisal in the institution. In fact 85% of the respondents received their training outside the institution. That is to say that they had already acquired the training before coming to the institution. Regular briefings are not held for appraisers in order to improve the appraisal skills of supervisors. This is a deviation from the expected component of a model performance appraisal. As already indicated in the model every performance appraisal system should have a training component. Such training should be regular so as to ensure that the users of the system become abreast with the dynamics of the system for the full benefits to be achieved.

Perception of actors

It was noted above that the absence of the active participation of the subordinates and the lack of training for them in the performance appraisal system has resulted into a situation whereby the subordinates hold some perceptions about the appraisal system. Perceptions as already indicated has a tremendous impact on the effectiveness or otherwise of an appraisal system.

Table 6: Employees' description of the company's performance appraisal system

Description	Frequency	Percentage	Rank
Judgemental	36	55.40	1
Counselling	9	13.80	3
A mix of counseling & judgment	12	18.50	2
None	8	12.30	4
Total	65	100.00	

Source: Survey, 2007

Apart from the fact that most of the respondents hold the view that they are not fairly appraised, others, as much as 55.4 % view the appraisal system more of a judgemental exercise than a counselling activity. The views have been ranked below in a table. The views expressed by respondents, are in sharp contrast with what a model performance appraisal should be. As indicated in the model performance appraisal should be more of counselling than of any other thing one can think of. On the contrary many managers are more prone to judging than counselling, apparently because the former rather than the latter is easier to do. It is therefore not surprising to have that as much as 55.4% of the respondents classifying the appraisal system at First Allied Savings & Loans Ltd as judgemental. Yet as shown in table 6, 18.5% of the respondents think that the appraisal system of the institution has both judgemental and counselling features. This description, although not the best, is quite preferable to the judgemental view.

It is important to note that the way and manner supervisors conduct the appraisal will go a long way to determine what subordinates think about the whole system. Another factor underlying the views of subordinates is the attitudes of appraisers toward the former. Most often the attitude of appraisers are hostile, and as already indicated they find appraisal times an opportunity to 'show employees where power lies'. Appraisers must therefore adopt a more positive and friendly attitude during appraisal times to avoid any possible negative thoughts or descriptions by subordinates. This suggestion is also important because the views held by subordinates could have an impact (either positive or negative) on their commitment to the appraisal system; hence it is important that appropriate steps are taken to disabuse the minds of subordinates.

As to whether respondents have benefited from the appraisal system, a greater percentage of them (as much as 53.4%) indicated that they have not benefited from the system. For the remaining 46.6% the benefits cited include, in order of importance, promotions, incremental jumps in salary and training.

With respect to the impact that performance appraisal has had on workers' performance, 41.7% of the respondents indicated that it has had a positive impact, 33.3% thought otherwise, whilst 25% could not tell. For those who felt that the exercise has had a positive impact they cited issues such as making them conscious of their performance and as such compelling them to put in more effort

in the discharge of the duties. This is a pointer to the fact when workers have a foreknowledge that their performance will be appraised they work harder.

It is sad to note that only 35.4% of the respondents have the perception that the performance appraisal system of the company is achieving the desired results. The rest (64.6%) thought otherwise.

It is not surprising for the employees to conclude that the appraisal system of the company is not achieving the desired result, because for most of them, as the data indicated, they do not even have a clear idea of the specific end results required of them. Consequently only 31.7% indicated that they are satisfied with the system whilst 68.3% indicated that they are not satisfied. Those who are not satisfied with the system, among other things called for the institution of well defined targets, which could enable them to assess themselves as time goes on (even before the formal appraisal is done). Others called for their bosses to be fair 'no matter what they have against the staff'. They also expected that their supervisors or managers will give them the opportunity to discuss with them the ratings they have been given.

The process

(i) Setting of targets

It became evident from the study that employees are not given any targets by which they will be appraised in the course of the year. As a result employees are not aware of specific targets to be achieved. Quite interestingly even though

managers do not sit down with their subordinates to discuss performance standards expected of them they from time to time discuss with the employees the latter's on the job performance. It is as though the employee already knows what is expected of him.

(ii) Appraisal interview

It came to light from the data gathered, that managers are expected to conduct appraisal interviews as a necessary part of appraising their subordinates. This could be done before (pre-appraisal interview) or during the filling of the appraisal form. However, of those interviewed, 78.46% indicated that they are not interviewed in the appraisal process. Neither is any pre-appraisal interview conducted as suggested in the model. Indeed this confirms the assertion that many managers do not like appraisal interview and that they feel extremely reluctant about discussing a subordinate's weaknesses and problems. Of those who said they are interviewed during the appraisal exercise, 44.4% indicated that the interview takes place before the filling of the appraisal form, 22.2% indicated that the appraisal interview takes place after filling the appraisal form, whilst 33.4% indicated that it is done when filling the form.

(iii) Feedback

Data gathered depicted that as much as 98.5% of those interviewed want to get a feedback regarding how they have fared after the appraisal exercise. This is a matter of course, after all getting a feedback will enable them make the

necessary adjustments. The data however revealed that even though as many as 98.50% want feedback after the appraisal exercise, only as small as 26.15% get the feedback that they desire. It stands to reason as much as 73.85% do not get the desired feedback.

This result reflects the view raised earlier on- that most appraisal exercises lack the provision of feedback. Needless to say feedback should be seen as a very important aspect of any appraisal system, and for that matter its non-existence greatly undermines the effectiveness of the exercise. Without it the individual will not know how he or she is performing in order to make the necessary adjustments. This view was expressed by many of the respondents. Other reasons mentioned by the respondents as their primary motivation for expecting feedback after appraisal included the assertion that it will enable them to know whether or not they are fairly appraised. Others held the view that it acts as a source of motivation especially when they score positively. Some individuals (62% of those who desire feedback), said that getting a feedback will enable them restructure or re-engineer their way of working, whilst 28% indicated that it would help them identify their strengths and weaknesses.

In the model it was stated that although feedback is an essential part of every performance appraisal system, some managers feel reluctant to give it because they find it very unpleasant. They therefore would not be forthcoming with feedback unless they are pressured by organizational policies and controls. Indeed since the forms have a section where the appraised can sign after the

appraisal forms have been filled, one would have expected that respondents will not complain of lack of feedback. Upon further discussion however it came to light that even though such provisions have been made on the appraisal form, most employees do not really get the chance to read through before signing let alone discuss the ratings assigned to them. Some reluctantly sign the portion which signifies that they agree with the ratings assigned to them, simply because they do not want to be engaged in an argument with their 'bosses'.

(iv) Follow-up

The company's appraisal exercise has always been accompanied by effective follow-up activities such as promotion and incremental jumps in salary. On the other hand some have had their expected incremental jumps withheld, while others have had to be transferred to other sectors of the institution principally due to unsatisfactory performance brought to light by the appraisal exercise. The latter action can be aptly described as a corrective action to bring to completion the commencement of the appraisal exercise. One would also expect that other follow-up activities that seek to find out why certain desired targets were not met by employees with the view to removing the root causes will be of prime concern, but unfortunately no such effort was identified.

Characteristics of the appraisal system of First Allied Savings & Loans Ltd

The research revealed that the performance appraisal system at First Allied Savings & Loans Ltd cannot be described as multifaceted. Indeed a close

examination of the performance appraisal form reveals that the company has chosen the graphic rating method in its appraisal exercise. As already indicated, this method which is alternatively referred to as the Linear Rating scale or conventional rating method has become popular because of the ease with which it can be developed, administered and understood by appraisers- obviously the reason why it has been adopted by First Allied Savings and Loans Ltd. As it is, the method used by the organization tries to cover a variety of areas through the use of performance raters such as quality of work, dependability, and potentials of workers. However as already indicated, by attempting to cover a wide a variety of areas, it can sometimes fail to see fine details that need to be considered.

Also worth noting is the fact that it lacks potential for development, leaving subordinates none the wiser to continue with their mistakes. Moreover the problem with this method is that most appraisers may not keep a diary of events pertaining to his subordinates and consequently may not give the appropriate rating to the worker at the time of appraisal. This precisely is what prevails in the company. Managers do not keep written down records of their subordinates' performance. They depend on their memory in rating their subordinates at the time of appraisal. It is not surprising therefore most of the respondents claimed that they are not fairly appraised.

The company does not therefore combine the method adopted with any other known method. This is in contrast with the model performance appraisal system. As was already discussed, currently some institutions combine one or two

methods. Apparently this is done to minimize the inefficiencies associated with the various methods.

Also the performance appraisal system of the company cannot be described as being results based. This is supported by the fact that supervisors and subordinates do not meet at the beginning of the year or at any point in time to discuss the targets to be achieved. Moreover the performance appraisal system is not an all year round exercise, in as much as it is conducted mostly once in a year.

The performance appraisal system is also not developmental in nature; since it seems to focus on the individual's past rather than his future development. This is supported by the fact that there is no Staff Development Review attached to the Performance appraisal system.

On the other hand one of the features of the company's Performance appraisal system which is commendable, however, is the already mentioned aspect that there is a provision for employees to register their approval or disapproval of the ratings assigned to them by their appraisers. Even though it appears this provision is not achieving its intended purpose, it can all the same be repackaged to ensure that it becomes effective. Also worth mentioning is the existence of post appraisal rewards given to employees in the form of salary increments and promotions. Similarly the appraisal forms (as shown in appendix III) are not so complex to any first time user and may therefore be described as user- friendly. The weaknesses as depicted in the results discussed below throw more light on the present state of performance appraisal in the company.

It is very important to note that no system of appraisal can be prescribed as perfect and for that matter that of First Allied Savings and Loans Ltd is not an exception. As noted above the company's Performance appraisal has its own strengths and weaknesses. It is however expected that no matter what system of appraisal adopted by a company, it will have all or at least a majority of the right steps or measures that should be adopted to ensure that maximum benefits are derived there from.

Relevant knowledge resources to remedy the gaps

It is obvious from the discussion above that in comparing the performance appraisal system of First Allied Savings & Loans Ltd with the model performance appraisal system, one will notice some gaps between the two. It is in this light that the following suggestions are made as relevant knowledge resource to improve upon the Performance appraisal system in the company.

Lack of policy

As noted from the study there is no explicitly written policy support for the performance appraisal system of the company, and because of this there exists some inconsistencies with regard to the frequency of appraisal. Also, as a result of the lack of policy support, the employees do not see the performance as a very important aspect of the company's activities.

To bridge this gap, the company should formulate coherent policy guidelines that will serve as a yard stick for conducting Performance appraisal in the company. Such a policy should state in lucid terms the importance of

performance appraisal to the organization as a whole, the purpose, the frequency, as well as the manner in which performance appraisal should be conducted in the company. In formulating such a policy, it is important to seek the views of both the managers and their subordinates, especially the extent to which they will be inherently fair and equitable and implemented fairly and consistently. Most importantly, the policies should be communicated with guidance notes (that is if they are not self-explanatory).

Lack of training

It was also found out that those who perform the performance appraisal either have inadequate training or no training at all. This gap could be closed by organizing regular training sessions for managers and supervisors on a regular basis to enable them become abreast with the manner of conducting appraisals to achieve maximum results, and to also keep them informed of new developments. It is expected that such sessions will also serve as briefing sessions where managers could bring up the challenges they face for discussion so that the right solutions could be evolved for them.

It is also important that the subordinates are made to understand from time to time, the essence of appraising their performance, both to them and the organization as a whole. Subordinates for instance could be made to understand and appreciate the essence of performance appraisal exercises to the ultimate development of their careers.

Passive involvement of subordinates

It was noted that the involvement of the parties to the appraisal system can be described as one sided. This stems from the fact that only supervisors are actively involved in the appraisal process, subordinates only come in to sign the appraisal form when it is completed. This deficiency can be addressed by involving the subordinates in setting of targets right from the beginning of the appraisal year. The commitment of subordinates will thus be won right from the onset if they and their Managers sit together to deliberate and agree upon what is expected to be achieved. An opportunity could be created, so that employees and their supervisors can sit down to discuss performance expectations at the beginning of each appraisal cycle. This can possibly enable the employee have a clear idea of what is expected from him or her.

The company could even consider allowing subordinates to contribute towards appraising their supervisors, since they (the subordinates) have first hand information on the performance of their supervisors. Indeed such a practice as indicated from the literature will ensure that managers become more conscious of their subordinate's needs. To curb the fear of reprisal on the part of subordinates in order for them to willingly contribute effectively, the identity of 'subordinate evaluators' should be kept anonymous.

Absence of formal performance appraisal for workers on probation.

Workers on probation are not taken through any formal performance appraisal, and as such there are no benchmarks for assessing them.

All employees irrespective of whether they are still on probation or have finished their probation should undergo a formal appraisal exercise. In view of this forms could be designed for those on probation just as some exist for those who have finished their probationary period. This could go a long way to ease the tension managers go through when they are called upon to write recommendations for the confirmation or otherwise of their subordinates. In addition such a measure will also bring uniformity into the pattern used to determine the confirmation or otherwise of employees. Since appraisal should not be restricted to only those who have completed their probationary period, the need to appraise workers on probation should be emphasized in the policy.

Lack of feedback

Feedback is virtually non-existent in the Performance appraisal system of the company. Workers do not get the chance to know whether they are doing well until the day they have to sign their performance appraisal form. Managers should encourage the sharing of performance feedback between supervisors and subordinates from time to time- throughout the year. A documentation of performance appraisal feedback, depicting the content of the feedback and the action plan will be very appropriate. Feedback should include making the employee aware of his identified weaknesses and strengths. If possible this should be followed up with one to one discussion with the employee. In fact this is necessary, if the effectiveness of the appraisal exercise is of concern to the institution. Without a feedback the appraisal exercise cannot be complete, and of what use is it if employees are not given feedback after they have appraised?

Providing of feedback should be made a compulsory aspect of the appraisal process, and to enforce it managers should be required to compile the reactions of their subordinates for onward submission to the Human Resource department.

Absence of effective performance appraisal interview

The performance appraisal system of the company is fraught with the absence of effective appraisal interview. Managers do not conduct any appraisal interview either prior to or during the filling of appraisal forms. Since the importance of appraisal interviews cannot be over-emphasized it is important that it is made an integral part of the performance appraisal system. In view of this the management of the company can incorporate it in the performance appraisal system of the company by making it an unavoidable part of the performance appraisal form.

Not multifaceted

The company's performance appraisal system is not multifaceted. Contrary to the model performance appraisal system, the appraisal system of the company is basically based on the graphic rating technique alone, and is thus not combined with any other system. This makes the system prone to rater errors. As noted earlier on, the common practice these days is to have a combination of two or more performance appraisal systems to ensure minimal rater error.

The company performance appraisal system could consider combining the traditional approach with the developmental approach. Since a developmental approach to performance appraisal focuses on developing the workers,

introducing this could go a long way to ensure that employees remain committed to the appraisal exercise. It is also expected that employees will recognize the need to improve job performance.

Not all year round

The Performance appraisal system of the company cannot be described as an all year round activity, since it virtually takes place once in a year at a specified time. It is worthy to note that performance appraisal must be seen to be cyclical. Since performance appraisal should not be a one time activity, measures could be put in place to ensure that all the year round the performances of workers are being assessed. Measures should include the frequent meetings between managers and their subordinates purposely for discussing the performance of the former and seeking means of improving upon them. Indeed, employees should also have the chance of being told of their progress as time goes on rather than waiting to be told at the end of the year.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

This chapter marks the conclusion on this study. It focuses on the findings, conclusions and implications of the study results for policy making and further research.

Summary

The research resulted in the following findings:

A model of best practice performance appraisal system

It became evident that a model best practice performance appraisal system should have as its essential parts, policy guidelines, actors, should consist of processes and have distinctive features.

The performance appraisal system in First Allied Savings and Loans Ltd.

To this end it was found out that the company has a performance appraisal system which is based on the graphic rating method. To achieve this, the company has designed performance appraisal forms and that every year, performance appraisals are conducted on employees who have finished serving their probation.

Strengths and weaknesses of the performance appraisal system in First Allied Savings and Loans Ltd.

Strengths and weaknesses of the performance appraisal system in First Allied Savings and Loans Ltd.

In analyzing the performance appraisal system of the company, it came to light that the performance appraisal system of First Allied Savings & Loans Ltd has some strengths and weaknesses.

The strengths are that employees are given the chance to register their approval or disapproval of the ratings assigned to them by their supervisors. Also the appraisal system has been used to make very important human resource and administrative decisions, such as promotions and incremental jumps.

The weaknesses, on the other hand, include the fact that there are no policy guidelines regulating the practice of performance appraisal in the company; there is lack of adequate training of supervisors on the effective way of appraising employees; that there was little or no appraisal interview; that there is the lack of opportunity for the appraiser and the appraised to sit down at the beginning of the period in question to set performance goals or expectations; that the involvement of subordinates in the appraisal system is passive; that there is no formal appraisal for workers on probation; that there is no consistency in the appraisal system of the organization (in that whilst in some years appraisal is conducted twice, in some other years it is conducted once); and finally, some supervisors fail to give the necessary feedback to their subordinates after the appraisal.

Knowledge resources needed to remedy the weaknesses in the performance appraisal system of First Allied Savings and Loans Ltd.

Among the knowledge resources identified to help address the weaknesses associated with the performance appraisal system of the company are: the formulation of policy support guidelines; making the appraisal of workers' on probation an integral part of the performance appraisal system, frequent and effective training of the supervisors who conduct the performance appraisal system; the sensitization of the subordinates on the essence of performance appraisal to their career development; involving the subordinates right from the onset of the performance appraisal year in setting of targets and frequent discussion of their performances; enforcing the sharing of performance appraisal feedback between supervisors and their subordinates; making performance an all year round activity by ensuring that supervisors and subordinates meet on regular basis to discuss the latter's performance. Also included is the making of the performance appraisal system a multi-faceted one so as to help reduce the risk of rater errors.

Conclusions

1. In First Allied Savings & Loans Ltd there exists a performance appraisal system, which has the support of the management of the organization and by inference is deemed as a very important aspect of the institution's performance management activities.

2. Although the appraisal system is considered important there are certain factors inherent in it that inhibit its effectiveness. Among such factors include, lack of policy framework, lack of effective training, lack of feedback, lack of effective appraisal interview and failure to adequately involve the participating parties in the design and running of the system.
3. The appraisal system of the company lacks certain important features that characterize an effective performance appraisal system. Notable among them are the fact that it is not multi-faceted and besides it is not conducted all year round. This is attributable to the fact that it has not witnessed any review since its inception.

Recommendations

This study has brought to light the undeniable fact that appraising the performance of workers is a very important human resource activity to which much attention should be paid. Owing however to the findings emanating from this research, the following recommendations are made:

1. Because performance appraisal is seen as a very important management tool in First Allied Savings & Loans Ltd, the management of the Institution should re-enforce its commitment towards it by putting in place structures that will ensure that the system becomes more effective.
2. Attention should be paid to redesigning the system to ensure that bottle necks such as the non existence of policy framework, the lack of training, and failure to give feedback, are addressed. For instance, designing a policy framework

will ensure a smooth regulation of the system. Adequate training when made a regular feature for appraisers will sharpen their skills and abilities. Ensuring appropriate feedback will win the commitment of the appraised.

3. Regular review of the system could be undertaken to ensure that the appraisal system attains the characteristics of best practice performance appraisal systems. By making it a regular and essential feature of the appraisal system, any weaknesses and incompatible aspects could be eliminated to ensure the dynamism of the system. Also incorporating other forms of performance appraisal into the existing one could be considered to ensure that the system becomes multi-faceted.

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APPENDICES

APPENDIX 1

**QUESTIONNAIRE FOR THE APPRAISED
UNIVERSITY OF CAPE COAST
CENTRE FOR DEVELOPMENT STUDIES**

This Questionnaire has been designed to solicit information for academic purposes. Please be assured that the information you give will be treated with strict confidentiality. It is in this light that you are not required to disclose your name. Kindly respond to all questions objectively. Thank you.

A. Bio data

(i) Gender

Male

Female

(i) Length of Service

Less than 6 months

Above 6 months but less 1 year

Above 1 year

(iii) Rank

Non Clerical-Assistant Manager

Manager and above

B. Practice of Appraisal

1. Is your performance evaluated in First Allied Savings & Loans Ltd?

Yes

No

2. If yes, who evaluates you?

Immediate Boss

Peers

Boss's Boss

Self

3. Do you think that it is necessary for your organization to appraise your performance?

Yes

No

4. How many times are you appraised in a year?

Once

twice

thrice

more than thrice

5. How long has it been since you last had an appraisal?

Less than 3 months

Over 3 months but less than 6 months

Over 6 months but less than 1 year

1 year or more

6 (a) Do you think that your supervisor appraises you fairly and objectively?

Yes

No

6. (b) If no what do you think are the possible causes or reasons?

.....

.....

.....

7. Does your supervisor give you the opportunity to react to your appraisal?
 Yes No
8. Does your supervisor sit down with you at any point in time to set performance expectations?
 Yes No
9. Do you have a clear idea of what specific end results are expected of your job?
 Yes No
10. Do you get feedback on your performance after the performance appraisal exercise?
 Yes No
11. Would you want a feedback?
 Yes No
12. Could please explain why?
.....
.....
.....
13. Does your supervisor interview you as part of your appraisal?
 Yes No
14. At what point in time does your manager call you for an appraisal interview?
 Before filling the appraisal form After filling the appraisal form
 When filling the appraisal form form

15. Which of the following were discussed at your appraisal?

(Please tick as many as are applicable)

- | | | | |
|--------------------------|---------------------|--------------------------|----------|
| <input type="checkbox"/> | Training needs | <input type="checkbox"/> | Transfer |
| <input type="checkbox"/> | Promotion prospects | <input type="checkbox"/> | None |

16. Would you say you take an active part in deciding what goes on your appraisal form?

- | | | | |
|--------------------------|-----|--------------------------|----|
| <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
|--------------------------|-----|--------------------------|----|

17. How would you describe your organization's Performance appraisal system/method?

- | | | | |
|--------------------------|------------------------|--------------------------|-----------------------|
| <input type="checkbox"/> | A counselling activity | <input type="checkbox"/> | A judgmental activity |
| <input type="checkbox"/> | A mix of the two | <input type="checkbox"/> | none |

18. Are you given the opportunity to contribute to the appraisal of your supervisor or boss?

- | | | | |
|--------------------------|-----|--------------------------|----|
| <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
|--------------------------|-----|--------------------------|----|

19. Which of the following will you say is the reason why your company conducts performance appraisal? (Please tick as many as are applicable)

- To identify employee performance needs
- To reward hard working workers
- To offer feedback to workers on their performance
- To identify training and development needs
- To motivate employees

- To punish lazy workers
- Others (Please indicate what).....

20. Do you think your performance appraisal system is achieving the desired results?

- Yes No

21. If your answer is no, could you briefly explain why?

.....
.....
.....

22. (a)Have you benefited from your organization's performance appraisal system?

- Yes No

23. Can you please briefly explain how?

.....
.....
.....

24. Apart from the formal performance appraisal does your boss from time to time discuss your performance problems with your job and offer advice?

- Yes No

25. Would you like your performance to be made known to you regularly?

- Yes No

26. Would you say that performance appraisal in your institution has had a positive impact on your performance?

Yes

No

Cannot tell

27. Are you satisfied with the way your performance is appraised in your institution?

Yes

No

28. What would you expect to be done to improve the institution's performance appraisal exercise?

.....
.....
.....

APPENDIX 2

QUESTIONNAIRE FOR APPRAISERS

UNIVERSITY OF CAPE COAST

CENTRE FOR DEVELOPMENT STUDIES

This Questionnaire has been designed to solicit information for academic purposes. Please be assured that the information you give will be solely used as such. Every answer of yours will be treated with strict confidentiality. Kindly respond to all questions objectively. Thank you for your time.

1. Have you received any formal training on how to conduct performance appraisal?

Yes

No

2. If your answer is yes, how often do you receive such training?

Quarterly

half-yearly

annually

Other

(Please specify)

3. How many times have you received such training?

..... times

4. How often do you conduct a formal Performance Appraisal for your subordinates?

Quarterly

half-yearly

annually

5. Do you think that it is necessary for your organization to conduct Performance Appraisal?

Yes

No

6. Please kindly elaborate on your answer?

.....
.....
.....

7. Do you appraise the work of employees on probation?

Yes No

8. Could you please assign reasons to your answer in question 7?

.....
.....
.....

9. Do you think your performance appraisal system is achieving the desired results?

Yes No Somehow

10. If your answer is no, could you briefly explain why?

.....
.....
.....

11. What is your personal impression about your company's performance appraisal form?

.....
.....
.....

12. How would you describe your organization's performance appraisal?

- A counseling activity A judgmental activity
 A mix of the two None

11. Do you at any point in time sit down with your subordinates to set performance expectations or targets?

- Yes No

12. If your answer to Question 13 is yes, could you kindly indicate at what point in time you set such expectations?

- At the beginning of the year In the course of the year

13. Was your input sought in designing the performance appraisal system operating in your organization?

- Yes No

16. Do you conduct appraisal interview as part of your performance appraisal exercise?

- Yes No

17. How do you as a manager feel about performance appraisal interviews?

- I am greatly in favour of them
 I am indifferent to them
 I am against them

18. Which of the following purposes is performance appraisal in your institution instituted for? (Please tick as many as are applicable).

- Promotion

- Training
- Manpower planning
- Salary increment
- Others (Please specify).....

19. Which of the following does your performance appraisal system help to identify? (Please tick as many as are applicable).

- Promotion prospects
- Training needs
- Manpower planning
- Salary adjustment
- Others (Please specify).....

20. Which of the following were discussed with your subordinates at their appraisal?

(Please tick as many as are applicable)

- | | |
|--|-----------------------------------|
| <input type="checkbox"/> Training needs | <input type="checkbox"/> Transfer |
| <input type="checkbox"/> Promotion prospects | <input type="checkbox"/> None |

21. Apart from the formal performance appraisal do you from time to time discuss with your subordinate his or her performance problems and offer advice?

- Yes No

22. Do you like conducting performance appraisal?

- Yes No

23. If no, why?

.....
.....
.....

24. How do you regard the performance appraisal scheme of your institution?

Mere formality Not necessary
 Very crucial

25. Have you ever had your subordinates complained about the assessment you make of them?

Yes No

26. How frequent do you get such complaint?

Always Seldom Never

27. Do you think your assessments are often very candid?

Yes No

28. Do you think that appraisals have either directly or indirectly led to an improvement in the job performance of your subordinates?

Yes No

29(a). Are you satisfied with your organization's performance appraisal technique?

Yes No

29(b). Could you please briefly explain your answer?

.....
.....

30. Which aspect of your company's performance appraisal system will you expect to be changed?

.....
.....

APPENDIX III

FIRST ALLIED SAVINGS & LOANS LTD

STAFF EVALUATION RECORD

ASSESSMENT FOR THE YEAR ENDING

NAME: STAFF NO:
DATE OF BIRTH: AGE:
DATE OF FIRST APPOINTMENT:
NO. OF YEARS AT POST:
PRESENT POSITION: NO. OF YEARS ON PRESENT
GRADE
PRESENT SALARY: SCALE:
DATE OF LAST SALARY INCREASE:
PREVIOUS POSITIONS HELD:

POSITION

DATES

.....
.....
.....
.....
.....

QUALIFICATION ON EMPLOYMENT

<u>QUALIFICATION</u>	<u>DATES</u>
i.....
ii.....
iii.....
iv.....

TRAINING COURSES ATTENDED

<u>COURSE</u>	<u>DATES</u>
i.
ii.
iii.
iv.

QUALIFICATIONS (ACADEMIC/PROFESSIONAL) ACQUIRED AFTER
EMPLOYMENT:

<u>QUALIFICATION</u>	<u>DATES</u>
i.
ii.
iii.

1. QUALITY OF WORK

Performance Rating	Excellent 5	Very Good 4	Good 3	Fair 2	Poor 1	Total
Knowledge of work:- Job information and job understanding, theoretical and practical know-how						
Planning ability to plan work						
Execution:- ability to put planned work into action with efficiency						
Work output:- rate at which job is performed, economy or working time						
Coaching/training:- ability to impart knowledge to others						
TOTAL						

2. DEPENDABILITY

Performance rating	Excellent 5	Very Good 4	Good 3	Fair 2	Poor 1	Total
Initiative:- capability of independent action, not waiting for instructions to act wisely						
Flexibility:- adaptable, accepting other points of view, non-rigidity in approach to work, accepting new ideas						
Responsibility:- extent to which can be depended upon, reliability						
Judgement:- of problems and situations, common sense approach to issues						
Punctuality:- attendance at work						
Dispatch of responsibilities:- Being able to meet deadlines						
TOTAL						

3. POTENTIALS

Performance rating	Excellent 5	Very Good 4	Good 3	Fair 2	Poor 1	Total
Aptitude:- ability to learn and understand, potentials for development in organization						
Creativity: - originality of approach to work, looking at old approaches in new ways.						
Job Interest:- demonstration of liking for the job						
Leadership:-good personal standards as example, ability to inspire others, and carry other workers to achieve organizational aims						
Productivity: - potential for efficiently executing jobs with give resources.						
TOTAL						

4. OTHER FACTORS

Performance rating	Excellent 5	Very Good 4	Good 3	Fair 2	Poor 1	Total
Attitude to supervision:- acceptance of direction, recognition of authority						
Attitude towards co-workers:- social habits and relationships that are congenial to good work performance.						
Attitude towards customers:- exhibition of good manners, being polite, tactful etc						
Appearance:- turning out well for the office, personal hygiene						
Health:- frequency of hospital attendance, sick leave						
Emotional Stability:- control of emotions and show of mature behaviour						
Loyalty to Institution:- Inclination towards long term stay						
TOTAL						

ASSESSMENT

<u>FACTOR</u>	<u>SCORE</u>	<u>CONVERTED SCORE</u>
<u>ASSESSMENT</u>		
i. Quality of Work
ii. Dependability
iii. Potentials
iv. Other Factors
TOTAL AVERAGE SCORE

AREAS WHERE TARGETS SHOULD BE AGREED UPON:

.....
.....
.....

1. Has the employee had verbal queries during the year?
() Yes () No
2. Has this employee had written queries during the year? () Yes () No

3. Give details of queries:
.....
.....
.....

1. Has the employee had verbal commendations during the year?

() Yes () No

2. Has this employee had written commendations during the year?

() Yes () No

3. Give details of commendations:

.....
.....
.....

G. i. (Write comments here, indicating action to be taken and by whom)

.....
.....
.....
.....

DATE NAME SIGNATURE

H. 1. This assessment has been shown to the employee

By:.....

Full Name

Designation

On:.....

Date..... Signature.....

2. Employee's Comments: (Tick appropriate comment)

a. I agree with the assessment []

b. I have reservations about some parts []

c. I disagree entirely with the assessment []

(Signed comments on assessment if any may be written on Page.....)

.....

Full Name of Employee

.....

Signature of Employee..... Date.....

I. i. Summary of Recommendations

a. This employee should leave FASL now []

b. He/She should be strongly warned in writing []

c. He/She is a useful employee but not a potentially good material []

d. He/She is a satisfactory worker []

e. He/She has promise and should be trained []

f. He/she could be promoted soon []

g. He/should be promoted now []

ii. Should his/her increments be awarded for the year?.....

iii. If no, reasons for not awarding increment

.....
.....
.....

iv. Indicate development training recommended (if any)

.....
.....
.....
.....

v. Comments:.....

.....
.....
.....

DATENAME.....SIGNATURE.....

J. Administration

Suggested Follow-up action:

.....
.....

DATE.....NAME.....SIGNATURE.....

EMPLOYEE'S COMMENTS (IF ANY)

.....

SIGNATURE

.....

DATE