

**Effects of Performance Appraisal on the Achievement of Organizational
Objectives: a Case Study of Manhyia District Hospital, Kumasi**

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DEDICATION

I dedicate this work to my sweet-heart, Joyce and two children Erica Bofa Boateng and Samuel Kofi Peprah Boateng, whose love, support, understanding and prayer have been my strong encouragement in the very difficult moments of this study.

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ABSTRACT

The study was designed to assess the effectiveness of the Staff Performance Appraisal System of Ghana Health Service, a case study of Manhyia District Hospital. Specific objectives of the study cover measurement of employees understanding of the objectives of the appraisal system, its process and procedures. Also, the study measures employees perception of the appraisal system, how it has been able to identify employees strengths and weakness and finally finds out whether all set objectives are achieved. The study population was the entire staff of Manhyia District Hospital totaling 221. The researcher used sample size of 52% and obtained data using a eleven-sectioned self completed questionnaire and interviews. Data presentation and discussions were supported with bar and line graphs, pie chart and tables to make the whole work easy to read and understand by all and sundry. The study revealed that the Staff Performance Appraisal exercise was not given the seriousness it deserves. Again, majority of the staff have knowledge of the performance appraisal system in the hospital and agreed that the system establishes key objectives, so the researcher recommended improvement in communication and introduction of training programmes highlighting the relevance of performance appraisal and its structures.

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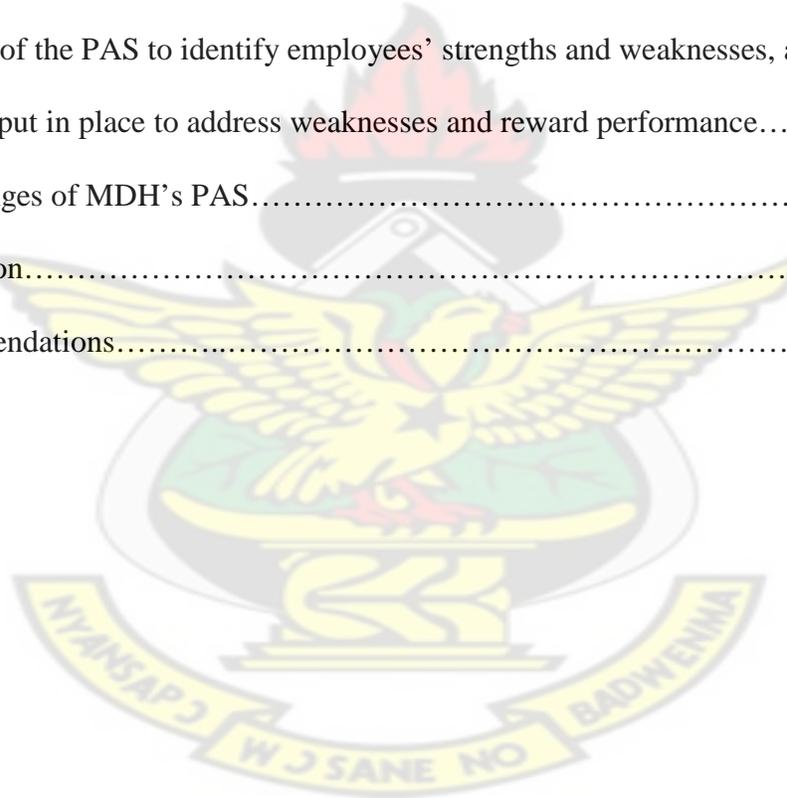
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CHAPTER ONE INTRODUCTION

1.1 Background of the Study

Performance Appraisal is a major subject of controversy in management circles. While business leaders see the need for appraisal systems, they are frequently disappointed in them. One of the responsibilities of management is to ensure that an organization functions effectively and efficiently. In order to achieve these goals, managers must be able to determine and assess performance levels of both an organization and its individual employees (Kurt 2004).

Modern businesses depend upon measurement and analysis of performance. Measurements must derive from the company's strategy and provide critical data and information about key processes, outputs and results. Data and analysis support a variety of company purposes, such as planning, reviewing company performance, improving operations, and comparing company performance with competitors' or with 'best practices' benchmarks (Averson, 1998).

1.2 Historical Background of Performance Appraisal in Ghana Health Service

As part of the Ghana Health Service human resource management responsibilities, the procedure for evaluation of staff performance in Ghana Health Service was done by using standardized Civil Service forms and processes for conducting staff performance appraisal.

Members of staff were to be assessed once a year. In order to focus performance appraisal on performance improvement and less on promotion, the Ghana Health Service developed its own performance appraisal process in the year 2003. The purpose of the new process was to evaluate staff performance quarterly, for which staff were to set their own objectives quarterly and monitor their achievements at the end of each quarter in a year. This approach was piloted in Ashanti Region, Eastern Region and Brong Ahafo region in Ghana.

An evaluation of this quarterly appraisal system also revealed that though helpful and better than the Civil Service annual appraisal system, the quarterly one was too cumbersome and time consuming. In 2006, the revised Staff Performance Appraisal (SPA) was introduced by Ghana Health Service where objectives are set annually but with an abbreviated six months review of performance activities. At present, this is what is being used in the Ghana Health Service.

Though, it is fairly easy to prescribe how the performance appraisal process should work, descriptions of how it actually works in practice could be rather discouraging. This study is therefore meant to assess the effectiveness of the Performance Appraisal System in Ghana Health Service, a case study of Manhyia District Hospital.

1.3 Statement of the problem

Performance appraisal provides a good opportunity to formally recognize employees' achievements and contributions to the organization, and to ensure that a clear link is established and maintained between performance and reward. Employees of Ghana Health Service in recent times have been accused of high level of inefficiencies in the discharge of their duties by the general public. However, it was recently that research had revealed the deplorable working conditions under which health professionals' work. Poor infrastructure, inadequate logistics and equipment, poor remuneration and inadequate reward system have always led to the low level of public confidence and respect in the health institutions.

The situation had further resulted in ripple effects of poor performance, low morale and lack of discipline in the service vis-a-vis the theories on performance appraisal. Given the challenges earlier enumerated to be facing employees in Ghana Health Service, particularly employees of Manhyia District Hospital in the Ashanti Region, performance appraisal offers a valuable opportunity to recognize and reward employees' efforts and performance, detect key barriers and identify professional developmental needs and opportunities. It provides valuable feedback and instruction to employees and gives managers and supervisors a useful framework from which to assess the employees' staff's performances.

1.4 Objectives of the Study

An effective performance appraisal programme would assist an organization to achieve its goals and objectives. It would lead to enhanced communication, employees professional development, improved employee morale and help identify training needs of the employees. A well-developed staff are more likely to be proactive, productive and resourceful, all of which help give the organization a competitive edge from improved customer relations to increased profits.

1.4.0 The **main objective** of the study was to assess the effectiveness of the Performance Appraisal (SPA) system in Ghana Health Service at Manhyia District Hospital.

1.4.1 Specific objectives for the study were to find out:

1. To measure employees' understanding of the objectives of the appraisal system, its processes and procedures at Manhyia Hospital.
2. To find out whether the appraisal system at Manhyia Hospital is achieving the objectives.
3. To measure employees perception of the appraisal system at Manhyia Hospital.
4. To find out how the performance appraisal system has been able to identify employees' strengths and weaknesses and programmes put in place to address weaknesses and reward performance.

1.5 Research questions

The following research questions formed the basis upon which the study was conducted:

1. What is the level of employees' understanding of the objectives of the appraisal system, its processes and procedures at Manhya Hospital?
2. How is the appraisal system at Manhya Hospital achieving the objectives?
3. What is the perception of employees of the appraisal system at Manhya Hospital?
4. Is the performance appraisal system able to identify employees' strengths and weaknesses?

1.6 Significance of the study

This study would bring to light employees understanding and appreciation of the performance appraisal system and the relevance of an objective, systematic and effective performance appraisal. Also, it would contribute to knowledge and literature because it would focus on how performance appraisal can be more effective which would enable management to develop a broader understanding of human resource management process. Further, it would provide information for human resource practitioners on how rules and regulations regarding performance appraisal work in hospitals and develop the necessary programmes to address weaknesses and reward performance.

1.7 Scope of the Study

One of the facilities of Ghana Health Service is Manhyia Hospital with the responsibility of providing preventive and curative health service in the Manhyia Submetro. This study thus focuses on performance appraisal as human resource activity in Manhyia District Hospital in Ashanti Region; policy issues are thus not reviewed.

1.8 Overview of Research Methodology

The researcher employed a methodology to achieve the objective of the study based on both primary and secondary data from Manhyia Hospital. Furthermore, the researcher focused on the population, sample size and sampling procedures, research instrument; administration of questionnaire to the senior and junior staff targeting population using non-random sampling, specifically, convenience sampling.

Data collected via questionnaire for the primary data were collated and analyzed using the appropriate statistical techniques such as distribution tables, which were culminated into bars and pie charts via the Microsoft Excel Software. Furthermore, information such as specific comments and issues raised by respondents, were analyzed and summarized into tables.

1.9 Limitation of the Study

The researcher finds that the time span within which to complete this work may not be enough to allow for a comprehensive study of the research area. Again the study was constrained because of the researcher's inability to access some information he considers important for the study.

1.10 Organization of the Study

The study is divided into five (5) chapters. Chapter one embodies the general introduction to the study, the objective of the study, specific objectives, statement of the problem, research questions, scope, organization of the study and the significance of the study. In chapter two, the works of some authors pertaining to the concept of appraisal are reviewed, bearing in mind the objective of the study. Chapter three provides information on the methodology for the study. It looks at the study design, the study population, and the sampling techniques used. It also provides information on the data collection methodology and analysis procedures.

The fourth chapter reports on the findings obtained from the field study. It describes the background of the respondents, the issues relating to effectiveness of performance appraisal, the identifiable constraints that affected the appraisal system in the service and how to solve them. The concluding fifth chapter summarizes the salient trends and ends with suggestions and recommendations necessary for the attainment of an effective

performance appraisal system in the Ghana Health Service.

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CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

For the purpose of this research, performance assessment and its effect on the output of staff in the Ghana Health Service is the focal point. This chapter therefore presents the theoretical framework and models that are relevant and suitable for the current study; and which will be applied and used to analyze collected data and information.

2.2 Performance Evaluation and Measurement

Performance, as suggested by Ainsworth et al. (2002), is an outcome, or result of an individual's actions. An individual's performance therefore becomes a function of ability and motivation. Ainsworth et al describe it as the outcome of being able to (ability) (A) * wanting to (motivation) (M) Expressed mathematically as:

$$\text{Performance} = A * M$$

Performance Assessment (also performance appraisal, evaluation, measurement) becomes a continual review of the job related task accomplishments or failures of the individuals within the organization. A major consideration in performance improvement involves the creation and use of performance measures or indicators; which are

measurable characteristics of products, services, processes, and operations the company uses to track and improve performance.

2.3 Appraisal

The term "appraisal" can mean different things in different situations. Randell (1994), in Shelley (1999), highlights formal and informal approaches which may have a multiplicity of purposes, including: evaluation, auditing, succession planning, training, controlling, development and motivation. Appraisals regularly record an assessment of an employee's performance, potential and development needs. The appraisal is an opportunity to take an overall view of work content, loads and volume, to look back on what has been achieved during the reporting period and agree objectives for the next (Bacal, 1999).

Bryman et al. (1994), have investigated the use of evaluative and developmental approaches to appraisal in different sectors. Developmental appraisals focus on both training to address short-term issues and on long-term career needs. In contrast, the evaluative approach focuses on managerial control and judgment. Fletcher, (1993), in Shelley (1999), discusses a range of methods of appraisal, from managerially defined behavioural traits and performance criteria, measurement against achievement of objectives, to the inclusion of other parties sometimes with more qualitative measures, such as peer and in 360 degree appraisal.

Townley, (1993) in Shelley, (1999), describes as a live debate and one which is of relevance in the changing world of academia, the extent to which managers use appraisal for managerial purposes, and the extent to which individual employees can use appraisal for their own benefit.

2.4 Performance Appraisal (PA)

Performance is an employee's accomplishment of assigned work as specified in the critical elements and as measured against standards of the employee's position. The term "Performance Appraisal" is concerned with the process of valuing a person's worth to an organization with a view to increasing it (Blazer et al., 1990). Performance appraisal is a universal phenomenon in which the organization is making judgement about one is working with and about oneself. It serves as a basic element of effective work performance. Performance appraisal is essential for the effective management and evaluation of staff. It aims to improve the organizational performance as well as individual development (Cascio, 1998).

The focus of the performance appraisal is measuring and improving the actual performance of the employee and also the future potential of the employee. Its aim is to measure what an employee does. Shelley again considers PA as a systematic way of reviewing and assessing the performance of an employee during a given period of time and planning for his future.

It is a powerful tool to calibrate, refine and reward the performance of the employee. By focusing the attention on performance, performance appraisal goes to the heart of HR management and reflects the management's interest in the progress of the employees.

According to Moats (1999), when conducted properly, appraisals serve the purpose Shelley describes by: (1) showing employees how to improve their performance, (2) setting goals for employees, and (3) helping managers to assess subordinates' effectiveness and take actions related to hiring, promotions, demotions, training, compensation, job design, transfers, and terminations.

The above expositions establish performance appraisal as a clear and concise, regular and unbiased system of rating an employee's performance in her current position, which can also be used to determine how far the employee can go in career development. The benchmarks of such appraisals are usually the job description in tandem with stated company objectives.

An organization engages a person for the purpose of employing his skills to achieve certain goals and objectives. Every so often, the employer needs to take stock and determine the value of each employee, his potential, and what his future in the company is likely to be. In the researcher's opinion this is accomplished through the practice of performance appraisal.

2.5 Developmental Background of Performance Appraisal

The history of performance appraisal is quite brief. Its roots in the early 20th century can be traced to Taylor's pioneering Time and Motion studies. As a distinct and formal management procedure used in the evaluation of work performance, appraisal really dates from the time of the Second World War - not more than 60 years ago. Performance appraisals have been increasingly implemented by most modern organization as a tool for employee assessment (Cawley, 1998).

Companies and researchers have increasingly stressed the use of employee evaluations for motivational and organizational planning purposes. Indeed, for many companies performance appraisal has become an important tool for maximizing the effectiveness of all aspects of the organization, from staffing and development to production and customer service (Moats, 1999).

As Moats puts it, that shift of focus was accompanied during the 1970s, 1980s, and 1990s by a number of changes in the design and use of appraisals. Those changes reflected new research and attitudes about organizational behavior and theory. Traditional appraisal systems were often closed, meaning that individuals were not allowed to see their own reports. Since the mid-1900s, most companies have rejected closed evaluations in favor of open appraisals that allow workers to benefit from criticism and praise.

Another change in appraisal techniques since the mid-1900s has been a move toward greater employee participation. This includes self-analysis, employee input into evaluations, feedback, and goal setting by workers. Appraisal systems have also become more results-oriented, which means that appraisals are more focused on a process of establishing benchmarks, setting individual objectives, measuring performance, and then judging success based on the goals, standards, and accomplishments. Likewise, appraisals have become more multifaceted, incorporating a wide range of different criteria and approaches to ensure an effective assessment process and to help determine the reasons behind employees' performance (Bodil, 1997).

Performance appraisals and standards have also reflected a move toward decentralization. In other words, the responsibility for managing the entire appraisal process has moved closer to the employees who are being evaluated; whereas past performance reviews were often developed and administered by centralized human resources departments or upper-level managers, appraisals in the 1990s were much more likely to be conducted by line managers directly above the appraisee.

2.6 Performance Appraisal Systems

Moats (1999) points out that most effective system of appraising performance are: (1) pragmatic, (2) relevant, and (3) uniform. Bodil, (1997), describes pragmatism as important because it helps to ensure that the system will be easily understood by employees and effectively put into action by managers. Moats further stresses that appraisal structures that are complex or impractical tend to result in confusion, frustration, and nonuse. Systems that are not specifically relevant to the job may result in wasted time and resources. Undeniably, most successful appraisal programs identify and evaluate only the critical behaviors that contribute to job success. Systems that miss those behaviors are often invalid, inaccurate, and result in discrimination based on nonrelated factors (Bodil, 1997).

The uniformity of the appraisal structure is vital because it ensures that all employees are evaluated on a standardized scale. Appraisals that are not uniform are less effective because the criteria for success or failure become arbitrary and meaningless. Furthermore, uniformity allows a company to systematically compare the appraisals of different employees with each other. Companies must address four decisions when structuring their appraisal systems: (1) What should be assessed? (2) Who should make the appraisal? (3) Which procedure(s) should be utilized?; and (4) How will the results be communicated? In determining what to evaluate, designers of an appraisal system usually consider not only results, but also the behaviors that lead to the results (Bodil, 1997).

According to Shelley (1999), the actions and results that are measured will depend on a variety of factors specific to the company and industry. Most importantly, criteria should be selected that will encourage the achievement of comprehensive corporate objectives. This, Moats says, is accomplished by determining the exact role of each job in accomplishing company goals, and which behaviors and results are critical for success in each position. Furthermore, different criteria for success should be weighted to reflect their importance.

2.7 The Role of Performance Appraisal

Competent appraisal of individual performance in an organization or company serves to improve the overall effectiveness of the entity. McGregor in Moats (1999), describes the three main functional areas of performance appraisal systems as: administrative, informative, and motivational. According to Addison-Wesley (2001), appraisals serve an administrative role by facilitating an orderly means of determining salary increases and other rewards, and by delegating authority and responsibility to the most capable individuals. Informative function is fulfilled when the appraisal system supplies data to managers and appraisees about individual strengths and weaknesses. When effectively used, performance appraisals will be seen to be playing a major role in helping employees and managers establish goals for the period before the next appraisal (Addison-Wesley, 2001).

2.8 Objectives of Performance Appraisal

The objectives of the appraisal scheme should be determined before the system is designed in detail. The objectives will to a large extent dictate the methods and performance criteria for appraisal so they should be discussed with employees, managers and trade unions to obtain their views and commitment (Fletcher, 1994). The main objectives of an appraisal system are usually to review performance, potential and identify training and career planning needs. In addition the appraisal system may be used to determine whether employees should receive an element of financial reward for their performance (Derven, 1990).

Performance reviews give managers and employees opportunities to discuss how employees (1) are progressing and to see what sort of improvements can be made or help given to build on their strengths and enable them to perform more effectively (Grote, 2002). Review of potential and development needs predicts the level and type of work that employees will be capable of doing in the future and how they can be best developed for the sake of their own career and to maximise their contribution to the organisation. Reward reviews - determine the 'rewards' that employees will get for their past work. The reward review is usually a separate process from the appraisal system but the review is often assisted by information provided by the performance appraisal (Einstein, 1989).

Wesley (2004), also identifies some objectives of performance appraisal s indicated below: 1) To review the performance of the employees over a given period of time. 2) To judge the gap between the actual and the desired performance. 3) To help the management in exercising organizational control. 4) Helps to strengthen the relationship and communication between superior – subordinates and management – employees. 5) To diagnose the strengths and weaknesses of the individuals so as to identify the training and development needs of the future. 6) To provide feedback to the employees regarding their past performance. 7) Provide information to assist in the other personal decisions in the organization. 8) Provide clarity of the expectations and responsibilities of the functions to be performed by the employees. 9) To judge the effectiveness of the other human resource functions of the organization such as recruitment, selection, training and development. 10) and last but not least to reduce the grievances of the employees.

2.9 Advantages/Effects of Performance Appraisal

Appraisals can help to improve employees' job performance by identifying strengths and weaknesses and determining how their strengths can be best utilised within the organisation and weaknesses overcome (Huston, 1989). They can help to reveal problems which may be restricting employees' progress and causing inefficient work practices.

Some employers may talk to their employees regularly about their problems and performance at work and may not therefore see the need for a formal appraisal system. Regular dialogue between managers and their staff about work performance should, of course, be encouraged (Latham, 2000).

However, in the absence of a formal appraisal scheme, much will depend on the attitude of individual managers (Locke, 2002). Some will give regular feedback on their employees' performance and potential while others will neglect this responsibility. An appraisal system can develop a greater degree of consistency by ensuring that managers and employees meet formally and regularly to discuss performance and potential. Experience shows this can encourage better performance from employees (Martz, 1995).

Appraisals can also provide information for human resource planning to assist succession planning and to determine the suitability of employees for promotion, for particular types of employment and training (Monga, 1983). In addition they can improve communications by giving employees an opportunity to talk about their ideas and expectations and to be told how they are progressing (Muchinsky, 1997). This process can also improve the quality of working life by increasing mutual understanding between managers and employees (Rasch, 2004). Performance Appraisal helps the supervisors to chalk out the promotion programmes for efficient employees. In this regards, inefficient workers can be dismissed or demoted in case.

Harbour (1997), asserts that some of the most significant advantages a successful performance assessment system offers an enterprise are:

- Determine where they are – that is, establish an initial baseline “as is” performance level.
- Establish goals based on their current performance.
- Determine the gap or delta between a set of desired goals and current performance levels.
- Track progress in achieving desired performance goals.
- Compare and benchmark their competitors’ performance levels with their own.
- Control performance levels within predetermined boundaries.
- Identify problem areas and possible problem causes.

2.10 Performance Appraisal Biases and Errors

Managers commit mistakes while evaluating employees and their performance. Biases and judgment errors of various kinds may spoil the performance appraisal process. Bias, according to Shelley (1999), refers to inaccurate distortion of a measurement. Moats points out that, even when a performance evaluation program is structured appropriately, its effectiveness can be diluted by the improper use of subjective, as opposed to objective, measures. Objective measures are easily incorporated into an appraisal because they are quantifiable and verifiable while subjective measures cannot be quantified and are largely dependent on the opinion of an observer.

These have the potential to dilute the quality of worker evaluations because they may be influenced by bias, or distortion as a result of emotion (Moats, 1999).

2.10.1 Horns and Halos Effect

The horns and halos effect is a common phenomenon noted in many business situations. Essentially, it refers to the habit that managers have of assuming that a particular employee is naturally good or bad at his job. This perspective is usually based in personality clashes and other factors that do not actually indicate job performance. Once the manager has decided on a certain viewpoint of an employee, that manager naturally looks for information to back up that viewpoint, rather than letting data on the employee form perspectives. This influences performance appraisals and other types of reviews (Scott, 2001).

2.10.2 Purposeful Bias

In rare cases, manager bias in performance reviews is not a natural "filling in" of previous expectations but is instead purposeful sabotage (Taylor, 2003). This occurs when a manager feels threatened by an employee who shows talent, defiance of business orders or ambition to reach a higher level in the business. To protect their own positions or keep negative opinions from reaching higher levels of the hierarchy, these managers give employees poor appraisal scores (Smither, 1998).

2.10.3 Appraisal Bias

In many instances, the appraisals themselves are biased toward a particular type of position. Many companies use only one type of appraisal form, but one form rarely applies well to every type of employee. For instance, a form that emphasizes creativity and communication allows an employee in marketing to score very well but an employee in production to score poorly, based simply on the requirements of the different positions (Stone, 2002).

2.10.4 Self Bias

Employees can also suffer from a type of self-fulfilling prophecy. In general, if performance appraisals show that an employee is performing very well, that employee will continue to perform well and could even perform better. If the review shows poor performance, the employee will continue to perform poorly. Like the managers themselves, employees tend naturally to change to fit the perception that the performance review creates (Sulsky, et al., 1998).

2.10.5 Variations in reporting standards

Some appraisers are either over generous or too critical in their markings. Reporting standards can be evened out if senior managers have an opportunity to confirm the markings, make further comments and sign the appraisal, thereby enabling them to compare reporting standards and to identify and counsel any managers who appear to be too generous or too harsh in their reporting.

The manager nominated to monitor the appraisal system should also seek to identify any variations in reporting standards and offer help to those managers who need it (Taylor, 2003).

2.10.6 Emphasis on the recent past

Most appraisals report on a period of one year. Some managers, when completing reports, may find it difficult to recall and assess events that occurred in the earlier part of the reporting year. The lapse of time tends to encourage an emphasis on more recent events, which can distort the balance of the report. This problem can be resolved if managers keep running records on the performance of their staff and of actual events which are evidence of work performance. These notes will provide a very valuable aide memoire when the time comes for the reports themselves to be written. Alternatively managers may wish to make an informal record half way through the reporting period to help them be objective in the end of year assessment (Taylor, 2003).

2.10.7 The central tendency

Some appraisers are reluctant to rate people at the outer ends of the rating scale, especially if the rating system has an odd number of rating points when there may be a tendency to mark employees in the middle scale. Rating systems which have an even number of scales have the merit of requiring raters to mark above or below the 'middle line'. Suitable training will help to achieve consistency in reporting standards. There should also be guidance provided on the report form, which should contain an explanation of the requirements of each part of the report (Stone, 2002).

2.10.8 Excessive Stiffness or Lenience

Depending upon the raters own standards, values and physical and mental makeup at the time of appraisal, ratees may be rated very strictly or leniently. According to Kurt (2004) some of the managers are likely to take the line of least resistance and rate people high, whereas others, by nature, believe in the tyranny of exact assessment, considering more particularly the drawbacks of the individual and thus making the assessment excessively severe. The leniency error can render a system ineffective. If everyone is to be rated high, the system has not done anything to differentiate among the employees. Moats Points out that, leniency and strictness bias results when the appraiser tends to view the performance of all of his employees as either good and favorable or bad and unfavorable. Although these distortions are often the result of vague performance standards, they may also be the consequence of the evaluator's attitudes.

In addition to bias, Moats (1999), contends that flaws in the execution of an appraisal program can be destructive. Moats cites the example of managers downgrading their employees because high performance reviews would outstrip the department's budget for bonuses; or, some managers using performance appraisals to achieve personal or departmental political goals, thus distorting assessments.

2.11 Limiting the Effects of Supervisory Bias

The following have been suggested to limit the effects of supervisory bias.

Awareness Training: Supervisors need to be informed of the types of subtle bias that can interfere with their performance as appraisers. They need to understand that the in-group/out-group bias, for instance, reduces the morale and motivation of their subordinates.

Developing Poor Performers: Incentives, financial or non-financial, may be offered to encourage supervisors to make special efforts to help poor performers improve. Supervisory appraisals, for example, might stress the importance of working with poor performers to upgrade their performance. The possibilities are extensive.

Counselling, Transfer, Termination: There is always the possibility that an employee who receives poor appraisal results is in fact a chronic poor performer. No employer is obliged to tolerate poor performance forever. Consistently poor appraisal results will indicate a need for counseling, transfer or termination. The exact remedy will depend on the circumstances (McNamara, 2000).

2.12 Performance Appraisal Techniques

Performance appraisal methods include 11 appraisal methods / types as follows:

2.12.1 Critical incident method

This format of performance appraisal is a method which is involved identifying and describing specific incidents where employees did something really well or that needs improving during their performance period (Kurt, 2004).

2.12.2 Weighted checklist

In this style, performance appraisal is made under a method where the jobs being evaluated based on descriptive statements about effective and ineffective behavior on jobs (Smither, 1998).

2.12.3 Paired comparison analysis

This form of performance appraisal is a good way to make full use of the methods or options. There will be a list of relevant options. Each option is in comparison with the others in the list. The results will be calculated and then such option with highest score will be mostly chosen (Stone, 2002).

2.12.5 Graphic rating scales

This format is considered the oldest and most popular method to assess the employee's performance. In this style of performance appraisal, the management just simply does checks on the performance levels of their staff (Stone, 2002).

2.12.6 Essay Evaluation

In this style of performance appraisal, managers/ supervisors are required to figure out the strong and weak points of staff's behaviors. Essay evaluation method is a non-quantitative technique. It is often mixed with the method the graphic rating scale (Kurt, 2004).

2.12.7 Behaviorally anchored rating scales

This formatted performance appraisal is based on making rates on behaviors or sets of indicators to determine the effectiveness or ineffectiveness of working performance. The form is a mix of the rating scale and critical incident techniques to assess performance of the staff (Kurt, 2004).

2.12.8 Performance ranking method

The performance appraisal of ranking is used to assess the working performance of employees from the highest to lowest levels. Managers will make comparisons of an employee with the others, instead of making comparison of each employee with some certain standards (Sulsky, et al., 1998).

2.12.9 Management By Objectives (MBO) method

MBO is a method of performance appraisal in which managers or employers set a list of objectives and make assessments on their performance on a regular basis, and finally make rewards based on the results achieved. This method mostly cares about the results achieved (goals) but not to the way how employees can fulfill them (Derven, 1990).

2.12.10 360 degree performance appraisal

The style of 360 degree performance appraisal is a method that employees will give confidential and anonymous assessments on their colleagues (Sulsky, et al., 1998).

2.12.11 Forced ranking (forced distribution)

In this style of performance appraisal, employees are ranked in terms of forced allocations. For instance, it is vital that the proportions be shared in the way that 10 or 20 % will be the highest levels of performances, while 70 or 80% will be in the middle level and the rest will be in the lowest one (Wesley, 2003).

2.12.12 Behavioral Observation Scales

The method based on the scales of observation on behaviors is the one in which important tasks that workers have performed during their working time will be assessed on a regular basis (Chopek, 2003).

2.12.13 Self-Appraisal:

Another appraisal technique included in the future-oriented category is self-appraisal, which entails employees making evaluations of their own performance. According to Moats, although self-assessment techniques may also be coordinated with past-oriented evaluations, they are particularly useful in helping employees to set personal goals and identify areas of behaviors that need improvement.

The advantage of such appraisals, which may be relatively informal, is that they provide an excellent forum for input and feedback by superiors. In addition, they allow supervisors to find out what employees expect from themselves and from the organization or department (Bodil, 1997).

In addition, Bodil suggests that evaluators often combine various future- and past-oriented techniques, forming hybrid approaches to performance appraisal. According to Kurt (2004), using several different techniques enables managers to measure both behavior and results and to set goals for employees to improve their performance and to increase their motivation. For example, an evaluator might use both the BARSs and MBO techniques to reap the benefits of both and compensate for the drawbacks of each. Chopek (2003), from a different angle discusses the following four methods in order to provide examples of current methods in use and to illustrate the varying complexity of available methods.

1. **The Three-Step Method:** Chopek describes this as the most basic of the popular performance assessment methods found in today's literature, which is very useful for noncomplex enterprises or those that are unfamiliar with performance assessment systems. The first step begins with an introspective look at the organization's current strategy in order to identify usable "performance topics".

Step two is to determine “critical success factors” or vital elements of performance that must be achieved in order to meet or satisfy the performance topics. The third and final step is the identification of specific performance indicators that will tell managers and employees if the current level of performance will meet the desired goals/objectives of the organization (Chopek, 2003).

2. The Cline Method: Cline (1999), in Chopek (2003), introduces an eight-step performance assessment model that can also be used to evaluate individual programs within an organization. The steps follow the natural progression of planning, execution, and evaluation and are listed as follows:

Step	Activity
1	Involve stakeholders throughout the assessment.
2	Specify the expected program outcome
3	Establish a measure of the program outcome.
4	Plan a method for gathering the data.
5	Collect the data
6	Analyze the data
7	Communicate the results
8	Make program decisions

Table 2.1 Source: Cline (1999) in Chopek (2003)

Cline’s Eight Step Method for performance assessment has three main benefits. First of all, it is very basic while still providing enough detail to enable managers to implement and use it effectively. It also spends a great deal of time emphasizing just how important it is for a performance assessment method to have the full support of all of the stakeholders, not just the senior management. Finally, it is a cyclical system that includes a final self-examination phase that allows managers to make changes if necessary (Chopek, 2003).

3. The Ainsworth Performance Equation: According to Chopek, the Ainsworth Performance Equation introduces us to a different format. Rather than the traditional block diagram or flow chart structure, Ainsworth's method is based on an equation whose variables are the metrics of the system. This method assumes that the metrics

have already been identified and shared with the stakeholders. The equation is as follows:

$$\text{Performance} = R_c \times C \times E \times V (P_f \times R_w) + \text{FEEDBACK}$$

Ainsworth (2005)

Where: (P) is a value that is derived from measurement by the output of a quantifiable product, qualitative judgment, or subjective conclusions. Performance is the product seven individual aspects of the assessment system. (Rc) is the role clarity, or how well employees understand their jobs within the organization. (C) is the individual competence that is indicated by their knowledge of their job and the skills they provide. (E) refers to elements such as workplace condition, organizational culture, and clarity of structure are accounted for. (V) is the values of the enterprise and how they influence the workplace factor as well. (Pf) is a combined value of the product of preference fit which refers to job satisfaction and whether or not personnel are involved in activities they enjoy, and (Rw) signifies rewards. Chopek suggests that because much of the success of this method lies in the establishment of quantifying these metrics, everyone involved must have a clear understanding of the process.

4. The Balanced Scorecard

Chopek defines this as a process that focuses on clarity and is useful in evaluating both internal processes and external results. The balanced scorecard focuses on four key perspectives in which individual assessments take place and are then combined to provide an overall assessment. These perspectives are learning and growth, business process, customer, and financial (bsc.org).

2.13 Developing Employee Performance Appraisal Plans (EPAP)

According to Wesley (2003), regulatory requirements for planning an employee's performance include first establishing the **elements** and **standards** in their EPAP. An EPAP outlines the specific elements and standards that the employee is expected to accomplish during the rating cycle. Wesley points out that performance elements and standards should be measurable, understandable, verifiable, equitable, and achievable. In addition, EPAPs should be flexible so that they can be adjusted for changing program objectives and work requirements.

Elements: According to Wesley (2003), elements established in appraisal plans should all be considered critical. Through these elements, employees are held accountable as individuals for work assignments and responsibilities of their position. A critical element is an assignment or responsibility of such importance that unsatisfactory performance in that element alone would result in a determination that the employee's overall performance is unsatisfactory.

Standards: The performance standards, according to Wesley (2003), are expressions of the performance threshold(s), requirement(s), or expectation(s) that must be met for each element at a particular level of performance. Kurt (2004), says they must be focused on results and include credible measures such as:

Quality: This addresses how well the employee or work unit is expected to perform the work and/or the accuracy or effectiveness of the final product. It refers to accuracy, appearance, usefulness, or effectiveness. Measures can include error rates (such as the number or percentage of errors allowable per unit of work) and customer satisfaction rates (determined through a customer survey/feedback).

Quantity: This addresses how much work the employee or work unit is expected to produce. Measures are expressed as a number of products or services expected, or as a general result to achieve.

Timeliness: This addresses how quickly, when, or by what date the employee or work unit is expected to produce the work.

Cost-Effectiveness: This addresses savings or cost control. These should address cost-effectiveness on specific resource levels (money, personnel, or time) that can generally be documented and measured. Cost-effectiveness measures may include such aspects of performance as maintaining or reducing unit costs, reducing the time it takes to produce or provide a product or service, or reducing waste (Wesley, 2003).

2.14 Basic Steps in a Performance Appraisal

McNamara (2000), suggests the following as basic steps in ensuring a successful performance appraisal:

1. Conduct ongoing observations and measurements to track performance.
2. Exchange ongoing feedback about performance. Feedback is information relevant to how well results are being achieved. Useful feedback is timely, feasible and understood. Ideally, feedback addresses key activities to improve or reinforce performance.
3. Conduct a performance appraisal, which should include documentation of expected results, standards of performance, progress toward achieving of results, how well they were achieved, examples indicating achievement, suggestions to improve performance and how those suggestions can be followed.
4. If performance meets desired performance standards, reward for performance
In our example, the machine operator may be due some form of reward, that is, recognition or compensation, e.g., letter of recognition, promotion, letter of commendation, etc. This step in the performance management process is often overlooked when focusing on organization-wide performance improvement or on a major subsystem (McNamara, 2000).

2.15 Problems during performance Appraisal

There are chances of opposition for valuation due to fear. If the evaluation system is poor, it will not give adequate effect. Rater's problems like leniency or harshness error, central tendency error, personal bias error, contrast error are also affecting the performance appraisal of an employee (Rasch, 2004).

Each employee should evaluate by his supervisor and to discuss each other to set objectives for upcoming evaluation. This discussion should cover the review of overall progress, problems encountered, performance improvement possibilities, long term career goals, specific action plan about job description and responsibilities, employee development interest and needs, to concentrate specific areas of development, to review performance objectives and performance standard, ongoing feed back and periodic discussions.

Performance appraisals are important for staff motivation, attitude and behavior development, communicating organizational aims, and fostering positive relationships between management and staff. Performance appraisals provide a formal, recorded, regular review of an individual's performance, and a plan for future development. In short, performance and job appraisals are vital for managing the performance of people and organizations.

CHAPTER THREE RESEARCH METHODOLOGY

3.1 Introduction

This Chapter describes how the present research study was conducted. The chapter outlines the choice of research approach and study design that have been conducted to the study at hand. The chapter defines the participants that were involved in the present study, the measuring instrument used, the procedures that were followed and the statistical techniques used to analyse the data.

3.2 Research Approach

The study is focused on description, assessment and evaluation of the effect of performance appraisal on the output of employees, as well as on future recommendations for implementation of an appraisal system. Because of this, the researcher has chosen both descriptive and explanatory approaches for this research. These approaches are two of three scientific approaches identified for conducting a research, the third being the exploratory approach. The researcher finds these two approaches appropriate because it will help to understand how the factors are interrelated and what influence they have on each other.

3.3 Research Strategy

According to Yin (2003), there are several ways of conducting a social science research. The strategies Yin describes are the case study, experiments, surveys, histories and an archival analysis.

The researcher employs the case study as his research strategy. This is because as Yin points out, the case study is a way to explore an empirical subject by following a set of pre-specified activities and procedures. The case study method permits researchers to maintain the holistic and meaningful characteristics of real-life events.

3.4 Sources of Data

To understand the studied case deeply, the researcher used several sources of data. Yin (2003) enumerates six sources of evidence that can be used for a case study. These sources are: documentation, archival records, interviews, direct observations, participant observations, and physical artifacts. The use of the multiple sources of evidence, according to Lindström et al (2010), allows a researcher to cover a wider range of historical, attitudinal, and behavioral issues.

3.4.1 Primary Data

The researcher collected Primary data through interviews and observations. Yin (2003) describes interviews as the most important sources of case study information. In his opinion, they can provide exact answers to the research questions. Again the use of the questionnaire was key in the primary data gathering process. In case studies interviews most commonly have open-ended nature. As far as most of the case studies are about human affairs, interviews become essential sources of case study evidence.

3.4.2 Secondary Data

The use of secondary data is expected to raise the validity and reliability of the thesis.

The secondary sources used in this research include journals, magazines, books, documentation, and the Internet. Lindström et al (2010), describe secondary data as information collected previously for other purposes and is not case-specific, however, it can be relevant to the studied problem.

3.5 Study Population

Bryman and Bell (2003), suggest that a population is the whole group that the research focuses on. The population of the current study is the entire staff of the Manhya Hospital. This covers 118 paramedics, 6 doctors, 83 nurses, 3 pharmacists and 11 pharmacy technicians, totaling 221. The said figure covers all management members of the hospital.

3.5.1 Sample Size

De Vos et. al. (2002) argue that the population and size of sample should be inversely related. Consequently, a large population would require a smaller percentage of that population. However, a relatively small population would need a reasonably large percentage of the population to draw representative and accurate conclusions and predictions. The sample size used was 115 which comprised fifty (50) paramedics out of the one hundred and eighteen (118), all six (6) doctors, fifty (50) nurses out of the (83), all three (3) pharmacists and six (6) out of the eleven (11) pharmacy technicians.

This gives total of one hundred and fifteen (115), constituting fifty two percent (52%) of the study population of two hundred and twenty one (221).

3.5.2 Sampling method

To obtain a representative subset of the population, convenience sampling has been used. A convenience sample is a sample where **the respondents are selected, in part or in whole, at the convenience of the researcher.**

3.6 Data Collection Methods / Instruments

The researcher employed the use of questionnaire and interviews as data collection instruments. Questionnaire used in the study contained both structured and unstructured questions. This was to enable the researcher gather adequately the needed information to successfully complete the study and ensure reliability. Again the interview was to enable the researcher gather other information that the questionnaire could not adequately ascertain.

3.7 Analysis of Empirical Material

The researcher employs the Anderson (2004) Model of analysis to understand the nature of the topic under investigation. The model is a five level process that is employed to formulate and verify conclusions.

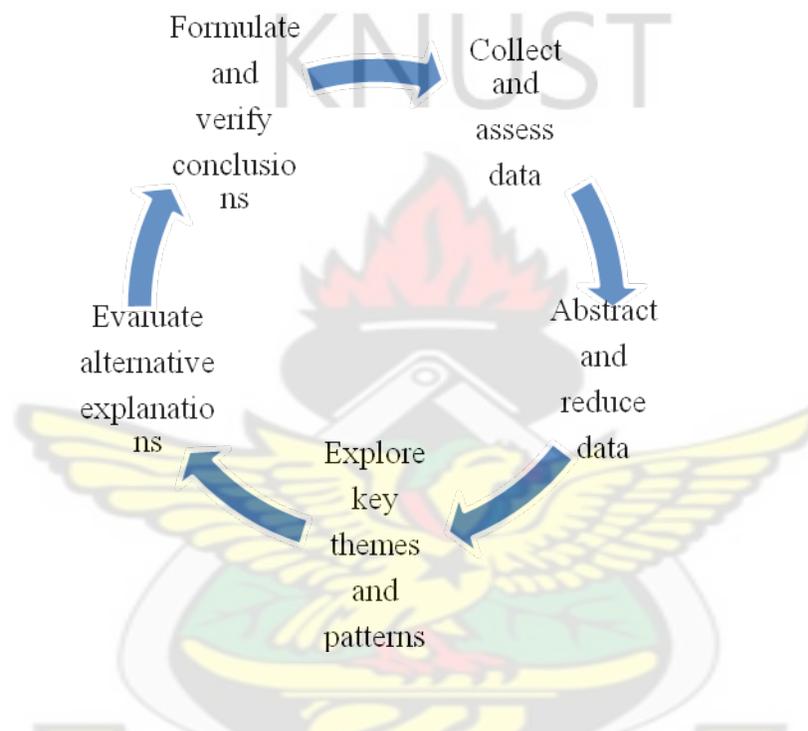


Figure 3.2: Anderson's (2004) Analysis Model

3.7.1. Descriptive Statistics

Descriptive statistics are statistical procedures that allow researchers to describe data through summary or display (Brace, Kemp and Snelgar, 2000). Frequencies, percentages, are utilised to analyse the demographic data in the present research. Graphical illustrations are presented to facilitate understanding of data. This was facilitated by the SPSS.

3.7.2 Reliability

Merriam (1998), describes reliability as the extent to which the findings and conclusions can be replicated.

She further describes it as the consistency between the data collected and the result found that makes a study reliable. To ensure reliability of the performed study, the information gained in the course of research has been supported by supplementary data and checked with the respondents.



3.8 Organisational Profile

Manhyia District Hospital was established as a clinic in 1966 and gained a health centre status in 1977. In early 2000, District hospital Status was given to the health centre by the Ghana Health Service Council. Currently, it serves as the District Hospital for Manhyia Sub-Metro and serves estimated total population of 304, 092, which forms 22.3% of the metro population.

Location

The hospital is located at Manhyia, about 400 metres east of the Manhyia Palace. It is bounded to the north by the Manhyia North Sub Metro, to the south by Subin Metro and to the east by Asokwa Metro.

Mission Statement

The mission statement of the hospital is to provide quality health service responsive to the needs of all persons living in Ghana by implementing Approved Health Sector Policies, increase access to priority health service and manage prudently resources available for provision of health services.

Human Resource, Services and Core Values

The hospital has a total population of 221 which comprises 83 nurses, 6 doctors, 14 pharmacists & pharmacy technicians and 118 paramedics. The stated number of employees form a team in the provision of the 24 hour services in the area of:

- Surgery (general)
- Out Patients Department
- In-patient-obstetrics & Gyneacology/Surgery
- Laboratory services
- Scan
- PMTCT/VCT (Preventing mother to child transmission/voluntary counseling and testing)
- Maternal health services
- Oral health
- Eye care
- Ear Nose and Throat services
- Public Health Services
- Youth/Adolescent Friendly Centre

The hospital is known as a Baby Friendly Facility. This means the hospital is noted as one of the health institutions championing exclusive breastfeeding programme. With bed capacity of 42 and OPD attendance of 450 clients per day the service providers are guided by the core values of Ghana Health Service in the service delivery processes at all times. The core values are: people centeredness, professionalism, team work, discipline, innovation and excellence and integrity.

CHAPTER FOUR

DATA PRESENTATION AND DISCUSSIONS

4.1 Introduction

This chapter discusses the findings of our study on the effects of staff performance appraisal on the achievements of organisational objectives, using Manhya District Hospital as a case study. Findings are discussed under clearly described headings that reflect the study's research questions and objectives. In necessary instances, an extended analysis is given to further the discussion.

4.2 Sample and Response Rate

The study used a sample size of fifty (50) paramedics, all six (6) doctors, fifty (50) nurses, all three (3) pharmacists and six (6) pharmacy technicians. Table 4.1 presents a breakdown of sampled respondents and response rate:

Table 4.1

Categ.of Respondents	Sample Size	No. Distributed	No. Returned	Response Rate
Paramedics	50	50	43	86%
Doctors	6	6	6	100%
Nurses	50	50	42	84%
Pharmacists	3	3	3	100%
Pharmacy technicians	6	6	6	100%

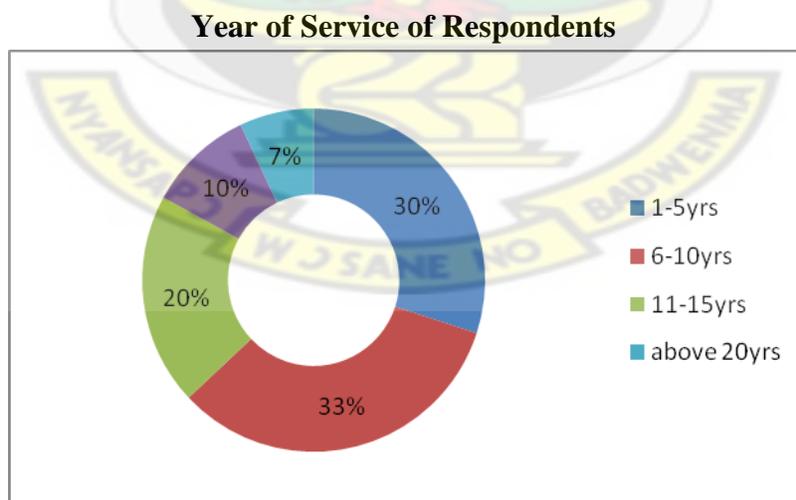
Source: Field Data (2011)

Table 4.1 above indicates a total of one hundred and fifteen questionnaire distributed to our sampled respondents, out of which one hundred questionnaire were returned. This depicts a response rate of 86.95%. The table (indicated above) gives a breakdown of the response rate which shows that 86% of paramedics sampled for our study returned their questionnaire, all doctors used in the study returned their questionnaire, 84% of nurses selected returned their questionnaire, while all pharmacists and pharmacy technicians sampled for the study also returned their questionnaire.

4.3 Year of Service of Respondents

The percentage distribution of the number of years served of respondents indicates that 30% of our respondents had served for between 1-5years, 33% had served for between 6-10years, 20% had served for between 11-15years, 7% had served between 16 to 20years and the remaining 10% are nearing retirement (see fig 4.1).

Fig 4.1



Source: field data (2011)

4.4 Gender of Respondents

The percentage distribution of the gender of respondents used in the study is indicated in table 4.2 below. As the figure depicts, 75% of our respondents who were paramedics at the hospital were males while the remaining 25% were females. Again, 90% of respondents who were doctors were males while the remaining 10% were females. Also, 20% of respondents who were nurses were males, the remaining 80% being females. Further, 85% of pharmacists sampled for the study were males, the remaining 15% being females. Finally, 80% of pharmacy technicians selected were males while the remaining 20% were females. The relatively lower male population of selected nurses is an indication that more females than males would choose the nursing profession.

Table 4.2 Gender of Respondents

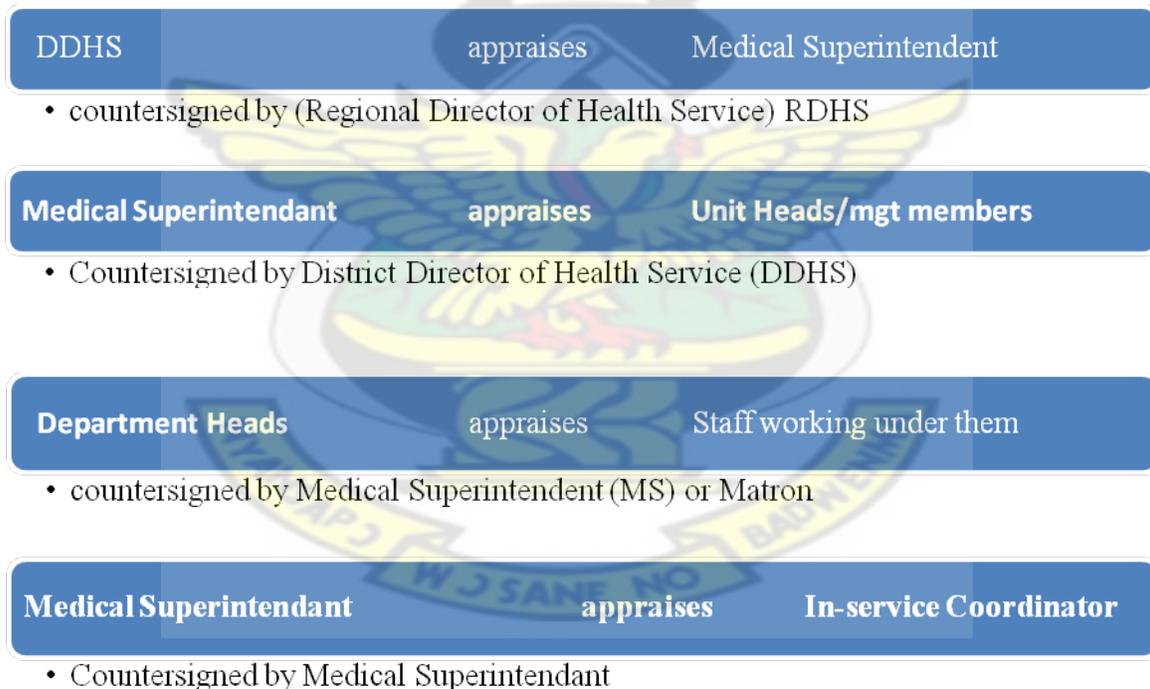
Professional groups	Males (%)	Females (%)
Paramedics	75	25
Doctors	90	10
Nurses	20	80
pharmacists	85	15
Pharmacy technicians	80	20

Source: field data (2011)

4.5 General Findings on Performance Appraisal System at Manhyia District Hospital

Manhyia District Hospital (MDH) is an institution of the Ghana Health Service (GHS), its policies and procedures must therefore be consistent with policy positions of GHS. Following from that the Performance Appraisal System (PAS) of MH mirrors the general policy of GHS. Procedurally, as a District Hospital (DH), appraisal flow is as described in fig 4.2 below:

Fig 4.2 Flow of Appraisal at Manhyia Hospital



Source: Field Data (2011)

4.6 Level of understanding by employees of the performance appraisal system, its processes and procedures at Manhya Hospital

The study sought to ascertain the level of knowledge and awareness of employees of performance appraisal practices at the Manhya Hospital.

This was to help determine whether employees were educated enough on appraisal systems and its relevance to the individual employee's performance. It was gathered that although most respondents had knowledge of performance appraisal system at the hospital as much as 25% of respondents were not aware of a PAS at the hospital (see table 4. 3).

Table 4.3 Manhya Hospital has a PAS in place

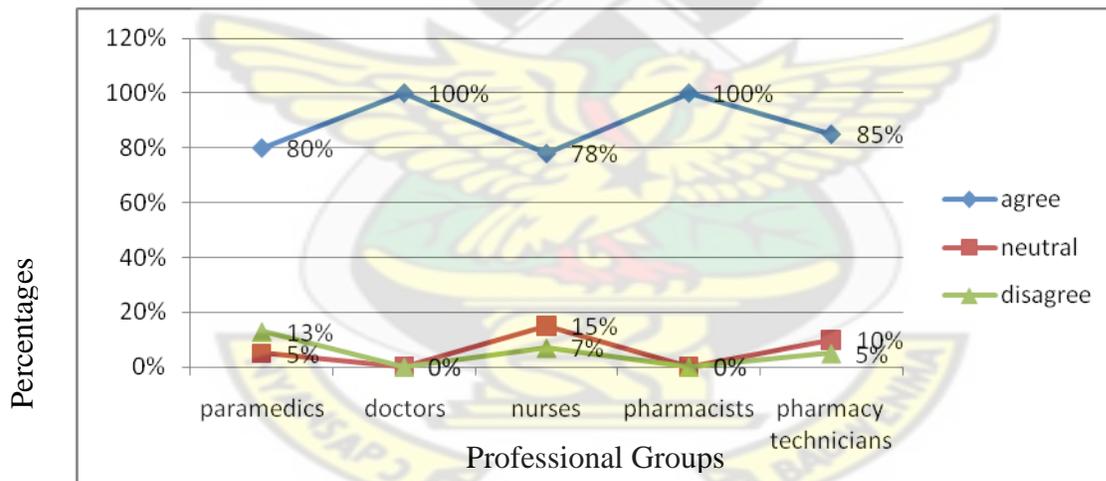
Professional groups	Agree (%)	Neutral (%)	Disagree (%)
Paramedics	80	7	13
Doctors	100	0	0
Nurses	78	15	7
pharmacists	100	0	0
Pharmacy technicians	85	10	5

Source: field data (2011)

Possible reasons are that respondents who were not aware of the PAS were either new recruits or do not have enough education on the hospital's PAS, or have not been involved in the appraisal process. It raises the need therefore for an extensive education to be carried out on the hospital's PAS.

Most respondents who were aware of the PAS also admitted to the fact that the PAS clearly identifies purposes of the performance appraisal including Key performance criteria such as competencies, behaviours, results or outcomes. However, indications were that these key performance criteria were not developed in consultation with workers and appraisers (see fig 4.3).

Fig 4.3 Performance Criteria were developed in Consultation with Workers

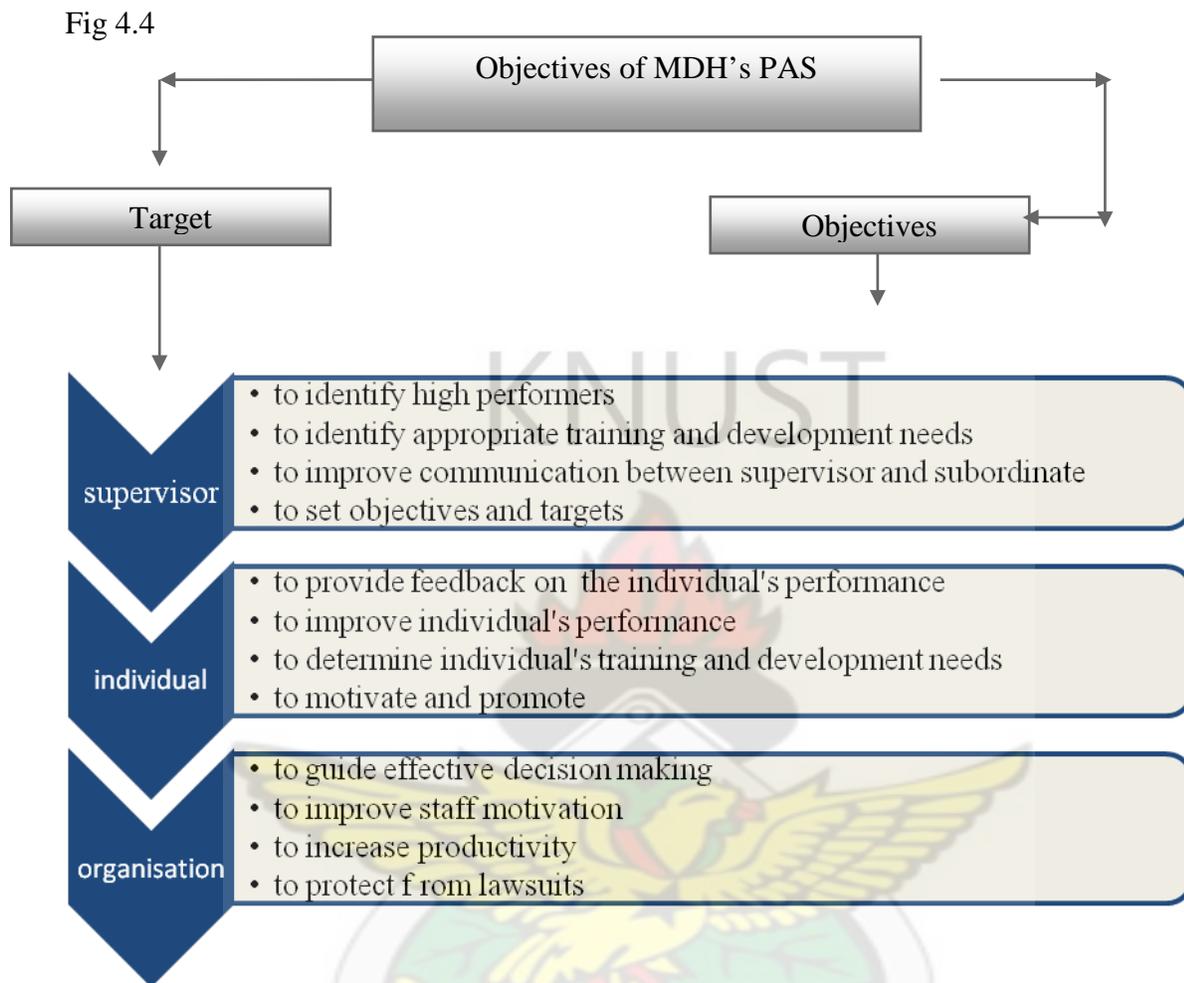


Source: field data (2011)

4.7 The objectives of the appraisal system at Manhyia District Hospital

The PAS of the Manhyia District Hospital (MDH) has clearly established key objectives. These objectives, which reflect GHS policy, aim at the individual, the supervisor and the organisation. Fig 4.4 below depicts the objectives of the hospital's PAS and the corresponding targets.

The stated objectives of MDH's PAS are consistent with Duraisingam & Skinner's (2005) position which suggest that, performance appraisals are useful for organisations in several ways including: professional development (identifying strengths and weaknesses in performance, implementing strategies for improvement), determining organisational training and development needs, making and validating administrative decisions (e.g., pay, promotion, placement, termination), identifying systemic factors that are barriers to, or facilitators of, effective performance.



Source: Author's construct from field data (2011)

Scholtes (1999) observes that despite the various uses of performance appraisal such as its use as a valuable and essential tool in organization improvement, providing a comprehensive overview of the practices and key components in performance appraisal processes such as feedback, learning, and teamwork in the performance appraisal process; most people still lack confidence in the whole process. The question arises

therefore as to whether Performance Appraisal Systems are able to achieve the set objectives.

4.8 Effectiveness of the appraisal system at Manhya Hospital in achieving the objectives

The study sought to ascertain whether the PAS at Manhya Hospital is achieving its objectives. The study observed that most of the set objectives may not have been achieved. This result from the hospital's non compliance with several laid down procedure and conditions which constitute the success factors of the PAS. For example, although the appraisal process includes an assessment of factors in the work environment that may impact performance, not all parties are involved in the performance appraisal process as indicated by most respondents (see table 4.4 below).

Table 4.4 All Parties Are Involved In The Performance Appraisal

Professional groups	Yes (%)	No (%)
Paramedics	23	77
Doctors	31	69
Nurses	18	82
pharmacists	22	78
Pharmacy technicians	21	79

Source: field data (2011)

Again, although evidence suggested that the appraisal interview is designed to be a constructive two-way discussion of performance and goal setting, workers are not provided with regular feedback to help improve their performance, which is a key objective of the PAS (see fig. 4.5).

Employees should participate with their supervisors in the creation of their own performance goals and development plans. Mutual agreement is a key to success. A plan wherein the employee feels some degree of ownership is more likely to be accepted than one that is imposed.

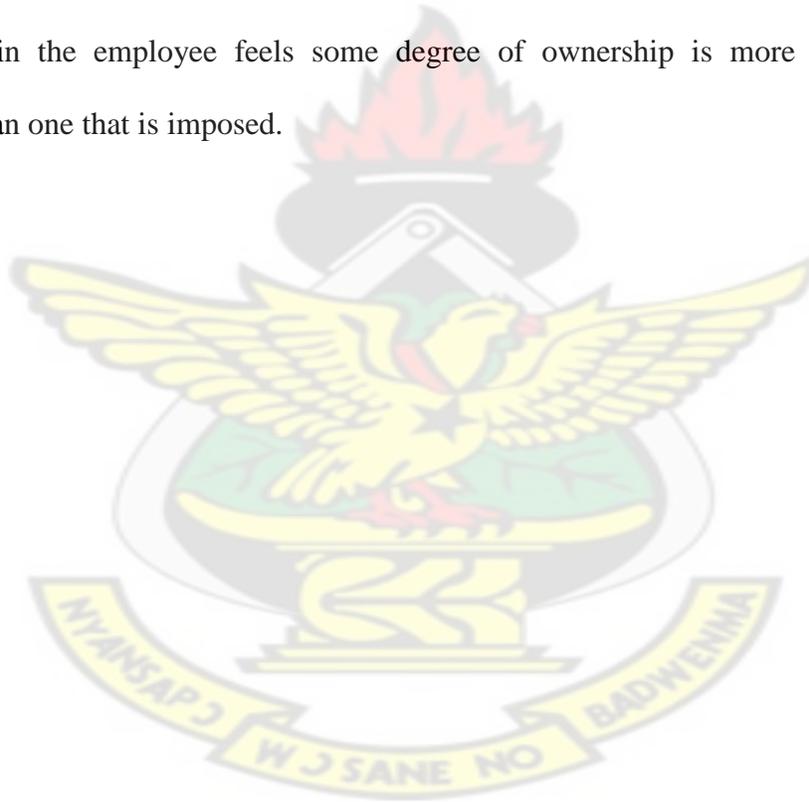
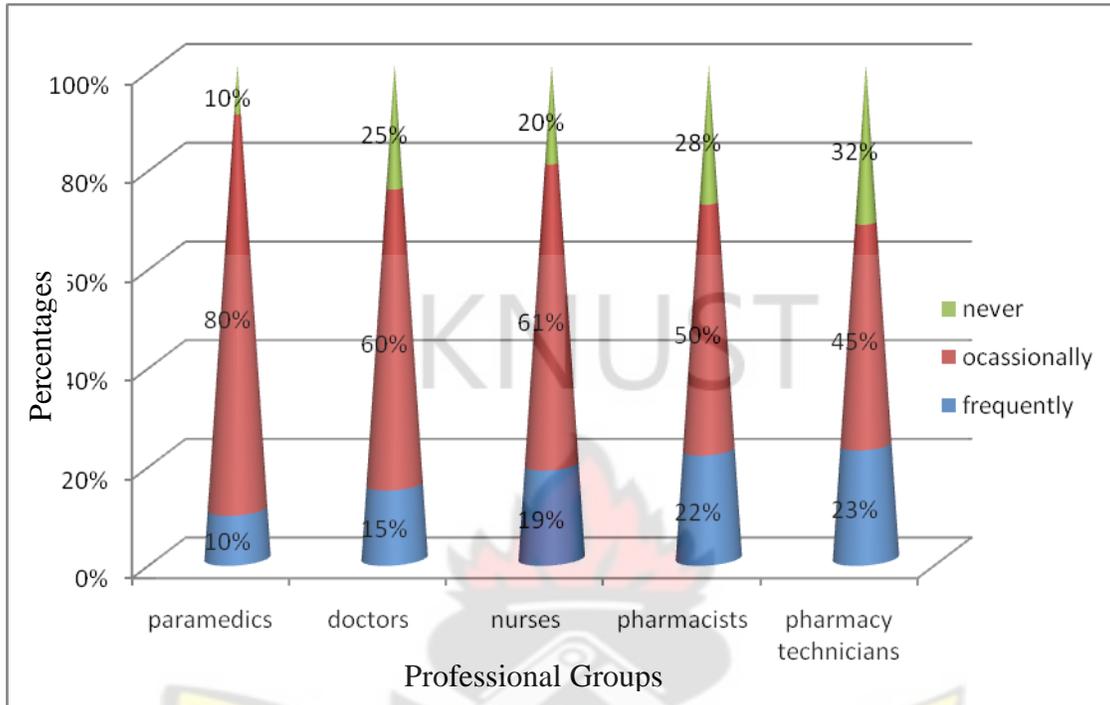


Fig 4.5 Appraisees communicated to on job performance during the year

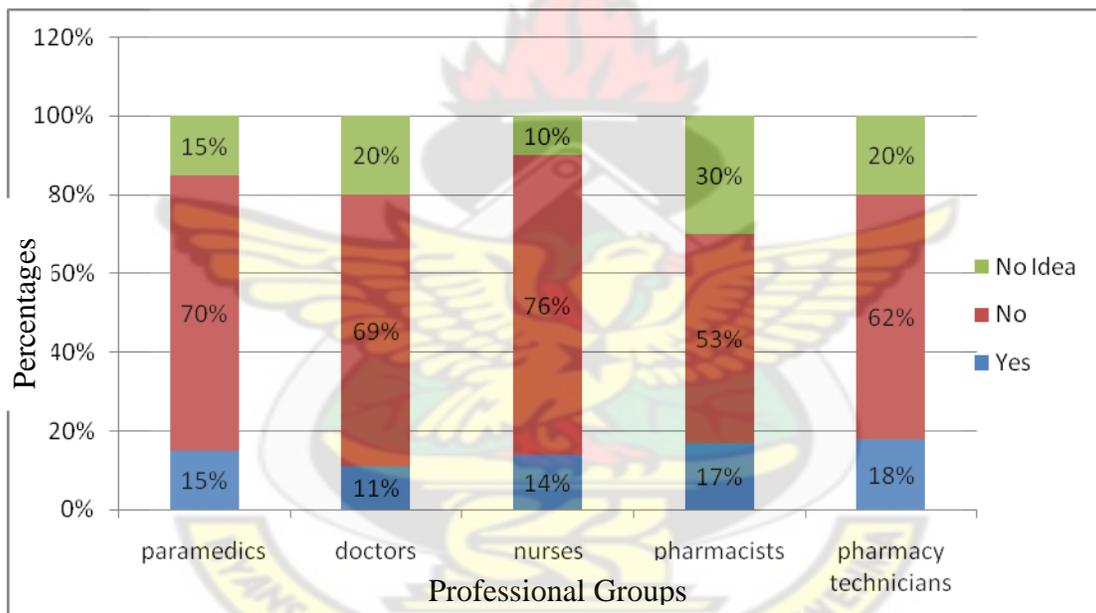


Source: field data (2011)

Further, on the few occasions that feedback has been provided, most respondents have not found them satisfactory. In performance appraisal the feedback delivery helps the organization in decision making, enhancing of productivity and effectiveness within the organization. Awosanya and Ademola (2008), have suggested that the lack of a feedback process in performance appraisal creates a gap when evaluating employees' performance. Respondents suggested that feedback provided has not been constructive (see fig. 4.6). This suggests the existence of the 'bias effect' described by Shelly (1999), as the inaccurate distortion of a measurement. Biases and judgment errors of various kinds may spoil the performance appraisal process.

To overcome the effects of prejudice, McNamara (2000), had suggested that institutions must train appraisers to avoid biases. Moats (1999), suggests that when conducted properly, appraisals serve several purposes such as: (1) showing employees how to improve their performance, (2) setting goals for employees, and (3) helping managers to assess subordinates' effectiveness and take actions related to hiring, promotions, demotions, training, compensation, job design, transfers, and terminations.

Fig 4.6 Feedback Provided Is Constructive



Source: field data (2011)

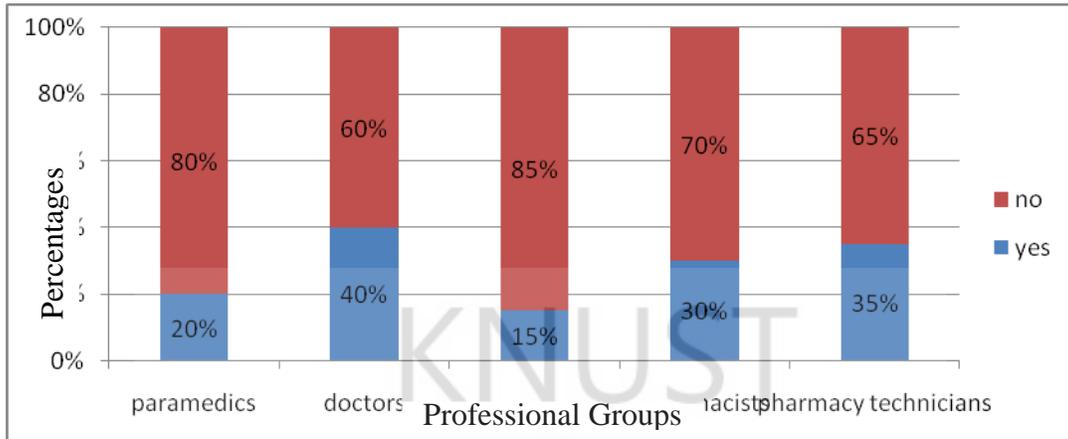
4.9 Research Question 4: How has the performance appraisal system been able to identify employees' strengths and weaknesses, and what programmes have been put in place to address weaknesses and reward performance?

This particular question sought to establish the relevance of the performance appraisal system in identifying employees' strengths and weaknesses at the Manhyia hospital. Also, it was to identify what programmes were in place to address weaknesses and reward performance.

The study found that most respondents did not believe that previous appraisal results were a true reflection of their ability (see fig. 4.7), and so discounted the pertinence of the performance appraisal system in their particular instance in identifying employee strength and weaknesses (see fig 4.8). This was linked to an earlier assertion that the PAS at Manhyia lacked fairness and objectivity. Effectively, respondents could not relate change in employee attitude to PAS but rather suggested that employee attitude was more influenced by motivational policies and packages.

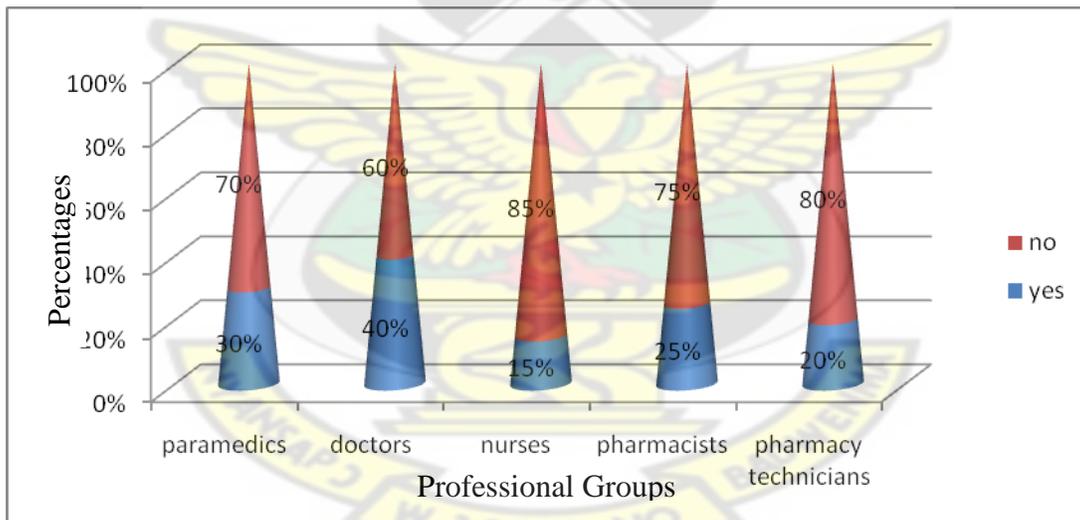
Moats (1999) stresses the need for fairness and uniformity of the appraisal structure. Appraisals that are not fair and uniform are less effective because the criteria for success or failure become arbitrary and meaningless. Furthermore, as he suggests, uniformity allows a company to systematically compare the appraisals of different employees with each other.

Fig 4.7 The Results of PA is a True Reflection of Your Ability



Source: field data (2011)

Fig 4.8 The Appraisal System is Pertinent in Identifying Employee Strength and Weaknesses

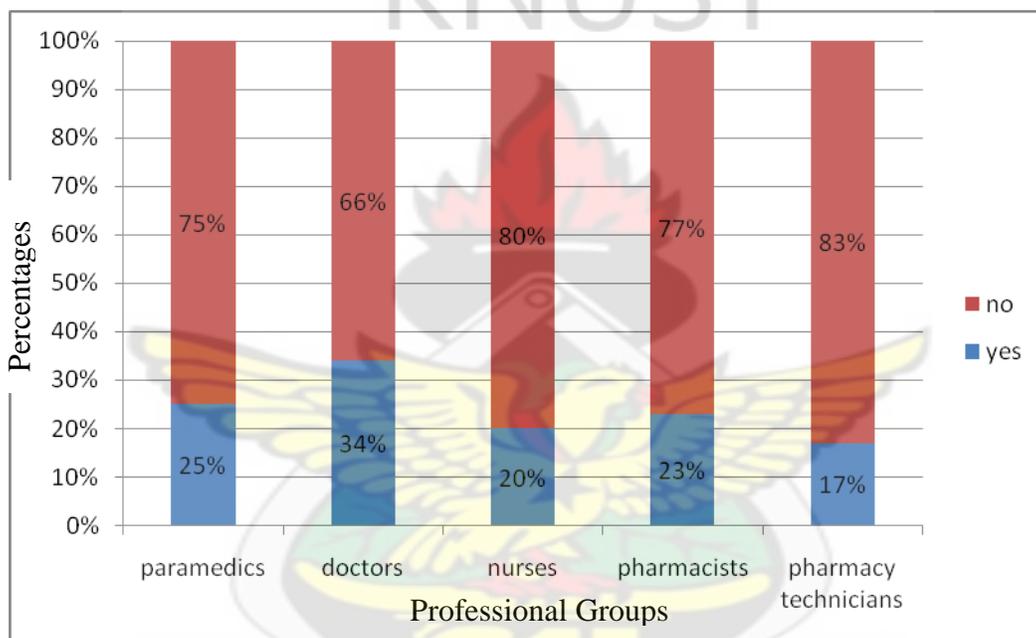


Source: field data (2011)

Again, there was no evidence to suggest the existence of effective structures that address weaknesses and reward performance. Respondents had largely answered in the negative to this question (see fig. 4.9).

This is an indication of a certain level of weakness on the part of management in managing employee performance, thus defeating a major objective of performance appraisal and compromising the quality of service delivery at the hospital.

Fig 4.9 There are Structures to Address Weaknesses and Reward Performance

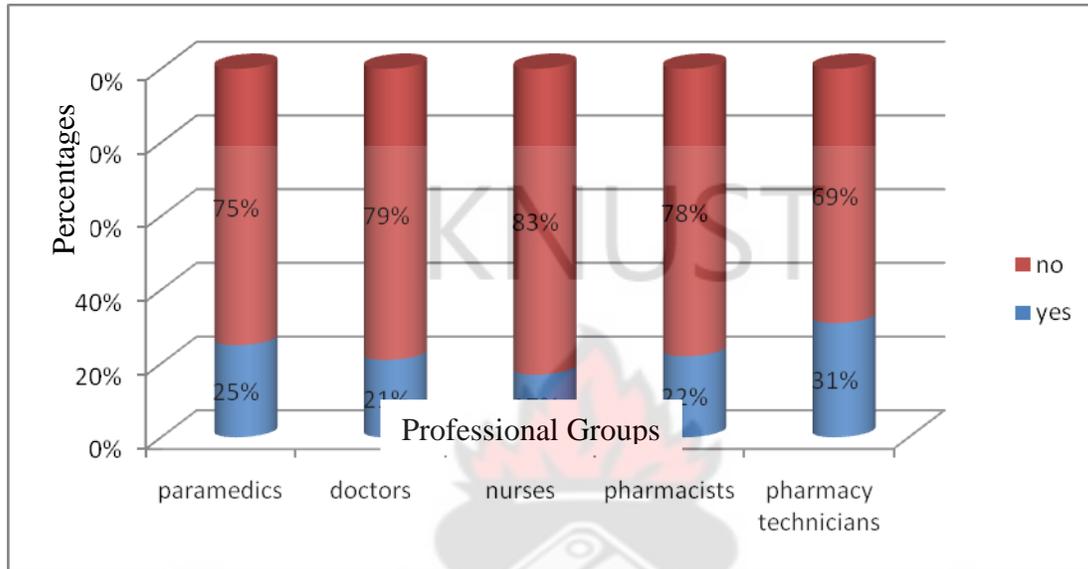


Source: field data (2011)

The success of a Performance Appraisal System hinges on the availability of resources to implement an effective performance appraisal system. The study however identified this as a major weakness in the hospital's PAS. This was largely corroborated by respondents (see fig. 4.10).

Fig 4.10 Resources available to implement an effective performance appraisal

system



Source: field data (2011)

4.10 Challenges of MDH's PAS

The study also identified some challenges to the PAS at Manhya Hospital. These challenges largely bordered on the process, the parties involved, and the resources involved. Most respondents believe that the performance appraisal exercise is not given the seriousness it deserves by both appraisers and appraisees. This undermines the integrity of the whole process. Again, most respondents, especially those in the lower categories are not educated enough and encouraged to understand and participate effectively in the appraisal process as alluded to in earlier discussions. They obviously will show lack of interest and may not derive the intended benefits of performance appraisal.

Also, some employees have a negative attitude towards the appraisal process. This might stem from their perception of the process as unfair or an opportunity for superiors to victimize some subordinates. These perceptions will have to be worked on to get workers to develop the necessary attitude to performance appraisal at the hospital. Further, failure to act on appraisal results is one of the many challenges suggested by most respondents (see table 4.5). This describes the lack of commitment by authorities to the PAS.

Table 4.5 Perceived Challenges of PAS at MDH

Perceived challenges of PAS	Yes	No	No Idea
The exercise of an appraisal taken seriously by appraisers and appraisees	10%	55%	35%
The worker is encouraged to participate in discussions	20%	75%	5%
Employees have a negative attitude towards the appraisal process	90%	7%	3%
Workers have misconceptions about the efficiency of the appraisal system	92%	6%	2%
Misconceptions held by workers negatively affect the appraisal process	76%	10%	14%
Appraisal results are acted upon	30%	68%	2%

Source: field data (2011)

Another challenge identified was the Lack of competence on the part of some raters and supervisors. Top management should choose the raters or the evaluators carefully. They should have the required expertise and the knowledge to decide the criteria accurately. They should have the experience and the necessary training to carry out the appraisal process objectively.

The appraisal process has sometimes encountered resistance from the employees based on fear of victimisation and negative ratings. Therefore, the process of appraisal and its purpose should be clearly explained and communicated to employees by the leadership of the hospital.

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CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides a summary of the presentation, highlighting findings to our objectives. The chapter also presents the conclusions and recommendations to the study.

5.2 Summary of Findings

5.2.1 Perception of Employees of the objectives of the Appraisal System at MDH

The study sought to ascertain the level of knowledge and awareness of employees of performance appraisal practices at the Manhyia District Hospital. This was to help determine whether employees were educated enough on appraisal systems and its relevance to the individual employee's performance. It was gathered that although most respondents had knowledge of performance appraisal system at the hospital, as much as 25% of respondents were not aware of PAS at the hospital.

Most respondents who were aware of the PAS also admitted to the fact that the PAS clearly identifies purposes of the performance appraisal including Key performance criteria such as competencies, behaviours, results or outcomes. However, indications were that these key performance criteria were not developed in consultation with workers and appraisers.

5.2.2 Objectives of the appraisal system at Manhyia Hospital

The PAS of the Manhyia District Hospital (MDH) has clearly established key objectives. These objectives, which reflect GHS policy, aim at the individual, the supervisor and the organisation. With regards to the individual, the PAS seeks to provide feedback on his her performance as a way of improving his or her performance. Again, it seeks to determine the individual's training and development needs, and to motivate and promote him or her.

The PAS also seeks to enable supervisors identify high performers and to be able to identify appropriate training needs of workers. It also aims at improving communication between supervisors and subordinates. To the organisation, the PAS aims at guiding effective decision making, improving staff motivation and increasing productivity.

5.2.3 Achievement of the Objectives of the Appraisal System at MDH

The study observed that most of the set objectives may not have been achieved. This was the result of the hospital's non compliance with several laid down procedure and conditions which constitute the success factors of the PAS. Although the appraisal process includes an assessment of factors in the work environment that may impact performance, not all parties were involved in the performance appraisal process as indicated by most respondents.

Again, although evidence suggested that the appraisal interview was designed to be a constructive two-way discussion of performance and goal setting, workers are not provided with regular feedback to help improve their performance, which is a key objective of the PAS. Further, on the few occasions that feedback has been provided, most respondents have not found them satisfactory.

5.2.4 Ability of the PAS to identify employees' strengths and weaknesses, and programmes put in place to address weaknesses and reward performance

The study found that most respondents did not believe that previous appraisal results were a true reflection of their ability and so discounted the pertinence of the performance appraisal system in their particular instance in identifying employee strengths and weaknesses; although there was the general believe that that should have been the case. This was linked to an earlier assertion that the PAS at Manhya District Hospital lacked fairness and objectivity. Respondents could not relate change in employee attitude to PAS but rather suggested that employee attitude was more influenced by motivational policies and packages. Again, there was no evidence to suggest the existence of effective structures that address weaknesses and reward performance. Respondents had largely answered in the negative to this question.

5.2.5 Challenges of MDH's PAS

The study also identified some challenges to the PAS at Manhya District Hospital. Most respondents believe that the performance appraisal exercise is not given the seriousness it deserved by both appraisers and appraisees. This undermines the integrity of the whole process.

Again, most respondents, especially those in the lower categories were not educated enough and encouraged to understand and participate effectively in the appraisal process. Also, some employees displayed a negative attitude towards the appraisal process. This stemmed from their perception of the process as unfair or an opportunity for superiors to victimize some subordinates. These perceptions will have to be worked on to get workers to develop the necessary attitude to performance appraisal at the hospital. Further, failure to act on appraisal results is another one of the many challenges suggested by most respondents. This describes the lack of commitment by authorities to the PAS.

Another challenge identified was the lack of competence on the part of some raters and supervisors. Again, the appraisal process has sometimes encountered resistance from the employees for the fear of negative ratings.

5.3 Conclusion

The study has examined the effects of staff performance appraisal on the achievements of organisational objectives, using Manhya District Hospital as a case study. Several critical observations have been made from findings to the study. It is important to point out that one of the responsibilities of management is to ensure that an organization functions effectively and efficiently. In order to achieve these goals, managers must be able to determine and assess performance levels of both the organization and its individual employees.

Institutions depend upon measurement and analysis of performance. Measurements must derive from the company's strategy and provide critical data and information about key processes, outputs and results. Managing employee performance which is an integral part of the work that all managers and officials perform in any institution thus becomes very effective.

5.4 Recommendations

Following from the various findings, the study makes the following recommendations:

- 1. Awareness Training:** Supervisors need to be informed of the types of bias that can interfere with their performance as appraisers. They need to understand that bias reduces the morale and motivation of their subordinates.

2. Developing Poor Performers: Incentives should be offered to encourage supervisors to make special efforts to help poor performers improve. If performance meets desired performance standards, performance must be rewarded. This step in the performance management process is often overlooked when focusing on organization-wide performance improvement or on a major subsystem.

3. Conflict and Confrontation: There is the need to provide an employee with less than flattering feedback.

The skill and sensitivity used to handle these often difficult sessions is critical. Management must strive to help employees improve on their performance at all times.

4. Self-Auditing: According to Krein (1990), appraisers should not confront employees directly with criticism. Rather, they should aim to let the evidence of poor performance emerge "naturally" during the course of the appraisal interview. This is done by way of open-ended questioning techniques that encourage the employee to identify their own performance problems. The study therefore recommends self-auditing for appraisers at the Manhyia Hospital.

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Appendix 1

QUESTIONNAIRE

Introduction: This is part of a study that is examining the effects of staff performance appraisal on the achievement of organisational objectives in the Ghana health service (GHS). Please select your preference from the options provided by ticking in the appropriate box. Where the question asked is open-ended, kindly answer as appropriate.

a: Background Information

- 1. Sex: Male Female
- 3. Grade
- 4. Unit
- 5. Job Description.....
- 6. Year of Service

a) Knowledge of Appraisal System of GHS

1. On a scale of 1 to 5, to what extent do you agree with the following statements about performance appraisal in Manhyia Hospital? (1=not at all, 5=to a great extent,)

	Scale	1	2	3	4	5
1. Manhyia Hospital has got an appraisal system in place.						
2. The purposes of the performance appraisal are clearly outlined, understood and accepted.						
3. Key performance criteria (i.e., competencies, behaviours, results / outcomes) have been clearly identified.						
4. The criteria have been developed in consultation with workers and appraisers.						

b) Relevance of Appraisal System in Identifying Employees' Strengths and Weaknesses

	yes	no	No idea
1. Are the results of performance appraisal a true reflection of your ability?			
2. Is the appraisal system pertinent in identifying employee strength and weaknesses?			
3. Has attitude towards work changed as a result of the performance appraisal?			

4. How often are appraisees communicated to on job performance during the year?

Frequently Occasionally Never

c) Consistency of Appraisal Process with GHS's Rules and Regulations

On a scale of 1 to 5, to what extent do you agree with the following statements about consistency of appraisal process with GHS's rules and regulations? (1=not at all, 5=to a great extent,)

	Scale	1	2	3	4	5
1. The performance appraisal system in Manhya Hospital is fair						
2. The appraisal program is consistent with Manhya Hospital objectives and goals						
3. The goals are set by negotiation						
4. There is a clear agreement on performance objectives						
5. The appraisal measures are individually tailored for each job						
6. The assessment tools are structured with clear explanations about the criteria to be assessed, and performance standards						

d) Existence of Programmes to Address Weaknesses and Reward Performance

	Yes	No	No Idea
1. Are there structures to address weaknesses and reward performance?			
2. Are there resources available to implement an effective performance appraisal system?			

e) Beliefs, Attitudes and Perception of Appraisees and Appraisers

	Yes	No	No Idea
1. Is the exercise of an appraisal taken seriously by appraisers and appraisees?			
2. Is the worker encouraged to participate in discussions?			
3. Do employees have a negative attitude towards the appraisal process?			
4. Do workers have misconceptions about the efficiency of the appraisal system?			
5. Do misconceptions held by workers negatively affect the appraisal process?			

f) Appraisal Process

	Yes	No	No Idea
1. Does the appraisal process follow a laid down procedure?			
2. Does the appraisal process include an assessment of factors in the work environment that may impact on performance?			
3. Are all parties (i.e., supervisors and workers) involved in the performance appraisal process?			
4. Is the appraisal interview designed to be a constructive, two-way discussion of performance and goal setting?			
5. Are workers provided with regular feedback to help improve their performance?			
6. Is feedback provided constructive?			

g) Strengths and Weaknesses of Staff Performance Appraisal System

On a scale of 1 to 5, to what extent do you agree with the following statements about the strengths and weaknesses of staff performance appraisal system? (1=not at all, 5=to a great extent,)

	Scale	1	2	3	4	5
1. The appraisal system is strong enough to adequately reflect the situation on the ground						
2. There are challenges in the appraisal system that affects results						

g) Challenges of Staff Performance Appraisal System

On a scale of 1 to 5, to what extent do you agree with the following as challenges in the appraisal system? (1=not at all, 5=to a great extent,)

	Yes	No	No Idea
1. Lack of commitment of authorities to SPA system			
2. Lack of interest by employees			
3. Failure to act on the appraisal results			
4. Failure by appraisers to provide feedback to appraisees			

Kindly indicate any suggestion(s) that in your opinion will improve the GHS appraisal system.....

