

**A Comparative Study of Employees Performance
Appraisal Practices and Problems in Ethiopian Higher
Education Institutions: The Case of Addis Ababa
University and St. Mary University College**

Chemed Diriba

A Thesis Submitted to

The Department of Management

**Presented in Partial Fulfillment of the Requirements for the
Degree of Master of Business Administration in Management**

Addis Ababa University

Addis Ababa, Ethiopia

June, 2012

Declaration

I, Chemed Diriba Serbessa declare that this work entitled **Comparative Study and Analysis of Employee Performance Appraisal Practice and Problems in Ethiopian Higher Education Institutions: The Case of Addis Ababa University and St. Mary's University College**", is outcome of my own effort and study and that all sources of materials used for the study have been duly acknowledged. I have produced it independently except for the guidance and suggestion of the Research Advisor.

This study has not been submitted for any degree in this University or any other University. It is offered for the partial fulfillment of the degree of MA in Business Administration [MBA]

By: Chemed Diriba

Signature_____

Date_____

Advisor: Dr Zewudie Shibre

Signature_____

Dr. Zewudie SHibre

Assistant Professor of Management

Department of Business Administration

School of Business and Public Health

Addis Ababa University

Addis Ababa, Ethiopia

C E R T I F I C A T E

This is to certify that this project work, “**Comparative Study and Analysis of Employee Performance Appraisal Practice and Problems in Ethiopian Higher Education Institutions: The Case of Addis Ababa University and St. Mary’s University College**”, undertaken by Chemed Diriba for the partial fulfillment of Master’s of Business Administration [MBA] at Addis Ababa University, is an original work and not submitted earlier for any degree either at this University or any other University.

Research Advisor

Addis Ababa University

School of Graduate Studies

This is to certify that the thesis prepared by Chemed Diriba Serbessa, “A Comparative Study of Employees Performance Appraisal Practices and Problems in Ethiopian Higher Education Institutions: The Case of Addis Ababa University and St. Mary’s University College” and submitted in partial fulfillment of the requirements for the Degree of Masters of Business Administration (MBA in Management) complies with the regulations of the university and meets the accepted standards with respect to originality and quality.

Signed by the Examining Committee:

Examiner: Teshome Bekele Signature: _____ Date: _____

Examiner: Wubeshet B, PhD Signature: _____ Date: _____

Chair of department or graduate program coordinator

Acknowledgement

First of all I would like to thank the almighty **God** for **His** interminable help. Without **His** help this research could not have been realized.

I am grateful to my advisor, Dr Zewdie Shibre, for his committed and motivated guidance to successfully complete this research project.

I would like to express my gratitude and love to my wife W/o Meaza Getachew, with whom I share all ups and downs of life and acknowledge her concern about my education and initiation she took to let me go to school, from idea initiation to covering necessary costs concerning my education.

Also I would like to express my indebtedness to my classmates Didha Bacha, Robson Mekonnen and Mulugeta Mehari who have assisted me during course work and Didha Bacha in particular for his tireless contribution while this research was underway.

Finally, I would like to thank all Department of Management of Addis Ababa University who have taken part in educating me.

Abstract

The present study aims at studying the practices and problems of performance appraisal in Ethiopian Higher Education Institutions: The case of Addis Ababa University and St. Mary University College. The reason for the study is the continuous complaints heard from internal and external customers of the AAU about the sluggish service of employees, and to make comparative analysis with that of SUC, if there is a one can learn from one another. The researcher employed simple random sampling techniques in selecting respondents, while informants were selected purposively for data generated through questionnaires and interviews conducted. As the findings of present study a show, PA is implemented in AAU at moderate level; while, it is implemented in the SUC relatively in a better way on the basis of the desired goals. However, the use of PA for motivational purposes is not at the desired level, and very low in AAU. Additionally, PA used by employees' close supervisors is not such a motivational approach. Rather, it consists of mixed interests which is vague, particularly to be used for the purposes of determining warnings, retentions or discharging low performing workers. The study reveals that such mixed interests rather discourage workers from competitive workings and creativities. Hence, the primary purposes of performance appraisal are missing its direction, which is creating competitive working systems and giving balanced rewards for workers for their contributions to an organization. In the study, performance appraisal is seen to be implemented in a biased manner based on proximity and mixed interests as mentioned before for punishing employees performing at the lowest status. Thus, in order to create competitive working conditions and systems of balanced benefits for employees, performance appraisal should be understood very well particularly by heads of human resources and supervisors; and, should be implemented in the desired way for the desired purposes.

ACRONYM

AAU:	Addis Ababa University
EHEI:	Ethiopian Higher Education Institutions
HRM:	Human Resource Management
PA:	Performance Appraisal
SUC:	St. Mary University College

OPERATIONAL DEFINITIONS OF VARIABLES

Major variables independents and dependents have been used in this research, and other concepts thought necessary to be defined are stated bellow.

Performance: The act of performing; of doing something successfully, and using knowledge as distinguished from merely possessing it. A performance comprises an event in which generally one group of people (the performer or performers) behaves in a particular way for another group of people.

Performance Evaluation: is the activity used to determine the extent to which employee perform work effectively.

Performance Appraisal: are the systematic assessments of an employee in terms of the performance aptitude and other qualities which are necessary for successfully carrying out the job.

CONTENTS

CHAPTER ONE.....	I
INTRODUCTION.....	1
1. An Overview of Performance Appraisal	1
1.1 Statement of the Problem.....	3
1.2 Objectives of the Study.....	5
1.3 Significance of the Study	6
1.4 Scope and Limitations of the Study	6
1.5 Background of Organizations’ Understudy	7
1.5.1 Historical Background of Addis Ababa University	7
1.5.2 Background of St. Mary’s University College.....	11
CHAPTER TWO.....	14
REVIEW OF THE RELATED LITERATURE.....	14
2. Conceptual Frame Work.....	14
2.1 Meaning and Definition of PA.....	14
2.1 Uses of Performance Appraisal.....	16
2.2 Performance Appraisal System	21
2.2.1 Performance Appraisal process.....	22
2.2.2 Approaches of Performance Appraisal.....	22
2.2.3 Effectiveness of PA systems	23
2.2.4 Time to Conduct Performance Appraisal	25
2.2.5 Responsible Body to Conduct PA.....	26
2.2.6 Performance Appraisal Criteria.....	27
2.2.7 Factors that can Distort Appraisal.....	28
2.2.7.1Problems emanating from the Raters	28
2.2.7.2Problems Emanating from the System of PA.....	29
2.2.7.3Problems Emanating from the Ratees	30
2.2.8 Factors Influencing the Effectiveness of PA	31
CHAPTER THREE	36
3. RESEARCH DESIGN.....	36

3.1	Research Methodology	37
3.1.2	Area of the Study.....	37
3.1.3	The Study Subjects.....	37
3.1.4	Sources of Data	37
3.1.5	Data Collection Methods and Research Instruments.....	38
3.1.6	Methods of Data Processing and Analysis	38
3.2	Data Quality Assurance	39
3.3	Operational Definitions of Variables.....	VIII
CHAPTER FOUR		40
4.	DATA PRESENTATION, ANALYSIS AND INTERPRETATIONS.....	40
4.1	Respondents' Profile	41
4.1.1	Sex Distribution of Respondents.....	41
4.1.2	Respondents' Age Distribution.....	41
4.1.3	Employees' Level of Education	42
4.1.4	Employees Years of Service	43
4.1.5	Employees' Monthly Salary	44
4.2	Performance Appraisal Practice and Process in AAU and SUC	44
4.3	Objectives of PA in AAU and SUC	48
4.3.1	Information Generated is used to give Feedback to Employees	49
4.3.2	Information Generated through PA is used to Motivate Subordinates.....	50
4.3.3	Determinations of Pay and Promotion Decisions	53
4.3.4	PA used to Counsel and Coach Subordinates	55
4.3.5	PA used to warn Subordinates	57
4.3.6	PA used to strengthen the Relationship between Superiors and Subordinates ...	60
4.3.7	Diagnoses both Organizational and Individual Problems	63
4.3.8	Ability of PA to Help Employees to Improve Job Performance.....	65
4.3.9	Is the PA system serving its purpose?	67
4.4	Criteria for Performance Appraisal	69
4.4.1	Knowledge about the Existence of PA.....	69
4.4.2	Knowledge about the Purpose of PA.....	71
4.4.3	PA need to be clearly defined and Objective Oriented.	73

4.4.4	Criteria/Instrument Capability of Measuring Performance	75
4.4.5	Ability of PA Form to Distinguish Effective from Ineffective performers	76
4.4.6	Employees Accomplishments and Achievements.....	78
4.4.7	Employees’ Opportunity to Participate in Designing the Form.....	79
4.4.8	PA Form Customized Based on the Characteristics of the Job.....	81
4.5	Potential Problems of PA in the Organizations under Study	83
4.5.1	Biases of the Rater by Personal Liking and Disliking.....	84
4.5.2	Biases of Avoiding Giving PA Ratings with Negative Consequences	85
4.5.3	Accuracy of Supervisors to Evaluate their Employees to Reward or Penalize ..	88
4.5.4	Giving Equivalent rating to all to Avoid Resentment and Rivalries	89
4.5.5	Providing Specific Example of Things Accomplished.....	91
4.5.6	Raters’ Supporting PA with Specific Incidents of Good and Bad Performance	93
4.5.7	Keeping a File on what Employees Done During the Appraisal Period	95
4.5.8	Degree of Rater Gave the Rate a Fair Assessment in Recent Evaluation	97
4.5.9	Unqualified Person Rates Employee Work	98
4.5.10	Supporting the Supervisor Idea, knowing it is Wrong	100
4.5.11	Creating a Positive Impression in the Mind of Rater	102
4.5.12	Employees doing Favor to their Supervisors	103
4.5.13	Behaviour of working hard when observed	105
4.5.14	Appealing to a Performance Rating thought Biased or Inaccurate.	106
4.5.15	Challenging a Performance thought Biased.....	109
4.5.16	Fairness and objectiveness of Performance appraisal system.....	110
4.5.17	Telling to Employees what they are doing frequently.....	112
4.5.18	Comparing Performance Ratings with Coworkers.....	114
4.5.19	The Performance Appraisal Process is a Waste of Time.....	115
	CHAPTER FIVE.....	117
5.	CONCLUSION AND RECOMMENDATIONS.....	117
5.1	Conclusion	117
5.2	Recommendations	119

CHAPTER ONE

INTRODUCTION

1. An Overview of Performance Appraisal

An organization's success or failure is highly determined by effective and efficient utilization of resources at its disposal, such as human, material, financial, and information resources. Among these four resources, the human resource is the most important part and crucial of all resources for the survival of an organization or business firms.

According to Ivancevich (1989), "It is important to remember that people do the work and create ideas that show the organizational service". Therefore, it is agreed that resources remain unutilized unless the human element is involved. The degree of human resource contribution should be evaluated in the development of the organization or business firm, and is called Performance Appraisal (PA). PA is the identification, measurement, and management of human performance in an organization (Gomez, 2001).

Performance Appraisal (PA) benefits both Employees and Employers. Employers benefit from understanding their employees' weaknesses and strengths. Understanding the employees helps to make basic enforcement for weakly performing employee by giving training and development in order to improve his/her performance if not to punish. It also helps to make remuneration and promotion readily available for those who performed well. PA is not only important to employee's problem identification, but also important to the organization for effective utilization of human resource by identifying strong employees from best for utilization of manpower, to bring effectiveness and efficiency.

Employees benefited by getting feedback about their performance of certain period in time, to improve themselves on their poor performance or to be motivated for their good performance.

An organization's performance management system helps it to meet its short and long term goals and objectives by helping management and employees do their jobs more efficiently and effectively, and performance appraisal is one part of this system (Bacal, 1999).

The ultimate objective of performance appraisal is identifying, measuring, and managing of human performance in an organization and to give feedback to employees who may improve their performance on job and also organizations' or business firms' success.

Additionally, information obtained during the appraisal process can be used as a basis for personnel management, merit increment, termination, career planning and promotion, and layoff, succession planning, transfer, bonus, and criteria for selection procedure validation by using different appraisal methods.

This study focuses on public and private higher education institutions in general and specifically emphasizes on Addis Ababa University and St. Mary University College in the area of administrative employees performance appraisal, whose performances of employees are measured by qualitative method rather than quantitative method.

The two of the higher education institutions are selected due to long year tenure in the service. In view of these, they are assumed to be enough to be representative for higher education institutions in Ethiopia.

In addition to their being representativeness, their proximity to the research center located in the AAU department of management and convenience for cost minimization and time management made the researcher his focal area of research.

Therefore, knowing the practice used and spotting the problem helps to analyze the performance of employees of both universities, in light of their ‘Employees Performance Appraisal Manuals’, can help to understand, if effectiveness and efficiency is impaired or not.

If effectiveness and efficiency is impaired the organization cannot meet its goals and objectives. These are practically, linked to the practice and problem with its employee’s performance appraisal and needs to be investigated thoroughly by posing statement of the problems.

1.1 Statement of the Problem

Obviously, PA is one of the most important activities of human resource manager, and it is important to an organization, if it is properly appraised, in bringing to handle employees successfully to make effective and efficient on their job.

The reason for focusing on Addis Ababa University (AAU) and St. Mary’s University College (SUC) is to study the practice being used in both universities, and to identify the problems in both organizations. Then, comparative analysis was made in light of public and private institutions employees’ performance appraisal and if one can be a learning curve for one another for being in same industry.

Moreover, the researcher was initiated to focus on AAU because of the continuous complainants of administrative employees from the inside and customers from the outside. Inside employees are heard complaining about their pay, working environment, promotion, job assignment, demotion, job description, transfer, placement, lay off, and separation. Beyond employees' complaint the AAU on its website stated and believed, the inefficiency in its system by emphasizing that it's organizations inefficient and backward system of the Administrative and Support Services. As there is no practical reform that has been undertaken in the support services wing so far, the finance, the procurement and property administration services at the centre as well as at colleges/campus levels are still bureaucratic and inefficient. This predicament has put the daily business of the University in a limbo. <http://aau.edu.et>

Externally, customers' dissatisfaction about the sluggish services of the university is heard on the radio, news papers, and magazines. This initiated the researcher to make it his focal point for his study as he is part and parcel of the organization as administrative staff for over 30 years.

Therefore why the AAU's performance is deteriorating from time to time as the organization states, it may not have performance appraisal system or if the system exists it may not serving the purposes of the organizations performance.

In addition, St. Mary's University College, one of the new emerging private universities in the higher education industry, is the focus of this research so as to make a comparative analysis in the area of administrative employees' performance appraisal practices and problems with that of Addis Ababa University. Hence, the present study tries to answer

the following basic research questions:

1. What are the nature of employees' performance appraisal practices in AAU and St. Mary's University College?
2. What are the major problems in the practices of performance appraisal of employees?
3. What are the objectives of employees' performance appraisal in these organizations?
4. What are the potential sources of employees' dissatisfactions regarding performance appraisal?
5. What are alternative solutions for problems regarding the practices of employees' performance appraisal in the two universities?

1.2 Objectives of the Study

The major objective of this research is to assess, identify and analyze the practices and problems of Performance Appraisal in Addis Ababa University and St. Mary's University College, and to give recommendations based on the principles and concepts in the literature review, and the empirical findings of the study. The specific objectives are:

- To explore the objectives of performance appraisal of both universities under study.
- To illustrate the nature of performance appraisal practices and related problems within the aforementioned organizations.
- To assess the criteria/instrument used to conduct performance appraisal capability of measuring the employees' true performance in organizations under study.
- To explore the potential sources of problems underlying the performance appraisals in the organizations under study.

1.3 Significance of the Study

The study is significant to give feedback to employees, employers, other stakeholders and researchers about the organizations performance appraisal practice and problems of both organizations.

Performance appraisal helps employees of the organization by determining who shall receive merit increase, counsels' on their improvement, training needs; promotion, and identifies those who should be transferred.

Moreover, it helps to improves employee's, job performance, encourages to express their views, or to seek clarification on job duties, broaden their outlook, capacity, placement, facilitates selection for reward and promotion of the best qualified employee, by preventing grievance and increasing the analytical abilities of supervisors. These in turn help the employer organizations to benefit from the improved performance of employees.

The study is significant to the stakeholders in its provision of information about level of employees' motivation. If the level of motivation among employees is high the quality of service rendered to the stakeholders will be high and if the motivation of employee is very low the level of provision of service will be low.

Additionally, the study also helps researchers in provision of information as secondary data for future use in the academic arena.

1.4 Scope and Limitations of the Study

The present study focuses on administrative permanent employees of the two

organizations located in Addis Ababa, AAU and SUC. The study is based on the assumption that a comparative study is essential between governmental and private sectors so that AAU represents the public higher education institutions, and SUC represents the private colleges and universities. Hence, the study is delimited to Performance Appraisal system of the supportive staffs of the two institutions, because most customer dissatisfaction and complaining emanates from such services among others.

1.5 Background of Organizations' Understudy

Addis Ababa University is one of the public universities in the country and St. Mary University College is also one of the largest private universities, who's its duties evaluated in accordance of the ministry of education policy to higher education being business organization. Accordingly, the background of both organizations are presented and discussed in brief below.

1.5.1 Historical Background of Addis Ababa University

Addis Ababa University is one of the largest universities in Ethiopia. It is also the largest and the oldest universities in Africa. AAU was established on March 20, 1950, in today' College of the Natural Science College (Arat Kilo Campus) by Emperor Haile Silassie I. It was renamed Haile Selassie I University in 1962 until it was called Addis Ababa University in 1975. The university started its first Masters programs in 1978 and its first PhD programs in 1987. Presently the university has more than 40,000 students and more than 2000 academic staffs. (<http://www//aau.edu.et>).

➤ The vision

Addis Ababa University aspires to be a pre-eminent African research university dedicated to excellence in teaching, critical inquiry, creativity and public action in an academic community that cultivates and celebrates diversity.

➤ **Missions**

The University's formal mission statement, approved by Strategic Planning Committee, includes the following:

1. Foster a democratic University which gives pride of place to its students in instruction and provision of services, while encouraging the robust exercise of academic freedom through equal and full participation of its members and a free play of diverse perspectives, in both learning and governance.
2. Enhance Ethiopia's capacity in higher education by developing vibrant graduate programs and by nurturing professional competence, humanistic education, scientific culture, academic excellence and cultivating committed and ethical citizenry.
3. Develop teaching and research programs relevant to Ethiopia's sustainable development and, when appropriate, cross disciplinary bounds in order to address the most pressing challenges of our time.
4. Disseminate knowledge and results of research so as to raise awareness about critical issues central to the lives of the local, national, and global communities.
5. Maintain quality, dedicated, diverse faculty and support staff in key academic, administrative, and staff leadership positions.
6. Nurture gender equality in and out of the classroom, sustained by a faculty and student body with varied cultural and intellectual perspectives.

7. Nurture multicultural equality in and out of the classroom, sustained by a faculty and student body with varied cultural and intellectual perspectives.
8. Promote public engagement integrated with teaching and research so as to gain practical knowledge and to promote, among both students and faculties, commitment to the advancement of human wellbeing and freedom.
9. Preserve and enrich Ethiopia's natural and cultural heritage.
10. Enrich an Ethiopian perspective in the curricula, research agenda and enlarge an Ethiopian presence in the graduate faculty in order to make an effective contribution to national efforts to answer pressing problems and challenges facing the country and the citizenry.
11. Pursue research and teaching programs from distinctively African perspectives and address challenges facing Africa.
12. Extend special support to students with disabilities and to students coming from groups and communities historically denied equal opportunity in higher education.
13. Produce graduates that will become leaders in their communities and public services, accomplished professionals in their respective disciplines, and capable of becoming fully competitive in all sectors including the private and public sectors, in academic institutions and in the international community.
14. Provide wide ranging educational opportunities, in and off campuses, for active professionals and life-long learners, using the help of information technology.

15. Engage the University in mutually rewarding on-going collaboration with the emerging Ethiopian universities and strategic partnership with national and international universities, research institutions as well as with the private sector.

➤ **Values**

Addis Ababa University values academic freedom, excellence, integrity and professionalism, diversity, student centeredness and efficiency.

According to the information from human resource director office of the university, during this study was conducted, in addition to these academic staffs AAU has about 2482 permanent and about 3000 contract staffs who are serving the academic purposes as support staffs.

Addis Ababa University makes tremendous efforts to build the nations in capacity in higher education, focusing on fostering swift growth in programs of graduate studies and research. AAU is doing its level best to meet the growing needs for academic staff in other institutions of higher education in Ethiopia while also availing intellectual and skill capital they respond to the rising demands. Addis Ababa University is currently organized into six Colleges and several Faculties, Schools, institutes, centers, Departments and program Units.

Among the above functional area the AAU, the department of human resource management which is led by director is the focal area of the study, which's among its functions is dealing with performance appraisal of employees of all Campuses of AAU and located in the main campus (Sidst Kilo).

1.5.2 Background of St. Mary's University College

St. Mary's University College (SMUC) is an outgrowth of St. Mary's Language School which was established in 1991 in Addis Ababa. The Language school was upgraded to a language center in 1995 and has solely been devoted to the improvement of the English language proficiency of students, establishing itself as a leading language center in the capital. It was in this language center that the University College was born.

St. Mary's College was established in 1998 under St. Mary's General Educational Development PLC with its head office in Awassa and a branch in Addis Ababa.

Envisaging the trend of development of the conventional mode of learning, the College moved its head office to Addis Ababa, Lideta Campus, in 1999 and opened the Department of Secretarial Science and Office Management (SSOM). With a view to broaden its programs, the Department of Computer Science (initially offering diploma programs) was put in place in September 2000 and the degree program in Law was initiated for the first time in the same year.

The year 2000 saw the plan of setting up a dual-mode private higher education institution become a reality - St. Mary's being a pioneer in the sector. In March of the same year, the Distance Education Division (DED) was launched focusing on Business and Law fields of study. Since 2001, the Division has been making a speedy growth targeting distance learners in the fields of Teacher Education - Amharic, English, Mathematics, Geography and History.

After a few years of concerted and coordinated effort, the College began to show remarkable success. Consequently, in preparation for the September 2002 registration, the institution made stride by employing new staff members and renting a new building at Maichew Square, beside the Wabe Shebelle Hotel, where its head office is located at present.

By way of reorganizing itself, the College spent the last quarter of 2002 restructuring previous offices as well as establishing new ones that provide the needed support and services both to the students and the staff. In 2003, the College expanded its services and started offering Degree programs in Marketing, Management, Accounting, and Teacher Education diploma programs (in the fields of English, Mathematics, and Geography). A year later, the Computer Science Department, after being beefed up with manpower, facilities, and equipment, started offering Degree programs. In the same year, the College also opened the Natural Science Stream (comprising the subjects Biology, Chemistry, and Physics), which offers diploma level training under the Teacher Education Faculty.

By August 2005, St. Mary's had more than 15,000 students in the distance mode of learning and 5,000 in the regular and extension programs. After a lot of hard work and dedication, the College was raised to the level of University College in February 2006. In the same year, SMUC, in collaboration with IGNOU – a leading distance education institution in India, started offering Masters Programs within St. Mary's newly acquired campus. The program was introduced at a time when the wide gap between the demand for tertiary-level quality education and the supply side of the services called for such programs.

In 2009 IGNOU's office moved to a building secured for the School of Graduate Studies located off-Bole Road near to the Meskel Square. The Institute of Agricultural Studies is also housed in this building. At Midir Baboor campus, where the Teacher Education Faculty has its offices and a library, the Testing Center of the University College operates its day to day activities. This center is entrusted with offering training to the entire academic staff on matters pertaining to measurement and evaluation. In addition, the center also prepares and administers exit exams for undergraduate degree program students and competence tests for the vocational ones.

St.Mary's University College is a founding member of Ethiopian Private Higher Education Institutions Association and is a member of the African Association of Universities.

With the human, financial and material resources it has created and developed over the past fourteen years, the University College continues to be poised for success in the years to come. (www.suc.edu.et).

CHAPTER TWO

REVIEW OF THE RELATED LITERATURE

2. Conceptual Frame Work

This chapter tries to deal with review of literature on performance appraisal and organizations' under the study background. Attempts will be made to briefly begin with evolution and over view of Human Resource Management followed by the general concepts of performance appraisal such as purpose, methods, importance, time, schedule, and other related information's are presented in very precise manner.

2.1 Meaning and Definition of PA

Before defining performance appraisal one has to know what Performance management is, therefore according to Armstrong (2009), Performance management is a systematic process for improving organizational performance by developing the performance of individuals and teams. It is a means of getting better results by understanding and managing performance within an agreed framework of planned goals, standards and competency requirements.

Performance management is concerned with: aligning individual objectives to organizational objectives and encouraging individuals to uphold corporate core values; enabling expectations to be defined and agreed in terms of role responsibilities and accountabilities (expected to do), skills (expected to have) and behaviors (expected to be); providing opportunities for individuals to identify their own goals and develop their skills and competencies. (Armstrong, 2009)

Performance Appraisal is defined by different scholars of human resource management in different time. Therefore, some theories of those scholars have been discussed as follows.

According to Longenecker, (1997) performance appraisal is two rather simple words that often arouse a raft of strong reactions, emotions, and opinions, when brought together in the organizational context of a formal appraisal procedure. Most organizations throughout the world regardless of whether they are large or small, public or private, service or manufacturing, use performance appraisal, with varying degrees of success, as a tool to achieve a variety of human resource management objectives.

Organizations use different tools and have a number of goals for performance appraisals, often resulting in some confusion as to the true purpose of performance appraisal systems.

However, at its core, the performance appraisal process allows an organization to measure and evaluate an individual employee's behavior and accomplishments over a specific period of time (Wiese and Buckley, 1998).

Yong (1996) defines performance appraisal as “an evaluation and grading exercise undertaken by an organization on all its employees either periodically or annually, on the outcomes of performance based on the job content, job requirement and personal behavior in the position”.

Therefore, HR development, begins with the orientation of new employees, HR training and development, and also includes the necessary information to accommodate

technological changes. Encouraging development of all employees including supervisors and managers is necessary to prepare organizations for future challenges. Career planning identifies paths and activities for individual employees as they develop within the organization. Assessing how well employees are doing their jobs is the focus of performance appraisal (Mathis and Jackson 1997, pp17-18).

Furthermore, (Gomez-Mejia et.al. pp225), stated that “performance appraisal as the process of identification, measurement, and management of human performance in organization.”

Therefore, to make these effective organizations should develop a system that serve as a tool to performance appraisal process.

2.1 Uses of Performance Appraisal

The use of PA is elaborated by Mullins (1996 pp. 367) as a formalized and systematic appraisal scheme can also form the basis of a review of financial rewards and planned career progression. Performance appraisal is therefore, a crucial activity of the personnel function and the management of human resources.

Also, the use of PA discussed by Henenman (1996, pp. 423) as PA is used to identify the dimension of performance, and also to set standards of contributions for each performance dimensions step.

And also Mondy, Noe and Premeaux (1999 pp. 361, 383) stated as: “virtually every American business firm is affected by global competition. For survival and success, it is imperative that these organizations remain competitive. Continued competence can only

be maintained ceaseless development of human resources’’. A potential mechanism for this growth is employee “PA”. Mathis and Jackson (1997, pp. 344) finally discussed about the role (use) of PA as follows. “PA has two roles in organizations. One role is to measure performance for rewarding or otherwise making administrative decisions about employees. Promotions or layoffs might hinge on these ratings making them difficult at times. Another role is development of individual potential.

Different institutions/ organizations use PA for different purposes as different scholars stated. The following are some Examples:

“Managers often believe that the most significant PA outcome involves the contributions employees make to the organizations goal attainment. Higher performing employee’s successfully meets their responsibilities and thereby make a contribution to the goals of the organization.” Mullins (1996, pp. 339,341). Performance appraisal is a vital component of a broader set of human resource practices; it is the mechanism for evaluating the extent to which each employee’s day-to-day performance is linked to the goals established by the organization (Coutts and Schneider, 2004).

According to Armstrong (2000), a PA function is a continuous and evolutionary process in which performance improves over time. It provides the basis for regular and frequent dialogues between managers and individuals about performance and development needs based on feedback and self-assessment. It is mainly concerned with individual performance but it can also be applied to teams.

According to Gomez-Mejia et.al (2001), Organizations usually conduct appraisals for

administrative and/or developmental purposes. Performance appraisals are used administratively whenever they are the basis for a decision about the employee's work conditions including promotions, termination and rewards. Development uses of appraisal which are geared toward improving employees' performance strengthening their job skills, including counseling employees on effective work behaviors and sending them for training.

The major functions of PA are to give employees feedback on performance, to identify the employees' developmental needs to make promotion and reward decisions, to make demotion and termination decisions and to develop information about the organizations selection and placement decisions, as Nelson and et al. (1997, pp. 345-346) and Mondy, Noe and Premeaux (1999) discuss the PA purpose as performance appraisal data are potentially valuable for use in virtually every human resource functional areas such as:

- a) Human Resource Planning
- b) Recruitment and selection
- c) Training and development
- d) Career planning and development
- e) Compensation programs
- f) Internal employee relation
- g) Assessment of employee potential

The system involves several steps, which can be considered as continuous, however periodic. Performance appraisal objectives can be classified in a number of ways. One of the best known classifications was produced by McGregor (1987) who grouped the

objectives as follows:-

- **Administration:** Providing an orderly way of determining promotions, transfers and salary increases.
- **Informative:** Supplying data to management on the performance of subordinates and to the individual on his or her performance.
- **Motivational:** Creating a learning experience that motivates staff to develop themselves and improve their performance. Finally, Henenman et al (1996, pp. 340) classified the purpose of PA into three conditions:
- **Administration Decisions:** those are for employee promotion, choosing employee, and making salary increments recommendations. And also these scholars presented this for administrative purpose which helps to place employees in positions where their abilities can be best use or helpful in assigning employees to appropriate future positions. Mathis and Jackson (1997, pp334) moreover state the administrative aspect of PA as follows: PA system is often the link between the reward employees hope to receive and their productivity. Decisions on promotion, termination layoff, and transfer assignments are some of the administrative use of PA that are very important to employees. When organizations terminate, promote or pay people differently, PAs are necessary as they are a crucial defense if employees sue over such decisions.
- **Employee feedback and development:** is another purpose of PA is to employees know where they stand relative to performance objectives and organization expectations. As Mathis and Jackson (1997, pp. 345) also stated that PA can be primary source of information and feedback for employees, which is the key for their future development. When supervisors identify the weakness, potentials, and training

needs of employees about their progress, discuss what skills they need to develop and workout development plans. Here the main purpose of developmental feedback lies to change or reinforce individual behavior rather than to compare individual as in the case of administrative users of PA.

Armstrong (2009) also stated employees' feedback and development as functions as a continuous and evolutionary process in which performance improves overtime. It provides the basis for regular and frequent dialogues between managers and individuals about performance and development needs based on feedback and self-assessment. It is mainly concerned with individual performance but it can also be applied to teams. The emphasis is on development, although performance management is an important part of the reward system through the provision of feedback and recognition and the identification of opportunities for growth. It may be associated with performance- or contribution-related pay but its developmental aspects are much more important.

- **Evaluation of policies and programs implemented:** are another method of PA to influence work behavior. That means, one can observe the purpose of PA keeps determinant effect and needs to be well known and done for the effectiveness of the organization task and employee relative stand on his/her job. Mondy, Noe and Premeaux (1999, pp 386) stated that the purpose of PA, "A system which is properly designed and communicated can help to achieve organizational objectives and also increases employee performance. Actually, PA data are potentially useful for use in every human resource function area such as in every human resource planning and development of employee potential.

2.2 Performance Appraisal System

Aguinis, (2005) indicated that performance management system usually include measures both behaviors (what an employee does) and results (the outcomes of an employee's behavior). In order to realize the purpose of performance appraisal, organizations should carefully design appraisal system and implement accordingly.

According to Gomez-Mejia (2001), the first step in the performance appraisal process is identifying what is to be measured. This process seems fairly simple at first glance. In practice, however, it can be quite complicated. Identification of performance dimensions is the important first step in the appraisal process. If a significant dimension is missed, employee morale is likely to suffer because employee who do well on that dimension is missed, employee will not be recognized or rewarded. If an irrelevant or trivial dimension is included, employees may perceive the whole appraisal process as meaningless.

The Second step in performance appraisal process is measuring employees' performance. Measuring employee performance involves a number to reflect an employee's performance on the identified characteristics or dimensions. Technically numbers are not mandatory. Label such as "Excellent", "Good", "average" and "Poor" might be used instead.

The third step in performance appraisal is managing performance. The effective management of human performance in organizations requires more than formal reporting and annual rating. A complete appraisal process includes informal day to day interaction between managers and workers as well as formal face to face interviews. Although the

ratings themselves are important, even more critical is what managers do with them.

2.2.1 Performance Appraisal process

The performance appraisal process is one of the human resource activities in government and private organizations of Ethiopia. The practice and process of the performance appraisal in any government employees under Federal Civil Service is according to the proclamation No. 262/2002 declared in chapter four, stating that the federal civil servants proclamation performance evaluation purpose is to enable civil servants (a) effectively discharge their duties in accordance with the expected level quality standard time; (b)- identify their strengths and weaknesses: (c) improve their “future performances and develop self initiative. (2) Performance evaluation shall be transparent and shall be carried out with the collective participation of-civil servants working together. (3) Performance evaluation shall be carried out in accordance with, directives issued by the Commission.

This proclamation works only for AAU employees’ performance appraisal while the performance appraisal of employees in the SUC is accordance of labor law of Ministry of Lobar and Social Affairs, proclamation No. 377/96. Who is the only legal body to arbitrate cases/dispute between the employer and employee when arise. In addition SUC employees do not have trade union to deal with the cases arising from the employment relationship.

2.2.2 Approaches of Performance Appraisal

Numerous techniques for measuring performance have been developed over the years. According to Gomez-Mejia, (2001), Techniques of measuring performance of employees

involve wide array of appraisal formats from which to choose. Here we discuss the formats that are most common legally defensible. These formats can be classified in two ways: (1) the type of judgment that is required (relative or absolute), and (2) the focus of the measure (trait, behavior, or outcome).

PA roots in the early 20th century and its existence consists of different approaches in its history. The three approaches that deal with PA are presented below. (Henenman and et.al. pp. 331)

- **The traditional trait rating scale approach:** involves rating an individual's personal traits or characteristics. Commonly assessed traits are: initiation, decisiveness and dependability. Although the trait approach is widely used by managers and it is generally considered by experts to be the weakest. It contains different method during application.
- **Behaviorally anchored rating scale approach: is done on job –by-job basis.** The steps in developing a behavioral anchored rating scale are both time consuming and rigorous. It contains different method, during application.
- **Management by objectives approach:** focuses on the product of one's efforts. It is the most common format for the results approach. Also, it contains different methods during application. (Henenman et al. 1996, pp.335)

2.2.3 Effectiveness of PA systems

To meet the vision, mission, objective, goals and targets of an organization or an institution, everyone should set clear and precise methods of PA system objectivity. If so, effective output of PA system leads an organization to prosper specially, in the

environment where formal learning and other similar activities are held. As a result of, every employee's awareness leads to set and control how to implement effective PA system. Nelson and et.al (1997 pp. 390) discusses that an effective PA system has about five main characteristics.

- **Validity:** Comes from capturing multiple dimensions of person' job performance.
- **Reliability:** comes from capturing evaluation from multiple sources and at different times over the course of the evaluation period.
- **Responsiveness:** allows the person being evaluated some input in to the final outcome.
- **Flexibility:** it opens to modification based on new information such as federal requirements.
- **Equitableness:** results in fair evaluations against established performance criteria, regardless of individual differences.

Again clear and very important statements, about the effectiveness of PA system are expressed by Mathis and Jackson (1997 pp. 3364-365) as follows. An understanding what an appraisal is supposed to do is very critical whichever of the method is used. It usually works if PA is used to develop employees as a source. When management uses appraisal as a punishment or when raters fail to understand its limitations is fails.

What and whichever the appraisal method is used, the main point is that managers and employees must understand the purposes of PA system. So, consistent with the strategic mission of the organization, useful as an administrative tool, legal as development tool, as documentation of employees' performance are points of chances to be obtained if and

only if PA is practiced properly.

2.2.4 Time to Conduct Performance Appraisal

In any administration activity of an organization, PA also has its own time to be conducted. Everyone in the organization has his/her own time to conduct PA depending on their own philosophy of time period (Mullins 1996 pp. 501):

With the majority of schemes, staff receives an annual appraisal and for many organizations this may be sufficient. Also more frequent appraisals may be appropriate for new members of staff, those recently promoted or appointed to a new position or for those whose past performance has not been up to the required standard. And also Mathis and Jackson (1997 pp 345-346) broadly explained as follows:

First an informal appraisal is conducted whenever the supervisor feels it is necessary. The day-to-day working relationships between a manager and an employee performance have to be judged. This judgment is communicated through conversation on the job or over coffee or by on-the-spot examination of a particular piece of work. Informal appraisal is especially appropriate when time is an issue. The longer feedback is delayed the less likely it is motivating behavior change. Frequent information feedback of employee can also avoid surprises (and therefore problems) later when the formal evaluation is communicated.

Second, a systematic appraisal is used when the contact between manager and employee is formalized and a system is established to report managerial impressions and observations on employee performance. Although informal appraisal is useful, it should

not take the place of formal appraisal. When a formalized or systematic appraisal is used, the interface between the HR unit and the appraising manager becomes more important.

Therefore, systematic appraisals typically are conducted once or twice a year. Appraisals most often are conducted once a year, usually near the employee's anniversary date. For new employees, an appraisal for 90 days after employment, again at six months, and annually these after is common timing.

This regular time interval is a feature of formal appraisals and distinguishes them from informal appraisals. Both employees and managers are aware that performance will be reviewed on a regular basis, and they can plan for performance discussions. In addition, informal appraisals should be conducted whenever a manager feels they are desirable.

2.2.5 Responsible Body to Conduct PA

PA is the most significant activity of an organization. If the right persons are not assigned to process PA activities, then the strategic objectives of organization is seriously affected. Tosi, Rossi and Carroll (1986) said (wrote) as follows:

“Performance evaluation by one's superior, groups of management at higher levels subordinated or peers. It has been department and for certain purposes, self ratings are used.” Additionally, Mathis and Jackson, (1997 pp. 347), also wrote as follows:

Again performance appraisal can be done by any one of familiar with the performance of individual employees. Possibilities are including the following.

- Supervisors who rate their employees
- Employee who rate their supervisors

- Team members who rate each other
- Outsider sources
- Employee self-appraisals
- Multi-score (360⁰) appraisal

2.2.6 Performance Appraisal Criteria

According to Armstrong (2009), the criteria for reviewing performance should be balanced between: achievements in relation to objectives; the level of knowledge and skills possessed and applied (competences or technical competencies); behavior in the job as it affects performance (competencies); the degree to which behavior upholds the core values of the organization; day-to-day effectiveness.

As Mathis and Jackson (1997, 341) stressed, performance criteria are standards commonly used for testing or measuring performances. Criteria for evaluating job performances can be classified as trait-based, behavioral based, or results based.

- Trait based criterion: identifies a subjective Character trait such as “pleasant personality”, “initiative,” or “creativity and has little to do with the specific job. Such traits tend to be ambiguous, and courts have held that evaluation based on traits such as “adaptability” and general demeanor” are too vague to use as the basis for performance-based HR-decisions.
- Behavior-based criterion: focus on specific behaviors that lead to job success.
- Results-based criterion: look at what the employee has done or accomplished. For some jobs where measurement is easy and appropriate, a results-based approach works very well.

Generally, criteria are relevant when they measure employees on the most important aspects of their jobs. But there are also problems with these criteria. Mathis and Jackson (1997 pp. 341) again said, jobs usually include many duties and tasks, and so measuring performance usually requires more than one dimension. If the performance criteria leave out some important job duties, they are deficient. If some irrelevant criteria are included in the criteria, the criteria are said to be contaminated. Managers use deficient or contaminated criteria for measuring performance much more than they should.

2.2.7 Factors that can Distort Appraisal

These errors can emanate from system designed and operating problems, raters problems, and ratees problem in performance appraisal.

2.2.7.1 Problems emanating from the Raters

Raters have their own rose-colored glasses with which they “objectively” view their subordinates. These biases produce rating errors, or deviations between the “true” rating an employee deserves and the actual rating assigned. Rating errors reduce the reliability, validity, and utility of performance appraisal systems. Biases in performance ratings manifest themselves in many forms.

According to Ivancevich, (1989), the use of ratings assumes that the rater is reasonably objective and accurate. However, in reality, raters’ memories are quite imperfect, and raters subscribe to their own sets of likes, dislikes, and expectations about people, which may or may not be valid.

2.2.7.2 Problems Emanating from the System of PA

Problems can be emanate from the system of appraisal which involves the objective of the appraisal it wants to serve, administrations system, forms used and procedure used to make up the system.

According to Michael Beer (1987) many of the problems in performance appraisal stem from the appraisal system it self-the objectives it is intended to serve, the administrative system in which it is embedded, and the forms and procedures that make up the system.

(As cited by Zelalem Bayisa 2007)

According to Michael Beer (1987), the problems of performance evolution is related to the forms and procedures that make up the performance appraisal system. The form used to record the performance of the employees is blamed if it is cumbersome, not customized and if employees did not participate in the design of the form of evolution.

(ibid)

According to Deborah F.B and Brain H. Kleiner (1997) organizations need to have a systematic framework to ensure that performance appraisal is “fair” and “consistent”. In their study of “designing effective performance appraisal system”, they conclude that that designing an effective appraisal system requires a strong commitment from top management. The system should provide a link between employee performance and organizational goals through individualized objectives and performance criteria. They further argued that the system should help to create a motivated and committed workforce. (ibid)

The system should have a framework to provide appropriate training for supervisors, raters, and employees, a system for frequent review of performance, accurate record keeping, a clearly defined measurement system, and a multiple rater group to perform the appraisal.

2.2.7.3 Problems Emanating from the Ratees

The problems of performance evaluation can also be attributed to the ratees, and involves the instance of; their attempt to create unnecessary impression and work area ingratiation is one of the major problems with respect to ratees. According to Mark Cook (1995), while discussing impression management, organizations occasionally exist in which subordinates gain credit for pushing ahead with management plans that are absurdly wrong, in pursuit of aims which are completely pointless, stifling criticism either of purpose or of method with cries of “commitment” and “loyalty”. *Ingratiation* English has a rich vocabulary to describe workplace ingratiators – including words listed in dictionaries as “not in polite use” – which implies that the behavior is widely recognized, but not widely popular.

Research suggests however that ingratiation does not always succeed in obtaining good performance ratings. Unsubtle ingratiation may sometimes be too blatant to be credible, or palatable.

Ingratiation and other impression management techniques also contaminate appraisal ratings, and make them less accurate reflectors of true worth to the organization. Besides undermining performance appraisal, and selection research, this tends to be bad for

morale, when staff see persons whose true performance is poor, but who are good at ingratiating themselves, get merit awards, or promotion, or other marks of favor. (ibid)

2.2.8 Factors Influencing the Effectiveness of PA

PA can be influenced by three major factors appraisal system, subordinate and supervisor relationship, and the interview process. Michael Beer (1987) has discussed these three factors that can influence appraisal outcomes. First, the appraisal system can be designed to minimize the negative dynamics causing problems of performance appraisal. The supervisor often has only marginal control over these matters. Second, the ongoing relationship between boss and subordinate will have major influence on the appraisal process and outcome. Third, the interview process itself, the quality of communication between boss and subordinate, can help to minimize problems of performance appraisal. (ibid)

- **The appraisal system:** In order to solve the problem of defensiveness of ratees that resulted as a result of conflict in the goals of performance appraisal, raters should conduct two separate performance appraisal interviews –one focused on evaluation and the other coaching and development. The other solution is choosing appropriate performance data. For instance, using behavioral rating scales and behavior related appraisal techniques may solve this problem.
- **Supervisor-subordinate relations:** The quality of the appraisal process is dependent on the nature of the day-to-day boss subordinate relationship. In an effective relationship, the supervisor is providing feedback and coaching on an ongoing basis. Thus, the appraisal interview is merely a review of the issues that have already been

discussed. On the other hand, if a relationship of mutual trust and supportiveness exists, subordinates are more apt to be open in discussing performance problems and less defensive in response to negative feedback.

There are no easy techniques for changing a boss subordinate relationship. It is highly affected by the context with in which the boss and subordinate work, the broader culture of the organization, and the climate of the primary work group will have important influences on boss-subordinate relationship. If the organization culture encourages participative management, open communication, supportiveness accompanied by high standards of performance, a concern for employees, and egalitarianism, it is more likely that these values will characterize.

- **The appraisal interview:** The best techniques for conducting a particular appraisal interview depend on the mix of objectives pursued and the characteristics of the subordinate. Employees differ in their age, experience, sensitivity about the negative feedback, attitude towards the supervisor, and desire for the influence and control over their destiny.

According to Michael Beer (1987) there are three types of appraisal interviews each with distinct specific objectives. The differences are important in determining the skills required by the supervisor and the outcomes for employee motivations and supervisor-subordinate relationships. The three methods are termed as: tell-and-sell, tell-and-listen, and problem solving.

- ✓ ***The tell and sell method:*** The aim of this method is to communicate evaluations to employees as accurately as possible. The fairness of the evaluation is assumed and the manager seeks (1) to let the subordinate know how they are doing, (2) to

gain their acceptance of the evaluation, and (3) to get them to follow the manager's plan for improvement. In the interview, supervisors are in complete control; they do most of the talking. They attempt to influence and persuade subordinates that their observation and recommendations are valid. Clearly, this method leads to defensiveness, lack of trust, lack of open communication and exchange of invalid information and it can hurt supervisor-subordinates relations.

✓ ***The tell and listen interview:*** The purpose of this interview method is to communicate the evaluation to the subordinate and then let him /her respond to it. This method is apt to result in better understanding between supervisor and subordinate than the -tell and sell method.(ibid)

➤ **Employees' perception about the performance appraisal in their organizations:** According to McShane and Glinow, (2000), Perception is the process of receiving information and making sense of the world around us. It involves deciding which information to notice, how to categorize this information, and how to interpret within the framework of our existing knowledge. Perceptual process is the dynamics of selecting, organizing, and interpreting external stimuli. The perceptual process begins when environmental stimuli are received through our senses. Most stimuli are screened out; the rest are organized and interpreted based on various information-processing activities. The resulting perceptions influence our emotions and behavior toward those objects, people, and events.

According to Armstrong (2009), Perception is the intuitive understanding, recognition and interpretation of things and events. Behavior will be influenced by the perceptions of individuals about the situation they are in. The term 'psychological

climate' has been coined to describe how perceptions give the situation psychological significance and meaning.

Therefore, the perception of employee about their performance appraisal depends upon their understanding of themselves and interpretation of their own. The perception of employees about the performance appraisal in the selected institutions of higher education in Ethiopia have been organized and presented by posing question about their attitudes or perceptions toward performance appraisal practice of Addis Ababa University and St. Mary's University College.

- **Perception about the Performance Appraisal System Fairness and Objectiveness:** Performance appraisal should be fair and objective oriented, if it is for aligning employees to organizational goals and employees' development. Fairness is emphasized more specifically; trust will be developed if management acts fairly, equitably and consistently, if a policy of transparency is implemented, if intentions and the reasons for proposals or decisions are communicated both to employees generally and to individuals, if there is full involvement in developing reward processes, and if mutual expectations are agreed through performance management. Failure to meet these criteria, wholly or in part, is perhaps the main reason why so many performance-related pay schemes have not lived up to expectations. The starting point is to understand and apply the principles of distributive and procedural justice.

One antecedent to distributive and procedural justice of performance, appraisal is social justice between groups and employees. When we do not compensate

employees fairly, by basing their compensation on work results, then the employees waste their time rather on getting the desired levels of compensation and not on improving their work.

According to Susan, (1995), performance evaluation system is fair if: 1) It provides adequate notice; 2) fair hearing which requires a formal review of meeting in which an employee is informed of a tentative assessment of his/her performance and employees are permitted to challenge the assessment; and 3) Judgment based on evidence that requires the organization to apply performance standards consistently across employees. (ibid)

CHAPTER THREE

3. RESEARCH DESIGN

According to Y.K Singh (2006), research design is essentially a statement of the object of the inquiry and the strategies for collecting the evidences, analyzing the evidences and reporting the findings.” The purpose of this research is to study the practice and problems of employees’ performance appraisal in Higher Education Institutions of Ethiopia: the case of Addis Ababa University and St. Mary’s University College, focusing on permanent administrative staff.

Addis Ababa University and St. Mary’s University College were selected by using purposive sampling method by assuming their potential representativeness in light of public and business firm of Ethiopian Higher Education Institutions. The same method was replicated to select Administrative employees of both universities from the broad employees of both universities.

Therefore, to make this practical both quantitative and qualitative research methods were used to approach the study subjects. The quantitative method was used by considering 10% of the population by using simple random sampling method for both universities under the study employees, and questionnaires have been distributed to the respondents. Qualitative method was used by conducting interview with human resource department heads of both institutions under the study. After the required data were collected, it was processed, and analyzed by using Statistical Package for the Social Sciences, (SPSS).

3.1 Research Methodology

In this chapter, the practical methods used in order to answer the research questions and meet the objectives of this research are presented. The study area, study subjects, sources of data, methods of data collection, and method of data processing and analysis are presented independently as follows.

3.1.1 Area of the Study

The actual research has been conducted on the Comparative Study of Performance Appraisal Practice and Problems of Addis Ababa University and St. Mary's University College of permanent administrative employees in Addis Ababa.

3.1.2 The Study Subjects

The populations under the study were 2483 and 424 permanent administrative employees of AAU and SUC, respectively. Participants in the research were 10% of administrative employees in different campuses of both organizations out of which, 248 employees of AAU, and 42 SUC permanent employees. The two were Human Resource Management Office heads of both institutions.

3.1.3 Sources of Data

Sources of data for the study were both primary and secondary. The primary data have been collected from administrative employees of both universities by using simple random sampling method and purposive sampling method. Secondary data was gathered from published and unpublished theoretical literatures and empirical studies.

3.1.4 Data Collection Methods and Research Instruments

Research questionnaire used was adopted from Marie Burns Walsh, B.S., Louisiana State University, 2003, and in order to collect the primary data from AAU's Administrative employees, questionnaires consisting of all the required variables for the validity and reliability of the research result have been distributed to 248 AAU administrative employees randomly, by excluding the management members. Additionally, unstructured interview was conducted with Human Resource Department Heads in order to obtain data related to employees' performance appraisal to understand the system of assessments in general. Same was replicated for 42 administrative employees, and human resource department head of SUC. Also secondary data of both organizations were been referred.

3.1.5 Methods of Data Processing and Analysis

After collecting the required data, Statistical Package for the Social Sciences (SPSS) version 16 has been used for the purpose of processing and analysis of the results. Descriptive statistics based on tables have been used to analyze information on all factors/variables including respondent personal information. The descriptive statistics used in the study were based on tables in percentile and t-test distribution presentation for the responses of discussion including personal information of the respondents.

Regarding the t-test interpretations for variables used on Likert scale; measurement was used on the basis of the survey; 5=strongly agree; 4=agree; 3=neither agree nor disagree (indifferent); 2 = disagree; 1=strongly disagree. The mean level of agreement between the group or of the group is categorized on the scale; SA = Strongly Agree (4.51 or greater); A = Agree (3.51 – 4.50); NA = Neither Agree nor Disagree (Indifferent) (2.51 – 3.50); D

= Disagree (1.51 – 2.50); and, SD = Strongly Disagree (1.49 or less). And, to make more comfortable for analysis three base scales is used, Agree, 3.51 and above, neither agree nor disagree 2.51 to 3.50, and disagree less than 2.50.

3.2 Data Quality Assurance

According to Kothari, (2004), sound measurement must meet the tests of validity, reliability and practicality. In fact, these are the three major considerations one should use in evaluating a measurement tool. “Validity refers to the extent to which a test measures what we actually wish to measure. Reliability has to do with the accuracy and precision of a measurement procedure ... Practicality is concerned with wide range of factors of economy, convenience, and interpretability ...” Therefore, we briefly take up the relevant details concerning these tests of sound measurement. To ascertain the data quality and reliability questionnaire used was translated to Amharic which is an official language of federal government of Ethiopia, by consultant in Ethiopian language studies and literature department staff, in order to make respondents comfortable in understanding the essence of the questionnaire. In addition face to face interview was conducted with the two human resource heads of the institutions understudy, for the purposes of triangulation. Therefore, the validity, reliability and practicality of this study are ascertained.

CHAPTER FOUR

4. DATA PRESENTATION, ANALYSIS AND INTERPRETATIONS

The following discussion is organized around sub-topics reflecting the research objectives and questions. The purpose is to simplify the discussion and to contribute to a better understanding of the research findings. Accordingly, the discussion aims to answer the following research questions concerning the organizations under study: What are the nature of employees' performance appraisal practices in AAU and St. Mary's University College? What are the major problems in the practices of performance appraisal of employees? What are the objectives of employees' performance appraisal in these organizations? What are the potential sources of employees' dissatisfactions regarding performance appraisal? What are the alternative solutions for any problems regarding the practices of employees' performance appraisal in the aforementioned organizations?

These research questions were approached by using the questionnaire based on the Likert Scale, which studied the attitudes of the respondents and informants employees regarding human resource performance appraisal of both universities under the study. In addition to these, documents of the organizations under the study, which were used for the purpose of performance appraisal, have been used for the discussion and analysis.

Questionnaires were prepared, distributed to those permanent administrative employees of both universities under the study, and collected during the months of April and May, 2012. The questionnaires were based on the population of both Addis Ababa University and St. Mary's University College, which are the permanent administrative employees. Out of the 2483 total permanent administrative employees of AAU 10% were considered

for the study, and 248 questionnaires were distributed to the respondents. Of the 248 questionnaires distributed, 234 were collected and used for data analysis purposes. In the case of St. Mary's University College, out the total 424 permanent administrative employees 10% was considered for study and 42 questionnaires were distributed and 34 were collected, and used for data analysis. The data and the response rate is presented and analyzed in detail in the subsequent pages of this research.

4.1 Respondents' Profile

In this part of the questionnaire the demographic information of the participant employees of both universities understudy, is presented for analysis. The analysis tries to provide information related to sex, age, educational background and monthly salary and years of service of respondent employees.

4.1.1 Sex Distribution of Respondents

Table 2: Employees Sex

Institution	Male	Female	Total
% AAU	47.8	52.2	100%
% SUC	67.6	29.4	100
% of Total	50.4	49.2	100

Data Source: April and May, 2012

According to the data the majority of the work forces in AAU were female while in SUC male. In addition, out of the total work force in both universities the majorities (50.4%) were male and the rest were female.

4.1.2 Respondents' Age Distribution

Table 3: Employees' Age

	Age				Total
	under 25	25 - 40	41 - 50	above 50	
% AAU	8.2%	53.2%	30.5%	7.7%	100.0%
% SUC	17.6%	76.5%	5.9%	.0%	100.0%
% of Total	9.4%	56.2%	27.3%	6.7%	100.0%

Data Source: April and May, 2012

From the above table the majority (53.2%) of employees of AAU were in the category of 25 to 40 years age. Additionally, the second majority (30.5%) of employees from same organization were in the category of 41 to 50. Other employees who are in the category of above 50 years and less than 25 were 7.7% and 8.2% respectively.

Additionally, the majority (76.5%) employees of SUC were in the categories of 25 to 40 years, and 17.6% below 25 ages.

4.1.3 Employees' Level of Education

Table 4: Employees Level of Education

Institution	level of education					Total
	MA	BA	Diploma	TVT	Secondary Edu.	
% AAU	9.1%	36.6%	33.2%	11.6%	9.5%	100.0%
% SUC	5.9%	29.4%	41.2%	8.8%	11.8%	100.0%
% of Total	8.6%	35.7%	34.2%	11.3%	9.8%	100.0%

Data Source: April and May, 2012

It is possible to understand from the above table that the majority (36.6%) of work force in AAU is in the category of BA, while the majority (41.2%) of work force in SUC is in category of Diploma. Additionally, the table above shows the SUC employees' educational level is in (29.4%) and (5.9%), BA and MA respectively.

As to the total percent of employees' levels of education from total of both university majority (35.7%) of employees were in the level of BA.

4.1.4 Employees Years of Service

Table 5: Employees' Years of Service

Institution	Service of year						Total
	< 5	5-10	11-15	16-20	21-30	>30	
% AAU	17.1%	26.5%	18.8%	8.5%	23.1%	5.6%	100.0%
% SUC	55.9%	41.2%	.0%	2.9%	.0%	.0%	100.0%
% of Total	22.0%	28.4%	16.4%	7.8%	20.1%	4.9%	100.0%

Data Source: April and May, 2012

According to the above table the majorities (26.5%) of employees from AAU were in the category of 5 to 10 years service, and on the contrary, the majority (55.9%) of employees' years of service at SUC was less than 5 years service.

4.1.5 Employees' Monthly Salary

Table 6: Employees Monthly Salary

Institution	Monthly Salary						Total
	0	<500	500-1000	1001-1500	1501-2000	>2000	
% AAU	.9%	3.0%	20.9%	35.9%	20.5%	18.8%	100.0%
% SUC	2.9%	.0%	32.4%	23.5%	5.9%	35.3%	100.0%
% of Total	.11%	2.6%	22.4%	34.3%	18.7%	20.9%	100.0%

Data Source: April and May, 2012

From the above table it is possible to learn that the salary the majority (35.9%) of employees of AAU earns is in the category of 1001 birr to 1500 birr, while the salary the majority (35.3%) of the employees of SUC earns is in the category of above 2000 birr. On the other hand employees of AAU who earn less than 500 birr were 3.0% while none for SUC.

Out of the total employees of both universities the majority (34.3%) of employees were in the category of birr 1000 to 1500.

4.2 Performance Appraisal Practice and Process in AAU and SUC

According to the information from human resource department office of AAU and human resource department of SUC the objective of performance appraisal is described as follows.

- To review the **performance of the employees** over a given period of time.
- To judge the gap between the actual and the desired performance.
- To help the management in exercising organizational control.

- Helps to strengthen the relationship and communication between superior – subordinates and management – employees.
- To diagnose the strengths and weaknesses of the individuals so as to identify the training and development needs of the future.
- To provide feedback to the employees regarding their past performance.
- Provide information to assist in the other personnel decisions in the organization.
- Provide clarity of the expectations and responsibilities of the functions to be performed by the employees.
- To judge the effectiveness of the other human resource functions of the organization such as recruitment, selection, training and development.
- To reduce the grievances of the employees.
- To enhance the overall control of administrative improvement.

Appraiser: According to an interview held with Human Resource Management head and the researcher knowledge of over thirty years experience as administrative staff, the performance of employees in AAU was appraised by employees' immediate supervisors. As the information gathered from human resource department head conducted through interview, employees of SUC performance was appraised in the same way as those of employees of AAU by their immediate supervisors.

Frequency of the Appraisal: According to the interview conducted with HRM heads of both AAU and SUC the performance appraisal of their respective organization employees' is conducted bi annually, at the end of December and June.

Techniques used for performance appraisal: According to the interview held with HRM Head of AAU and head department of human resource of SUC both organization

use graphic rating scale technique to appraise their employees.

✓ **In the case of Addis Ababa University:** appraisers were given format to appraise employees. The format contains twelve sets of characteristics, those are assumed can practically demonstrate the knowledge, ability, obtained in education, training, and practical experiences, cooperation on job with his/her immediate supervisor, in group working, initiative to help clients, job reliability and effectiveness, Productivity (efficiency), property handling knowhow and personal attitude.

Ability to, receive (hold) responsibility, i.e. (knowledge, confidence, knowing the extent of responsibility and controlling his/her self to work). Job planning and coordination ability, leading and controlling ability i.e. (idea receiving, giving, and transferring, giving directives, sharing responsibility and controlling ability, making others to be active, initiating, motivating others, inter connecting work and worker and utilizing the existing labor power ability) and decision making by understanding the consequence of decisions and responsibility, the activity to gather information that makes to decision and analysis.

✓ **St. Mary's University College:** appraisers were given format to appraisal employees as Addis Ababa University does. But the characteristics of SUC format for employees appraisal contains ten for all employees at all levels, while the AAU's contains nine for none supervisory and twelve for supervisory.

Those characters assumed can demonstrate characteristics like, cooperation on job: efforts shown to help co-worker, willingness to perform repetitive jobs without fade up, readiness beforehand to accept changes on the process of job, and readiness and willingness to work under pressure when the need for extra hour work is required. Ability

of using working hours: meeting entrance to the job and exit from the job during the time given, and obligation to performing only organization' task during working hours. Knowledge of the job: ability to practice knowledge/training acquired, ability of performing assigned job qualitatively, ability of performing duties assigned within given time/ or submitting when required. Ability to follow up job in processing and executing, ability to resolve problems in countered while job in process, ability to adjust own self to changes in process and technology. Tendency on job: contribution to the functional section in constructive manner, efforts to genuinely caring for morale of other coworkers, willingness to accept criticism and evaluation on the job quickly. Relationship while on the job: working in harmony with coworker genuinely, working with supervisors' in harmony by accepting order, willingness of participation in group work, ability of submitting reports of work done timely. Capability to perform job assigned to in organized and systematic ways: ability to accomplish assigned tasks in organized and efficient ways, ability to control different tasks at a time. Capacity of creativity: ability to perform tasks using own creativity, competency to pursue different methods to perform tasks using own creativity. Concern for resource: concern for caring and keeping university college's property, concern for University College's resource and property. Efforts to fulfill customer satisfactions: effort shown to satisfy internal and external customers, ability to listen to customers demand patiently, attention to any customer grievance and demand patiently, and striving to solve their problems, ability to accept customers who arrives through written and telephone communication. Personality during office hours: practice of working hours of dressing style, neat personality of working hour's practice, if the university college avails uniform cloths practice of always dressing

during working hours, if the university college avails the apron badges the practice of the employee to perform.

Table 1 Grade levels of performance appraisal in AAU.

Performance	Grade
From 1.00-to 1.44	<<Low>>
From 1.45-to 2.44	<<Satisfactory>>
From 2.45-to 3.44	<<Medium>>
From 3.45-to 4.44	<<High>>
From 4.45-to 5.00	<<Very high>>

Federal Civil Service's standard for evaluation of AAU's Employees appraisal.

According the information conducted from the human resource department head during this the grade level is not set for appraisal in the SUC. However, the average rating method is used in both universities to compute the result of performance appraisal of employees.

4.3 Objectives of PA in AAU and SUC

Feedbacks from performance evaluation need to motivate employees through recognition and support. According to Armstrong (2009), the emphasis is on development, although performance management is an important part of the reward system through the provision of feedback and recognition and the identification of opportunities for growth. It may be associated with performance- or contribution-related pay but its developmental aspects are much more important.

Regarding objectives of performance appraisal in both organizations data collected is presented for discussion and analysis in the table below.

4.3.1 Information Generated is used to give Feedback to Employees

Table 6: Respondents' responses for information generated through PA is used to give Feedbacks

Institution	Level of Agreement					Total
	SD	D	NA/ND	A	SA	
% within AAU	14.5%	15.0%	19.7%	32.1%	18.8%	100.0%
% within SUC	14.5%	2.9%	29.4%	35.3%	32.4%	100.0%
% of Total	12.7%	13.4%	20.9%	32.5%	20.5%	100.0%

Data Source: April and May, 2012

The majority (50.9%) of the total respondent employees of AAU agree, while 29.5% disagree, and 19.7% are indifferent. Similarly, the majority (67.7%) of employees of SUC agrees, whereas 29.4% are indifferent and (2.9%) disagree. Out of these total respondent employees of both universities the majority (53.0%) agree, whereas 26.1% disagree, and 20.9% are indifferent.

Regarding the usage of this information for employees' feedback the human resource department heads of both universities were interviewed as informants. And according to their information, the employees are given the right to see their performance rating and sign if they agree, and if they do not agree, they have the right not to sign the form.

As shown in the Appendix B Table of t-test for means, while providing their level of agreement about the use of information generated through performance appraisal for feedback of employees in order to know where they stand, the average agreement level

by AAU and SUC employees were 3.26 and 3.97, respectively. The employees of both universities were not on the same level of agreement. The t-test result with $p\text{-value}=0.002<0.05$ reveals that there is significant difference in the average level of agreement between the two universities' employees. The net result seems to be that AAU employees are at a moderate level of agreement while SUC employees are at a higher level of agreement. This indicates information generated through PA is used more effectively in SUC institutions as opposed to AAU.

As it is shown in Table 6 presented in percentile, the response of the informants, and this t-test for equality of mean, it is possible to conclude the use of performance appraisal for employees feedback purpose is at moderate level, and needs to maximize the feedback to the subordinate employees. The rationale for their knowledge is it helps how they were performing their job and shows them where they stand and motivates them to improve their performance which improves productivity/service quality of their respective organizations.

4.3.2 Information Generated through PA is used to Motivate Subordinates

One of the objective of performance appraisal is to motivate employees through reward and development those employees whose their performance rating is above the average standard for this purpose.

Table 7: Employees Level of Agreement on PA is used to motivate Subordinates

Institution	Level of Agreement					Total
	SD	D	NA/ND	A	SA	
% AAU	20.5%	18.4%	17.5%	24.4%	19.2%	100.0%
% SUC	5.9%	11.8%	32.4%	26.5%	23.5%	100.0%
% of Total	18.7%	17.5%	19.4%	24.6%	19.8%	100.0%

Data Source: April and May, 2012

From the table above, it is possible to learn that of the total number of respondents at AAU, the majority (43.2%) agreed, while 38.9% disagreed, and 24.4% were indifferent, regarding the claim that the information generated through performance appraisal was used for motivating employees. This indicates the motivation of employees is very low, which in turn reflected on production/service quality. In practice, this hinders effectiveness and efficiency.

On the other hand, in the case of SMU, the majority (50.0%) agree, while 32.4% are indifferent, and 17.7% disagree about the same question, which indicates the motivation level of employees at the college is better than that at AAU, but not enough to maximize the benefit from motivated employees of the organization. Motivated employees are committed employees who can increase efficiency and effectiveness by increasing the service quality of the organization eventually maximizing the attainment of the organization's goal.

Through the interview conducted with the human resources department heads of both institutions, it was learned that information generated through performance appraisal is

not used for motivating employees in their respective organizations to the expected level. Especially, the feedback from Performance appraisal is used for the motivation in the case of AAU, since motivation involves payment, reward, healthy and safety working environment and developmental purposes. In general the performance appraisal has not been given attention; since salary review was stopped many years back, with its practice of salary review was being effective once every two years.

Despite this, of the total number of employees 36.2% disagreed and 24.6% were indifferent, while the majority (44.4%) agreed, that information generated through performance appraisal is used to motivate employees in their respective organizations, while the existence of such practice is denied by human resource department directors of both institutions during the interview sessions conducted with them.

According to the t-test for equality of means developed and presented in Appendix B, the level of agreement about the use of information generated through performance appraisal being used for the motivation of employees, the average agreement levels by AAU and SUC employees are 3.03 and 3.5, respectively. The employees of both universities were indifferent about the use of information generated through performance appraisal for motivating employees. The t-test result with $p\text{-value}=0.07 > 0.05$ reveals that there is no significant difference in the average level of agreement between the employees of the two universities. This indicates that the employees of both universities are at moderate level of agreement. These organizations were not using the performance appraisal for motivational purposes at the desired level. The degree of using the performance appraisal for motivational purpose is very low in both universities. Since motivated employees

enhance productivity/service quality, to maximize the benefits of these committed employees is essential. Performance appraisal not used for motivation is meaningless and hurts the morale of employees and stifles competition and creativity. The absence of competition and creativity would cost the organizations.

4.3.3 Determinations of Pay and Promotion Decisions

Performance appraisal is used not only for employee feedback purposes, but also for pay and promotion determination purposes. If PA is to be effective it has to be connected with the benefits it bears, such as pay increment and promotion. Payment is a kind of material reward involving pay in cash or in kind, whereas promotion is the move from a lower level to a higher level position comes with cash increment. This helps the organization as well as the incumbent employee in bringing about effectiveness and efficiency, which in turn increases productivity or service quality.

Concerning the usage of information generated through performance appraisal for pay and promotion decisions by AAU and SUC, data collected is presented in the table below.

Table 81: PA Determinations of Pay and Promotion

Institution	Level of Agreement					Total
	SD	D	NA/ND	A	SA	
% AAU	19.3%	18.9%	19.3%	24.9%	17.6%	100.0%
% SUC	5.9%	8.8%	26.5%	38.2%	20.6%	100.0%
% of Total	17.6%	17.6%	20.2%	26.6%	18.0%	100.0%

Data Source: April and May, 2012

According to this information 38.2% and 14.7% employees performance appraisal is not attached to reward and promotion in AAU and SUC respectively. Additionally, 19.3% and 26.5% of employees of these organizations were indifferent respectively, and this may be form low understanding of employees about the performance appraisal and its purposes. From the total respondent employees of both universities understudy majority (44.6%) agree, while 35.2% disagree, and 20.2% were indifferent about the use of information generated to determine pay and promotion decisions.

To decide at this level of agreement it is difficult to accept that information generated through performance appraisal is used to determine pay and promotion decisions. For the purpose of triangulation the human resource department heads of both AAU and SUC were interviewed. According to their response, information generated through PA is used for promotion decision which accounts for 20% of the total variables required for promotion in AAU, while it is used for promotion, development and annual increment purposes in SUC.

The t-test for equality of means in Appendix B shows that regarding the question of whether information generated through performance appraisal is used for determining the decision of pay and promotion of employees, the average agreement levels by AAU and SUC employees are 3.03 and 3.59, respectively. The employees of both universities were indifferent regarding the use of information generated through performance appraisal to motivate employees. The t-test result with $p\text{-value}=0.02 < 0.05$ reveals that there is significant difference in the average level of agreement between the employees of the two universities. While SUC uses information generated through performance appraisal for

decision of pay, development and promotion has earned a high level of agreement, the AAU stood at a moderate level of agreement. Uses of information generated through performance appraisal for decision of pay, development and promotion at low level in the public higher education, as oppose to private higher education of Ethiopia. This indicates the low level of work motivation, in the public than in the private, despite of any increased motivation for work can increase productivity and service quality which as a result increases efficiency and effectiveness.

4.3.4 PA used to Counsel and Coach Subordinates

The purpose of performance appraisal is also to determine decision of employees' development to make them more productive in the organizations. Developing employees' involves counseling and coaching for their weak performance and it is one of the human resource management functions.

According to Armstrong (2009), counseling and coaching employees functions as a continuous and evolutionary process in which performance improves over time. It provides the basis for regular and frequent dialogues between managers and individuals about performance and development needs based on feedback and self-assessment. It is mainly concerned with individual performance but it can also be applied to teams.

To know the level of agreement of employees of both universities, about the information generated through performance appraisal being used to counsel and coach subordinates, data are presented in the table below.

Table 9: PA Uses to Counsel and Coach Subordinates

Institution	Level of Agreement					Total
	SD	D	NA/ND	A	SA	
% AAU	13.7%	11.1%	18.8%	29.1%	27.4%	100.0%
% SUC	.0%	2.9%	14.7%	47.1%	35.3%	100.0%
% of Total	11.9%	10.1%	18.3%	31.3%	28.4%	100.0%

Data Source: April and May, 2012

From the above table majority (56.5%) and (82.4%) of employees from AAU and SUC, respectively, agree that information generated through performance appraisal is used to counsel and coach subordinates. On the contrary, 24.8% employees of AAU disagree and 18.8% and 14.7% were indifferent in AAU and SUC respectively. This is significant in relation to increasing/reducing performance of employees in their respective organizations.

From the total number of respondents of both universities the majority (59.8%) agree, while 22.0% disagree and 18.3% are indifferent respectively. And these show that, though the majority agree, significant percent of employee disagree and are indifferent about the issue. In addition to these employees' responses discussed in the above descriptions, interviews were conducted with HRM heads' of both institutions. According to these officials, there were no such practices in their respective organizations at all; after the process of employee appraisal is completed the practice of counseling and coaching is never effected, particularly at AAU.

Why do the respondents accept the existence of counseling and coaching in their respective organizations, while the human resource management heads deny its existence?

To further understand this issue t-test for equality of means was developed and presented in Appendix B, and it shows that the average agreement level by AAU and SUC employees are 3.45 and 4.15, respectively. The employees of both universities have failed to agree about the information generated through performance appraisal being using to counsel and coach subordinates. The t-test result with $p\text{-value}=0.004<0.05$ reveals that there is a significant difference in the average level of agreement between the two universities' employees. The SUC uses information generated through performance appraisal to counsel and couch subordinates gets a high level of agreement, while AAU stands at a moderate level of agreement.

The use of performance appraisal to counsel and couch subordinates not as much as needed, since any deficiency affects effectiveness and efficiency. In this competitive world organization should maximize their benefits by using such employee appraisal tools. The scenario in the higher education would not be far from the above, even if the private higher institutions exploiting the PA for counseling and coaching employees better than public higher education institutions.

4.3.5 PA used to warn Subordinates

Performance appraisal process involves warning subordinates about their unsatisfactory performance and helps supervisors to make discharge and retention decisions.

According to Mathis and Jackson (1997), PA has two roles in organizations. One role is to measure performance for rewarding or otherwise making administrative decisions about employees. Promotions or layoffs might hinge on these ratings making them difficult at times.

The level of agreement of employees of both universities about the information generated through performance appraisal being used as a basis to warn subordinates about unsatisfactory performance and helping supervisors to make discharge and retention decisions is presented in the table below.

Table 10: PA uses to warn Subordinates

Institution	Level of Agreement					Total
	SD	D	NA/ND	A	SA	
% AAU	22.2%	22.2%	26.5%	17.5%	11.5%	100.0%
% SUC	11.8%	8.8%	35.3%	26.5%	17.6%	100.0%
% of Total	20.9%	20.5%	27.6%	18.7%	12.3%	100.0%

Data Source: April and May, 2012

It is possible to understand from the above description that the majority of employees from AAU (44.4%) disagrees about the statement while majority of employees from SUC (44.1%) agree. Compared to AAU, SMUC uses better the information generated through performance appraisal as the basis to warn subordinates about unsatisfactory performance and helps supervisors to make discharge and retention, while a minority (29.0%) of AAU employees agree that information generated through performance appraisal is used as a basis for the stated decision purpose.

From the above data it is possible to understand that employees of AAU and SUC, 26.5% and 35.3%, respectively, were indifferent about the usage of performance appraisal as a basis for warning subordinates about unsatisfactory performance and helping supervisors to make discharge and retention decision. These figures are significant and have negative impact on both organizations and employees.

According to the responses of the employees of both organizations, the majority of respondents neither agreed nor disagreed with the statement that the information generated through performance appraisal are used to warn subordinates about their unsatisfactory performance, and to help supervisors make decisions of retention or discharge.

The interview response from both university human resource officers about using the information generated through performance appraisal for warning subordinates about their unsatisfactory performance, and helping supervisors to make decisions of retention is not far from the employees' response mentioned above, meaning the organizations use it most of the time as a matter of formality, and only rarely for such purposes.

The t-test for equality of means developed in Appendix B, shows that the average agreement levels of both AAU's and SMUC's employees are 2.74 and 3.29, respectively. The employees of both universities have failed to agree about using information generated through performance appraisal for the said purpose.

The t-test result with $p\text{-value}=0.02 < 0.05$ reveals that there is a significant difference in the average level of agreement between the employees of the two universities. SUC uses

for the said purpose at high moderate level the information generated through performance appraisal, while there is the AAU uses at low moderate level.

According to responses of employees, HRM officials of both organizations and the t-test for equality of means, the level of agreement regarding the use of information generated through performance appraisal is clearly seem at moderate level, which is not healthy for both organization. However the both public and private higher education institutions also use the information generated from PA at same level, as the above aforementioned institutions.

Therefore, due to the fact that the use is at moderate level, both organizations need to maximize the use of PA in order to correct the behavior of employees with low performance and make them more efficient and effective. If this measure could not correct the behavior of employees, organization should consider the question of retention or discharge in order to minimize cost and maximize the benefit of the organizations.

4.3.6 PA used to strengthen the Relationship between Superiors and Subordinates

The design of information generation should be done in such a way that it can strengthen the relationship between superiors and subordinates. According to Henderson (1984), developing an appraisal system that accurately reflects employee performance is a difficult task. Performance appraisal systems are not generic or easily passed from one company to another; their design and administration must be tailor-made to match employee and organizational characteristics and qualities.

If the design is tailored to the needs and characteristics of particular organization, the performance of employee within the goals of the organization and with human resource development and reward mechanisms that motivate employees, good relationship can be maintained and strengthened.

A design of performance appraisal system without organizational goal achievement and development and reward mechanisms for employees is questionable and spoils the relationship between subordinates and superiors. Regarding the attitude of the employees of both universities is presented in the Table 11 below.

Table 11: PA uses to strengthen the Relationship between Superior and Subordinates

Institution	Level of Agreement					Total
	SD	D	NA/ND	A	SA	
% AAU	20.2%	24.0%	21.0%	23.2%	11.6%	100.0%
% SUC	5.9%	8.8%	26.5%	47.1%	11.8%	100.0%
% of Total	18.4%	22.1%	21.7%	26.2%	11.6%	100.0%

Data Source: April and May, 2012

The majority (44.2%) of employees of AAU disagreed, while (34.8%) agreed and (21.0%) were indifferent. In addition, the majority (58.9%) of employees from SUC agreed while the other 26.5% were indifferent and 14.7% disagreed about the designed performance appraisal strengthening the relationship between superiors and subordinates. The observed indifference among employees may be due to of capacity to understanding the questionnaire or because of a low level of understanding about the performance appraisal system and its purposes in their respective organizations. Of the total

respondents of both universities, the majority (40.3%) disagree, while 38.8% agree and 21.7% are indifferent.

On the other hand, the heads of the departments of HRM said that the existing practice of the performance appraisal was not clearly defined as one strengthening the relationship between superiors and subordinates because only the element of appraisal is in it, with no developmental and motivational purposes; it was rather used for punishments. In addition to the above descriptions, the t-test for equality of means in Appendix B reveals that, the average agreement level by AAU and SUC employees are 2.82 and 3.50, respectively. The employees of both universities have failed to agree about the performance appraisal design's adequacy to strengthen the relationship between the superiors and the subordinates of their respective organizations.

The t-test result with $p\text{-value}=0.00<0.05$ reveals that there is a significant difference in the average level of agreement between the two universities' employees. SUC uses the performance appraisal design to strengthen the relationship between the superiors and subordinates at moderate level of agreement, while the AAU uses at low moderate level.

According to these descriptions, the AAU is at high risk in failing to bring about a strong relationship between subordinates and superiors, because if the relationship between the two is gets sour, the peace in the organization will be disturbed, emotions will run high on both sides, and arguments will follow. As a result of the conflict between these decisive work forces of the organizations, both would opt for legal measures, and production/service quality would decrease, eventually leading to organizational ineffectiveness and inefficiency. Despite the fact that positive relationship plays a

decisive role in bringing about synergy, the SUC employees showed the existence of such practice in a better way than AAU, however, the disagreed respondents of the organizations are not negligible, and the organization should take corrective measures by attaching the PA to the necessary motivations, in order not to face the risk AAU faces.

However, both organizations need to do a lot to minimize the risk of the existing scenario of weak relationship between subordinates and supervisors emanating from the PA's weakness. And both organizations need to sow and cultivate the seed of a good PA mechanism in such a way that it maximizes the strength of the relationship between subordinates and supervisors.

4.3.7 Diagnoses both Organizational and Individual Problems

Performance appraisal is used to diagnose organizations' and individual employees' problems. According to Armstrong (2009), the overall objective of performance management is to develop the capacity of people to meet and exceed expectations and to achieve their full potential to the benefit of themselves and the organization. Performance management provides the basis for self-development but, more importantly, it is also about ensuring that the support and guidance people need to develop and improve is readily available. In this regard, then, how far have both organizations and their respective employees gone in applying the process? The data collected is presented in the Table 12 below.

Table 12: PA Diagnoses both Individual and Organizational Problems

Institution	Level of Agreement					Total
	SD	D	NA/ND	A	SA	
% AAU	22.3%	22.3%	21.5%	24.9%	9.0%	100.0%
% SUC	2.9%	14.7%	17.6%	47.1%	17.6%	100.0%
% of Total	19.9%	21.3%	21.0%	27.7%	10.1%	100.0%

Data Source: April and May, 2012

It is possible to know the level of agreement of the majority (44.6%) of employees from AAU disagree, while 33.9% agree, and 21.5% are indifferent. In the case of SUC, the majority (64.7%) of employees' level of agreement was positive, while 17.6% were indifferent, and 17.6% disagree about the information generated through performance appraisal being used for the purpose of diagnosing the problems of the organization and the employees.

Of the total employees of both organizations, the majority (41.2%) disagree, while 37.8% agree and 21.0% are indifferent.

In addition to the information gathered through the questionnaire from employees, interview was conducted with human resource department heads of both organizations; their response was not far from the information gathered through the questionnaires.

The result is that it was difficult to conclude that information generated through performance appraisal is used to diagnose the problem of both the employees and the organizations.

To seek the level of agreement at both organization the t-test for equality of means shown in Appendix Two shows that the average agreement level by AAU and SUC employees are 2.76 and 3.62, respectively. The employees of both universities do not agree that information generated through performance appraisal is used to diagnose the problem of both employees and organizations. The t-test result with $p\text{-value}=0.00 < 0.05$ reveals that there is a significant difference in the average level of agreement between the employees of the two universities. The employees of SUC moderately agree that the college uses the information generated through PA to diagnose the problem of the employees and the organization, while AAU employees have a moderate level of disagreement.

4.3.8 Ability of PA to Help Employees to Improve Job Performance

Performance appraisal is useful not only to align employees with the goals of organizations; it is also used for the development of the capacity of the employees in order to make them more productive. Improving job performance is improving job quality and efficiency. And this can be achieved through training and human resource development in terms of contributing to the organization's goals.

According to Gomez-Mejia (2001), development uses of appraisal are geared toward improving employees' performance and strengthening their job skills, including counseling employees on effective work behaviors and sending them for training. The opinions of the respondents of both universities about the adequacy of performance appraisal in helping to improve job performance are shown in the Table below.

Table 13: Ability of PA to Help Employees to Improve Job Performance

Institution	Level of Agreement						Total
	0	SD	D	NA/ND	A	SA	
% within AAU	.0%	21.0%	20.6%	24.0%	21.0%	13.3%	100.0%
% within SUC	2.9%	8.8%	23.5%	23.5%	23.5%	17.6%	100.0%
% of Total	.4%	19.5%	21.0%	24.0%	21.3%	13.9%	100.0%

Data Source: April and May, 2012

According to the Table above the majority (41.6%) disagree, while 34.3% agree, and 24.0% disagree, about the performance appraisal in their organization helping them to improve their jobs. On the contrary the majority (41.1%) of employees from SUC agree, while 32.3% disagree, about it. Of the total employees of both universities, the majority (40.5%) disagree, while 35.2% agree, and 24.0% are indifferent about the performance evaluation in their organization helping them to improve their jobs.

The responses of the human resource department heads of both universities revealed that the practice of evaluating employees to improve their job was not adequate enough, especially in the case of Addis Ababa University.

The t-test shown in Appendix Table B reveals the average agreement level by AAU and SUC employees are 2.85 and 3.09. The employees of both universities are at a moderate level of agreement about the performance evaluation in their organization helping them to improve their job performance. The t-test result with $p\text{-value}=0.33 > 0.05$ reveals that there is no significant difference in the average level agreement between the employees of the two universities. The employees of both universities therefore moderately agree

that the performance evaluation in their respective organizations help them to improve their job performance.

The employees' job level improved by PA in both universities at moderate level, and this shows the role of the PA is not at desired level to improve the performance of employees, which the scenario can be replicated to Ethiopian higher education institutions.

And both organizations and the higher education institutions should use for the improvement of performance of their employees performance by developing policy, that guides and create opportunities, for coaching, training and development programs, which can improve the performance of employees in their respective institutions.

4.3.9 Is the PA system serving its purpose?

According to Gomez-Mejia et.al (2001), Organizations usually conduct appraisals for administrative and/or developmental purposes. Performance appraisals are used administratively whenever they are the basis for a decision about the employee's work conditions including promotions, termination and rewards.

The following Table shows the opinions of the employees of both universities regarding this issue:

Table 14: The PA system is serving its purpose

Institution	Level of Agreement					Total
	SD	D	NA/ND	A	SA	
% AAU	25.8%	30.0%	23.6%	15.0%	5.6%	100.0%
% SUC	2.9%	14.7%	41.2%	26.5%	14.7%	100.0%
% of Total	22.8%	28.1%	25.8%	16.5%	6.7%	100.0%

Data Source: April and May, 2012

The majority (55.5%) of employee from AAU disagree, while majority (41.5%) agree, and (41.2%) are indifferent from SUC. Out of the total employees of both universities the majority (50.9%) disagrees, while others (25%) are indifferent and (23.2%) agree.

The majority of AAU employees did not believe that the performance appraisal system served its purpose, the purposes of performance appraisal being counseling, coaching, developing and training for those employees with deficiency on their job, and promotion and reward to motivate those who were performing well. In the case of SUC even if the magnitude of the difference is less in relative of AAU the performance appraisal system also seem sick, and needs the attention of the management.

In general, of the total respondents of both universities the majority disagree that PA system is fulfilling the purposes. This indicates that it has been given low regards by the management of both universities.

Furthermore, the t-test shown in the Table B reveals, the average agreement level by AAU and SUC employees are 2.45 and 1.012, respectively. The t-test result with $p\text{-value}=0.00 < 0.05$ reveals that there is significant difference in the average level agreement between the two universities' employees.

Apparently employees of other Ethiopian higher education institutions also do not believe the performance appraisal is serving its purpose. On the other hand, the response of the human resource management departments appears to be that performance appraisal is serving its purpose well. But the responses of the employees seem to give the lie to this claim.

Developed and motivated employees enhance productivity/service quality, so that organizational goals are achieved. Organizational goals are there to increase productivity and to ensure business growth. A performance appraisal that doesn't serve the purpose is nothing more than annual ritual, a process is limited to filling up the document with words and figures or marks, which anyway ends up in the personnel office.

4.4 Criteria for Performance Appraisal

According to Armstrong (2009), the criteria for reviewing performance should be balanced between: achievements in relation to objectives; the level of knowledge and skills possessed and applied (competences or technical competencies); behavior in the job as it affects performance (competencies); the degree to which behavior upholds the core values of the organization; day-to-day effectiveness.

4.4.1 Knowledge about the Existence of PA

Knowledge of the existence of performance appraisal is essential not only for employees, it is also important for the organizations and supervisors. The knowledge of the existence PA is essential for employees in order to help them understand what is expected of them and what they are expecting out of their performance.

On the other hand, organizations will be benefit from such knowledge of the employees about the existence of PA and make effort in the job they are hired for and maximize their contributions. It also helps managers/supervisors in order to align the employees with the organizational goal; it will enable them to put a sense of order into the

accomplishment of their responsibilities. The table shown below presented to indicate employees' level of agreement of employees about their knowledge.

Table 15: Knowledge of employees about the Existence of PA

Institution	Level of Agreement					Total
	SD	D	NA/ND	A	SA	
% AAU	5.6%	6.0%	6.8%	39.7%	41.9%	100.0%
% SUC	2.9%	.0%	5.9%	41.2%	50.0%	100.0%
% of Total	5.2%	5.2%	6.7%	39.9%	42.9%	100.0%

Data Source: April and May 2012

From this table, it is possible to understand that the majority (81.6%) and (91.2%) employees of AAU and SUC, respectively, know the existence of performance appraisal in their organizations. Moreover, employees of SUC have a better knowledge about the existence of performance appraisal in their organization than those of AAU. Out of the total employees of both universities, the majority (82.8%) of them were agreed on the existence of performance appraisal in their organizations.

According to the interview conducted with the human resource departments of both universities, employees know the existence of performance appraisal even though they are not given information officially, and know informally, usually through personal contact or communication whenever they meet.

One of the human resource management functions is managing the performance of employees in their respective organizations. Managing performance of employees involves informing, training, and coaching about the existence and functions of

performance appraisal on the job the employees are assigned to. Responses of both universities' human resource management heads show the low-level regard given to the performance of employees. The implication is also no care for the performance of the organizations.

The t-test is presented in the table shown in Appendix B reveals, the average agreement level by AAU and SUC employees are 4.06 and 4.35, respectively. Both university employees have agreed that they have adequate knowledge on the existence of performance appraisal. The t-test result with $p\text{-value}=0.015 > 0.05$ show the lack of significant difference in the average level agreement between the two universities' employees. Even if, the level of agreement is in both university and the higher education institutions are high, there are also employees who do not know the existence of such practice. As a right these employees should know what is running on them, and the management need to let them know.

4.4.2 Knowledge about the Purpose of PA

Knowing the existence of performance appraisal is one great thing as there are employees working in the organization without knowing of its existence. However, do those employees who know the existence of performance appraisal really know the purposes? The purposes of PA are informative, developmental, and administrative.

The responses of the permanent administrative employees of AAU and SUC about their knowledge of the purpose of performance appraisal are shown in Table 16 below.

The responses of the permanent administrative employees of AAU and SUC about their knowledge of the purpose of performance appraisal are shown in Table 16 below

Table 16: Employees' Knowledge about the Purpose of PA

Institution	Level of Agreement						Total
	0	SD	D	NA/ND	A	SA	
% AAU	.0%	6.8%	9.8%	8.5%	35.5%	39.3%	100.0%
% SUC	2.9%	5.9%	2.9%	5.9%	41.2%	41.2%	100.0%
% of Total	.4%	6.7%	9.0%	8.2%	36.2%	39.6%	100.0%

Data Source: April and May 2012

From the above description we can understand that the majority (74.8%) of employees' from AAU and (82.4%) from SUC know the purpose of performance appraisal, while very few employees do not, and even some are indifferent.

In addition, the human resource department heads of both universities were asked about the knowledge of employees regarding performance appraisal in their respective organizations during the interview sessions, and their response was that they don't think the employees knew very well, as there was no training given to them, and they did not believe what they knew from informal communication among their friends was adequate as PA is a broad term.

According to the t-test for Equality of Means presented in Appendix B shows, the average agreement level by AAU and SUC employees is 3.91 and 4.00, respectively. The employees of both universities have agreed that they have adequate knowledge on the purpose. The t-test result with $p\text{-value}=0.676 > 0.05$ reveals that there is no significant difference in the average level agreement between them.

The measurement taken quantitatively and qualitatively from employees of the organizations show the existence of adequate knowledge among employees regardless of those few employees exist who don't know the purpose. And these employees who don't know the purpose may work in their respective institutions without knowing what is expected from them, and this lack of awareness create to work less than the optimum level. Organizations loose employees' optimum contribution, by under utilizing or may exploit them by over utilizing. Employees may be over utilized by organizations due to weak bargaining power in the labor market.

4.4.3 PA need to be clearly defined and Objective Oriented.

Criteria/instrument used to measure performance of employees in AAU and St. Mary's University College was rated in percentile and the result is presented in the Table below as follows.

Table 17: PA need to be defined and Objective Oriented

Institution	Level of Agreement					Total
	SD	D	NA/ND	A	SA	
% AAU	15.0%	21.9%	30.5%	22.7%	9.9%	100.0%
% SUC	2.9%	11.8%	32.4%	38.2%	14.7%	100.0%
% of Total	13.5%	20.6%	30.7%	24.7%	10.5%	100.0%

Data Source: April and May 2012

The Majority of (46.9%) employees from AAU disagree, while 32.6% agree, and 30.5% are indifferent, while majority (52.9%) of the respondents of SUC agrees, 32.4% are indifferent, and 14.7% disagree. From this description it is possible to know the

criteria/instrument used to measure seem clearly defined and objective oriented in SUC than AAU.

Of the total number of employees of both universities as to their level of agreement the majority 35.2% agree, 34.1% disagree, and 30.7% are indifferent about the criteria used being objective oriented.

To seek further information about it, interview was conducted with both organizations' human resource department heads and their responses were: the criteria were not clearly customized based on the employees' job. The criterion used in AAU has never been changed since 1956, when the Central Personnel Agency (CPA) was established, and it is easy to understand that the criterion in use needs to be clearly defined and objective-oriented. Also the informant employees who are human resource heads of both universities believe that the criteria used is not objective oriented and needs revision.

However, the t-test for equality of means, and presented in the Appendix Table B reveals, the average agreement levels by AAU and SUC employees are 2.91 and 3.50, respectively. Both university employees have failed to agree on the criteria/instrument being clearly defined and objective- oriented in their respective organizations.

The t-test result with $p\text{-value}=0.01<0.05$ reveals that there is significant difference in the average level of agreement between the two sets of employees. Therefore SUC displays a moderate level of agreement about the criteria/instrument being clearly defined and objective-oriented, while AAU shows a moderate level of indifference.

According to the description from the table of percentile, interview from both

organizations' human resource departments and t-test for equality of means table shown and described above, the criteria/instrument is not clearly defined and objective-oriented at both universities.

4.4.4 Criteria/Instrument Capability of Measuring Performance

The criteria/instrument used to measure employee performance should be reliable and objective to measure the actual performance of each employee in order to create reliability and trust between superiors and subordinates. The attitude of employees about the capability criteria/instrument used to measure their actual performance is presented in the table below.

Table 18: Capability of Criteria/Instrument in measuring actual Performance

Institution	Level of Agreement						Total
	0	SD	D	NA/ND	A	SA	
% within AAU	.0%	17.6%	27.0%	26.2%	21.5%	7.7%	100.0%
% within SUC	2.9%	2.9%	17.6%	23.5%	50.0%	2.9%	100.0%
% of Total	.4%	15.7%	25.8%	25.8%	25.1%	7.1%	100.0%

Data Source: April and May 2012

Majority (44.6%) employees of AAU disagree, while (29.2%) agree, and (26.2%) are indifferent, while the majority (52.9%) of SMUC employees agree, 23.5% is indifferent, and 20.5% disagree. Of the total respondents of both universities the majority (41.5%) disagrees, 32.2% agree, and 25.8% are indifferent.

The response from interview conducted with the human resource department heads of both

universities was not far from that description of the table above. And it is possible to argue that the criteria to appraise employees' performance are not capable of measuring the actual performance of the employees in both organizations. However the t-test for equality of mean presented in the Table in the Appendix B, reveals how much the level of agreement of respondents' approaches to the mean.

The level of agreement about the capability of the criteria/instrument to measure their actual performance the employees at both institutions is 2.75 and 3.24, respectively. So we see disagreement between the employees of the two institutions about the criteria/instrument's capability to measure actual performance. The t-test result with $p\text{-value}=0.03<0.05$ reveals that there is significant difference in the average level agreement between the employees of the two institutions. The employees of AAU are low level of moderate agreement, where as those of SUC are at moderate level.

Therefore, the rest of employees do not believe the in criteria/instrument used to measure their performance. The same would be true in higher education institutions and focus of both organizations and the aforementioned institutions' managers, is needed in order to create not only trust but also the instrument can have the capability to help them to use for the purposes of PA.

4.4.5 Ability of PA Form to Distinguish Effective from Ineffective performers

One of the purposes of performance appraisal is to distinguish effective from ineffective performers, by designing effective instrument/form to measure and understand the level

of the capacity of employees in the organizations in respect to other co-worker and standard set prior to appraisal.

The table presented below shows the perception of employees about the form used in their respective organizations to measure their performance.

Table 19: Ability of the PA Form used to Distinguish Effective from Ineffective

Institution	Level of Agreement					Total
	SD	D	NA/ND	A	SA	
% within UNVE	18.0%	19.7%	22.7%	23.2%	16.3%	100.0%
% within UNVE	8.8%	8.8%	32.4%	35.3%	14.7%	100.0%
% of Total	16.9%	18.4%	24.0%	24.7%	16.1%	100.0%

Data Source: April and May 2012

Of the total respondents of AAU 37.7% disagree, 22.7% are indifferent, and 39.9% agree. That is, a simple majority (39.9%) of employees agree compared to those who disagree (37.7%) and those who are indifferent (22.7%). On the other hand, in the case of the employees of SUC, that majority (50%) agree, 32.4% are indifferent and 17.6% disagree. Out of the total number of the respondents of both universities, the majority (38.8%) agree, while 35.3% disagree and 24% neither agree nor disagree/are indifferent.

The t-test presented in Table B, of the Appendix shows that AAU employees give a 3.00 average rating while SUC employees indicate a 3.38 level of agreement. The average ratings by both groups are not far from a moderate level of agreement. The t-test result with $p\text{-value}=0.120 > 0.05$ also justifies lack of significant difference in the perceptions by the employees of both universities. According to these results, both organizations

moderately agree that the form used to evaluate their performance is capable of distinguishing effective from ineffective performers. This indicates the need for the improvement of the form used in order to enhance its capability to measure the PA.

4.4.6 Employees Accomplishments and Achievements

Keeping records of the day-to-day accomplishments of employees is essential for appraisal period to fulfill the evaluation's purpose. Data on employees' perceptions regarding the statement of their evaluation basing on their accomplishments and achievements are presented in the Table below.

Table 20: Basing Evaluation of Employees on Accomplishment and Achievement

Institution	Level of Agreement					Total
	SD	D	NA/ND	A	SA	
% within AAU	14.3%	17.0%	22.2%	31.7%	14.8%	100.0%
% within SUC	2.9%	8.8%	14.7%	47.1%	26.5%	100.0%
% of Total	12.9%	15.9%	21.2%	33.7%	16.3%	100.0%

Data Source: April and May 2012

The majority (53.9%) of employees from AAU disagree, while 33.3% agree, and 22.2% indifferent. In the case of SMUC, the majority (73.6%) agree, while 14.7% are indifferent and 11.7% disagree. Of the total number of employees of both universities, the majority (50%) agree, while 33.7% are indifferent, and 28.8% disagree.

According to the informants from the human resource management department, the purpose of the evaluation was to measure the accomplishment of employees, but it is

impaired with different problems arising from the environment of the evaluation system.

The t-test for equality of means for employees' responses about their performance evaluation being based on their accomplishments and achievements is presented in Table B of the Appendix.

Regarding their response on this issue, the average rating given by the employees of AAU was 3.16, which is a moderate level of agreement, whereas, SUC employees have high level of agreement, with an average agreement level of 3.85 as to basing their evaluation on accomplishments and achievements. The t-test result with $p\text{-value}=0.00<0.05$ shows significant difference between the perceptions of the two groups.

According to this test employees of AAU moderately agree, while those of SUC highly agree, which the informants from both human universities' human resource management have confirmed in their interviews.

4.4.7 Employees' Opportunity to Participate in Designing the Form

Giving opportunity to design the form used to evaluate employees performance, helps in reducing blame of the form cumbersomeness, and builds confidence of employee.

According to Beer (1987), the problems of performance evaluation is related to the forms and procedures that make up the performance appraisal system. The form used to record the performance of the employees is blamed if it is cumbersome, not customized and if employees did not participate in the design of the form of evolution.

Accordingly, employees' responses of getting opportunities to participate, in the design

of the form used for performance appraisal is shown in the table below.

Table 21: Employees' Opportunity to Participate in Designing of the PA

Institution	Level of Agreement						Total
	0	SD	D	NA/ND	A	SA	
% within AAU	.0%	44.6%	20.6%	16.3%	11.2%	7.3%	100.0%
% within SUC	2.9%	14.7%	29.4%	26.5%	14.7%	11.8%	100.0%
% of Total	.4%	40.8%	21.7%	17.6%	11.6%	7.9%	100.0%

Data Source: April and May 2012

According to the above table the majority (65.2%) of employees of AAU disagree, 18.2% agree, and 16.3% indifferent for getting opportunities to design the form used for their performance appraisals. Similarly majority (44.1%) of SUC disagree, while 26.5% indifferent and 26.5% agree.

Out of the total of both universities majority (62.5%) disagree, 17.6% indifferent, and 19.5% agree that they were getting opportunity to design the form used to evaluate their performance appraisal. The two human resource department head conformed that there is no such opportunities in their respective organizations. In the case of AAU the form used a standardized one to all the civil services of employees in Ethiopia, where as in the case of the SUC it is customized to the organization context and standardized to all employees of the administration.

The t-test for equality of means is presented for further understanding, as shown in the Appendix two, while providing their level of agreement about getting opportunity to

design the form used to evaluate their performance appraisal, the average agreement level by AAU and SUC employees are 2.16 and 2.71, respectively. Both university employees have failed to agree that about their getting opportunities to design the form used to evaluate their performance appraisal. The t-test result with $p\text{-value}=0.02<0.05$ reveals that there is a significant difference in the average level agreement between the two university's employees. Therefore, employees of AAU disagree and SUC moderately agree.

When we consider the output presented in percentile table, interview conducted with both university human resource department heads and t-test for equality of means, it is possible to conclude that both universities were not providing opportunities to their employees to participate in the design of form used to evaluate their employees' performance, and which this is also attributable to the higher education institutions.

The absence of such practice shows a low bargaining power of employees or none at all. This may be from high number of work force in the labor market which created high bargaining power to the employer and none to the employee.

However, the managers and organizations need to develop the policy that make employees to participate in the design of the aforementioned forms, as the input of employees may contribute not only for themselves, but also to the organization in a way both can optimize the benefit they sought.

4.4.8 PA Form Customized Based on the Characteristics of the Job

Customizing forms to be used for appraising employees' performance needs to be on the

basis of characteristics of job those incumbent job holders. Employees of AAU and SUC have shown their opinion in the table below.

Table 22: Customization of PA form based on the Characteristics of the Job

Institution	Level of Agreement					Total
	SD	D	NA/ND	A	SA	
% AAU	21.0%	24.0%	24.9%	19.7%	10.3%	100.0%
% SUC	11.8%	26.5%	11.8%	41.2%	8.8%	100.0%
% of Total	19.9%	24.3%	23.2%	22.5%	10.1%	100.0%

Data Source: April and May 2012

According to AAU employees' opinion recorded and presented above majority (45.0%) disagree, 30.0% agree, and 24.9% indifferent. On the contrary majority (50.0%) of employees from SUC agree, while 38.3% disagree, and 41.2% agree. From the total employees of both university majority (44.2%) disagree, 32.6% agree, and 23.2% indifferent respectively.

Majority of the respondents of AAU believe that the form used for evaluation is not customized based on the characteristics of their job, while those majority of SUC agree that it is customized on the base of their job. However, the form used in both universities that was based of the graphic rating method shown in the appendix part of this research document is standardized form prepared to evaluate all employees by the same behavior, except the AAU uses twelve for those supervisory positions.

In addition through the interview conducted with both universities human resource management heads, both were expressed that there is no policy for customizing job

basing on the characteristics of jobs in their respective organizations. As a result no practice of customizing employees' appraisal to the characteristics of their jobs, as there is only one form standardized to all jobs in both respective organizations.

The t-test for equality of means reveals, while employees providing their level of agreement about the performance appraisal form used was being customized based on the characteristics of their jobs, the average agreement level by AAU and SUC employees are 2.74 and 3.09 respectively. Both university employees have agreed that their performance appraisal form is customized based on their job. The t-test result with $p\text{-value}=0.14>0.05$ reveals that there is no significant difference in the average level agreement between the two university's employees. Therefore, both universities employee moderately agree.

As all subordinate employees' response in the above table, and human resource managers, and the t-test in the tables of the Appendix B show, it is possible to conclude that there is no practice of customizing employees' performance appraisal forms to the characteristics of employees' jobs, even if some respondents believe its existence.

4.5 Potential Problems of PA in the Organizations under Study

According to Mathis and Jackson (1997), rater bias occurs when a rater's values or prejudices distort the rating. Rater bias may be unconscious or quite intentional. If a manager has a strong dislike of certain ethnic groups, this bias is likely to result in distorted appraisal information for some people. Age, religion, seniority, sex, appearance, or other arbitrary classifications may be reflected in appraisals if the appraisal process is

not properly designed. Examination of rating by higher-level managers may help correct this problem.

4.5.1 Biases of the Rater by Personal Liking and Disliking

The influence of the rater biases on the basis of personal liking and disliking is rated as shown in the table below.

Table 23: Biases of the Rater by Personal Liking and Disliking

Institution	Level of Agreement						Total
	0	SD	D	NA/ND	A	SA	
% within AAU	.0%	24.0%	24.9%	28.8%	14.6%	7.7%	100.0%
% within SUC	2.9%	38.2%	29.4%	26.5%	2.9%	.0%	100.0%
% of Total	.4%	25.8%	25.5%	28.5%	13.1%	6.7%	100.0%

Data Source: April and May 2012

Majority (48.9%) of employees from AAU disagree, while 28.8% indifferent, and 22.3% agree about their rater rating their performance based on personal liking and disliking. Similarly majority (67.6%) of employees from SUC disagree about their rater's influence by his personal liking and disliking biases, when rating their performance, while 26.7% indifferent and 2.9% agree. From the total of both universities majority (51.3%) disagree, while 28.5% indifferent and 19.7% agree. According to the employees' response described above such bias more exists in the AAU than in SUC.

According to the information acquired from both university human resource department heads through interview conducted, the degree of liking and disliking while appraising

employees performance may vary from department to department or from supervisor to supervisor, however this type of biases can exist in the organization regardless of the degree of its existence low or high.

The mean t-test is considered for analysis is presented in the Appendix table B. While providing their level of agreement as to about the rater are rating employees on his/her personal liking and disliking in their respective organizations the average agreement level by AAU and SUC employees are 2.57 and 1.88. AAU employees have moderately disagreed, while SUC employees disagree about the aforementioned statement above. The t-test result with $p\text{-value}=0.002<0.05$ reveals that there is significant difference in the average level agreement between the two university's employees.

According to the table for percentile, interview response of both organizations informants, and this t-test, it possible to say that there is a moderate agreement of the existence of rater rating bias based on his personal liking and disliking in AAU. The existence of such behavior of rater is low in the SUC. The indication of the existence of such behavior of rater is at low moderate level in the public higher education where as at very low level in private higher education institutions.

4.5.2 Biases of Avoiding Giving PA Ratings with Negative Consequences

It is customary, among some raters of performance appraisal in organization giving rating which may have negative consequences to their subordinates. According to Mathis and Jackson (1997), this type of leniency error occurs when rating patterns employees are at the high end of the scale.

To see if such habits are being manifested and to know its level in both organizations, the table below is presented bearing respondent response in percentile for the comparison purpose between the organizations as well.

Table 24: Biases of Avoiding Giving Performance Ratings with Negative Consequences

Institution	Level of Agreement						Total
	0	SD	D	NA/ND	A	SA	
% AAU	.0%	23.3%	14.7%	35.3%	15.1%	11.6%	100.0%
% SUC	8.8%	26.5%	29.4%	17.6%	11.8%	5.9%	100.0%
% of Total	1.1%	23.7%	16.5%	33.1%	14.7%	10.9%	100.0%

Data Source: April and May 2012

From the above table the majority (38.0%) of employees AAU disagrees, while 35.3% indifferent, and 26.7% agree, and similarly SUC's majority (55.9%) of employee disagree, 17.6% indifferent, and 17.7% agree that their raters avoiding performance rating which may have negative impact or consequence.

The raters in the AAU give performance ratings which have no negative consequences than those of SUC. The bias of such type will not motivate those employees who are performing well as these employees did not judged and penalized for their working behavior. The indication of the existence of bias is the distortion of rating; even though this exists in both universities, it magnified more in the AAU.

The total employees of both university response shows majority (40.2%) of disagree, 33.1% indifferent, and 25.6% agree about the bias of raters giving performance rating which may have negative impact or consequence to their subordinates. The majority of

raters' in higher education institutions in Ethiopia commits bias of avoiding giving employees performance rating having negative consequence. Such behaviors of rating weaken employees' motivations and hinder competition and creativity among employees.

According to the information acquired through interview from both universities human resource management department heads, rating employees at the center mostly exist in the AAU in the departments of academic centers. The raters in such departments rate their subordinates in the center which do not have negative consequences by assuming this as if the academic standard of their students in the final exam. Therefore, the t-test for further investigation is presented in the table of Appendix B and its interpretations are presented as follows.

While providing their level of agreement about the above aforementioned behavior of the rater, the average agreement level by AAU and SUC employees are 2.77 and 2.15, respectively. Both university employees have failed to agree that they have adequate knowledge on the purpose. The t-test result with $p\text{-value}=0.01 < 0.05$ reveals that there is significant difference in the average level agreement between the two university's employees.

Therefore, employees from AAU moderately disagree while employees of SUC disagree about their raters avoiding giving performance which may have negative or consequences to their subordinates. And it is possible to generalize that the leniency bias exists in both organization, which contribute to the employee dissatisfaction at the system of the appraisal.

4.5.3 Accuracy of Supervisors to Evaluate their Employees to Reward or Penalize

Accurately evaluating employees is very essential and helps supervisor, employees and organization. Employees' motivation is enhanced by accurate evaluations so that it prepares for rewards for doing so. It also helps those employees who failed in doing so on their job to make ready for training, coaching and development. Beside this penalizing employee who failed to do is essential to correct his/her behavior. In addition to helping employees, it also helps supervisors to make administration decision, about the employee, transfer, demotion and dismissal. To this effect employee of both organizations response is presented in the table below.

Table 25 Accuracy of Supervisors to Evaluate their Employees to Reward or Penalize

Institution	Level of Agreement					Total
	SD	D	NA/ND	A	SA	
% within UNVE	15.0%	20.6%	24.9%	22.7%	16.7%	100.0%
% within UNVE	2.9%	5.9%	14.7%	47.1%	29.4%	100.0%
% of Total	13.5%	18.7%	23.6%	25.8%	18.4%	100.0%

Data Source: April and May 2012

The majority (39.4%) of employees from AAU agree, while 35.6% disagree and 24.9% indifferent respectively about they have been evaluated accurately to the extent of reward or penalized, which the Majority (76.5%) of employees from SUC agree, while 14.7% indifferent and 8.8% disagree on respectively. From the total employee of both universities 44.2% agree, 32.2% disagree, and 23.6% indifferent about the aforementioned statement. The percentile yield by majority of employees of SUC is very high in relation to those of AAU, which may be the indications of the practice of

accurately rating behavior in the organization.

Additionally, according to the interview conducted with both universities human resource management heads and the representative of the AAU said that the practice of such behavior is very low, while that of SUC said ascertained the existence of such practice, even if yet not measured how much it is at satisfactory level.

The t-test for equality of means shown in the Appendix table B reveals, employees level of agreement on the aforementioned statement and the average agreement level by AAU and SUC employees are 3.06 and 3.94. AAU employees have moderately agreed, while those of SUC are at higher level of agreement. The t-test result with $p\text{-value}=0.00<0.05$ reveals the existence of significant difference in the average level agreement between the two university's employees.

Based upon the table of the percentile, and interview response of both organizations, and t-test, it is possible to understand employees of SUC were more accurately rated to the extent of reward or penalized, as related to those of AAU. This practice can be true to the private higher education institutions in relation to those of public higher education institutions.

4.5.4 Giving Equivalent rating to all to Avoid Resentment and Rivalries

According to Encarta English dictionary (2009), resentment is ill feeling, aggrieved feelings caused by a sense of having been badly treated, while rivalry is a condition of competitiveness: the condition or fact of competing with somebody or something or competitive action.

Therefore, such feelings like avoiding resentments have positive outcome for employees while avoiding rivalries among colleagues have negative consequence to both organization and employees. These types of biases have negative implication in the organizations, and employees' response of both organizations is presented in the table below.

Table 26: Giving Equivalent Rating to Avoid Resentment and Rivalries among Colleagues.

Institution	Level of Agreement						Total
	0	SD	D	NA/ND	A	SA	
% within AAU	.0%	17.7%	25.5%	28.6%	20.3%	7.8%	100.0%
% within SUC	5.9%	17.6%	20.6%	17.6%	20.6%	17.6%	100.0%
% of Total	.8%	17.7%	24.9%	27.2%	20.4%	9.1%	100.0%

Data Source: April and May 2012

From the above description it is possible to understand majority 43.2% of employees of AAU disagree, while 38.1% agree and 28.6% indifferent and similarly, majorities of (38.2%) of SUC disagree and 38.2% agree at equal level, while 17.6 % indifferent about the aforementioned statement. From the total employees of both organizations majority (42.6%) disagree, while 27.5% agree, and 27.2% indifferent. According to the interview conducted with informants of both universities human resource departments' heads, the AAU respondent revealed about the practice of such behavior possibility could be high as its relevance is low regard in the recent years, while that the SUC revealed that there is no such claim observed so far.

The t-test for equality of means developed and presented in the Appendix Table B reveals the level of agreement of both group employees. The average agreement level by AAU and SUC employees are 2.75 and 2.82, respectively. Both university employees level of agreement fall below moderate agreement which indicates the existence of the practice of biases of giving equal performance rating to all employees in order to avoid resentment and rivalry in their respective organization. The t-test result with $p\text{-value}=0.74>0.05$ reveals that there is no significant difference in the average level agreement between the two university's employees.

Therefore, both university employees are at low moderate level agreement that there is no bias of equal performance rating in order to avoid resentment and rivalry in their respective organizations. These show existence of such behavior in both organizations and higher education institutions.

4.5.5 Providing Specific Example of Things Accomplished

Providing of specific examples of things accomplished during the appraisal period is essential when required. These will create trust between employees and supervisors. However, the degree to which the supervisors systematically document the work behaviors of ratees during appraisal period and the visibility of the performance ratings among subordinates highly affects the tendency of the raters to inflate ratings. To this regard attempt been made to know the degree this involvement exists presented in the table shown below.

Table 27: Providing Specific Example of Things Accomplished

Institution	Level of Agreement					Total
	SD	D	NA/ND	A	SA	
% within AAU	13.7%	26.6%	26.2%	21.5%	12.0%	100.0%
% within SUC	8.8%	5.9%	11.8%	50.0%	23.5%	100.0%
% of Total	13.1%	24.0%	24.3%	25.1%	13.5%	100.0%

Data Source: April and May 2012

As the shows majority (50.3%) of employees from AAU disagree, while 33.5% agree, and 26.2% indifferent, about their rater of specific examples of job accomplished on their performance rating. And on the contrary majority (73.5%) of employees from SUC agree, 17.7% disagree, and 11.8% indifferent. out of the total employees of both university majority's 38.6% agree, 37.1% disagree, and 24.3% indifferent about their supervisor's providing with specific examples of things have been accomplished during the appraisal period if they asked.

According to the interview with both organizations human resource department heads, any employee can see his evolution, and agree or disagree on the point given but cannot change the result. If the employee want to know how it was done, in the SUC there is a practice specific examples depending on the trait of the employee, which bases on the trait the employee show but not what the employee performed during the appraisal period, while there is no practice of it in AAU.

In addition to these, the t-test for equality of mean between the two groups is presented in the Appendix table B, shows the level of agreement as to their raters' giving specific

examples of things they have accomplished during the appraisal period.

The average agreement level by AAU and SUC employees are 2.91 and 3.74, respectively. AAU employees have moderately agreed, while that SUC agree. The t-test result with $p\text{-value}=0.00 < 0.05$ reveals that there is a significant difference in the average level agreement between the two university's employees.

Supervisors in public higher education intuitions moderately show while those of in private higher education institutions show their subordinates their specific accomplishments if they want during their performance appraisal.

4.5.6 Raters' Supporting PA with Specific Incidents of Good and Bad Performance

Regarding this, an attempt was made to know the extent to which employees perceive that the raters document the work behavior of their employees during the period of evaluation and the extent to which they communicate the result of the appraisal to their employees on the regular basis. The halo effect occurs when a manager rates an employee high or low on all items because of one characteristic. The results of the data are presented in the following table.

Table 28: Supporting the Evaluation with Specific Incidents of Good and Bad Performance

Institution	Level of Agreement					Total
	SD	D	NA/ND	A	SA	
% within AAU	15.1%	19.0%	31.9%	20.3%	13.8%	100.0%
% within SUC	2.9%	26.5%	8.8%	35.3%	26.5%	100.0%
% of Total	13.5%	19.9%	28.9%	22.2%	15.4%	100.0%

Data Source: April and May 2012

From the above table it is possible to learn those majorities (34.1%) of employees from AAU disagrees and 34.1% disagree at equal level, while 31.9% indifferent. And on the contrary majority (61.8%) of employees from SUC agree, 37.6% disagree, and 33.4% indifferent respectively. An appraisal that shows the same rating on all characteristics may be evidence of the halo effect. Clearly specifying the categories to be rated, rating all employees on one characteristic at a time, and training raters to recognize the problem are some means of reducing the halo effect.

In Addition, from total employees of both university majority's 38.6% disagree, 37.6% agree, and 28.9% indifferent about their raters' generally supporting the evaluation with specific incidents of good and poor performance.

According to the informants from both universities human resource management heads of both institutions, rating of employees by supporting bad incident and good my exist but as evaluation is mostly performed at operational level by supervisors, such practice is not

officially known. Regarding this, the t-test for equality of mean between the two groups is presented in the Appendix table B.

While employees were providing their level of agreement, the average agreement level by AAU and SUC employees are 2.99 and 3.56, respectively. AAU employees have moderately agreed while SUC agree at high moderate level. The t-test result with $p\text{-value}=0.01<0.05$ reveals that there is a significant difference in the average level agreement between the two university's employees.

Therefore, the public higher education institutions employees moderately agree while those of private higher education institutions agree at high moderate level.

4.5.7 Keeping a File on what Employees Done During the Appraisal Period

Keeping a file of employees' during the evaluation period is necessary to avoid the recent effect bias which emanates from the current behavior. Moreover, it helps for litigation purposes in the suit cases.

To learn the percent of such practice of supervisors' keeping a file activity during performance appraisal of employees the data gathered is presented in the table below.

Table 29: Keeping file on what employees did during the appraisal period to evaluate their performance

Institution	Level of Agreement					Total
	SD	D	NA/ND	A	SA	
% within AAU	20.2%	22.3%	34.3%	15.0%	8.2%	100.0%
% within SUC	11.8%	8.8%	26.5%	35.3%	17.6%	100.0%
% of Total	19.1%	20.6%	33.3%	17.6%	9.4%	100.0%

Data Source: April and May 2012

From the above description it is possible to learn those majorities (44.5%) of employees from AAU disagrees and while 34.3% indifferent, and 22.2% agree respectively. And on the contrary to AAU, majority (52.9%) of employees from SUC agrees, 26.5% indifferent and 20.6% disagree about the aforementioned statement respectively.

From the total employees of university majorities' (39.7%) disagree, 33.3% indifferent, and 27.0% agree about their rater usually keeping a file on what they have done during the appraisal period to evaluate their performance.

According to the interview conducted with both universities human resource management representatives, and learned from them there is no such practice of keeping file on what employees have done for evaluation purpose as a result of a policy but there are some supervisors who have such cultures of keeping file, in both universities.

The t-test for equality of means between the two groups presented in the Appendix table B reveals the level of average agreement by AAU and SUC employees are 2.69 and 3.38,

respectively. AAU employees disagree, while SUC moderately agree. The t-test result with $p\text{-value}=0.00<0.05$ reveals that there is a significant difference in the average level agreement between the two university's employees.

Therefore, supervisors in public higher education institutions were not keeping file for what employee have done during the appraisal period, as the lack of policy and initiation

4.5.8 Degree of Rater Gave the Rate a Fair Assessment in Recent Evaluation

The fairness of the performance evaluation by raters is a function of the ability of the raters to evaluate his/her subordinates based on the criteria set in the organization in its personnel policy manual with regard to performance evaluation. Rating employees on the basis of recent effect can not reflect the performance of the employee in all rounds and needs investigation thoroughly, unless the condition of recency biases is inevitable. The data are presented in the following table.

Table 30: Compared To Colleagues the Degree of Rater Gave the Ratee a Fair Assessment in Recent Evaluation

Institution	Level of agreement					
	SD	D	NA/ND	A	SA	Total
% within UNVE	10.3%	19.7%	23.6%	29.6%	16.7%	100.0%
% within UNVE	5.9%	11.8%	14.7%	50.0%	11.8%	100.0%
% of Total	9.7%	18.7%	22.5%	32.2%	16.1%	100.0%

Data Source: April and May 2012

As shown in the table above majorities (46.3%) of employees from AAU agree while 30.0% disagree, and 19.7% were indifferent and also the majority (61.8%) of employees

from SUC agree, 17.7% disagree, and 14.7% indifferent respectively, about the rater giving fair assessment in recent evaluation. Out of the total employees of both university majority's 33.3% agree, 19.4% disagree, and 22.5% indifferent, about this aforementioned statement.

The t-test shown in the Appendix table B reveals their level of agreement as to their raters' giving fair assessment in recent evaluation compared to their colleagues. The average agreement level by AAU and SUC employees are 3.23 and 3.32, respectively. Both university employees have moderately agree about the above the aforementioned statement. The t-test result with $p\text{-value}=0.68 > 0.05$ reveals that there is no significant difference in the average level agreement between the two university's employees. Therefore, employees of both universities agree that their rater gave fair assessment in recent evaluation, and this indicates the recent evaluation moderately fair assessment in Ethiopian higher Education institutions.

4.5.9 Unqualified Person Rates Employee Work

Qualification of the person who is dealing with employees' performance is decisive. This can be possible if the management of the organizations give attention and provide training to those employees who are dealing with the performance of employees. A performance appraisal rated with unqualified person can impair information generated through it negatively to both organization and employees. To this regard the data collected from employees' of both universities about their perception the raters during performance evaluation is presented below.

Table 31: Unqualified Person Rates My Work

Institution	Level of Agreement						Total
	SD	D	NA/ND	A	SA	42	
% AAU	24.2%	32.5%	25.5%	10.8%	6.5%	.4%	100.0%
% SUC	47.1%	20.6%	32.4%	.0%	.0%	.0%	100.0%
% of Total	27.2%	30.9%	26.4%	9.4%	5.7%	.4%	100.0%

Data Source: April and May 2012

From the above table it is possible to learn that majority (56.7%) of employees from AAU disagrees while 17.3% agree, and 25.5% were indifferent. Similarly majority (67.7%) of employees from SUC disagree, and 32.4% indifferent respectively. In Addition, from total employees of both universities majority's 58.1% disagree, 6.1% agree, and 26.4% were indifferent about unqualified person rating their work.

According to the interview conducted with both organizations understudy of human resource management heads, employees of their respective organization were being evaluated by supervisors who have no training of the performance appraisal, but have the knowledge and capacity of the task they undertook.

The t-test for equality of mean between the two groups is presented in the Appendix table B, shows, the average agreement level by AAU and SUC employees are 2.60 and 1.85, respectively. Both university employees have disagreed that their performance was rated by unqualified person. The t-test result with $p\text{-value}=0.13 > 0.05$ reveals that there is no significant difference in the average level agreement between the two university's

employees. Even if the majorities disagree their performance is rated with the people who have no knowledge, there are few employees who agree that their performance appraisal was rated by unqualified person.

As mentioned above rating employees without knowledge is dangerous, is no better than having appraisal. The performance rating harms the organizations performance and employee's morale and can cause the suit case. Therefore, the cases of those few should be addressed very well and raters with employees think have adequate knowledge should be assigned to take the part of the rating.

4.5.10 Supporting the Supervisor Idea, knowing it is Wrong

There are different underlying types of ingratiating behavior, or upward influence styles and subordinates may gain for pushing ahead with management plans that are absurdly wrong, in pursuit of aims which are completely pointless and stifling criticism. Regarding such behavior data obtained through questionnaire is presented in the table below.

Table 32: Employees Supporting the Supervisor Idea, knowing it is wrong

Institution	Level of Agreement					Total
	SD	D	NA/ND	A	SA	
% within AAU	33.5%	27.5%	20.6%	11.6%	6.9%	100.0%
% within SUC	58.8%	14.7%	20.6%	2.9%	2.9%	100.0%
% of Total	36.7%	25.8%	20.6%	10.5%	6.4%	100.0%

Data Source: April and May 2012

From the above table it is possible to learn that majority (63.0%) of employees from AAU disagrees while 17.3% agree, and 20.6% were indifferent. Similarly majority (73.5%) of employees from SUC disagree, 20.6% indifferent 5.8% agree respectively. In Addition, from total employees of both universities majority's 62.5% disagree, 20.6% indifferent and 6.4% agree that knowing it is wrong always they were supporting the ideas of their supervisors.

Employees in the AAU were more victim than those of SUC, as the same time employees of public higher education were more victim than those of those of private, supporting their supervisors' idea knowing it wrong. Both universities human resource department head response during the interview sessions were, no such practice they know.

The t-test for equality of means between the two groups for difference or similarity is presented in the Appendix table B shows the average agreement level by AAU and SUC employees are 2.31 and 1.76 respectively. Employees of AAU disagree, while those of SUC strongly disagree. The t-test result with $p\text{-value}=0.02 < 0.05$ reveals that there is significant difference in the average level agreement between the two university's employees.

Even if the existence of the above statement is very low, small bad smell stink the environment. Therefore, the management should give great concern for such ingratiating behavior in the organization, by go beyond minimizing, but to extinguish, by developing policies and system that can review and control, those employees with such behavior. .

4.5.11 Creating a Positive Impression in the Mind of Rater

Impression creation/formation is the activity of putting oneself in the mind of the others positively. In organizations there may be some people with such behavior, seeking benefits from their organizations supervisors by creating positive impression in their minds. To seek out people with such behavior data were collected and presented in the table below for analysis.

Table33: Employees Creating a Positive Impression in the Mind of Rater

Institution	Level of Agreement					Total
	SD	D	NA/ND	A	SA	
% within AAU	18.9%	19.3%	25.8%	23.6%	12.4%	100.0%
% within SUC	29.4%	14.7%	29.4%	23.5%	2.9%	100.0%
% of Total	20.2%	18.7%	26.2%	23.6%	11.2%	100.0%

Data Source: April and May 2012

From the above table it is possible to learn the majority (38.2%) of employees from AAU disagrees, while 36.0% agree, and 25.8% were indifferent. Similarly majority (44.1%) of employees from SUC disagree, 29.4% indifferent 26.4% agree respectively. Out of the total employees of both universities majority 38.9% disagree, 34.8% agree 26.2% were indifferent respectively that they usually creating positive impression in the minds of their rater.

According to both universities human resource department representatives response for the interview conducted, such behavior obviously expected to exist in such large and

wide organizations, but no information of the degree of such practices of employees' behavior.

This discussion reveals the existence of employees with the behavior of creating positive impressions in the minds of their subordinates. This behavior of employees is dangerous to both organizations and employees. Employees with such behavior reap the benefit they didn't sow, while those employees result oriented don't.

The t-test for equality of mean between the two groups presented show the average agreement level by AAU and SUC employees are 2.91 and 2.56 respectively. Both university employees have moderately agreed that they usually creating positive impression in the minds of their rater. The t-test result with $p\text{-value}=0.14 > 0.05$ reveals that there is no significant difference in the average level agreement between the two university's employees. Employees with such behave at significant level and organizations need to develop policy and give adequate training and coaching to both subordinates and supervisors.

4.5.12 Employees doing Favor to their Supervisors

Doing favors or having sympathy for people is good and customary in our society. But doing a favor in relation to gain advantage in the sacrifices of others or organizations benefit is unethical.

Table 34: Employees doing Favor to their Supervisors

Institution	Level of Agreement					Total
	SD	D	NA/ND	A	SA	
% within AAU	41.2%	29.2%	14.2%	10.3%	5.2%	100.0%
% within SUC	58.8%	14.7%	23.5%	.0%	2.9%	100.0%
% of Total	43.4%	27.3%	15.4%	9.0%	4.9%	100.0%

Data Source: April and May 2012

From the above table it is possible to learn the majorities (70.4%) of employees from AAU disagrees, while 15.5% agree, and 14.2% were indifferent respectively. Similarly majority (73.5%) of employees from SUC disagree, 23.5% indifferent 2.9% agree respectively. out of both universities majority 70.7% disagree, 15.4% indifferent, and 13.9% agree 26.2% were indifferent respectively, they always do a favor to their supervisor.

Therefore, even if majorities of employees don't do favor to their supervisors there are few employees who do, in both universities, this number is high in AAU than in SUC. And this would be true of public higher education institutions than those of private higher education institutions.

The t-test for equality of mean between the two groups presented in the Appendix table B shows, the average agreement level by AAU and SUC employees are 2.09 and 1.74 respectively. Both university employees have moderately disagreed they always do a favor to their supervisor. The t-test result with $p\text{-value}=0.10 > 0.05$ reveals that there is no

significant difference in the average level agreement between the two university's employees.

Though, the majority employees disagree about doing favor to their supervisors, there are some employees who are doing favor in return of seeking benefit. It is possible to say that there are some employees operating in the EHEI with a behavior of doing favor for their supervisor.

4.5.13 Behaviour of working hard when observed

Supervisor should take due care, since some employees deceive and pretend as if they were hard working, while observed by their bosses, which may attributable to their performance during appraisal period.

Table 35: Employees' behavior of working hard when observed

Institution	Level of Agreement					Total
	SD	D	NA/ND	A	SA	
% within UNVE	44.6%	25.8%	15.9%	7.7%	6.0%	100.0%
% within UNVE	67.6%	20.6%	11.8%	.0%	0%	100.0%
% of Total	47.6%	25.1%	15.4%	6.7%	5.2%	100.0%

Data Source: April and May 2012

Generally, employees AAU and SUC in total 71.7% disagree, 15.4% indifferent and 11.9% agree about their doing work while they were sure watched by supervisor. This implies that majority of both universities employees were not doing their job when they

were sure are watched by supervisors; even though, few were indifferent (15.7%), agree (11.9%). Out of both universities the majority (72.7%), of employees disagree, while 15.4% indifferent and 12.9% agree.

According to the informants of the AAU and SUC response employees pretending while watched as if they are hard worker and wise supervisors know them by the out put they produce, but their chances of deceiving for long is low.

The t-test for equality of means is presented in the Appendix table B, reveals the average agreement level by AAU and SUC employees are 2.05 and 1.44 respectively. Both university employees have disagreed that they were doing their work hard, when they were sure that they are watched by supervisor. The t-test result with $p\text{-value}=0.10 > 0.05$ reveals that there is no significant difference in the average level agreement between the two university's employees. These show the majorities of both university and higher education institutions in Ethiopia's employees are not working their work when watched, but there are few employees with such behavior.

4.5.14 Appealing to a Performance Rating thought Biased or Inaccurate.

Superiors have a chance of committing bias or inaccurate rating and subordinates need to have a room for appealing for performance rating they think is biased. Such room may involve forming review committee and appealing to higher officials of the organizations, who rationally measure, analyze and give decision on the cases. This can bring about trust and confidence between subordinate and superiors employees in the organizations.

According to Mathis and Jackson (1997) rater bias occurs when a rater's values or

prejudices distort the rating. Rater bias may be unconscious or quite intentional. If a manager has a strong dislike of certain ethnic groups, this bias is likely to result in distorted appraisal information for some people. Age, religion, seniority, sex, appearance, or other arbitrary classifications may be reflected in appraisals if the appraisal process is not properly designed. Examination of rating by higher-level managers may help correct this problem.

Table 36: Ways to Appeal a Performance Rating Employees' Think is Biased or Inaccurate.

Institution	Level of Agreement					Total
	SD	D	NA/ND	A	SA	
% AAU	15.9%	22.4%	25.0%	24.6%	12.1%	100.0%
% SUC	14.7%	2.9%	17.6%	41.2%	23.5%	100.0%
% of Total	15.8%	19.9%	24.1%	26.7%	13.5%	100.0%

Data Source: April and May 2012

Majority (38.4%) of Employees from AAU disagree, while 36.7% agree, and 25.0% indifferent, and on the contrary majority (64.7%) of employees from SUC agree, while 17.6% disagree and indifferent. From the total of both university employees' majority 40.2% agree and 35.7% disagree, while 24.1% indifferent.

According to the interviews conducted with human resource management department heads of both institutions under the study, employees who think their performance appraisal rating is biased/incorrect can appeal to the next supervisor who is superior to the rater and if yet he/she doesn't satisfied with decision, again can appeal to the human resource department in order to be reviewed by the grievance committee established in

the AAU system as a result of Federal Civil proclamation, as in the case of AAU. The SUC is different from that of AAU. SUC employees who have grievance on such case can appeal to human resource department and if couldn't satisfied can appeal to the Vice President for Business and Development.

The t-test for means in the Appendix table B reveals AAU employees gives average rating of 2.94, which slightly falls below moderate level of agreement, whereas, SUC employees have above moderate level agreement, with average agreement level of 3.56. The t-test result with $p\text{-value}=0.010 > 0.05$ shows no significant difference between the agreement level of the two groups.

Therefore, both organizations employee moderately agree about the existence of ways to appeal for performance rating thought is biased. From these descriptions of the data presented in tabular forms (percentile and t-test) and head departments of both universities it is possible to understand that: the ways exists but there are employees who do not know its existence.

If the employees do not know way to appear for bias of his/her appraisal as a system is there, adequate information was not given during the induction and this shows the lack of employees concern of human resource department which is one of the human resource manager task is advocate of employees. Therefore, the human resource department of both institutions and higher education institutions should develop program to inform and train employees.

4.5.15 Challenging a Performance thought Biased

Bias emanates from the rater as rater memories are quite imperfect, and raters subscribe to their own sets of likes, dislikes and expectations about people, which may or may not be valid. In such case it is not strange to observe a challenge regarding PA between rater and rater. Expecting such challenges organizations most of the time establish a unit within its system, that arbitrate such case. The following table is prepared to see the existence of such problem in both organizations.

Table 37: Challenging a Performance Rating thought is Biased and Inaccurate

Institution	Level of Agreement					Total
	SD	D	NA/ND	A	SA	
% within AAU	10.7%	14.6%	23.6%	29.2%	21.9%	100.0%
% within SUC	8.8%	8.8%	20.6%	38.2%	23.5%	100.0%
% of Total	10.5%	13.9%	23.2%	30.3%	22.1%	100.0%

Data Source: April and May 2012

The majority (51.1%) of employees from AAU agree, while 25.3% disagree, and 23.6% indifferent, and similarly, majorities (61.7%) of employees from SUC agree while 20.6% indifferent and 17.6% disagree. From the total employees of both universities majority (52.4%) agree, while 24.4% disagree, and 23.2% indifferent.

In addition to the above description, human resource department heads of both universities were interviewed, about the above the aforementioned statement above, and they discussed that one of the challenges of performance appraisal in organizations are biases based on different dimensions, and their respective organizations could not be free

from such practice, at least at lower level. And there are employees who were claiming such practice and challenging their supervisors.

The r-test for equality of means shows, AAU employees gives average rating of 3.37, which in moderate level of agreement, whereas, SUC employees have moderate level agreement, with moderate agreement level of 3.59. The t-test result with $p\text{-value}=0.35 > 0.05$ shows no significant difference between the perception of the two groups. Therefore employees of both universities moderately agree about their ability to challenge their performance rating they think is biased.

The employees of both groups proved the existence of challenge in the performance rating that are emanating from the organizational operation system and rater bias. This practice can be attributed to EHEL.

4.5.16 Fairness and objectiveness of Performance appraisal system

PA should be fair. Fairness is emphasized more specifically; trust will be developed if management acts fairly, equitably and consistently, if a policy of transparency is implemented, etc... Regarding to the employees perception of fair performance appraisal system in their respective organizations, the response from data collected is shown in the table below.

Table 38: Fairness and objectiveness of Performance appraisal system

Institution	Level of Agreement					Total
	SD	D	NA/ND	A	SA	
% within AAU	22.3%	18.9%	32.6%	18.5%	7.7%	100.0%
% within SUC	17.6%	11.8%	20.6%	38.2%	11.8%	100.0%
% of Total	21.7%	18.0%	31.1%	21.0%	8.2%	100.0%

Data Source: April and May 2012

Majority (41.2%) of employees from AAU disagree, while 32.6% indifferent and 26.2% agree, to the contrary, majority (50%) of employees from SUC agree, while 38.2% indifferent and 29.4% disagree. From the total of both university majorities (39.7%) of employees disagree, while 31.1% indifferent and 29.2% agree about the performance evaluation system fair and objective. According to these descriptions, PA is more fair and objective in SUC than that of AAU.

According to the informants from both institutions human resource management department particularly as a case of AAU it is not attached with any motivational and developmental activities which are helpful to both employees and organization, and the element of the existence of fairness and objectivities are very low. The case of SUC the performance appraisal is somewhat seem better since it attached not only to promotional, salary increment annually, and training and development selections. As the result of these benefits employees and the organization sees the appraisal more than bi-annually or annual ritual, that ends within the personnel department.

The t-test for equality of means is presented in the Appendix table B, shows, AAU

employees gives average rating of 2.7, which slightly falls below moderate level of agreement, whereas, SUC employees have moderate level agreement, with average agreement level of 3.15, as to the existence of biases in performance evaluation. The t-test result with $p\text{-value} = 0.050 = 0.05$ shows difference between the perception of the two groups. The PA in the SUC is fairer and objective oriented, than that of AAU. And it is possible to say the private higher education institutions are fairer than those of Public higher education institutions in Ethiopia. These indicate the lack of distributive and procedural justice in the system of the higher education that accommodates all employees, at equal level.

4.5.17 Telling to Employees what they are doing frequently.

Guiding and telling what employees are doing is essential; however, this has to have positive perception among employees. The quality of appraisal process is dependent on the nature of the day to day supervisor- subordinate relationship, in effect providing feedback and coaching on an ongoing basis. This will create trust between the two and avoid negative perception arises from subordinates. The table below shows the data presented from the respondents of both institutions.

Therefore, to bring about these justice in the higher education institutions as a whole, the evaluation should be developed and executed in a way it could provide adequate notice; fair hearing which requires a formal review of meeting in which an employee is informed of a tentative assessment of his/her performance and employees are permitted to challenge the assessment; and judgment based on evidence that requires the organization to apply performance standards consistently across employees.

Table 39: Supervisor’s telling to Employees what they are doing frequently

Institution	Level of Agreement					Total
	SD	D	NA/ND	A	SA	
% within AAU	30.6%	24.1%	17.7%	20.7%	6.9%	100.0%
% within SUC	5.9%	14.7%	20.6%	35.3%	23.5%	100.0%
% of Total	27.4%	22.9%	18.0%	22.6%	9.0%	100.0%

Data Source: April and May 2012

Majority (54.5%) of the AAU employees disagree, while 27.6% agree and 20.6% indifferent. On the contrary, majorities (58.8%) of employees of SUC agree, while 20.6% indifferent and disagree about their supervisors’ telling what they are doing frequently.

Out of the total employees of both universities, majority (60.3%) disagree, while 31.6% disagree, and 18.0% indifferent about their supervisors telling them what they are doing frequently.

The test for t-test for equality of mean is presented in the Appendix Table B also reveals the response of employees about the supervisors’ telling what they are doing frequently. AAU employees’ gives average rating of 2.49, which is disagreement, whereas, SUC employees has moderate level agreement, with average agreement level of 3.56. The t-test result with p-value =0.00<0.05 shows difference between the two groups.

In addition to the employees response presented in the above ways human resource management heads of both institutions said during the interview session, in the AAU case

there is no such practice known, while in the case of SUC this practice is sometime used when the need arise from the working environment. The two informant opinion confirmed what has been achieved through percentile and t-test, and can be concluded the public higher education institutions do not show employees frequently what they are doing, where as private higher education institutions show some times as needed.

4.5.18 Comparing Performance Ratings with Coworkers

Comparing performance seem essential, to create competition among employees, however it can also impair employees moral whose their performance is below average and needs development and training if not penalize. Therefore the pros and cons should be considered before the organization handling such cases. However, if the advantage exceed the cost of showing and comparing the performance appraisal is not bad.

Table 40: Always I compare my performance ratings with my coworkers

Institution	Level of Agreement					Total
	SD	D	NA/ND	A	SA	
% within UNVE	20.0%	27.4%	27.8%	15.2%	9.6%	100.0%
% within UNVE	20.6%	23.5%	17.6%	17.6%	20.6%	100.0%
% of Total	20.1%	26.9%	26.5%	15.5%	11.0%	100.0%

Data Source: April and May 2012

Majority (47.7%) of employees of AAU disagree, while 27.8% indifferent, and 24.8% agrees about comparing their performance rating with coworkers. Similarly majority (44.1%) of employees SUC agree, while (38.2%) disagree, and 17.6% indifferent, about

it. From total employees of both universities, majority (47.0%) agree, 36.5% disagree, and 26.5% indifferent about comparing their performance rating with coworkers.

According to the response from both universities human resource management head informants, how the employees were comparing their performance rating with those of their coworkers, their response were there is no such practice of showing employees performance appraisal rate in order to compare with their co-worker. However, employees can exchange the information about their own particular of their performance appraisal.

4.5.19 The Performance Appraisal Process is a Waste of Time

If not appropriately to align employees to organizations' goal, performance appraisal would be a waste of time and resources. In the table below the opinion of employees are shown.

Table 41: Performance Appraisal Process is a Waste of Time

Institution	Level of Agreement					Total
	SD	D	NA/ND	A	SA	
% within UNVE	32.0%	19.0%	18.2%	16.9%	13.9%	100.0%
% within UNVE	55.9%	23.5%	14.7%	2.9%	2.9%	100.0%
% of Total	35.1%	19.6%	17.7%	15.1%	12.5%	100.0%

Data Source: April and May 2012

The majority (51.0%) of employees from AAU disagree, while 40.8% agree, and 18.2% indifferent. similarly the majority (79.4%) disagree, while 14.7% indifferent and 5.8% agree.

Out of the total respondents of both universities 54.7% disagree, 15.1% indifferent, and 27.6% agree. Even though, the majority do not believe the performance appraisal is a waste of time, but there are quite few who believe it is a waste of time in both organizations. The human resource management heads of both universities expressed their views positively about the existence of performance appraisal.

The t-test for equality of means in the Appendix Table B reveals, AAU and SUC level of agreement is 2.6 and 1.74 respectively. The $P=0.000 < 0.05$ show significant difference about the aforementioned statement. The AAU employees disagree, where as SUC strongly disagree. Despite, few employees disagree, absolute majority of both university employees believe in the existence of performance appraisal. Therefore, employees of public higher education institutions less believe in the existence of performance appraisal than those of private. The performance appraisal process that doesn't meet the organizations and employees goal is a waste of time.

CHAPTER FIVE

5. CONCLUSION AND RECOMMENDATIONS

In the previous chapter, analysis and interpretation of the study was made based on the data obtained through questionnaire distributed to and an interview conducted with employees of Addis Ababa University and St. Mary's University College. Based on the analysis and interpretation, conclusion and recommendations of the study were made as follows.

5.1 Conclusion

According to the analysis conducted in chapter four, performance appraisal is implemented in the public higher education institution at moderate level, where as it is implemented in the private higher education institution at high moderate level to let employees know where they stand at particular period of time in their performance.

- The study indicates that both universities were using PA for motivation of employees at moderate level, which shows the use of it for motivational purposes is not at the desired level, and very low particularly in the AAU. Rather, it consists of mixed interest which is vague so that it hurts the moral of employees and demoralizes them from competition and creativity. Thus, employees without competition and creativities would be cost to the organization.
- The information generated through PA is at the moderate level in both organizations in providing incentives and job promotion to those employees', whose their performance is at the level of the standard and above. Particularly, AAU, which is a public university, uses at very low level for it gives only promotion rather than other payments, while the

SUC makes both payment (annual increment) and promotion and training and development program.

- Information generated through performance appraisal is used in both organizations at moderate level in order to determine warnings about their unsatisfactory performance and to help supervisors to make decisions of retention or discharge.
- It is also difficult to say that information generated through performance appraisal is used to diagnose the problem of both employees and organizations in the organizations under study.
- The criteria/instrument to measure the performance of employees is not clearly defined and is not objective-oriented in both institutions.
- The performance appraisal is not on the base of employees' accomplishments and achievements, particularly in the AAU, while in SUC it is almost at moderate level.
- Both institutions are not providing opportunities to their employees to participate in the design of form used to evaluate their employees' performance.
- The form used for evaluation of majority of employees' performance appraisal is not customized on the basis of their job characteristics.
- Raters rating subordinates on the basis of personal liking and disliking exists at moderate level in AAU, while such bias exists at low level in SUC. And in addition, raters avoiding giving performance rating having negative consequence exists at moderate level while exists at low level in SUC.
- The practice of supervisors accurately evaluating their subordinate to the extent of they are being rewarded for doing so and penalized for failing not doing so is low in AAU, while adequately enough in SUC.

- The raters in both AAU and SUC moderately keep files on what employees done during the appraisal period.
- The recency effect errors exist at moderate level in both institutions, which the rater commits the bias of giving greater weight to recent occurrences when appraising an individual's performance. Though its level of existence is low, employees creating positive impression in the minds both organizations supervisor is clear, which the subordinates sought what is not their achievements in return from their supervisors. This practice creates distrust and weakens competitiveness among employees and spoils organizations' culture.
- Some of both organization employees do not know the way to appeal the performance rating they think is biased.

5.2 Recommendations

On the basis of analysis and its findings, the following recommendations have been given:

- Addis Ababa University as well as other public higher education institutions should base the evaluation of their employees' performance on their accomplishment and achievements like, and even better than private institutions in Ethiopia.
- AAU and SUC, as well as, other institutions of higher education should maximize giving feedbacks to the subordinate employees, as it benefits both the organizations and the employees. Employees who knew where they stand strive to improve their performance. As a result, if their performance is improved,

organization's efficiency will be improved.

- Since motivation enhances employees' moral for creativity and competition, creative mind innovates new product or services that shall improve productivity/service quality which as a result brings about maximizing efficiency and effectiveness. This eventually brings about the attainment of organizational goals. Therefore, the organizations understudy and Ethiopian Higher Education institutions in general should work hard to use the information generated through performance appraisal for motivation of employees.
- From the current scenario of using the information generated through PA for promotion and payment at lower level, it is good of both organizations to use the information for balanced payment and promotions.
- Both the organizations need to maximize the use of PA in their respective managerial systems, in order to correct the behavior of employees with low performance and make them more efficient and effective. If this measure could not correct the behavior of their employees, the organization should consider the question of retention or discharge in order to minimize cost and maximize benefit of the organizations.
- Both organizations need to use the performance appraisal to strengthen the relationship between the superior and subordinate by implementing motivational scheme, creating transparency, avoiding bias, and improving employees attitude by giving training and development to the employees in order to help to avoid employees' self perceptions wrongly.
- Both organizations need to use the performance appraisal to help the employees to

improve their job. For such purposes, they should develop policy which enhances the improvement of employees' job.

- Hence, both organizations need to do a lot to minimize the risk of the existing scenario of weak relationship, between subordinate and supervisors which emanated from the problem of PA. Creating transparency within the system of PA, attaching the PA with motivations, and providing training to both rater and ratee can create an inviting atmosphere of working system. In order to sow and cultivate the fruit of PA in a way it maximizes (strengthens) the relationship of both subordinates and supervisors, continuous and transparent evaluations of levels of employees' performance is an essential measure that needs to be taken.
- The form used for PA of employees should measure the employees' achievement and accomplishments and to this effect, employees should participate in preparation of performance appraisal, these can create transparency, reduces form used cumbersomeness, promote trusts among the subordinate and supervisor.
- As it decreases the litigation cases and brings about more trust between the rater and the ratee, keeping file or document for what employees perform during evaluation period is essential and both organizations as well as those higher education's institutions need to develop the culture, and maximize its use.
- To avoid or minimize such rater bias, the raters in both organizations should develop methods of documents of recording both negative and positive performance.
- Both organizations should review the policy if any, and refresh in the way it brings change in the organizations behavior, to enhance effectiveness and

efficiency in order to improve their service quality, to satisfy their internal and external customers.

- The criteria/form in use in both Organizations are standardized and prepared to measure all employees with similar variables, need to be customized in accordance with the employees' jobs, and this also need to be supported by internal policy of the organizations, in order to help the both organizations human resource management.
- Both organizations should formulate policy of managing such organizational problems of employees creating positive impression in the mind of their subordinates to reap unsought benefit.
- Biases of different types, such as personal liking and disliking, avoiding giving performance rating may have negative consequences to employees, and can be managed by developing policy that can guide and control the existence of such practice in both organizations.
- Both organizations lack the provision of training to both supervisors and subordinates employees about the relevance of the performance appraisal in both organizations, and need to give them adequate and timely training, and this also should be maintained as an organizational culture.
- Both Ethiopian higher education institutions also should develop policy that incorporates the above recommendations as a result of this study, in order to be benefited from the employees' performance appraisal.
- Further more, both organizations understudy need to develop the practice of performance management instead of performance appraisal.

References

- Armstrong, M. (1988). A handbook of personnel management practice. 3rd Ed. London: Kogan Page Ltd.
- Armstrong, M. (1994). A handbook of personnel management practice. 5th Ed. London: Kogan Page Ltd.
- Armstrong, M. (2000). A handbook of personnel management practice. 7th Ed. London: Kogan Page Ltd.
- Armstrong, M. (2009). A handbook of personnel management practice. 11th Ed. London: Kogan Page Ltd.
- Bacal, R. (1999). Performance management. New York: McGraw-Hill.
- C. Dawson. (2002). Practical Research Methods: A user friendly guide to mastering research techniques and projects. Cromwell Press, Trowbridge, Wiltshire.
- Campbell, D. J. and Lee, C. (1988). 'Self-appraisal in performance evaluation: 3rd edition, Tata McGraw-Hill Publishing Company Limited, New Delhi.PP.199-231
- Clinton O. Longenecker, and Fink, L.S. (1997). Creative Effective Performance Appraisals, Industrial Management, 18-23.
- Clinton O. Longenecker (1997). Why managerial performance appraisals are ineffective: Causes and Lessons. Career Development international, Vol.2, 5, pp. 212- 218.
- Danielle S. Wiese, M. Ronald Buckley, (1998). The evolution of the performance appraisal process, Journal of Management History (Archive), Vol. 4 Iss: 3, pp.233 - 249
- Deborah F. Boice and Brian H. Kleiner (1997). Designing effective performance appraisal system. Work study, vol.46, No.6. PP.197-201
- DeCenzo, D.A. & Robbins, S.P. (1996). Human resource management: concepts & practices. 4th Ed. New York: John Wiley & Sons Inc.
- Flippo, Edwin B (1983). Personnel Management, 6th ed. New York: McGraw Hill Book Co.
- Gomez Mejia, Luis R. Balkin, David B, and Cardy, Robert L. (2001). Managing Human Resource, Pearson Edition,
- Heneman Herbert G. Personnel (1996). Personnel Human Resources Management. 4th ed., New Delhi: Universal Book Stall.

- Ivancevich, John M. and Cluech William F. (1989). Found of Personnel Human Resource Management 4th, ed. Richard D. Irwin, Inc..
- Ivancevich, John M. and Cluench William F. (1997). Management Quality and Competitiveness, Boston: Irwing.
- Laurie J. Mullins. (1996). Management and Organizational Behavior, 8th ed. Great Britain, prentice Hall.
- M.S. Susan Taylor. (1995). Due process in Performance appraisal: A Quasi –Experiment in procedural justice, Administrative science quarterly, Vol.40, and No.3. (Sept., 1995), pp.495-523
- Mark Cook (1995). Performance appraisal and true performance. Journal of managerial philosophy, Vol.10, No.7
- Mathis, Robert L. Jackson John H. (1997). Human Resource Management 8th ed. New York: West Publishing Company.
- Michael Beer (1987). “Performance appraisal”, In Lorch, J.(Ed).Hand book of organizational Behavior, Prentice Hall, Englewood, Cliffs, NJ, pp.286-299
- Mondy, Neo, Premeax. (1999). Human Resource Management. 4th ed. Allyn and Bacon, Boston.
- Steven L. McShane and Mary Ann Von Glinow (2000). Organizational Behavior, Irwin McGraw-Hill. Boston
- Tosi, Henry L. Risso, John R. and Carrol, Stephen J: Managing Organizational Behavior. New York: Pitman Publishing Inc. 1986.
- Weise, D.S. and Buckley, M.R. (1998). The evaluation of the performance appraisal process. Journal of Management History, Vol.4, No.3, PP.233-249.
- Weiss, T. and Hartl, F. (1997). Performance Management. St.Lucie Press, Boca Raton Florida
- Y.K. Singh. (2006). New Age Fundamental of Research Methodology and Statistics. New International Publishers.
- Yong. F. (1996). Inflation of subordinates’ performance ratings: Main and interactive effects of Rater Negative Affectivity, Documentation of Work Behavior, and Appraisal visibility. Journal of organizational Behavior, Vol.20, No.4. (Jul.,1999), pp.431-444.
- Zikmund .W. (2003). Business Research Methods.7th ed, South-Western CENGAGE Learning

Proclamations:

“Federal civil servants proclamation, No.262/2002” of the Ethiopia
Ministry of Labor and Social Affairs, Proclamation No.377/96

Web Sites

[http://: aau.edu.et](http://aau.edu.et)

<http://suc.edu.et>

[http/performance appraisal.com](http://performance appraisal.com)

					t-test for Equality of Means						
Group Statistics					t	df	p-value	Mean Difference	95% Confidence Interval of the Difference		
	UNVE	N	Mean	Std. Deviation					Lower	Upper	
1	I know the existence of performance appraisal in the organization	AAU	234	4.06	1.108	-1.46	266	0.146	-0.289	-0.68	0.101
	SUC	34	4.35	0.849							
2	I know the purpose of performance appraisal	AAU	234	3.91	1.218	-0.42	266	0.676	-0.094	-0.54	0.349
	SUC	34	4	1.279							
3	Information generated through performance evaluation is used to give feedback to subordinates so that they know where they stand	AAU	234	3.26	1.321	-3.06	266	0.002	-0.714	-1.17	-0.25
	SUC	34	3.97	0.87							
4	Information generated through performance evaluation in strongly determines pay and promotion decisions	AAU	233	3.03	1.386	-2.26	265	0.024	-0.562	-1.05	-0.07
	SUC	34	3.59	1.104							
5	Information generated through performance evaluation in is used as a basis to warn subordinates	AAU	234	2.74	1.299	-2.35	266	0.02	-0.555	-1.02	-0.09
	SUC	34	3.29	1.219							

	about unsatisfactory performance and helps supervisors make discharge or retention decision										
6	Information generated through performance evaluation in is used to counsel and coach subordinates so that they will improve their performance and develop their respective potential.	AAU	23 4	3.45	1.358	- 2.91	26 6	0.00 4	-0.694	-1.16	-0.22
		SUC	34	4.15	0.784						
7	Information generated through performance evaluation in is used to motivate subordinates through recognition and support.	AAU	23 4	3.03	1.423	- 1.82	26 6	0.07	-0.466	-0.97	0.03 8
		SUC	34	3.5	1.161						
8	Information generated through performance evaluation in is designed to strengthen the relationship between supervisors and subordinates	AAU	23 3	2.82	1.31	-2.9	26 5	0.00 4	-0.68	-1.14	-0.22
		SUC	34	3.5	1.022						
9	Information generated	AAU	23 3	2.76	1.294	- 3.69	26 5	0	-0.858	-1.32	-0.4

	through performance evaluation in is used to diagnose both organizational and individual problems based on performance results.	SUC	34	3.62	1.045						
10	In my opinion, the performance evaluation system in is serving its purpose.	AAU	233	2.45	1.185	-4.24	265	0	-0.907	-1.33	-0.49
		SUC	34	3.35	1.012						
11	The performance criteria/instruments used to measure my performance are clearly defined and objective	AAU	233	2.91	1.2	-2.75	265	0.006	-0.594	-1.02	-0.17
		SUC	34	3.5	0.992						
12	The performance evaluation criteria used in the organization is capable of measuring my true performance.	AAU	233	2.75	1.2	-2.25	265	0.026	-0.489	-0.92	-0.06
		SUC	34	3.24	1.075						
13	I have got the opportunity to participate in the design of the performance evaluation form used to measure my performance.	AAU	233	2.16	1.302	-2.29	265	0.023	-0.547	-1.02	-0.08
		SUC	34	2.71	1.315						
14	In my opinion, the performance	AAU	233	3	1.345	-1.58	265	0.116	-0.382	-0.86	0.095

	evaluation form used to evaluate my performance is capable of distinguishing effective from ineffective performers.	SUC	34	3.38	1.129						
15	The performance evaluation form used to evaluate my performance is customized based on the characteristics of my job.	AAU	233	2.74	1.277	-1.48	265	0.14	-0.346	-0.81	0.114
		SUC	34	3.09	1.24						
16	I have ways to appeal to a performance rating that I think is biased and inaccurate	AAU	232	2.94	1.263	-2.64	264	0.009	-0.615	-1.07	-0.16
		SUC	34	3.56	1.307						
17	I can challenge a performance rating if I think is biased or inaccurate.	AAU	233	3.37	1.27	-0.95	265	0.345	-0.219	-0.68	0.237
		SUC	34	3.59	1.209						
18	The performance evaluation in my organization helped me improve my job performance.	AAU	233	2.85	1.332	-0.97	265	0.332	-0.238	-0.72	0.244
		SUC	34	3.09	1.357						
19	In my opinion, the performance evaluation system is fair and objective.	AAU	233	2.7	1.222	-1.96	265	0.051	-0.443	-0.89	0.002
		SUC	34	3.15	1.306						
20	The evaluator is influenced by personal liking and disliking	AAU	233	2.57	1.22	3.15	265	0.002	0.688	0.259	1.118
		SUC	34	1.88	0.946						

	when evaluating my performance.										
2 1	My supervisor avoids giving performance ratings which may have negative consequences to his/her subordinates.	AAU	23 2	2.77	1.284	2.63	26 4	0.00 9	0.624	0.15 7	1.09 2
		SUC	34	2.15	1.351						
2 2	My supervisor accurately evaluates my performance to the extent that I will be rewarded for doing what I must or penalized for failing to do so.	AAU	23 3	3.06	1.307	- 3.79	26 5	0	-0.885	-1.35	-0.43
		SUC	34	3.94	0.983						
2 3	In order to avoid resentment and rivalry among colleagues, my supervisor gives equivalent ratings.	AAU	23 1	2.75	1.193	- 0.33	26 3	0.74 4	-0.075	-0.52	0.37 5
		SUC	34	2.82	1.547						
2 4	If I have question or reservations about my performance evaluation, my evaluator provides me with specific examples of things which I have accomplished during the [evaluation]peri	AAU	23 3	2.91	1.229	- 3.66	26 5	0	-0.821	-1.26	-0.38
		SUC	34	3.74	1.163						

	od.										
25	My supervisor generally supports his evaluation with specific incidents of good and poor performances.	AAU	23 2	2.99	1.247	-2.5	26 4	0.01 3	-0.572	-1.02	-0.12
		SUC	34	3.56	1.236						
26	My rater usually keeps a file on what I have done during the appraisal period to evaluate my performance,	AAU	23 3	2.69	1.189	-3.17	26 5	0.00 2	-0.696	-1.13	-0.26
		SUC	34	3.38	1.231						
27	Evaluation of my performance is based on my accomplishment and achievement.	AAU	23 0	3.16	1.279	-3.04	26 2	0.00 3	-0.696	-1.15	-0.25
		SUC	34	3.85	1.019						
28	In my recent evaluation, compared to my colleagues my rater gave me a fair assessment	AAU	23 3	3.23	1.237	-0.42	26 5	0.67 6	-0.096	-0.55	0.35 6
		SUC	34	3.32	1.342						
29	Unqualified person rates my work	AAU	23 1	2.6	2.85	1.51	26 3	0.13 2	0.744	-0.23	1.71 5
		SUC	34	1.85	0.892						
30	My rater frequently lets me know how I am doing.	AAU	23 2	2.49	1.303	-4.51	26 4	0	-1.067	-1.53	-0.6
		SUC	34	3.56	1.186						
31	I always compare my performance rating with my colleagues.	AAU	23 0	2.67	1.227	-1.18	26 2	0.24 1	-0.272	-0.73	0.18 4
		SUC	34	2.94	1.455						
32	Although wrong, I always	AAU	23 3	2.31	1.238	2.43	26 5	0.01 6	0.544	0.10 4	0.98 5

	supported the ideas of my supervisor.	SUC	34	1.76	1.075						
33	I usually try to create a positive impression in the mind of my rater	AAU	233	2.91	1.297	1.5	265	0.135	0.355	-0.11	0.821
		SUC	34	2.56	1.236						
34	I always do favours to my supervisor.	AAU	233	2.09	1.195	1.65	265	0.101	0.355	-0.07	0.779
		SUC	34	1.74	1.024						
35	I used to work hard only making sure that my supervisor watched what I am doing.	AAU	233	2.05	1.208	2.85	265	0.005	0.606	0.188	1.024
		SUC	34	1.44	0.705						
36	I always refuse to accept low performance rating	AAU	233	3	1.281	1.76	265	0.08	0.407	-0.05	0.864
		SUC	34	2.59	1.131						
37	I think the performance appraisal process is a waste of time.	AAU	231	2.61	1.434	3.45	263	0.001	0.879	0.377	1.382
		SUC	34	1.74	1.024						