AN EVALUATION OF EMPLOYEES SATISFACTION WITH PERFORMANCE APPRAISAL SYSTEM: A CASE STUDY OF VODAFONE GHANA (KUMASI-ADUM AND ACCRA-HEAD OFFICE)

By

Pearl Frimpomaa

A thesis submitted to the department of Managerial Science, Kwame Nkrumah University of Science and Technology in partial fulfillment for the degree of

MASTERS OF BUSINESS ADMINISTRATION

(HUMAN RESOURCE MANAGEMENT OPTION)

School of Business, KNUST

College of Arts and Social Sciences

July 2014

DECLARATION

I hereby declare that this submission is my own work towards the MBA and that to the best of my knowledge, it contains no material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

Pearl Frimpomaa ………………………….. …………………

PG7603112 Signature Date

Certified by:

Mrs. Rosemary Boateng- Coffie ………………………….. …………………

Supervisor Signature Date

Certified by:

Mr J.K. Turkson ………………………….. …………………
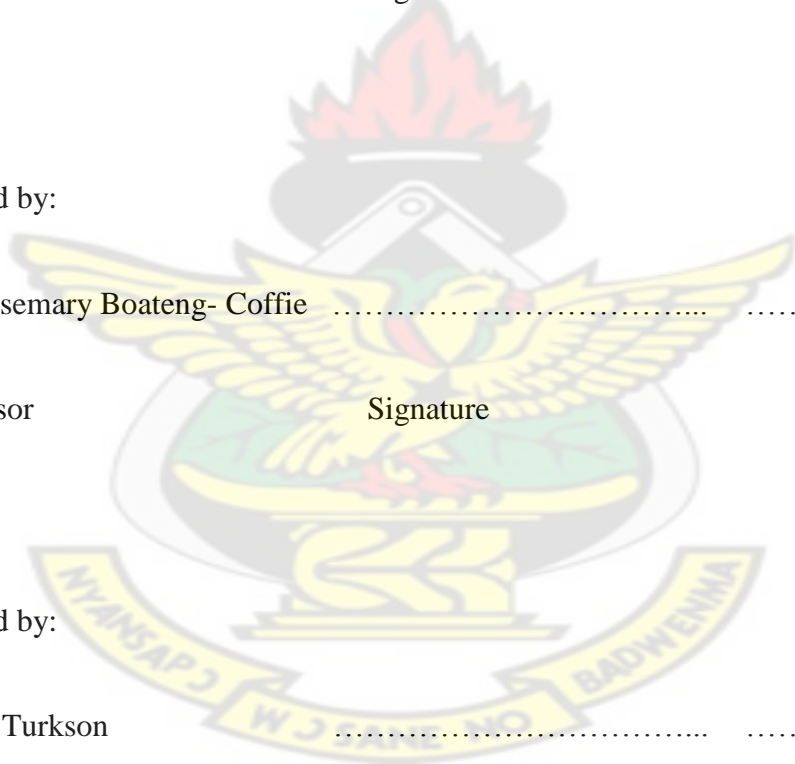
(Head's of Dept.) Signature Date

DEDICATION

The main source behind this attempt was the inspiring wishes of my late granny who nurtured this dream but could not live long to witness its accomplishment. This work is the highest formal educational achievement for me. I dedicate this work to my late grandmother Madam Mercy Danso. May her soul rest in perfect peace.

ACKNOWLEDGEMENT

My first thanks and praise go to the Almighty God, the sustainer of the universe, the most kind and merciful, without his blessings and protection nothing would have been possible. I thank him for the wisdom and strength that he provided me to complete this work. This dissertation is a culmination of extensive study, but not a solitary effort. There are numerous individuals who have provided me with support and encouragement in the form of precious ideas and required guidelines. I wish to express my deepest gratitude to Mrs. Rosemary Boateng-Coffie (Supervisor) who provided me scholarly guidance, expert opinion, encouragement and inspiration to complete this study. Her proactive directions inspired me greatly to this height.

I wish to express my grateful sentiments and appreciation to my father, Mr. Charles Asante who has been with me and urged me on and also supported me through encouragement and in cash. To Kwadwo Adjei-Barwuah, I appreciate everything you have done for me for this work to be a success and all staff of Vodafone Ghana (Adum and Accra-Head Office). Also, to Mr. George Ayisi Boateng, my family; Ms. Shiela Amoako, Mrs. Irene Asante, Liela, Sandra, Helmy and Claudia, your prayers, inspirations and advice brought me this far. May God richly bless and replenish whatever you lost just for me to make this work a success. God bless you all.

ABSTRACT

Performance appraisal seems to be one of the most important tools in Human Resource Management. Organizations design appraisal systems to assess and enhance employees performance, develop their competence and distribute rewards. Because of this, it is now viewed as a mechanism for developing and motivating people hence the general consensus among performance appraisal researchers and practitioners that assessment of appraisal reactions is important. For instance, it is frequently argued that in order for performance appraisal to positively influence employee behavior and future development, employees must experience positive appraisal reactions. The key to experience this positive reaction is an answer to the question ' are employees satisfied with the performance appraisal system?'. The purpose of this paper is to evaluate employee satisfaction as the most important reactions with performance appraisal systems. The aim is to analyze findings in the light of existing literature theories. The knowledge from the theoretical part of this paper combined with the results of the research can be useful for managers/ supervisors who deal with employees and for HR professionals who make decisions based on appraisal results.

The research was based on the questionnaires distributed to the sample of 120 respondents from Vodafone Ghana (Accra - Head Office and Kumasi - Adum). The respondents were asked both open ended questions which they provided their own answers to and closed ended questions which they provided answers based on the researchers options.

With the use of the SPSS software, the data analyzed showed that employees clearly understood the criteria used for appraisal assessment and employees were invited for discussions about their performance before they append their signatures on the assessment sheet. The findings from the study also suggested that the appraisers may not have direct or adequate knowledge of the job specification of employees in other to give a profound assessment and also the type of appraisal system in place gave the appraiser a greater influence over the final results. It was therefore recommended that management should employ well positioned appraisers who have adequate knowledge of the job or better still have some training for appraisers before they carry out the appraisal exercise. Management was also advised to have a review process or committee for employees who were not satisfied with their results to seek redress.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

KNUST

CHAPTER ONE

1.0 INTRODUCTION

Performance appraisal is among the most important human resource (HR) practices and it is one of the more heavily researched topics (Fletcher, 2002).Performance appraisal may now be seen as a generic term covering a variety of activities through which organizations seek to assess employees and develop their competence, enhance performance and distribute rewards (Fletcher and Perry, 2001). That is why, today, the focus of both practice and research has been moving towards developmental performance appraisal (Levy and Williams, 2004). According to Fletcher and Perry (2001), the performance appraisal must be viewed as a mechanism for developing and motivating people. There is a general consensus among performance appraisal researchers and practitioners that assessment of appraisal reactions is important (Keeping & Levy, 2000). For instance, it is frequently argued that in order for performance appraisal to positively influence employee behavior and future development, employees must experience positive appraisal reactions; if not, any appraisal system will be doomed to failure (Murphy & Cleveland, 1995).

The satisfaction with performance appraisal is the most frequently measured appraisal reaction (Keeping and Levy, 2000) and studies have reported that there is a positive relationship between satisfaction with performance appraisal and overall job satisfaction (Ellickson, 2002), since job satisfaction is positively related to performance (Judge et al., 2001). There is an extensive research on the factors that influence the satisfaction of the employees towards the performance appraisal or other reactions in different contexts (Levy and Williams, 2004). However, there is a lack of

enough empirical evidence on the factors that influence the satisfaction of employees towards the performance appraisal system. In this context, this paper attempts to identify, analyze and evaluate employees' level of satisfaction towards the performance appraisal system.

This chapter begins with a presentation of the background of my research area. The presentation is followed by a problem discussion that resulted in the statement of the objective, research questions of the study, the significance of the study, limitations and finally chapter organization.

1.1 Background of the Study

Many organizations are faced with various challenges as they endeavor to gauge and improve employee performance. A company's success according to Cole (2002) hinges on the quality of staff it hires and their performance levels. It is therefore imperative to monitor the performance of people at the work place to ensure achievement of organizational goals. According to Byars and Rue (1994), performance is the degree of accomplishment of the tasks that make up an employees' job. They contended that this shows how an employee is seen doing his or her job and it is measured in the terms of results.

A Performance Appraisal System (PAS) is a critical component of the overall human resource management function. It is predicated upon the principle of work planning, setting of agreed performance targets, feedback, reporting and linked to other human resource management systems and processes including staff development (Devries et al, 1984).

Each employee is entitled to a thoughtful and careful appraisal. The success of the process depends on the supervisor's willingness to complete a constructive and objective appraisal and on the employee's willingness to respond to constructive suggestions and to work with the supervisor to reach future goals. Still, many employees express dissatisfaction with their appraisal schemes (Fletcher et al., 1997). According to Fletcher and Perry (2001), this may signal a lack of success of performance appraisal as a mechanism for developing and motivating people. There is a general consensus among performance appraisal researchers that assessment of appraisal reactions is important (Keeping and Levy, 2000). For instance, it is frequently argued that in order for performance appraisal to positively influence employees' behavior and future development, employees must experience positive appraisal reactions. If not, any appraisal system will be doomed for failure (e.g. Cardy and Dobbins, 1994; Murphy and Cleveland, 1995). Performance appraisal satisfaction is the most frequently measured appraisal reaction (Giles and Mossholder, 1990; Keeping and Levy, 2000).

1.2 Problem Statement

Understanding fairness in performance appraisal processes and practices is extremely important for organizations because of its relationship with employees' satisfaction and organizational commitment. Perceptions of employees about the targets, outcomes and uses of performance appraisal (PA) results would be beneficial depending on a number of factors. For example, employees are more likely to be receptive and supportive of a given PA program if they perceive the process as a useful source of feedback which helps to improve their performance (Mullins, 2007). Employees are likely to embrace and contribute meaningfully to a given PA scheme if

3

they perceive it as an opportunity for promotion, and as an avenue for personal development. The performance appraisal can be used as an effective managerial decision tool. Reviewing the performance appraisals, many decision and actions are taken by the management such as giving rewards to the employees in the form of promotions for having good performance ratings or may be punishing employees having bad performance ratings. On the other hand, if employees perceive a PA as an unreasonable attempt by management to exercise closer supervision and control over tasks they (employees) perform, various reactions may result. In this regard, the organizations must assure that the performance appraisal process is fair and it concludes the fair results about the performance of the employees. For this reason, this paper seeks to evaluate the satisfaction employees have towards the performance appraisal system adopted by Vodafone Ghana.

1.3 Objectives of the study

1.3.1 General objective

The general objective of this research is to evaluate employees' satisfaction level of the performance appraisal system as it operates in Vodafone Ghana.

1.3.2 Specific objectives

In a more precise term, the specific objectives of this research are:

i. To identify and analyze the types of appraisal systems used by Vodafone Ghana.

ii. To measure employees perception of the appraisal system at Vodafone Ghana.

4

iii.   To assess the satisfaction of employees towards the performance appraisal systems.

1.4 Research questions

In the research, attempts will be made to answer the following research questions.

i.   What appraisal system is adopted by Vodafone Ghana?

ii.   How do employees perceive the performance appraisal system used by Vodafone Ghana?

iii.   How satisfied are employees with the performance appraisal system?

1.5 Significance of the study

Nobody likes performance appraisals- neither the manager doing the evaluating, nor the employee being evaluated. Clearly evaluations are front - runners for being the most maligned of corporate processes and yet they should be a good thing. After all, doesn't everyone need and deserve to know where they stand? The findings of this research will therefore;

Help Vodafone Ghana to rate the performance of their employees and compensate each accordingly.

Inform the general public on the importance of performance appraisal for improved service delivery and to an organization as a whole.

Improve and build upon the current appraisal system used by Vodafone Ghana.

It will also serve as the basis for further research in organizations in Ghana and elsewhere.

1.6 Brief methodology

The main method used to collect data for this study was through questionnaire. A sample size of 120 employees was selected from the eight(8) departments using the stratified simple random sampling method and the SPSS software was used to analyse the data collected.

1.7 Scope of the study

The study covered the staff of Vodafone Ghana in Kumasi (Adum) and Accra (Head office) and was concentrated on evaluating employees' satisfaction with the performance appraisal system.

1.8 Limitation of the study

The appraisal system of Vodafone Ghana is considered in the study. The right sample frame could not be applied as the management of the organization limited the researcher to only 120 respondents due to the busy schedules of the staff. Secondary data was therefore used to supplement the main research instrument. Besides, time and financial constraints could not allow a wide scale study.

1.9 Organization of the study

Chapter one is the introduction and covers sub-topics such as background to the study, problem statement, objectives and the research questions. Chapter two is devoted to the reviews of relevant literature and provides a comprehensive description of best practice performance appraisal and methodology as well as the problems associated

with the practice. Chapter three discusses the methods used to collect and analyze data. Chapter four constitutes a comprehensive discussion of the results or findings of the research. Chapter five contains a summary of the work, its conclusions and implications for policy changes and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter reviews existing theoretical as well as empirical literature on the concept of performance appraisal and its objectives, types, as well as errors associated with its application. It also considers some perceptions employees have towards the process, employees' satisfaction level and some problems associated with its application. Scholarly works done by other researchers in this area of Human Resource Management would also be reviewed in line with the objectives of the study.

2.1 The Concept of Performance Appraisal

Performance appraisal is said to be a human resource management tool used in determining and communicating to an employee his/her performance on an assigned job over a period, and essentially establishing a plan for improvement. The system seeks to unearth the employee's strengths and weaknesses for appropriate management decisions such as training, promotion, transfer, layoffs and motivation to be taken, Bohlander et al (2001).

French and Bell (1994) put forward an elaborative and far-reaching definition on performance appraisal. To them, performance appraisal is the formal assessment of how well employees are performing their jobs in relation to established standard and the communication of that assessment to the employees. This definition captures the salient points in the subject area which include formal assessment, performance, established standards and a feedback system.

Anderson (1994) defines performance appraisal as involving the systematic review of the performance of staff on a written basis at regular time intervals and the holding of performance interview at which staff have opportunity to discuss performance issues, past, present and future, on a one-to-one basis with their immediate line manager.

Kreitner (1986) also defines performance appraisal as the process of evaluating individual job performance as a basis for making objective personnel decisions. Kreitner's definition excludes day-to-day coaching in which a supervisor casually checks an employee's work and gives immediate feedback. Although personal coaching is fundamental to good management, formally documented appraisal is also needed to ensure equitable distribution of opportunities and rewards and avoid prejudicial treatment of disadvantaged workers such as the physically challenged and women. But Anderson's (2002) definition sets criteria for effective personnel performance appraisal.

From the above definitions, a number of issues can be derived. They include the following;

i.   Performance appraisal is a comparison of an employee's performance with performance standards.

ii.   A performance standard describes what the employee is expected to do in terms of behaviors' and results.

iii. Performance appraisal is a systematic process and essentially must be related to the employee's performance on the job.

iv. Performance appraisal must also provide information to management about the workers' strengths and weaknesses as far as their job performances are concerned and to help them develop their potentials.

v. Performance appraisal must also lead to a feedback to the employees to enable them know how they fare on the assessment scale for possible improvement.

vi. Performance appraisal is also an evaluation of the staff's potential for growth and development.

In 1984, a survey of nearly 600 organizations belonging to the American Management Associations (AMA) found that managers use performance appraisal results as follows; for compensation, counseling, training and development, promotion, manpower planning, retention/layoffs, etc., Bohlander et al (2001).

As a working definition, performance appraisal may be defined as a structured formal interaction between a subordinate and superior, that usually takes the form of a periodic interview (annual or semi-annual), in which the work performance of the subordinate is examined and discussed with a view to identifying weaknesses and strengths as well as potential for growth and development.

2.2 History 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. But this is not very helpful, for the same may be said about almost everything in the field of modern human resources management. 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.

Yet in a broader sense, the practice of appraisal is a very ancient art. In the scale of things historical, it might well lay claim to being the world's second oldest profession! There is, says Dulewicz (1989), "... a basic human tendency to make judgments about those one is working with, as well as about oneself." Appraisal, it seems, is both inevitable and universal. In the absence of a carefully structured system of appraisal, people will tend to judge the work performance of others, including subordinates, naturally, informally and arbitrarily. The human inclination to judge can create serious motivational, ethical and legal problems in the workplace. Without a structured appraisal system, there is little chance of ensuring that the judgments made will be lawful, fair, defensible and accurate.

Performance appraisal systems began as simple methods of income justification. That is, appraisal was used to decide whether or not the salary or wage of an individual employee was justified. The process was firmly linked to material outcomes. If an employee's performance was found to be less than ideal, a cut in pay would follow. On the other hand, if their performance was better than the supervisor expected, a pay rise was in order. Little consideration, if any, was given to the developmental possibilities of appraisal. It was felt that a cut in pay, or a rise, should provide the only required impetus for an employee to either improve or continue to perform well.

Sometimes this basic system succeeded in getting the results that were intended; but more often than not, it failed. For example, early motivational researchers were aware that different people with roughly equal work abilities could be paid the same amount of money and yet have quite different levels of motivation and performance. These

observations were confirmed in empirical studies. Pay rates were important, yes; but they were not the only element that had an impact on employee performance. It was found that other issues, such as morale and self-esteem, could also have a major influence. As a result, the traditional emphasis on reward outcomes was progressively rejected.

In the 1950s in the United States, the potential usefulness of appraisal as tool for motivation and development was gradually recognized. The general model of performance appraisal, as it is known today, began from that time.

2.3 Objectives of Performance Appraisal

Performance appraisal is a method of evaluating the job performance of an employee. It is an ongoing process of obtaining, researching, analyzing and recording information about the worth of an employee. The main objective of performance appraisals is to measure and improve the performance of employees and increase their future potential and value to the company. Other objectives include providing feedback, improving communication, understanding training needs, clarifying roles and responsibilities and determining how to allocate rewards.

Providing Feedback - This is the most common justification for an organization to have a performance appraisal system. Through its performance appraisal process the individual learns exactly how well he/she did during the previous twelve months and can then use that information to improve his/her performance in the future. In this regard, performance appraisal serves another important purpose by making sure that the boss's expectations are clearly communicated.

Facilitating Promotion Decisions - Almost everyone in an organization wants to get ahead. How should the company decide who gets the brass rings? Performance appraisal makes it easier for the organization to make good decisions about making sure that the most important positions are filled by the most capable individuals.

Facilitating Layoff or Downsizing Decisions - If promotions are what everybody wants, layoffs are what everybody wishes to avoid. But when economic realities force an organization to downsize, performance appraisal helps make sure that the most talented individuals are retained and to identify poor performers who effects the productivity of the organization.

Encouraging Performance Improvement - How can anyone improve if he doesn't know how he's doing right now? A good performance appraisal points out areas where individuals need to improve their performance.

Motivating Superior Performance - This is another classic reason for having a performance appraisal system. Performance appraisal helps motivate people to deliver superior performance in several ways. First, the appraisal process helps them learn just what it is that the organization considers being 'superior'. Second, since most people want to be seen as superior performers, a performance appraisal process provides them with a means to demonstrate that they actually are. Finally, performance appraisal encourages employees to avoid being stigmatized as inferior performers.

Setting and Measuring Goals - Goal setting has consistently been demonstrated as a management process that generates superior performance. The performance appraisal process is commonly used to make sure that every member of the organization sets and achieves effective goals.

Counseling Poor Performers - Not everyone meets the organization's standards. Performance appraisal forces managers to confront those whose performance is not meeting the company's expectations.

Determining Compensation Changes - This is another classic use of performance appraisal. Almost every organization believes in pay for performance but how can pay decisions be made if there is no measure of performance? Performance appraisal provides the mechanism to make sure that those who do better work receive more pay.

Encouraging Coaching and Mentoring - Managers are expected to be good coaches to their team members and mentors to their protégés. Performance appraisal identify the areas where coaching is necessary and encourages managers to take an active coaching role.

Supporting Manpower Planning **-** Well-managed organizations regularly assess their bench strength to make sure that they have the talent in their ranks that they will need for the future. Companies need to determine who and where their most talented members are. They need to identify the departments that are rich with talent and the ones that are suffering a talent drought. Performance appraisal gives companies the tool they need to make sure they have the intellectual horsepower required for the future.

Determining Individual Training and Development Needs - If the performance appraisal procedure includes a requirement that individual development plans be determined and discussed, individuals can then make good decisions about the skills and competencies they need to acquire to make a greater contribution to the company. As a result, they increase their chances of promotion and lower their odds of layoff.

Determining Organizational Training and Development Needs **-** Would the organization be better off sending all of its managers and professionals through a customer service training program or one on effective decision making? By reviewing the data from performance appraisals, training and development professionals can make good decisions about where the organization should concentrate company-wide training efforts.

Validating Hiring Decisions **-** Is the company hiring stars, or is it filling itself with trolls? Only when the performance of newly hired individuals is assessed can the company learn whether it is hiring the right people.

Providing Legal Defensibility for Personnel Decisions **-** Almost any personnel decision (termination, denial of a promotion, and transfer to another department) can be subjected to legal scrutiny. If one of these is challenged, the company must be able to demonstrate that the decision it made was not based on the individual's race or handicap or any other protected aspect. A solid record of performance appraisals greatly facilitates legal defensibility when a complaint about discrimination is made.

Improving Overall Organizational Performance - This is the most important reason for an organization to have a performance appraisal system. A performance appraisal procedure allows the organization to communicate performance expectations to every member of the team and assess exactly how well each person is doing. When everyone is clear on the expectations and knows exactly how he is performing against them, this will result in an overall improvement in organizational success.

Training **-** These appraisals also identify the necessary training and development the employee needs to close the gap between current performance and desired performance.

2.4 Types of Appraisal

There are several ways by which appraisal can be carried out. Belcourt et al (1999) identify seven different types used in performance appraisal. These are discussed in the following paragraphs.

2.4.1 Managerial / Supervisor Appraisal

The managerial or supervisor appraisal has been the traditional approach to evaluating an employee's performance. Belcourt et al, (1999) and other writers such as Certo (2000) conclude that, in this appraisal, the superior appraises the subordinate and in most situations a review is done by the supervisor's superior. The reviews, according to them, reduce subjectivity, superficial and or biased evaluations. This appraisal style is more acceptable to staff than the others.

2.4.2 Self – Appraisal

Sometimes employees are asked to evaluate themselves on a self – appraisal form. This form of appraisal according to Belcourt et.al, (1999) is beneficial when managers seek to increase an employee's involvement in the review process. This process gets the employees thinking about their strengths and weaknesses and may lead to discussions about barriers to effective performance. During the performance interview, the manager and employee discuss job performance and agree on a final appraisal.

Critics of the style argue that self-raters are more lenient than managers in their assessments and may tend to present themselves in a highly favorable light. Used in conjunction with other methods, self-appraisal can be a valuable source of appraisal information.

2.4.3 Subordinate Appraisal

This is a system where managers give feedback on how their subordinates view them. Subordinate appraisals give employees power over their bosses, and this creates hesitation among managers to endorse such a system. Nevertheless, to avoid potential problems, Bohlander et al (2001) opined that subordinate appraisal should be submitted anonymously and combined across several individual raters.

2.4.4 Peer Appraisal

This is a process where individuals of equal rank who work together are asked to evaluate each other. Peers can readily identify leadership and personal skills along with other strengths and weaknesses of their co-workers. One advantage of peer appraisal is that it gives more accurate and valid information than appraisal from supervisors.

2.4.5 Team Appraisal

This is an extension of the peer appraisal while peers are on equal standing with one another, they may be seriously together. In a team setting, it may be nearly impossible to separate one's individual contribution from the others. Writers such as Mathis and Jackson (2006), argue that in such situations appraisal can be dysfunctional since it detracts from the critical issues.

2.4.6 Customer Appraisal

This is the situation where customers of the organization are asked to rate the performance of staff they come into contact with mostly. The belief behind this method is that overt behaviors exhibited by workers towards the clients can better be

assessed by the customers. The organization develops a simple and user-friendly format that is used by the customers to rate the performances of the staff. This kind of appraisal also has the added advantage of truly identifying good and bad performers from yet another credible source. The information gathered is therefore analyzed in conjunction with other relevant data for the overall rating of the staff.

2.4.7 360 Appraisal

This is a combination of all the other styles to arrive at an objective reality of situations. This style removes subjectivity from the ratings as others would be compared with each other. The 360° feedback method of appraisal, assesses employee performance from several angles; peers, customers, supervisors and subordinates. According to Fletcher (1993), normally the ratings are collected and collated by an external consultant or by an internal human resource department. Edwards and Ewen (1996) in their view, the 360° is an extraordinarily effective tool for change.

2.5 Benefits of Performance Appraisal

Perhaps the most significant benefit of appraisal is that, in the rush and bustle of daily working life, it offers a rare chance for a supervisor and subordinate to have "time out" for a one-on-one discussion of important work issues that might not otherwise be addressed. Almost universally, where performance appraisal is conducted properly, both supervisors and subordinates have reported the experience as beneficial and positive.

Appraisal offers a valuable opportunity to focus on work activities and goals, to identify and correct existing problems, and to encourage better future performance. Thus the performance of the whole organization is enhanced. For many employees, an

"official" appraisal interview may be the only time they get to have exclusive, uninterrupted access to their supervisor. Said one employee of a large organization after his first formal performance appraisal, "In twenty years of work, that's the first time anyone has ever bothered to sit down and tell me how I'm doing." The value of this intense and purposeful interaction between supervisors and subordinate should not be underestimated.

Motivation and Satisfaction - Performance appraisal can have a profound effect on levels of employee motivation and satisfaction either for better as well as for worse. Performance appraisal provides employees with recognition for their work efforts. The power of social recognition as an incentive has been long noted. In fact, there is evidence that human beings will even prefer negative recognition in preference to no recognition at all. If nothing else, the existence of an appraisal program indicates to an employee that the organization is genuinely interested in their individual performance and development. This alone can have a positive influence on the individual's sense of worth, commitment and belonging. The strength and prevalence of this natural human desire for individual recognition should not be overlooked. Absenteeism and turnover rates in some organizations might be greatly reduced if more attention were paid to it. Regular performance appraisal, at least, is a good start.

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

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

Recruitment and Induction -Appraisal data can be used to monitor the success of the organization's recruitment and induction practices. For example, how well are the employees performing who were hired in the past two years? Appraisal data can also be used to monitor the effectiveness of changes in recruitment strategies. By following the yearly data related to new hires (and given sufficient numbers on which to base the analysis) it is possible to assess whether the general quality of the workforce is improving, staying steady, or declining.

 Employee Evaluation -Though often understated or even denied, evaluation is a legitimate and major objective of performance appraisal. But the need to evaluate (i.e., to judge) is also an ongoing source of tension, since evaluative and developmental priorities appear to frequently clash. Yet at its most basic level, performance appraisal is the process of examining and evaluating the performance of an individual. Though organizations have a clear right - some would say a duty - to conduct such evaluations of performance, many still recoil from the idea. To them, the explicit process of judgment can be dehumanizing and demoralizing and a source of anxiety and distress to employees. It is been said by some that appraisal cannot serve the needs of evaluation and development at the same time; it must be one or the other. But there may be an acceptable middle ground, where the need to evaluate employees objectively, and the need to encourage and develop them, can be balanced.

2.6 Performance Appraisal Process

```
┌─────────────────────────────────────────────┐
│       Establishing performance standards      │
└─────────────────────────────────────────────┘
                        │
                        ▼
┌─────────────────────────────────────────────┐
│     Communicating standards and expectation   │
└─────────────────────────────────────────────┘
                        │
                        ▼
┌─────────────────────────────────────────────┐
│          Measuring the actual performance     │
└─────────────────────────────────────────────┘
                        │
                        ▼
┌─────────────────────────────────────────────┐
│            Comparing with standards           │
└─────────────────────────────────────────────┘
                        │
                        ▼
┌─────────────────────────────────────────────┐
│      Discussing results (providing feedback)  │
└─────────────────────────────────────────────┘
                        │
                        ▼
┌─────────────────────────────────────────────┐
│    Decision making – taking corrective action │
└─────────────────────────────────────────────┘
```
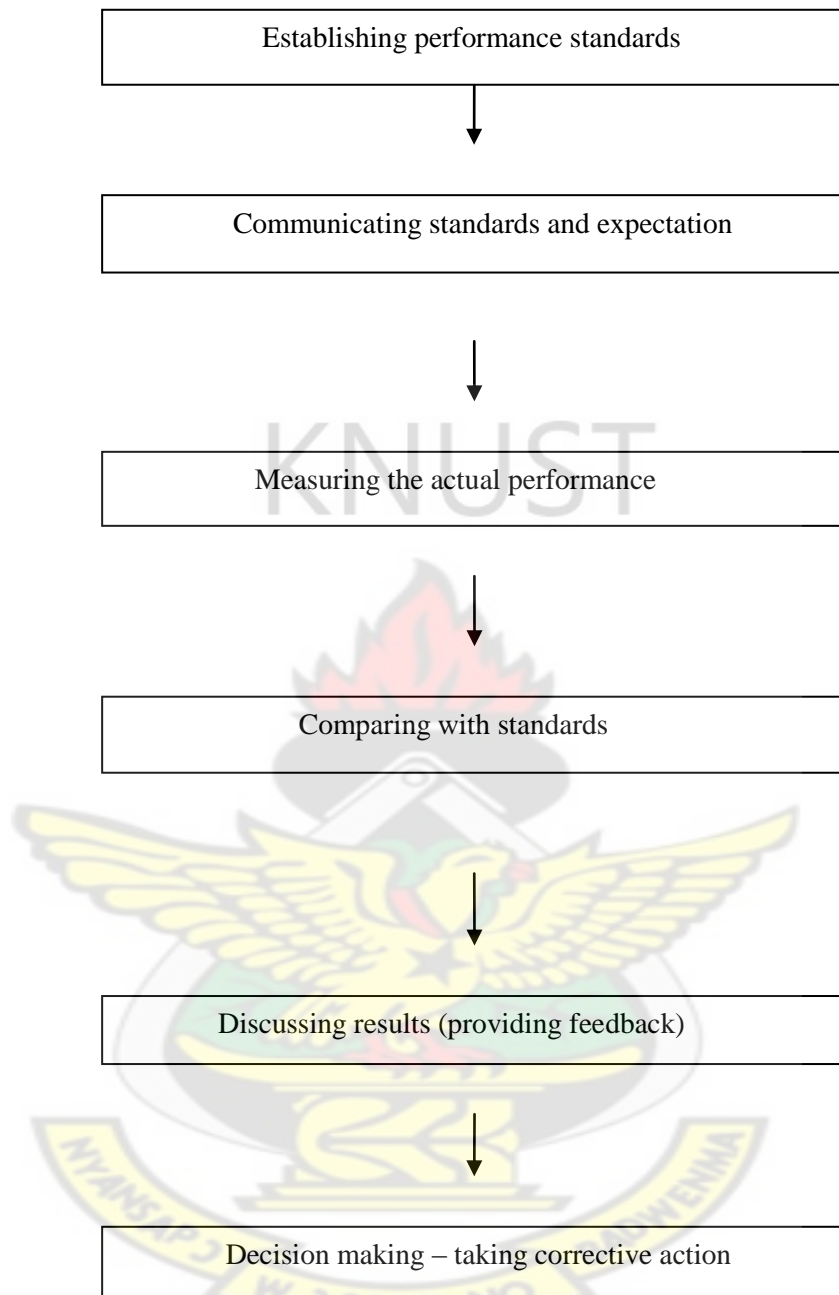
Source: www.whatishumanresource.com

Establishing performance standards **-** The first step in the process of performance appraisal is the setting up of the standards which will be used to as the base to compare the actual performance of the employees. This step requires setting the criteria to judge the performance of the employees as successful or unsuccessful and

21

the degrees of their contribution to the organizational goals and objectives. The standards set should be clear, easily understandable and in measurable terms. In case the performance of the employee cannot be measured, great care should be taken to describe the standards.

Communicating the standards **-** It is the responsibility of the management to communicate the standards to all the employees of the organization. The employees should be informed and the standards should be clearly explained to the employees. This will help them to understand their roles and to know what exactly is expected from them. The standards should also be communicated to the appraisers or the evaluators and if required, the standards can also be modified at this stage itself according to the relevant feedback from the employees or the evaluators.

Measuring the actual performance **-** The most difficult part of the performance appraisal process is measuring the actual performance of the employees that is the work done by the employees during the specified period of time.

It is a continuous process which involves monitoring the performance throughout the year. This stage requires the careful selection of the appropriate techniques of measurement, taking care that personal bias does not affect the outcome of the process and providing assistance rather than interfering in employees' performance.

Comparing actual performance with desired performance - The actual performance is compared with the desired or the standard performance. The comparison tells the deviations in the performance of the employees from the standards set. The result can show the actual performance being more than the desired performance or, the actual performance being less than the desired performance depicting a negative deviation in

the organizational performance. It includes recalling, evaluating and analysis of data related to the employees' performance.

Discussing results (feedback) **-** The result of the appraisal is communicated and discussed with the employees on one-to-one basis. The focus of this discussion is on communication and listening. The results, the problems and the possible solutions are discussed with the aim of problem solving and reaching consensus. The feedback should be given with a positive attitude as this can have an effect on the employees' future performance. Performance appraisal feedback by managers should be in such way helpful to correct mistakes done by the employees and help them to motivate for better performance but not to demotivate. Performance feedback task should be handled very carefully as it may leads to emotional outburst if it is not handing properly. Sometimes employees should be prepared before giving them feedback as it may be received positively or negatively depending upon the nature and attitude of employees.

Decision-making **-** The purpose of conducting employee performance appraisal is for making decisions about employees without any bias by the HR manager. Decision-making by HR managers about employees rewarding, promotions, demotions, transfers and sometimes suspensions/dismissal of employees are depended upon the employee performance appraisal. The decision taken by HR manager should match exactly with performance appraisal results of employees to avoid grievance or disturbances in between them, as they affect overall performance of the organization.

2.7 Methods of Performance Appraisal

There are two types of measures used in performance appraisal; Objective measures which are directly quantifiable and Subjective measures which are not directly

quantifiable. Performance Appraisal can be broadly classified into two categories: Traditional Methods and Modern Methods.

Traditional Methods are relatively older methods of performance appraisals. This method is based on studying the personal qualities of the employees. It may include knowledge, initiative, loyalty, leadership and judgment.

2.7.1. Ranking Method : According to Dessler et al. (2011), ranking method is ranking employees from best to worst on a particular trait, choosing highest, then lowest, until all ranked.

2.7.2 Graphic Rating Scales: The Graphic Rating Scale is a scale that lists a number of traits and a range of performance for each. The employee is then rated by identifying the score that best describes his or her level of performance for each trait.

2.7.3 Critical Incident Method: this technique was formally codified by the works of Fitts and Jones in 1947 for classifying pilot error experiences in reading and interpreting aircraft instruments. Fitts and Jones used the term "errors" rather than "critical incidents". As opposed to Fitts and Jones way of collecting data, data gathering during task performance is now considered a defining criterion for critical incident methods. The work of John Flanagan in 1954 became the landmark critical incident technique, after his title entitled "The Critical Incident Technique" appeared in the psychological bulletin. Flanagan (1954) defined the critical incident technique as a set of procedures designed to describe human behavior by collecting description of events having special significance and meeting systematically defined criteria. Flanagan originally used trained observers to collect critical incident identification. Identification of the critical incidents during task performance can be an individual process or a mutual process between user and evaluator. According to Dessler et al

(2011), Critical Incident method is keeping a record of uncommonly good or undesirable examples of an employee's work related behavior and reviewing it with the employee at predetermined times.

2.7.4. Narrative Essays: Evaluator writes an explanation about employee's strength and weakness points, previous performance, positional and suggestion for his /her improvement at the end of evaluation time. This technique mainly attempt to focus on behavior.

Modern Methods were devised to improve the traditional methods. It attempted to improve the shortcomings of the old methods such as biasness, subjectivity, etc.

2.7.5 Management by Objectives: In 1954, Peter F. Drucker introduced "Management by Objective" in his book "The Practice of Management". It comprises of three building blocks: object formulation, execution process and performance feedback. "Management by objectives is a process whereby the superior and subordinate managers of an organization jointly identify its common goals, define each individual's major areas of responsibility in terms of the results expected of him, and use these measures as guides for operating the unit and assessing the contribution of each of its members".

2.7.6 Behaviorally Anchored Rating Scale (BARS): Behavioral anchor rating scales are more informative than simple numbers. Behaviorally anchored performance dimensions can be operationally and conceptually can be distinguished from one another. Rater will act as observer not the judge. BARS help rater focus on specific desirable and undesirable incidents of work behavior which can serve as examples in discussing a rating. BARS use behavioral statements or concrete examples to illustrate multiple levels of performance for each element of performance.

2.7.7 Human Resource Accounting: this is a method to measure the effectiveness of personnel management activities and the use of people in an organization. Human Resource Management is the process of assiging, budgeting, and reporting the cost of human resources incurred in an organization, including wages and salaries and training expenses.

Human resources are valuable assets for every organization. Human resource accounting method tries to find the relative worth of these assets in the terms of money. In this method the performance appraisal of the employees is judged in terms of cost and contribution of the employees. The cost of employees include all the expenses incurred on them like their compensation, recruitment and selection costs, induction and training costs, etc. whereas their contribution includes the total value added (in monetary terms). The difference between the cost and the contribution will be the performance of the employees. Ideally, the contribution of the employees should be greater than the cost incurred on them.

2.7.8. Assessment Centers: an assessment center typically involves the use of methods like social/informal events, tests and exercises, assignments being given to a group of employees to assess their competencies to take higher responsibilities in the future. Generally, employees are given an assignment similar to the job they would be expected to perform if promoted. The trained evaluators observe and evaluate employees as they perform the assigned jobs and are evaluated on job related characteristics. The major competencies that are judged in assessment centers are interpersonal skills, intellectual capability, planning and organizing capabilities, motivation, career orientation etc. assessment centers are also an effective way to determine the training and development needs of the targeted employees.

2.7.9. 360 Degree: It is a popular performance appraisal technique that involves evaluation input from multiple levels within the firm as well as external sources. 360 Degree feedback relies on the input of an employee's superior, colleagues, subordinates, sometimes customers and suppliers. It provides people with information about the effect of their action on others in the workplace. It provides a notion of behavioral change might be elicited through a process of enhanced self-awareness.

2.7.10 720 Degree: 720 degree is a more intense, personalized and above all greater review of the upper level managers that brings in the perspective of their customers or investors, as well as subordinates. 720 degree review focuses on what matters most, which is the customer or investor perception of their work. 720 degree approach gives people a very different view of themselves as leaders and growing individuals. 360 degree appraisal method is practiced twice. When the 360- Degree appraisal is done, then the performance of the employee is evaluated and having a good feedback mechanism, the boss sits down with the employee again a second time and gives him feedback and tips on achieving the set targets.

Other Methods

There are many other methods such as 90 degree,180 degree,270 degree, balanced score card, mixed standard scale, human resource costing and accounting, paired comparison, forced distribution method, behavioral observation scale, mixed standard scale, electronic performance monitoring, confidential reports etc. are also used for performance appraisal but not discussed here.

From this we conclude that there are many methods that are used for performance appraisal. It is very difficult to say which technique is better than the other because it depends upon the type and size of organization.

2.8 Problems in Performance Appraisal

The effectiveness of any appraisal system depends on the quality and reliability of assessment. The appraisal methods reveal a number of problems that may hamper the effectiveness of the appraisal process. According to Ivancevich (1995), most employees are wary of performance appraisal. Perhaps the most common fear is that of rater subjectivity. Introducing subjective bias and favoritism are real problems that create opposition to most performance appraisal systems.

2.8.1 System Design and Operating Problems

Performance appraisal systems break down because they are poorly designed. The design can be blamed if the criteria for evaluation are poor; for example initiative, emotional stability, to mention a few; the technique used is cumbersome, or the system is more form than substance. If the criteria used focus solely on activities rather than output results, or on personality traits rather than performance, the evaluation may not be well received. Some evaluation techniques take time to carry out or require extensive written analysis, both of which many managers resist.

2.8.2 Rater Problems

According to Ivancevich (1995), even if the system is well designed, problems can arise if the raters (usually supervisors) are not cooperative and well trained. Supervisors may also not be comfortable with the process of evaluation. This is often because they have not been adequately trained or have not participated in the design of the program. Inadequate training of raters can lead to series of problems in completing performance evaluations exercises. According to Byars and Rue (1994)

among the common errors (Rater Problems) of performance appraisal are; leniency, central tendency, recency error and halo effect.

2.8.2.1 Leniency error

This occurs when ratings are grouped at the positive end of the performance scale instead of spreading them throughout the scale. This shows bias on the part of certain supervisors by consistently assigning high values to subordinates.

2.8.2.2 Central tendency error

Central tendency or clustering in the middle error occurs when a rater avoids using high or low ratings and assigns average ratings. According to Ivancevich (1995), this type of "average" rating is almost useless in the sense that it fails to distinguish between subordinates. Thus it makes it difficult for making human resource management decisions regarding compensation, promotion, and training.

2.8.2.3 Recency of events error

Recency of events error occurs when supervisors evaluate subordinates performance based on work performed most recently. Raters forget more about past behavior than current behavior. Generally, the above errors make it difficult if not impossible to separate good performance from poor performance.

2.8.2.4 The halo effect

Halo effect error occurs when a rater assigns ratings on several dimensions of performance based on an overall, general impression of the appraisees. Halo error can be either a positive or a negative error, meaning that the initial impression can cause the ratings to be either too low or too high. Furthermore, this occurs when managers

allow high prominent characteristics of an employee to influence their judgment on each item in the performance appraisal. This often results in the employee receiving approximately the same rating on every item. Other sources of error such as personal preferences, prejudices and bias can hamper the appraisal process. Lack of senior management commitment has also been identified as an obstacle to the success of performance appraisal. A lot of senior management personnel consider the whole exercise as time wasting process.

2.8.3 Employee Problems

For the evaluation system to work well, the employees in the organization must understand it and feel that it is a fair way to evaluate performance. In addition, they must believe that the system is used correctly when making decisions concerning pay increases and promotions. Thus for a performance appraisal system to work well, it should be as simple as possible. Unnecessary complexity or rating forms in other evaluation procedures can lead to employee dissatisfaction.

2.9 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 whiles subjective measures cannot be quantified and are largely dependent on the opinion of an observer.

2.9.1 First Impression (primacy effect): Raters form an overall impression about the rate on the basis of some particular characteristics of the rate identified by them. The identified qualities and features may not provide adequate base for appraisal.

2.9.2 Halo Effect: The individual's performance is completely appraised on the basis of a perceived positive quality, feature or trait. In other words this is the tendency to rate a man uniformly high or low in other traits if he is extra-ordinarily high or low in one particular trait. If a worker has few absences, his supervisor might give him a high rating in all other areas of work.

2.9.3 Horn Effect: The individual's performance is completely appraised on the basis of a negative quality or feature perceived. This results in an overall lower rating than may be warranted. "He is not formally dressed up in the office; he may be casual at work too.

2.9.4 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. 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.

2.9.5 Central Tendency: Appraisers rate all employees as average performers. That is, it is an attitude to rate people as neither high nor low and follow the middle path. For example, a professor, with a view to play it safe, might give a class grade near the equal to B, regardless of the differences in individual performances.

2.9.6 Personal Biases: The way a supervisor feels about each of the individuals working under him - whether he likes or dislikes them - as a tremendous effect on the rating of their performances. Personal Bias can stem from various sources as a result of information obtained from colleagues, considerations of faith and thinking, social and family background and so on.

2.9.7 Spillover Effect: The present performance is evaluated much on the basis of past performance. "The person who was a good performer in distant past is assured to be okay at present also".

2.9.8 Recency Effect: Rating is influenced by the most recent behavior ignoring the commonly demonstrated behaviors during the entire appraisal period.

2.10 Feedbacks in performance appraisal system

In performance appraisal one of the most important aspects of the program is when the employers communicate their performance ratings to the employees. Although some researchers claim that the feedback process in performance appraisal has little or no effect if the person is already performing on a high level or if the job is complex. The feedback delivery helps the organization in decision making, enhancing of productivity and effectiveness within the organization. It has been pointed out that the communication of feedback regarding the performance of employees and groups in an organization is an important part of any organization's human resource system (Larson 1984).

The aim of any organization when conducting performance appraisal is to receive feedback and this feedback helps to maintain and direct employee behavior to

accomplishing the organizations goal and objective and also mating a high level of work to accomplish these goals.

On the part of the employees performance appraisal feedback serves as a means of satisfying the need for information on how employees are meeting up with their personal goals and as serves as a form of social measurement among their peers. Feedback serves as a basis for identifying discrepancies self and others' performance and work goals (Carver and Scheier, 1981).

From both the organizations and employees point of view a performance appraisal feedback process can serve as a means of identifying the employee's weakness and unidentified goals. Identification of these shortcomings can help the employees to increase their level of performance, redirect their efforts toward achieving both the organizational and personal goals, and also improve their relative standing to internal and external standards. This achievement is of great important to the organization however, performance appraisal feedback has not only leaded directly to the improvement of performance. Research has shown that the success of the feedback depends on a number of factors related to the acceptance of the feedback process which can include: the valence of the message (positive or negative) characteristic of the source(e.g. knowledge, credibility, familiarity of the job), and the recipient of the feedback and also the perceived relevance and accuracy of the feedback to employees performance and behavior (Fisher and Taylor, 1979).The level of acceptance of feedback is then expected to neither influence employees positively or negatively on the willingness to improve their work levels.

For any feedback within the organization to yield any positive result, the source of the feedback must be perceived by the recipient as being trustworthy, credible, reliable,

objective and properly motivated in other for feedback to be accepted. (Wyer et al., 1994).On the other hand the degree of the feedback's acceptance is greatly reduced when the source of the feedback is perceived as unreliable, untrustworthy or has having ulterior motives.

When the feedback received from employee indicate that an employee has performed above the organizations standard, it is generally perceived that individual goals on subsequent work will be stable i.e. there is high motivation on the part of the employee to work. On the other hand when there are negative discrepancies between the employees' goals and organizational goals, organizations attempt to reduce these discrepancies by increasing efforts of the employees.

Invariably, individuals that receive negative feedback are more likely to put more effort to improve their performance than individuals that received a positive feedback. (Carver & Scheier, 1981).

2.11 Types of feedback

Based on the performance appraisal dimension, different types of feedback are delivered. Classifying types of feedback based on the nature of performance helps to understand the reactions employees have to performance appraisal feedback. According to Ilegen et al.'s feedback process model, (1979), the features of each feedback source combined with the form of feedback that best corresponds to each source's characteristic should yield the greatest degree of acceptance of the feedback received.

According to Parker (1996), feedback was dichotomized into team process and task outcome performance dimension.

2.11.1 Team Process Performance Dimension

This process evaluates the behavior representative of one team player style called the communicator. The main aim of the communicator it to facilitate the on time completion of task by the team and accomplishment of its goals, Other roles of the communicator includes active listening and involvement in the resolution of conflict within the team. The communicator also helps to create an informal and relaxed atmosphere among team members. This performance dimension evaluates and assesses employees' behavior while working together as a team in accomplishing a task. In this performance dimension, peer might be in the best position to give a more accurate and objective and more reliable performance rating on team process system.

2.11.2 Task Outcome Performance Dimension

This other performance dimension evaluates the nature and content of the outcome of the tasks performed specifically in the terms of the quality and quantity of the final products produced by the employees. In the case of task outcome performance, the supervisor might be in the best position to judge behavior or final outcome given the supervisor's expertise is in the field and ability to judge the quality of task outcomes leading to a higher level of feedback acceptance by employees.

2.12 Sources of Performance Appraisal and Its Feedback Effect on Employees.

Recently in an attempt to increase effectiveness of the appraisal system, organizations have introduced multi source appraisal and feedback programs (Albright & Levy 1995). In the multi-source appraisal program, Employees receive evaluation and feedback from not only their supervisors but also from other sources such as peers, subordinates and even their customers.

This form of performance appraisal came up as result of increasing number of responsibility and task for the supervisor and well as increasing number of subordinate. Another contributing factor to the effectiveness of this program is the continuous flattens of the hierarchy within the organization that might make it more difficult for supervisors to assess their subordinate. (Cascio, 1995).

While some organizations are aware that their performance evaluation is multi sourced, some organizations are unaware of this fact. An appraisal program is considered multi sourced if more than one source in evaluating employees or considers all the sources like customers peers etc.

The aim of consulting as many sources is to allow employees obtain true feedback reflecting their true ability on the job and also help judge a wider variety of behavior on the job that might not be displayed by the employee during the period of appraisal. The feedbacks on this form of appraisal are usually generally acceptable by the targeted employees.

According to (London and Smither 1995), multi-source performance appraisal has received attention from both managers and academics. Though the program has led to many researches, many issues still remain unresolved.

2.13 Factors that may affect the Feedback Process

Satisfaction - Satisfaction of performance appraisal is an indication of the degree to which subordinates are satisfied, serves as a report of the accuracy and fair evaluations of performance, and the feeling that they will improve their working relations with their supervisors. In the same view, Taylor et al. (1995) conceptualized satisfaction with a four-item scale of assessing: whether the organization should

enhance or change the appraisal system, whether there are less work problems arising as a result of the performance appraisal system, whether employees are satisfied with the way the organization conducted the appraisal, whether having appraisals is a waste of time. Appraisal satisfaction has been mainly viewed in three ways:

    i. Satisfaction with the appraisal interview or session

    ii. Satisfaction with the appraisal system

    iii. Satisfaction with performance ratings

Fairness - Assessing the appraisal fairness is a more complicated phenomenon compared to other reactions from performance appraisal. This is due to the influence the organization justice has recently on measuring employees' reaction to performance appraisal. This argument is in line with Smither's (1998) that a good appraisal system is of great sensitivity to issues of justice or fairness. In the past, appraisal fairness was viewed as either the perceived fairness of the performance rating or the perceived fairness of the appraisal in general. In recent times however, researchers in performance appraisal have brought to life the concepts of procedural and distributive justice and have used these measures to assess and justify the issue of fairness. To this effect, appraisal fairness has been interpreted in four different ways:

    i. Fairness with performance ratings,

    ii. Fairness with the appraisal system,

    iii. Procedural justice, and

    iv. Distributive justice.

Perceived Utility **-** One of the popular reactions to performance appraisal is the utility of the appraisal. In comparison with satisfaction and fairness, the measurement of perceived utility has been relatively consistent and uncompounded. The most typical idea of perceived utility has focused on the usefulness of the appraisal system. Greller (1978) conceptualized utility in terms of the appraisal session and operationalized this with items such as "The appraisal helped me learn how I can do my job better" and "I learned a lot from the appraisal.

Perceived Accuracy **-** In reviewing any performance appraisal, perceived accuracy has to be used as a criterion because it presents an unusual case when compared to other typical reactions that are measured. Cawley et al. (1998) reported that the vast majority of studies appear to confound accuracy with other reactions, most notably fairness.

2.14 Employees attitude towards the content of performance appraisal

It is important in this work to consider the employees attitudes towards performance appraisal itself and its feedback. In any appraisal system the mangers know more than the employees this gives a form of reception on the part of the employees to the appraisal process.

Employee's attitude towards performance can also be change by making the appraisal system about them and not about how the organization can make money. In the two studies conducted by Levy and William in 1992 and 1998, there is a perceived knowledge in predicting appraisal reaction in terms of job satisfaction and organizational commitment. The conclusion from the studies was drawn as: The employees who believe they understand the appraisal system used in the organization

is most likely to favor important organizational variables in the future and also have the following characteristics:

i. They are more accepting and largely favor the appraisal system and its feedback.

ii. They have more satisfaction on their job.

iii. They are highly committed to the organization.

iv. They are most likely to rate the performance appraisal as fair.

According to Mount 1984, for performance appraisal to be conducted in an effective manner and for it to be accepted, the unique perceptive ability of both the employees and the mangers must be taking into consideration. In summary for employees to have a positive attitude towards performance appraisal, the following should be taken into consideration.

i. There should be a system of formal appraisal.

ii. It should be conducted frequently.

iii. Supervisors should have more knowledge about the appraisal process.

iv. Employees should have an opportunity to appeal their ratings.

v. The organization environment should be co operative rather than competitive.

vi. The plan of the organization should also deal with weakness rather than only acknowledge strength.

2.15 Performance Appraisal System and Performance Improvement

Performance management focuses on ways to motivate employees to improve their performance. The goal of the performance management process is performance improvement, initially at the level of the individual employee, and ultimately at the level of the organization.

The performance appraisal is a technique that has been credited with improving performance (DeCarlo & Leigh, 1996), and building both job satisfaction and organizational commitment. (Brown & Peterson, 1994),

Although the relationship between appraisals and performance may not be a direct and causal one, their impact on performance may be attributed to their ability to enhance: role clarity, communication effectiveness, merit pay and administration, expectancy and instrumentality estimates, and perceptions of equity. Dubinsky et al (1993) discuss the concept that increases in role clarity can affect both the effort/performance expectancy and performance/reward instrumentality estimates. Thus, by reducing ambiguity, performance appraisals may positively influence the levels of motivation exhibited by employees. More frequent appraisals and feedback help employees to see how they are improving, and this should increase their motivation to improve further (cf. Kluger and DeNisi, 1996).

Appraisals are generally considered to have a positive influence on performance, but they also may have a negative impact on motivation, role perceptions, and turnover when they are poorly designed or administered (Churchill et al, 1985). The ultimate goal of performance appraisal should be to provide information that will best enable managers to improve employee performance. Thus, ideally, the performance appraisal

provides information to help managers manage in such a way that employee's performance improves (DeNisi and Pritchard, 2006).

Providing the employee with feedback is widely recognized as a crucial activity. Such feedback may encourage and enable self-development, and thus will be instrumental for the organization as a whole (Yehuda, 1996). Larson (1984) supports the importance of evaluations in terms of their effect on organizational effectiveness, stating that feedback is a critical portion of an organization's control system.

2.16 Conclusion

The literature reviewed has shown that staff performance appraisal is a good tool to measure the performance of staff in an organization. The reviewed literature identified that among the three methods of assessment - traits, behavioral and results - the last one is more reliable for performance appraisal. Many authors also identified that feedback to employees about their performance is crucial; also appraisal interview is fundamental to the process.

CHAPTER THREE

RESEARCH METHODOLOGY AND ORGANISATIONAL PROFILE

3.0 Introduction

This chapter spells out on the approach adopted for the study which describes the method and techniques that were adopted to collect data for the analysis. It looks at the research design, population and sampling, methods of data collection, sources of data and the framework for data analysis.

According to Yin, 2003, a research methodology defines what the activity of research is, how to proceed, how to measure progress, and what constitutes success. Kumekpor (2002) also defines it as the methods, procedures and techniques used in an attempt to discover what we want to know.

3.1 Research Design

According to Fraenkel and Wallen (2003), research design is used to obtain data to determine specific characteristics of a group. To them a descriptive survey design is concerned with the conditions or relationship that exist such as determining the nature of prevailing conditions, practices and attitudes, options that are held, processes that are going on or trends that are developed. It therefore involves collecting information on the current status of the subject of the study.

This research is a quantitative case study research which concentrates on evaluating employees' level of satisfaction with the performance appraisal system of Vodafone Ghana. The study was to undertake a critical examination of the existing system. This approach allowed for in-depth study of the performance appraisal system as practiced

in Vodafone Ghana. Information gathered from such sources combined with others from literature provided recommendations for a better model of performance appraisal system in this work.

3.2 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 makes a researcher to cover a wider range of behavioral issues, historical and attitudinal.

3.2.1 Primary Data

The tool used to collect primary data is self administrated questionnaires with regard to the research topic.

3.2.2 Secondary Data

Secondary data also came from available literature on the study, the internet, documents from the office of Vodafone Ghana and all other related dissertations.

3.3. Population

Bryman and Bell (2003), suggest that a population is the whole group that the research focuses on. Population also refers to a larger group of people with common observable features to which one hopes to apply the research results (Fraenkel and Wallen, 2003). The population of the study is the entire staff of Vodafone Ghana in the Greater Accra and Ashanti Regions precisely the head office located near the airport roundabout (Accra) and in Kumasi (Adum).

Table 1: Population of employees at Vodafone Ghana.

Region	Number of employees
Central	35
Upper West	15
Northern	20
Brong-Ahafo	53
ASHANTI	**105**
Eastern	48
Western	97
Volta	27
GREATER ACCRA	**610**
Total number of employees	**1,010**

Table 2: Number of employees

Accra (Head Office)	555
Kumasi (Adum)	45
Total	**600**

Source: Field Survey, June 2013

3.4 Sample and sample technique

A sample in a research refers to the group which information is obtained (Fraenkel and Wallen, 2003). A sample is made up of a carefully selected subset of the units that form the population. A sample is therefore a subset of the population which consists of individuals, objects or events that make up the population.

The various departments were put into strata and proportionate samples drawn from each stratum using the stratified random sampling method. A sample size of one hundred and twenty (120) staff was selected from this population using the simple random sampling. This number was determined by the researcher and not statistically derived. This sample size, though relatively small by social science standards

represented a pragmatic compromise between level of precision and cost of data collection.

Table 1: Sample size

Accra (Head office)	110
Kumasi (Adum)	10
Total	**120**

Table 2: Sampled data

Department	Accra (Head office)	Kumasi (Adum)	Total
Human Resource Management	13	2	15
Strategy	15	-	15
External Affairs	15	-	15
Vodafone Business Solution (VBS)	13	2	15
Technology	13	2	15
Commercial	15	-	15
Marketing	13	2	15
Finance	13	2	15
Total	**110**	**10**	**120**

3.5 Data Collection Instrument

One main data collection method used was questionnaires administration. Semi-structured questionnaires were designed in a concise and precise language to prevent ambiguity. The self-developed questionnaires contained different sections comprising an introductory letter, bio-data, etc. The employees sampled for the research were served with the self-developed questionnaire to respond to. This was considered appropriate because it enabled them to provide their responses individually. The questions were broken to cover four major areas the objective of the research intends to evaluate.

The four sections covered were the knowledge employees had on the performance appraisal system, how they assess the system, their perception towards the process and their satisfaction level towards the performance appraisal system. A set of questions (open and close-ended) were asked to collect information from respondents on these areas mentioned. The close-ended questions guided respondents to choose from alternatives provided by the researcher. This procedure was adopted because the staff had busy schedules which made it difficult to make time to attend to questionnaire when left with them and to make coding of data easy for analysis.

The Likert scale was adopted for this study. This model assumes that the individual items in the scale are systematically related to the underlying attributes and summation of the item scores are related to linearly to the attitude. A likert item is simply a statement which the respondent is asked to evaluate according to any kind of subjective or objective criteria; generally the level of disagreement or agreement is measured. It is considered symmetric or balanced because there are equal amounts of positive and negative positions.

It is the most widely used approach to scaling responses in survey research, such that the term is often used interchangeably with rating scale, or more accurately the Likert-type scale, even though the two are not synonymous. When responding to a Likert questionnaire item, respondents specify their level of agreement or disagreement on a symmetric "agree-disagree" scale for a series of statements. Thus, the range captures the intensity of their feelings for a given item while the result of analysis of multiple items (if the items are developed appropriately) reveals the pattern that has scaled properties of the kind Likert identified.

Likert scales may be subject to distortions from several causes. Respondents may avoid using extreme response categories (central tendency bias), agree with statements as presented (acquiescence bias), or try to portray themselves or their organization in a more favorable light (social desirability bias). Designing a scale with balanced keying (an equal number of positive and negative statements) can obviate the problem of acquiescence bias, since acquiescence on positively keyed items will balance acquiescence on negatively keyed items; but central tendency and social desirability are somewhat more problematic.

The use of questionnaires allowed information to be presented in numerical and graphical backgrounds. The use of questionnaires is not without its limitations. Since questionnaires are issued after the event being researched has taken place, there is the likelihood that many respondents would have forgotten major parts in the events being researched. Also the possibility of low response rate (i.e. not getting most of the questionnaires back) and misinterpretation of questions by respondents are all limitations to the use of questionnaires. However, the results of the questionnaires can usually be quickly and easily quantified by the researcher or through the use of a software package.

The researcher collected all the data herself. A lot of personal contacts were adopted by the researcher in the collection of the data through the administration of the questionnaire. This involved a lot of movement from one place to the other.

Permission was sorted from the various heads of departments at Vodafone. The researcher explained the questions after copies of the questionnaire had been given to employees. The reason for doing this was to help the respondents to get a better understanding in order to provide their independent opinion on the questions. The

researcher also made sure that a high level of understanding existed between her and the respondents before answering the questions. The reason for this was to remove any form of hostility, anxiety, suspicion and apathy that can hinder the free flow of information from them.

3.6 Data Presentation and Analysis

The data obtained from respondents was put together in a table form for the analysis. The main statistical methods used were tables and frequencies. These statistical methods were chosen because they are easy to be used and can be understood easily.

3.7 Data Processing

SPSS, which stands for statistical package for the social sciences, was used to analyze the data from the research questionnaire. Group of data that shows some commonalities were segregated and assigned different codes. All the gathered materials from the various data collection sources were diligently worked to identify patterns, sequences and themes. The data was then transferred into the Statistical Package for Social Sciences (SPSS) software used in the study, for analysis. The summarized data showed distribution of frequencies and percentages of responses.

3.8 Pilot Study

The questionnaire and the various data collection instruments were pre-tested at Vodafone Ghana using some employees. This was done to test the validity of the instrument and to ensure that all elements of ambiguity have been removed. Identified problems such as poor wording of sentences, misleading questions, spelling errors were smoothened and the instrument modified before the fieldwork.

3.9 Organizational profile

The name Vodafone comes from VOICE DATA FONE, chosen by the company to "reflect the provision of voice and data services over mobile phones". On 3 July 2008, Vodafone agreed to acquire a 70% stake in Ghana Telecom for $900 million. The acquisition was consummated on 17 August 2008 and on 15 April 2009, Ghana Telecom, along with its mobile subsidiary One Touch, was rebranded Vodafone Ghana.

Vodafone Ghana is a private telecommunications company operating within all the 10 regions in the country. With about 400,000 customers, excluding paging customers, calculated on a proportionate basis in accordance with its percentage interest in these ventures, Vodafone is ranked the second largest telecommunication company in Ghana, employing over a 1,000 people.

With the vision of enriching customer's lives through the unique power of mobile communication, the company has a deep sense of social responsibility. They do this through responsible employee volunteerism, providing access to communication in deprived communities and investing hundreds of thousands of cedis through the Vodafone Ghana Foundation in social causes. Excellent customer care is one of their strengths and they pride themselves in being the only telecommunications company in Ghana with as many customer service points - situated to meet customers at their point of need.

Vodafone has a unique portfolio of products and services which include fixed line services, internet services, mobile services, e-learning opportunities. The company applies the latest industry technology and is keen on building the most versatile network making sure that customers have value for money.

(Source: www.vodafone.com)

3.10 Summary of methodology

This chapter has outlined the general research design for the study and the methods used to gather the data. The data was collected from the staff of Vodafone Ghana (Accra and Kumasi).

The study made use of questionnaire to solicit for information from employees regarding their satisfaction level of the performance appraisal system of the company. The chapter also looked at the population, sample and sampling techniques, data collection instrument and data analysis techniques.
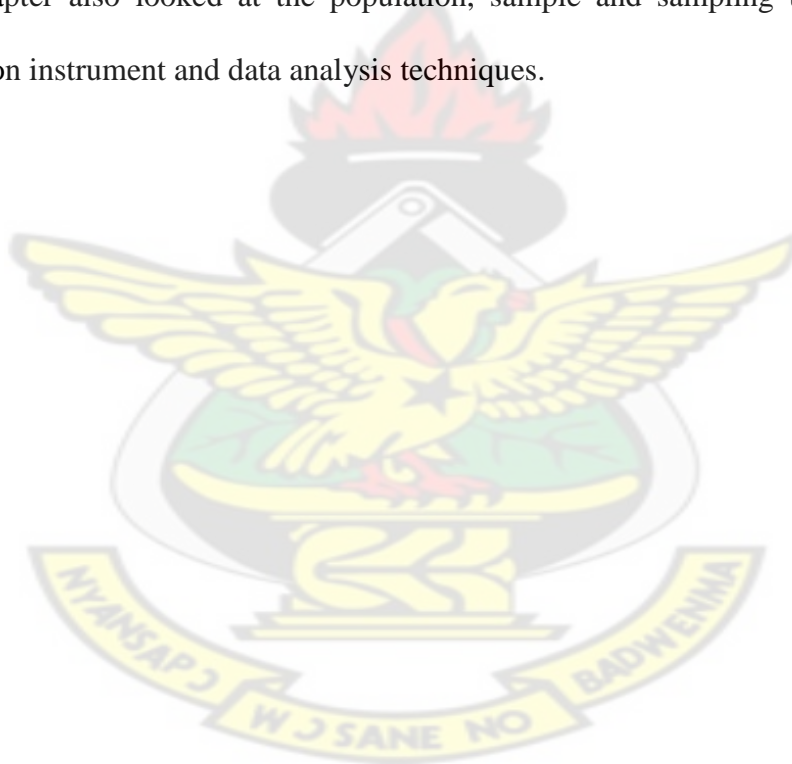
CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4.0 INTRODUCTION

This chapter covers the analysis and the interpretation of the various data collected through the use of questionnaires. In order to be able to assess and evaluate employees' level of satisfaction with performance appraisal system, questionnaires were administered to staff of Vodafone Ghana.

The questionnaires were designed to assist in understanding the systems of performance appraisal employed in the organization and how it contributes to employee satisfaction.

One hundred and twenty (120) questionnaires were distributed to respondents who were willing to participate in this survey. However, one hundred and nine (109) were retrieved for the analysis. The analyses are presented below;

Figure 4.1: Departmental Characteristics of the Respondents
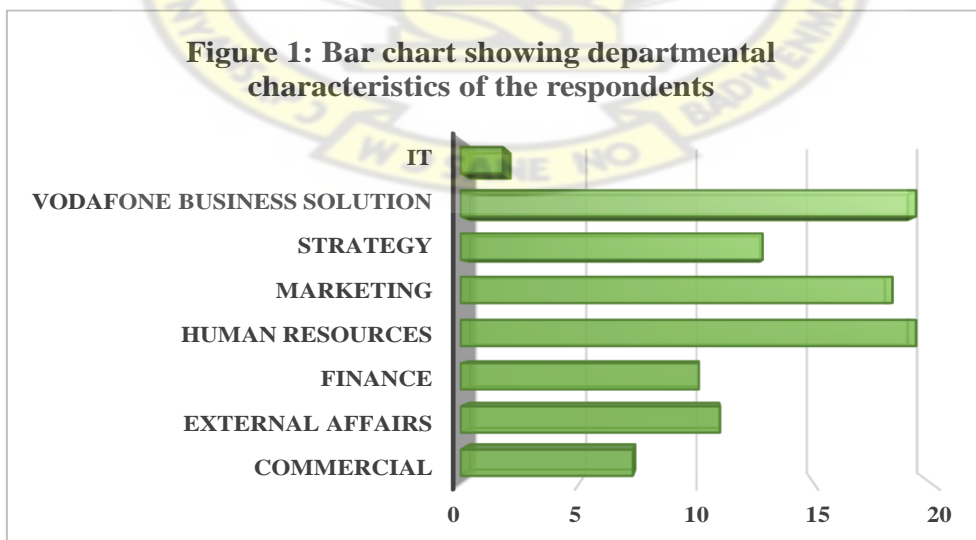
Source: Field Survey, 2014

Figure 1 above reports the departmental distribution of respondents who participated in this study. The table records that Commercial department constituted 7.3% of respondents with External affairs constituting 11%. The table also reports 10.1%, 12.8% and 1.8% for Finance, Strategy and IT departments respectively. However, Marketing, Human Resource and Vodafone Business Solutions Departments recorded 18.3% and 19.3% each respectively. The chart illustrates the departmental characteristics of the respondents.

Table 4.1: Age and Service Characteristics of the Respondents

AGE	Frequency	Percentage	Mean Years of Service
20 – 29	21	19.3	2.8
30 – 39	53	48.6	5.2
40 – 49	35	32.1	6.2
Total	109	100.0	

Source: Field Survey, 2014

From Table 4.1 above, respondents who are 20-29 years constitute 19.3% of total respondents whilst age group 30 – 39 years constitutes 48.6%. It is observed that 40-49 years group represent 32.1% of the respondents who participated in the entire survey. However, the table further reports an average years of service of 6.2 for respondents between the ages of (40 – 49), 5.2 for (30 – 39) and 2.8 for (20 – 29) respectively.

Figure 4.2: Appraisal systems adopted by Vodafone Ghana
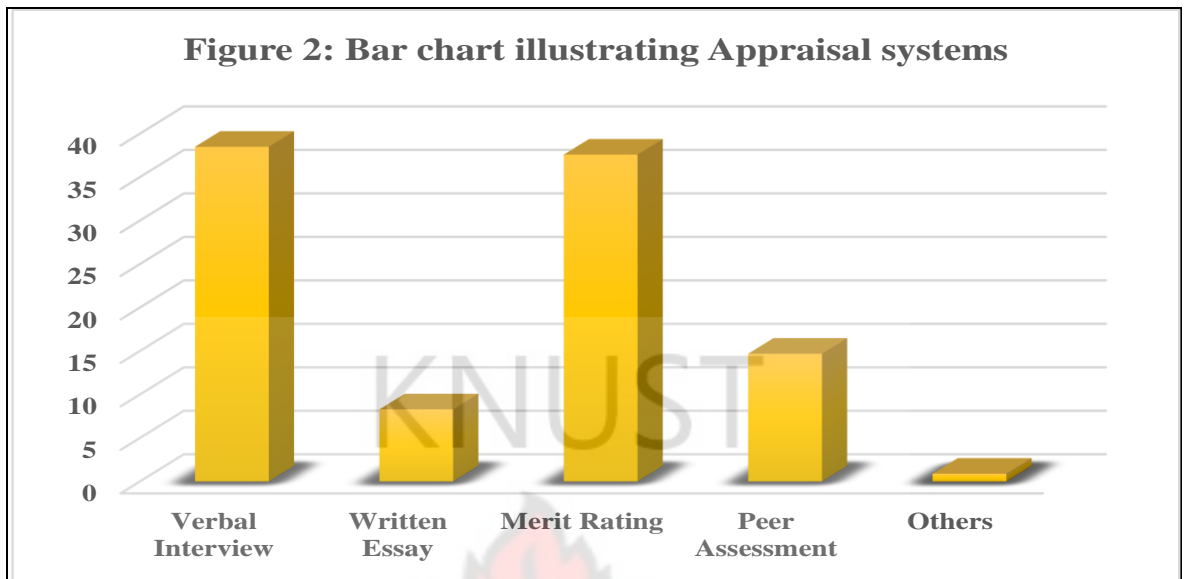
Source: Field Survey, 2014

From Figure 4.2 above, 38.5% of the respondents report that verbal interviews are the common appraisal system employed in their performance assessment at Vodafone Ghana. 37.6% further disclose that merit rating was used in the performance assessment. Peer assessment consequently, records 14.7% whilst respondents who noted written essay from the appraiser was employed in their performance assessment recorded 8.3%. However, the table records 0.9% for respondents who indicated that other forms of appraisal systems aside those specified in the study were used in their assessment.

Figure 4.3: How regular performance appraisal is done.

Figure 3: Bar chart illustrating regularity of performance appraisal
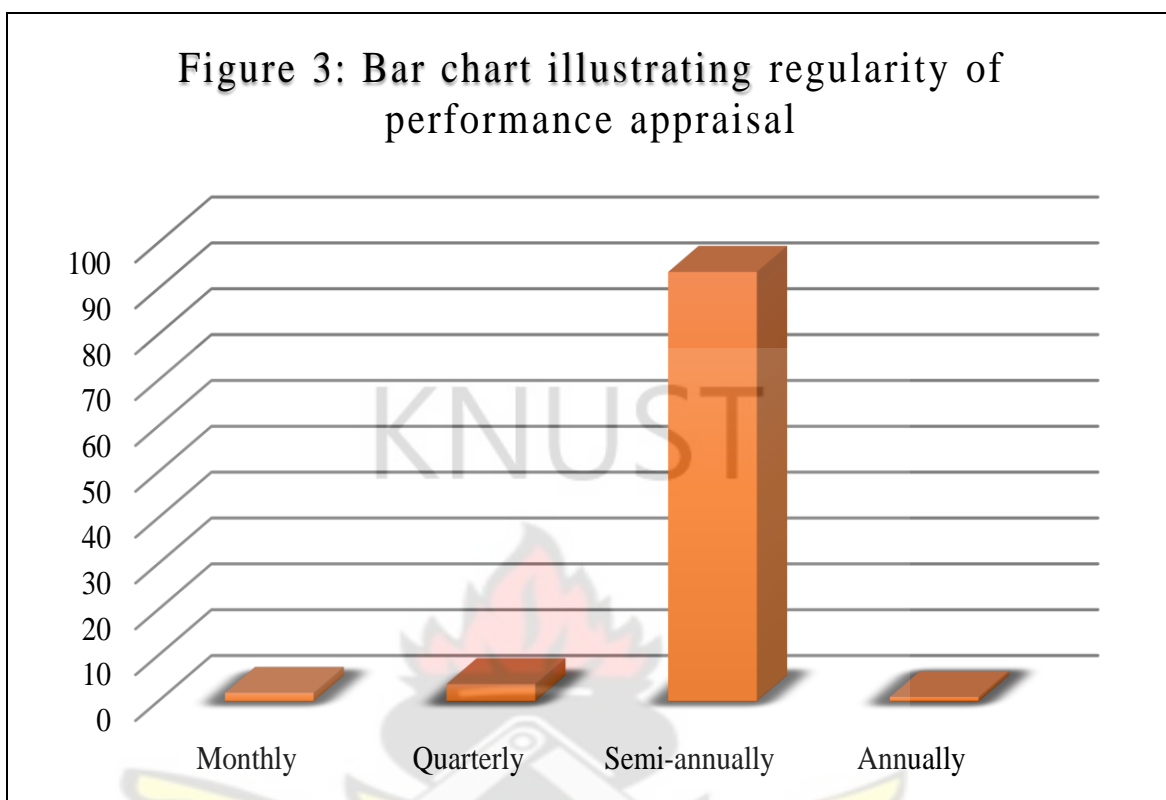
Source: Field Survey, 2014

On regularity of performance appraisal, Figure 4.3 below shows that 93.6% representing 102 of the respondents indicated that the performance appraisal was done semi-annually. Whilst the Table records 1.8% for respondents who indicated monthly performance appraisal, 3.7% exhibit that the performance appraisal takes place quarterly. Respondents who noted that the performance appraisal took place annually recorded 1 representing 0.9% of the entire sample.

Table 4.2: Assessment of the Performance Appraisal System adopted by organizations

	Strongly Disagree	Disagree	Agree	Strongly Agree	Total
The purposes of the performance appraisal are clearly outlined, understood and accepted	0.0	6.4	54.2	39.4	100
Specific performance criteria have been clearly identified [i.e. attitude/behavior, results, and competencies] with appraisal	0.9	3.7	37.6	57.8	100
Performance criteria are developed in consultation with employees	0.0	41.3	54.1	4.6	100
Does the appraiser invite you for discussions about your performance before you sign the assessment	0.9	5.5	74.3	19.3	100
Are results of appraisals communicated back to employees	0.0	0.0	10.1	89.9	100
Has attitude towards work changed as a result of the performance appraisal	1.8	6.4	83.5	8.3	100
Employees are encouraged to participate in performance appraisal discussions	3.7	3.6	57.8	34.9	100
Employees are provided with feedbacks to help improve their performance	3.7	0.0	8.3	88.0	100
Performance appraisal process helps me to find out about my level of performance	3.7	3.6	45.9	46.8	100
The performance appraisal review discussion is the only time I get feedback about my performance	66.0	27.5	2.8	3.7	100
There is an appeal process for employees if they don't agree with result	1.8	40.4	50.5	7.3	100
Performance appraisal system is linked to incentives or reward system	7.3	6.4	53.3	33.0	100

Source: Field Survey, 2014

As indicated in Table 4.2, 93.6% of respondents accept that the purpose of the performance appraisal introduced by the organization are clearly outline and well understood, 6.4% disagree that the purpose is clearly outline for their understanding. It is consequently noted that whilst 4.6% of the respondents disagree, 95.6% establish that specific performance criteria such as attitude, results and competencies have been clearly identified in the appraisal system. 58.7% of the respondents further clarified

that the performance criteria employed in the appraisal process are developed in consultation with employees' views, 41.3% disagreed to this opinion. This confirms submissions of Churchill et al, (1985) suggesting that performance appraisal may have positive influence on motivation, role perceptions, and turnover when they are properly designed or administered to suit organizational needs (Brown and Peterson 1994).

Further, 93.6% of the respondents disclosed that the appraiser invited them for discussions about their performance before they append their signature to the assessment. 6.4% however, discredit this issue. This is consequently, reiterated by the fact that all respondents agree that results were communicated back to employees after the performance appraisals. Although, 8.2% disagree, 91.8% agreed that employees attitude towards work have changed confirming the importance employees have attached to the performance appraisal system.

Whilst 7.3% believed otherwise, 92.7% of the respondents agreed to the fact that employees' were encouraged to participate in the performance appraisal discussion of their organization. 96.3% of the respondents further noted that employees' were provided with feedback to help improve their performance. The Table reports that while 92.7% agree, 7.3% disagree that the performance appraisal process adopted by the organization assist them in finding out their level of performance.

Table 4.2 reveals that 93.5% disagree with the issue that feedback on their performance are only seen during performance appraisal review discussions. This reiterates argument of Bohlander et al (2001), suggesting that the employees require feedback to improve their effectiveness and performance. The results further disclose that whilst 42.2% of the respondents suggest the absence of appeal process, 57.8%

agree that there is appeal process for employees to seek redress when they don't agree with the outcome of the appraisal. Consequently, 86.3% agree that the performance appraisal system is linked with incentive or reward system. This confirms the fact that when performance is rated high employees' were recognized, promoted or get salary increment. However, it was evidenced that when performance falls below expectations, employees were either queried or enrolled for further training to adequately equip them. Hence, confirms DeCarlo and Leigh (1996) findings that suggested that employee motivation was linked to incentive or reward system incorporated into the performance appraisal systems.

Table 4.3: Perception of employees towards Performance Appraisal System

	Strongly Disagree	Disagree	Agree	Strongly Agree	Total
Performance appraisal is a mere formality than identifying performance gaps in employees	36.7	29.4	29.4	4.5	100
Performance appraisal results are based on the relationship between the appraiser and the appraisee	32.1	31.2	19.3	17.4	100
Performance appraisal results can be influenced by gifts from the appraisee	60.6	21.1	18.3	0.0	100
The performance appraisal system in place gives the appraiser a great influence over final result	22.0	11.0	56.0	11.0	100
My view of my performance is taken into account when assessing my performance	1.8	43.1	51.4	3.7	100
The appraiser does not know enough about my work to give me a fair performance appraisal result	28.4	47.7	13.8	10.1	100

Source: Field Survey, 2014

Table 4.3 above, reports on perceptions of employees towards performance appraisal systems. The table reports that 33.9% of the respondents agree that performance appraisal is a mere formality than identifying performance gaps in employees, 66.1% disagree. On the perception that performance appraisal results are based on relationship between the appraiser and the employee, 36.7% of the respondents agreed whilst 63.3% disagreed to this view. However, the results show that 18.3% of the respondents agree that results on performance appraisal can be influenced by gifts from the employee while 81.7% disagree. 67% of respondents believe that the performance appraisal system in place gives the appraiser great influence over the final results while 33% disagrees. This contradicts the performance appraisal construct of Keeping and Levy (2000) which suggests that fairness in performance appraisal maximises employees satisfaction or utility.

On the other hand, 55.1% of the respondents agreed that their views concerning their performance are taken into account during the performance appraisal assessment. However, 44.9% disagree that their views are taken into consideration during the performance appraisal assessment. While 23.9% of the respondents are of the view that appraisers do not have enough knowledge about their work to give a fair performance appraisal results, 76.1% disagree with this issue.

Table 4.4: Satisfaction level of employees towards performance appraisal system

	Strongly Disagree	Disagree	Agree	Strongly Agree	Total
My appraiser helps me to understand the process used to evaluate and rate my performance	0.9	17.4	75.3	6.4	100
My appraiser knows enough about my work to issue fair appraisal judgement	0.0	7.3	88.1	4.6	100
My view of my performance is taken into account by my appraiser when assessing my performance	0.9	31.2	67.0	0.9	100
I am satisfied with the way the performance appraisal system helps me identify areas to improve my work	0.9	12.8	67.0	19.3	100
I think the system of performance appraisal has been successful and is able to achieve the required objectives of the organization	0.0	14.7	56.0	29.3	100
Overall, I am satisfied with the way my organization uses its performance appraisal system	0.9	15.6	72.5	11.0	100

Source: Field Survey, 2014

With respect to the satisfaction level of employees towards performance appraisal systems of their organizations, results from table 4.4 above shows that whilst 18.3% disagree, 81.7% of respondents agree that their appraisers help them to understand the appraisal processes employed in the evaluation and rating of their performance. Consequently, 92.7% of the respondents accept that their appraisers have adequate knowledge about their work to issue fair appraisal judgment.

The results further indicate that 67.9 believe that their views concerning their own performance are accounted for during the performance appraisal. However, 32.1 did disagree that their views are taken into consideration. Whilst 13.7% responded negatively, 86.3% of the respondents agreed that they were satisfied with how the performance appraisal system helps them identify their shortcomings hence opens up improvement windows in their work. The table reports that 85.3% of the respondents

59

agree that the system of performance appraisal is able to achieve the required objectives of the organization hence successful. Overall, 83.5% further report that they were satisfied whilst 16.5% were unsatisfied about how the organization employs its performance appraisal systems. This findings support arguments of Larson (1984) and DeNisi and Pritchard, (2006) suggesting that the performance appraisal system can cripple work flow and employee performance when view and opinions of employees are not incorporated into the appraisal system.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 INTRODUCTION

This chapter discusses the summary of the main findings, conclusion and recommendations based on the research questions raised in this study. The current study evaluates employees level of satisfaction with the performance appraisal systems employed at Vodafone Ghana and how these appraisals influence employees' perception, commitment and job satisfaction level. However, considering the importance and the benefits associated with regular performance appraisal, one would think that every effort must be made to achieve maximum performance and compliance with this system of performance evaluation in every sector of the economy.

5.1 SUMMARY OF MAIN FINDINGS

5.1.1 Assessment of the Performance Appraisal System adopted by organizations

From the data analysis, it was noted that most of the respondents accept that the purpose of the performance appraisal introduced by the organization were clearly outline and discussed with the employees. For example, 95.6% of the employees established that specific performance criteria such as attitude, results and competencies have been clearly identified in the appraisal system, 58.7% of the respondents further clarify that the criteria employed in the appraisal system were developed based on employees' views.

Further, most employees disclosed that the appraiser invited them for discussions about their performance before they append their signature to the assessment. Only few discredited this issue. This is consequently reiterated by the fact that all respondents agree that results were communicated back to employees after the performance appraisals. Although, some of the employees disagree about the change in attitude, this confirmed that appraisal system has an influential benefit on working attitudes of employees hence the importance employees attach to the performance appraisal system. The analysis further revealed that the employees were given equal opportunity to participate in the performance appraisal discussion of which feedback was provided to help improve their performance.

5.1.2 Perception of employees towards Performance Appraisal System

It was noted from the data analysis that although, the employees had good perception concerning the appraisal systems adopted by the organization, respondents believe that the presence of performance appraisal system in certain places give the appraiser great influence over the final results and hence the ease with which some employees are able to influence the performance results to suit their own interest.

Although, Kluger and DeNisi, (1996) examines performance appraisal to reducing ambiguity through its positive influence on the levels of motivation exhibited by employees, most of the employees established that the appraisers in most cases do not have adequate knowledge about the employees job description hence can give a distorted view or feedback which one way or the other can impede performance and progress of both the employees and the organization as a whole.

5.1.3 Satisfaction level of employees towards performance appraisal system

With respect to the satisfaction level of employees towards performance appraisal systems, it was revealed that the appraisers assist the employees to understand the appraisal processes employed in the evaluation and rating of their performance. The results further indicate that views of employees are taken into consideration during the appraisal process. It was noted that the employees were satisfied with how the performance appraisal system help them identify their shortcomings hence improves their commitment and job satisfaction.

Although the relationship between appraisals and performance may not be a direct and causal one, their influence on performance may be attributed to their ability to enhance role clarity, communication effectiveness, merit pay and administration, expectancy and instrumentality estimates, and perceptions of equity (Yehuda Baruch, 1996). This benefits were consequently, established that the organization employed promotion, salary increase and recognition of service as an incentive package to motivate its employees to facilitate their performance.

Larson (1984) supports the importance of evaluations in terms of their effect on organizational effectiveness, stating that feedback is a critical portion of an organization's control system. Thus, ultimate goal of performance appraisal should be to provide information that will best enable managers to improve employee performance. This, ideally, provides information to help managers manage in such a way that employee's performance improves (DeNisi and Pritchard, 2006).

5.2 CONCLUSION

The overall findings of the study attest to the fact that managerial support, procedural fairness, individual understanding of the importance of performance appraisal to the organization, providing relevant and timely feedback, managerial commitment to the appraisal process would increase employee satisfaction which according to Yehuda Baruch, (1996) and DeNisi and Pritchard, (2006) would motivate employees to put up their best for the organization by improving their performance and commitment.

5.3 RECOMMENDATIONS

Although, the influence of performance appraisal is substantial in building up employee commitment, confidence and improves organizational capacity, it is relevant for management to employ strategic measures to improve the system. The following policies were recommended for the organization;

Organizational Structure: For performance appraisal to work, it is important to understand the structural characteristics of the organization and how these characteristics influence the acceptance and use of performance appraisal in the organization. A good organizational structure offers guidance and understanding of the appraisal system hence provides adequate supervision that enables evaluation of work that is performed by the subordinates. The supervisors can assess the skills the employees show, how they interact with each worker as a team and at the individual basis and also the time they take to complete assignments or tasks.

Feedback: The organization should put in place measures to employ appraisers who have prior and adequate knowledge on appraisal system in other to enhance the communication of appraisal feedback since it has a motivational influence which

helps the employees to identify their strengths, weakness and potential areas of improvement within the organization.

Review Process: It is also recommended that there should be an effective appeal process or committee to review appraisal results and also to help unsatisfied employees to seek redress of final appraisal results.

Although the data samples only capture one company, it is recommended that future researchers should include more companies preferably government organizations to private owned companies in other to give concrete generalizations and policy measures on how far performance appraisal system can benefit both the employee and the organization and how it has been accepted in both sectors i.e. private sector and public sector.
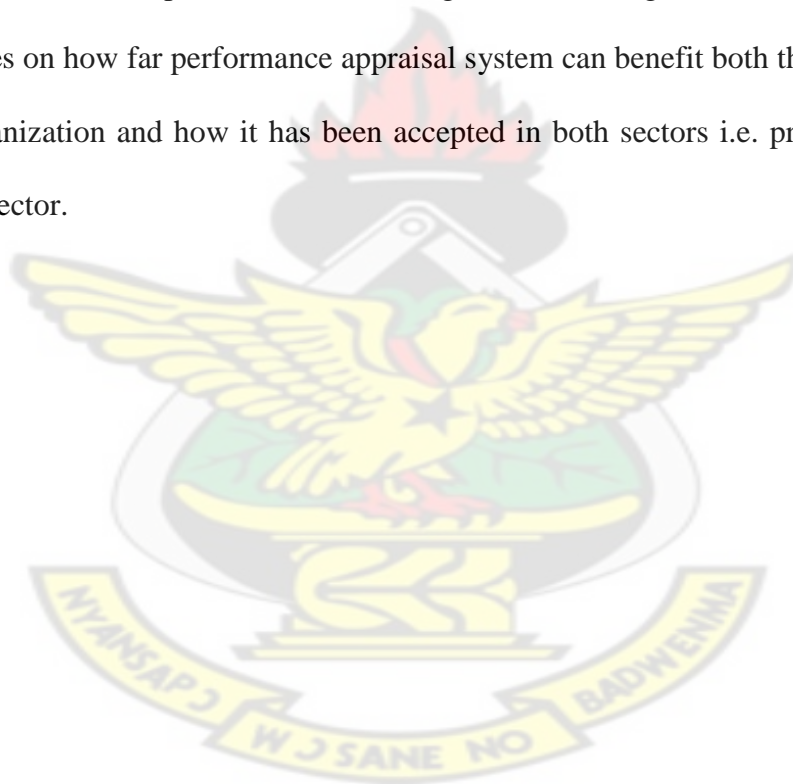
REFERENCES

Albright, M. D., & Levy, P. E. (1995). The effects of source and performance rating discrepancy on reactions to multiple raters. Journal of Applied Social Psychology, 25, 577-600.

Anderson. G. C. (1993). Managing Performance Appraisal Systems. Oxford: Blackwell Publishers.

Anderson, J.R. (2002). Measuring Human Capital: Performance Appraisal Effectiveness. Paper presented at the Human Resource Track Midwest Academy of Management Conference. Kansas City: Missouri.

Belcourt, M., Sherman, A., Bohlander, G., & Snells, (1999). Managing Human Resources. ITP Nelson, Ontario.

Bernadin, J., Kane, J., Spina. J., & Johnson, D. (1995) Performance Appraisal Design, Development and Implementation. In: Ferris R, Rosen S, Barnum D. (1995) (Ed): Handbook of Human Resources Management. Cambridge: Blackwell.

Bernadin, P. (2003). Performance Appraisal in Organization Today. USA: McGraw-Hill.

Bohlander, G., Snell, S., & Sherman, A (2001). Managing Human Resources. South Western College Publishing, Mason, Ohio.

Boswell, W. R., & Boudreau, J. W. (2000). Employee satisfaction with performance appraisals and appraisers: The role of perceived appraisal use. Human Resource Development Quarterly, 11(3), 283 -299.

Bretz, R. D., Jr., Milkovich, G. T., & Read, W. (1992). The current state of performance appraisal research and practice: Concerns, directions, and implication. Journal of Management, 18, 321-352.

Brown, S. P., & Peterson, R. A. (1994), "The effect of effort on sales performance and job satisfaction", Journal of Marketing, 58, 70-80.

Bryman, A. and Bell, E. (2003). Business research methods. Oxford University Press.

Burke, R. J., Deszca, G., & Weitzel, W. (1982). Subordinate expectations and satisfaction with the performance appraisal interview. Journal of Psychology, 111, 41-49.

Byars, LL. & Rue, LW. (1994).Human Resource Management. 4th Edition. United States of America: Richard D Irwin.

Byars, Lloyd and Rue, Leslie (1997).Human Resource Management, 5th ed. Chicago: Richard D. Irwin.

Cardy, R.L. and Dobbins, S.G. (1994). Performance Appraisal: Alternative Perspectives. Cincinnati, OH, South-Western Publishing.

Carroll S. J., & Schneier. (1982). Performance Appraisal and Review System. Glenview Illinois: Scott Foresman.

Carver, C. S., & Scheier, M. F. (1981). Attention and self-regulation: A control theory approach to human behavior. New York: Springer-Verlag.

Cascio, Wayne F. -. New York: McGraw-Hill, Inc., 1995.

Cawley, B. D., Keeping, L. M., & Levy, P. E. (1998). Participation in the performance appraisal process and employee reactions: A meta-analytic review of field investigations. Journal of Applied Psychology, 83(4), 615-633.

Certo, S. C. (2000). Supervision Concepts and Skill Buildin. McGraw-Hill, Higher Education, USA.

Churchill, G. A., Jr., Ford, N. M., Hartley, S. W., & Walker, O. C, Jr. (1985), "The determinants of salesperson performance: A meta-analysis", Journal of Marketing Research, 22, 103-118.

Cleveland, J. N., Murphy, K. R., Williams, & Richard, E. (1989). Multiple uses of performance appraisal: Prevalence and correlates. Journal of Applied Psychology, Vol 74(1), Feb 1989, 130-135.

Cole, G. A. (2002), Personnel and Human Resource Management, 5th ed. Continuum London: York Publishers.

DeCarlo, T.E., & Leigh, T.W. (1996), "Impact of salesperson attraction on sales managers' attribution and feedbacks", Journal of Marketing, 60, 47-66.

DeNisi, A.S., Cafferty, T. and Meglino, B.M. (1984). A Cognitive View of the Performance Appraisal Process: A Model and Research Propositions Organizational Behavior And Human Performance, 33, 360-396.

DeNisi, A. S. and Kluger, A. N. (2000), "Feedback effectiveness: Can 360-degreee appraisals be improved?", Academy Management Executive, 14, 129–39.

DeNisi, A.S., & Pritchard, R.D. (2006). Improving individual performance: A motivational framework. Management and Organization Review, 2, 253-277.

Dessler and Gary, Human Resource Management, Tenth Edition, Prentice Hall,2011.

Devries, D.L., Morrison, A.M., Schullman, S.L. and Gerlach, M.L. (1984). Performance Appraisal on the Line, Greensboro, NC, Center for Creative Leadership.

Drucker, F. P., (1954). The practice of Management, (New York: Harper & Brothers).

Dubinsky, Alan J., Marvin A. Jolson, Ronald Michaels, Ma Kotabe and Chae Un Lim (1993), "Perceptions of Motivational Components: Salesmen and Saleswomen Revisited," Journal of Personal Selling and Sales Management, 13 (Fall), 25-37.

Dulewicz. V. (1989), Assessment centres as the route to competence, Personnel Management, 21 (11), 56-59.

Edwards, M.R., Ewen, A.J., 1996. Automating 360 degree feedback, HR Focus, 73, 3-4.No 9.

Ellickson, M.C., & Logsdon, K. (2002). Determinants of job satisfaction of municipal government employees [Electronic version]. Public Personnel Management, 31 (3), 343-358.

Fisher, C.D. and Taylor, M.S. (1979). Consequences of Individual Feedback on Behaviour in Organizations. Journal of Applied Psychology, 64,349-371.

Fitts, P. M., & Jones, R. E. (1947a). Analysis of factors contributing to 460 "pilot error" experiences in operating aircraft controls (Rep. No. TSEAA–694–12). Dayton, OH: Wright-Patterson Air Force Base, Aeromedical Laboratory, Air Materiel Command.

Fitts, P. M., & Jones, R. E. Psychological aspects of instrument display. Analysis of 270 "pilot error" experiences in reading and interpreting aircraft instruments. Dayton, O.: U. S. Air Force, Air Materiel Command, Wright-Patterson Air Force Base, 1947. (Mem. Rep. TSEAA-694-12A.)

Flanagan, J. C. (1954). The critical incident technique. The Psychological Bulletin, 51(4), 327-358.

Fletcher, C. (1993) "Appraisal: Routes to Improved Performance". London: Institute of Personnel Management.

Fletcher, C., Lovatt, C., & Baldry, C. (1997) A study of State, Trait and Test Anxiety and their relationship to assessment centre performance. Journal of Social Behaviour & Personality, **12**, 205-214.

Fletcher, C. (2002) Appraisal - An Individual Psychological Analysis. In ''**The Psychological Management of Individual Performance''**: A Handbook

in the Psychology of Management in Organisations. Ed S. Sonnentag. Wiley.

Fletcher, C., & Perry, E.L. (2001). Performance appraisal and feedback: A consideration of national culture and a review of contemporary research and future trends. In Anderson, N.D., Ones, D.S., Sinangil H.K., & Viswesvaran, C. (Eds.). Handbook of industrial, work and organizational psychology (pp. 127-144). London: Sage.

Fraenkel, J. R., and Wallen, N. E. 2003. How to design and evaluate research in education (5th edn.). New York: MacGraw-Hill.

Fraenkel, J. R., & Wallen, N. E. (2009). How to design and evaluate research in education (7th ed.). Boston: McGraw Hill Higher Education.

French, W. & Bell, C.H. (1999) 'Organization Development: 'Behavioural Science Interventions for Organization Improvement', Sixth Edition, Prentice Hall, NJ, USA.

Gaines, H. (1994). Employees get satisfaction, but only when properly motivated. Industrial Management, 36, 2-3.

Giles W.F and Mossholder K.W (1990) Employee Reactions to Contextual and Session Component of Performance Appraisal. Journal Of Applied Psychology pp 75,371-377.

Greenberg, J. (1986). Determinants of perceived fairness of performance evaluations. Journal of Applied Psychology, 71, 340-342.

Greller, M. M. (1978). The Nature of Subordinate Participation in the Appraisal Interview. The Academy of Management Journal, 21(4), 646-658.

Ilgen, Cynthnia D. Fisher, and Susan M. Taylor. (1979), "Consequences of Individual Feedback on Behavior in Organizations." Journal of Applied Psychology 64, August, 349-71.

Ivancevich, J., M. (1998). Human Resource Management. McGraw-Hill Companies Inc., USA.

Judge, T. A., & Bono, J. E. (2001). A rose by any other name . . . . Are self-esteem, generalized self-efficacy, neuroticism, and locus of control indicators of a common construct? B.W. Roberts, & R. Hogan (Eds.), Personality Psychology in the Workplace (pp. 93−118). Washington, DC: American Psychological Association.

Keeping, L. M., & Levy, P. E. (2000). Performance appraisal reactions: Measurement, modeling, and method bias. Journal Of Applied Psychology, 85, 5,708-723.

Kreitner, R. (1986). Management. Houston Mufflin Company, USA.

Kumekpor, K. T., (2002). Research Methods and Techniques of Social Research.

Larson, James R. (1984), "The Performance Feedback Process: A Preliminary Model", Organizational behavior and human performance 33, February, 42-76

Levy, E. P. and Williams, R. J. (1998). ―The Role of Perceived System Knowledge in Predicting Appraisal Reactions, Job Satisfaction, and

Organizational Commitment ─ Journal of Organizational Behavior, 19,1, 53-65. Linear magnitudes. Psychological Review, 12, 41–49.

Levy, P. E. and Williams, J. R. (2004), "The social context of performance appraisal: A review and framework for the future", Journal of Management, 30, 881–905

Longenecker, C.O. and Fink, L.S. (1999), "Creating effective performance appraisals", Industrial Management, Vol. 41 No.5, pp. 18-24.

Mathis, R. and Jackson, J. (2006). Human Resource Management 11th edition. New York: West Publishing Company.

Mount, M. K. (1984). Satisfaction with a performance appraisal system and appraisal discussion. Journal of Occupational Behavior, 5(4), 271-279.

Mullins, J. Laurie. (2007). Management and organizational Behavior 8th ed. Prentice Hall. Pearson Education, Edinburg Gate.

Murphy, K. R., & Cleveland, J. N. (1992). Performance Appraisal: An Organizational Perspective. Needham Heights, MA: Allyn and Bacon.

Murphy, K.R. and Cleveland, J.N. (1995) Understanding Performance Appraisal. Thousand Oaks, CA, Sage.

Shelley, S. (1999). Diversity of appraisal and performance-related pay practices in higher education. Personnel Review, 28(5/6), 439–454.

Smither, J. W. (1998). Lessons Learned: Research Implications For Performance Appraisal and Management. in J.W. Smither (Ed.) Performance Appraisal. San Francisco: Jossey- Bass.

Taylor, M.S. Tracy, K.B., Harrison, J.K., and Carrol, S. (1995). Due Process in Performance Appraisal: A Quasi-Experiment in Procedural Justice. Administrative Science Quarterly, 40, 495-523.

Thomas R. Parker (1996). Exploring 360 – degree feedback performance appraisal Evaluations. (Strategic Management Of Change Applied Research Project). Emmitsburg, MD: National Fire Academy.

Website: www.whatishumanresource.com

Wyer, R. S., Budesheim, T. L., Lambert, A. J., & Swan, S. (1994). Person memory and judgment: Pragmatic and semantic influences on impressions formed in a social context. Journal of Personality and Social Psychology, 66, 254-267.

Yehuda Baruch, (1996) "Self performance appraisal vs direct-manager appraisal: A case of congruence", Journal of Managerial Psychology, Vol. 11 Iss: 6, pp.50 – 65.

Yin, R. K. 2nd Edition (1994) Case Study Research - Design and Methods. London: SAGE publication.

APPENDICES

Dear respondents,

I am a student of Kwame Nkrumah University of Science and Technology undertaking my masters' thesis on the topic: **An evaluation of employees' level of satisfaction with the performance appraisal system; a case study of Vodafone Ghana.**

Please find attached here, a copy of the questionnaire I have designed to get your response on issues related to this topic. I will really appreciate it if you spend a few minutes of your time filling this questionnaire.

Your response shall be treated confidentially and anonymously. I kindly request you to complete this questionnaire honestly.

Thanks you for your assistance as I anticipate your response.

Pearl Frimpomaa

CONTACT DETAILS

0261353266/0249562170

INSTRUCTION:

Please kindly indicate your appropriate answer(s) by ticking inside the box. For the other questions (open-ended), write your answer(s) in the space provided.

PART A

1. Age: less than 20[   ]   20-29[   ]   30-39[   ]   40-49[   ]

   50-59[   ]   60+[   ]

2. Department: …………………………………...

3. Grade: ………………………………………….

4. Years of service: ………………………………

PART B - Knowledge on Performance Appraisal

1. How   do   you   understand   performance   appraisal?

   ……………………………………………………………………………

2. Who evaluates your job performance?

   supervisor [   ]   self[   ]   customers[   ]   peers\ colleagues[

   ]   subordinates[   ]   other (please specify)

   …………………………………………

3. How regular is performance appraisal done?

   daily [   ]   weekly[   ]   monthly[   ]   quarterly[   ]

   semi-annually[   ]   annually[   ]   other (please specify)

   …………………………………………

4. How is your performance appraised?

verbal interview [　] 　　by writing an essay on my performance by the appraiser [　] 　　merit rating[　] 　　peer assessment[　] 　　other (please specify) ………………...

On a rating of A-D, to what extent do you agree with the following statements? **[A=STRONGLY AGREE, B=AGREE, C=DISAGREE, D=STRONGLY DISAGREE]**. Circle your supposed answer.

5. The purposes of the performance appraisal are clearly outlined, understood and accepted?

A 　　　　B 　　　　C 　　　　D

6. Specific performance criteria have been clearly identified [i.e. attitude/behavior, results, and competencies] with appraisal?

A 　　　　B 　　　　C 　　　　D

7. Performance criteria are developed in consultation with employees?

A 　　　　B 　　　　C 　　　　D

PART C – Assessment of the Performance Appraisal System adopted by your organization.

On a rating A-D, to what extent do you agree with the following statements? **[A= STRONGLY AGREE, B=AGREE, C=DISAGREE, D=STRONGLY DISAGREE].** Circle your supposed answer.

1. Does the appraiser invite you for discussions about your performance before you sign the assessment?

   A   B   C   D

2. Are results of appraisals communicated back to employees?

   A   B   C   D

3. Has attitude towards work changed as a result of the performance appraisal?

   A   B   C   D

4. When performance is rated high, what happens?

   - There is recommendation for promotion

   - There is recommendation for a salary increment

   - There is recognition of that fact

   - There is nothing done

   - Other   (please   specify)

     ………………………………………………………………………

     .

5. When performance is below expectation, what happens?

- There is recommendation for training

- The person is demoted

- The person is queried or punished

- The person is underpaid

- There is nothing done

- Other   (please   specify)
  ………………………………………………………………………………
  ….

On a rating of A-D, to what extent do you agree with the following statements? **[A=STRONGLY AGREE, B=AGREE, C=DISAGREE, D=STRONGLY DISAGREE].** Circle your supposed answer.

6. Employees are encouraged to participate in performance appraisal discussions?

   A   B   C   D

7. Employees are provided with feedbacks to help improve their performance?

   A   B   C   D

8. The performance appraisal process helps me find out about my level of performance?

   A   B   C   D

9. The performance appraisal review discussion is the only time I get feedback about my performance?

   A   B   C   D

10. There is an appeal process for employees if they don't agree with result?

   A   B   C   D

11. Performance appraisal system is linked to incentives or reward system?

   A   B   C   D

PART D – Perception of employees towards the Performance Appraisal System.

On a rating of A-D, to what extent do you agree with the following statements? **[A=STRONGLY AGREE, B=AGREE, C=DISAGREE, D=STRONGLY DISAGREE].** Circle your supposed answer.

1. Performance appraisal is a mere formality than identifying performance gaps in employees?

   A   B   C   D

2. Performance appraisal results are based on the relationship between the appraiser and the appraisee?

A   B   C   D

3. Performance appraisal results can be influenced by gifts from the appraisee?

A   B   C   D

4. The performance appraisal system in place gives the appraiser a great influence over final result?

A   B   C   D

5. My view of my performance is taken into account when assessing my performance?

A   B   C   D

6. The appraiser does not know enough about my work to give me a fair performance appraisal result?

A   B   C   D

PART E – Satisfaction level of employees towards performance appraisal system.

On a rating of A-D, to what extent do you agree with the following statements? **[A=STRONGLY AGREE, B=AGREE, C=DISAGREE, D=STRONGLY DISAGREE].** Circle your supposed answer.

1. My appraiser helps me to understand the process used to evaluate and rate my performance?

A   B   C   D

2. My appraiser knows enough about my work to give me a fair appraisal result?

A   B   C   D

3. My view of my performance is taken into account by my appraiser when assessing my performance?

A   B   C   D

4. I am satisfied with the way the performance appraisal system helps me identify areas to improve my work?

A   B   C   D

5. I think the system of performance appraisal has been successful and is able to achieve the required objectives of my organization?

A   B   C   D

6. Overall, I am satisfied with the way my organization uses its performance appraisal system?

A   B   C   D