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DEPARTMENT OF MANAGEMENT

COLLEGE OF BUSINESS AND ECONOMICS

THE ASSESSMENT OF RESULT ORIENTED PERFORMANCE APPRAISAL IN COMMERCIAL BANK OF ETHIOPIA, GURD SHOLA BRANCH

RESEARCH PROPOSAL SUBMITTED FOR THE PARTIAL FULFILMENT OF BA DEGREE IN MANAGEMENT

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2020 GC

WOLKITE, ETHIOPIA

Acknowledgement

First of all I would like to praise my almighty God for giving me the potential to complete this study. Then, I wish to express my deepest and heartfelt thanks to my advisor Tagay Fried (MBA) who dedicated much of his tight time in advising and encouraging me during the preparation of this study. Finally I want to appreciate commercial bank staffs for giving me the necessary information.

Abstract

This research would be conducted in commercial bank of Ethiopia Gurd shola branch on the assessment of result oriented performance appraisal. The main objective of this study would to identify the problems that are being faced by the bank on evaluation system. For the purpose of this study primary data would be collected through questionnaire. The researcher used census survey to collect data from employees. The collected data would be processed and organized using table and percentage with relevant discussion. At the end of this study the researcher would be proved that the main problem of result oriented performance appraisal in the bank and conclusions and recommendation would be presented based up on findings.

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CHAPTER ONE

INTRODUCTION

1.1. Background of the study

Performance appraisal is the process of determining and communicating to an employee how he or she is performing on the job as establishing a plan of improvement. When properly conducted performance appraisal not only employees know how well they are performing but also influence their future level of effort and task directions **(Bayars, 2009;289.**

The history of performance appraisal is quite brief. Its roots in the early 20th c can be traced to Taylors 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 resource management. As a distinct and formal management procedure used in the evaluation of work performance, appraisal really dates from the time of Second World War not more than 60 years ago. It begins as simple methods of income justification. (http www.perfomance appraisal.com)

Performance appraisal is the process of determining and communicating to an employee how he or she is performing on the job and, establishing a plan of improvement when properly conducted performance appraisals not only let employees know how well they are performing but also influence their future level of effort and task direction. Effort should be enhanced if the employee should be classified through the establishment of a plan for improvement (Byars, 2009; 289).

Result oriented performance appraisal system is method of performance appraisal that used to evaluate employees based on their task performed. It promotes high performance work force by implementing and maintaining effective management. Its main objective is to measure employees based on what they achieved. (www.apps.gov/human capital/standard).

Different organizations used result oriented performance appraisal to evaluate employee's performance. But according to some employees suggestion that there have been problems regarding to result oriented performance appraisal.

Based on the observation made by the researcher in different websites and a lot of researches have been done regarding result oriented performance appraisal. There was no research that was done to asses result oriented performance appraisal practice in Commercial Bank of Ethiopia

Gurd shola branch. Therefore in this study the researcher assessed result oriented performance appraisal practice in detail in Commercial Bank of Ethiopia Gurd shola branch.

1.2. Statement of the problem

In any organization one of the ways to enhance organizational performance is positively influence the labor component of productivity. Result oriented performance appraisal is one way of influencing employees to achieve organizational goals. It creates motivation on employees and increases organizational productivity.

Commercial bank of Ethiopia Gurd shola branch is one of the organizations, there for it may has such like problems, such as unfair evaluation and some evaluation errors like evaluate all subordinate on one dimension evaluating employees, on most recent work performance, discrimination based on personal characteristics and using high or low rating as most of organizations involved in those problems. So the study would try to answer the following basic questions.

1. What are the criteria used for evaluating result oriented performance appraisal?
2. What is the attitude of employees towards result oriented performance appraisals?
3. What are major problem of result oriented performance appraisal?
4. What are methods used in result oriented performance appraisal?

1.3. Objective of the study

1.3.1. General objective

The general objective of the study is to assess the problem related to result oriented performance appraisal in commercial bank of Ethiopia Gurd shola branch.

1.3.2. Specific objectives

The specific objectives of the study are

- To evaluate the criteria used for evaluate result oriented performance appraisal.
- To assess the attitudes of employees towards result oriented performance appraisals.
- To identify the major problem of result oriented performance appraisal.

- To assess methods that are used for evaluating result oriented performance by bank

1.4. Significance of the study

The student researcher is beneficiary on getting knowledge about the study and experience on conducting such assessment and get satisfaction when the study would the solution to the problem.

The organization; the organization is beneficial in that the manager of the organization see the identified problem and recommend solutions and take corrective actions accordingly this study.

Other researcher: other researcher can take this study as reference for conducting other similar assessments.

Other similar organization: This study can also use for other organizations which are similar by taking this study and they can team selves with identified problem and if the problem is originated on them can take their corrective measure.

1.5. Scope of the study

Assessing all about result oriented performance appraisal unmanageable. So the paper deals with the criteria of the evaluation, the major problems and employees attitude towards result oriented performance appraisal. Due to time and budget constraints the study conducted in a single organization i.e. commercial Bank of Ethiopia Gurd shola branch and all employees of the bank were included in the study.

1.6. Limitation of the study

i. Low return of questionnaires
ii. Budget and time constraints
iii. The employees of the bank were not voluntary to share information.
iv. The employees carelessly filled the questionnaire.

So I believe, if this paper has over looked same areas of the problems, it is due to the problems mentioned above.

1.7. Organization of the paper

This study was organized into five chapter deals with the introduction of the study. Statement of problem, objectives of the, significance, scope, and limitation of the study and research question, the second chapter deals about review literature ,the third chapter deals about research methodology generally the fourth chapter will talk about data analysis and interpretation ,conclusion and recommendation will be presented in the last chapter.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. INTRODUCTION

Performance appraisal is the process of determining and communicating to an employee how he or she is performing on the job and, establishing a plan of improvement when properly conducted performance appraisals not only let employees know how well they are performing but also influence their future level of effort and task direction. Effort should be enhanced if the employee should be classified through the establishment of a plan for improvement (Byars, 2009; 289).

A more comprehensive definition of performance appraisal is a formal, structured system of measuring and evaluating on employees job related behaviors and out comes to discover how and why the employee is presently performing on the job and how the employee can perform effectively in the future so that the employee organization and solcers all benefit.

Performance appraisal is defined as evaluating an employee's current or past performance relative to his/ her performance standards. The appraisal prices therefore involve.

Setting work standard

Assessing the employees' actual performance is providing feedback to the employees with aim of motivating that person to eliminate performance do faïence's or to continue to perform above (Desler, 1999:312).

2.1.1. Purpose of performance appraisal

Performance appraisal of employees serves useful purposes they are

i. A scientifically done appraisal provides vital information which can greatly help in making and enforcing decisions regarding promotions, pay increases termination and transfers. It permits each individual to be considered on the same basis as everyone else. It reduces the chances of nepotism, mothates individuals to put in their best. A sound performance appraisal system can be

of great use to a man power planner when confronted with the task of preparing a succession planning scheme.

ii. Systematize performance appraisal provides information on which performance comparison can be made.

iii. A good performance appraisal system helps in employee's development. The weakness once identified can be removed either by providing necessary training or through proper placement.

iv. Appraisal result may be used to counsel with each employee about his future development this can be accomplished when the supper visor reports on the evaluation and tells each individual how he is doing and how he can improve.

v. Performance appraisal provides a basis for the development guide for each reason. This guide should include identification of the individual's position for which he seems best qualified, the limitations or training needs derived form a comparison of appraisal results with position requirements and recommendations for raining to fill out the person's competence a schedule showing the development program should also be provided. This schedule will disclose when the candidate can be promoted to the next higher position with promise of successfully carrying out his unties (Hendry, 1995:161).

2.1.2. The role of appraisal in managing performance

Many expert feet that traditional appraisal doesn't improve performance and may actually back time. They argue that most performance appraisal systems neither motivate employees nor guide their development furthermore, "they cause conflict between supervisor and subordinate and lead to dysfunctional behaviours. The traits measured are often personal in nature, and " who like the idea of being evaluated on his/her/ honesty, integrity team work, compassion cooperation objectively. In fact, traditional can be useless or counterproductive. Researchers in Korea recently found that even discussion and goals were clearly set and career issues discussed few of the reviews had a positive impact on the employees subsequent job performance. In a study of almost 300 managers form mid western U.S companies 32% rated their performance appraisal as "very in effective", while only 4% rated them". Effective to a large extent "Another survey of

181 manufacturing and service organizations conducted that 11% had stopped using annual appraisals, while 25% more planned to discontinue them within two years.

Some argue for dumping appraisals entirely. For example quality management expert like W. Edwards Deming basically argue as follows : they say the organization is a system of interrelated parts, and that an employee's performance is more a function of factors like training communication tools and supervision than of his or hr own motivation.

Furthermore, performance appraisal can have anticipated consequences forced distribution appraisal in particular can undermine team work. These experts were therefore very skeptical about traditional appraisal methods. (Dessler, 2004;265).

2.2. Performance appraisal method

This section will discuss each of the following performance appraisal method ; Goal setting, or management by objective (MBO) management by objective (MBO) consists of establishing clear and precisely defined statement of objectives for the work to be done by an employee.

Establishing an action plan indicating how those objectives are to be achieved, allowing the employee to implement the action plan, measuring objective and taking corrective action.

Multi – ratter assignment (or 360- degree feedback)

One currently popular method of performance appraisal is called multi rather assessment of 360 degree feedback. With this method, managers, peers, customers, suppliers or colleagues are asked to complete questionnaire on the employee being assessed the person assessed also completes a questionnaire.

Work standard approach

Method of performance appraisal that involves setting a standard or an expected level of output and then comparing each employee's level to the standards

Essay appraisal

Method of performance appraisal in which the rather prepares a written statement describing an individual's strengths weaknesses, past performance.

Critical incident appraisal

Method of performance appraisal in which the rater keeps a written record of incidents that illustrate both positive and negative behaviours of the employee. The rater then uses this incidents as a basis for evaluating the employees performance.

Graphic rating scale

Method of performance appraisal that requires the rater to indicate on scale where the employee rates on factors such as quantity of work, dependability, job knowledge, and cooperativeness.

Check list method

Method of performance appraisal in which the rather answers with asses or no a series of questions about the behaviours of the employee, being rates.

Ranking method

Methods of performance appraisal in which the performance of an employee is ranked relative to the performance of others (Byars, 2009:296).

2.3 Potential problems in performance evaluation

2.3.1. Opposition to evaluation

Most employees are worry of performance evaluation perhaps the most common fear is of subjectivity on the part of the rather subjective bias and favoritism are real problems that create apposition to most performance evaluation systems these fears are hidden, however, and other more general arguments are provided (Invancevich, 1998:294).

2.3.2. System Design and operating problems

Performance evaluation systems break down because they are poorly designed. The design can be blamed if the criteria for evaluation are poor, the technique used is cumber some, or the system is more forum than substance. If the criteria used focus solely on activities rather than out put (reslts) or on personality traits rather than performance the evaluation may not be received (Invacevicdh, 1998:294).

2.3.3. Rater problem

Even if the system is well designed problems can arise if the rather one not cooperative and well trained Such problems including, Standard of evaluation problems with evaluation standards arise because of perceptual differences in the meaning of the words used to evaluate employees. Leniency or Harshness error performance evaluations require the rather to objectively reach a conclusion about performance being objective is difficult for everyone some raters are see

everything as good these are internet raters, other raters see everything as bad these are high rater. Hallo effect it is a problem, which arises in performance evaluation when a supervisors rating's of subordinate on one trait bias the ratings of the person on other traits. Hallo error can be either negative or positive. Recent behavior bias – Thirsting error occurs when a manager evaluates employees on work performance most recently, using one or two months prior to evaluation.

Contrast effects individual evaluation techniques each employee is supposed to be rated without any regard to another employees performance

Personal bias error – A person bias rating error is an error related to a personal bias held by a supervisors some can be conscious such as discrimination against some one because of appraisal's personal characteristics like age, sex and race (Ivancevich, 1998:295).

2.4. Role of supervision in appraising performance

The immediate supervisor's

Supervisor's ratings are the heart of most appraisals. This makes sense. The supervisor should be and usually is in the best position to be and evaluate the subordinates performance. And is responsible for that persons performance traditionally the persons direct supervisors his or her performance however other options are critically available and are increasingly use.

Peer Appraisal

With more firms using self-management teams, peer to team appraisal. The appraisals of an employee by his or her peers are becoming more popular. For example, an employee choose an appraisal chairperson each sear. That person then selects one supervisor and there other peers to evaluate the employee work.

Rating committee

Many employers use rating committees. This committee usually contains the employees immediate supervisors and three or four other supervisors. Using multiple others can be beneficial while there may be discrepancy in ratings by individual supervisors, the composite ratings tend to be more reliable, fair and valid such ratings have higher inter after rateability or consultancy than do rating obtains form several peers

Self rating

Should employees appraise themselves the basic problems of course is the employees usually rate themselves higher than they are rated by supervisors or pears. In one study, for instance, it was found that when asked to rate their owner job performances, 40% of employees usually rate themselves in the top 10% (“ one of the best” While virtually all remaining employees rated them selves either in the top 25% (well above average”) or at least in the top 50% (“ above average”) usually no more than 1% or 2% will place themselves in bellow average category.

Appraisal by subordinates

More firms to day let subordinate an animal’s rate their supervisors performance a process, some call upward fed back. The process helps to top mangers diagnose management style, identify potential “people” problem and take corrective action with individual managers ad required (Dessler, 1999:258).

2.5. Eliminating rates errors

Behavior based rating scales were originally designed to help eliminate the kinds of rating errors just. Described but when such scales didn’t demonstrate more on the rating process. In other words more recent efforts to improve performance evaluations in organizations have centered on helping raters to more accurately observe, recall and report behaviors.

Rater training

One popular way to improve managers ability to conduct effective performance appraisals is through rater training programs many types of programs exist differing in focus, cost and direction the two most popular trypes of one training programs designed to eliminate common rating errors such as hallo error and training programs designed to improve the supervisor’s observation and recording skills. Programs dealing with errors do seen to eliminate many of these from ratings. In addition, even short relatively in expensive programs are effective at accomplishing this goal. However, there is much loos evidence that this kind of training actually increases the accuracy of appraisals programs focused on observation and recording skills may offer greater improvement in accuracy than those that simply focus on errors.

Avoiding problems with employees

For the evaluation system to work wall the employees must understanding it and feel that it is a fair way to evaluate performance in addition they must believe that the system is used correctly for making decision concerning pay increases and promotions.. Thus for a performance

evaluation system to work well, it should be as simple as possible unnecessary complexity in rating forms of other evaluation procedures can lead to dissatisfaction among employees the system should also be implement in away that fully informs employees about how it is going to be sued (Ivancevich, 1998:287).

The feedback interview

An effective performance evaluation system involves two way communication. That is there must be active communication between the supervisor and the subordinate about performance. Evaluation should not be viewed simply as once a year completion of rating forms on the contrary. It is a continuing process.

To help with the communication the supervisor should hold an evaluation interview with each subordinate in order to discuss his or her appraisal and to set objectives for the up coming appraisal period. In addition experts advise that actions concerning the employees development salary should not be discussed during this interview. Thus although most organizations with formal evaluation systems give employees feedback many are not doing in tint eh best way possible.

Normal major describes three generally used approaches to these interview situations tell and sell tell and listen and problems solving research on when indicates that tell and sell approach is best for new and experienced employees and that the problem solving approach which encourages employees participation is useful for ma experienced employees especially these with strong work ehic although these types of interview differ intems of the supervisors behavior, effective evaluation feed back sessions share a number of characteristics annual discussion s of performance should include.

i. Review of overall progress
ii. Discussions of problems that were encountered
iii. Agreement about how peromance can be improved
iv. Discussion of how current performance fits with long ragne carrer goals.
v. Specific action plans for the coming year how to reach short and long term objectives (Ivancevich, 1998:288).

2.6. Performance related pay

According to irrigation and bandager performance related pay stands in contrast to the philosophy which had animated the design of managerial pay system for much of the post war era. This had emphasized service involving the acquiring of experience through steady job nature and incremental pay scales. The scope for continuing pay progression through a typical 5-8 point incremental scale was an encouragement to continue in past, while a serious of stepped bands promised further progression band width and overlap fitting jobs within the clues, and getting the differentiates and increasingly underpinned both managerial and blue caller pay structures as the use of incentives declined. Such systems however, were essentially in ward looking and tied to state conceptions of the organization and its environment. This was reselected in the critics increasingly made of job evaluation that it promoted bureaucracy was costly rigid and inflexible and failed to respond to change consequently been rapidly changing nature of jobs in many sectors. Pressures for such change are nicely illustrated in a consultancy report on the banking sector which for so long typified the traditional model with its emphasis in quality, hierarchy, control and permanently defined jobs.

i. Traditional salary structured and incremental scales and seen as acting as a brake on change and inhibition flexibility. They are too strongly related to length of service and in habit sideways career development use.
ii. There is an ear universal view that performance related pay needs to occupy agreter part of the total remuneration package; the present systems are felt to discriminate not at all between the excellent and the adequate on performer.
iii. There is feeling that the conventionally gernous benefits with in the financial sector need to be provided an a more selected basis. Regional pay various for example would substantially reduce bank costs.

Put simply performance related pay is about making a proportion of pay dependent on some objectively defined criteria. This may range from company profits to specific individuals out puts targets, varying according to the nature of the job. As PRP is more of strategy or approach than a system it embraces a great variety of schemes and different motivations (Hendry, 1995:304)

2.7. Identifying and measuring employee performance

Performance is essentially what an employee does not do. Employee performance that affects organizational performance

- Quantity of out put
- Quality of output
- Timelines of out put
- Presence at work
- Cooperativeness

Linkage between strategy out comes and organizational result organizational strategy.

Performance management practice

: Identify expected performance levels

Measure individual performance then evaluate

Provide feedback on individual performance

Provide assistance as needed

Reward or discipline based on performance

Employee performance

Performance management outcomes

Development

Productivity

Advancement

Discipline

Pay raises

Termination

Organizational results

Goal met or not met

Obviously other dimensions of performances might be appropriate in certain jobs, but those listed are common to most. However they are general each jobs has specific job criteria which are jobs performance dimensions that identify the elements most important in a job. (Jacason; 2008:89)

2.8 Summery

Performance appraisal is the process of determining and communicating to an employee how he or she is performing on the job and, establishing a plan of improvement when properly conducted performance appraisals not only let employees know how well they are performing but also influence their future level of effort and task direction.The part of literature includes different concepts related with performance appraisal such as definitions, purpose, roles, problems, methods and challenges etc

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This part of the study would include methods that the researcher used when conducting the study. Elements that would be included in this research method are research design. Data type, target population and samplings and methods of data analysis.

3.2. The research Design

The type of research design in this study would be descriptive research design in order to describe the existed situations

3.3 Target population

The target population of this study would be the commercial bank of Ethiopia Gurd shola branch. The total population in the branch is 48 employees.

3.4. Data type Instruments of data collection

The researcher used primary data for the accomplishment of the study. Primary sources of data would be employees of the bank .The primary data would be collected using mailed questionnaire form in order to achieve the study.

3.5. Data processing and analysis

The desired data would be collected using qualitative and quantitative method. After the desired data would carefully gather the quantitative data would be processed and analyzed precisely using table and percentage.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

This chapter summarizes the data collected from commercial bank of Ethiopia Gurd Shola branch through questionnaire. 45 questionnaires are distributed to employees, among these 32 respondents submitted and the remaining were uncollectable due to different reasons.

4.1. General characteristics of the respondents

Table 4.1.1. Sex and age structure of respondents

Number	**Item**		**No**	**Per cent**
1	Sex	Male	20	62.5
		Female	12	37.5
		Total	32	100
2	Age	<20	2	6.25
		20-30	19	59.37
		31-40	6	18.75
		>41	5	15.63
		Total	32	100

Item 1 table 4.1.1. Represent the sex composition of the respondent in commercial bank of Ethiopia Gurd shola branch. Out of 32 respondents 20(62.5%) were males and the remaining 12(37.5%) were females.

The above table implies the majority of employees are males due to educational gap or other various reasons.

Item 2 table 4.1.1 of describes the age composition of the respondents. Out of the total respondents 6.25% are less than 20 years, 59.37% were found the age group of 21-30, 18.75% were found 31-40 and the remaining 15.63% were greater than 41 years.

The upper table implies that the age structure of most employees are young this are very important for the bank for giving of service in better way.

Table 4.1.2. Educational status and service year of employees in the bank

	Item		No	Per cent
3	Educational status	Certificate	0	0
		Diploma	4	12.5
		Degree	22	68.75
		Master and above	6	18.75
		Total	32	100
4	Service year in the bank	<1	2	6.25
		1-3 year	7	21.87
		4-5 year	10	31.25
		6-7	8	25
		>8	5	15.63
		Total	32	100

Item 3 of table 4.1.2. describes the level of educational status of the respondents out of 32 employees the majority i.e 68.75% were educational level of degree, 12.5% were Diploma, and the remaining 18.75% were Masters.

Item 4 of table 4.1.2. shows how long respondents stayed in the bank. Out of the total 32 respondents 31.25% of respondents stayed in the bank for 4-5 years, 25% of the respondents stayed in the bank for 6-7 years, 21.87% of the respondents stayed in the bank for 1-3 years, 15.63 of the respondents staid in the bank for >8 and the rest 6.25% of the respondents stayed in the bank <1 year.

The upper table implies most employees have degree and above educational status of employees and 4-7years of experience leads knowing result oriented performance appraisal.

Table 4.2. What are the criteria used to evaluate employee in your bank **?**

Item	Number of respondents	Per cent
Quality of work	18	56.25
Experience in work	9	28.13
Knowledge and skill of work	5	15.62
Total	32	100

Table 4.2 shows that what criteria the bank used to evaluate employees. According to the survey out of 32 employees they stayed the criteria that the bank used to evaluate the performance of employees is quality of work which accounts 18(56.25%) of the total employees. Some other employees replied that the bank used experience in work this accounts 9(28.13%) of the total respondents. very small number of respondents stayed that the organization uses knowledge and skill of work which accounts 5(15.62%) of the total respondents.

According to the above data the bank uses the criteria of quality of work, experience in work and knowledge and skill experience in work, but the bank mostly depends on quality of work to evaluate employees.

Table 4.3. How do you feel about the criteria used to evaluate employees in your bank?

Item	Number of respondents	Per cent
Very good	19	59.4
Good	13	40.6
I don’t know	0	0
Total	32	100

Table 4.3 shows that from the total respondents 19(59.4%) of the respondents indicated that they have very good attitude towards the evaluation system. 13(40.6%) of respondents have good attitude towards the evaluation system of the bank.

From the above analysis we conclude that most of the employees have very good attitude towards the evaluation system of the bank. This is very important for the employees for knowing the evaluation of the bank system for different incentives.

Table 4.4. Do you participate in setting the result oriented performance appraisal evaluate criteria?

Item	Number of respondents	Per cent
Yes	5	15.6
No	27	84.4
Total	32	100

Table 4.4 show employees participate in the appraisal process .among the total respondents 5(15.6%) of the respondents participate in the appraisal process, 27(84.4%) didn't participate in the appraisal process.

From the above table we conclude that the bank didn't give equal participate to all employees in relation with the participation of appraisal process.

Table 4.5. What is the level of your understanding of result oriented performance appraisal

Item	Number of respondents	*Per cent*
High	15	*46.9*
Very high	6	18.75
Low	9	28.1
Very low	2	6.25
Neither high nor low	0	0
Total	32	100

Table 4.5 understanding of employees on result oriented performance appraisal. Among 32 respondents, high 15(46.9%) have understanding about result oriented performance appraisal which encompasses the majority of employees, very high 6(18.75%) the remaining respondents were low understanding from the total respondents 9(28.1%).the respondents very low 2(6.25%) of the total respondents repaid that, they attitudes towards the evaluation system.

From the above table we conclude that the understanding of employees in relation with result oriented performance appraisal is high. This is important for employees knowing the result oriented performance appraisal methods, its incentives or benefits and promotions.

Table 4.6 how do you feel about performance system of the bank?

Item	Number of respondents	Per cent

Very good	17	53.1
Good	15	46.9
I don't know	0	0
Total	32	100

table 4.6.employees feeling about the performance system of the bank.

Out of the total respondents 17 (53.1%) of the respondents replied they have very good performance evaluation system and 15(46.9) of the total responders replaid that, they have good attitudes performance system.From the above table we conclude that most employees are very good feeling towards the performance system of the bank.

Table 4.7 Do you believe that result oriented appraisal method benefited your bank

Item	Number of respondents	Per cent
Yes	25	78.13
No	7	21.87
Total	32	100

Table 4.7 Indicates that from the total respondents who were asked 25(78.13%) responded that result oriented appraisal method were benefited your bank by increasing productivity of employees ,increase commitment of employees towards a job, increase employees competency towards a job and so on. On the other side 7 (21.87%) respondents responded that result oriented appraisal method were not benefited your bank by creating disagreement among employees, reduce team work among employees, reduce employees satisfaction by creating financial reward, reduce employees promotion to the next position and so on.

From this we conclude that most of the respondents are aware result oriented appraisal method were benefited your bank.

Table 4.8. What problems exist if there is absence of performance appraisal?

Item	Number of respondents	Per cent
Lack of commitment towards a job	10	31.25
Reduce productivity of employees	6	18.75

Incompetence with others	16	50
If any other specify	0	0
Total	32	100

Table 4.8 indicates that from the total respondents who were asked 16(50%) responded that absence of performance appraisal results incompetence with others, 10(31.25%) employees who responded lack of commitment to ward a job and the remaining 6(18.75%) respondents responded that reduce productivity of the employees.

From this we conclude that most of the respondents are aware of the problems that could exist if there is no performance appraisal especially incompetence with others, so there should be a good performance appraisal system.

Table 4.9. What problems are there to wards result oriented performance appraisal in your bank

Item	Number of respondents	Per cent
Evaluating based on most recent performance	22	68.7
Discrimination	4	12.5
Evaluating all in one directions	6	18.8
If any other specify	-	-
Total	32	100

Table 4.9 indicates that from the total respondents 22(68.7%) responded that evaluating based on most recent performance,6(18.8%) respondents evaluating all in one directions and the remaining 4(12.5%) respondents give response based on discrimination. .

From the above data we conclude that in the bank there have been some problems such as discrimination and Evaluating all in one directions. But the main problem of the bank is evaluate based on most recent performance.

Table 4.10 is there any problem of implementation of result oriented performance appraisal

Item	Number of respondents	Per cent
Yes	5	15.62
No	27	84.38
Total	32	100

Table 4.10 indicates from the total respondents 27(84.38) responded there were not any problem of implantation of result oriented performance appraisal and 5(15.62) respondents responded there were a problem of implementation of resulted oriented performance appraisal such as discrimination and evaluating employees in one direction.

From the above data we conclude that there was not any problem of implementation of resulted oriented performance appraisal.

Table 4.11 Do you think there is a problem within existing appraisal method

Item	Number of respondents	Per cent
Yes	10	31.25
No	22	68.75
Total	32	100

Table 4.11 indicates the total respondents 22(68.75%) didn't within existing appraisal method there is not any problem in the bank. the problems which the majority mentioned are, disagreement, failed to consider all tasks of employees, performed, careless evaluation and raters biasness are among the problems. whereas 10(31.25%) of the respondents answered there have been problem in the bank at the time of implementing result oriented performance appraisal.

Table 4.12. Which method of performance appraisal system is practiced in your bank

Item	Number of respondents	Per cent
Man to man comparison	5	15.63
Grading method on give level of out put	8	25
Evaluate based on performing d/t tasks	19	59.37
If any other specify	0	0
Total	32	100

Table 4.12 shows that from the total respondents who were asked 19(59.37%) responded that task performed method 8 (25%) responded that grading method, whereas 5(15.63%) replied appraisal by the man to man comparison method of the total respondents.

From the above table we conclude that most of respondents replied that the method of appraisal the bank depend is by the task performed based on the rules and regulations of the bank.

Table 4.13 How do you feel about the method of performance appraisal system is practiced in your bank

Item		No	Per cent
Very good		12	37.5
Good		20	62.5
I don't know		0	0
Total		32	100

Table 4.13 from the above table out of the total respondents 20(62.5%) have good feeling towards the method of result oriented performance appraisal methods and the remaining respondents that is 12(37.5) have very good feeling towards the performance appraisal system of the bank.

From the above employees we conclude that most employees are good feeling towards the performance system of the bank.

Table 4.14 what types of appraisal method your bank use to evaluate employee

Item	Number of respondents	Percent
Questionnaire to mangers customers or colleagues	8	25
Based on employees output or achievement	13	40.63
Evaluating committee	5	15.62
Subordinates	6	18.75
Total	32	100

Table 4.14 from the above table that the bank depends mainly on work standard (based on employees output or achievement) which accounts 13(40.63%)of the total

respondents. In addition of this the bank also depend on questionnaire i.e distributes questionnaires to managers, customers or peers and put their opinion suggestion and dissatisfaction in the give questionnaires name which accounts 8(25%) of the total responds, 6(18.75%) of respondents said that their evaluation is based on subordinates and only 5(15.62%) of respondents replied their evaluation is according to evaluating committee.

According to the above data the bank used work standard and questionnaire to evaluate employees.

CHAPLTER FIVE

5 . CONCLUSION AND RECOMMANDATION

In the previous chapter, analysis and interpretation of the study was made based on the data obtained through questionnaires distributed to the employees of Commercial Bank Gurd shola branch. Based on the analysis and interpretation, conclusion and recommendation of the study were made as follows.

5.1 CONCLUSION

- ✓ Understanding of employees and officials on result oriented performance appraisal are relatively good and employees have good attitude towards result oriented performance appraisal.
- ✓ In the bank various criteria that are used to evaluate result oriented performance appraisal are quality of work, work experience and knowledge and skill of work. But according to the data analyzed, the bank mostly depends on knowledge and skill of work.
- ✓ The absence of performance appraisal causes lack of commitment toward a job reduces productivity of employees and incompetence with others. So the existence of performance appraisal helps employees to understand problem existed areas.
- ✓ The methods of performance appraisal system that the bank used to evaluate employees are man to man comparison, grading method based on the level of output and appraisal by evaluate based on performing d/t tasks**.** But the bank was mostly depends on appraisal by the task performed i.e the bank sets the objective and the tasks and give a task to the employees and measures those tasks how the employees preformed.
- ✓ The employees are evaluated by using different method like Questionnaire to mangers, customers or colleagues, Based On employees output or achievement, evaluating committee and subordinates. Questionnaires are the main tools of evaluating performance. Before measuring the employee directly the evaluator distributes the questionnaire to his employees and after getting the questionnaire every employee put his or her opinion, suggestion and his dissatisfaction on the given questionnaire and he or she summit the form to the supervisor or the manager. At the end the mangers reads the suggestion and the comment given on the format carefully and also measure his or her task performed at the

same time and compare their task relative to the objective sets. In the bank the rewards for employees were accomplishing their task in good manner leads like bonus, salary increment, promotion as well as moral incentives, but most employees get moral incentive for the accomplishment of their task in good manner.

- ✓ There have been many problems in the bank in relation with performance appraisal, among those problems some are unfair evaluation, discrimination based on some factor, failed to consider all task of employees preformed, evaluate all in one direction and failed to give employees feedback on time are some of the problems. Among these problems discrimination is the most one. There was also poor reward system, unwillingness of employees and biasness. The causes of the above problems are system design problems, rater's problems and problem from employees.

5.2. RECOMMANDATIONS

On the basis of analysis and finding, the following recommendations have been given;

- ✓ Commercial Bank staff management should give great emphasis and attentions for performance appraisal. Because performance appraisal have many benefits for the employees and the bank. Among such benefits it increase productivity, increase motivation on employees, and it provides better rewards for employees who perform his/her job effectively and efficiently.

- ✓ To change the employees' attitude towards result oriented performance appraisal the bank should create awareness to employees, give enough reward who perform their task effectively and give a chance to express their feeling and opinion about the evaluation. The management should also needs effective implementation of result oriented performance appraisal. Because only effective implementation of appraisals leads employees to improve their performance otherwise instead of being a base for productivity, it would be a case of grievance with in employees

- ✓ The human resource management department should provide effective training program to the supervisor and managers in order to improve the result appraisal skills. The training used to reduce rating errors such as bias, discrimination, error in interpretation etc. the training also

used the rater to have good relation with subordinates. Generally training helps the rater to display a sense of fairness and justice when dealing employees performance appraisal. Making employees active participating is the homework of the bank; the parallel communication which creates mutual understanding between supervisors and subordinates. The rater must encourage subordinates to express their ideas and opinions and keep himself well informed about his subordinates accomplishment.

The bank should develop objective oriented training needs assessment to have a continuous training for better out results based management. The performance appraisal should be used as a source of such information that would selectively identify the unique training needs and match them with the specific employees to be training. Rewards are the human resource element that should be regarded to the employees to heighten their market which is function of the high expected output. As conclusion to the objective that was analyzing the main purpose of performance appraisal system in Gurd shola commercial bank it is important to know that employees must be totally involved in the development of the system to decrease the source problems.

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Appendix

QUESTIONNAIRE TO BE FILLED BY EMPLOYEES

WOLKITE UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMIC

DEPARTMENT OF MANAGEMENT

The purpose of this questionnaire is about result oriented performance appraisal in commercial bank of Ethiopia Gurd shola branch as fulfillment of the requirement for the completion of bachelor degree in management. So, I kindly request your sincere cooperation, because your cooperation is very important to accomplish the study. Your information will kept confidentially.

Instructions

1. No need of writing name
2. Put "✓" mark in the given box provided and write in the spaces given.
3. you can choose more than one

I, Personal information

1. Sex: Male ☐ Female ☐

2. Age: <20☐ 20-30☐ 30-40 ☐ >40☐

3. Educational status: -certificate ☐

Diploma ☐

Degree☐

Master and Above ☐

4. Service year in the bank: - < 1 years☐ 1-3 years ☐ 3-5year ☐ 5-7 7-10

II, questions

5. What is the criteria used to evaluate employee in your bank ?

A,Quality of work B,☐ experience in work ☐ C, knowledge and skill of work ☐

6. How do you feel about the criteria used to evaluate employee in your bank ?

A,Very Good ☐ B, Good ☐ C,I don't know ☐

7. Do you participate in setting the result oriented performance appraisal evaluate criteria?

A, yes ☐ B, NO☐

8. What is the level of your understanding of result oriented performance appraisal?

A, high ☐ B,very high ☐ C.Low ☐ D,very low ☐ E, Neither high nor low

1. How do you feel about performance system of the bank?

A, very good ☐ B, good ☐ C,Idont know

2. Do you belive that result oriented appraisal method benefited your bank?

A, yes ☐ B, No ☐

3. What problems exist if there is absernce of performance appraisal ?

A, lack of commitment to ward job ☐ B, reduce productivity of employees ☐C,Incompetence with others D, if anye other specify

12.What problems are there to wards result oriented performance appraisal in your bank?

A,Evaluate based on most recent performance B,Discrimination C, Evaluate all in one dieections D, If any other specify

13.Is there any problem of implementation of result oriented performance appraisal A, Yes B, No ☐

14.Do you think there is a problem within existing appraisal method?

A, yes ☐ B, No☐

15.Which method of performance appraisal system is practiced in your bank ?

A, Man to man comparison ☐

B, Grading method on given level of out Put ☐ C,Evaluate based on performing d/t tasks ☐

D,If any other specify please_____

16. How do you feel about the method of performance appraisal system is practiced in your bank?

A, very good ☐ B, Good ☐ C, I Don't know ☐

17.What types of appraisal method your bank use to evaluate employees?

A, Questionnaire to mangers customers or colleagues ☐

B, Based on employees out put or achievement ☐

C, Evaluating committee ☐

D, Subordinates ☐